



Japan Real Estate Investment Corporation

Performance Review

for Fiscal Period Ended September 30, 2018

November 15, 2018

- 01 Summary
- 02 Financial Results
- 03 Performance Forecasts
- 04 Internal Growth
- 05 External Growth
- 06 Appraisal Values and
Financial Conditions

- 01 **Summary**
- 02 Financial Results
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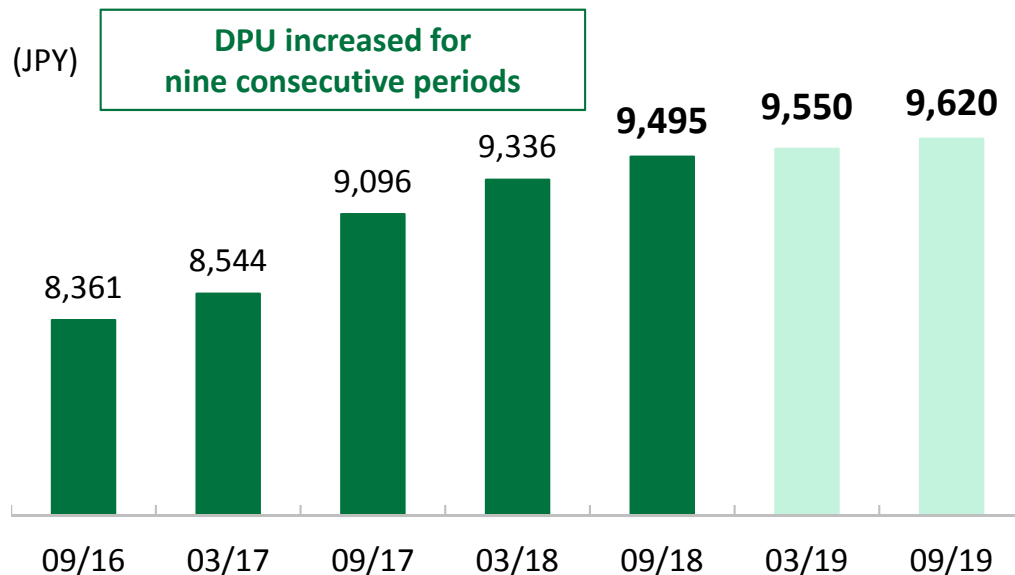
Summary (Financial Results for Sep. 2018 period)

DPU

JPY 9,495

(vs. Mar. 2018 period: **+JPY 159 +1.7%**)

(vs. forecast announced in May 2018:
+JPY 355 +3.9%)



Internal Growth

- Portfolio occupancy rate at the end of Sep. 2018
▶ **99.2%**
- Net increase in rent by rent revision
▶ **+JPY 15 million per month**
- Net increase in rent by tenant turnover
▶ **+JPY 4 million per month**

External Growth

- Acquisition **Shinjuku Front Tower**
▶ **JPY 25,025 million in total**
- Partial disposal **Lit City Building (retail units)**
▶ **JPY 650 million in total**
(Disposition price)

Financial Strategy

- Decrease in interest expenses (vs. Mar. 2018 period)
▶ **-JPY 59 million**
- Average interest rate
▶ **0.56%**
(vs. Mar. 2018 period: ↓0.02pt)

Summary (The 11th Public Offering)

Outline of PO

Type of the issuance	Domestic offering
Number of units of issuance	75,900 units (Public offering: 69,000 units, O.A. : 6,900 units)
Price (Offering price)	JPY 533,120 per unit
Value (Paid in amount)	JPY 516,800 per unit
Total issue value	JPY 39,225,120,000 (Including Third-Party Allocation)
Resolution date of the issuance	28 March 2018
Price determination date	9 April 2018
Payment date	16 April 2018 *Third-Party Allocation: 9 May 2018

Before and After PO

	30 September 2017	After the PO
Total acquisition price	JPY 955 billion	JPY 1.0152 trillion
Average building age	18.0 years	16.9 years
LTV	41.4%	40.5%

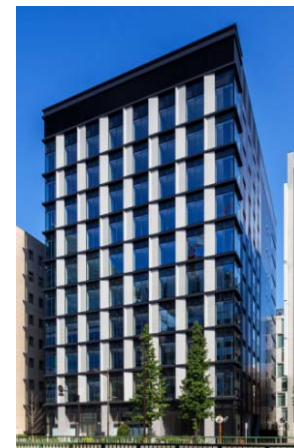
Use of funds

Acquisitions JPY **68 billion** in total

- Acquired 3 competitive properties located in Tokyo central 5 wards -

	Front Place Nihonbashi	Shinjuku Eastside Square	Shinjuku Front Tower
Location	Chuo-ku, Tokyo	Shinjuku-ku, Tokyo	Shinjuku-ku, Tokyo
Completion	2014	2012	2011
Acquisition	19 January 2018	30 March 2018	17 April 2018
Price	JPY 17.5 bn.	JPY 25.4 bn.	JPY 25.0 bn.
NOI yield	3.5%	4.2%	4.0%

※NOI is our estimate when stabilized.



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Financial Results for Sep. 2018 period

vs. Mar. 2018 period Actual

(In millions of JPY)

	Actual Mar. 2018 period	Changes	Actual Sep. 2018 period
Operating revenues	31,955	+1,111	33,066
Leasing	31,816	+979	32,795
Gain on sale	138	+132	270
Operating expenses	18,358	+128	18,487
Operating profit	13,596	+982	14,578
Profit	12,291	+982	13,273
Reserve	67	+53	120
Total Dividends	12,223	+928	13,152
DPU	JPY 9,336	+JPY 159	JPY 9,495

Reason for changes

■ Operating revenues

- Acquired / disposed properties +816M
- Existing properties
 - Rent +201M
 - Utilities +71M
 - Cash receipt in lieu of reinstatement cost -97M
- Gain on sale +132M
(Contribution to dividends is +45M because part of the gain has been reserved)

■ Operating expenses

- Acquired / disposed properties -14M
- Existing properties
 - Property management -120M
 - Utilities +265M
 - Repair -155M
 - Land and building taxes +150M

■ Non-operating expenses

- Interest expenses -59M
- Public Offering expenses +61M

Financial Results for Sep. 2018 period

vs. Forecasts

(In millions of JPY)

	Forecast announced in Mar. 2018 period	Changes	Actual Sep. 2018 period
Operating revenues	32,630	+436	33,066
Leasing	32,630	+165	32,795
Gain on sale	—	+270	270
Operating expenses	18,700	-212	18,487
Operating profit	13,930	+648	14,578
Profit	12,660	+613	13,273
Reserve	0	+120	120
Total Dividends	12,660	+492	13,152
DPU	JPY 9,140	+JPY 355	JPY 9,495

Reason for changes

■ Operating revenues

- Existing properties
 - Rent +61M
 - Utilities +51M
 - Cash receipt in lieu of reinstatement cost +36M
- Gain on sale +270M
(Contribution to dividends is +81M because part of the gain has been reserved)

■ Operating expenses

- Existing properties
 - Property management -20M
 - Utilities -56M
 - Repair -166M

■ Non-operating expenses

- Interest expenses -19M

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Performance Forecast for Mar. 2019 period

vs. Sep. 2018 period Actual

(In millions of JPY)

	Actual Sep. 2018 period	Changes	Forecast Mar. 2019 period
Operating revenues	33,066	-236	32,830
Leasing	32,795	+34	32,830
Gain on sale	270	-270	—
Operating expenses	18,487	-17	18,470
Operating profit	14,578	-228	14,350
Profit	13,273	-43	13,230
Reserve	120	-120	0
Total Dividends	13,152	+77	13,230
DPU	JPY 9,495	+JPY 55	JPY 9,550

Reason for changes

■ Operating revenues

- Existing properties
 - Rent +24M
- Gain on sale -270M
(Impact on dividends is -81M because part of the gain has been reserved)

■ Operating expenses

- Existing properties -22M

■ Non-operating expenses

- Interest expenses -60M
- Public Offering expenses -61M

Performance Forecast for Sep. 2019 period

vs. Mar. 2019 period Forecast

(In millions of JPY)

	Forecast Mar. 2019 period	Changes	Forecast Sep. 2019 period
Operating revenues	32,830	+360	33,190
Leasing	32,830	+360	33,190
Gain on sale	—	—	—
Operating expenses	18,470	+270	18,740
Operating profit	14,350	+100	14,450
Profit	13,230	+90	13,320
DPU	JPY 9,550	+JPY 70	JPY 9,620

Reason for changes

■ Operating revenues

Rent +370M

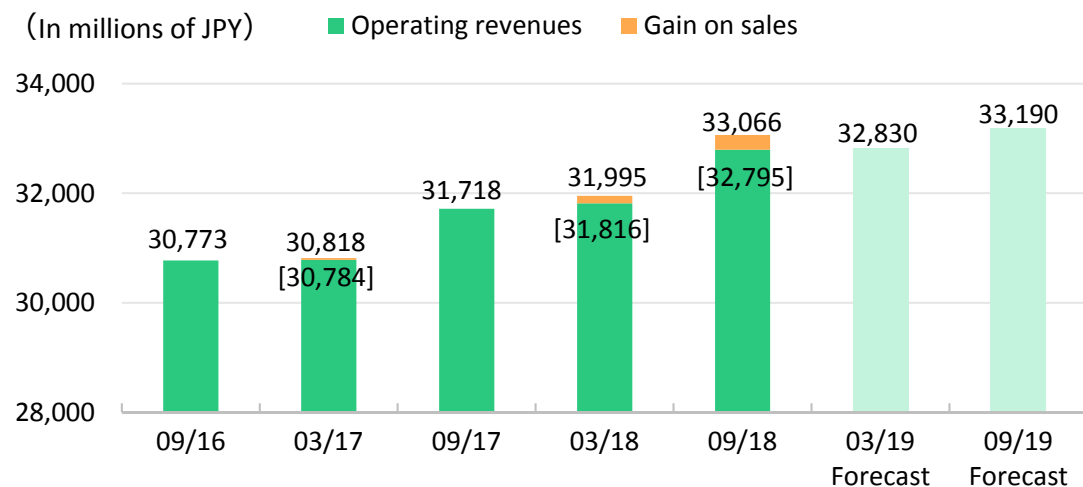
■ Operating expenses

Land and building taxes on properties acquired in 2018 +140M

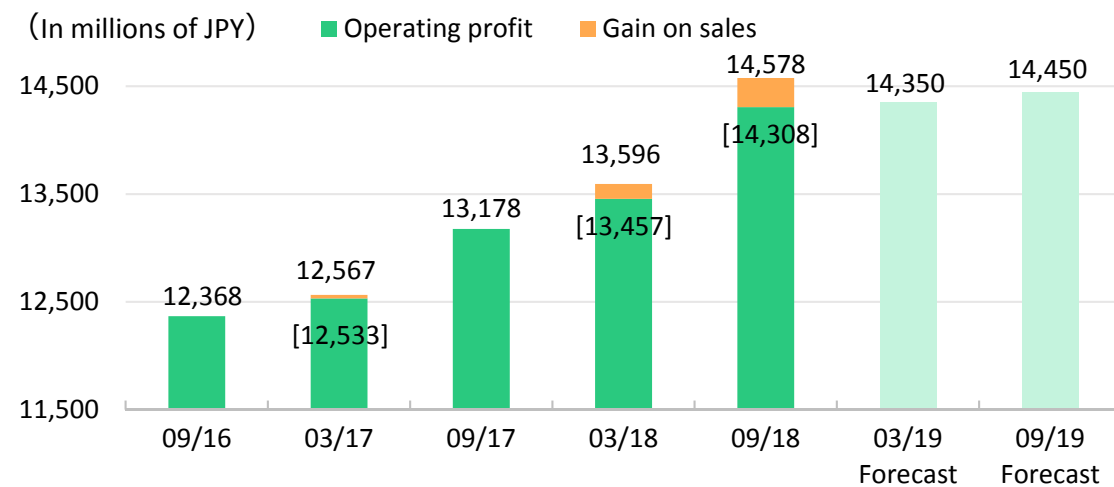
Land and building taxes on existing properties +90M

Summary of Performance Indices

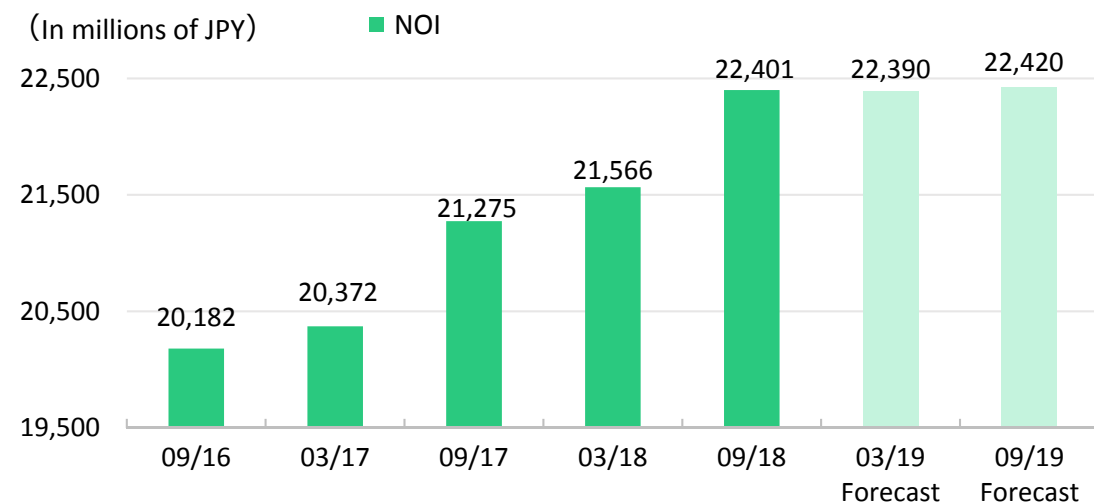
〈Operating revenues〉



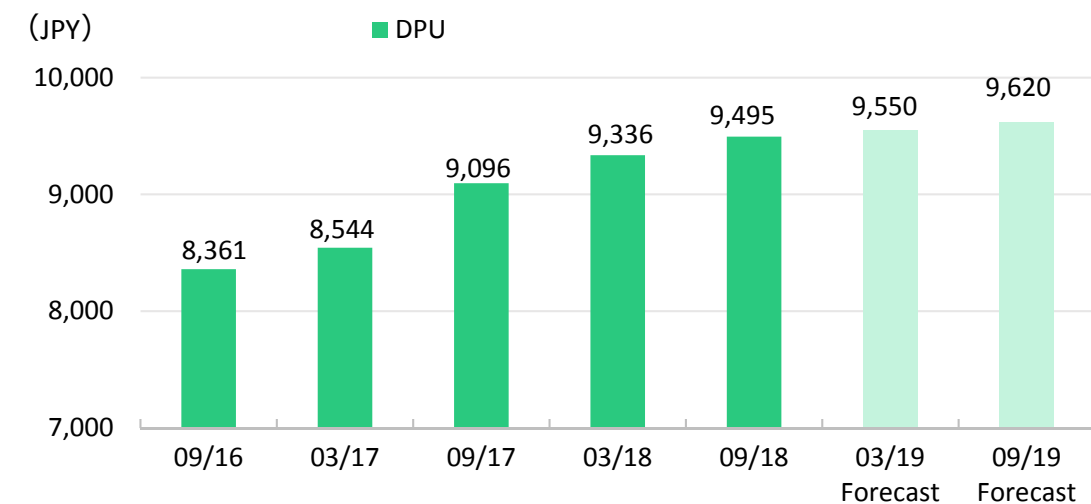
〈Operating profit〉



〈NOI〉



〈DPU〉

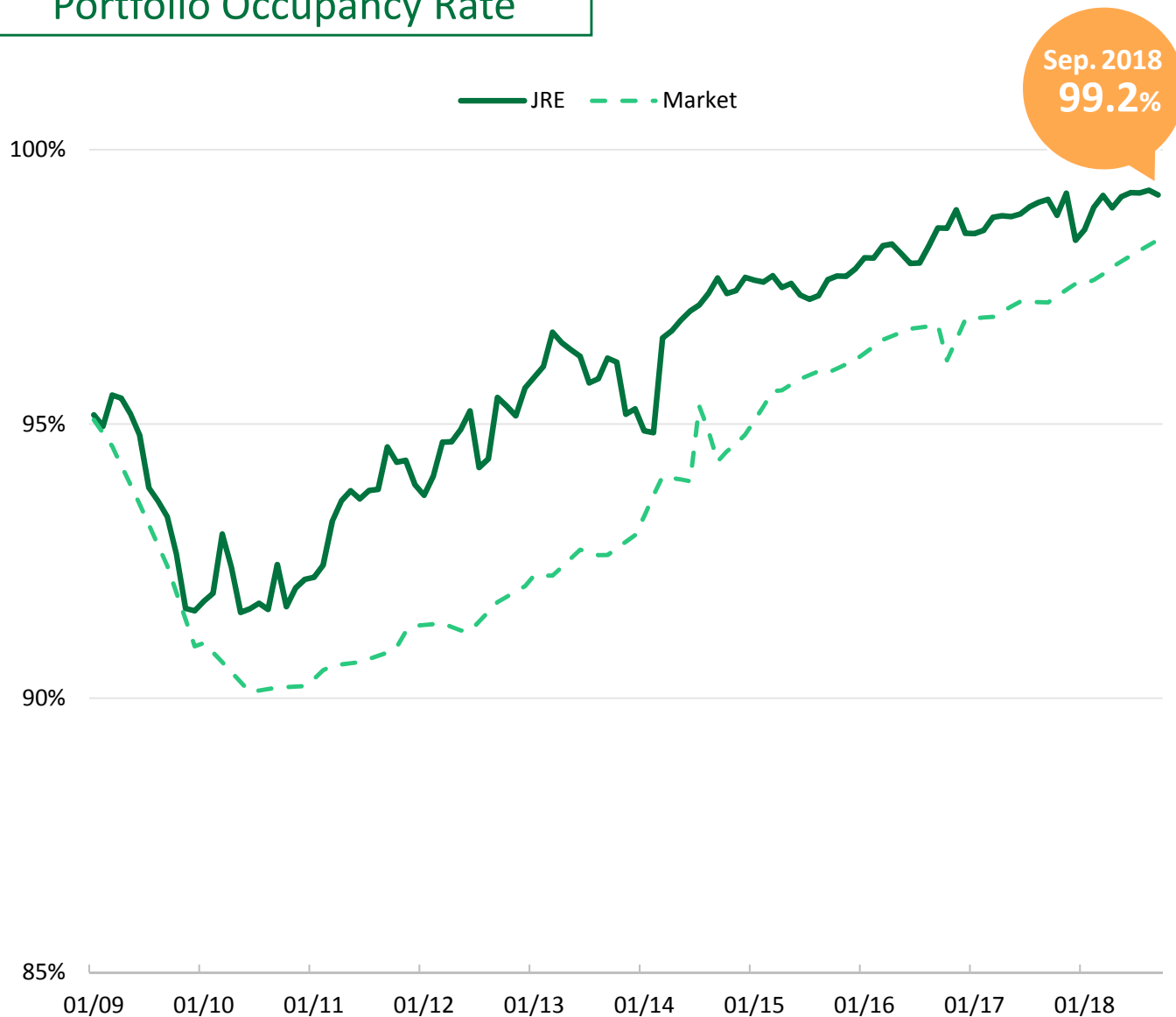


※ Amounts in [] do not include gain on sales

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Internal Growth

Portfolio Occupancy Rate



- JRE's occupancy rate always exceeds market occupancy rate
- 99.2% occupancy rate was **the highest** since IPO in 2001
- Estimated occupancy rate at the end of Mar. 2019 is **99.3%**

※Source: CBRE

Net Increase of Monthly Contract Rent

Monthly contract rent as of 30 September 2018

JPY 4,816 million

(Increase from Mar. 2018 period: **+JPY 118million +2.5%**)

External Growth

+JPY 98 million

Property Acquisition: **+102**

Property Disposal: **-3**

Internal Growth

+JPY 19 million

Tenant Turnover: **+4**
(Leased +125 Returned -121)

Rent Revision: **+15**
(Increase +15 Decrease -0.4)

Monthly contract rent as of 31 March 2018

JPY 4,697 million

- Net rent revision has been positive for seven consecutive periods

Market Rent of the Portfolio reported by CBRE

Number of properties with the market rent increased
in the last 6 months

36 out of 62 properties

Tokyo Central 5 Wards

15 out of 27 properties Average Increase rate **1.8%**

Other Tokyo 18 Wards

3 out of 7 properties Average Increase rate **2.3%**

Other Areas

18 out of 28 properties Average Increase rate **3.9%**

■ Market rent continues moderate increase

■ No property sees decline in market rent

■ Previous 6 months

Total: 32 out of 61 properties

Tokyo central 5 wards: 15 out of 26 properties

Increase rate 2.3%

Other Tokyo 18 wards: 3 out of 7 properties

Increase rate 1.4%

Other areas: 14 out of 28 properties

Increase rate 2.6%

※ Of the 69 properties held in total by JRE as of 30 September 2018, 62 properties (excluding properties such as single-tenant properties) are subject to the comparison.

Rent Gap

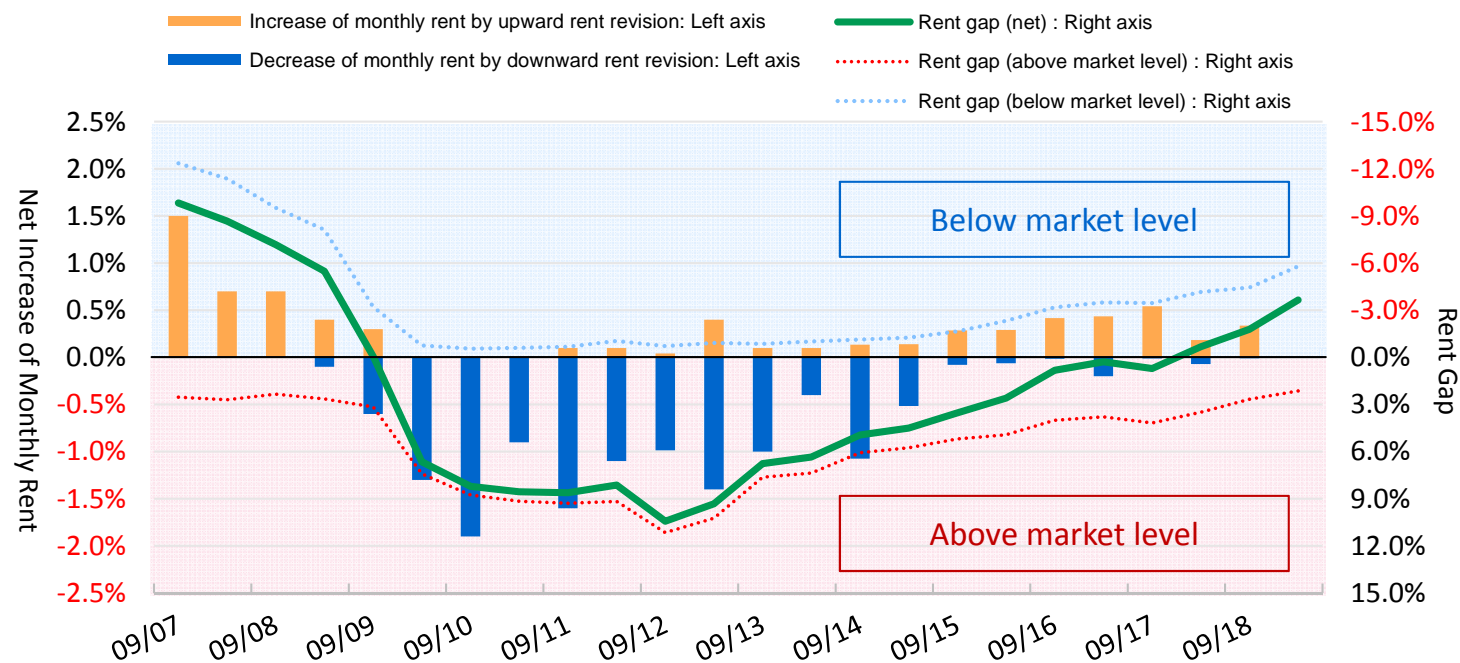
Rent gap of overall portfolio

-JPY 176 million

-3.7% (Below market level)

- Rent gap favourably widened by increase in market rent.
- Upward rent revision is expected to continue.

Rent Gap



※Excluding lease agreements in which revenues are fixed more than 1 year from the beginning of each period under fixed-term lease agreement.

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External Growth

Acquisition of Shinjuku Front Tower

- Details of the property
 - Location: **2-21-1, Kita-Shinjuku, Shinjuku-ku, Tokyo**
 - Building: **Above ground: 35 floors**
 - Total floor area **92,092m²** (Entire building)
 - Leasable floor area **15,705m²** (27.24798% share)
 - Completion: **August 2011**
- Acquisition price **JPY 25,025 million**
(Share of ownership: 27.24798%)
- Date of acquisition **17 April 2018**
- Estimated NOI **JPY 1,006 million per year** (NOI yield 4.0%)
- Seller **Mitsubishi Estate Co., Ltd.**



Disposal of Lit City Building (retail units)

- Details of the property
 - Location: **15-1 Ekimoto-machi, Kita-ku, Okayama City, Okayama Prefecture**
 - Completion: **June 2005**
- Disposal price **JPY 650 million**
- Book value **JPY 370 million**
- Date of disposal **28 September 2018**
- JRE continues to have the ownership of the office part (the 3rd through 7th floor) of the building.



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Appraisal Values

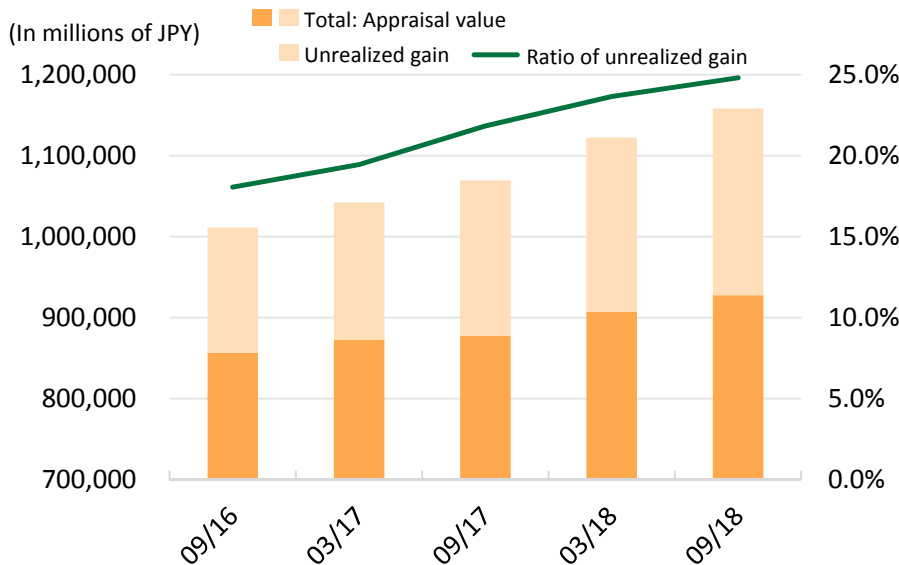
Summary of Appraisal Values

(In millions of JPY)

	Mar. 2018	Changes	Sep. 2018
Appraisal value	1,122,210	+35,930	1,158,140
Unrealized gain	214,632	+15,598	230,231
Ratio of unrealized gain	23.6%	+1.2pt	24.8%
NAV per unit	JPY 523,432	+JPY 11,655	JPY 535,088

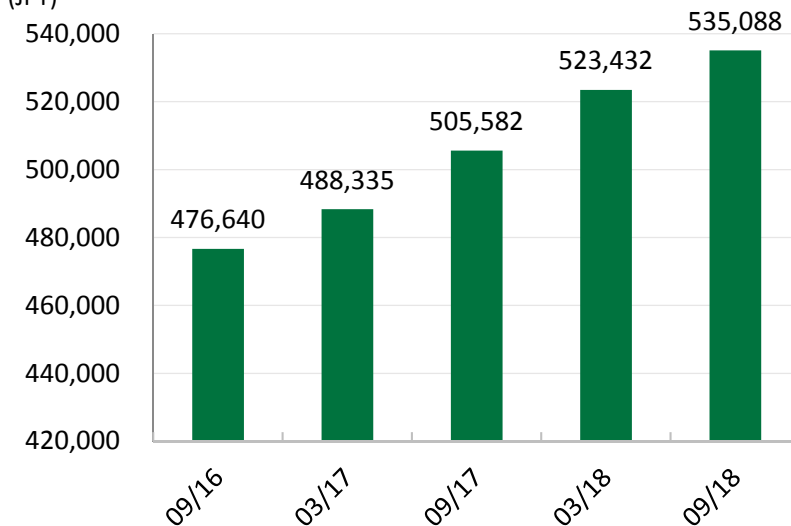
〈Appraisal value/unrealized gain〉

(In millions of JPY)



〈NAV per unit〉

(JPY)



Financial Conditions

Debt and LTV

(In millions of JPY)

	Mar. 2018	Changes	Sep. 2018
Debt Balance	403,993	-19,500	384,493
LTV (Book value basis)	43.2%	-3.0pt	40.2%
LTV (Market value basis)	36.0%	-2.8pt	33.2%

※ Market value based LTV is calculated by appraisal value.

- LTV has been reduced to 40.2%.
- JRE maintains financial strength allowing procure funds flexibly.

Average Interest Rate and Maturity

(In millions of JPY)

	Balance	Average interest rate	Average maturity
Short-term loans	21,500	0.11%	0.68 years
Long-term loans (Variable interest)	22,000	0.03%	4.36 years
Current portion of long-term loans (Fixed interest) and Investment corporation bonds	25,000	0.61%	0.63 years
Long-term loans (Fixed interest) and Investment corporation bonds	315,993	0.63%	4.75 years
Total interest-bearing debt	384,493	0.56%	4.24 years

Recent borrowings

Lender Mizuho Bank
Amount of loan JPY 7,000 million
Interest rate 0.1027%
 (1M. JPY Tibor + 4bp as of the end of Oct. 2018)
Borrowing period 1 years
Start of loan period 29 August 2018

Lender MUFG Bank
Amount of loan JPY 10,000 million
Interest rate 0.2544% (Fix)
Borrowing period 6.5 years
Start of loan period 1 June 2018

Lender Sumitomo Mitsui Trust Bank
Amount of loan JPY 3,000 million
Interest rate 0.32% (Fix)
Borrowing period 7 years
Start of loan period 31 August 2018

Corporate Investment Bonds (Green Bonds)

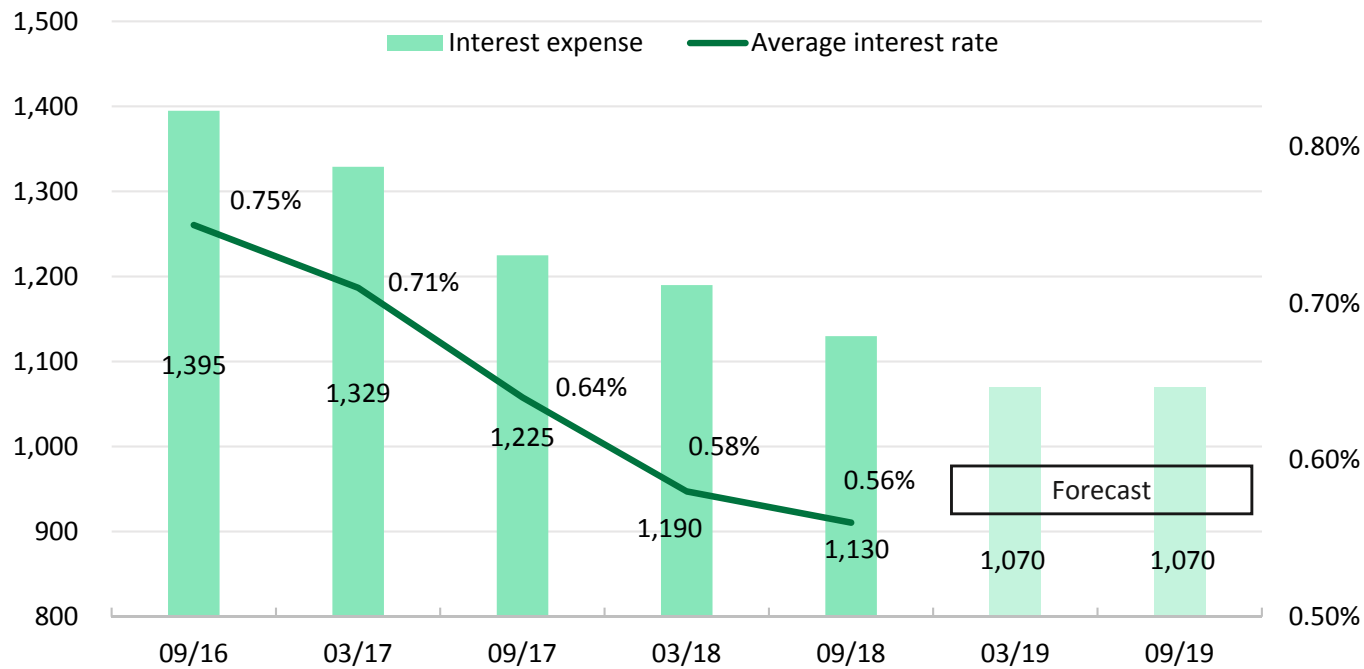
Total amount JPY 10,000 million
Interest rate 0.23%
Maturity 5 years
Issue date 1 November 2018

Joint Managing Underwriters

Mizuho Securities
Mitsubishi UFJ Morgan Stanley Securities
SMBC Nikko Securities

Interest Expense

(In millions of JPY)



JRE's Credit Ratings

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

■ Maintain highest rating in J-REIT

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Topics : ESG

External Evaluation and Certifications

2018 GRESB Rating

GRESB Rating

“5 Star” (the highest rating)

GRESB Public Disclosure

“A” (the highest rating)



Points highly evaluated

- Information disclosure regarding sustainability on our website
- Continuous efforts for energy conservation
- The first J-REIT obtaining third-party assurance on energy consumption, greenhouse gas emissions and water usage data
- Increase the number of green building - certified properties
- Enhancement of a cooperative relationship with tenants (e.g., promoting green lease programme and conducting tenant satisfaction surveys)

Obtained Third-party Assurance

The first J-REIT obtaining assurance from a third-party organization (Ernst & Young ShinNihon LLC) on “Environmental Performance Data” disclosed on JRE’s website.

	2017	2018	2019	2020	2021	% change (vs FY2017)
Electricity Use						
Total (MWh)	188,343	188,486	203,004	203,058	203,952	9.45%
Intensity (kWh/m ²)	0.163	0.155	0.159	0.157	0.154	-5.60%
Fuel Use						
Total (MWh)	32,860	30,554	32,117	35,731	34,135	-3.78%
Intensity (MWh/m ²)	0.029	0.025	0.025	0.028	0.026	-10.45%
Other heat consumption (*)						
Total (MWh)	28,909	24,928	23,548	21,409	20,241	-4.62%
Intensity (MWh/m ²)	0.025	0.020	0.020	0.024	0.023	-8.78%
Total						
Total (MWh)	248,114	253,967	258,569	270,158	268,327	8.13%
Intensity (MWh/m ²)	0.217	0.210	0.210	0.209	0.202	-6.74%
Water						
Total (t/m ²)	807,580	895,414	980,441	978,083	974,887	7.43%
Intensity (t/m ²)	0.703	0.739	0.763	0.756	0.735	-7.35%
Total CO2 emissions (Scope 1 & 2)						
Total (t-CO2/m ²)	105,386	105,989	107,945	112,416	116,872	10.90%
Intensity (t-CO2/m ²)	0.092	0.087	0.084	0.087	0.088	-4.35%
Scope1						
Total (t-CO2/m ²)	6,348	5,895	6,154	6,767	6,504	2.45%
Intensity (t-CO2/m ²)	0.0056	0.0049	0.0048	0.0052	0.0049	-11.64%
Scope2						
Total (t-CO2/m ²)	99,038	100,104	101,791	105,648	110,368	11.44%
Intensity (t-CO2/m ²)	0.087	0.083	0.079	0.082	0.083	-3.89%

International Initiatives

Signatory to international initiatives

Japan Real Estate Asset Management (JRE-AM), which is JRE's asset management company, has become a signatory to the international initiatives below and participated in UNGC based on the idea that asset management considering ESG is essential to the sustainable growth of the asset value.

United Nation's Principles for Responsible Investment (PRI)



United Nations Environment Programme Finance Initiative (UNEP FI)



United Nations Global Compact (UNGC)



*Mitsubishi Estate Co., Ltd., JRE-AM's parent company became a signatory of the UNGC. Accordingly, JRE-AM has participated in this initiative as a member of Mitsubishi Estate Group.

JRE-AM also joins various discussions hosted by international initiatives such as the PRI Japan Network Property Working Group, the UNEP FI Property Working Group and the GRESB Benchmark Committee.

Additional Acquisitions of Green Building Certifications

DBJ Green Building Certifications

Properties with exceptionally high environmental and social awareness



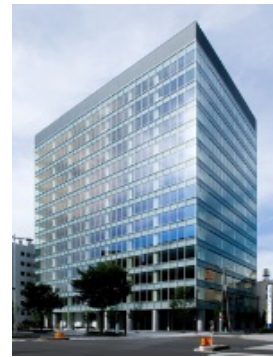
Tokyo Opera City Building
(Shinjuku-ku, Tokyo)



TIXTOWER UENO
(Taito-ku, Tokyo)



Queen's Tower A
(Yokohama, Kanagawa Prefecture)



Higashi Nibancho Square
(Sendai, Miyagi Prefecture)

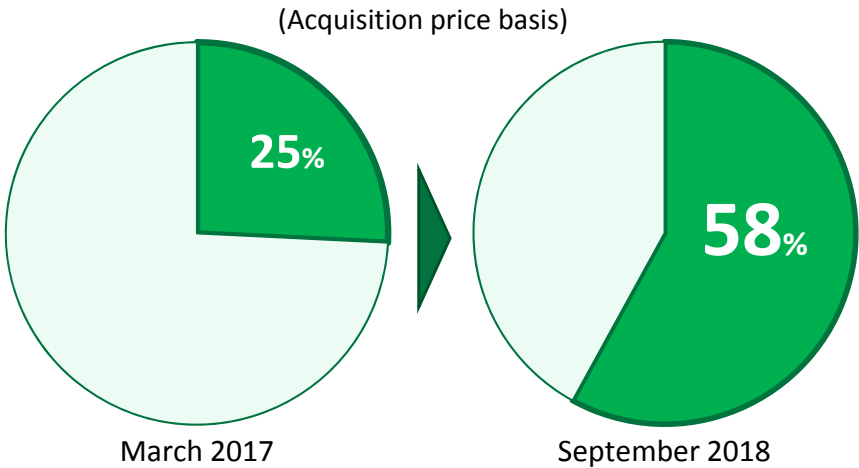


Nagoya Hirokoji Place
(Nagoya, Aichi Prefecture)

Number of properties with DBJ Green Building Certifications



Green building - certified properties in the portfolio



Green Bond

Summary of Green Bonds

Issue date	1 November 2018
Total amount	JPY 10 billion
Maturity	5 years
Interest rate	0.23%
Credit ratings	AA (R&I)
Use of proceeds	<ul style="list-style-type: none"> • Refurbishments of Shiba 2Chome Daimon Building • Repayment of loan for acquiring Akasaka Park Building • Prepayment of loan for acquiring Shijo Karasuma Center Building

Green Bond Framework

JRE will promote “**Positive Impact**” by ESG investments such as refurbishment works to conserve energy, improve tenant satisfaction and receive better green building certifications.

Criteria for Eligible Green Projects

Refurbishments

- More than 10% reduction in CO2 emissions or energy consumption
- More than 10% reduction in water consumption
- More than one level of star/rank improvement in the green building certifications listed below

Acquisition

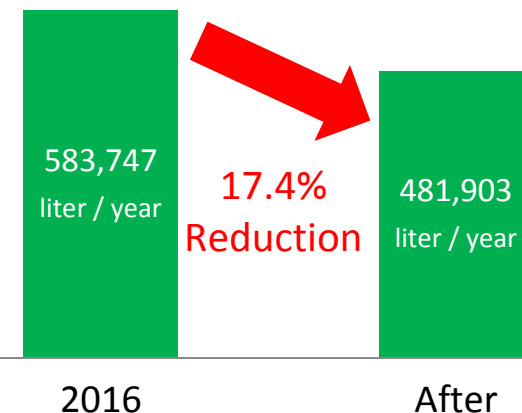
- 3, 4 or 5 Stars under the DBJ Green Building Certification
- 3, 4 or 5 Stars under BELS
- B+, A or S Rank under CASBEE

Refurbishments of Shiba 2Chome Daimon Building



- Highly efficient air conditioning and LED lighting
- Improve work environment for tenant satisfaction (ex. expand and upgrade common spaces)
- Consideration for the health and well-being of tenants' employees (ex. relaxation space, greening)
- Value Enhancement with ESG conscious design

Energy reduction of entire building resulting from installing highly efficient air conditioning



*Electricity and gas consumption are converted to the crude oil consumption.



Great shot! What a distance!
The against-wind with property taxes
doesn't really matter.

Look, I bought a brand-new driver.
Easy to hit a long ball.
Technology advances faster than you may think.
Just as office buildings keep changing.

If you make use of the latest technology,
your score could be even better.

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Disclaimer concerning 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 (JRE-AM) and JRE. These data may contain known and unknown risks, uncertainty, and other factors not accounted for. The forecasts herein may be affected by known and unknown risks, uncertainty, or other factors, particularly with respect to JRE's internal and external growth and profitability-per-unit targets. The aforementioned risks, uncertainty, and other factors may result in significantly different results regarding JRE's future performance, management, and financial data implicitly or explicitly presented herein. JRE shall assume no obligation to update or further disclose data regarding these forecasts after the date of this presentation.

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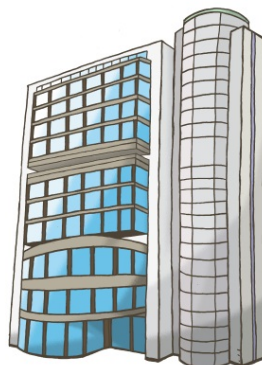
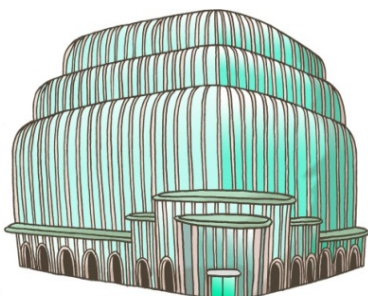
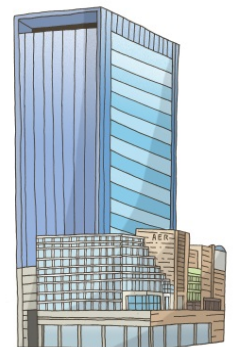
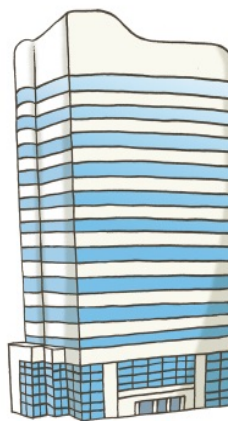
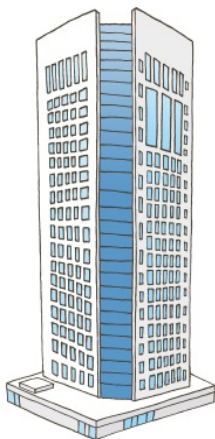
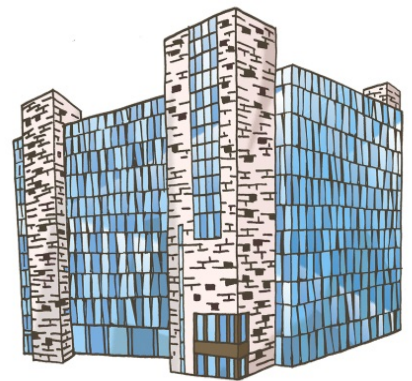
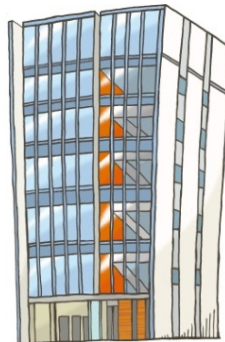
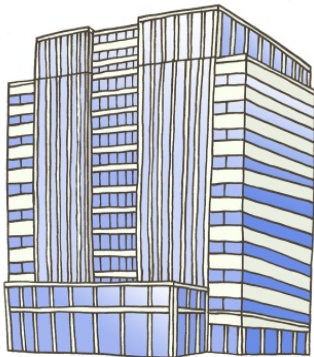
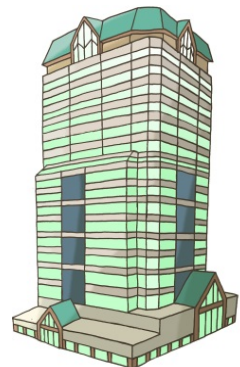
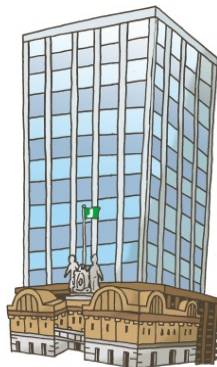
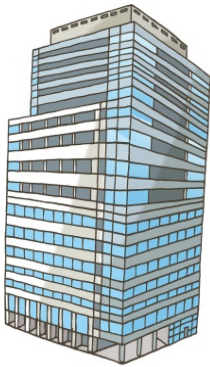


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Terms Used in this Report

- (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 office space," "Leased office 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 office space by total leasable office space at the end of every month during the period.
- (4) "Leasable space" or "Leased space" does not include the space used for or leased as rental meeting room or control office/storage, also Shinjuku South Gate Project (tentative name) (Land with leasehold interest) and Shibuya Cross Tower (Land with leasehold interest) are not included in the above "Leasable space" or "Leased space."
- (5) Data pertaining to the residential portions is not included in "Leasable office space," "Leased office space," "Occupancy rate" and "Number of tenants" for "Kitanomaru Square," "Nibancho Garden," "Akasaka Park Building," and "Nishiki Park Building."
- (6) "Rent" means tenant rent for "Leasable office 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 office 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, the brokerage fees, etc. related to real estate acquisition, and incidental expenses of acquisition such as real-estate acquisition tax, which are reflected in the book value). Extension work cost is not included in "Capital expenditure."
- (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, collected electricity charges and land revenues, etc.) + Non-rental revenues (cancellation fees and other miscellaneous income)
- (15) The acquisition price for Ryoshin Ginza East Mirror Building (JPY 7,999,422,762) consists of the amount paid to acquire the building on March 15, 2005 (JPY 5,353,500,000), and the total amount spent to expand the property (JPY 2,645,922,762).
The acquisition price for Jingumae Media Square Building, part of which was sold on October 30, 2009, is the initial amount paid to acquire the property.
As former Nippon Brunswick (building) was disposed on August 23, 2013, the acquisition price of Shinjuku South Gate Project (tentative name) (Land with leasehold interest, JPY 5,500 million) excludes the acquisition price of its building section (JPY 1,170 million) from the acquisition price of former Nippon Brunswick (JPY 6,670 million) as of March 24, 2004.
The acquisition price of Shibuya Cross Tower (Land with leasehold interest) represents the price which excludes the building price (JPY 8,076 million) from the total acquisition price (JPY 34,600 million) as of November 30, 2001 since Shibuya Cross Tower (Building) was disposed on January 18, 2018.
The acquisition price of Lit City Building represents the price which excludes the acquisition price of the retail units (JPY 555 million) from the total acquisition price (JPY 4,650 million) as of February 1, 2006 since the retail units of Lit City Building was disposed on September 28, 2018.
- (16) "Sponsors" refers to the following two shareholders of Japan Real Estate Asset Management Co., Ltd. (JRE-AM): Mitsubishi Estate Co., Ltd. and Mitsui & Co., Ltd.
- (17) The abbreviated property name is reflected on certain pages (The abbreviations are shown in the chart below).
- (18) As JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014, figures calculated on the assumption of the split are indicated by "on a post-split basis."
- (19) The Bank of Tokyo-Mitsubishi UFJ, Ltd. has changed its legal name to MUFG Bank, Ltd. effective April 1, 2018. Current legal name is used in this report.
- (20) MUFG Bank, Ltd. (former The Bank of Tokyo-Mitsubishi UFJ, Ltd.) integrated Corporate Loan division of Mitsubishi UFJ Trust and Banking Corporation effective April 16, 2018, and the balance of loans outstanding has been transferred to MUFG Bank, Ltd. In this report, balance of loans after the integration is expressed respectively.

Property name	Abbreviation of property name	Property name	Abbreviation of property name
Kitanomaru Square	Kitanomaru Square	Jingumae Media Square Building	Jingumae MS
MD Kanda Building	MD Kanda	Shibuya Cross Tower (Land with leasehold interest)	Shibuya Cross Tower (Land)
Kandabashi Park Building	Kandabashi Park	Ebisu Neonato	Ebisu Neonato
Otemachi Financial City North Tower	Otemachi FCN	Harmony Tower	Harmony Tower
Nibancho Garden	Nibancho Garden	Otsuka Higashi-Ikebukuro Building	Otsuka Higashi-Ikebukuro
Mitsubishi UFJ Trust and Banking Building	Mitsubishi UFJ Trust	Ikebukuro 2Chome Building	Ikebukuro 2Chome
Burex Kojimachi Building	Burex Kojimachi	Ikebukuro YS Building	Ikebukuro YS
Sanno Grand Building	Sanno Grand	Hachioji First Square	Hachioji First
Yurakucho Denki Building	Yurakucho Denki	Saitama Urawa Building	Saitama Urawa
Kodenmacho Shin-Nihonbashi Building	Kodenmacho	MM Park Building	MM Park
Front Place Nihonbashi	FP Nihonbashi	Queen's Tower A	Queen's
Kyodo Building (Kayabacho 2Chome)	Kyodo (Kayabacho 2Chome)	Kawasaki Isago Building	Kawasaki Isago
Burex Kyobashi Building	Burex Kyobashi	Musashi Kosugi STM Building	Musashi Kosugi STM
Ginza 1Chome East Building	Ginza 1Chome	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	Higashi Nibancho Square	Higashi Nibancho
Harumi Front	Harumi Front	Sendai Honcho Honma Building	Sendai Honma
Harumi Center Building	Harumi Center	AER	AER
Akasaka Park Building	Akasaka Park	Kanazawa Park Building	Kanazawa Park
Aoyama Crystal Building	Aoyama Crystal	Kanazawa Kamitsutsumicho Building	Kanazawa Kamitsutsumicho
Clover Shiba-koen	Clover Shiba-koen	Nishiki Park Building	Nishiki Park
Shiodome Building	Shiodome	Nagoya Hirokoji Place	Hirokoji Place
Shiba 2Chome Daimon Building	Shiba 2Chome Daimon	Nagoya Hirokoji Building	Nagoya Hirokoji
Cosmo Kanasugibashi Building	Cosmo Kanasugibashi	Nagoya Misono Building	Nagoya Misono
Tamachi Front Building	Tamachi Front	Shijo Karasuma Center Building	Shijo Karasuma
Shinjuku Eastside Square	Shinjuku Eastside	Umeda Square Building	Umeda Square
Shinjuku Front Tower	Shinjuku Front	Shin-Fujita Building	Shin-Fujita
Shinwa Building	Shinwa	Sakaisujihonmachi Building	Sakaisujihonmachi
Tokyo Opera City Building	Tokyo Opera City	Midosuji Daiwa Building	Midosuji Daiwa
TIXTOWER UENO	TIX UENO	Amagasaki Front Building	Amagasaki Front
Higashi-Gotanda 1Chome Building	Higashi-Gotanda 1Chome	Lit City Building	Lit City
Osaki Front Tower	Osaki Front Tower	NHK Hiroshima Broadcasting Center Building	NHK Hiroshima
Omori-Eki Higashiguchi Building	Omori-Eki Higashiguchi	Tosei Tenjin Building	Tosei Tenjin
Shinjuku South Gate Project (tentative name) (Land with leasehold interest)	Shinjuku South Gate Project (Land)	Tenjin Crystal Building	Tenjin Crystal
Yoyogi 1Chome Building	Yoyogi 1Chome	Hinode Tenjin Building	Hinode Tenjin
Jingumae Terrace	Jingumae Terrace		

1

Financial Results and Forecasts

Statements of Income for the six months ended September 2018

(In millions of JPY)

Term	Mar. 2018 Actual	→ change → (amount)	(%)	Sep. 2018 Actual	← change ← (amount)	(%)	Sep. 2018 Initial forecast(*1)
Operating Revenues	31,955	1,111	3.5%	33,066	436	1.3%	32,630
Property-related revenues	31,816	979	3.1%	32,795	165	0.5%	32,630
Rent revenues	31,505			32,676			
Other lease business revenues	311			119			
Gain on sales of real estate properties	138	132	95.3%	270	270		-
Operating Expenses	18,358	128	0.7%	18,487	(212)	(1.1)%	18,700
Property-related expenses (*2)	10,250	143	1.4%	10,393	(256)	(2.4)%	10,650
Property management expenses	3,623	(104)	(2.9)%	3,518			
Property management costs	3,507			3,418			
Brokerage fees, etc.	115			99			
Utilities expenses	2,388	288	12.1%	2,676			
Property and other taxes	2,916	110	3.8%	3,026			
Casualty insurance	55	(1)	(3.3)%	53			
Repairing expenses	1,093	(160)	(14.6)%	933			
Other expenses	172	11	6.8%	184			
NOI (*3)	21,566	835	3.9%	22,401	431	2.0%	21,970
Depreciation	6,499	(50)	(0.8)%	6,449	9	0.1%	6,440
Property-related profits and losses (*3)	15,066	885	5.9%	15,952	422	2.7%	15,530
Operating gross profit	15,205	1,017	6.7%	16,223	693	4.5%	15,530
Administrative expenses	1,608	35	2.2%	1,644	54	3.4%	1,590
Asset management fee	1,238	56	4.5%	1,294	54	4.4%	1,240
Other administrative expenses	370			349			
Operating Profit	13,596	982	7.2%	14,578	648	4.7%	13,930
Non-operating income	2			13			
Interest income	0			0			
Other non-operating income	2			12			
Non-operating expenses	1,236			1,243			
Interest expenses	1,013	(55)	(5.5)%	957			
Interest expenses on investment corporation bonds	176	(4)	(2.3)%	172	(19)	(1.7)%	1,150
Amortization of investment corporation bond issuance costs	7			6			
Other non-operating expenses	38			106			
Ordinary Profit	12,362	985	8.0%	13,348	678	5.4%	12,670
Profit before income taxes	12,362			13,348			
Income taxes	71			75			
Profit	12,291	982	8.0%	13,273	613	4.8%	12,660
Unappropriated retained earnings	12,324			13,307			

FFO	(*4)	18,652	799	4.3%	19,451		
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DPU	JPY 9,336	JPY 159	1.7%	JPY 9,495	JPY 355	3.9%	JPY 9,140
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*1 The initial forecast means the performance forecast for the September 2018 period announced on May 15, 2018

*2 Excluding depreciation

*3 Excluding gain on sales of real estate properties

*4 Profit + Depreciation - Gain on sales of real estate properties

Financial Results for September 2018 period and Forecasts for March 2019 and September 2019 periods

(In millions of JPY)

Term	Mar. 2018		Sep. 2018		Mar. 2019		Sep. 2019
Actual/Forecast	Actual	→ Change →	Actual	→ Change →	Forecast	→ Change →	Forecast
Number of properties	70		71		71		71
Number of days	182 days		183 days		182 days		183 days
Operating Revenues	31,955	+1,111	33,066	(236)	32,830	+360	33,190
Property-related revenues	31,816	+979	32,795	+34	32,830	+360	33,190
Gain on sales of real estate properties	138	+132	270	(270)	-		-
Operating Expenses	18,358	+128	18,487	(17)	18,470	+270	18,740
Expenses related to rent business (*1)	10,250	+143	10,393	+46	10,440	+330	10,770
Depreciation	6,499	(50)	6,449	(79)	6,370	(40)	6,330
Administrative expenses	1,608	+35	1,644	+15	1,660	(30)	1,630
(Asset management fee)	1,238	+56	1,294	(24)	1,270		1,270
NOI (*2)	21,566	+835	22,401	(11)	22,390	+30	22,420
Property-related profits and losses (*2)	15,066	+885	15,952	+57	16,010	+70	16,080
Operating gross profit	15,205	+1,017	16,223	(213)	16,010	+70	16,080
Operating Profit	13,596	+982	14,578	(228)	14,350	+100	14,450
Non-operating income	2	+10	13	(13)	-	+10	10
Non-operating expenses	1,236	+6	1,243	(133)	1,110	+10	1,120
(Interest expenses)	1,190	(59)	1,130	(60)	1,070		1,070
Ordinary Profit	12,362	+985	13,348	(108)	13,240	+90	13,330
Profit	12,291	+982	13,273	(43)	13,230	+90	13,320
Reserve, etc.	67	+53	120	(120)	0		0
Total dividends	12,223	+928	13,152	+77	13,230	+90	13,320
Units outstanding	1,309,310 units	+75,900 units	1,385,210 units		1,385,210 units		1,385,210 units
DPU	JPY 9,336	+JPY 159	JPY 9,495	+JPY 55	JPY 9,550	+JPY 70	JPY 9,620
Occupancy rate at period-end	99.2%		99.2%	+0.1%	99.3%		

*1 Excluding depreciation

*2 Excluding gain on sales of real estate properties

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

- Sep. 2018 period → Mar. 2019 period: Increase due to the full term operation of Shinjuku Front Tower acquired in Sep. 2018 period.
Decrease due to the disposal of Lit City Building (retail units) in Sep. 2018 period.
Decrease in revenue due to seasonal factors, etc.
- Mar. 2019 period → Sep. 2019 period: Increase due to tenant turnover and upward rent revision.
Increase in revenue due to seasonal factors, etc.

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

- Sep. 2018 period → Mar. 2019 period: Increase due to the full term operation of Shinjuku Front Tower acquired in Sep. 2018 period.
Decrease due to the disposal of Lit City Building (retail units) in Sep. 2018 period.
Decrease in expenses due to seasonal factors, etc.
- Mar. 2019 period → Sep. 2019 period: Increase in expenses due to seasonal factors, etc.
Increase in property and other taxes due to fair value adjustments, etc.

Balance Sheets as of September 30, 2018

Term	As of Mar. 31, 2018	As of Sep. 30, 2018	Change	Reason for the change
Assets				
I Current assets				
Cash and deposits	23,641	24,567	925	Increased due to rent revenues and property sales, etc.
Other current assets	784	737	(47)	
Total current assets	24,426	25,304	878	
II Non-current assets				
Property, plant and equipment				
Buildings (including those held in trust)	345,778	352,700	6,922	Increased due to the acquisition of property and capital expenditure, etc.
Structures (including those held in trust)	3,931	3,970	39	
Machinery and equipment (including those held in trust)	4,767	4,807	40	
Land (including those held in trust)	660,881	680,452	19,570	Increased due to the acquisition of property, etc.
Accumulated depreciation	(114,760)	(120,986)	(6,226)	
Total property, plant and equipment	900,597	920,944	20,346	
Intangible assets				
Leasehold rights, etc. (including those held in trust)	6,990	6,972	(17)	
Total intangible assets	6,990	6,972	(17)	
Investments and other assets				
Investment securities	577	577	-	
Long-term prepaid expenses, etc.	2,921	2,804	(117)	
Total investments and other assets	3,498	3,381	(117)	
Total non-current assets	911,086	931,299	20,212	
III Deferred assets				
Investment corporation bond issuance costs	48	41	(6)	
Total deferred assets	48	41	(6)	
Total assets	935,561	956,645	21,083	

(In millions of JPY)

Term	As of Mar. 31, 2018	As of Sep. 30, 2018	Change	Reason for the change
Liabilities				
I Current liabilities				
Short-term loans payable	32,000	21,500	(10,500)	Decreased due to repayment of loans, etc.
Current portion of long-term loans payable	27,500	25,000	(2,500)	Decreased due to repayment of loans and refinancing to short-term and long-term loans, increased due to transfer from long-term loans.
Current portion of investment corporation bonds	10,000	-	(10,000)	Decreased due to redemption at maturity.
Advances received	3,248	3,200	(48)	
Other current liabilities	5,737	4,486	(1,251)	Decreased in accrued construction costs and accrued consumption taxes accompanying property sales, etc.
Total current liabilities	78,486	54,186	(24,299)	
II Non-current liabilities				
Investment corporation bonds	22,993	22,993	-	Increased due to refinancing from current portion of long-term loans, decreased due to transfer to current portion of long-term loans, etc.
Long-term loans payable	311,500	315,000	3,500	
Deposits received from tenants	51,308	52,853	1,544	Increased due to the acquisition of properties, etc.
Other non-current liabilities	570	634	64	
Total non-current liabilities	386,372	391,481	5,108	
Total liabilities	464,858	445,667	(19,191)	
Net assets				
Unitholders' capital	458,016	497,241	39,225	Increased due to the issuance of new investment units.
Voluntary retained earnings	363	429	66	
Unappropriated retained earnings	12,324	13,307	983	
Total net assets	470,703	510,978	40,274	
Total liabilities and net assets	935,561	956,645	21,083	

(Note) "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28 on February 16, 2018) has been applied from the beginning of the September 2018 period. Total assets as of March 31, 2018 were JPY 935,560 million if this change applies retroactively.

Statements of Cash Flows and Statements on the Distribution of Monies for September 2018 period

Statements of Cash Flows

(In millions of JPY)	
Item	Sep. 2018 period (183 days)
Cash flows from operating activities	20,143
Profit before income taxes	13,348
Depreciation	6,450
Other	344
Cash flows from investing activities	(26,658)
Cash flows from financing activities	7,440
Proceeds from short-term loans payable	18,500
Repayments of short-term loans payable	(29,000)
Proceeds from long-term loans payable	19,000
Repayments of long-term loans payable	(18,000)
Redemption of investment corporation bonds	(10,000)
Proceeds from issuance of investment units	39,225
Payments for investment unit issuance expenses	(61)
Dividends paid	(12,223)
Net increase in cash and cash equivalents	925
Cash and cash equivalents at beginning of period	23,641
Cash and cash equivalents at end of period	24,567

Statements on the Distribution of Monies

(In JPY)	
Item	Sep. 2018 period (183 days)
Unappropriated retained earnings	13,307,368,817
Reversal of reserve for special account for reduction entry	16,307,490
Reversal of reserve for reduction entry	1,657,580
Dividends paid	13,152,568,950
Provision of reserve for reduction entry etc.	138,488,759
Retained earnings brought forward	34,276,178
DPU	JPY 9,495

Historical Summary of Selected Financial Index in the Previous 5 periods

Term	Sep. 2016	Mar. 2017	Sep. 2017	Mar. 2018	Sep. 2018
Number of days	183 days	182 days	183 days	182 days	183 days
Return on assets (ROA)	1.2%	1.3%	1.3%	1.3%	1.4%
(annualized)	2.5%	2.5%	2.6%	2.7%	2.8%
Return on equity (ROE)	2.3%	2.4%	2.5%	2.6%	2.6%
(annualized)	4.7%	4.8%	5.1%	5.2%	5.2%
EOP Equity ratio	53.1%	52.3%	51.9%	50.3%	53.4%
LTV(1)	40.3%	41.1%	41.4%	43.2%	40.2%
LTV(2)	43.8%	44.6%	45.1%	46.9%	43.6%
LTV(3)	38.6%	39.1%	39.3%	40.8%	37.9%
LTV(4)	35.2%	35.4%	35.1%	36.0%	33.2%
EOP long-term debts to capitalization	110.9%	110.1%	109.5%	107.9%	104.8%
Debt service coverage ratio (DSCR)	13.5 times	14.3 times	16.1 times	16.9 times	18.5 times
NOI (in millions of JPY)	20,182	20,372	21,275	21,566	22,401
NOI yield (annualized)	4.4%	4.3%	4.4%	4.4%	4.4%
FFO (in millions of JPY)	17,447	17,679	18,466	18,652	19,451
FFO dividend payout ratio	62.7%	63.3%	64.5%	65.5%	67.6%
AFFO (in millions of JPY)	15,834	14,836	17,273	15,999	17,777
AFFO dividend payout ratio	69.1%	75.4%	68.9%	76.4%	74.0%

<Definition of each index>

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

For calculation of the average, the total assets of beginning and end for the period is used.

* ROE = Profit / Average of total net assets during the period

For calculation of the average, the total net assets of beginning and end of the period is used.

However, if the new unit is issued during the period, the following formula is used to calculate the average,

with the number of days from the beginning of the period to the day prior to the day of new unit issuance

assumed to be A days and from the day of new unit issuance to the end of the period to be B days:

$(\text{Total net assets at the beginning of the period} \times A \text{ days} + \text{total net assets at the end of the period} \times B \text{ days}) / \text{operating days (A + B days)}$

* EOP equity ratio = EOP total 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

* EOP long-term debts to capitalization = EOP non-current assets / (EOP long-term loans and others + EOP unitholders' capital)

* DSCR = Profit before interest, taxes, depreciation and amortization / Interest expenses

* NOI = Property-related revenues – Property-related expenses (Excluding depreciation)

* NOI Yield = Annualized NOI / Total amount of acquisition price

* FFO = Profit + Depreciation – Gain (Loss) on sales of properties

* FFO Dividend Payout Ratio = Total amount of dividends / FFO

* AFFO = FFO – Capital expenditures

* AFFO Dividend Payout Ratio = Total Amount of Dividends / AFFO

JRE's Achievement after IPO and Performance Forecasts

Term	Mar. 2002	Sep. 2002	Mar. 2003	Sep. 2003	Mar. 2004	Sep. 2004	Mar. 2005	Sep. 2005
	05/01 ~ 03/02	04/02 ~ 09/02	10/02 ~ 03/03	04/03 ~ 09/03	10/03 ~ 03/04	04/04 ~ 09/04	10/04 ~ 03/05	04/05 ~ 09/05
Operating revenues	6,492	7,910	8,500	8,965	9,560	10,151	10,747	13,119
(% change from the preceding period)	-	+21.8%	+7.5%	+5.5%	+6.6%	+6.2%	+5.9%	+22.1%
Property-related revenues	6,492	7,910	8,500	8,965	9,560	10,151	10,747	13,119
(% change from the preceding period)	-	+21.8%	+7.5%	+5.5%	+6.6%	+6.2%	+5.9%	+22.1%
Gain on disposal of unused development rights of floor area	-	-	-	-	-	-	-	-
Gain on sales of real estate properties	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-
Compensation for property disposal	-	-	-	-	-	-	-	-
Operating profit	2,961	3,386	3,687	3,898	4,341	4,358	4,701	6,226
(% change from the preceding period)	-	+14.4%	+8.9%	+5.7%	+11.4%	+0.4%	+7.9%	+32.4%
Ordinary profit	2,405	2,898	3,259	3,408	3,803	3,831	4,121	5,510
(% change from the preceding period)	-	+20.5%	+12.5%	+4.6%	+11.6%	+0.7%	+7.6%	+33.7%
Profit	2,403	2,897	3,258	3,407	3,802	3,830	4,120	5,509
(% change from the preceding period)	-	+20.5%	+12.5%	+4.6%	+11.6%	+0.7%	+7.6%	+33.7%
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
(Ref.) Units outstanding on a post-split basis (*1)	320,800 units	450,800 units	450,800 units	450,800 units	520,800 units	520,800 units	520,800 units	690,800 units
DPU	JPY 14,983	JPY 12,853	JPY 14,455	JPY 15,117	JPY 14,602	JPY 14,711	JPY 15,824	JPY 15,951
(Ref.) DPU on a post-split basis (*1)	JPY 7,491	JPY 6,426	JPY 7,227	JPY 7,558	JPY 7,301	JPY 7,355	JPY 7,912	JPY 7,975
Total assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968
Total net assets	83,663	115,049	115,410	115,559	137,250	137,279	137,569	206,982
Net assets per unit (*1)	JPY 260,795	JPY 255,212	JPY 256,013	JPY 256,344	JPY 263,538	JPY 263,592	JPY 264,149	JPY 299,627
Total liabilities	78,146	70,347	84,611	94,021	107,272	120,093	184,789	148,985
Interest-bearing debt	64,000	54,000	66,800	76,000	87,000	99,000	159,000	122,000
LTV	39.6%	29.1%	33.4%	36.3%	35.6%	38.5%	49.3%	34.3%
Unit price (period-end) (*1)	JPY 265,000	JPY 255,500	JPY 296,000	JPY 324,000	JPY 415,000	JPY 437,500	JPY 437,500	JPY 457,500
Market capitalization	85,012	115,179	133,436	146,059	216,132	227,850	227,850	316,041
Number of properties	24	27	30	32	36	39	46	50
Total acquisition price of properties	144,697	164,277	183,542	192,607	218,437	239,827	290,510	326,560
Total leasable floor area	201,884m ²	215,928m ²	236,693m ²	246,062m ²	273,157m ²	293,105m ²	336,026m ²	364,610m ²
Occupancy rate	94.0%	95.3%	94.4%	95.1%	94.8%	93.6%	97.6%	98.6%
Issuance of new units								
Number of newly issued units	-	65,000 units	-	-	35,000 units	-	-	85,000 units
Offer price	-	JPY 490,980	-	-	JPY 629,000	-	-	JPY 826,000
Aggregate amount of offer price	-	31,913	-	-	22,015	-	-	70,210
Issue price	-	JPY 475,268	-	-	JPY 608,456	-	-	JPY 800,288
Aggregate amount of issue price	-	30,892	-	-	21,295	-	-	68,024
Payment date	-	05/07/2002	-	-	10/24/2003	-	-	04/26/2005

(In millions of JPY)

Mar. 2006	Sep. 2006	Mar. 2007	Sep. 2007	Mar. 2008	Sep. 2008	Mar. 2009	Sep. 2009	Mar. 2010	Sep. 2010
10/05 ~ 03/06	04/06 ~ 09/06	10/06 ~ 03/07	04/07 ~ 09/07	10/07 ~ 03/08	04/08 ~ 09/08	10/08 ~ 03/09	04/09 ~ 09/09	10/09 ~ 03/10	04/10 ~ 09/10
13,962	15,570	16,960	17,530	25,743	19,805	20,716	21,524	21,665	22,112
+6.4%	+11.5%	+8.9%	+3.4%	+46.9%	(23.1)%	+4.6%	+3.9%	+0.7%	+2.1%
13,962	15,169	16,500	17,132	17,807	19,805	20,716	20,795	20,758	22,112
+6.4%	+8.6%	+8.8%	+3.8%	+3.9%	+11.2%	+4.6%	+0.4%	(0.2)%	+6.5%
-	-	-	-	-	-	-	728	-	-
-	400	459	397	-	-	-	-	885	-
-	-	-	-	7,935	-	-	-	-	-
-	-	-	-	-	-	-	-	21	-
6,319	7,041	8,304	8,739	14,218	9,807	9,955	10,054	10,538	9,939
+1.5%	+11.4%	+17.9%	+5.2%	+62.7%	(31.0)%	+1.5%	+1.0%	+4.8%	(5.7)%
5,586	5,977	7,184	7,586	12,946	8,449	8,426	8,505	8,876	8,135
+1.4%	+7.0%	+20.2%	+5.6%	+70.7%	(34.7)%	(0.3)%	+0.9%	+4.4%	(8.3)%
5,585	5,976	7,183	7,585	12,945	8,448	8,425	8,504	8,875	8,134
+1.4%	+7.0%	+20.2%	+5.6%	+70.7%	(34.7)%	(0.3)%	+0.9%	+4.4%	(8.4)%
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	489,200 units
690,800 units	690,800 units	820,000 units	820,000 units	886,000 units	886,000 units	886,000 units	886,000 units	978,400 units	978,400 units
JPY 16,172	JPY 17,302	JPY 17,521	JPY 18,500	JPY 29,223	JPY 19,072	JPY 19,020	JPY 19,198	JPY 18,043	JPY 16,628
JPY 8,086	JPY 8,651	JPY 8,760	JPY 9,250	JPY 14,611	JPY 9,536	JPY 9,510	JPY 9,599	JPY 9,021	JPY 8,314
433,552	441,163	443,973	449,643	527,537	542,920	565,022	564,528	637,326	634,974
207,058	207,449	271,867	272,269	310,547	306,050	306,027	306,106	333,228	332,536
JPY 299,737	JPY 300,302	JPY 331,545	JPY 332,035	JPY 350,504	JPY 345,429	JPY 345,403	JPY 345,492	JPY 340,585	JPY 339,877
226,493	233,714	172,105	177,374	216,990	236,869	258,994	258,422	304,097	302,437
196,500	202,500	140,000	144,500	177,500	199,500	220,500	220,500	262,500	262,450
45.3%	45.9%	31.5%	32.1%	33.6%	36.7%	39.0%	39.1%	41.2%	41.3%
JPY 510,000	JPY 500,000	JPY 780,000	JPY 690,000	JPY 580,000	JPY 418,000	JPY 378,000	JPY 367,000	JPY 398,500	JPY 379,500
352,308	345,400	639,600	565,800	513,880	370,348	334,908	325,162	389,892	371,302
52	49	50	50	53	54	55	55	55	55
412,766	418,693	441,276	446,940	518,969	542,969	564,219	564,219	641,245	643,891
400,090m ²	396,173m ²	397,928m ²	406,605m ²	479,877m ²	508,296m ²	516,411m ²	516,421m ²	566,277m ²	567,612m ²
98.7%	98.2%	97.8%	98.7%	95.9%	96.1%	95.5%	93.3%	93.0%	92.4%
-	-	64,600 units	-	33,000 units	-	-	-	46,200 units	-
-	-	JPY 1,009,400	-	JPY 1,029,000	-	-	-	JPY 597,520	-
-	-	65,207	-	33,957	-	-	-	27,605	-
-	-	JPY 978,500	-	JPY 997,500	-	-	-	JPY 579,040	-
-	-	63,211	-	32,917	-	-	-	26,751	-
-	-	10/24/2006	-	03/12/2008	-	-	-	12/08/2009	-
								12/22/2009	

- The land and building adjacent to Ryoshin Ginza EM are not included in the number of properties and total acquisition price of properties for Sep. 2008 through Mar. 2010 periods.
- The acquisition price related to the disposal of the part of Jingumae MS site is not excluded.
- As Shinjuku South Gate Project (Land) was disposed as of August 23, 2013 and Shibuya Cross Tower (Land) was disposed as of January 18, 2018 and JRE owns the land with leasehold interest, total leasable floor area and occupancy rate for Shinjuku South Gate Project (Land) and Shibuya Cross Tower (Land) are excluded.

(*1) JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014.
The figures for Mar. 2002 through Sep. 2013 periods have taken the split into account.

Term	Mar. 2011	Sep. 2011	Mar. 2012	Sep. 2012	Mar. 2013	Sep. 2013	Mar. 2014	Sep. 2014
	10/10 ~ 03/11	04/11 ~ 09/11	10/11 ~ 03/12	04/12 ~ 09/12	10/12 ~ 03/13	04/13 ~ 09/13	10/13 ~ 03/14	04/14 ~ 09/14
Operating revenues	22,135	22,829	24,059	24,222	25,357	26,225	26,582	27,760
(% change from the preceding period)	+0.1%	+3.1%	+5.4%	+0.7%	+4.7%	+3.4%	+1.4%	+4.4%
Property-related revenues	22,135	22,283	24,059	24,222	25,357	26,206	26,582	27,760
(% change from the preceding period)	+0.1%	+0.7%	+8.0%	+0.7%	+4.7%	+3.4%	+1.4%	+4.4%
Gain on disposal of unused development rights of floor area	-	-	-	-	-	-	-	-
Gain on sales of real estate properties	-	546	-	-	-	18	-	-
Dividend income	-	-	-	-	-	-	-	-
Compensation for property disposal	-	-	-	-	-	-	-	-
Operating profit	9,802	10,380	10,786	10,212	10,631	10,781	10,831	11,255
(% change from the preceding period)	(1.4)%	+5.9%	+3.9%	(5.3)%	+4.1%	+1.4%	+0.5%	+3.9%
Ordinary profit	7,938	8,603	8,863	8,372	8,749	9,143	9,083	9,582
(% change from the preceding period)	(2.4)%	+8.4%	+3.0%	(5.5)%	+4.5%	+4.5%	(0.7)%	+5.5%
Profit	7,652	8,268	8,934	8,448	8,824	9,129	9,070	9,572
(% change from the preceding period)	(5.9)%	+8.1%	+8.1%	(5.4)%	+4.5%	+3.5%	(0.7)%	+5.5%
Units outstanding	489,200 units	489,200 units	549,040 units	549,040 units	594,140 units	594,140 units	1,188,280 units	1,251,530 units
(Ref.) Units outstanding on a post-split basis (*1)	978,400 units	978,400 units	1,098,080 units	1,098,080 units	1,188,280 units	1,188,280 units	-	-
DPU	JPY 15,642	JPY 15,850	JPY 16,190	JPY 15,700	JPY 15,140	JPY 15,366	JPY 7,633	JPY 7,648
(Ref.) DPU on a post-split basis (*1)	JPY 7,821	JPY 7,925	JPY 8,095	JPY 7,850	JPY 7,570	JPY 7,683	-	-
Total assets	646,847	643,949	703,085	724,851	765,628	775,066	817,130	813,931
Total net assets	332,054	332,670	372,869	372,429	405,280	405,415	405,355	436,622
Net assets per unit (*1)	JPY 339,385	JPY 340,014	JPY 339,565	JPY 339,164	JPY 341,065	JPY 341,178	JPY 341,128	JPY 348,871
Total liabilities	314,793	311,279	330,215	352,422	360,347	369,651	411,774	377,308
Interest-bearing debt	272,400	269,350	284,300	305,750	311,200	320,150	358,900	323,550
LTV	42.1%	41.8%	40.4%	42.2%	40.6%	41.3%	43.9%	39.8%
Unit price (period-end) (*1)	JPY 393,500	JPY 377,000	JPY 364,500	JPY 393,000	JPY 644,500	JPY 574,000	JPY 518,000	JPY 564,000
Market capitalization	385,000	368,856	400,250	431,545	765,846	682,072	615,529	705,862
Number of properties	57	56	57	58	60	62	64	64
Total acquisition price of properties	660,601	657,863	718,663	740,663	782,433	794,230	837,405	838,055
Total leasable floor area	588,984㎡	584,964㎡	629,761㎡	645,787㎡	700,759㎡	713,180㎡	750,956㎡	752,723㎡
Occupancy rate	93.2%	94.6%	94.7%	95.5%	96.7%	96.3%	96.7%	97.8%
Issuance of new units								
Number of newly issued units	-	-	59,840 units	-	45,100 units	-	-	63,250 units
Offer price	-	-	JPY 672,750	-	JPY 746,850	-	-	JPY 501,760
Aggregate amount of offer price	-	-	40,257	-	33,682	-	-	31,736
Issue price	-	-	JPY 652,050	-	JPY 723,870	-	-	JPY 486,400
Aggregate amount of issue price	-	-	39,018	-	32,646	-	-	30,764
Payment date	-	-	02/28/2012 03/27/2012	-	10/29/2012 11/28/2012	-	-	04/15/2014 05/14/2014

(In millions of JPY)

Mar. 2015	Sep. 2015	Mar. 2016	Sep. 2016	Mar. 2017	Sep 2017	Mar. 2018	Sep. 2018	Mar. 2019 forecast	Sep. 2019 forecast
10/14 ~ 03/15	04/15 ~ 09/15	10/15 ~ 03/16	04/16 ~ 09/16	10/16 ~ 03/17	04/17 ~ 09/17	10/17 ~ 03/18	04/18 ~ 09/18	10/18 ~ 03/19	04/19 ~ 09/19
28,314	29,980	30,589	30,773	30,818	31,718	31,955	33,066	32,830	33,190
+2.0%	+5.9%	+2.0%	+0.6%	+0.1%	+2.9%	+0.7%	+3.5%	(0.7)%	+1.1%
28,314	29,980	30,428	30,773	30,784	31,718	31,816	32,795	32,830	33,190
+2.0%	+5.9%	+1.5%	+1.1%	+0.0%	+3.0%	+0.3%	+3.1%	+0.1%	+1.1%
-	-	-	-	-	-	-	-	-	-
-	-	161	-	33	-	138	270	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
11,243	12,054	12,352	12,368	12,567	13,178	13,596	14,578	14,350	14,450
(0.1)%	+7.2%	+2.5%	+0.1%	+1.6%	+4.9%	+3.2%	+7.2%	(1.6)%	+0.7%
9,625	10,487	10,816	10,958	11,197	11,921	12,362	13,348	13,240	13,330
+0.4%	+9.0%	+3.1%	+1.3%	+2.2%	+6.5%	+3.7%	+8.0%	(0.8)%	+0.7%
9,619	10,476	10,753	10,947	11,186	11,909	12,291	13,273	13,230	13,320
+0.5%	+8.9%	+2.6%	+1.8%	+2.2%	+6.5%	+3.2%	+8.0%	(0.3)%	+0.7%
1,251,530 units	1,309,310 units	1,309,310 units	1,309,310 units	1,309,310 units	1,309,310 units	1,309,310 units	1,385,210 units	1,385,210 units	1,385,210 units
-	-	-	-	-	-	-	-	-	-
JPY 7,681	JPY 8,001	JPY 8,121	JPY 8,361	JPY 8,544	JPY 9,096	JPY 9,336	JPY 9,495	JPY 9,550	JPY 9,620
-	-	-	-	-	-	-	-	-	-
852,679	899,938	890,626	883,633	898,306	906,507	935,561	956,645	-	-
436,671	468,767	469,044	469,359	469,598	470,321	470,703	510,978	-	-
JPY 348,909	JPY 358,026	JPY 358,238	JPY 358,478	JPY 358,661	JPY 359,213	JPY 359,505	JPY 368,881	-	-
416,007	431,171	421,581	414,273	428,707	436,185	464,858	445,667	-	-
361,000	373,450	363,400	356,350	369,000	375,500	403,993	384,493	-	-
42.3%	41.5%	40.8%	40.3%	41.1%	41.4%	43.2%	40.2%	-	-
JPY 565,000	JPY 551,000	JPY 650,000	JPY 605,000	JPY 590,000	JPY 541,000	JPY 551,000	JPY 596,000	-	-
707,114	721,429	851,051	792,132	772,492	708,336	721,429	825,585	-	-
68	70	68	68	69	69	70	71	71	71
883,514	927,778	923,448	923,623	944,723	955,253	990,197	1,014,667	1,014,667	1,014,667
793,976m ²	832,030m ²	820,381m ²	820,917m ²	835,069m ²	839,035m ²	833,335m ²	847,905m ²	847,918m ²	847,918m ²
97.8%	97.7%	98.3%	98.7%	98.8%	99.1%	99.2%	99.2%	99.3%	-
-	57,780 units	-	-	-	-	-	75,900 units	-	-
-	JPY 557,620	-	-	-	-	-	JPY 533,120	-	-
-	32,219	-	-	-	-	-	40,463	-	-
-	JPY 540,550	-	-	-	-	-	JPY 516,800	-	-
-	31,232	-	-	-	-	-	39,225	-	-
-	04/06/2015	-	-	-	-	-	4/16/2018	-	-
-	05/11/2015	-	-	-	-	-	5/9/2018	-	-

- The land and building adjacent to Ryoshin Ginza EM are not included in the number of properties and total acquisition price of properties for Sep. 2008 through Mar. 2010 periods.
- The acquisition price related to the disposal of the part of Jingumae MS site is not excluded.
- As Shinjuku South Gate Project (Land) was disposed as of August 23, 2013 and Shibuya Cross Tower (Land) was disposed as of January 18, 2018 and JRE owns the land with leasehold interest, total leasable floor area and occupancy rate for Shinjuku South Gate Project (Land) and Shibuya Cross Tower (Land) are excluded.

(*1) JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014.

The figures for Mar. 2002 through Sep. 2013 periods have taken the split into account.

(*2) "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28 on February 16, 2018) has been applied from the beginning of the September 2018 period. Total assets as of March 31, 2018 were JPY 935,560 million if this change applies retroactively.

Performance Comparison (March 2018 period vs. September 2018 period)

(In millions of JPY)

Overall portfolio 71 properties

	Mar. 2018	Sep. 2018	Change	% Change
Property-related revenues	31,816	32,795	979	3.1%
Property-related expenses	16,749	16,843	93	0.6%
Property-related profits and losses	15,066	15,952	885	5.9%
NOI	21,566	22,401	835	3.9%
Occupancy rate as of the end of the period	99.2%	99.2%	0.0%	
Average occupancy rate during the period	98.9%	99.2%	0.3%	



Factors affecting increase and decrease in each group

Operated all through Mar. 2018 and Sep. 2018 periods 67 properties

(Including Shinjuku Eastside (existing shares))

	Mar. 2018	Sep. 2018	Change	% Change
Property-related revenues	30,208	30,370	162	0.5%
Property-related expenses	15,937	16,044	107	0.7%
Property-related profits and losses	14,271	14,325	54	0.4%
NOI	20,365	20,378	12	0.1%

Acquired during Mar. 2018 period and operated all through Sep. 2018 period

2 properties

FP Nihonbashi
Shinjuku Eastside
(additional acquisition)

	Mar. 2018	Sep. 2018	Change
Property-related revenues	160	1,039	878
Property-related expenses	68	335	266
Property-related profits and losses	92	703	611
NOI	144	891	746

Acquired during Sep. 2018 period

1 property

Shinjuku Front

	Mar. 2018	Sep. 2018	Change
Property-related revenues	0	585	585
Property-related expenses	0	231	231
Property-related profits and losses	0	353	353
NOI	0	497	497

Disposed building section during Mar. 2018 period

1 property

Shibuya Cross Tower

	Mar. 2018	Sep. 2018	Change
Property-related revenues	1,191	540	(651)
Property-related expenses	599	82	(516)
Property-related profits and losses	592	457	(135)
NOI	879	457	(422)

Disposed retail units during Sep. 2018 period

1 property

Lit City

	Mar. 2018	Sep. 2018	Change
Property-related revenues	255	260	4
Property-related expenses	145	149	3
Property-related profits and losses	110	111	0
NOI	176	177	0

Breakdown of Factors in the Net Increase of Operating Revenues and Operating Profit

(In millions of JPY)

	Mar. 2018 period Actual	Sep. 2018 period Actual	Mar. 2019 period Forecast	Sep. 2019 period Forecast
Operating revenues	31,955	33,066	32,830	33,190
Change		1,111	(236)	360
Property-related revenues		979	34	360
Existing property (*)		162	30	360
Property acquired				
Property disposed				
Mar. 2018 period		878		
Sep. 2018 period		585	34	
Mar. 2018 period		(651)		
Sep. 2018 period		4	(40)	
Gain on sales of real estate properties		132	(270)	

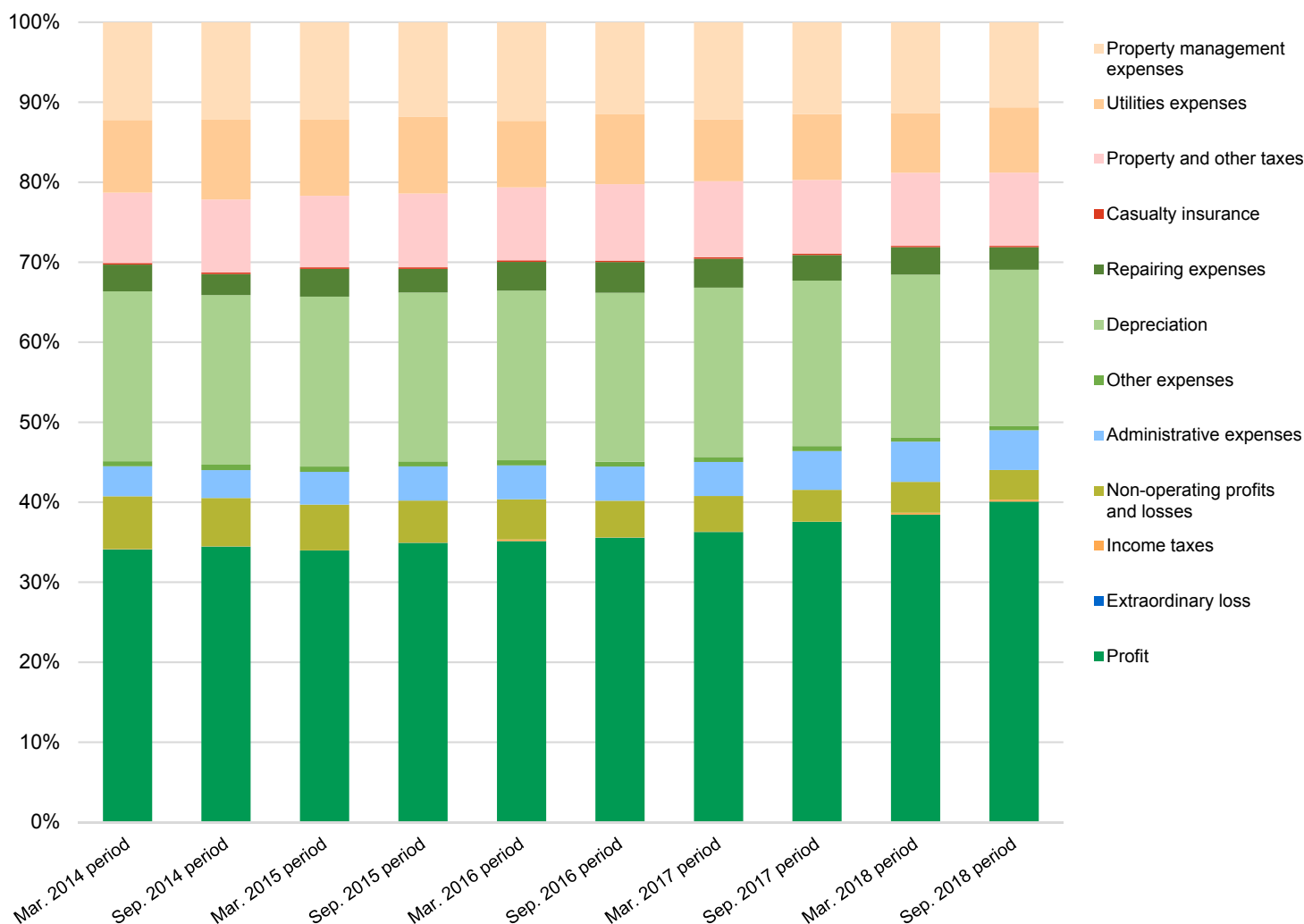
	Mar. 2018 period Actual	Sep. 2018 period Actual	Mar. 2019 period Forecast	Sep. 2019 period Forecast
Operating profit	13,596	14,578	14,350	14,450
Change		982	(228)	100
Property-related profits and losses		885	57	70
Existing property (*)		54	42	70
Property acquired				
Property disposed				
Mar. 2018 period		611		
Sep. 2018 period		353	16	
Mar. 2018 period		(135)		
Sep. 2018 period		0	(11)	
Gain on sales of real estate properties		132	(270)	
Administrative expenses		(35)	(15)	30

(*) Comparison made from the second term after the full term operation (6 months) on condition of the same shares.

Operating Expenses, etc. as a Percent of Operating Revenues

	Mar. 2014 period	Sep. 2014 period	Mar. 2015 period	Sep. 2015 period	Mar. 2016 period	Sep. 2016 period	Mar. 2017 period	Sep. 2017 period	Mar. 2018 period	Sep. 2018 period
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	12.2%	12.2%	12.2%	11.8%	12.3%	11.4%	12.1%	11.5%	11.3%	10.6%
Utilities expenses	9.1%	10.0%	9.5%	9.6%	8.3%	8.8%	7.7%	8.2%	7.5%	8.1%
Property and other taxes	8.8%	9.1%	8.9%	9.2%	9.1%	9.5%	9.5%	9.2%	9.1%	9.2%
Casualty insurance	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Repairing expenses	3.3%	2.6%	3.5%	2.9%	3.6%	3.8%	3.6%	3.2%	3.4%	2.8%
Depreciation	21.3%	21.2%	21.2%	21.1%	21.2%	21.1%	21.2%	20.7%	20.3%	19.5%
Other expenses	0.6%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%	0.6%
Administrative expenses	3.8%	3.5%	4.1%	4.3%	4.2%	4.3%	4.3%	4.9%	5.0%	5.0%
Non-operating profits and losses	6.6%	6.0%	5.7%	5.2%	5.0%	4.6%	4.4%	4.0%	3.9%	3.7%
Income taxes	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.2%	0.2%
Extraordinary loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit	34.1%	34.5%	34.0%	34.9%	35.2%	35.6%	36.3%	37.5%	38.5%	40.1%

*In operating revenues, gain on sales of real estate properties is included in Mar. 2016, Mar. 2017, Mar. 2018 and Sep. 2018 periods.



Past Record of Capital Expenditure and Repairing Expenses for Renovation Work and Future Plan

JRE's Renovation Work

- Develop mid- to long-term renovation plans based on the stable cash flow
- Conduct renovation work that contributes to increase profitability, such as attracting tenants and cost reduction
- Conduct customer service renovation work that improves work environment for tenants, such as replacement of air-conditioning systems and refurbishments of restrooms
- Conduct renovations to maintain appropriate building functions
- Receive a third-party review on construction costs and implement appropriate construction management

Construction Costs and Depreciation (Actual)

(In millions of JPY)

	Mar. 2002 period	Sep. 2002 period	Mar. 2003 period	Sep. 2003 period	Mar. 2004 period	Sep. 2004 period	Mar. 2005 period	Sep. 2005 period	Mar. 2006 period	Sep. 2006 period	Mar. 2007 period	Sep. 2007 period
Construction costs	794	453	933	841	1,585	1,161	1,178	1,025	1,728	1,654	2,857	1,520
Repairing expenses (reported as expense)	321	152	323	289	365	363	471	474	528	513	916	580
Capital expenditure (capitalized as asset)	472	301	609	552	1,219	797	706	550	1,200	1,141	1,940	939
Depreciation	1,100	1,194	1,310	1,393	1,498	1,657	1,641	2,017	2,359	2,682	2,717	2,835
Total assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968	433,552	441,163	443,973	449,643
Property-related revenues	6,492	7,910	8,500	8,965	9,560	10,151	10,747	13,119	13,962	15,169	16,500	17,132
	Mar. 2008 period	Sep. 2008 period	Mar. 2009 period	Sep. 2009 period	Mar. 2010 period	Sep. 2010 period	Mar. 2011 period	Sep. 2011 period	Mar. 2012 period	Sep. 2012 period	Mar. 2013 period	Sep. 2013 period
Construction costs	2,760	1,138	1,721	2,309	2,074	1,563	2,315	1,328	2,493	2,227	2,741	2,411
Repairing expenses (reported as expense)	991	511	676	1,119	756	790	833	585	700	764	886	866
Capital expenditure (capitalized as asset)	1,769	627	1,044	1,190	1,318	773	1,481	743	1,792	1,463	1,854	1,545
Depreciation	3,068	3,560	3,788	3,801	3,945	4,218	4,286	4,433	4,690	4,908	5,208	5,507
Total assets	527,537	542,920	565,022	564,528	637,326	634,974	646,847	643,949	703,085	724,851	765,628	775,066
Property-related revenues	17,807	19,805	20,716	20,795	20,758	22,112	22,135	22,283	24,059	24,222	25,357	26,206
	Mar. 2014 period	Sep. 2014 period	Mar. 2015 period	Sep. 2015 period	Mar. 2016 period	Sep. 2016 period	Mar. 2017 period	Sep. 2017 period	Mar. 2018 period	Sep. 2018 period		
Construction costs	3,320	2,472	4,216	2,021	3,977	2,794	3,956	2,210	3,746	2,608		
Repairing expenses (reported as expense)	887	733	983	881	1,101	1,181	1,113	1,017	1,093	933		
Capital expenditure (capitalized as asset)	2,433	1,738	3,233	1,140	2,876	1,613	2,842	1,192	2,652	1,674		
Depreciation	5,649	5,883	6,009	6,332	6,487	6,500	6,526	6,556	6,499	6,449		
Total assets	817,130	813,931	852,679	899,938	890,626	883,633	898,306	906,507	935,561	956,645		
Property-related revenues	26,582	27,760	28,314	29,980	30,428	30,773	30,784	31,718	31,816	32,795		

*Property-related revenues do not include gain on sales of real estate properties, dividends earned on preferred capital contributions, gain on disposal of unused development rights of floor area nor compensation for property disposal.

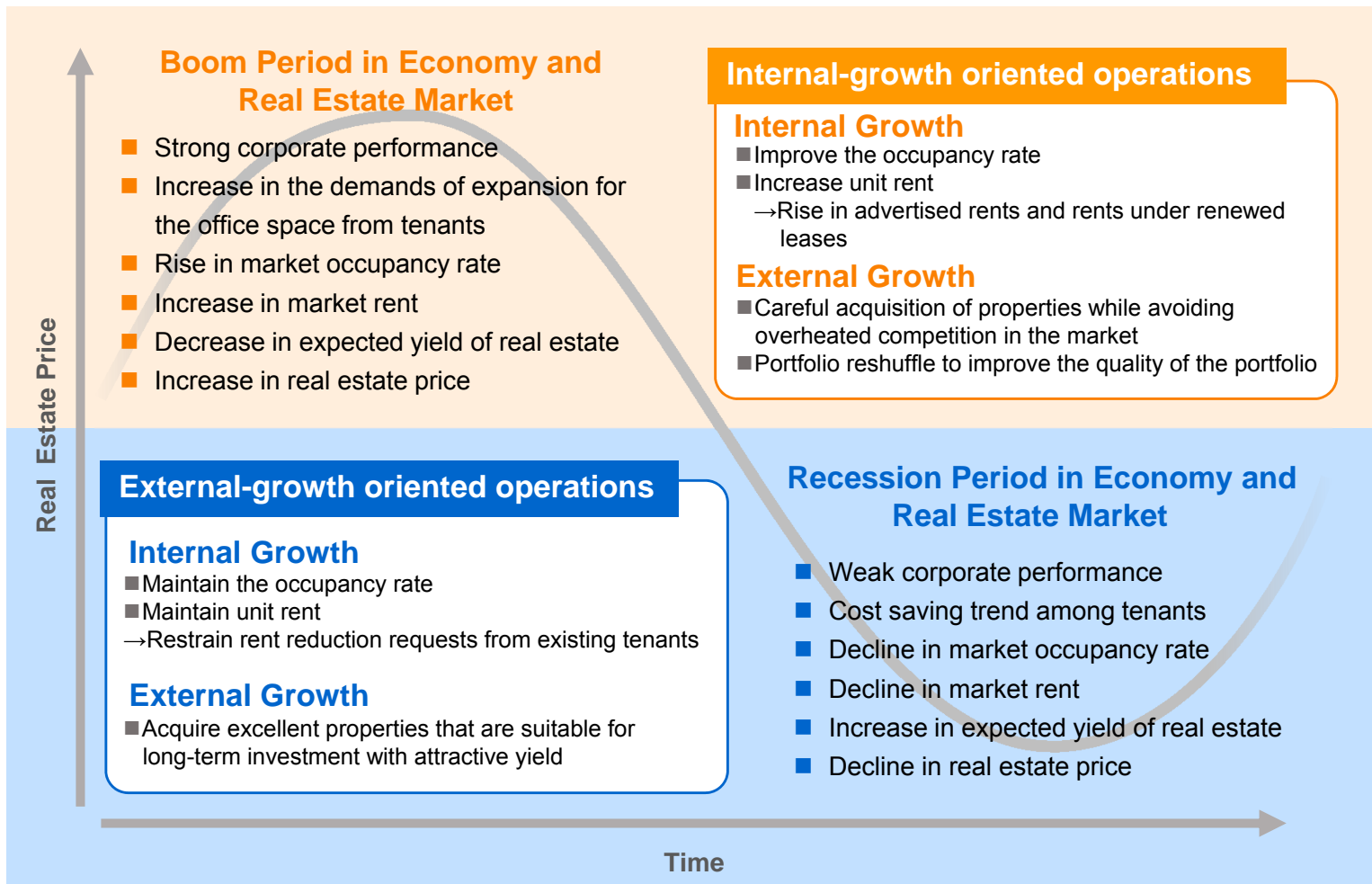
Capital Expenditure and Depreciation (Forecast)

(In millions of JPY)

	Mar. 2019 period	Sep. 2019 period	Mar. 2020 period	Sep. 2020 period	Mar. 2021 period	Sep. 2021 period	Total
Capital expenditure	2,200	1,400	2,500	1,700	2,900	2,300	13,200
Depreciation	6,300	6,300	6,200	6,200	6,100	5,800	37,200

JRE Growth Strategy

Market Environment and Growth Strategy (Image)



MEMO

External Growth

Steady external growth with a focus on quality

- **Secure steady external growth by strengthening the collaboration with two sponsors**
 - Acquire properties by negotiating transactions mainly with two sponsors
 - Work to diversify the property acquisition processes
- **Continued efforts to strengthen portfolio**
 - 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 on a mid- to long-term basis by comprehensively examining leasing market conditions, traffic convenience, and other factors

Internal Growth

Internal growth by our continuous efforts since IPO

- **Continue to keep stable occupancy rates**
 - Strong awareness of tenant needs
 - Implement a constructive leasing strategy to meet the characteristics of each building and changes in the market
- **Enhance rental profits**
 - Continuous efforts to increase rent revenues
 - Ongoing efforts to carry out the property management cost reduction plan
- **Enhance the value of properties**
 - Conduct timely renovation work

Financial Strategy

Sustain and enhance financial stability

- **Maintain conservative interest-bearing debt / total assets ratio and high credit ratings by strengthening the capital base**
 - Gain and maintain debtholders' trust
 - Acquire a low-cost and long-term fund-raising capability
 - Secure flexibility in fund-raising by limiting the covenants or other restrictive terms of financing
- **Appropriate response to interest risk**
 - Maintain conservative interest-bearing debt/ total assets ratio at approximately 30-40%
 - Lengthen the term of interest-bearing debt, stabilize the interest rate and diversify repayment dates

MEMO

2 Internal Growth

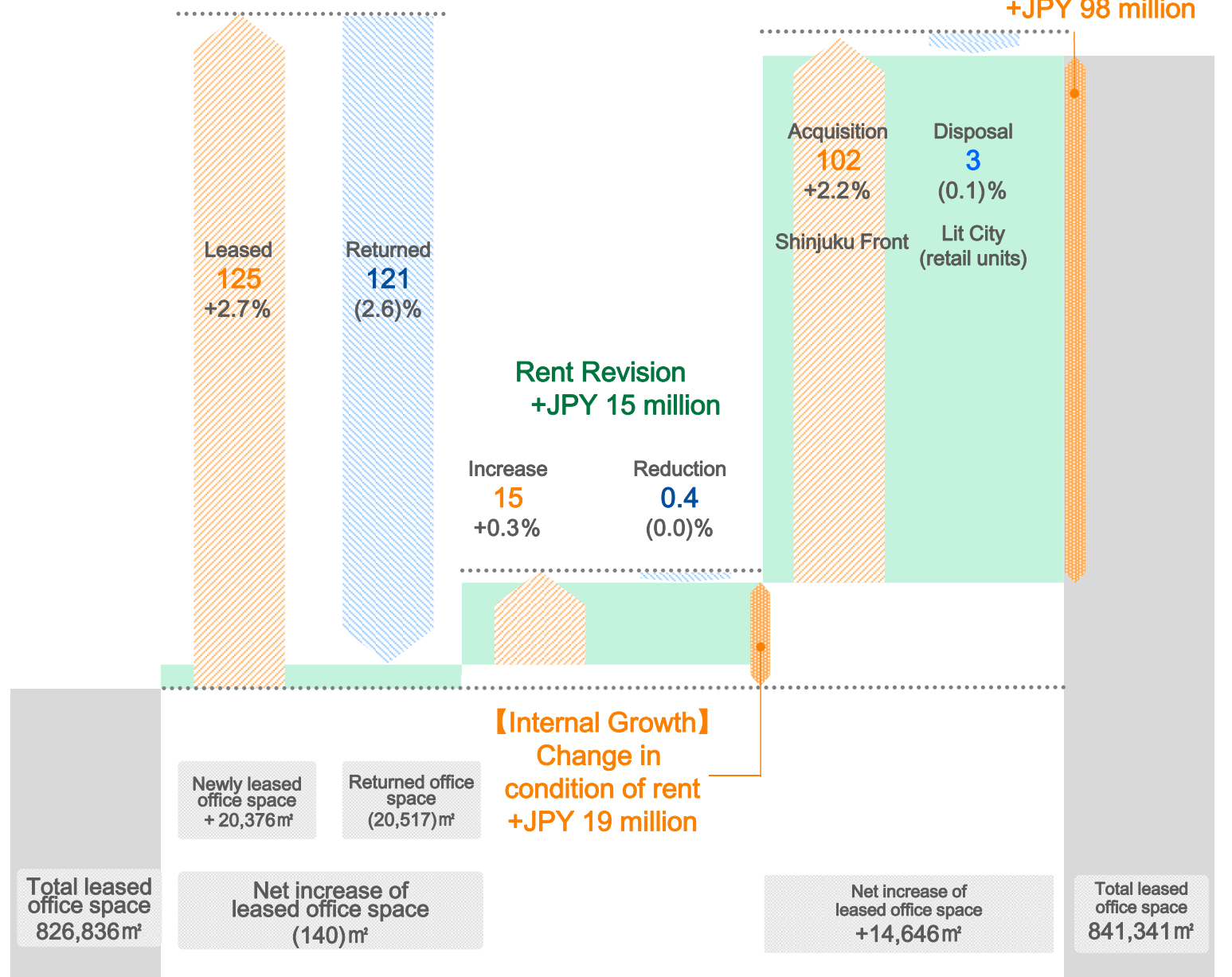
Factors in the Net Increase of Monthly Contract Rent

- Net increase of monthly contract rent (including common service charges) and the rates of net increase (%) are shown in comparison with those of the end of the previous period (prior six months).
- Data for residential portions are excluded.

(In millions of JPY)

Tenant Turnover
+JPY 4 million

【External Growth】
**Property acquisition/
disposal**
+JPY 98 million

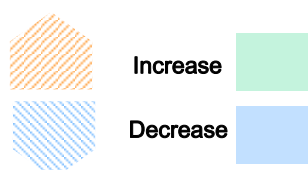


Monthly rent as of
Mar. 31, 2018
JPY 4,697 million

+JPY 118 million Increase
+2.5%

Monthly rent as of
Sep. 30, 2018
JPY 4,816 million

As of
Mar. 31, 2018



As of
Sep. 30, 2018

* The land revenue (JPY 18.5 million per month) for Shinjuku South Gate Project (Land) and the land revenue (JPY 90 million per month) for Shibuya Cross Tower (Land) are not included in the monthly rent as of the end of each period. (The land revenue for Shinjuku South Gate Project (Land) before June 30, 2018 was JPY 10 million per month.)

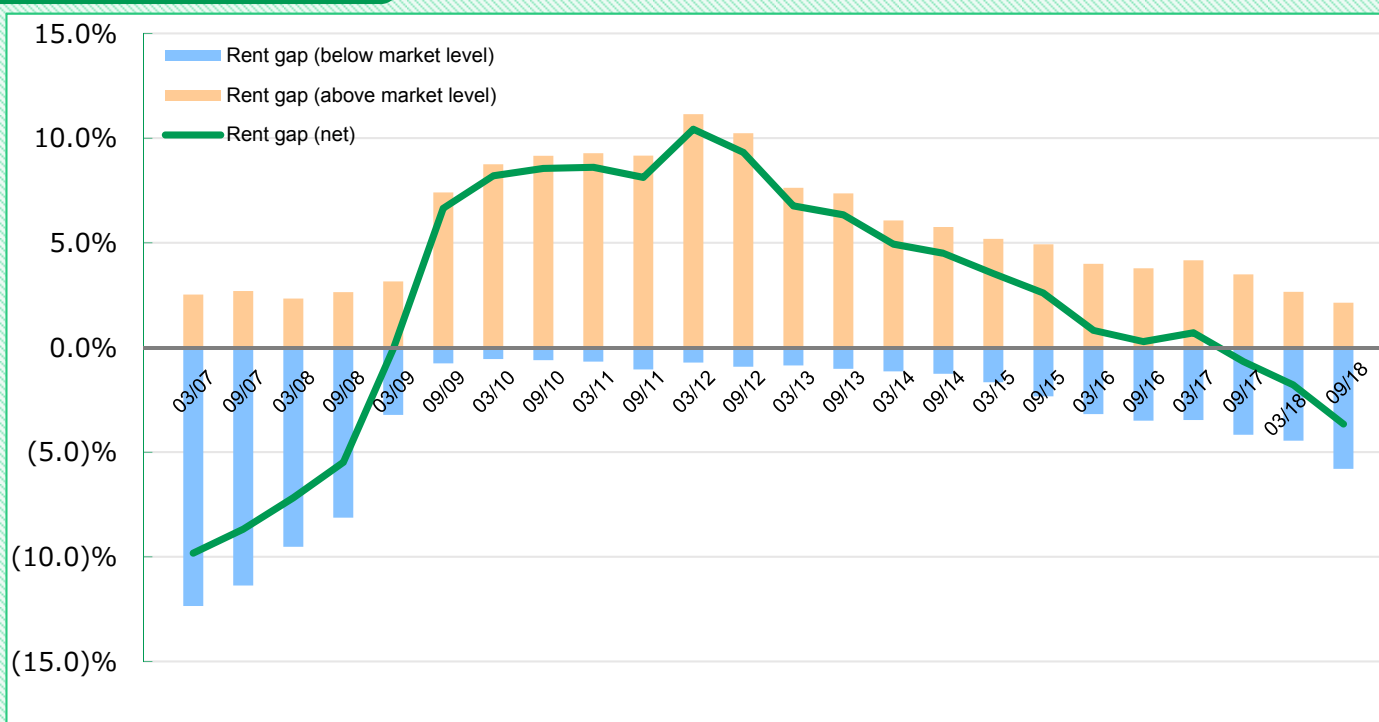
Rent Gap and Type of Lease Agreement

Rent gap of overall portfolio

-JPY 176 million

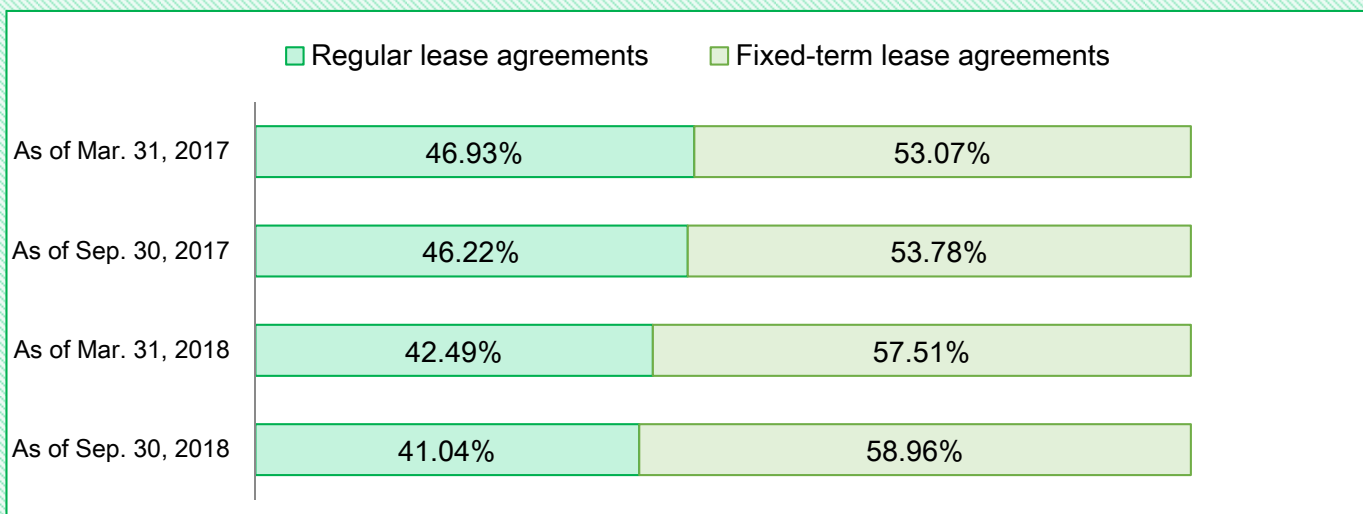
Gap Ratio : **-3.7%** (Below market level)

Trend of Rent Gap



*Aggregated calculation excluding lease agreements in which revenues are fixed more than 1 year from the beginning of each period due to fixed-term lease agreement, etc.

Breakdown of Type of Lease Agreement



*Properties excluding lands as of Sep. 30, 2018 are subject to the above data. The above percentage is based on monthly rent.

Trend of Market Rent Level

- With regard to the new rent data (Note 1) assessed by CBRE K.K. (CBRE), the trend shows the price as of June 30, 2018 set at 100.
- The assessment was made for 63 properties. 6 properties are excluded (excluding properties in unusual situations, including single-tenant leased properties) from the 69 properties (building) (Note 2) held in total by JRE as of September 30, 2018.

Area	Property Name	Trend in assessed new rent (intermediate value of upper and lower limits: index) at time of survey															
		06/03	12/03	06/04	12/04	06/05	12/05	06/06	12/06	06/07	12/07	06/08	12/08	06/09	12/09	06/10	12/10
Tokyo 23 Wards	Chiyoda	Kitanomaru Square												93	88	84	83
		MD Kanda	114	114	114	118	123	123	141	141	154	159	144	128	108	97	90
		Kandabashi Park	106	106	106	112	117	119	148	148	162	162	152	133	114	102	95
		Otemachi FCN															
		Nibancho Garden															
		Mitsubishi UFJ Trust															
		Burex Kojimachi															
		Sanno Grand				96	102	116	133	137	145	145	139	122	102	94	86
	Chuo	Yurakucho Denki		90	90	100	107	117	134	141	159	159	152	126	100	93	88
		Kodenmacho	100	100	100	103	110	110	117	148	159	152	141	128	114	100	100
		FP Nihonbashi															
		Kyodo (Kayabacho 2Chome)															
		Burex Kyobashi															
		Ginza 1Chome															
		Ginza Sanwa					109	117	122	128	137	137	135	106	93	93	83
		Ryoshin Ginza EM					132	132	137	145	153	153	145	134	116	103	92
	Minato	Harumi Front															
		Harumi Center									168	168	161	143	132	118	114
		Akasaka Park															
		Aoyama Crystal	100	98	96	102	112	122	124	133	139	139	135	122	100	90	84
		Clover Shiba-koen															
		Shiodome												107	97	92	88
		Shiba 2Chome Daimon	103	103	103	115	127	130	136	139	145	148	148	139	121	103	88
		Cosmo Kanasugibashi	100	100	100	106	116	123	129	135	142	148	148	129	106	100	87
	Shinjuku	Tamachi Front															
		Shinjuku Eastside															
		Shinjuku Front															
		Shinwa				89	93	98	116	124	129	129	129	111	89	84	82
	Taito	Tokyo Opera City					124	135	141	145	145	141	120	98	94	90	90
		TIX UENO															
	Shinagawa	Higashi-Gotanda 1Chome			106	117	117	120	120	126	131	131	131	120	109	97	89
		Osaki Front Tower															
	Ota	Omori-Eki Higashiguchi	122	119	119	119	119	119	119	130	137	144	144	126	122	107	107
	Shibuya	Yoyogi 1Chome					100	111	123	127	130	132	132	114	91	86	84
		Jingumae Terrace	104	100	100	100	100	113	113	113	113	113	109	89	82	80	78
		Jingumae MS		94	92	92	94	112	118	127	127	131	127	118	92	86	84
		Ebisu Neonato		84	86	95	102	114	123	128	133	133	126	105	81	79	77
	Nakano	Harmony Tower					116	121	126	137	142	142	142	132	111	97	97
	Toshima	Otsuka Higashi-Ikebukuro	100	100	92	92	92	92	92	96	113	113	117	117	113	104	104
		Ikebukuro 2Chome	94	94	94	94	96	96	100	100	108	108	108	108	104	96	96
		Ikebukuro YS				100	106	113	123	129	132	132	132	126	106	100	94
Other Areas	Hachioji	Hachioji First					109	109	109	109	109	113	113	109	100	96	96
	Saitama	Saitama Urawa	81	81	70	70	85	85	93	96	100	100	100	93	78	78	78
	Yokohama	MM Park											119	116	100	88	88
		Queen's															
	Kawasaki	Kawasaki Isago	104	100	100	100	100	100	100	100	104	104	104	100	92	92	92
		Musashi Kosugi STM											100	94	88	88	88
	Sapporo	8・3 Square Kita								79	82	82	82	79	79	79	79
	Sendai	Jozenji Park				121	124	132	132	132	134	134	134	118	111	105	105
		Higashi Nibancho															
		Sendai Honma	125	120	115	115	118	125	125	125	128	128	128	115	105	100	90
		AER															
	Kanazawa	Kanazawa Park	89	86	86	86	86	84	95	95	95	95	93	86	79	75	75
		Kanazawa Kamitsutsumicho															
	Nagoya	Nishiki Park								135	135	135	131	127	119	112	96
		Hirokoji Place															
		Nagoya Hirokoji	124	124	124	124	124	132	132	132	132	132	132	128	124	120	100
		Nagoya Misono		121	121	121	121	129	124	124	124	124	124	119	119	114	100
	Kyoto	Shijo Karasuma															
	Osaka	Umeda Square															
		Shin-Fujita											106	103	90	81	81
		Sakaisujihonmachi	113	109	96	96	100	109	117	126	126	126	122	113	100	91	83
		Midosuji Daiwa	119	104	100	100	107	115	137	137	141	141	137	122	100	93	93
	Amagasaki	Amagasaki Front															
	Okayama	Lit City						90	90	90	90	90	90	87	87	83	83
	Hiroshima	NHK Hiroshima			90	90	90	93	103	103	103	107	107	107	100	97	97
	Fukuoka	Tosei Tenjin	84	80	76	76	76	76	80	80	84	84	84	84	76	72	72
		Tenjin Crystal					90	90	93	93	93	93	90	79	72	66	66
		Hinode Tenjin	90	77	71	71	71	74	81	81	81	81	81	81	74	71	71

(Note 1) JRE requests CBRE to assess the new rent levels (between the range of upper and lower limits) regarding properties held by JRE on a semi-annual basis (June and December).

(Note 2) Shinjuku South Gate Project (Land) and Shibuya Cross Tower (Land) are not included.

Trend in assessed new rent (intermediate value of upper and lower limits: index) at time of survey															Property Name	Area		
06/11	12/11	06/12	12/12	06/13	12/13	06/14	12/14	06/15	12/15	06/16	12/16	06/17	12/17	06/18				
79	79	79	83	86	90	91	93	95	97	98	98	98	100	100	Kitanomaru Square	Chiyoda	Tokyo 23 Wards	
85	82	82	82	82	82	82	85	85	87	90	92	95	95	100	MD Kanda			
83	81	81	83	83	83	83	86	88	93	95	98	100	100	100	Kandabashi Park			
						90	90	91	94	95	96	99	99	100	Otemachi FCN			
															Nibancho Garden			
															Mitsubishi UFJ Trust			
															Burex Kojimachi	Chuo		
82	78	78	78	78	78	80	82	86	90	92	94	96	96	100	Sanno Grand			
84	81	81	81	83	83	83	84	88	90	93	93	95	97	100	Yurakucho Denki			
97	93	93	93	93	93	93	93	93	97	97	97	97	97	100	Kodenmacho			
													98	100	FP Nihonbashi			
97	94	94	94	94	94	94	94	94	94	94	97	97	97	100	Kyodo (Kayabacho 2Chome)			
															Burex Kyobashi	Minato		
								97	97	97	97	100	100	100	Ginza 1Chome			
78	78	78	78	80	83	85	87	89	91	94	94	96	98	100	Ginza Sanwa			
87	84	84	84	84	87	87	89	92	95	97	97	100	100	100	Ryoshin Ginza EM			
															Harumi Front			
111	96	93	93	93	93	93	96	96	96	96	96	100	100	100	Harumi Center			
	76	76	76	78	80	82	84	85	89	91	93	95	96	100	Akasaka Park	Shinjuku		
82	78	78	80	82	82	84	88	92	96	96	96	98	100	100	Aoyama Crystal			
								100	100	100	100	100	100	100	Clover Shiba-koen			
86	86	86	88	88	90	92	95	95	97	98	98	98	100	100	Shiodome			
82	79	79	79	79	79	79	79	79	82	85	88	94	100	100	Shiba 2Chome Daimon			
81	77	77	77	77	77	77	77	77	84	84	87	90	100	100	Cosmo Kanasugibashi			
												100	100	100	Tamachi Front	Shinjuku		
							85	85	87	87	87	91	98	100	Shinjuku Eastside			
														100	Shinjuku Front			
73	69	69	71	71	71	73	76	80	87	87	87	91	96	100	Shinwa			
88	82	80	80	78	80	84	86	88	90	92	92	96	100	100	Tokyo Opera City			
		88	88	88	88	88	91	91	95	95	95	95	95	100	TIX UENO			
83	77	77	77	77	77	77	77	80	83	86	89	91	94	100	Higashi-Gotanda 1Chome	Taito	Shinjuku	
															Osaki Front Tower	Shinagawa		
96	96	96	96	96	96	96	96	96	96	96	96	96	96	100	Omori-Eki Higashiguchi			Ota
75	73	73	73	73	73	73	75	77	80	82	84	86	95	100	Yoyogi 1Chome	Shibuya		
78	78	78	78	78	78	78	78	80	80	80	84	91	96	100	Jingumae Terrace			
78	78	78	80	80	82	88	88	90	92	92	96	96	98	100	Jingumae MS			
74	74	74	75	79	82	86	89	91	93	95	95	96	98	100	Ebisu Neonato			
89	87	87	87	87	87	89	89	89	92	95	95	97	100	100	Harmony Tower		Nakano	
96	83	83	83	83	83	83	88	92	96	96	96	100	100	100	Otsuka Higashi-Ikebukuro		Toshima	
96	96	96	96	96	96	96	96	96	96	96	96	96	100	100	Ikebukuro 2Chome			
94	94	94	94	94	94	94	94	94	97	97	100	100	100	100	Ikebukuro YS	Hachioji	Other Areas	
87	87	87	87	87	87	87	91	96	96	96	96	100	100	100	Hachioji First			
78	78	78	78	78	78	81	81	85	85	85	85	89	89	100	Saitama Urawa	Saitama		
88	84	84	84	84	84	84	84	88	91	94	94	94	100	100	MM Park	Yokohama		
					79	80	83	86	94	97	97	97	97	100	Queen's	Kawasaki		
84	72	72	72	72	76	80	84	88	92	96	96	98	100	100	Kawasaki Isago			
82	82	82	82	82	82	82	85	88	94	100	100	100	100	100	Musashi Kosugi STM		Sapporo	
79	76	76	76	76	76	76	76	78	79	82	85	88	97	100	8・3 Square Kita			
105	100	100	100	100	100	100	100	100	100	100	100	100	100	100	Jozenji Park			Sendai
			74	74	74	77	81	85	90	90	90	97	97	100	Higashi Nibancho			
85	80	80	80	80	80	80	80	80	80	80	80	85	90	100	Sendai Honma			
									77	80	89	93	98	100	AER			
75	75	75	75	75	75	75	75	79	86	86	86	93	96	100	Kanazawa Park	Kanazawa		
											84	91	95	100	Kanazawa Kamitsutsumicho	Nagoya		
92	92	88	87	87	87	88	88	88	92	92	92	94	94	100	Nishiki Park			
					86	86	86	86	86	86	86	93	95	100	Hirokoji Place			
96	96	96	92	92	92	92	92	92	92	92	92	92	92	100	Nagoya Hirokoji			
90	90	81	81	76	76	79	79	79	81	81	81	81	83	100	Nagoya Misono			
					79	82	85	91	94	94	94	100	100	100	Shijo Karasuma		Kyoto	
								87	87	89	93	98	98	100	Umeda Square	Osaka		
81	81	81	81	81	81	81	81	81	84	84	84	87	90	100	Shin-Fujita			
78	78	78	78	78	78	78	78	78	78	78	83	91	100	100	Sakaisujihonmachi			
93	93	93	93	85	85	85	85	85	85	85	85	89	93	100	100		Midosuji Daiwa	
								93	93	93	93	93	93	100	100		Amagasaki Front	Amagasaki
83	83	83	85	85	85	85	87	88	97	97	97	97	97	100	100		Lit City	Okayama
95	95	95	95	95	95	95	95	95	97	97	97	97	97	100	100	NHK Hiroshima	Hiroshima	
70	70	70	70	70	70	70	70	76	80	80	80	88	92	100	100	Tosei Tenjin	Fukuoka	
66	66	66	66	66	69	72	79	83	83	83	86	93	93	100	100	Tenjin Crystal		
71	68	68	68	68	71	73	77	81	81	84	87	94	94	100	100	Hinode Tenjin		

Assessed rent increased compared to the preceding assessment

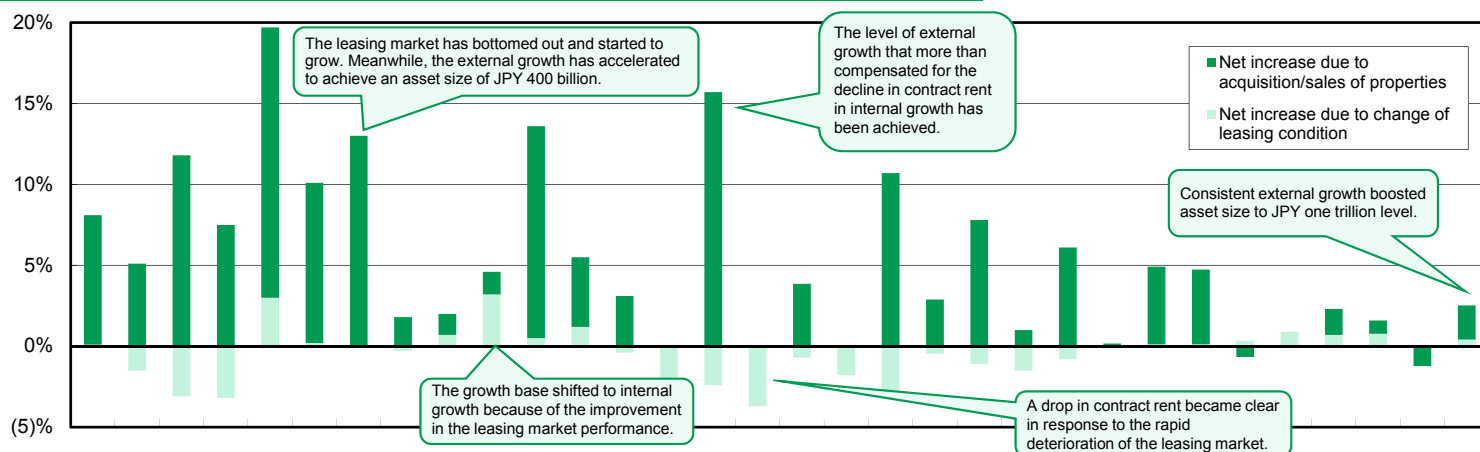
Assessed rent decreased compared to the preceding assessment

Net Increase of Monthly Contract Rent

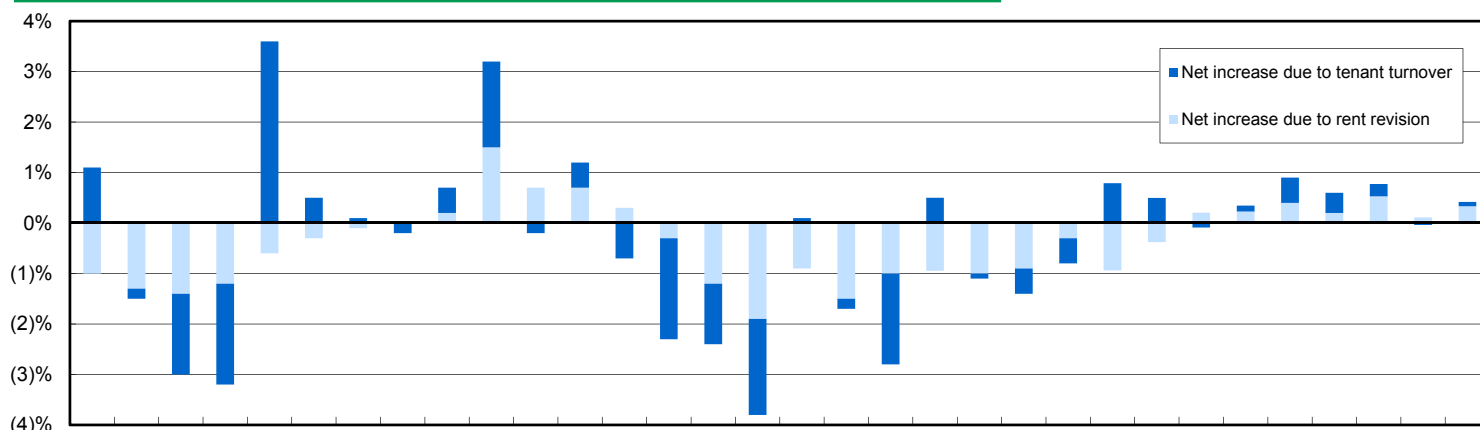
* Percentages represent the rates of net increase of rent over monthly total portfolio contract rent (including common service charges) as of the end of the previous period (prior six months). Data for residential portions are excluded.

Term	Sep. 2011	Mar. 2012	Sep. 2012	Mar. 2013	Sep. 2013	Mar. 2014	Sep. 2014	Mar. 2015	Sep. 2015	Mar. 2016	Sep. 2016	Mar. 2017	Sep. 2017	Mar. 2018	Sep. 2018
Rate of net increase of rent over the end of the previous period ... I + II	(1.8)%	7.9%	2.4%	6.6%	(0.5)%	5.3%	0.0%	4.9%	4.7%	(0.3)%	1.0%	2.3%	1.6%	(1.1)%	2.5%
Net increase due to acquisition/sales of properties ... I (= ㊦ + ㊧)	0.0%	10.7%	2.9%	7.8%	1.0%	6.1%	0.2%	4.8%	4.6%	(0.7)%	0.0%	1.6%	0.8%	(1.2)%	2.1%
Increase due to property acquisition ... ㊦	0.0%	10.7%	2.9%	7.8%	2.0%	6.1%	0.2%	4.8%	4.6%	0.0%	0.0%	2.3%	0.8%	3.4%	2.2%
Reduction due to property sales ... ㊧	0.0%	0.0%	0.0%	0.0%	(1.0)%	0.0%	0.0%	0.0%	0.0%	(0.7)%	0.0%	(0.7)%	0.0%	(4.7)%	(0.1)%
Net increase due to change of leasing condition ... II (= ㊨ + ㊩)	(1.8)%	(2.8)%	(0.5)%	(1.1)%	(1.5)%	(0.8)%	(0.1)%	0.1%	0.1%	0.3%	0.9%	0.7%	0.8%	0.1%	0.4%
Reduction due to returned office spaces ... ㊨ (= a + b)	(0.2)%	(1.8)%	0.5%	(0.1)%	(0.5)%	(0.5)%	0.8%	0.5%	(0.1)%	0.1%	0.5%	0.4%	0.2%	(0.0)%	0.1%
Increase due to newly leased office spaces ... a	6.7%	4.2%	3.4%	3.5%	2.0%	3.3%	2.8%	2.7%	1.5%	2.5%	2.5%	1.9%	2.1%	2.8%	2.7%
Reduction due to returned office spaces ... b	(7.0)%	(6.0)%	(3.0)%	(3.6)%	(2.5)%	(3.7)%	(2.0)%	(2.2)%	(1.6)%	(2.4)%	(1.9)%	(1.5)%	(1.9)%	(2.8)%	(2.6)%
Net increase due to rent revision ... ㊩ (= c + d)	(1.5)%	(1.0)%	(0.9)%	(1.0)%	(0.9)%	(0.3)%	(0.9)%	(0.4)%	0.2%	0.2%	0.4%	0.2%	0.5%	0.1%	0.3%
Increase due to rent revision ... c	0.1%	0.1%	0.0%	0.4%	0.1%	0.1%	0.1%	0.1%	0.3%	0.3%	0.4%	0.4%	0.5%	0.2%	0.3%
Reduction due to rent revision ... d	(1.6)%	(1.1)%	(1.0)%	(1.4)%	(1.0)%	(0.4)%	(1.1)%	(0.5)%	(0.1)%	(0.1)%	(0.0)%	(0.2)%	(0.0)%	(0.1)%	(0.0)%

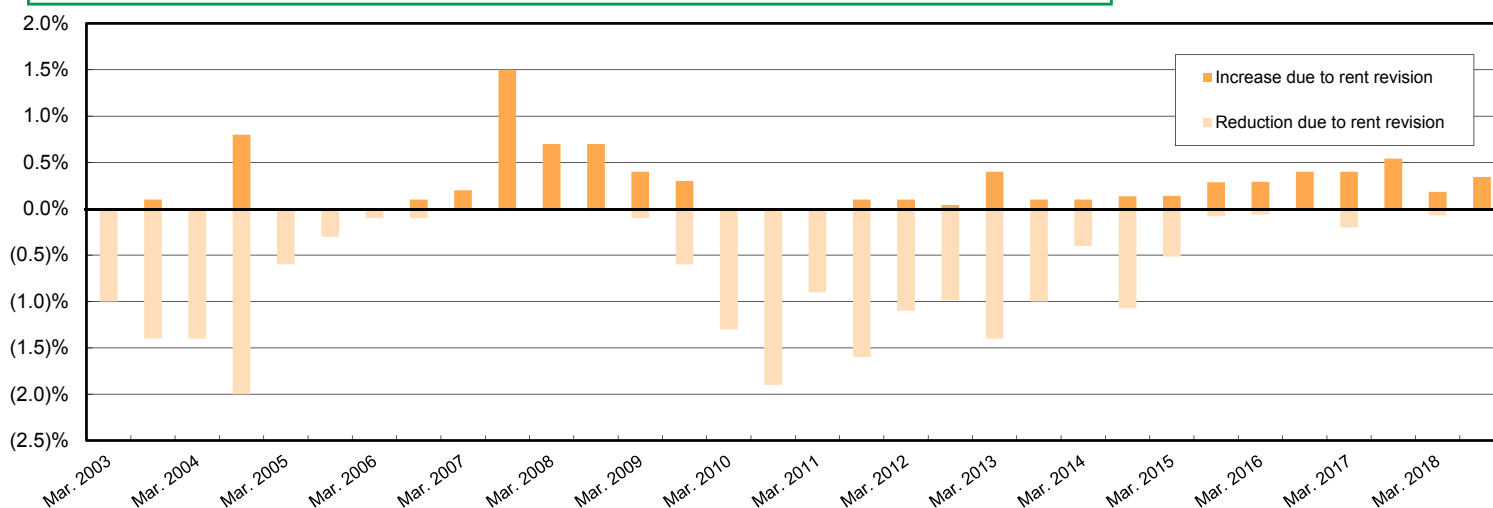
Breakdown of net increase of rent due to external growth and internal growth



Breakdown of net increase of rent due to tenant turnover and rent revision



Breakdown of net increase of rent due to rent increase revision and rent reduction revision



Trend of Rent Revision

Rent increase on revision of monthly rent

(In thousands of JPY-month)

	Mar. 2006 period	Sep. 2006 period	Mar. 2007 period	Sep. 2007 period	Mar. 2008 period	Sep. 2008 period	Mar. 2009 period	Sep. 2009 period	Mar. 2010 period	Sep. 2010 period	Mar. 2011 period	Sep. 2011 period	Mar. 2012 period
Tokyo 23 Wards	646	1,706	4,979	35,780	15,600	17,771	11,006	4,326	258	1,169	288	1,004	443
Other Areas	32	109	6	1,560	1,685	2,329	1,191	4,391	954	165	588	121	1,467
Overall	678	1,815	4,986	37,341	17,286	20,101	12,198	8,718	1,213	1,335	876	1,125	1,911
	Sep. 2012 period	Mar. 2013 period	Sep. 2013 period	Mar. 2014 period	Sep. 2014 period	Mar. 2015 period	Sep. 2015 period	Mar. 2016 period	Sep. 2016 period	Mar. 2017 period	Sep. 2017 period	Mar. 2018 period	Sep. 2018 period
Tokyo 23 Wards	1,319	10,004	374	888	2,616	4,258	11,413	11,209	15,851	16,083	19,063	4,388	9,362
Other Areas	184	4,935	2,809	1,741	2,976	1,503	995	2,030	3,204	3,852	6,280	4,330	6,496
Overall	1,503	14,940	3,184	2,630	5,593	5,761	12,409	13,239	19,056	19,935	25,343	8,718	15,858

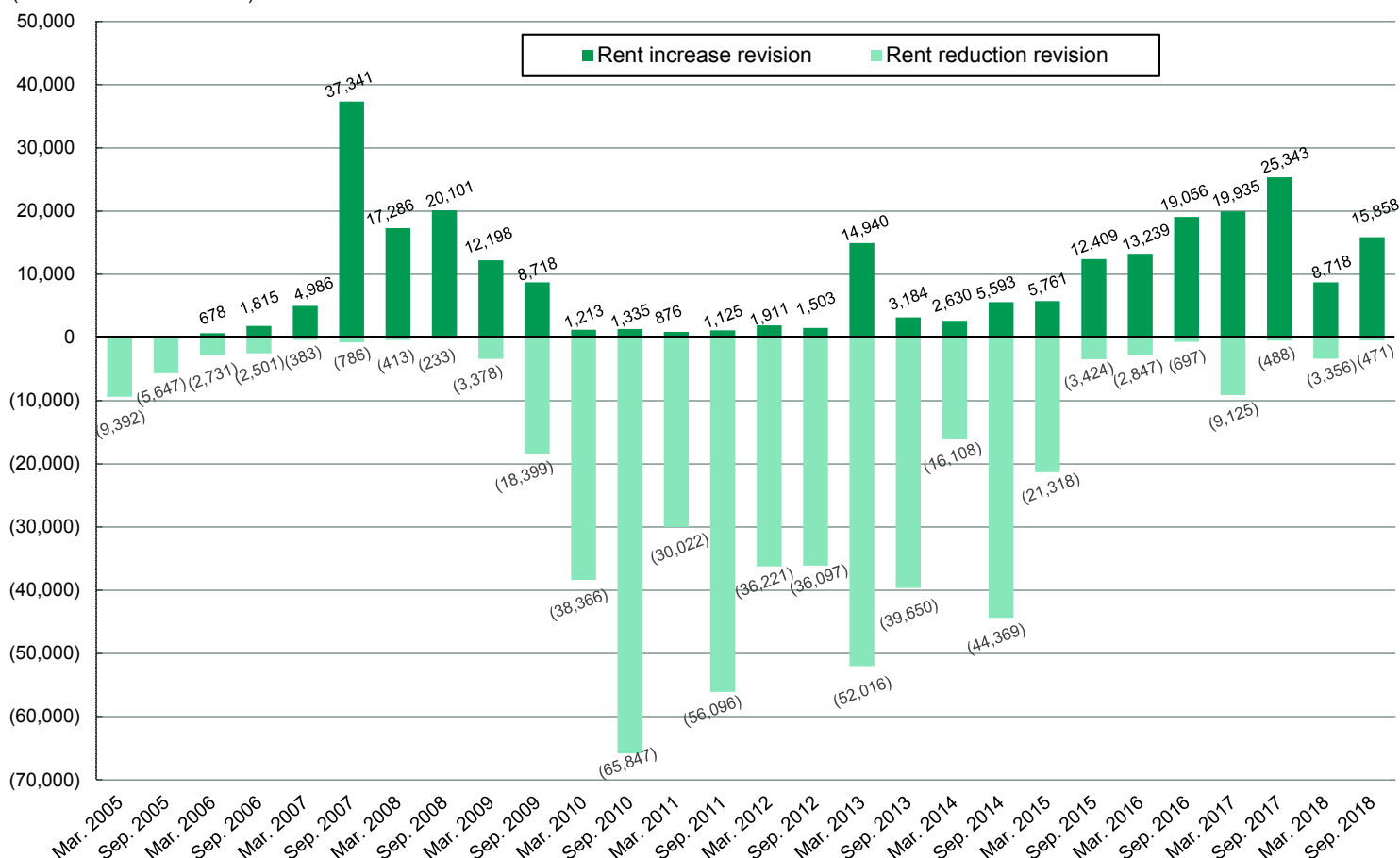
Rent reduction on revision of monthly rent

(In thousands of JPY-month)

	Mar. 2006 period	Sep. 2006 period	Mar. 2007 period	Sep. 2007 period	Mar. 2008 period	Sep. 2008 period	Mar. 2009 period	Sep. 2009 period	Mar. 2010 period	Sep. 2010 period	Mar. 2011 period	Sep. 2011 period	Mar. 2012 period
Tokyo 23 Wards	(393)	(89)	0	(22)	(350)	(26)	(2,218)	(10,806)	(27,211)	(49,726)	(22,157)	(44,791)	(25,312)
Other Areas	(2,337)	(2,412)	(383)	(763)	(63)	(207)	(1,159)	(7,592)	(11,155)	(16,121)	(7,865)	(11,304)	(10,908)
Overall	(2,731)	(2,501)	(383)	(786)	(413)	(233)	(3,378)	(18,399)	(38,366)	(65,847)	(30,022)	(56,096)	(36,221)
	Sep. 2012 period	Mar. 2013 period	Sep. 2013 period	Mar. 2014 period	Sep. 2014 period	Mar. 2015 period	Sep. 2015 period	Mar. 2016 period	Sep. 2016 period	Mar. 2017 period	Sep. 2017 period	Mar. 2018 period	Sep. 2018 period
Tokyo 23 Wards	(31,407)	(40,836)	(18,288)	(10,405)	(42,019)	(17,784)	(535)	(145)	(169)	(8,943)	(203)	(223)	(171)
Other Areas	(4,689)	(11,179)	(21,362)	(5,702)	(2,350)	(3,534)	(2,888)	(2,702)	(528)	(181)	(284)	(3,133)	(300)
Overall	(36,097)	(52,016)	(39,650)	(16,108)	(44,369)	(21,318)	(3,424)	(2,847)	(697)	(9,125)	(488)	(3,356)	(471)

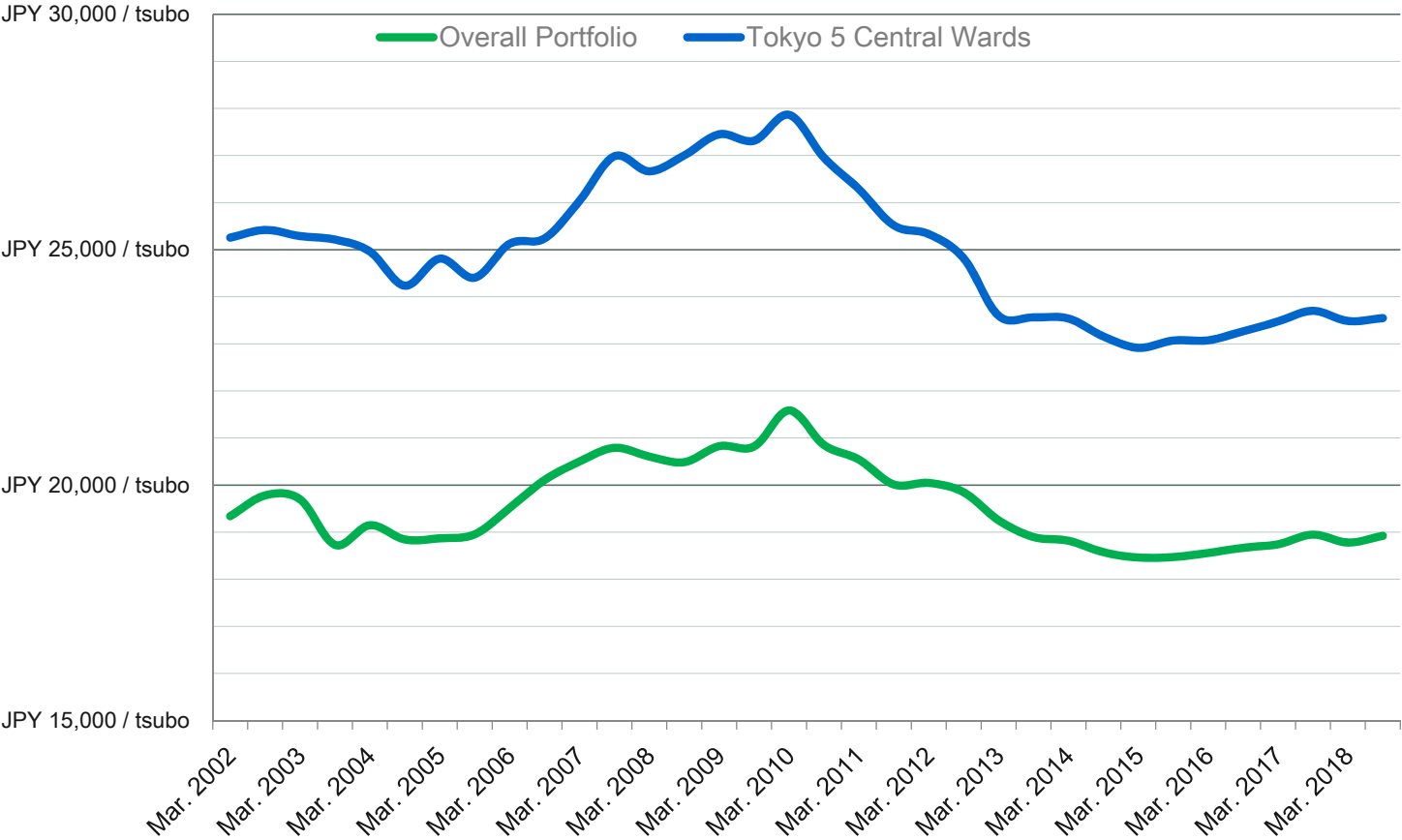
Entire portfolio / Trend of rent increase and reduction

(In thousands of JPY-month)



Changes in Average Rent

● Rent including utilities and other revenues as of the last month for each period is divided by leased area (tsubo).



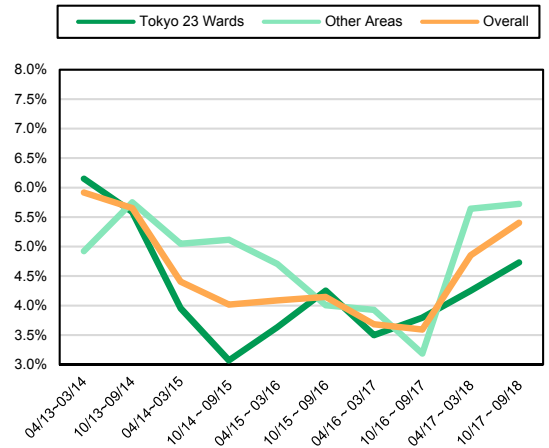
MEMO

Status of Tenant Turnover (By Area and Rent Change)

Ratio of Annual Tenant Turnover

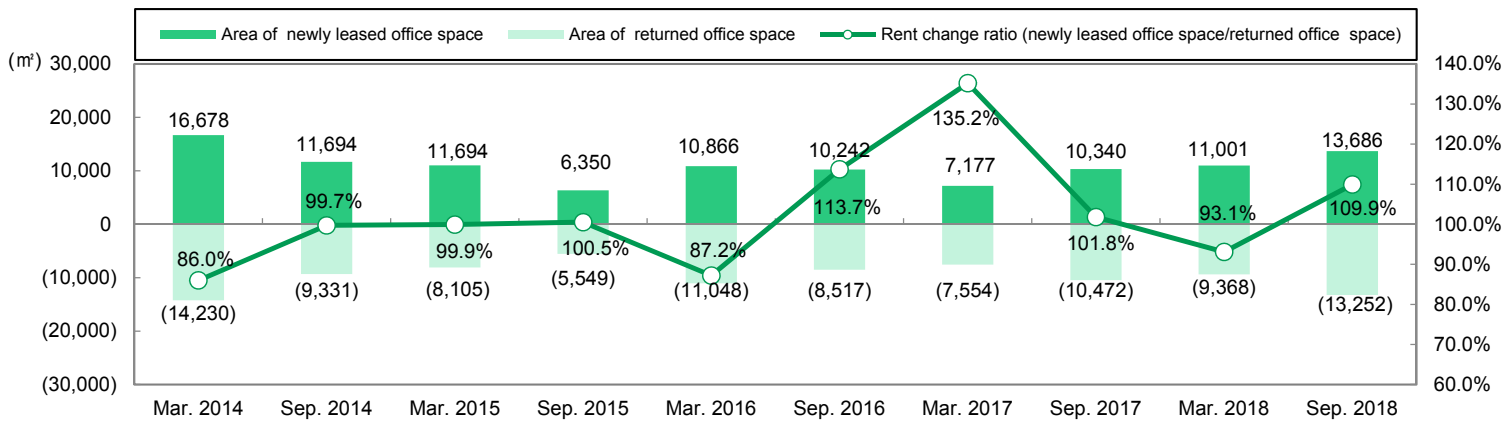
	04/13 ~ 03/14	10/13 ~ 09/14	04/14 ~ 03/15	10/14 ~ 09/15	04/15 ~ 03/16	10/15 ~ 09/16	04/16 ~ 03/17	10/16 ~ 09/17	04/17 ~ 03/18	10/17 ~ 09/18
Tokyo 23 Wards	6.2%	5.6%	4.0%	3.1%	3.6%	4.3%	3.5%	3.8%	4.3%	4.7%
Other Areas	4.9%	5.8%	5.0%	5.1%	4.7%	4.0%	3.9%	3.2%	5.6%	5.7%
Overall	5.9%	5.7%	4.4%	4.0%	4.1%	4.1%	3.7%	3.6%	4.9%	5.4%

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

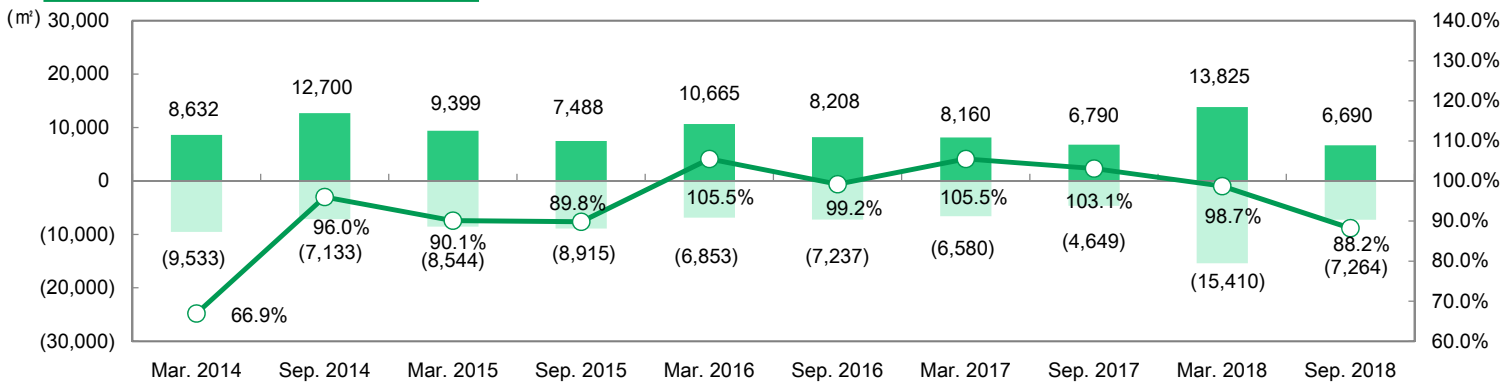


Trend in Area of Newly Leased & Returned Office Space and Rent Change Ratio

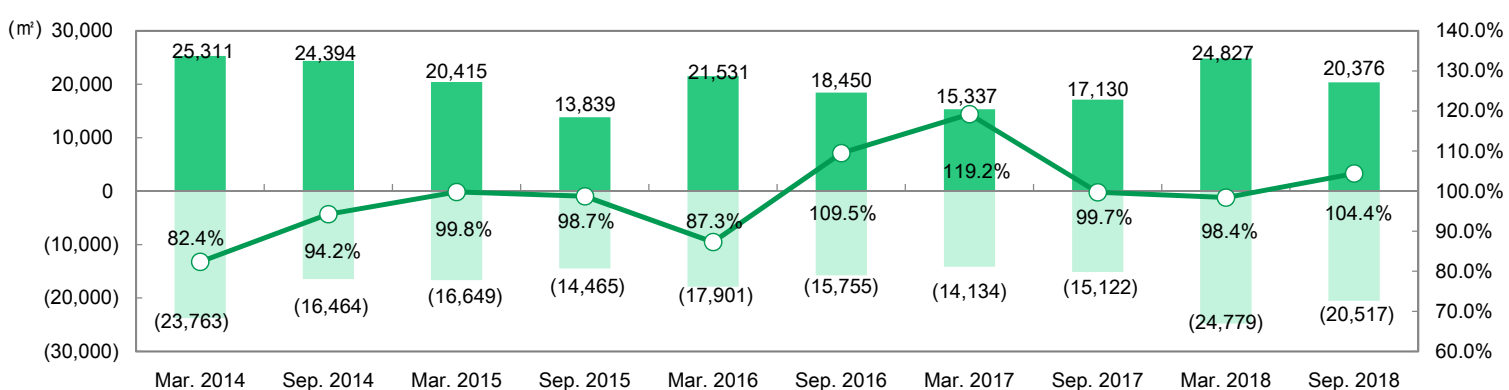
Tokyo 23 Wards



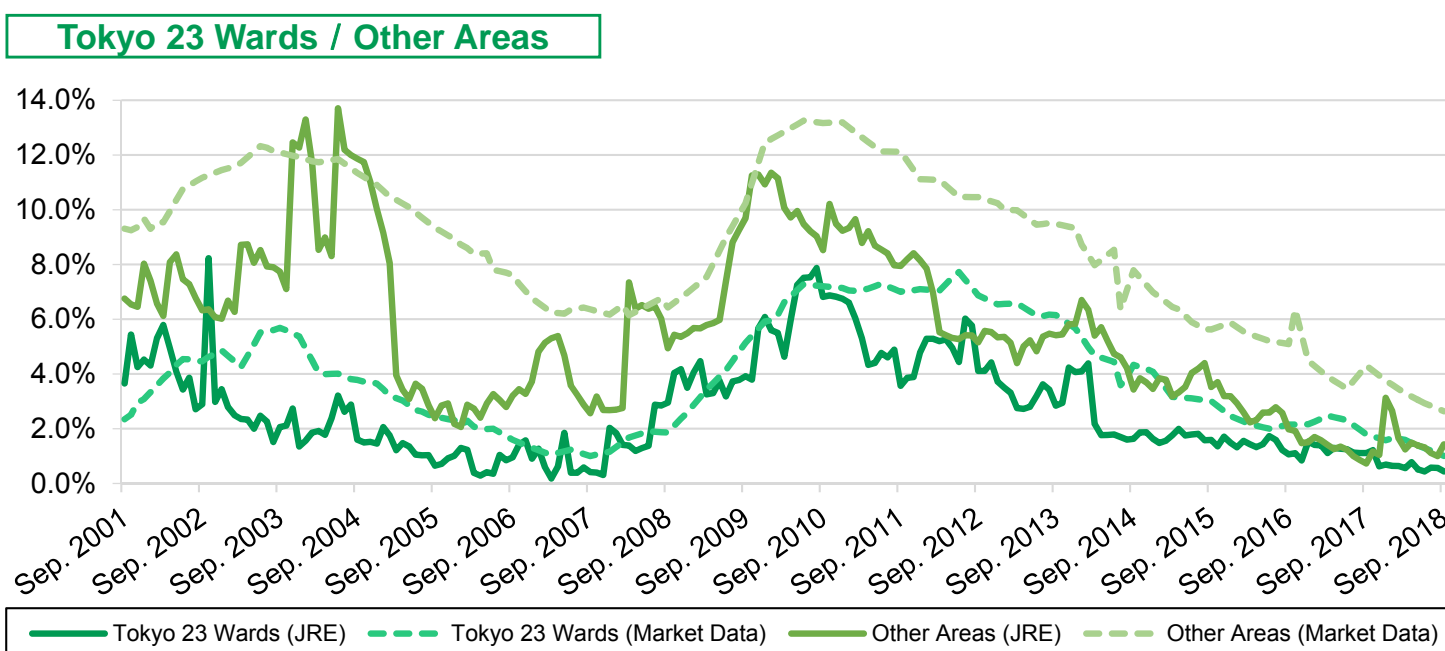
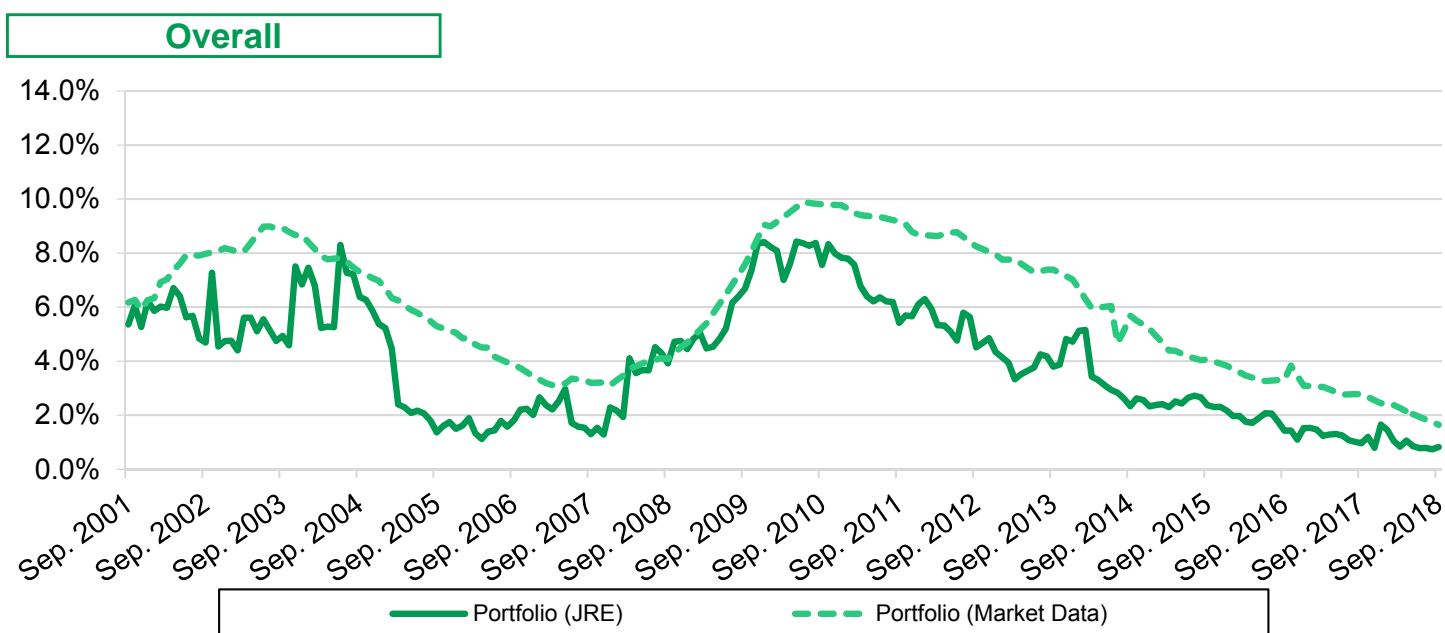
Other Areas



Overall



Trend in Vacancy Rate (Comparison with Market Vacancy Rate)



Average Vacancy Rate Calculation Method (e.g., The average rate of the following two properties)

Properties owned by JRE	Leasable Office Space (㎡)	Property Vacancy Rates	Office Areas*	Vacancy Rates of Areas*
A Building	① 5,000	④ 3.0%	Area A	⑦ 4.0%
B Building	② 3,000	⑤ 6.0%	Area B	⑧ 8.0%
Total / Average	③ 8,000	⑥ 4.1%		⑨ 5.5%

$$⑥ = (① \times ④ + ② \times ⑤) / ③$$

$$⑨ = (① \times ⑦ + ② \times ⑧) / ③$$

* Average vacancy rate is calculated by Japan Real Estate Asset Management Co., Ltd. using the data obtained from CBRE K.K.

* The data of CBRE K.K. covers all properties until June 2011, and thereafter to December 2012 covers properties with total floor area of 500 tsubo or larger. Data after January 2013 uses new area grouping and it covers properties with total floor area of 1,000 tsubo or larger that meet new earthquake-resistant standards.

* JRE's properties which are not included in the above new area grouping of the CBRE K.K. data have been excluded from the calculations of average vacancy rate since January 2013.

Maintaining lower vacancy rate than the market

3 External Growth

Shinjuku Front Tower



Property Summary (as of Acquisition date)

L o c a t i o n	2-21-1, Kita-Shinjuku, Shinjuku-ku, Tokyo
A r e a	< Land > 9,628.17m ² < Building > 92,092.30m ²
S t r u c t u r e	Steel-framed, Steel-framed reinforced concrete structure, flat roof Above ground: 35 floors Below ground: 2 floors
Completion date	August 2011
T y p e o f o w n e r s h i p	Trust beneficiary right in trust of domestic property Land : Freehold (27.20234% co-ownership) *Share of registered right of site: 27.5/100 of co-ownership of 98,917,614,500/100,000,000,000. Building: Co-ownership of compartmentalized building units - Office units/52,713.71m ² out of 53,248.09m ² , from the fourth floor to the thirty-fourth floor excluding units owned by other co-owners: 27.5/100. - Retail units/4,298.89m ² , from the first floor to the third floor: 27.5/100. *Share of ownership of the building: 27.24798%
Leasable office space	15,705m ² (JRE's share of ownership)
Occupancy rate	99.4%

Transaction Summary

S e l l e r	Mitsubishi Estate Co., Ltd.
Acquisition price	JPY 25,025 million
Appraisal value	JPY 25,300 million (as of March 1, 2018)
Acquisition date	April 17, 2018

Estimation of NOI and Depreciation

(Estimated under ordinary state occupancy)

N O I	JPY 1,006 million per year
Depreciation	JPY 248 million per year

Lit City Building (retail units)



Property Summary

L o c a t i o n	15-1 Ekimoto-machi, Kita-ku, Okayama City, Okayama Prefecture	
A r e a	< Land > 7,596.44m ²	< Building > 52,653.19m ²
S t r u c t u r e	Steel-framed, reinforced concrete structure, flat roof Above ground: 20 floors Below ground: 2 floors	
C o m p l e t i o n d a t e	June 2005	
L e a s a b l e o f f i c e s p a c e	1,058m ²	
O c c u p a n c y r a t e	100.0%	

Transaction Summary (retail units)

B u y e r	Domestic business corporation
Disposition price	JPY 650 million
Estimated book v a l u e	JPY 370 million
Appraisal value	JPY 514 million (as of September 1, 2018)
Disposition date	September 28, 2018

JRE disposed the retail units of the building (share of ownership of the building: 3.15%) and continues to own the office part of the building (share of ownership of the building: 24.60%).

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External Growth (Consideration of Property Acquisitions)

Performance of Property Acquisitions and Sales

(In millions of JPY)

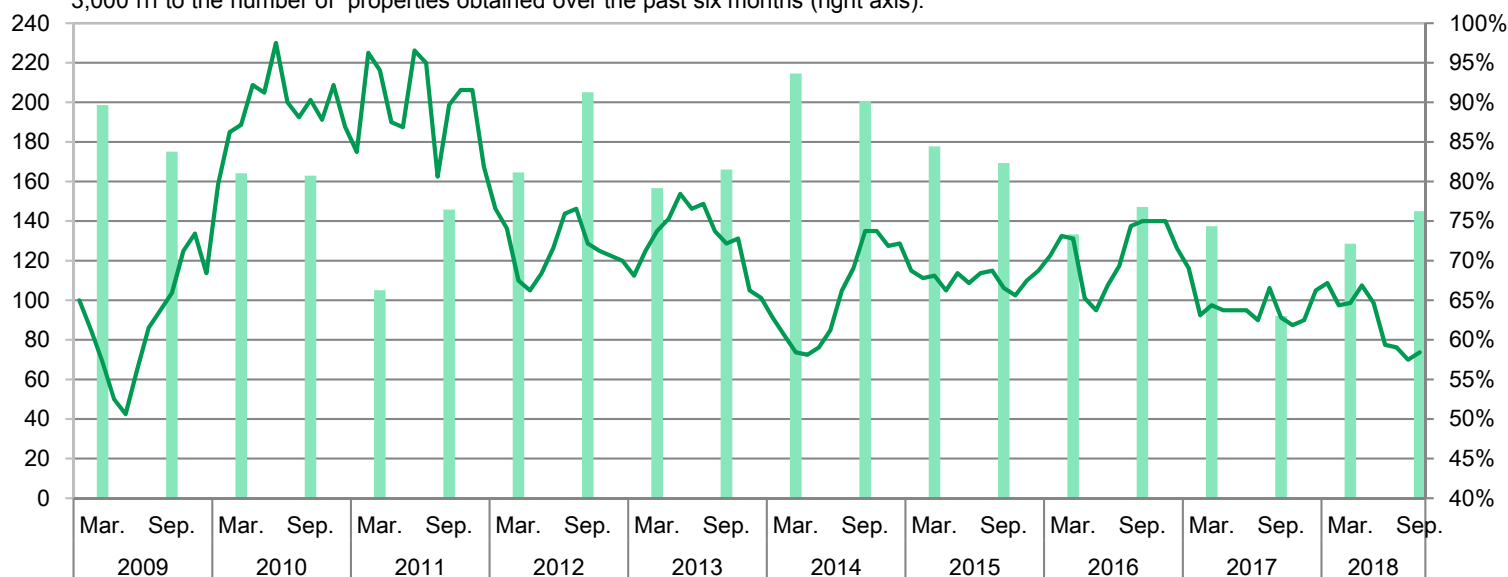
	At IPO	Mar. 2002	Sep. 2002	Mar. 2003	Sep. 2003	Mar. 2004	Sep. 2004	Mar. 2005	Sep. 2005	Mar. 2006	Sep. 2006	Mar. 2007
Acquisition	92,845	51,852	19,580	19,265	9,065	25,830	21,390	50,683	36,050	86,205	12,630	49,850
Sales	-	-	-	-	-	-	-	-	-	-	7,003	41,900

	Sep. 2007	Mar. 2008	Sep. 2008	Mar. 2009	Sep. 2009	Mar. 2010	Sep. 2010	Mar. 2011	Sep. 2011	Mar. 2012	Sep. 2012	Mar. 2013
Acquisition	7,100	72,029	24,000	21,250	-	77,026	2,645	16,710	-	60,800	22,000	41,770
Sales	1,770	-	-	-	-	1,507	-	-	3,160	-	-	-

	Sep. 2013	Mar. 2014	Sep. 2014	Mar. 2015	Sep. 2015	Mar. 2016	Sep. 2016	Mar. 2017	Sep. 2017	Mar. 2018	Sep. 2018	TOTAL
Acquisition	12,967	43,174	650	45,459	44,263	-	175	26,100	10,530	43,020	25,025	1,071,942
Sales	1,220	-	-	-	-	4,366	-	6,890	-	10,000	650	78,466

Trend of Property Information

- Line graph 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 January 2009 as 100 (left axis).
- Bar graph shows property-related information at the end of periods regarding a ratio of the number of properties with floor area over 3,000 m² to the number of properties obtained over the past six months (right axis).



Area	Sep. 2017 period							Mar. 2018 period							Total	%
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Total	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Total		
Tokyo Metropolitan Area	8	8	12	4	20	2	54	4	11	16	8	10	6	55	109	71.7%
Other Major Cities	0	5	1	6	3	4	19	1	4	9	5	4	1	24	43	28.3%
Total	8	13	13	10	23	6	73	5	15	25	13	14	7	79	152	100.0%

Area	Sep. 2018 period							Total	%
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Total		
Tokyo Metropolitan Area	9	5	5	10	4	6	39	39	66.1%
Other Major Cities	3	3	3	2	5	4	20	20	33.9%
Total	12	8	8	12	9	10	59	59	100.0%

MEMO



Steady acquisition of good performing properties by utilization of
the extensive pipelines
of the sponsors

Acquisition from sponsors, etc. / through sponsors' introduction

Negotiated Transactions
from sponsors, etc. (*1)

46 deals (*2)

JPY 503,764 million



Harumi Front



Akasaka Park Building

Sponsors' introductions
(Negotiated Transactions)

13 deals

JPY 94,687 million



Shiodome Building
(The share acquired in December 2008)

Negotiated Transactions from others

33 deals (*2)

JPY 212,877 million



Nagoya Hirokoji Place

The acquisition through
negotiated transaction
against total acquisition is:

75.7%

* Acquisition Price Basis

Acquisition through negotiated transactions

Type of transaction	Number of deals		Amount (In billions of JPY)	
Negotiated Transactions	92	86.0%	811	75.7%
Acquisition from sponsors, etc.	46	43.0%	503	47.0%
Acquisition through sponsors' introduction	13	12.1%	94	8.8%
Others	33	30.8%	212	19.9%
Tender Transactions	15	14.0%	260	24.3%
Acquisition from sponsors, etc.	5	4.7%	71	6.7%
Acquisition through sponsors' introduction	2	1.9%	116	10.8%
Others	8	7.5%	72	6.8%
Total	107	100.0%	1,071	100.0%

Tender Transactions
from sponsors, etc. (*1)

5 deals

JPY 71,780 million



MM Park Building

Sponsors' introduction
(Tender Transactions)

2 deals

JPY 116,155 million



Kitanomaru Square

The acquisition from
sponsors / through
sponsors' introduction
against total acquisition is:

73.4%

* Acquisition Price Basis

Acquisition / Introduction
by parties other than sponsors

8 deals

JPY 72,678 million

Umeda Square Building
A E R

Acquisition through tender transactions

(*1) Acquisition from sponsors, etc. includes those from 1) the sponsor (two entities which are current sponsors and past sponsors, Tokio Marine & Nichido Fire Insurance Co., Ltd. and The Dai-ichi Life Insurance Company, Limited), 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 and the share of Otemachi Financial City North Tower were acquired from the sponsors and unrelated companies, respectively, on the same date. Therefore, these deals were counted as two transactions, one sponsor-related and one sponsor-unrelated transaction.

External Growth (Acquisition Criteria)

Geographic Diversification

70% or over:
in the Tokyo metropolitan area
30% or below:
in Osaka, Nagoya,
and other major local cities

70% or over
is in the Tokyo
metropolitan area

30% or below
is in other major
local cities



Structure

Adaptation to new earthquake-resistant standards (Earthquake Resistant Design Standard under Building Standard Law enforced in 1981) or equivalent structure/strength

Adaptation to new
earthquake-resistant
standards



Size of Property

Total floor area:
3,000m² or over

Acquire properties with
total floor area of
3,000m² or over



JRE aims to maintain and improve the quality of the portfolio by acquiring only excellent properties that satisfy the above criteria

4 Financial Strategies

Summary of Debts as of September 30, 2018

As of September 30, 2018

Total interest-bearing debt JPY 384,493 million

Long-term interest-bearing debt ratio 94.4%

Long-term fixed interest-bearing debt ratio 88.7%

Weighted average interest rate 0.56%

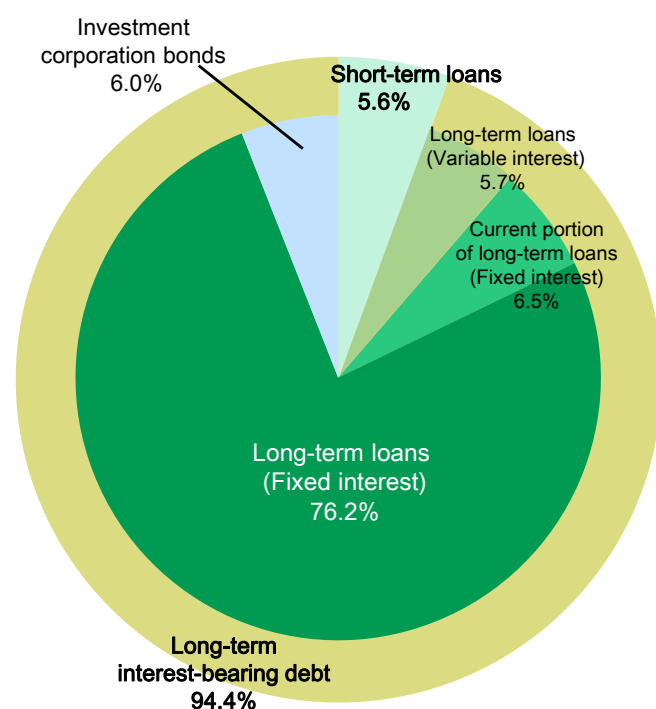
Average maturity of total interest-bearing debt 4.24 years

Breakdown of short-term and long-term debt

(In millions of JPY)

Short-term loans	21,500
Long-term loans (Variable interest)	22,000
Current portion of long-term loans (Fixed interest)	25,000
Long-term loans (Fixed interest)	293,000
Total amount of loans	361,500
Investment corporation bonds	22,993
Total amount of Investment corporation bonds	22,993

	Average interest rate	Average maturity (year)
Short-term loans	0.11%	0.68
Long-term loans (Variable interest)	0.03%	4.36
Current portion of long-term loans (Fixed interest)	0.61%	0.63
Long-term loans (Fixed interest), Investment corporation bonds	0.63%	4.75



Outstanding balance of loans by financial institutions

(In millions of JPY)

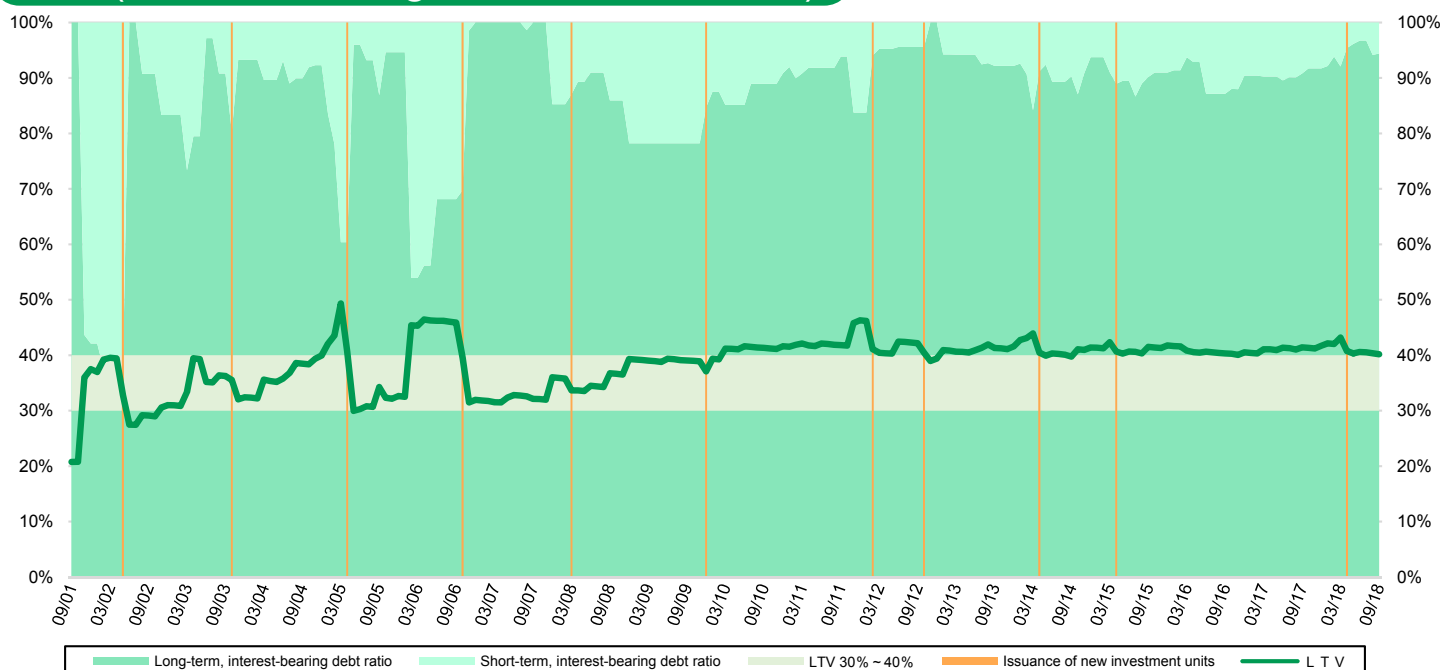
MUFG Bank, Ltd.	104,500
Mizuho Bank, Ltd.	58,000
Sumitomo Mitsui Trust Bank, Limited	42,000
Shinkin Central Bank	23,000
Development Bank of Japan Inc.	20,000
The Norinchukin Bank	15,000
Sumitomo Mitsui Banking Corporation	13,000
The Bank of Fukuoka, Ltd.	8,500
The Iyo Bank, Ltd.	6,500
The Chugoku Bank, Limited	6,000
Taiyo Life Insurance Company	4,500
The Hachijuni Bank, Ltd.	4,000
The Hiroshima Bank, Ltd.	3,000
Mizuho Trust & Banking Co., Ltd.	3,000
Resona Bank, Ltd	3,000
The Yamaguchi Bank, Limited	3,000
Shinsei Bank, Limited	2,500
The Gunma Bank, Ltd.	2,000
The Nishi-Nippon City Bank, Ltd.	2,000
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,000
The Yamanashi Chuo Bank, Ltd.	2,000
The Daishi Bank, Ltd.	1,500
The Ashikaga Bank, Ltd.	1,000
The Joyo Bank, Ltd.	1,000
The 77 Bank, Ltd.	1,000
The first General syndication loan	13,000
The second General syndication loan	10,000
The third General syndication loan	6,500

Rating

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

LTV / Debt Capacity / Diversification of Repayment Dates

LTV (Interest-bearing Debt / Total Assets)



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

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

Debt Capacity

(As of September 30, 2018)

(In millions of JPY)

Total assets	Interest-bearing debt	LTV	Debt Capacity	
956,645	384,493	40.2%	Up to LTV45%	83,631
			Up to LTV40%	(3,058)

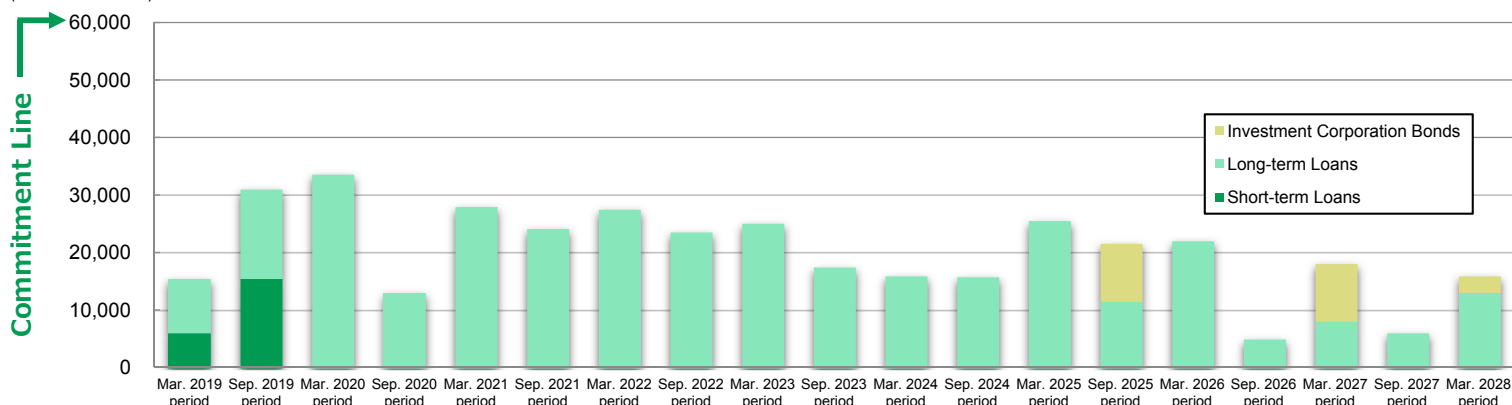
Diversification of Repayment Dates

(As of September 30, 2018)

(In millions of JPY)

	04/18-03/19 (Within 6 months)	04/19-03/20 (Within 1.5 years)	04/20-03/21 (Within 2.5 years)	04/21-03/22 (Within 3.5 years)	04/22-03/23 (Within 4.5 years)	04/23-03/24 (Within 5.5 years)	04/24-03/25 (Within 6.5 years)	04/25-03/26 (Within 7.5 years)	04/26-03/27 (Within 8.5 years)	04/27-03/28 (Within 9.5 years)	Total
Short-term Loans	6,000	15,500	-	-	-	-	-	-	-	-	21,500
Long-term Loans	9,500	49,000	41,000	51,700	48,500	33,500	41,300	33,500	13,000	19,000	340,000
Investment Corporation Bonds	-	-	-	-	-	-	-	10,000	10,000	2,993	22,993
Total	15,500	64,500	41,000	51,700	48,500	33,500	41,300	43,500	23,000	21,993	384,493

(In millions of JPY)



Overview of the Interest-bearing Debt as of September 30, 2018

Overview of the Interest-bearing Debt

	Lender	Drawdown date	EOB	Interest	Repayment date (period)	
Short-term Loans	Sumitomo Mitsui Trust Bank, Limited	12/26/17	1,300	0.1054	12/26/18	1 year
	Resona Bank, Limited	03/26/18	3,000	0.1054	03/26/19	1 year
	Sumitomo Mitsui Trust Bank, Limited	03/30/18	1,700	0.1054	03/29/19	1 year
	Mizuho Bank, Ltd.	04/03/18	5,500	0.1045	04/03/19	1 year
	Mizuho Bank, Ltd.	08/29/18	7,000	0.1054	08/29/19	1 year
	Sumitomo Mitsui Trust Bank, Limited	08/29/18	3,000	0.1054	08/29/19	1 year
	Total		21,500	0.11 (Average)	0.68 years (Average maturity)	
	Lender	Drawdown date	EOB	Interest	Repayment date (period)	
Long-term Loans (Variable interest)	MUFG Bank, Ltd.	04/04/17	5,000	0.02687	04/05/21	4 years
	MUFG Bank, Ltd.	06/01/17	12,000	0.01419	06/01/23	6 years
	MUFG Bank, Ltd.	03/26/18	5,000	0.05188	03/26/24	6 years
	Total		22,000	0.03 (Average)	4.36 years (Average maturity)	
	Lender	Drawdown date	EOB	Interest	Repayment date (period)	
Current Portion of Long-term Loans	Sumitomo Mitsui Trust Bank, Limited	11/15/11	3,000	0.98375	11/15/18	7 years
	Sumitomo Mitsui Banking Corporation	11/15/11	3,000	0.98375	11/15/18	7 years
	Mizuho Bank, Ltd.	09/01/15	2,500	0.17	03/01/19	3.5 years
	The Gunma Bank, Ltd.	03/24/14	1,000	0.4105	03/25/19	5 years
	Sumitomo Mitsui Trust Bank, Limited	05/29/15	5,000	0.2075	05/29/19	4 years
	MUFG Bank, Ltd.	09/01/15	5,000	0.2000	09/02/19	4 years
	Sumitomo Mitsui Trust Bank, Limited	09/26/11	5,500	1.1600	09/26/19	8 years
	Total		25,000	0.61 (Average)	0.63 years (Average maturity)	
	Lender	Drawdown date	EOB	Interest	Repayment date (period)	
Long-term Loans (Fixed interest)	Mizuho Bank, Ltd.	11/01/11	6,000	1.2075	11/01/19	8 years
	MUFG Bank, Ltd.	11/15/11	3,000	1.13875	11/15/19	8 years
	MUFG Bank, Ltd.	11/15/11	3,000	1.13875	11/15/19	8 years
	Mizuho Bank, Ltd.	11/15/11	3,000	1.13875	11/15/19	8 years
	MUFG Bank, Ltd.	06/15/12	4,000	0.9525	06/15/20	8 years
	Sumitomo Mitsui Trust Bank, Limited	06/15/12	4,000	0.9525	06/15/20	8 years
	Mizuho Bank, Ltd.	06/15/12	4,000	1.07375	06/15/21	9 years
	MUFG Bank, Ltd.	06/15/12	4,000	1.1975	06/15/22	10 years
	MUFG Bank, Ltd.	06/15/12	2,500	1.2725	06/15/22	10 years
	Shinsei Bank, Limited	06/15/12	2,500	1.2725	06/15/22	10 years
	The Yamaguchi Bank, Ltd.	10/29/12	2,000	0.8	10/29/20	8 years
	MUFG Bank, Ltd.	12/21/12	5,000	0.80125	12/21/20	8 years
	MUFG Bank, Ltd.	12/21/12	5,000	0.80125	12/21/20	8 years
	Shinkin Central Bank	01/07/13	2,000	0.71375	01/07/20	7 years
	Sumitomo Mitsui Banking Corporation	01/07/13	2,000	0.98	01/07/22	9 years
	Development Bank of Japan Inc.	01/07/13	3,000	1.115	01/06/23	10 years
	MUFG Bank, Ltd.	01/15/13	5,500	0.71	01/15/20	7 years
	Shinkin Central Bank	01/15/13	5,000	0.71	01/15/20	7 years
	MUFG Bank, Ltd.	01/15/13	5,500	0.83625	01/15/21	8 years
	Mizuho Bank, Ltd.	01/15/13	5,000	0.96625	01/17/22	9 years
	The Yamaguchi Bank, Ltd.	03/25/13	1,000	0.945	03/24/23	10 years
	MUFG Bank, Ltd.	04/24/13	5,000	0.775	04/26/21	8 years
	Mizuho Bank, Ltd.	04/24/13	3,000	0.87375	04/25/22	9 years
	MUFG Bank, Ltd. (*1)	01/31/14	4,000	0.64225	01/29/21	7 years
	The Bank of Fukuoka, Ltd. (*1)	01/31/14	2,500	0.63849	01/29/21	7 years
	Sumitomo Mitsui Trust Bank, Limited (*1)	01/31/14	2,000	0.62575	01/29/21	7 years
	The Norinchukin Bank (*1)	01/31/14	3,500	0.757	01/31/22	8 years
	Development Bank of Japan Inc.	01/31/14	5,000	0.9325	01/31/23	9 years
	The Iyo Bank, Ltd. (*1)	03/24/14	2,000	0.6035	03/24/21	7 years
	The Nishi-Nippon City Bank, Ltd. (*1)	06/17/14	2,000	0.621	12/17/21	7.5 years
	The Norinchukin Bank (*1)	06/17/14	3,000	0.6785	06/17/22	8 years
	The Hiroshima Bank, Ltd. (*1)	10/01/14	3,000	0.31575	10/01/19	5 years
	The Iyo Bank, Ltd. (*1)	10/01/14	1,000	0.46525	10/01/21	7 years
	The Chugoku Bank, Limited (*1)	10/01/14	1,000	0.4725	10/01/21	7 years
	Taiyo Life Insurance Company	10/01/14	2,000	0.7825	10/01/24	10 years
	The first General syndication loan (*1)	11/14/14	13,000	0.463	11/15/21	7 years
	The Gunma Bank, Ltd. (*1)	11/17/14	1,000	0.316	11/18/19	5 years
	The Yamanashi Chuo Bank, Ltd. (*1)	12/15/14	2,000	0.266	12/16/19	5 years

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

	Lender	Drawdown date	EOB	Interest	Repayment date (period)	
Long-term Loans (Fixed interest)	The second General syndication loan (*2)	12/19/14	10,000	0.42375	12/19/23	9 years
	Mizuho Trust & Banking Co., Ltd. (*1)	03/02/15	3,000	0.5585	03/03/25	10 years
	The Bank of Fukuoka, Ltd.	03/24/15	2,000	0.5125	03/24/23	8 years
	The Norinchukin Bank (*1)	03/25/15	3,500	0.46825	03/27/23	8 years
	Taiyo Life Insurance Company	05/29/15	1,500	0.7375	05/29/25	10 years
	Sumitomo Mitsui Trust Bank, Limited	06/15/15	3,000	0.3425	06/15/20	5 years
	The Chugoku Bank, Limited (*1)	06/15/15	3,000	0.61175	06/15/23	8 years
	The third General syndication loan (*1)	08/10/15	6,500	0.3925	08/10/22	7 years
	MUFG Bank, Ltd.	09/01/15	2,000	0.47125	09/01/22	7 years
	MUFG Bank, Ltd.	09/01/15	3,500	0.63	09/02/24	9 years
	Development Bank of Japan Inc.	09/01/15	7,000	0.7175	09/01/25	10 years
	Sumitomo Mitsui Trust Bank, Limited (*1)	09/02/15	3,800	0.536	09/02/24	9 years
	Mizuho Bank, Ltd.	10/01/15	2,500	0.5575	10/01/24	9 years
	The Daishi Bank, Ltd. (*1)	01/07/16	1,500	0.2802	01/10/23	7 years
	The Iyo Bank, Ltd. (*1)	01/15/16	1,000	0.265	01/16/23	7 years
	The Hachijuni Bank, Ltd. (*1)	01/15/16	1,000	0.265	01/16/23	7 years
	MUFG Bank, Ltd.	10/31/16	3,000	0.24	10/30/26	10 years
	Mizuho Bank, Ltd.	12/21/16	5,000	0.415	12/21/26	10 years
	Sumitomo Mitsui Trust Bank, Limited	12/26/16	3,700	0.1913	06/28/21	4.5 years
	Mizuho Bank, Ltd.	12/26/16	5,000	0.3625	12/26/25	9 years
	Development Bank of Japan Inc.	03/30/17	5,000	0.315	03/31/25	8 years
	Shinkin Central Bank	03/30/17	5,000	0.36	03/30/26	9 years
	The Bank of Fukuoka, Ltd.	06/15/17	2,500	0.2388	06/15/23	6 years
	The Iyo Bank, Ltd.	06/15/17	2,500	0.275	06/17/24	7 years
	The Hachijuni Bank, Ltd.	06/15/17	1,000	0.275	06/17/24	7 years
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	07/03/17	2,000	0.1	07/03/20	3 years
	The Bank of Fukuoka, Ltd.	08/31/17	1,500	0.1325	08/31/21	4 years
	The Norinchukin Bank	09/01/17	5,000	0.24	09/02/24	7 years
	Shinkin Central Bank	09/01/17	5,000	0.3188	09/01/26	9 years
	The Hachijuni Bank, Ltd.	12/20/17	1,000	0.1863	12/20/22	5 years
	The Ashikaga Bank, Ltd.	01/09/18	1,000	0.285	01/09/25	7 years
	The Joyo Bank, Ltd.	01/09/18	1,000	0.4188	01/11/28	10 years
	The 77 Bank, Ltd.	01/10/18	1,000	0.205	01/10/23	5 years
	Sumitomo Mitsui Trust Bank, Limited	01/17/18	3,000	0.21	01/17/23	5 years
	Sumitomo Mitsui Banking Corporation	01/19/18	5,000	0.16255	07/20/21	3.5 years
	Sumitomo Mitsui Banking Corporation	01/19/18	3,000	0.4338	01/19/28	10 years
	MUFG Bank, Ltd.	02/26/18	6,500	0.3143	02/26/26	8 years
	The Chugoku Bank, Limited	03/26/18	2,000	0.1988	03/27/23	5 years
	The Hachijuni Bank, Ltd.	03/26/18	1,000	0.2338	03/26/24	6 years
	MUFG Bank, Ltd.	03/26/18	2,000	0.2725	03/26/25	7 years
	Mizuho Bank, Ltd.	03/27/18	5,500	0.3	03/27/26	8 years
	MUFG Bank, Ltd.	03/30/18	4,000	0.3963	03/30/28	10 years
	Mizuho Bank, Ltd.	03/30/18	4,000	0.3963	03/30/28	10 years
	Taiyo Life Insurance Company	03/30/18	1,000	0.3963	03/30/28	10 years
	Shinkin Central Bank	04/24/18	6,000	0.3675	04/26/27	9 years
	MUFG Bank, Ltd.	06/01/18	10,000	0.2544	12/02/24	6.5 years
	Sumitomo Mitsui Trust Bank, Limited	08/31/18	3,000	0.32	08/29/25	7 years
	Total		293,000	0.57 (Average)	4.51 years (Average maturity)	

	Bond Name	Issue date	EOB	Interest	Redemption date (period)	
Investment Corporation Bonds	The Fourth unsecured Investment Corporation Bond	09/29/05	10,000	2.56	09/29/25	20 years
	The 10th unsecured Investment Corporation Bond	03/30/17	10,000	0.3975	03/30/27	10 years
	The 11th unsecured Investment Corporation Bond (*3)	10/26/17	2,993	0.2788	10/26/27	10 years
	Total		22,993	1.32 (Average)	7.92 years (Average maturity)	

Outline of Commitment Line Agreement

- Maximum Amount: JPY 60 billion
- Expiry of the contract: September 19, 2021
- Participating financial institutions:
Mizuho Bank, Ltd.
MUFG Bank, Ltd.
Sumitomo Mitsui Trust Bank, Limited

**There is no outstanding balance
as of September 30, 2018**

*The loans drawn down and the bonds issued in Sep. 2018 period are shown in blue.

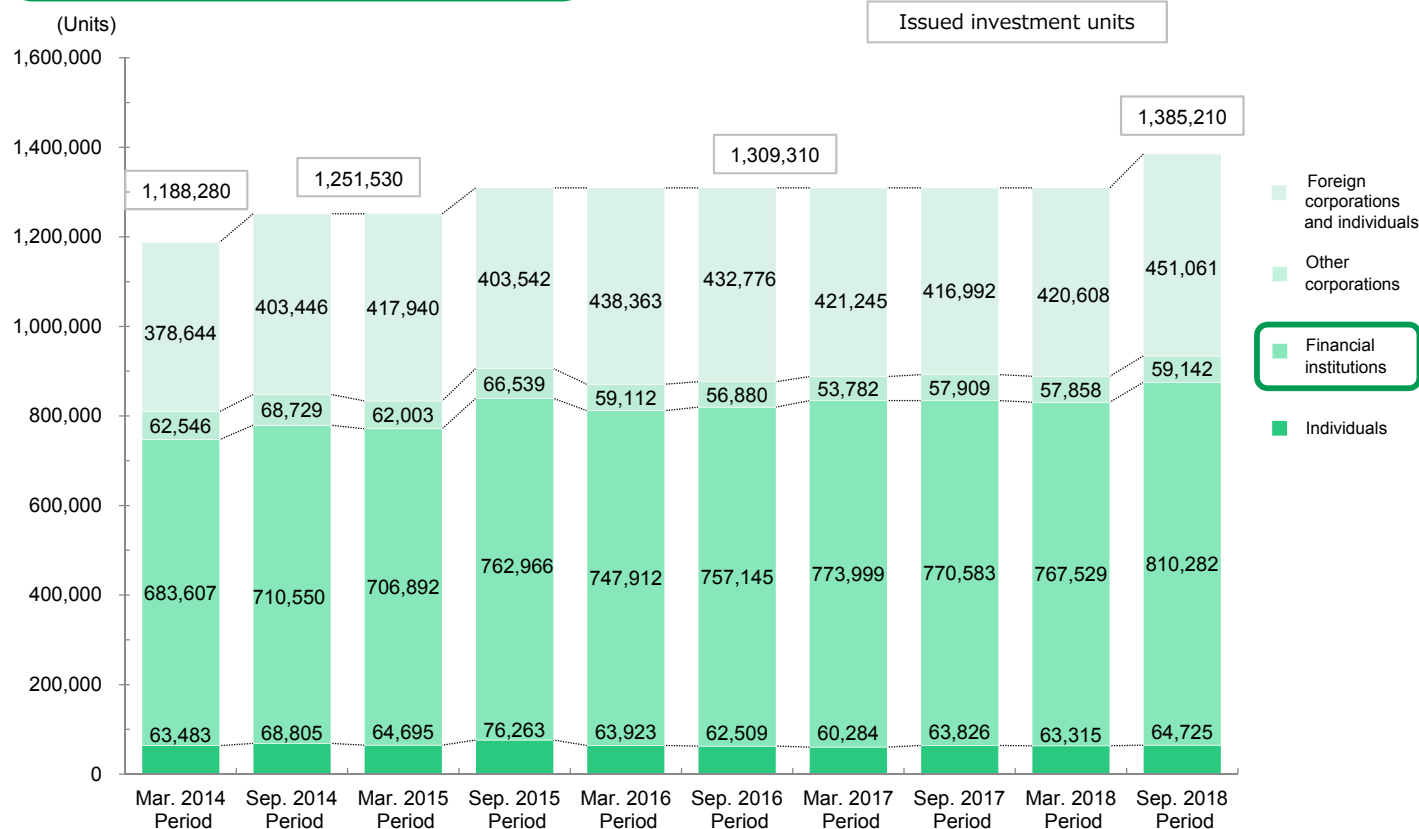
(*1) The loans were originally floating rate basis, which were swapped into fixed rates to hedge against interest rate fluctuations. Hence the fixed rates after the swap transactions are shown above.

(*2) The loans were originally in US dollar, floating rate basis and the currency and interest rate swap transaction was executed in order to hedge against a risk of exchange-rate fluctuations and interest fluctuations. Hence the above rates are the fixed rates after the currency and interest rate swap transaction.

(*3) The bond was originally in US dollar and the currency swap transaction was executed in order to hedge against a risk of exchange-rate fluctuations. Hence rate after the swap transaction is shown above.

Unitholder Data

Unitholder Composition



Top 10 Unitholders

Sep. 2018 period

	Name of Unitholder	Units	% of Total Units Outstanding
1	Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	269,325	19.44%
2	The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	208,346	15.04%
3	The Nomura Trust and Banking Co., Ltd. (Shintaku Acc.)	57,338	4.14%
4	Trust & Custody Services Bank, Ltd. (Toshin Acc.)	53,686	3.88%
5	STATE STREET BANK WEST CLIENT-TREATY 505234	38,077	2.75%
6	JP MORGAN CHASE BANK 385628	18,930	1.37%
7	The Chugoku Bank Ltd.	17,445	1.26%
8	Mitsubishi Estate Co., Ltd.	17,120	1.24%
9	JP MORGAN CHASE BANK 385771	16,566	1.20%
10	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	16,507	1.19%
	Mitsui & Co., Ltd.	3,200	0.23%

Mar. 2018 period

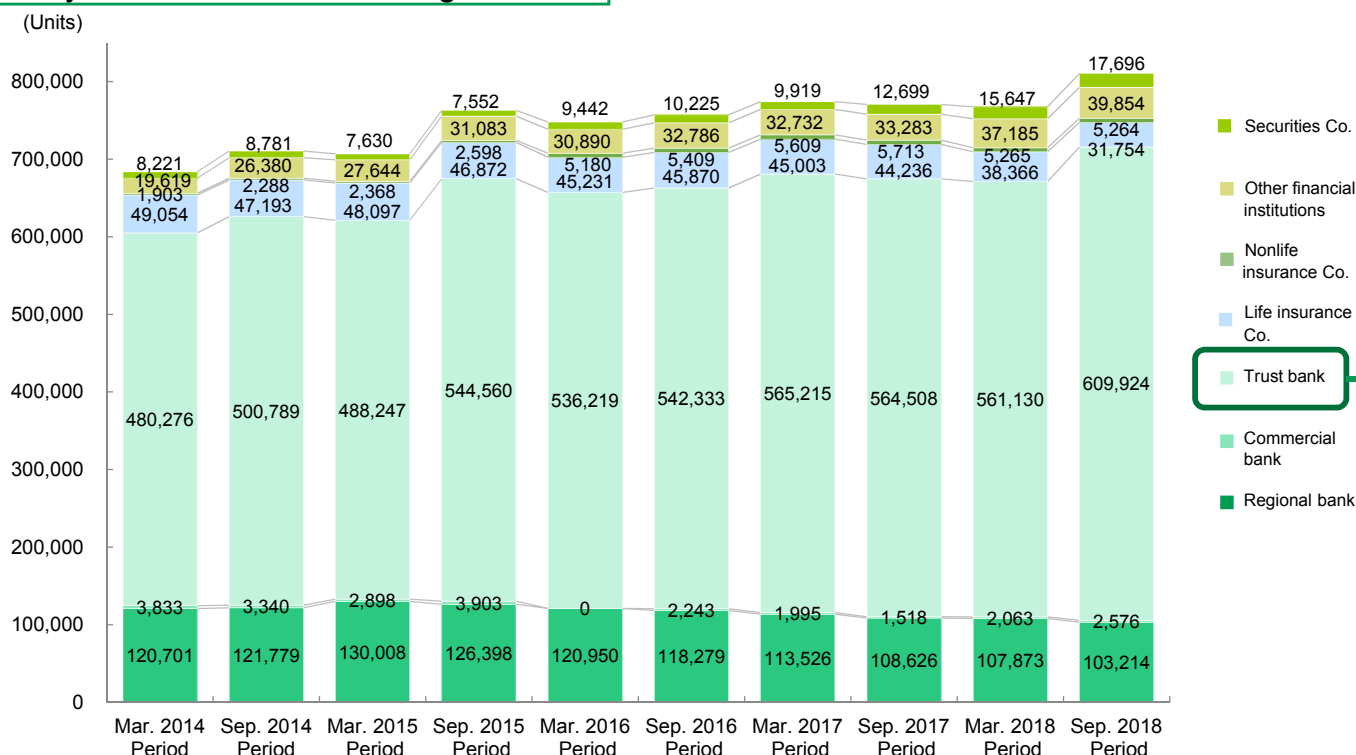
	Name of Unitholder	Units	% of Total Units Outstanding
1	Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	252,260	19.27%
2	The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	176,582	13.49%
3	Trust & Custody Services Bank, Ltd. (Toshin Acc.)	58,436	4.46%
4	The Nomura Trust and Banking Co., Ltd. (Toshin Acc.)	55,931	4.27%
5	STATE STREET BANK WEST CLIENT-TREATY 505234	37,197	2.84%
6	STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	24,777	1.89%
7	STATE STREET BANK AND TRUST COMPANY 505012	19,062	1.46%
8	JP MORGAN CHASE BANK 385628	18,410	1.41%
9	The Chugoku Bank Ltd.	17,970	1.37%
10	Mitsubishi Estate Co., Ltd.	17,120	1.31%
	Mitsui & Co., Ltd.	3,200	0.24%

Number of Unitholders by Sector

	As of September 30, 2018		As of March 31, 2018	
	Unitholders	%	Unitholders	%
Individuals	14,987	92.6%	13,463	92.3%
Financial institutions	253	1.6%	230	1.6%
Other corporations	415	2.6%	382	2.6%
Foreign corporations / individuals	535	3.3%	511	3.5%
Total	16,190	100.0%	14,586	100.0%

Financial Institutions

Distribution of Total Units Outstanding by Financial Institution Segment

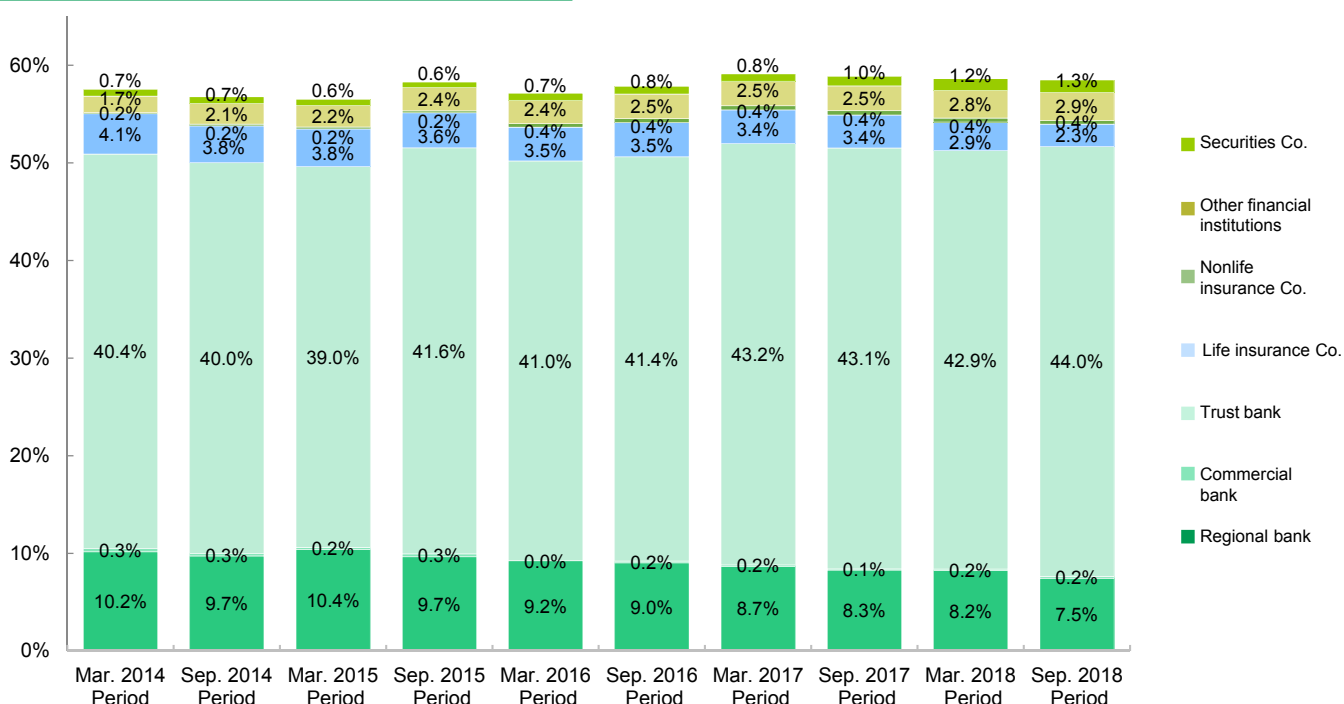


<Number of investment trust units>

(Units)

	Mar. 2014 period	Sep. 2014 period	Mar. 2015 period	Sep. 2015 period	Mar. 2016 period	Sep. 2016 period	Mar. 2017 period	Sep. 2017 period	Mar. 2018 period	Sep. 2018 period
Number of units outstanding	1,188,280	1,251,530	1,251,530	1,309,310	1,309,310	1,309,310	1,309,310	1,309,310	1,309,310	1,385,210
Trust bank	480,276	500,789	488,247	544,560	536,219	542,333	565,215	564,508	561,130	609,924
Investment trust	374,564	389,165	370,639	425,120	415,349	414,234	433,363	425,624	417,475	454,833
% against total units outstanding	31.5%	31.1%	29.6%	32.5%	31.7%	31.6%	33.1%	32.5%	31.9%	32.8%
% against units owned by trust bank	78.0%	77.7%	75.9%	78.1%	77.5%	76.4%	76.7%	75.4%	74.4%	74.6%

Proportion of Total Units Outstanding by Financial Institution Segment



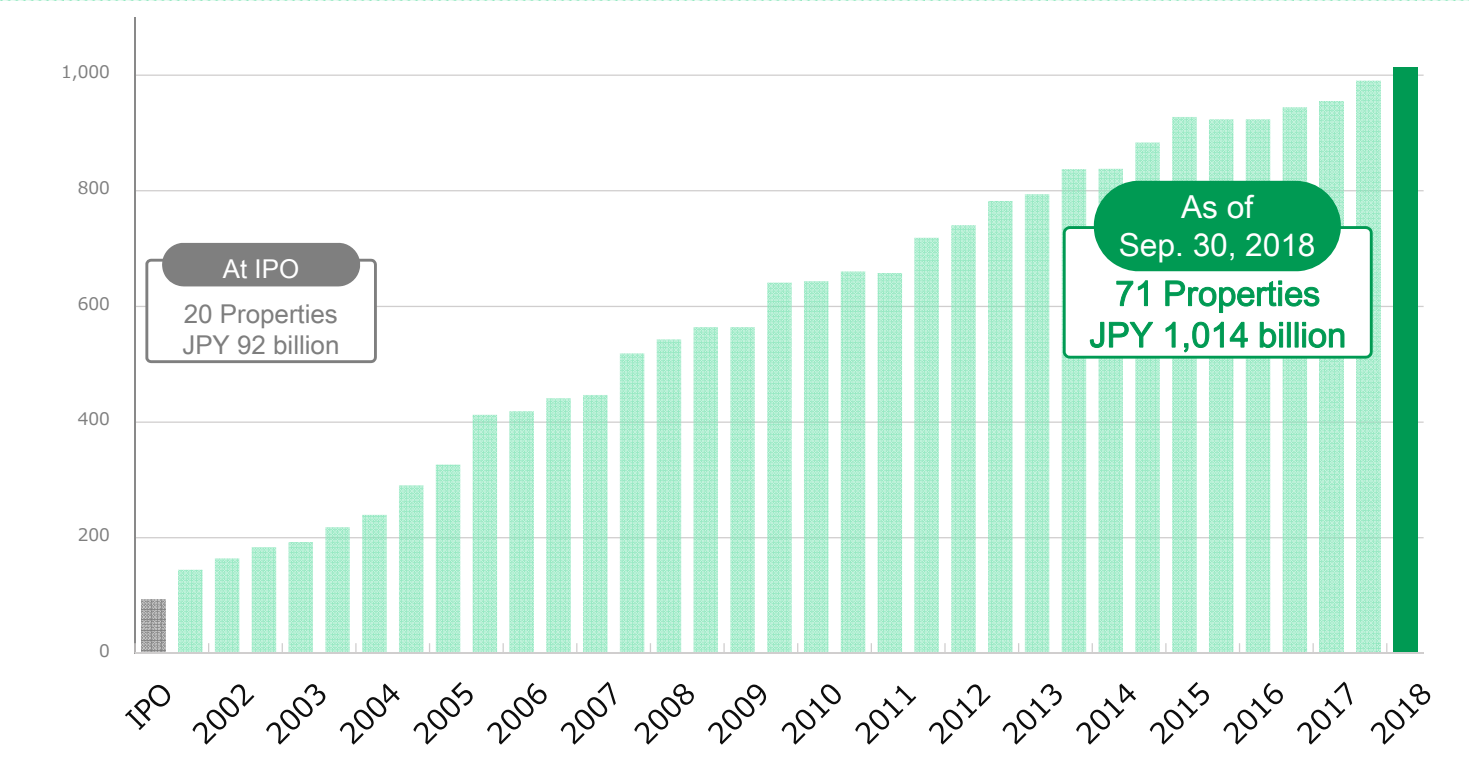
MEMO

5 Portfolio Information

Historical Asset Size and Occupancy Rate

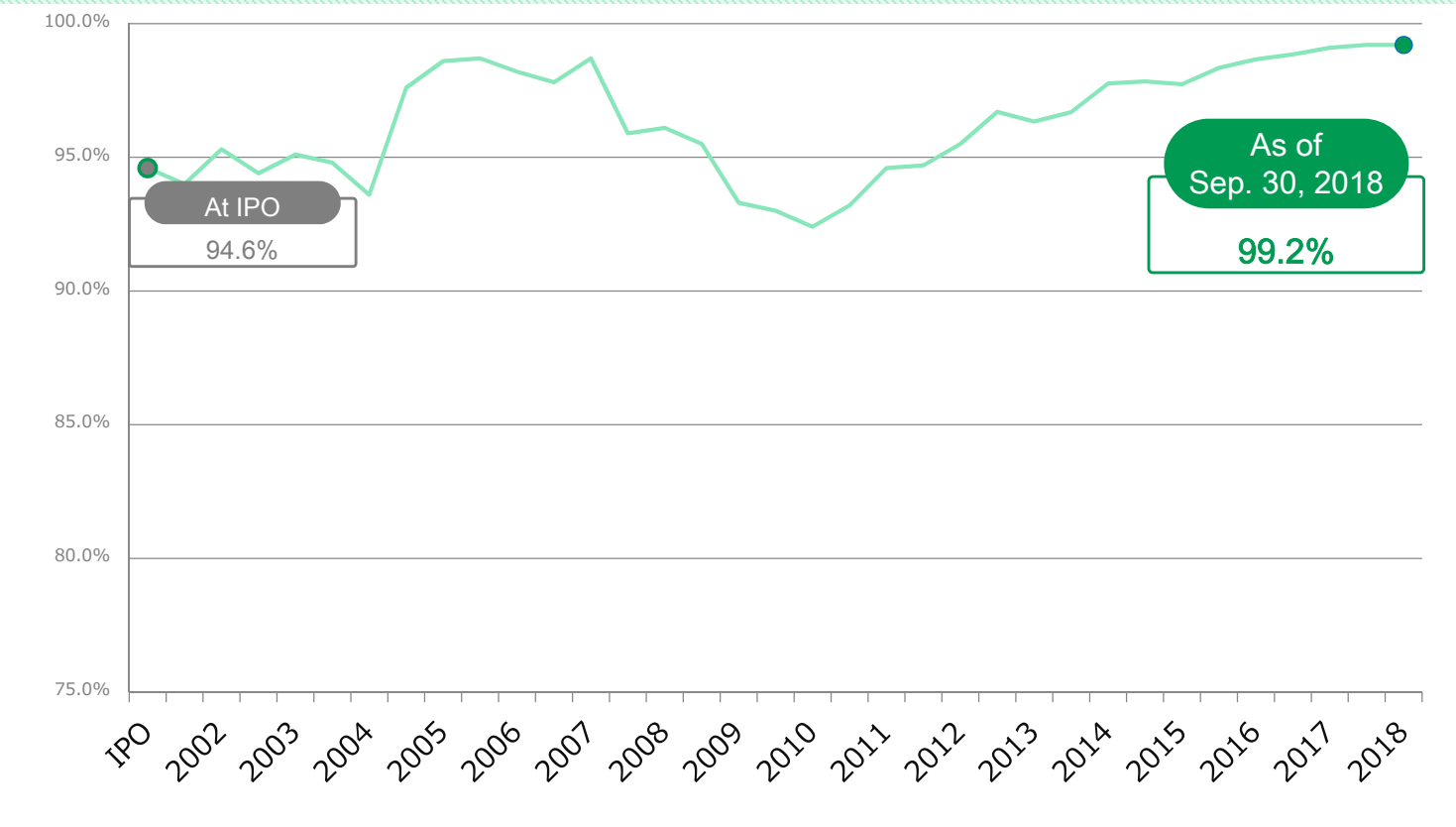
Asset Size

(In billions of JPY)



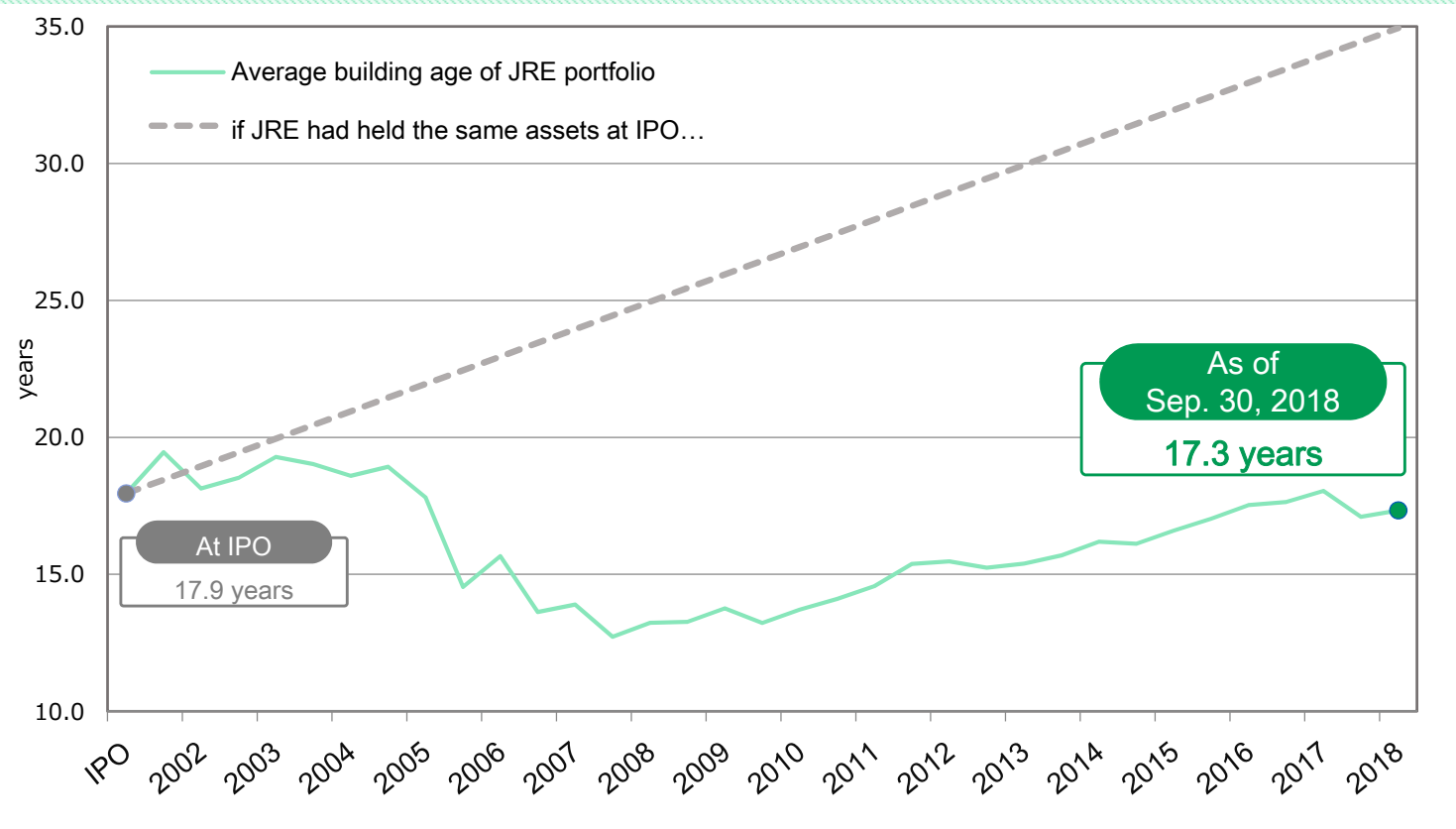
*The original acquisition price pertaining to the part of Jingumae MS site, which was disposed on October 30, 2009 has not been deducted from the total acquisition price in the above graph.

Occupancy Rate

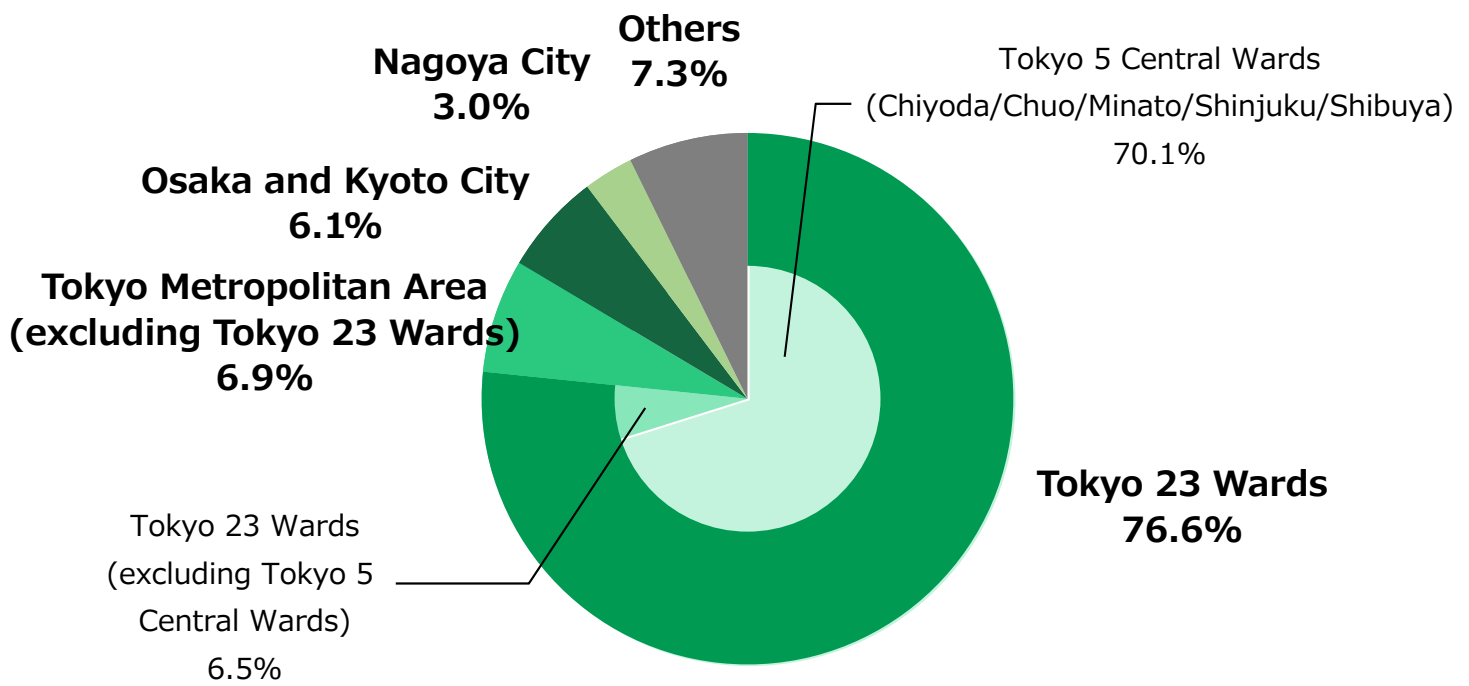


Trend in Average Building Age and Geographic Diversification

Building Age



Geographic Diversification

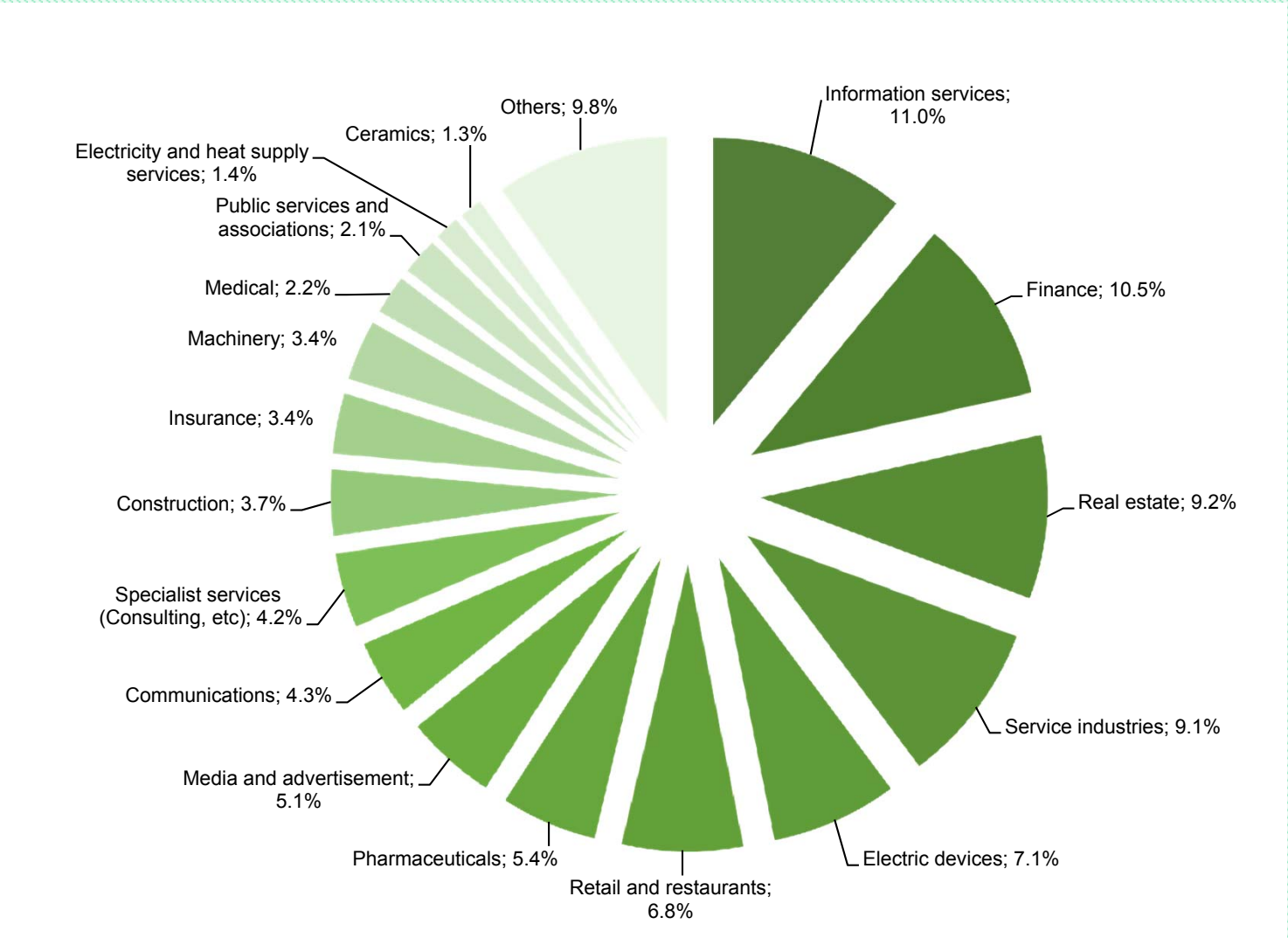


* Acquisition price basis
* Tokyo metropolitan area represents Tokyo, Saitama, Chiba and Kanagawa prefecture.

Tenant Diversification and Changes in the Number of Tenants

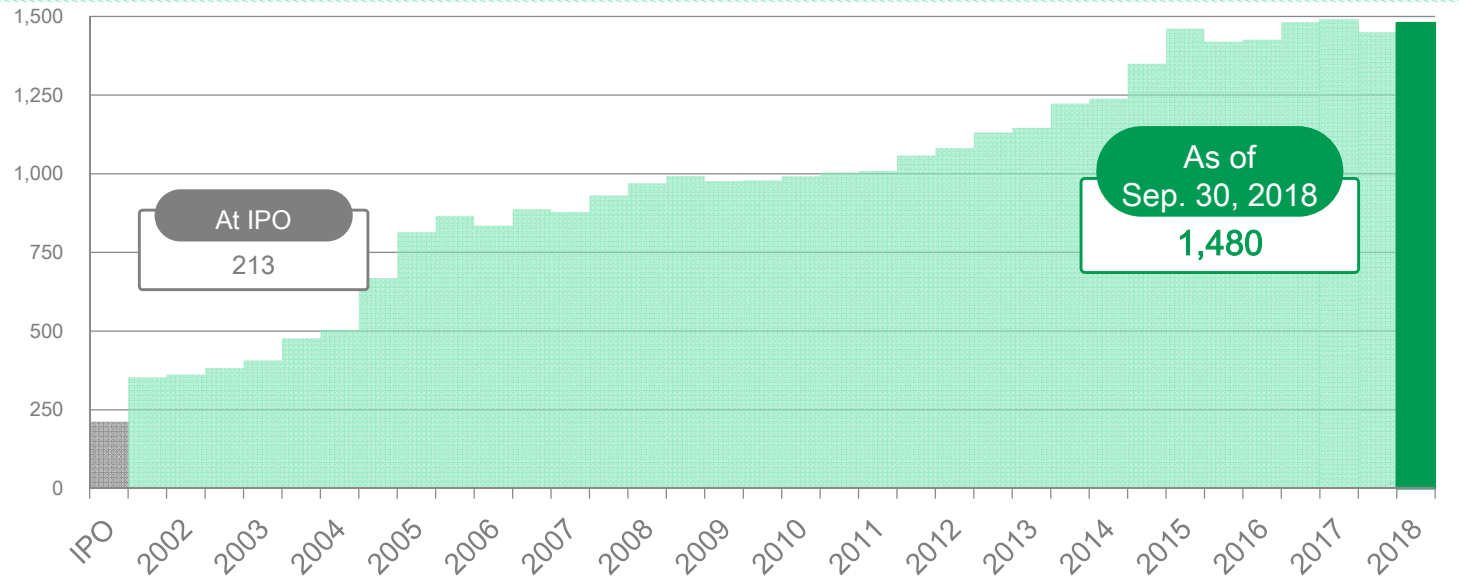
Tenant Diversification

69 properties as of September 30, 2018 Based on the office space leased
Excluding Shinjuku South Gate Project (Land) and Shibuya Cross Tower (Land)



Number of Tenants

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



Major Tenants and Ratios

Major Tenants / Top 10

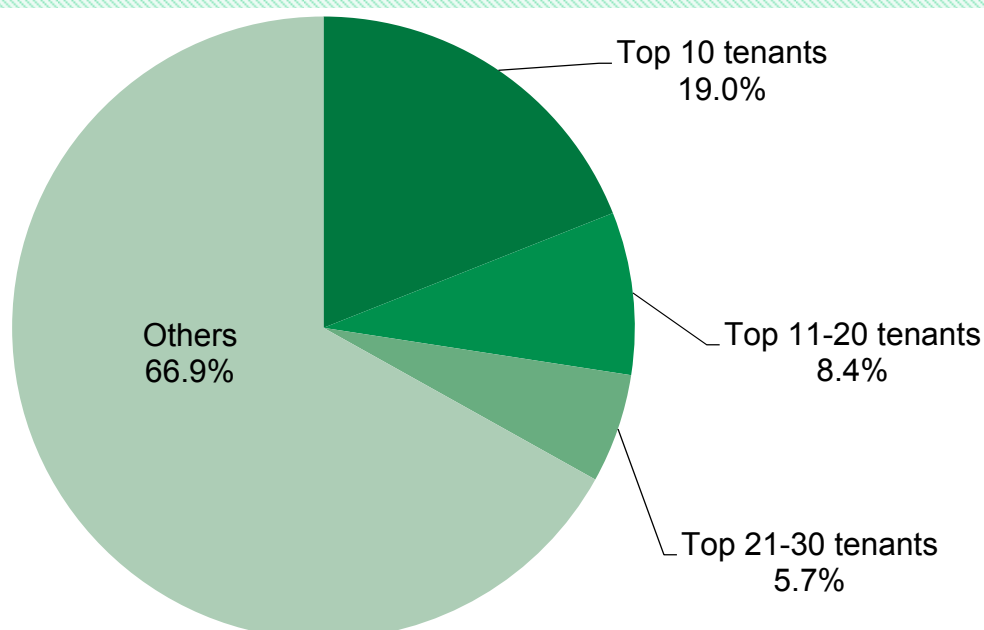
69 properties as of September 30, 2018 Based on the office space leased
Excluding Shinjuku South Gate Project (Land) and Shibuya Cross Tower (Land)

Sep. 2018 period					Mar. 2018 period		Leased Office Space Change(m²)
Rank	Tenant	Property	Leased Office Space(m²)	% of Total Leased Office Space	Rank	Leased Office Space(m²)	
1	MUFG Bank, Ltd.	Harumi Front (also includes 3 other buildings)	33,912	4.0%	1	33,912	0
2	Not disclosed (Note)	Kitanomaru Square (also includes 3 other buildings)	22,581	2.7%	2	22,305	275
3	Not disclosed (Note)	Osaki Front Tower (also includes 2 other buildings)	21,672	2.6%	3	21,672	0
4	NTT Communications Corporation	Shiodome Building	16,243	1.9%	4	16,243	0
5	HAKUHODO DY HOLDINGS INCORPORATED	Akasaka Park Building (also includes 1 other building)	13,403	1.6%	5	13,403	0
6	SQUARE ENIX HOLDINGS CO., LTD.	Shinjuku Eastside Square	11,879	1.4%	6	11,321	558
7	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Building	10,598	1.3%	7	10,598	0
8	JGC Corporation	MM Park Building (also includes 1 other building)	10,246	1.2%	8	10,246	0
9	TOTO LTD.	Shiodome Building (also includes 1 other building)	9,694	1.2%	9	9,694	0
10	Minato Mirai 21 District Heating and Cooling Co., Ltd	Queen's Tower A	9,536	1.1%	10	9,536	0
11	Company A		9,316	1.1%	11	9,316	0
12	Company B		8,774	1.0%	12	8,774	0
13	Company C		8,567	1.0%	13	8,567	0
14	Company D		7,156	0.9%	18	6,196	960
15	Company E		6,880	0.8%	14	6,880	0

(Note) Not disclosed due to tenant's request

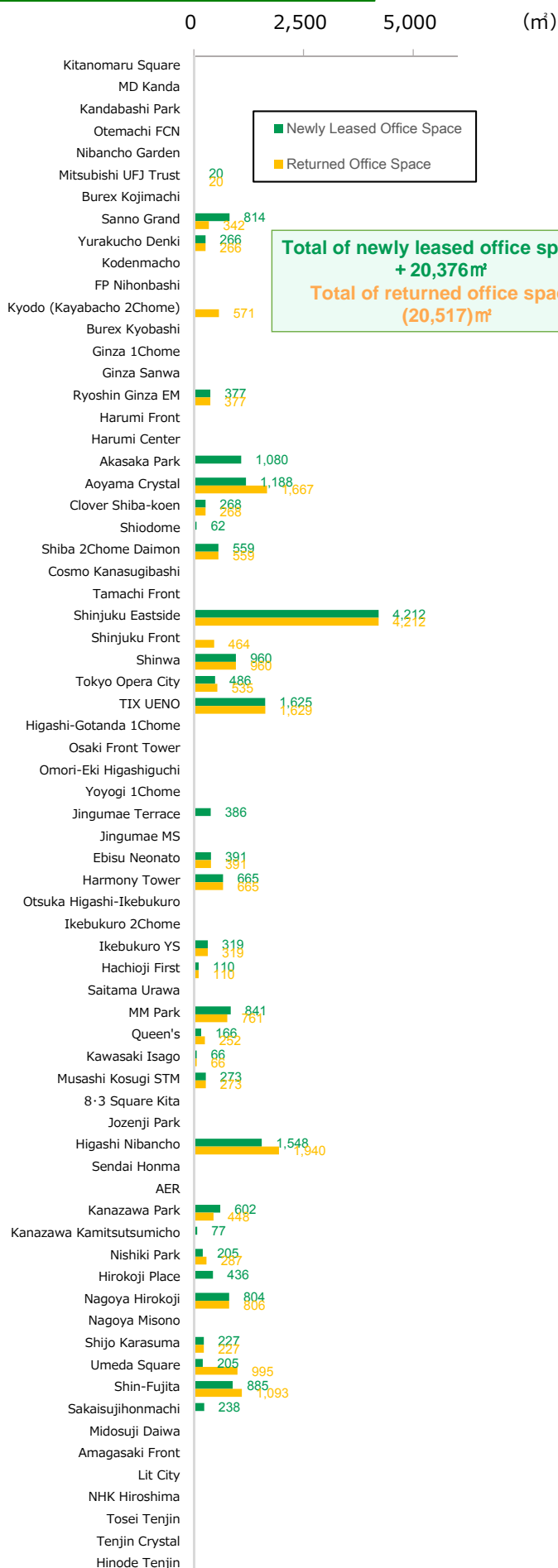
Percentage of Major Tenants

69 properties as of September 30, 2018 Based on the office space leased
Excluding Shinjuku South Gate Project (Land) and Shibuya Cross Tower (Land)

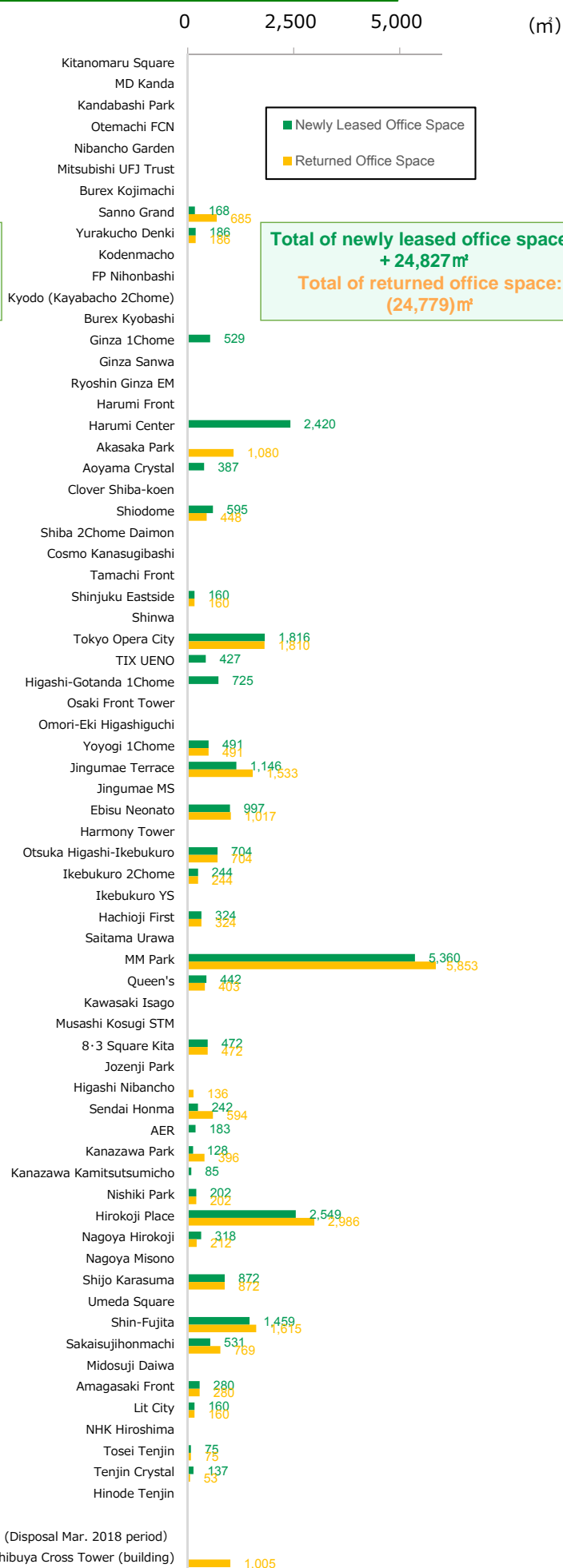


Newly Leased & Returned Office Space of Each Property

Tenant Turnover in Sep. 2018 period



Tenant Turnover in Mar. 2018 period



Portfolio List as of September 30, 2018 (Occupancy Rate, etc.)

			As of September 30, 2018 (Actual)						As of March 31, 2019 (Forecast)							
Area		Name	Leasable Office Space (㎡)	Leased Office Space (㎡)	Vacant Area (㎡)		Occupancy Rate		Number of Tenants	Leasable Office Space (㎡)	Leased Office Space (㎡)	Vacant Area (㎡)		Occupancy Rate		
					As of Sep. 30, 2018	Variance from Mar. 31, 2018	As of Sep. 30, 2018	Variance from Mar. 31, 2018				As of Mar. 31, 2019	Variance from Sep. 30, 2018	As of Mar. 31, 2019	Variance from Sep. 30, 2018	
Tokyo 23 Wards	Chiyoda	Kitanomaru Square	25,678	25,678	0		100.0%		5	25,678	25,678	0		100.0%		
		MD Kanda	6,269	6,269	0		100.0%		9	6,269	6,269	0		100.0%		
		Kandabashi Park	3,687	3,687	0		100.0%		10	3,687	3,687	0		100.0%		
		Otemachi FCN	5,121	5,121	0		100.0%		2	5,121	5,121	0		100.0%		
		Nibancho Garden	9,316	9,316	0		100.0%		1	9,316	9,316	0		100.0%		
		Mitsubishi UFJ Trust	11,904	11,904	0		100.0%		10	11,904	11,904	0		100.0%		
		Burex Kojimachi	4,495	4,495	0		100.0%		1	4,495	4,495	0		100.0%		
		Sanno Grand	20,595	20,526	68	(542)	99.7%	2.7%	43	20,595	19,666	928	859	95.5%	(4.2)%	
	Chuo	Yurakucho Denki	4,697	4,697	0		100.0%		12	4,697	4,697	0		100.0%		
		Kodenmacho	3,897	3,897	0		100.0%		11	3,897	3,785	111	111	97.1%	(2.9)%	
		FP Nihonbashi	8,468	8,468	0		100.0%		2	8,468	8,468	0		100.0%		
		Kyodo (Kayabacho 2Chome)	4,464	3,893	571	571	87.2%	(12.8)%	9	4,464	4,162	302	(268)	93.2%	6.0%	
		Burex Kyobashi	4,279	4,279	0		100.0%		1	4,279	4,279	0		100.0%		
		Ginza 1Chome	4,513	4,513	0		100.0%		8	4,513	4,513	0		100.0%		
		Ginza Sanwa	4,326	4,326	0		100.0%		11	4,326	4,326	0		100.0%		
		Ryoshin Ginza EM	4,255	4,255	0		100.0%		11	4,255	4,255	0		100.0%		
		Harumi Front	33,369	33,369	0		100.0%		8	33,369	33,369	0		100.0%		
		Harumi Center	20,812	20,439	373		98.2%		12	20,812	20,812	0	(373)	100.0%	1.8%	
	Minato	Akasaka Park	44,999	44,999	0	(1,080)	100.0%	2.4%	29	44,999	44,999	0		100.0%		
		Aoyama Crystal	4,898	4,419	478	478	90.2%	(9.8)%	7	4,898	4,898	0	(478)	100.0%	9.8%	
		Clover Shiba-koen	2,550	2,550	0		100.0%		9	2,550	2,550	0		100.0%		
		Shiodome	44,213	44,213	0	(62)	100.0%	0.1%	37	44,213	44,213	0		100.0%		
		Shiba 2Chome Daimon	9,606	9,606	0		100.0%		23	9,606	9,606	0		100.0%		
		Cosmo Kanasugibashi	4,062	4,062	0		100.0%		8	4,062	4,062	0		100.0%		
		Tamachi Front	3,792	3,792	0		100.0%		8	3,792	3,792	0		100.0%		
		Shinjuku Eastside	36,237	36,237	0		100.0%		41	36,237	36,237	0		100.0%		
	Shinjuku	Shinjuku Front	15,705	15,240	464	-	97.0%	-	43	15,705	15,705	0	(464)	100.0%	3.0%	
		Shinwa	5,997	5,997	0		100.0%		13	5,997	5,997	0		100.0%		
		Tokyo Opera City	34,951	34,775	176	49	99.5%	(0.1)%	99	34,951	34,696	255	78	99.3%	(0.2)%	
	Taito	TIX UENO	15,016	15,016	0		100.0%		17	15,016	15,016	0		100.0%		
	Shinagawa	Higashi-Gotanda 1Chome	5,205	5,205	0		100.0%		5	5,205	5,205	0		100.0%		
		Osaki Front Tower	16,856	16,856	0		100.0%		1	16,856	16,856	0		100.0%		
	Ota	Omori-Eki Higashiguchi	7,706	7,706	0		100.0%		26	7,706	7,706	0		100.0%		
	Shibuya	Yoyogi 1Chome	7,745	7,745	0		100.0%		7	7,745	7,745	0		100.0%		
		Jingumae Terrace	3,147	3,147	0	(386)	100.0%	12.3%	6	3,147	3,147	0		100.0%		
		Jingumae MS	5,558	5,558	0		100.0%		5	5,558	5,558	0		100.0%		
		Ebisu Neonato	8,659	8,659	0		100.0%		5	8,659	8,659	0		100.0%		
	Nakano	Harmony Tower	14,340	14,340	0		100.0%		22	14,340	14,340	0		100.0%		
	Toshima	Otsuka Higashi-Ikebukuro	7,224	7,224	0		100.0%		5	7,233	7,233	0		100.0%		
		Ikebukuro 2Chome	2,186	2,186	0		100.0%		9	2,186	2,186	0		100.0%		
		Ikebukuro YS	5,932	5,932	0		100.0%		9	5,932	5,932	0		100.0%		
Other Areas	Hachioji	Hachioji First	10,068	10,068	0		100.0%		48	10,068	10,010	57	57	99.4%	(0.6)%	
	Saitama	Saitama Urawa	4,510	4,510	0		100.0%		18	4,510	4,274	235	235	94.8%	(5.2)%	
	Yokohama	MM Park	38,426	36,574	1,851	(80)	95.2%	0.2%	34	38,426	37,047	1,378	(473)	96.4%	1.2%	
		Queen's	26,669	26,410	258	85	99.0%	(0.4)%	51	26,669	26,581	87	(170)	99.7%	0.7%	
	Kawasaki	Kawasaki Isago	6,831	6,831	0		100.0%		14	6,831	6,831	0		100.0%		
		Musashi Kosugi STM	5,378	5,378	0		100.0%		27	5,378	5,378	0		100.0%		
	Sapporo	8-3 Square Kita	12,265	12,265	0		100.0%		8	12,265	12,265	0		100.0%		
	Sendai	Jozenji Park	2,518	2,518	0		100.0%		17	2,518	2,518	0		100.0%		
		Higashi Nibancho	20,526	19,997	529	392	97.4%	(1.9)%	21	20,526	20,526	0	(529)	100.0%	2.6%	
		Sendai Honma	6,234	5,882	351		94.4%		26	6,234	6,234	0	(351)	100.0%	5.6%	
		AER	23,612	23,612	0		100.0%		65	23,612	23,246	366	366	98.4%	(1.6)%	
	Kanazawa	Kanazawa Park	20,942	20,828	114	(154)	99.5%	0.8%	81	20,942	20,855	86	(27)	99.6%	0.1%	
		Kanazawa Kamitsutsumicho	7,206	7,206	0	(77)	100.0%	1.1%	27	7,206	7,121	85	85	98.8%	(1.2)%	
	Nagoya	Nishiki Park	10,338	10,233	104	81	99.0%	(0.8)%	62	10,338	10,244	93	(11)	99.1%	0.1%	
		Hirokoji Place	13,200	13,200	0	(436)	100.0%	3.3%	34	13,200	12,974	226	226	98.3%	(1.7)%	
		Nagoya Hirokoji	21,425	21,359	65		99.7%		38	21,425	21,359	65		99.7%		
		Nagoya Misono	3,448	3,448	0		100.0%		16	3,448	3,448	0		100.0%		
	Kyoto	Shijo Karasuma	6,634	6,634	0		100.0%		13	6,634	6,158	476	476	92.8%	(7.2)%	
	Osaka	Umeda Square	10,370	9,581	789	789	92.4%	(7.6)%	41	10,374	9,581	793	3	92.4%		
		Shin-Fujita	28,403	28,038	364	208	98.7%	(0.7)%	49	28,403	28,403	0	(364)	100.0%	1.3%	
		Sakaisujihonmachi	11,520	11,520	0	(238)	100.0%	2.1%	23	11,520	11,520	0		100.0%		
		Midotsuji Daiwa	20,450	20,450	0		100.0%		42	20,450	20,450	0		100.0%		
	Amagasaki	Amagasaki Front	15,500	15,500	0		100.0%		29	15,500	15,500	0		100.0%		
	Okayama	Lit City	8,906	8,906	0		100.0%		27	8,906	8,906	0		100.0%		
	Hiroshima	NHK Hiroshima	9,860	9,860	0		100.0%		12	9,860	9,860	0		100.0%		
	Fukuoka	Tosei Tenjin	3,995	3,995	0		100.0%		24	3,995	3,995	0		100.0%		
		Tenjin Crystal	5,964	5,964	0		100.0%		31	5,964	5,964	0		100.0%		
		Hinode Tenjin	5,944	5,944	0		100.0%		2	5,944	5,944	0		100.0%		
	Tokyo 23 Wards			486,748	484,615	2,133	(972)	99.6%	0.2%	600	486,757	485,159	1,598	(535)	99.7%	0.1%
	Other Areas			361,156	356,726	4,429	571	98.8%	(0.1)%	880	361,160	357,207	3,952	(477)	98.9%	0.1%
	Portfolio			847,905	841,341	6,563	(400)	99.2%		1,480	847,918	842,366	5,551	(1,012)	99.3%	0.1%

*The above-mentioned office space and occupancy rates do not include the residential portions. Leasable office space and occupancy rates of the residential portions as of September 30, 2018 are 11,694 m² 97.1% of Kitanomaru Square, 1,686 m² 100.0% of Nibancho Garden, 10,780 m² 91.9% of Akasaka Park, 954 m² 92.4% of Nishiki Park.

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

Appraisal Values of Properties

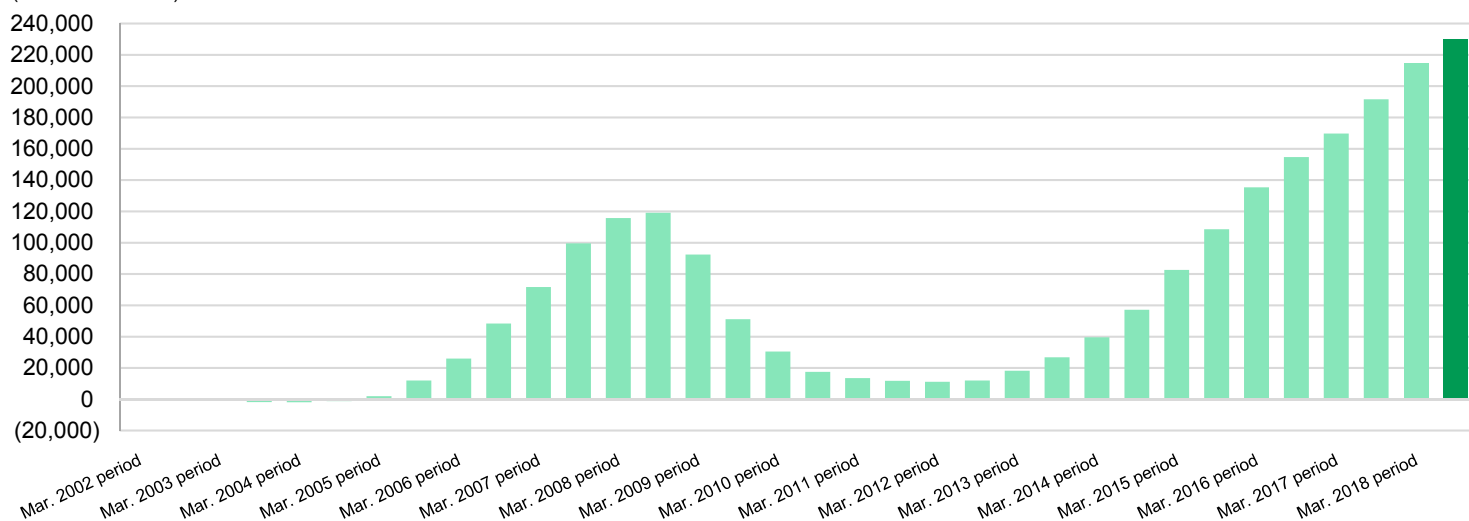
(In millions of JPY)

Area		Name	Sep. 2018 period Appraisal Value	Mar. 2018 period Appraisal Value	Amount of Difference	Sep. 2018 period Book Value	Sep. 2018 period Appraisal Value - Book Value	Acquisition Price	
Tokyo 23 Wards	Chiyoda	Kitanomaru Square	85,200	85,000	200	71,627	13,572	81,555	
		MD Kanda	8,410	8,490	(80)	8,681	(271)	9,520	
		Kandabashi Park	4,700	4,700	0	4,453	246	4,810	
		Otemachi FCN	20,300	20,200	100	14,936	5,363	15,462	
		Nibancho Garden	19,000	18,800	200	12,313	6,686	14,700	
		Mitsubishi UFJ Trust	55,600	55,600	0	28,771	26,828	44,700	
		Burex Kojimachi	7,520	7,070	450	5,520	1,999	7,000	
		Sanno Grand	33,200	33,300	(100)	21,251	11,948	20,900	
		Yurakucho Denki	8,670	8,560	110	7,667	1,002	7,200	
	Chuo	Kodenmacho	2,940	2,940	0	2,739	200	3,173	
		FP Nihonbashi	18,600	17,800	800	17,766	833	17,560	
		Kyodo (Kayabacho 2Chome)	5,030	5,000	30	4,168	861	4,410	
		Burex Kyobashi	7,740	7,740	0	4,409	3,330	5,250	
		Ginza 1Chome	7,780	7,770	10	6,299	1,480	6,459	
		Ginza Sanwa	18,700	18,700	0	17,182	1,517	16,830	
		Ryoshin Ginza EM	6,530	6,520	10	7,386	(856)	7,999	
		Harumi Front	40,500	40,100	400	27,725	12,774	31,300	
		Harumi Center	20,300	20,300	0	22,019	(1,719)	26,800	
		Minato	Akasaka Park	76,000	76,000	0	59,493	16,506	60,800
			Aoyama Crystal	9,230	8,790	440	7,056	2,173	7,680
			Clover Shiba-koen	4,740	4,620	120	4,513	226	4,500
	Shiodome		122,000	122,000	0	102,037	19,962	106,930	
	Shiba 2Chome Daimon		7,080	6,910	170	5,155	1,924	4,859	
	Cosmo Kanasugibashi		3,340	3,250	90	2,532	807	2,808	
	Tamachi Front		6,720	6,510	210	6,210	509	6,210	
	Shinjuku	Shinjuku Eastside	60,500	58,900	1,600	52,545	7,954	55,220	
		Shinwa	8,080	7,720	360	7,772	307	7,830	
		Tokyo Opera City	36,100	35,400	700	28,027	8,072	31,776	
	Taito	TIX UENO	25,700	25,700	0	19,343	6,356	22,000	
	Shinagawa	Higashi-Gotanda 1Chome	6,700	6,650	50	4,369	2,330	5,500	
		Osaki Front Tower	17,100	16,900	200	8,864	8,235	12,300	
	Ota	Omori-Eki Higashiguchi	5,990	5,910	80	4,737	1,252	5,123	
	Shibuya	Shinjuku South Gate Project (Land)	5,500	5,500	0	5,572	(72)	5,500	
		Yoyogi 1Chome	12,300	12,300	0	6,856	5,443	8,700	
		Jingumae Terrace	7,300	7,050	250	4,882	2,417	4,885	
		Jingumae MS	10,600	10,500	100	10,679	(79)	12,200	
		Shibuya Cross Tower (Land)	39,000	38,300	700	27,186	11,813	26,524	
		Ebisu Neonato	18,800	18,400	400	14,043	4,756	14,612	
	Nakano	Harmony Tower	14,500	14,400	100	9,889	4,610	11,120	
	Toshima	Otsuka Higashi-Ikebukuro	4,590	4,590	0	3,374	1,215	3,541	
		Ikebukuro 2Chome	1,830	1,830	0	1,554	275	1,728	
		Ikebukuro YS	5,500	5,480	20	4,064	1,435	4,500	
	Other Areas	Hachioji	Hachioji First	5,050	5,050	0	4,881	168	5,679
		Saitama	Saitama Urawa	2,480	2,480	0	2,474	5	2,574
		Yokohama	MM Park	40,400	40,400	0	31,438	8,961	37,400
			Queen's	22,500	21,900	600	16,251	6,248	17,200
		Kawasaki	Kawasaki Isago	3,170	3,160	10	2,885	284	3,375
Musashi Kosugi STM			4,580	4,450	130	3,791	788	4,000	
Sapporo		8・3 Square Kita	9,160	9,150	10	5,826	3,333	7,100	
Sendai		Jozenji Park	1,030	1,030	0	992	37	1,000	
		Higashi Nibancho	14,000	13,700	300	8,863	5,136	9,950	
		Sendai Honma	2,620	2,610	10	2,855	(235)	3,174	
		AER	20,000	20,000	0	18,309	1,690	18,640	
Kanazawa		Kanazawa Park	6,000	5,580	420	4,322	1,677	4,580	
		Kanazawa Kamitsutsumicho	3,110	3,070	40	2,629	480	2,780	
Nagoya		Nishiki Park	5,300	5,240	60	5,075	224	5,975	
		Hirokoji Place	11,500	11,100	400	7,961	3,538	8,567	
		Nagoya Hirokoji	13,000	12,700	300	15,533	(2,533)	14,533	
		Nagoya Misono	1,460	1,380	80	1,476	(16)	1,865	
Kyoto		Shijo Karasuma	5,630	5,600	30	3,884	1,745	4,400	
Osaka		Umeda Square	16,900	16,800	100	15,677	1,222	15,523	
		Shin-Fujita	19,700	19,700	0	21,813	(2,113)	24,000	
		Sakaisujihonmachi	3,470	3,430	40	3,646	(176)	4,164	
		Midosuji Daiwa	14,900	14,800	100	13,694	1,205	14,314	
Amagasaki		Amagasaki Front	10,100	10,100	0	8,613	1,486	9,300	
Hiroshima		NHK Hiroshima	3,210	3,210	0	2,901	308	2,770	
Fukuoka		Tosei Tenjin	1,460	1,430	30	1,361	98	1,550	
		Tenjin Crystal	3,050	3,050	0	3,905	(855)	5,000	
		Hinode Tenjin	4,480	4,280	200	3,376	1,103	3,657	
Existing properties excluding the properties acquired/disposed during Sep. 2018 period		Tokyo 23 Wards	879,920	872,200	7,720	685,684	194,235	752,476	
		Other Areas	248,260	245,400	2,860	214,441	33,818	233,070	
		Total (69 properties)	1,128,180	1,117,600	10,580	900,126	228,053	985,547	
Property acquired during Sep. 2018 period									
Tokyo 23 Wards		Shinjuku	Shinjuku Front	25,800	-	-	25,132	667	25,025
Property partially disposed during Sep. 2018 period									
Other Areas		Okayama	Lit City (Office Unit) (Note)	4,160	-	-	2,649	1,510	4,094
Properties held as of Sep. 2018 period									
Tokyo 23 Wards			905,720	-	-	710,817	194,902	777,501	
Other Areas			252,420	-	-	217,091	35,328	237,165	
Total (71 properties)			1,158,140	-	-	927,908	230,231	1,014,667	

(Note) As retail units of Lit City was disposed on September 28, 2018, it is described as property partially disposed during Sep. 2018 period. The figures in appraisal value and book value for Sep. 2018 period indicate only the office unit of the building JRE continues to own.

Trend of Unrealized Gain or Loss

(In millions of JPY)



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

		Mar. 2002 period	Sep. 2002 period	Mar. 2003 period	Sep. 2003 period	Mar. 2004 period	Sep. 2004 period	Mar. 2005 period	Sep. 2005 period	Mar. 2006 period
Appraisal value at the end of period	A	144,940	165,251	184,704	191,271	217,150	238,961	293,342	339,029	439,799
Book value	B	145,580	165,088	184,304	193,058	219,032	240,134	291,350	327,005	413,708
Unrealized gain or loss	A-B=C	(640)	162	399	(1,787)	(1,882)	(1,173)	1,991	12,023	26,090
Unrealized gain or loss ratio	C/B	(0.4)%	0.1%	0.2%	(0.9)%	(0.9)%	(0.5)%	0.7%	3.7%	6.3%
<Reference>	Units outstanding	D	320,800 units	450,800 units	450,800 units	520,800 units	520,800 units	520,800 units	690,800 units	690,800 units
	Unrealized gain or loss per unit	C/D=E	JPY (1,995)	JPY 359	JPY 887	JPY (3,965)	JPY (3,614)	JPY 3,823	JPY 17,405	JPY 37,768
	Net asset value per unit	F	JPY 260,795	JPY 255,212	JPY 256,013	JPY 256,344	JPY 263,538	JPY 264,149	JPY 299,627	JPY 299,737
	Adjusted net asset value per unit	E+F=G	JPY 258,800	JPY 255,571	JPY 256,900	JPY 252,379	JPY 259,923	JPY 261,340	JPY 267,973	JPY 317,032
	Unit price at the end of period	H	JPY 265,000	JPY 255,500	JPY 296,000	JPY 324,000	JPY 415,000	JPY 437,500	JPY 457,500	JPY 510,000
	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	1.51 times

		Sep. 2006 period	Mar. 2007 period	Sep. 2007 period	Mar. 2008 period	Sep. 2008 period	Mar. 2009 period	Sep. 2009 period	Mar. 2010 period	Sep. 2010 period
Appraisal value at the end of period	A	467,001	498,741	531,100	619,160	644,700	636,770	591,920	645,239	632,112
Book value	B	418,607	427,013	431,463	503,376	525,503	544,245	540,709	614,734	614,593
Unrealized gain or loss	A-B=C	48,393	71,727	99,636	115,783	119,196	92,524	51,210	30,504	17,518
Unrealized gain or loss ratio	C/B	11.6%	16.8%	23.1%	23.0%	22.7%	17.0%	9.5%	5.0%	2.9%
<Reference>	Units outstanding	D	690,800 units	820,000 units	886,000 units	886,000 units	886,000 units	886,000 units	978,400 units	978,400 units
	Unrealized gain or loss per unit	C/D=E	JPY 70,053	JPY 87,472	JPY 121,507	JPY 130,681	JPY 104,429	JPY 57,799	JPY 31,177	JPY 17,905
	Net asset value per unit	F	JPY 300,302	JPY 331,545	JPY 332,035	JPY 350,504	JPY 345,429	JPY 345,403	JPY 340,585	JPY 339,877
	Adjusted net asset value per unit	E+F=G	JPY 370,356	JPY 419,018	JPY 453,543	JPY 481,186	JPY 479,962	JPY 449,832	JPY 403,291	JPY 371,763
	Unit price at the end of period	H	JPY 500,000	JPY 780,000	JPY 690,000	JPY 580,000	JPY 418,000	JPY 378,000	JPY 367,000	JPY 379,500
	H/G	1.35 times	1.86 times	1.52 times	1.21 times	0.87 times	0.84 times	0.91 times	1.07 times	1.06 times

		Mar. 2011 period	Sep. 2011 period	Mar. 2012 period	Sep. 2012 period	Mar. 2013 period	Sep. 2013 period	Mar. 2014 period	Sep. 2014 period	Mar. 2015 period
Appraisal value at the end of period	A	642,220	634,357	693,230	712,888	758,210	775,147	829,152	843,367	912,125
Book value	B	628,689	622,542	681,970	700,829	739,901	748,257	789,543	786,106	829,449
Unrealized gain or loss	A-B=C	13,530	11,814	11,259	12,058	18,308	26,889	39,608	57,260	82,675
Unrealized gain or loss ratio	C/B	2.2%	1.9%	1.7%	1.7%	2.5%	3.6%	5.0%	7.3%	10.0%
<Reference>	Units outstanding	D	978,400 units	978,400 units	1,098,080 units	1,098,080 units	1,188,280 units	1,188,280 units	1,188,280 units	1,251,530 units
	Unrealized gain or loss per unit	C/D=E	JPY 13,828	JPY 12,075	JPY 10,253	JPY 10,981	JPY 15,407	JPY 22,629	JPY 33,332	JPY 45,752
	Net asset value per unit	F	JPY 339,385	JPY 340,014	JPY 339,565	JPY 339,164	JPY 341,065	JPY 341,178	JPY 341,128	JPY 348,871
	Adjusted net asset value per unit	E+F=G	JPY 353,213	JPY 352,090	JPY 349,818	JPY 350,145	JPY 356,472	JPY 363,807	JPY 374,461	JPY 394,623
	Unit price at the end of period	H	JPY 393,500	JPY 377,000	JPY 364,500	JPY 393,000	JPY 644,500	JPY 574,000	JPY 518,000	JPY 564,000
	H/G	1.11 times	1.07 times	1.04 times	1.12 times	1.81 times	1.58 times	1.38 times	1.43 times	1.36 times

		Sep. 2015 period	Mar. 2016 period	Sep. 2016 period	Mar. 2017 period	Sep. 2017 period	Mar. 2018 period	Sep. 2018 period
Appraisal value at the end of period	A	977,666	996,828	1,011,368	1,042,319	1,069,480	1,122,210	1,158,140
Book value	B	869,034	861,360	856,657	872,534	877,837	907,577	927,908
Unrealized gain or loss	A-B=C	108,631	135,467	154,710	169,784	191,642	214,632	230,231
Unrealized gain or loss ratio	C/B	12.5%	15.7%	18.1%	19.5%	21.8%	23.6%	24.8%
<Reference>	Units outstanding	D	1,309,310 units	1,309,310 units	1,309,310 units	1,309,310 units	1,309,310 units	1,385,210 units
	Unrealized gain or loss per unit	C/D=E	JPY 82,968	JPY 103,464	JPY 118,161	JPY 129,674	JPY 163,927	JPY 166,206
	Net asset value per unit	F	JPY 358,026	JPY 358,238	JPY 358,478	JPY 358,661	JPY 359,505	JPY 368,881
	Adjusted net asset value per unit	E+F=G	JPY 440,995	JPY 461,702	JPY 476,640	JPY 488,335	JPY 505,582	JPY 523,432
	Unit price at the end of period	H	JPY 551,000	JPY 650,000	JPY 605,000	JPY 590,000	JPY 541,000	JPY 596,000
	H/G	1.25 times	1.41 times	1.27 times	1.21 times	1.07 times	1.05 times	1.11 times

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

* Appraisal values at the end of period are survey values determined by institutional appraisers for Mar. 2002 period through Mar. 2006 period, or appraisal values determined by institutional appraisers for Sep. 2006 period through Sep. 2018 period, at the end of each period.

* As JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014, the figures for Mar. 2002 period through Sep. 2013 period are taken the split into account.

Details of Appraisal Values as of September 30, 2018

(In millions of JPY)

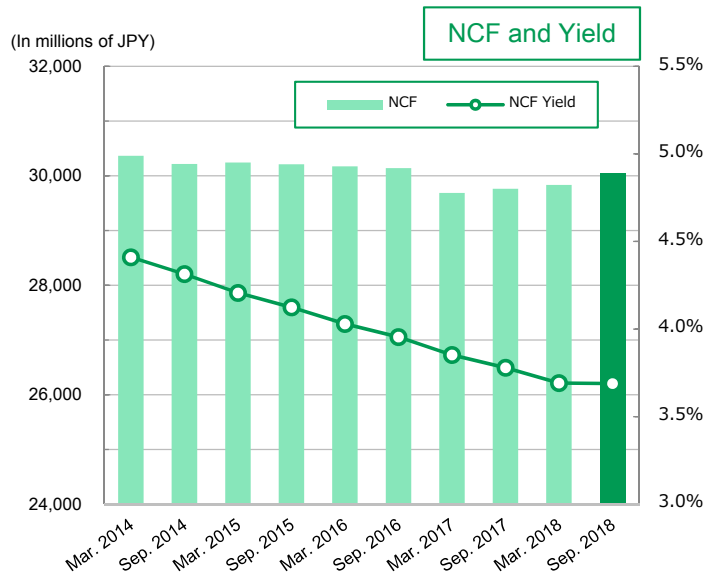
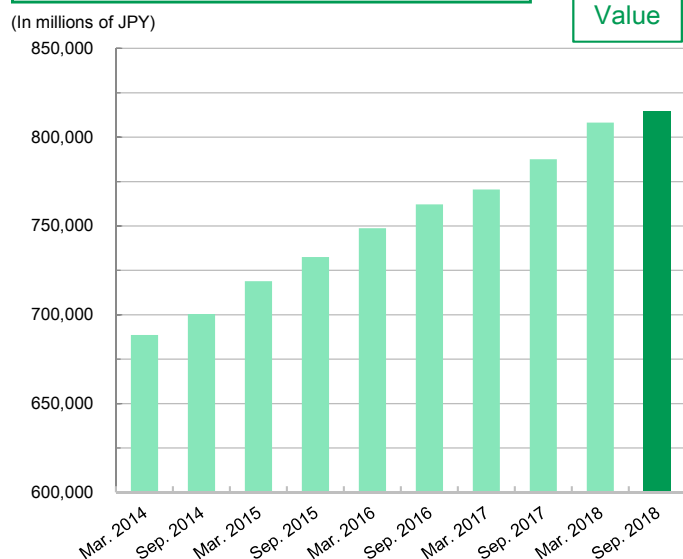
Name	Acquisition Price	Appraisal Value as of the End of period															
		Mar. 2018 period						Sep. 2018 period						Change			
		Appraisal Value	DC		DCF		Appraisal Value	DC		DCF		Appraisal Value	Change In Value	DC		DCF	
			Cap Rate	Assessed CF	Discount Rate	Terminal Cap Rate		Cap Rate	Assessed CF	Discount Rate	Terminal Cap Rate			Cap Rate	Assessed CF	Discount Rate	Terminal Cap Rate
Kitanomaru Square	81,555	85,000	3.20%	2,789	3.00%	3.40%	85,200	3.20%	2,797	3.00%	3.40%	200	0.2%	-	0.3%	-	-
MD Kanda	9,520	8,490	3.60%	314	3.40%	3.80%	8,410	3.60%	311	3.40%	3.80%	(80)	(0.9)%	-	(1.0)%	-	-
Kandabashi Park	4,810	4,700	3.50%	169	3.30%	3.70%	4,700	3.50%	168	3.30%	3.70%	-	-	-	-	-	-
Otemachi FCN	15,462	20,200	2.80%	584	2.50%	2.90%	20,300	2.80%	584	2.50%	2.90%	100	0.5%	-	(0.1)%	-	-
Nibancho Garden	14,700	18,800	3.70%	713	3.50%	3.90%	19,000	3.70%	724	3.50%	3.90%	200	1.1%	-	1.5%	-	-
Mitsubishi UFJ Trust	44,700	55,600	2.70%	1,527	2.40%	2.80%	55,600	2.70%	1,526	2.40%	2.80%	-	-	-	-	-	-
Burex Kojimachi	7,000	7,070	3.50%	254	3.30%	3.70%	7,520	3.50%	270	3.30%	3.70%	450	6.4%	-	6.5%	-	-
Sanno Grand	20,900	33,300	3.60%	1,219	3.30%	3.70%	33,200	3.60%	1,214	3.30%	3.70%	(100)	(0.3)%	-	(0.4)%	-	-
Yurakucho Denki	7,200	8,560	3.30%	289	3.10%	3.50%	8,670	3.30%	292	3.10%	3.50%	110	1.3%	-	1.0%	-	-
Kodenmachi	3,173	2,940	4.00%	122	3.80%	4.20%	2,940	4.00%	122	3.80%	4.20%	-	-	-	0.3%	-	-
FP Nihonbashi	17,560	17,800	3.40%	610	3.10%	3.50%	18,600	3.30%	620	3.00%	3.40%	800	4.5%	(0.10)%	1.6%	(0.10)%	(0.10)%
Kyodo (Kayabacho 2Chome)	4,410	5,000	3.70%	190	3.50%	3.90%	5,030	3.70%	191	3.50%	3.90%	30	0.6%	-	0.7%	-	-
Burex Kyobashi	5,250	7,740	3.40%	271	3.20%	3.60%	7,740	3.40%	271	3.20%	3.60%	-	-	-	-	-	-
Ginza 1Chome	6,459	7,770	3.40%	272	3.20%	3.60%	7,780	3.40%	272	3.20%	3.60%	10	0.1%	-	0.1%	-	-
Ginza Sanwa	16,830	18,700	2.70%	511	2.70%	2.70%	18,700	2.70%	510	2.70%	2.70%	-	-	-	(0.2)%	-	-
Ryoshin Ginza EM	7,999	6,520	3.40%	231	3.20%	3.60%	6,530	3.40%	231	3.20%	3.60%	10	0.2%	-	0.1%	-	-
Harumi Front	31,300	40,100	4.00%	1,631	3.80%	4.20%	40,500	4.00%	1,637	3.80%	4.20%	400	1.0%	-	0.4%	-	-
Harumi Center	26,800	20,300	4.00%	844	3.80%	4.20%	20,300	4.00%	842	3.80%	4.20%	-	-	-	(0.3)%	-	-
Akasaka Park	60,800	76,000	3.30%	2,571	3.10%	3.50%	76,000	3.30%	2,569	3.10%	3.50%	-	-	-	(0.1)%	-	-
Aoyama Crystal	7,680	8,790	3.30%	298	3.10%	3.50%	9,230	3.30%	314	3.10%	3.50%	440	5.0%	-	5.1%	-	-
Clover Shiba-koen	4,500	4,620	4.00%	186	3.70%	4.10%	4,740	3.90%	186	3.60%	4.00%	120	2.6%	(0.10)%	(0.1)%	(0.10)%	(0.10)%
Shiodome	106,930	122,000	3.30%	4,149	3.10%	3.50%	122,000	3.30%	4,147	3.10%	3.50%	-	-	-	-	-	-
Shiba 2Chome Daimon	4,859	6,910	3.90%	283	3.70%	4.10%	7,080	3.90%	292	3.70%	4.10%	170	2.5%	-	2.9%	-	-
Cosmo Kanasugibashi	2,808	3,250	3.90%	131	3.70%	4.10%	3,340	3.90%	135	3.70%	4.10%	90	2.8%	-	3.4%	-	-
Tamachi Front	6,210	6,510	3.60%	239	3.40%	3.80%	6,720	3.50%	240	3.30%	3.70%	210	3.2%	(0.10)%	0.4%	(0.10)%	(0.10)%
Shinjuku Eastside	55,220	58,900	3.90%	2,300	3.50%	4.00%	60,500	3.80%	2,313	3.40%	3.90%	1,600	2.7%	(0.10)%	0.5%	(0.10)%	(0.10)%
Shinwa	7,830	7,720	3.60%	287	3.40%	3.80%	8,080	3.60%	298	3.40%	3.80%	360	4.7%	-	4.0%	-	-
Tokyo Opera City	31,776	35,400	3.60%	1,349	3.40%	3.80%	36,100	3.60%	1,376	3.40%	3.80%	700	2.0%	-	2.0%	-	-
TIX UENO	22,000	25,700	3.70%	972	3.50%	3.90%	25,700	3.70%	973	3.50%	3.90%	-	-	-	0.1%	-	-
Higashi-Gotanda 1Chome	5,500	6,650	3.70%	249	3.40%	3.80%	6,700	3.70%	250	3.40%	3.80%	50	0.8%	-	0.5%	-	-
Osaki Front Tower	12,300	16,900	3.90%	932	3.70%	4.10%	17,100	3.90%	944	3.70%	4.10%	200	1.2%	-	1.3%	-	-
Omori-Eki Higashiguchi	5,123	5,910	4.30%	260	4.10%	4.50%	5,990	4.30%	264	4.10%	4.50%	80	1.4%	-	1.2%	-	-
Shinjuku South Gate Project (Land)	5,500	5,500	-	171	3.50%	-	5,500	-	170	3.55%	-	-	-	-	(0.6)%	0.05%	-
Yoyogi 1Chome	8,700	12,300	3.40%	428	3.20%	3.60%	12,300	3.40%	429	3.20%	3.60%	-	-	-	0.1%	-	-
Jingumae Terrace	4,885	7,050	3.60%	261	3.40%	3.80%	7,300	3.50%	261	3.30%	3.70%	250	3.5%	(0.10)%	-	(0.10)%	(0.10)%
Jingumae MS	12,200	10,500	3.30%	355	3.10%	3.50%	10,600	3.20%	349	3.00%	3.40%	100	1.0%	(0.10)%	(1.7)%	(0.10)%	(0.10)%
Shibuya Cross Tower (Land)	26,524	38,300	-	891	2.60%	-	39,000	-	908	2.60%	-	700	1.8%	-	1.9%	-	-
Ebisu Neonato	14,612	18,400	3.40%	646	3.20%	3.60%	18,800	3.40%	662	3.20%	3.60%	400	2.2%	-	2.4%	-	-
Harmony Tower	11,120	14,400	3.90%	585	3.70%	4.10%	14,500	3.90%	587	3.70%	4.10%	100	0.7%	-	0.4%	-	-
Otsuka Higashi-Ikebukuro	3,541	4,590	4.80%	219	4.50%	4.90%	4,590	4.80%	219	4.50%	4.90%	-	-	-	0.1%	-	-
Ikebukuro 2Chome	1,728	1,830	4.30%	81	4.10%	4.50%	1,830	4.30%	81	4.10%	4.50%	-	-	-	(0.1)%	-	-
Ikebukuro YS	4,500	5,480	4.10%	233	3.90%	4.30%	5,500	4.10%	233	3.90%	4.30%	20	0.4%	-	0.1%	-	-
Hachioji First	5,679	5,050	4.70%	248	4.50%	4.90%	5,050	4.70%	248	4.50%	4.90%	-	-	-	0.1%	-	-
Saitama Urawa	2,574	2,480	4.70%	119	4.50%	4.90%	2,480	4.70%	119	4.50%	4.90%	-	-	-	0.1%	-	-
MM Park	37,400	40,400	4.10%	1,696	3.90%	4.30%	40,400	4.10%	1,694	3.90%	4.30%	-	-	-	(0.1)%	-	-
Queen's	17,200	21,900	4.10%	911	3.80%	4.40%	22,500	4.00%	911	3.70%	4.30%	600	2.7%	(0.10)%	-	(0.10)%	(0.10)%
Kawasaki Isago	3,375	3,160	4.60%	147	4.40%	4.80%	3,170	4.60%	147	4.40%	4.80%	10	0.3%	-	0.1%	-	-
Musashi Kosugi STM	4,000	4,450	4.50%	201	4.30%	4.70%	4,580	4.50%	207	4.30%	4.70%	130	2.9%	-	3.2%	-	-
8·3 Square Kita	7,100	9,150	4.70%	446	4.50%	4.90%	9,160	4.70%	446	4.50%	4.90%	10	0.1%	-	-	-	-
Jozenji Park	1,000	1,030	5.40%	57	5.20%	5.60%	1,030	5.40%	57	5.20%	5.60%	-	-	-	(0.4)%	-	-
Higashi Nibancho	9,950	13,700	4.90%	662	4.70%	5.10%	14,000	4.90%	690	4.70%	5.10%	300	2.2%	-	4.2%	-	-
Sendai Honma	3,174	2,610	5.10%	135	4.90%	5.30%	2,620	5.10%	135	4.90%	5.30%	10	0.4%	-	0.1%	-	-
AER	18,640	20,000	4.10%	843	3.90%	4.30%	20,000	4.10%	846	3.90%	4.30%	-	-	-	0.3%	-	-
Kanazawa Park	4,580	5,580	5.60%	332	5.40%	5.80%	6,000	5.60%	361	5.40%	5.80%	420	7.5%	-	8.6%	-	-
Kanazawa Kamitsutsumicho	2,780	3,070	5.50%	175	5.30%	5.70%	3,110	5.50%	177	5.30%	5.70%	40	1.3%	-	1.1%	-	-
Nishiki Park	5,975	5,240	4.80%	260	4.60%	5.00%	5,300	4.80%	263	4.60%	5.00%	60	1.1%	-	1.0%	-	-
Hirokoji Place	8,567	11,100	4.20%	472	4.00%	4.40%	11,500	4.10%	479	3.90%	4.30%	400	3.6%	(0.10)%	1.5%	(0.10)%	(0.10)%
Nagoya Hirokoji	14,533	12,700	4.50%	595	4.30%	4.70%	13,000	4.50%	609	4.30%	4.70%	300	2.4%	-	2.3%	-	-
Nagoya Misono	1,865	1,380	4.80%	67	4.60%	5.00%	1,460	4.80%	73	4.60%	5.00%	80	5.8%	-	8.6%	-	-
Shijo Karasuma	4,400	5,600	4.80%	271	4.60%	5.00%	5,630	4.70%	268	4.50%	4.90%	30	0.5%	(0.10)%	(1.3)%	(0.10)%	(0.10)%
Umeda Square	15,523	16,800	3.70%	650	3.50%	3.90%	16,900	3.70%	649	3.50%	3.90%	100	0.6%	-	(0.1)%	-	-
Shin-Fujita	24,000	19,700	4.20%	859	4.00%	4.40%	19,700	4.20%	853	4.00%	4.40%	-	-	-	(0.7)%	-	-
Sakaisujihonmachi	4,164	3,430	4.50%	158	4.30%	4.70%	3,470	4.50%	159	4.30%	4.70%	40	1.2%	-	0.3%	-	-
Midosuji Daiwa	14,314	14,800	3.90%	617	3.70%	4.10%	14,900	3.90%	620	3.70%	4.10%	100	0.7%	-	0.5%	-	-
Amagasaki Front	9,300	10,100	5.40%	549	5.20%	5.60%	10,100	5.40%	550	5.20%	5.60%	-	-	-	0.1%	-	-

(Note) As retail units of Lit City was disposed on September 28, 2018, the figures in appraisal value for Sep. 2018 period indicate only the office unit of the building JRE continues to own.

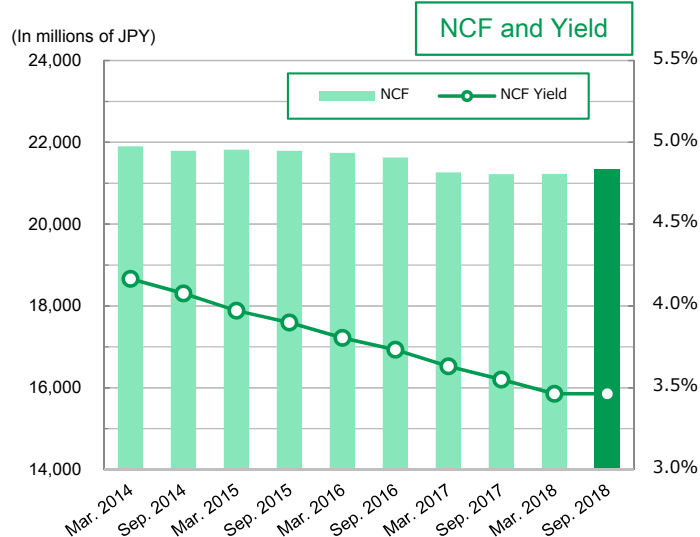
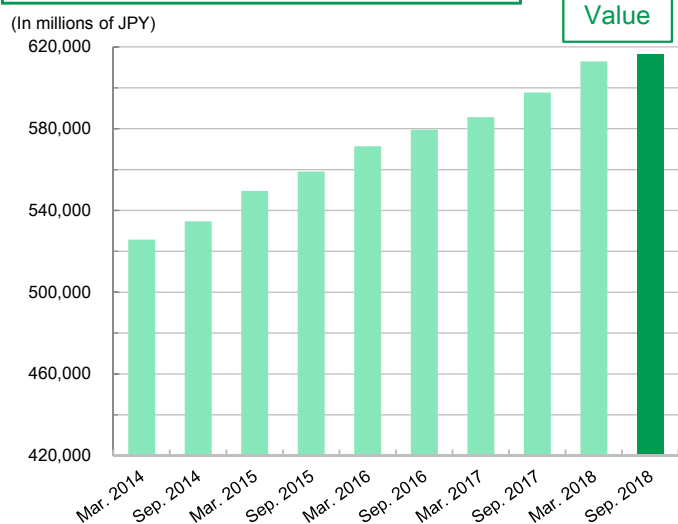
Historical Appraisal Values and NCF

55 properties of JRE's portfolio with constantly held ownership without increase or decrease of share as of March 31, 2014 through September 30, 2018.

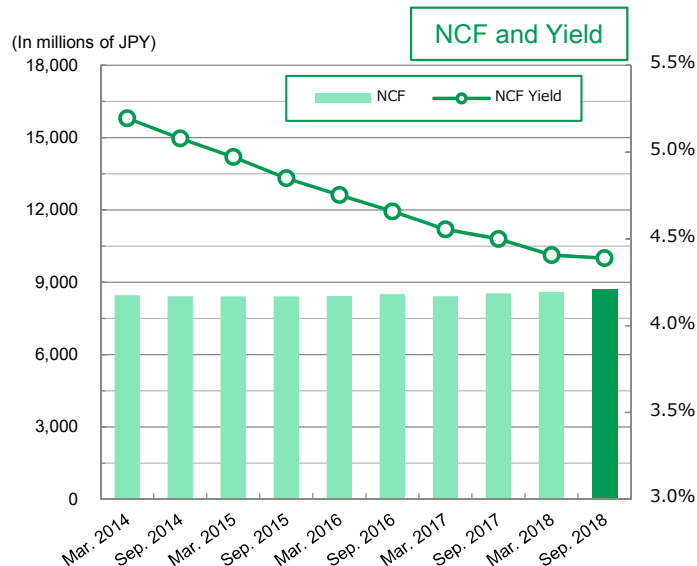
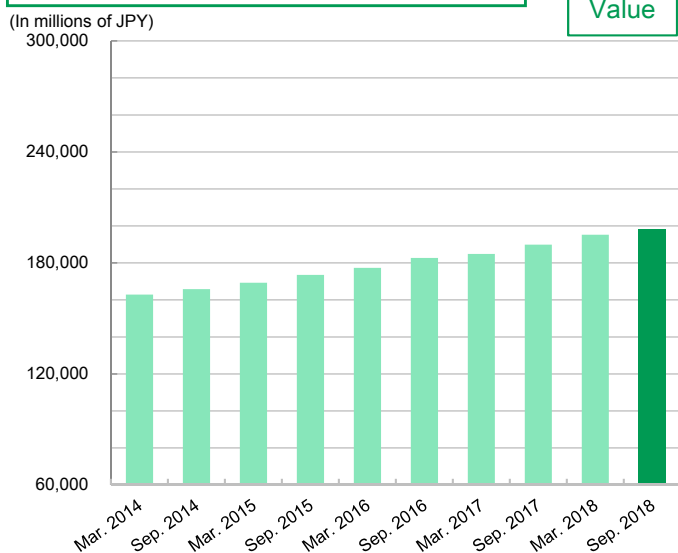
Overall



Tokyo 23 Wards



Other Areas



*Value: Calculated using direct capitalization (DC) method based on appraisal value as of the end of each period

*NCF: Net cash flow in the above DC method

*Yield: Annualized NCF / Value

Performance (Operating Results) of Each Property for Sep. 2018 period

(In millions of JPY)

Property Name	Performance (April 1, 2018 – September 30, 2018)												
	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	(1) Depreciation	Other Expenses				
Kitanomaru Square	1,732	737	132	77	96	2	15	413	-	995	1,409	13	1,395
MD Kanda	231	122	17	18	22	0	35	28	-	108	137	4	133
Kandabashi Park	119	43	1	-	17	0	6	17	-	76	94	2	92
Otemachi FCN	350	184	31	19	47	0	0	85	0	166	251	-	251
Nibancho Garden	478	236	59	26	55	0	3	90	-	241	332	-	332
Mitsubishi UFJ Trust	994	359	55	58	146	1	8	88	1	634	723	27	695
Burex Kojimachi	153	80	-	-	14	0	3	62	-	72	135	4	130
Sanno Grand	953	404	100	60	114	1	45	82	-	549	631	50	581
Yurakucho Denki	265	131	33	20	44	0	0	31	-	134	165	4	161
Kodenmachi	118	55	14	9	12	0	3	13	3	63	76	-	76
FP Nihonbashi	389	113	26	22	0	0	0	64	0	276	340	-	340
Kyodo (Kayabacho 2Chome)	141	72	10	12	12	0	15	21	-	69	90	13	77
Burex Kyobashi	158	39	-	-	12	0	3	23	-	119	142	-	142
Ginza 1Chome	180	95	14	9	11	0	1	58	-	85	144	0	143
Ginza Sanwa	401	143	26	18	71	0	3	23	0	257	281	13	268
Ryoshin Ginza EM	158	82	13	12	15	0	0	39	-	75	115	0	114
Harumi Front	1,228	705	126	110	77	1	31	357	0	522	880	5	874
Harumi Center	570	392	67	43	48	0	21	210	0	177	388	16	371
Akasaka Park	2,230	1,283	236	263	275	3	93	408	2	947	1,355	117	1,238
Aoyama Crystal	191	128	17	11	31	0	47	20	0	62	83	4	79
Clover Shiba-koen	109	47	9	6	6	0	2	22	-	61	83	2	81
Shiodome	2,437	948	184	147	181	1	20	406	6	1,489	1,895	22	1,873
Shiba 2Chome Daimon	272	184	38	29	40	0	36	37	0	88	125	186	(61)
Cosmo Kanasugibashi	115	93	12	8	13	0	44	13	-	22	36	39	(3)
Tamachi Front	156	67	11	8	14	0	0	31	0	89	121	-	121
Shinjuku Eastside	1,502	575	104	110	62	2	10	284	1	926	1,210	15	1,194
Shinjuku Front	585	231	53	29	0	0	3	144	0	353	497	6	491
Shinwa	217	111	24	15	20	0	14	35	-	105	141	19	122
Tokyo Opera City	1,584	1,062	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed	521	Undisclosed	177	Undisclosed
TIX UENO	654	366	68	38	38	1	9	210	-	287	498	2	495
Higashi-Gotanda 1Chome	189	104	13	21	14	0	11	42	0	85	127	1	126
Osaki Front Tower	710	499	68	43	26	0	11	254	94	210	465	5	459
Omori-Eki Higashiguchi	234	115	27	20	25	0	5	36	-	118	154	56	97
Shinjuku South Gate Project (Land)	85	21	-	-	21	-	-	-	-	64	64	-	64
Yoyogi 1Chome	316	119	23	21	24	0	4	44	-	196	241	17	223
Jingumae Terrace	180	57	11	10	17	0	0	16	-	122	139	3	136
Jingumae MS	293	148	21	24	50	0	10	40	-	145	185	19	166
Shibuya Cross Tower (Land)	540	82	-	-	82	-	-	-	-	457	457	-	457
Ebisu Neonato	486	207	49	23	37	1	2	91	-	278	370	10	360
Harmony Tower	480	156	35	-	56	1	12	50	-	323	373	-	373
Otsuka Higashi-Ikebukuro	195	106	20	26	12	0	5	40	-	89	129	30	99
Ikebukuro 2Chome	69	34	8	5	5	0	6	7	0	34	42	-	42
Ikebukuro YS	193	83	17	17	15	0	1	30	-	110	141	4	136
Hachioji First	240	140	51	2	26	0	26	33	-	99	133	9	123
Saitama Urawa	113	52	13	9	9	0	2	17	0	61	78	-	78
MM Park	1,180	738	139	182	79	1	40	294	-	442	737	4	732
Queen's	1,025	649	204	106	112	3	6	209	6	375	584	131	453
Kawasaki Isago	154	81	25	16	13	0	2	23	-	73	96	5	91
Musashi Kosugi STM	163	65	22	1	12	0	1	27	-	98	125	4	121
8・3 Square Kita	330	206	30	56	22	0	26	69	-	124	193	3	190
Jozenji Park	64	39	11	7	6	0	2	11	-	24	36	0	36
Higashi Nibancho	558	278	66	54	40	0	9	106	-	280	387	9	378
Sendai Honma	128	76	16	12	16	0	13	18	-	52	70	2	68
AER	671	394	82	59	63	0	44	143	0	276	420	203	216
Kanazawa Park	507	313	98	67	65	1	6	74	0	194	268	22	246
Kanazawa Kamitsutsumicho	132	96	17	14	10	0	2	51	-	35	86	1	85
Nishiki Park	288	167	53	23	25	0	2	55	6	120	176	1	175
Hirokoji Place	376	193	39	33	34	0	12	72	-	183	256	11	244
Nagoya Hirokoji	563	408	89	44	62	1	48	161	0	154	316	213	103
Nagoya Misono	72	53	9	5	6	0	1	30	0	18	49	5	43
Shijo Karasuma	208	115	26	15	11	0	4	57	-	93	151	1	150
Umeda Square	469	212	51	32	48	0	13	64	-	257	321	86	235
Shin-Fujita	709	502	89	77	75	1	18	239	-	206	446	40	406
Sakaisujihonmachi	233	140	40	33	35	0	3	27	-	92	119	0	119
Midotsuji Daiwa	542	277	61	47	76	1	1	89	0	265	354	-	354
Amagasaki Front	442	227	65	28	26	0	3	102	0	214	317	3	313
Lit City	260	149	28	23	20	1	10	65	0	111	177	-	177
NHK Hiroshima	267	176	50	26	23	0	1	49	24	90	139	1	138
Tosei Tenjin	84	41	12	8	7	0	1	11	0	42	54	3	50
Tenjin Crystal	160	125	22	18	19	0	1	63	0	34	98	7	90
Hinode Tenjin	183	78	22	19	14	0	1	21	0	104	126	-	126
Total	32,795	16,843	3,518	2,676	3,026	53	933	6,449	184	15,952	22,401	1,674	20,726

* At the request of the co-owners of Tokyo Opera City, the breakdown of Property-related Expenses, NOI+NCF 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 and furniture capitalized as construction in progress).

Other Portfolio Information for September 2018 period

As of September 30, 2018

Area		Name	Floor Area (Whole Building) (㎡)	Acquisition Date	Additional Acquisition Date	Ownership	Property Management Company
Tokyo 23 Wards	Chiyoda	Kitanomaru Square	57,279.20	02/24/06	-	100.00%	Mitsubishi Jisho Property Management Co., Ltd.
		MD Kanda	8,185.11	05/31/02	-	100.00%	Mitsui & Co. Foresight Ltd.
		Kandabashi Park	9,370.25	08/15/02	-	56.76%	Mitsubishi Estate Co., Ltd.
		Otemachi FCN	239,769.07	03/31/14	-	3.3852192%	NTT Urban Development Building Service Corporation
		Nibancho Garden	57,031.06	04/01/05	-	31.345%	The Dai-Ichi Building Co., Ltd.
		Mitsubishi UFJ Trust	108,171.67	03/28/07	-	19.38402%	Mitsubishi Estate Co., Ltd.
		Burex Kojimachi	6,526.64	07/29/05	-	100.0%	Space Design, Inc.
		Sanno Grand	33,875.95	01/31/05	04/03/06	99.0%	Mitsubishi Estate Co., Ltd.
	Yurakucho Denki	70,287.65	08/01/03	-	10.78%	Yuden Building Kanri Co., Ltd.	
	Chuo	Kodenmacho	5,822.88	09/25/01	-	100.0%	The Dai-Ichi Building Co., Ltd.
		FP Nihonbashi	11,672.55	01/19/18	-	100.0%	Mitsubishi Estate Co., Ltd.
		Kyodo (Kayabacho 2Chome)	5,505.80	03/01/11	-	100.0%	Mitsui & Co. Foresight Ltd.
		Burex Kyobashi	5,470.54	07/22/02	-	100.0%	Space Design, Inc.
		Ginza 1Chome	4,976.85	03/02/15	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
		Ginza Sanwa	8,851.00	03/10/05	-	70.95%	Mitsubishi Jisho Property Management Co., Ltd.
		Ryoshin Ginza EM	5,751.68	03/15/05	05/24/10	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
		Harumi Front	45,458.90	01/07/13	-	100.0%	Mitsubishi Estate Co., Ltd.
		Harumi Center	26,447.27	12/18/07	-	100.0%	Mitsubishi Estate Co., Ltd.
		Minato	Akasaka Park	97,489.16	11/15/11	-	100.0%
	Aoyama Crystal		8,094.36	03/14/03	-	100.0%	XYMAX ALPHA Corporation
	Clover Shiba-koen		3,496.01	01/20/15	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
	Shiodome		115,930.83	12/19/08	01/15/10 05/01/15 03/30/17 09/01/17	55.0%	Mitsubishi Jisho Property Management Co., Ltd.
	Shiba 2Chome Daimon		16,235.10	09/10/01	-	100.0%	Tokio Marine & Nichido Facilities, Inc.
	Cosmo Kanasugibashi		5,420.93	09/25/01	-	100.0%	The Dai-Ichi Building Co., Ltd.
	Tamachi Front		5,747.80	03/30/17	-	100.0%	Mitsubishi Estate Co., Ltd.
	Shinjuku		Shinjuku Eastside	167,245.46	10/01/14	01/25/17 03/30/18	31.0%
	Shinjuku	Shinjuku Front	92,092.30	04/17/18	-	27.24798%	Mitsubishi Estate Co., Ltd.
		Shinwa	8,291.69	09/01/04	-	100.0%	Tokio Marine & Nichido Facilities, Inc.
		Tokyo Opera City	232,996.81	09/13/05	03/24/10	31.325%	Tokyo Opera City Building Co., Ltd.
		Taito	TIX UENO	23,727.48	06/15/12	-	94.040229%
	Shinagawa	Higashi-Gotanda 1Chome	6,460.39	11/01/04	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
		Osaki Front Tower	23,673.92	02/01/11	-	100.0%	Mitsubishi Estate Co., Ltd.
	Ota	Omori-Eki Higashiguchi	14,095.34	09/10/01	-	100.0%	Tokio Marine & Nichido Facilities, Inc.
	Shibuya	Yoyogi 1Chome	10,778.10	04/01/04	-	100.0%	Tokio Marine & Nichido Facilities, Inc.
		Jingumae Terrace	4,359.20	11/22/02	-	100.0%	XYMAX ALPHA Corporation
		Jingumae MS	9,420.42	10/09/03	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
	Ebisu Neonato	36,598.38	11/14/03	04/01/04 02/18/14	44.718394%	Mitsubishi Jisho Property Management Co., Ltd.	
	Nakano	Harmony Tower	72,729.31	02/28/05	12/19/12 03/27/15	38.382307%	Mitsubishi Jisho Property Management Co., Ltd.
	Toshima	Otsuka Higashi-Ikebukuro	9,531.28	09/25/01	-	100.0%	Sohgo Housing Co., Ltd
		Ikebukuro 2Chome	3,157.51	09/25/01	-	100.0%	Sohgo Housing Co., Ltd
		Ikebukuro YS	7,464.64	08/02/04	-	100.0%	XYMAX ALPHA Corporation
Other Areas	Hachioji	Hachioji First	18,329.98	03/31/05	03/19/08	80.4%	Sohgo Housing Co., Ltd
	Saitama	Saitama Urawa	6,258.59	09/25/01	10/11/01	100.0%	The Dai-Ichi Building Co., Ltd.
	Yokohama	MM Park	49,037.51	03/24/08	-	100.0%	Mitsubishi Estate Co., Ltd.
		Queen's	498,282.77	01/31/14	-	11.11481%	Mitsubishi Estate Co., Ltd.
	Kawasaki	Kawasaki Isago	9,623.83	09/25/01	-	100.0%	Sohgo Housing Co., Ltd
		Musashi Kosugi STM	22,839.61	03/25/08	-	34.32%	Sohgo Housing Co., Ltd
	Sapporo	8・3 Square Kita	16,096.97	06/01/07	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
	Sendai	Jozenji Park	7,648.33	01/31/05	-	50.0%	Mitsubishi Estate Co., Ltd.
		Higashi Nibancho	27,680.45	01/07/13	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
		Sendai Honma	8,247.50	09/25/01	06/28/06	100.0%	The Dai-Ichi Building Co., Ltd.
		AER	73,186.57	09/01/15	-	55.35443%	Mitsubishi Jisho Property Management Co., Ltd.
	Kanazawa	Kanazawa Park	43,481.20	02/28/02	03/03/03	89.0%	Mitsubishi Estate Co., Ltd.
		Kanazawa Kamitsutsumicho	9,619.96	10/03/16	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
	Nagoya	Nishiki Park	25,091.91	10/02/06	11/01/06 06/09/14 04/01/16	71.74301%	Mitsubishi Estate Co., Ltd.
		Hirokoji Place	15,947.29	07/31/13	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
		Nagoya Hirokoji	33,377.73	09/10/01	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
		Nagoya Misono	5,348.00	08/08/03	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
	Kyoto	Shijo Karasuma	9,185.98	09/03/13	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
	Osaka	Umeda Square	18,673.28	04/01/15	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
		Shin-Fujita	45,411.31	09/01/08	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
		Sakaisujihonmachi	17,145.59	09/25/01	12/26/03	100.0%	The Dai-Ichi Building Co., Ltd.
		Midosuji Daiwa	31,213.27	09/25/01	02/28/02	100.0%	The Dai-Ichi Building Co., Ltd.
	Amagasaki	Amagasaki Front	24,055.58	03/25/15	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
	Okayama	Lit City	52,653.19	02/01/06	-	24.6015%	Mitsubishi Jisho Property Management Co., Ltd.
	Hiroshima	NHK Hiroshima	35,217.28	03/25/04	03/03/08	48.753%	Mitsubishi Estate Co., Ltd.
	Fukuoka	Tosei Tenjin	5,588.57	09/25/01	-	100.0%	The Dai-Ichi Building Co., Ltd.
		Tenjin Crystal	10,432.04	06/01/05	-	100.0%	The Dai-Ichi Building Co., Ltd.
		Hinode Teniin	12,527.07	09/10/01	-	74.4844%	Tokio Marine & Nichido Facilities, Inc.

*Property management companies are the companies to be entrusted PM for the office units by JRE.

Tokyo 23 Wards

Area	Name	Completion Date	PML
Chiyoda	Kitanomaru Square	01/2006	1.6%
	MD Kanda Building	02/1998	5.0%
	Kandabashi Park Building	07/1993	5.0%
	Otemachi Financial City North Tower	10/2012	0.9%
	Nibancho Garden	04/2004	2.1%
	Mitsubishi UFJ Trust and Banking Building	02/2003	1.4%
	Burex Kojimachi Building	01/2005	4.1%
	Sanno Grand Building	09/1966	3.6%
	Yurakucho Denki Building	09/1975	3.7%
Chuo	Kodenmacho Shin-Nihonbashi Building	11/1991	3.3%
	Front Place Nihonbashi	02/2014	2.3%
	Kyodo Building (Kayabacho 2Chome)	04/1991	3.6%
	Burex Kyobashi Building	02/2002	4.7%
	Ginza 1Chome East Building	05/2008	2.1%
	Ginza Sanwa Building	10/1982	3.7%
	Ryoshin Ginza East Mirror Building	10/1998	2.8%
	Harumi Front	02/2012	2.0%
	Harumi Center Building	11/2006	3.5%
Minato	Akasaka Park Building	07/1993	1.4%
	Aoyama Crystal Building	12/1982	5.4%
	Clover Shiba-koen	02/2006	4.6%
	Shiodome Building	12/2007	1.4%
	Shiba 2Chome Daimon Building	03/1984	3.0%
	Cosmo Kanasugibashi Building	03/1992	7.3%
	Tamachi Front Building	07/2014	3.3%
Shinjuku	Shinjuku Eastside Square	03/2012	1.2%
	Shinjuku Front	08/2011	2.1%
	Shinwa Building	11/1989	7.0%
	Tokyo Opera City Building	07/1996	2.0%
Taito	TIXTOWER UENO	07/2010	2.0%
Shinagawa	Higashi-Gotanda 1Chome Building	07/2004	2.6%
	Osaki Front Tower	06/2005	3.4%
Ota	Omori-Eki Higashiguchi Building	07/1989	2.8%
Shibuya	Yoyogi 1Chome Building	10/2003	2.2%
	Jingumae Terrace	12/1987	9.6%
	Jingumae Media Square Building	03/1998	3.3%
	Ebisu Neonato	10/1994	2.4%
Nakano	Harmony Tower	03/1997	2.0%
Toshima	Otsuka Higashi-Ikebukuro Building	11/1987	6.1%
	Ikebukuro 2Chome Building	05/1990	3.4%
	Ikebukuro YS Building	12/1989	5.7%

Other Areas

Area	Name	Completion Date	PML
Hachioji	Hachioji First Square	07/1996	3.9%
Saitama	Saitama Urawa Building	03/1990	7.2%
Yokohama	MM Park Building	12/2007	4.0%
	Queen's Tower A	06/1997	3.3%
Kawasaki	Kawasaki Isago Building	12/1990	4.1%
	Musashi Kosugi STM Building	10/1990	3.8%
Sapporo	8・3 Square Kita Building	12/2006	1.6%
Sendai	Jozenji Park Building	01/1993	3.3%
	Higashi Nibancho Square	07/2008	1.8%
	Sendai Honcho Honma Building	11/1991	2.2%
	AER	03/1998	1.3%
Kanazawa	Kanazawa Park Building	10/1991	4.8%
	Kanazawa Kamitsutsumicho Building	08/2009	3.8%
Nagoya	Nishiki Park Building	08/1995	2.4%
	Nagoya Hirokoji Place	12/2004	3.1%
	Nagoya Hirokoji Building	05/1987	2.4%
	Nagoya Misono Building	09/1991	4.1%
	Shijo Karasuma Center Building	01/2010	11.7%
Osaka	Umeda Square Building	07/1995	7.4%
	Shin-Fujita Building	04/1995	4.0%
	Sakaisujihonmachi Building	10/1992	7.4%
	Midosuji Daiwa Building	09/1991	6.9%
	Amagasaki Front Building	10/2008	5.3%
Okayama	Lit City Building	06/2005	0.6%
Hiroshima	NHK Hiroshima Broadcasting Center Building	08/1994	1.1%
Fukuoka	Tosei Tenjin Building	03/1992	4.3%
	Tenjin Crystal Building	08/1993	3.1%
	Hinode Tenjin Building	08/1987	4.2%

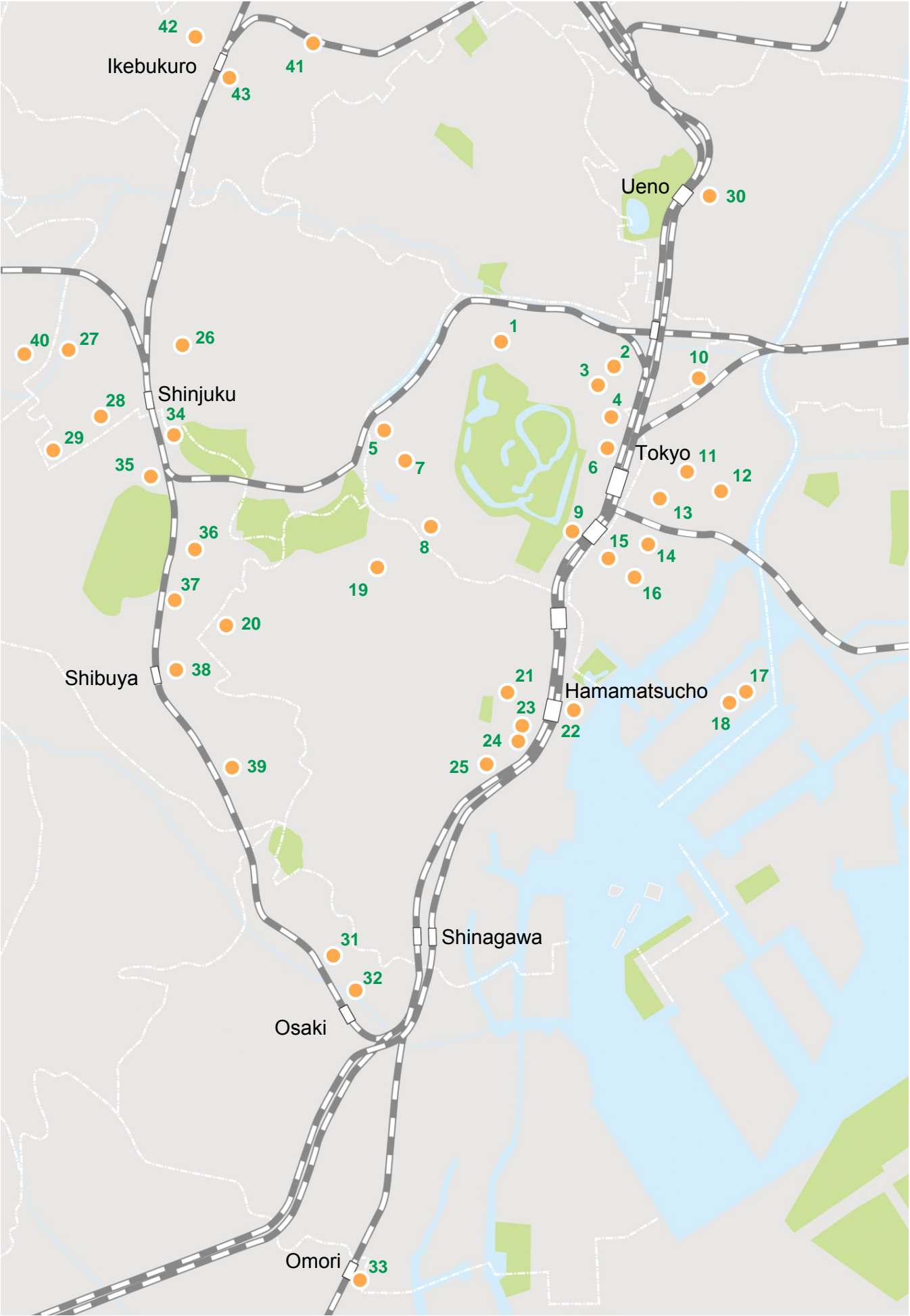
Portfolio PML

1.7%

PML (Probable Maximum Loss) : 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).

Tokyo 23 Wards



- 1 Kitanomaru Square
- 2 MD Kanda Building
- 3 Kandabashi Park Building
- 4 Otemachi Financial City North Tower
- 5 Nibancho Garden
- 6 Mitsubishi UFJ Trust and Banking Building
- 7 Burex Kojimachi Building
- 8 Sanno Grand Building
- 9 Yurakucho Denki Building
- 10 Kodenmacho Shin-Nihonbashi Building
- 11 Front Place Nihonbashi
- 12 Kyodo Building (Kayabacho 2Chome)
- 13 Burex Kyobashi Building
- 14 Ginza 1Chome East Building
- 15 Ginza Sanwa Building
- 16 Ryoshin Ginza East Mirror Building
- 17 Harumi Front
- 18 Harumi Center Building
- 19 Akasaka Park Building
- 20 Aoyama Crystal Building
- 21 Clover Shiba-koen

- 22 Shiodome Building
- 23 Shiba 2Chome Daimon Building
- 24 Cosmo Kanasugibashi Building
- 25 Tamachi Front Building
- 26 Shinjuku Eastside Square
- 27 Shinjuku Front Tower
- 28 Shinwa Building
- 29 Tokyo Opera City Building
- 30 TIXTOWER UENO
- 31 Higashi-Gotanda 1Chome Building
- 32 Osaki Front Tower
- 33 Omori-Eki Higashiguchi Building
- 34 Shinjuku South Gate Project (tentative name)
(Land with leasehold interest)
- 35 Yoyogi 1Chome Building
- 36 Jingumae Terrace
- 37 Jingumae Media Square Building
- 38 Shibuya Cross Tower (Land with leasehold interest)
- 39 Ebisu Neonato
- 40 Harmony Tower
- 41 Otsuka Higashi-Ikebukuro Building
- 42 Ikebukuro 2Chome Building
- 43 Ikebukuro YS Building



Nibancho Garden



Shiodome Building

Other Areas

- 1 Hachioji First Square
- 2 Saitama Urawa Building
- 3 MM Park Building
- 4 Queen's Tower A
- 5 Kawasaki Isago Building
- 6 Musashi Kosugi STM Building
- 7 8·3 Square Kita Building
- 8 Jozenji Park Building
- 9 Higashi Nibancho Square
- 10 Sendai Honcho Honma Building
- 11 AER
- 12 Kanazawa Park Building
- 13 Kanazawa Kamitsutsumicho Building
- 14 Nishiki Park Building
- 15 Nagoya Hirokoji Place
- 16 Nagoya Hirokoji Building
- 17 Nagoya Misono Building
- 18 Shijo Karasuma Center Building
- 19 Umeda Square Building
- 20 Shin-Fujita Building
- 21 Sakaisujihonmachi Building
- 22 Midosuji Daiwa Building
- 23 Amagasaki Front Building
- 24 Lit City Building
- 25 NHK Hiroshima Broadcasting Center Building
- 26 Tosei Tenjin Building
- 27 Tenjin Crystal Building
- 28 Hinode Tenjin Building



Queen's Tower A



Nagoya Hirokoji Building



Umeda Square Building

Portfolio Classification by Area and Office Space

Floor Size by Area and Property

Blue Italic shows the property acquired in Sep. 2018 period

(As of Sep. 30, 2018)
(tsubo*)

		Tokyo 23 Wards				Other Areas							
		Tokyo 5 Central Wards 33 buildings JPY 679 billion 69.2%		Other Area 8 buildings JPY 65 billion 6.7%		Tokyo Metropolitan Area (excl.23 Wards) 6 buildings JPY 70 billion 7.1%		Osaka / Kyoto / Kobe 5 buildings JPY 62 billion 6.4%		Nagoya 4 buildings JPY 30 billion 3.1%		Other 13 buildings JPY 73 billion 7.5%	
Standard floor size	450- 19 buildings Acquisition Price JPY 601 billion 61.2%	Shinjuku Eastside	1,789			MM Park	828					Kanazawa Park	625
		Nibancho Garden	1,117			Musashi Kosugi STM	619					Lit City	550
		Shiodome	1,059			Queen's	476					Amagasaki Front	517
		Otemachi FCN	709									Higashi Nibancho	468
		Harumi Front	693										
		Sanno Grand	666										
		Tokyo Opera City	653										
		Harumi Center	648										
		Akasaka Park	617										
		Kitanomaru Square	568										
	Mitsubishi UFJ Trust	537											
	Shinjuku Front	511											
	300-450 14 buildings Acquisition Price JPY 167 billion 17.1%	Yurakucho Denki	398	Harmony Tower	413	Hachioji First	335	Shin-Fujita	440	Hirokoji Place	421	8・3 Square Kita	373
		Ebisu Neonato	373	Osaki Front Tower	368			Midosuji Daiwa	341	Nagoya Hirokoji	333	AER	302
		Shiba 2Chome Daimon	352	TIX UENO	329							NHK Hiroshima	301
	200-300 13 buildings Acquisition Price JPY 78 billion 8.0%	FP Nihonbashi	275	Otsuka Higashi- Ikebukuro	273			Sakaisujihonmachi	284	Nishiki Park	209	Hinode Tenjin	252
		Yoyogi 1Chome	230	Ikebukuro YS	251			Shijo Karasuma	264			Kanazawa Kamitsutsumicho	209
Shinwa		227	Omori-Eki Higashiguchi	218									
Kandabashi Park		212	Higashi-Gotanda 1Chome	201									
150-200 15 buildings Acquisition Price JPY 85 billion 8.7%	Ginza Sanwa	198			Kawasaki Isago	197	Umeda Square	185	Nagoya Misono	157	Jozenji Park	191	
	MD Kanda	198			Saitama Urawa	189					Sendai Honma	179	
	Kyodo (Kayabacho 2Chome)	181									Tosei Tenjin	167	
	Burex Kyobashi	176											
	Ryoshin Ginza EM	173											
	Ginza 1Chome	160											
	Cosmo	160											
	Kanasugibashi	160											
Kodenmacho	150												
100-150 6 buildings Acquisition Price JPY 42 billion 4.4%	Jingumae MS	146									Tenjin Crystal	112	
	Tamachi Front	141											
	Burex Kojimachi	132											
	Aoyama Crystal	117											
	Jingumae Terrace	117											
-100 2 buildings Acquisition Price JPY 6 billion 0.6%	Clover Shiba- koen	98	Ikebukuro 2Chome	74									

- Balanced portfolio of properties, mostly large scale and competitive properties.
- The ratio of properties with standard floor area of 200 tsubo and over is approximately 86% on an acquisition price basis.

* 1 tsubo is approximately 3.3 m² .

Portfolio Classification by Building Age and Location

Building Age and Walking Time from the Nearest Station

Blue Italic shows the property acquired in Sep. 2018 period

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

(As of Sep. 30, 2018)

		Time						
		Tokyo 23 Wards			Other Areas			
		- 1 min. walk 17 buildings JPY 347 billion 35.4%	1 - 5 min. 18 buildings JPY 319 billion 32.5%	5 - 10 min. 6 buildings JPY 78 billion 8.0%	- 1 min. walk 13 buildings JPY 120 billion 12.2%	1 - 5 min. 13 buildings JPY 112 billion 11.5%	5 - 10 min. 1 building JPY 1 billion 0.2%	10 min. - 1 building JPY 2 billion 0.3%
Building Age	- 10 years 10 buildings JPY 189 billion 19.3%	FP Nihonbashi Otemachi FCN Shinjuku Eastside	Tamachi Front <i>Shinjuku Front</i> TIX UENO	Harumi Front	Shijo Karasuma	Amagasaki Front		Kanazawa Kamitsutsumicho
	10 - 20 years 18 buildings JPY 399 billion 40.7%	Kitanomaru Square Burex Kojimachi Mitsubishi UFJ Trust	Ginza 1Chome Shiodome Clover Shiba-koen Osaki Front Tower Higashi-Gotanda 1Chome Nibancho Garden Yoyogi 1Chome Burex Kyobashi Ryoshin Ginza EM	Harumi Center	Higashi Nibancho MM Park 8・3 Square Kita Lit City	Hirokoji Place		
	20 - 30 years 32 buildings JPY 309 billion 31.5%	MD Kanda Harmony Tower Tokyo Opera City Ebisu Neonato Kodenmacho Kyodo (Kayabacho 2Chome) Ikebukuro 2Chome Omori-Eki Higashiguchi	Jingumae MS Kandabashi Park Akasaka Park	Cosmo Kanasugibashi Ikebukuro YS Shinwa	Queen's Hachioji First Nishiki Park NHK Hiroshima Sakaisujihonmachi Sendai Honma Midosuji Daiwa Musashi Kosugi STM	AER Umeda Square Shin-Fujita Tenjin Crystal Jozenji Park Kanazawa Park Nagoya Misono Kawasaki Isago Saitama Urawa	Tosei Tenjin	
	30 years - 9 buildings JPY 84 billion 8.6%	Ginza Sanwa Yurakucho Denki Sanno Grand	Otsuka Higashi-Ikebukuro Shiba 2Chome Daimon Aoyama Crystal	Jingumae Terrace		Hinode Tenjin Nagoya Hirokoji		

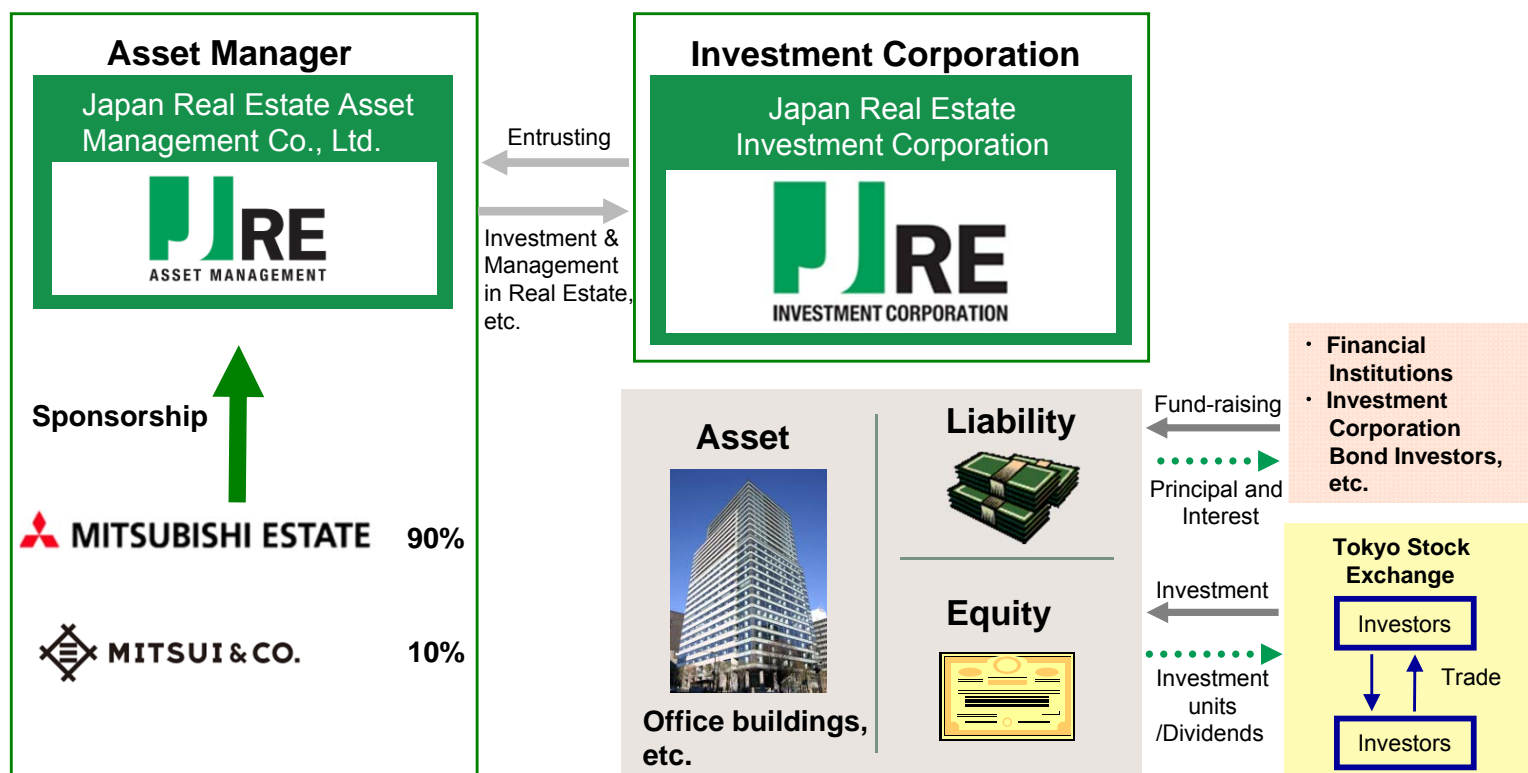
- Properties aged 10 years or less account for approx. 19% of the total properties (on an acquisition price basis).
- Approx. 92% of the total properties are located within a five-minute walk from the nearest station (on an acquisition price basis).

6

Others

Outline of Japan Real Estate Investment Corporation

Structure



Point

- Japan Real Estate Asset Management Co., Ltd. specializes in managing office building portfolio
- Expertise of Mitsubishi Estate 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 September 30, 2018)

① Collaboration with the sponsors:

Property pipeline support

- Providing properties
- Property information, etc.

Operating support

- Providing expertise to attract tenants
- Property management, etc.

Human resource support

- Sending experienced professionals

< Protection against conflicts of interest >

Compliance Committee including external expert serving as a protection against conflicts of interest.

② Investment Corporation **focused on office buildings**

(71 office buildings, total acquisition price: JPY 1 trillion and 14.6 billion*)

③ **The first listed J-REIT**, showing steady performance for 34 consecutive periods

④ **Sound financial strength**

- Maintain conservative interest-bearing debt/ total assets ratio at approximately 30-40%
- **Highest level of credit ratings** in J-REITs (S&P: A+, Moody's: A1, R&I: AA)

* Not excluding the acquisition price related to the disposal of the part of Jingumae MS site

Structure of Fees to Asset Management Company

NOI-linked Fee

Amount equivalent to NOI (Net Operating Income) for the relevant fiscal period multiplied by 4.0%.

NOI: An amount obtained by deducting the property-related expenses (excluding depreciation expenses and loss on retirement of non-current assets) from the property-related revenues shown in the statement of income for the relevant fiscal period.

* The structure of the NOI-linked fee was established in accordance with a resolution passed at the unitholders' meeting held on March 28, 2017.

Distribution-linked Fee

Amount calculated by the following formula based on the distributable amount (*a) and the DPU (*b) for the relevant fiscal period.

[Formula]

Distributable amount for the relevant fiscal period $\times 2.5\% \times (\text{DPU for the relevant fiscal period} / \text{the arithmetic average of DPU during the most recent six fiscal periods including the relevant fiscal period})$

(*a) Distributable Amount: Income before income taxes shown in the statement of income for the relevant fiscal period (which shall be an amount before deduction of the NOI-linked fee and distribution-linked fee, and non-deductible consumption taxes); or, if any retained loss brought forward exists, an amount after supplementation of such amount. If the figure is negative, the distributable amount shall be zero.

(*b) DPU: Calculated by dividing the distributable amount by the total number of outstanding units as at the end of each fiscal period.

If the Investment Corporation acquires own units and holds own units that are not disposed or canceled as at the end of each fiscal period, the figure excluding the number of own units held shall be deemed as the total number of outstanding units as at the end of each fiscal period. In addition, if either of the below events occurs and the total number of outstanding units increases or decreases during the most recent six fiscal periods including the relevant fiscal period, in order to exclude the effects of such increase or decrease on DPU, the total number of outstanding units as at the end of each fiscal period during the most recent six fiscal periods shall be adjusted by the method stated below.

(i) Consolidation or Split of Units

A consolidation or split of units conducted during the most recent six fiscal periods, including the fiscal periods in which the effective date falls, shall be deemed to have occurred at the beginning of the most recent six fiscal periods including the relevant fiscal period, and the total number of outstanding units as at the end of each fiscal period shall be adjusted.

(ii) Issuance of New Units upon Exercise of New Units Acquisition Rights concerning Allotment without Consideration for Unitholders

The number of units resulting from multiplying the number of units increased by the issuance of new units by the ratio resulting from dividing the amount to be paid per unit at the time of the exercise of the new units acquisition rights by the market value per unit (or ratio which the Board of Directors prescribes according to such ratio) (in this paragraph, the "Deemed Number of Issuance of units at Market Value") shall be deemed as an issuance of new units at market value. The number of units resulting from subtracting the Deemed Number of Issuance of units at Market Value from the number of units increased upon the issuance of new units shall be deemed to be the increase caused by the split.

* The structure of the distribution-linked fee was established in accordance with a resolution passed at the unitholders' meeting held on March 28, 2017.

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 tax and local consumption tax 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.

Disposition Fee

In the case of disposition of Real Estate Assets or other Specified Assets, an amount equivalent to the sale price (excluding the consumption tax and local consumption tax imposed on buildings) multiplied by a rate no higher than 0.5%.

Merger Fee

In the case of a merger by the Investment Corporation, an amount equivalent to the valuation of real estate, etc. at the time of the merger succeeded to by the investment corporation, which is a counterparty to the merger multiplied by a rate no higher than 0.5%.

* The structure of the merger fee was established in accordance with a resolution passed at the unitholders' meeting held on February 19, 2014.

Past Record of Fees to Asset Management Company

(In millions of JPY)

	Mar. 2002 period	Sep. 2002 period	Mar. 2003 period	Sep. 2003 period	Mar. 2004 period	Sep. 2004 period	Mar. 2005 period	Sep. 2005 period	Mar. 2006 period	Sep. 2006 period	Mar. 2007 period	Sep. 2007 period	Mar. 2008 period
Term Fee (*a)	389	382	408	312	325	330	342	392	410	422	452	476	713
Incentive Fee (*a)	0	0	24	80	0	32	134	0	160	230	0	185	1,860
Acquisition Fee (*b)	649	88	185	90	192	213	464	180	475	33	134	71	386
Disposition Fee (*c)	0	0	0	0	0	0	0	0	0	20	154	8	0
Total AM Fee	1,038	470	617	484	518	576	941	573	1,046	707	741	741	2,960

Total Assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968	433,552	441,163	443,973	449,643	527,537
Amount of Acquisition Price during the period	144,697	19,580	19,265	9,065	25,830	21,390	50,683	36,050	86,205	12,630	49,850	7,100	72,029
Amount of Disposition Price during the period	0	0	0	0	0	0	0	0	0	7,003	41,900	1,770	0

Term Fee/Total Assets	0.24%	0.21%	0.20%	0.15%	0.13%	0.13%	0.11%	0.11%	0.09%	0.10%	0.10%	0.11%	0.14%
Incentive Fee/Total Assets	-	-	0.01%	0.04%	-	0.01%	0.04%	-	0.04%	0.05%	-	0.04%	0.35%
Acquisition Fee/Amount of Acquisition Price during the period	0.45%	0.45%	0.96%	1.00%	0.75%	1.00%	0.92%	0.50%	0.55%	0.26%	0.27%	1.00%	0.54%
Disposition Fee/Amount of Disposition Price during the period	-	-	-	-	-	-	-	-	-	0.29%	0.37%	0.50%	-
Total AM Fee/Total Assets	0.64%	0.25%	0.31%	0.23%	0.21%	0.22%	0.29%	0.16%	0.24%	0.16%	0.17%	0.16%	0.56%

	Sep. 2008 period	Mar. 2009 period	Sep. 2009 period	Mar. 2010 period	Sep. 2010 period	Mar. 2011 period	Sep. 2011 period	Mar. 2012 period	Sep. 2012 period	Mar. 2013 period	Sep. 2013 period	Mar. 2014 period	Sep. 2014 period
Term Fee (*a)	531	537	540	529	542	538	546	579	571	592	613	617	638
Incentive Fee (*a)	0	0	0	0	0	0	0	0	0	0	8	57	0
Acquisition Fee (*b)	78	53	0	373	0	83	0	277	110	208	64	215	3
Disposition Fee (*c)	0	0	0	7	0	0	15	0	0	0	6	0	0
Total AM Fee	609	591	540	910	542	622	562	856	681	800	692	891	641

Total Assets	542,920	565,022	564,528	637,326	634,974	646,847	643,949	703,085	724,851	765,628	775,066	817,130	813,931
Amount of Acquisition Price during the period	24,000	21,250	0	77,026	(*3) 0	16,710	0	60,800	22,000	41,770	12,967	43,174	650
Amount of Disposition Price during the period	0	0	0	1,507	0	0	3,160	0	0	0	1,220	0	0

Term Fee/Total Assets	0.10%	0.10%	0.10%	0.08%	0.09%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
Incentive Fee/Total Assets	-	-	-	-	-	-	-	-	-	-	0.00%	0.01%	-
Acquisition Fee/Amount of Acquisition Price during the period	0.33%	0.25%	-	0.49%	-	0.50%	-	0.46%	0.50%	0.50%	0.50%	0.50%	0.50%
Disposition Fee/Amount of Disposition Price during the period	-	-	-	0.50%	-	-	0.50%	-	-	-	0.50%	-	-
Total AM Fee/Total Assets	0.11%	0.10%	0.10%	0.14%	0.09%	0.10%	0.09%	0.12%	0.09%	0.10%	0.09%	0.11%	0.08%

	Mar. 2015 period	Sep. 2015 period	Mar. 2016 period	Sep. 2016 period	Mar. 2017 period
Term Fee (*a)	647	687	697	707	715
Incentive Fee (*a)	124	238	235	256	245
Acquisition Fee (*b)	227	221	0	0	130
Disposition Fee (*c)	0	0	21	0	34
Total AM Fee	999	1,147	955	965	1,125

Total Assets	852,679	899,938	890,626	883,633	898,306
Amount of Acquisition Price during the period	45,459	44,263	0	175	26,100
Amount of Disposition Price during the period	0	0	4,366	0	6,890

Term Fee/Total Assets	0.08%	0.08%	0.08%	0.08%	0.08%
Incentive Fee/Total Assets	0.01%	0.03%	0.03%	0.03%	0.03%
Acquisition Fee/Amount of Acquisition Price during the period	0.50%	0.50%	-	0.50%	0.50%
Disposition Fee/Amount of Disposition Price during the period	-	-	0.50%	-	0.50%
Total AM Fee/Total Assets	0.12%	0.13%	0.11%	0.11%	0.13%

	Sep. 2017 period	Mar. 2018 period	Sep. 2018 period
NOI-linked fee (*a)	851	862	896
Distribution-linked fee (*a)	363	375	398
Acquisition Fee (*b)	52	225	125
Disposition Fee (*c)	0	50	3
Total AM Fee	1,267	1,513	1,422

Total Assets	906,507	935,561	956,645
Amount of Acquisition Price during the period	10,530	43,020	25,025
Amount of Disposition Price during the period	0	10,000	650

NOI-linked fee /Total Assets	0.09%	0.09%	0.09%
Distribution-linked fee /Total Assets	0.04%	0.04%	0.04%
Acquisition Fee/Amount of Acquisition Price during the period	0.50%	0.52%	0.50%
Disposition Fee/Amount of Disposition Price during the period	-	0.50%	0.50%
Total AM Fee/Total Assets	0.14%	0.16%	0.15%

(*1) Accounting treatment of asset management fees

(*a) Expense (Administrative expenses)

(*b) Capitalized for asset

(*c) Expense (reflected in capital gain/loss as disposal expense)

(*2) Total assets are arithmetic average at the end of each period

(*3) On the chart above, acquisition of extended building of Ryoshin Ginza East Mirror Building is not included in 'Amount of Acquisition Price during the period' since it is not subject to Acquisition Fee.

(*4) "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28 on February 16, 2018) has been applied from the beginning of the September 2018 period. Total assets as of March 31, 2018 were JPY 935,560 million if this change applies retroactively.

ESG (Environmental, Social and Governance)

Basic Policy and Management Structure of ESG

Sustainability Policy and Sustainability Committee

Japan Real Estate Investment Corporation (JRE) is committed to endeavoring to enhance consideration towards the environment, social contributions and corporate governance to improve the sustainability of society. We recognize that this is an important social responsibility for a listed enterprise to assume, and also believe that it is essential for maximizing our unitholder value.

To put our commitment into practice based on the above recognition, Japan Real Estate Asset Management Co., Ltd. (JRE-AM), JRE's asset management company, has established its Sustainability Policy to communicate its priority issues and basic policies on sustainability with regard to its real estate investment management.

JRE-AM periodically convenes its Sustainability Committee (chaired by the Chief Sustainability Officer, who is also the President and CEO of JRE-AM) with a view to implementing the Sustainability Policy in order to improve sustainability and maximize its unitholder value.

International Initiatives

International Initiatives

JRE-AM has become a signatory to the following international initiatives and participated in UNGC based on the idea that asset management considering ESG is essential to the sustainable growth of the asset value.

- Signatory to PRI
- Signatory to UNEP FI
- Participation in UNGC

Signatory to PRI

PRI comprises an international network of investor signatories that works to realize the Six Principles established for the finance industry in 2006 under the leadership of the then United Nations Secretary-General, Kofi Annan. This network is promoted through the United Nations Environment

Programme (UNEP) and the United Nations Global Compact (UNGC).

PRI encourages the incorporation of Environment, Social and Governance issues into investment decision-making processes, with the aim to help companies enhance long-term investment performance and better fulfill their fiduciary duty. As of June 2018, approximately 2,000 institutions, representing more than US\$82 trillion in assets under management, have signed on to PRI.

JRE-AM agreed with the basic approach of PRI and became a signatory in August 2018. It also participates in PRI Japan Network Property Working Group as a committee member.

Signatory of:



International Initiatives

Signatory to UNEP FI

UNEP is an agency of the United Nations established by resolution of the United Nations General Assembly in 1972 to implement the Declaration of the United Nations Conference on the Human Environment and the Action Plan for the Human Environment, agreed upon at the United Nations Conference on the Human Environment held in Stockholm in the same year. UNEP FI is a broad-based and closely knit partnership between UNEP and more than 200 banks, insurance, and securities companies around the world to promote sustainable finance. Since it was established in 1992, it has cooperated with financial institutions, policymakers, and regulatory authorities to promote a shift to a financial system that integrates economic growth and consideration for ESG issues.

JRE-AM agreed with the basic approach of UNEP FI and became a signatory in August 2018. It has also joined the UNEP FI Property Working Group. As of August 2018, this working group consisted of 30 representative real estate institutions in the world and promotes and encourages Responsible Property Investment (RPI).



Participation in UNGC

UNGC is a voluntary, global initiative supporting a global framework for sustainable growth through the demonstration of creative, responsible leadership by the respective corporations and organizations as principled members of society.

First proposed in 1999 by the then United Nations Secretary-General Kofi Annan, participants currently number more than 13,000 organizations and companies based in 160 countries (as of July 2018). It engages in activities based on ten universally-accepted principles in the four areas of human rights, labor, environment, and anti-corruption.

Mitsubishi Estate Co., Ltd. became a signatory of the UNGC and Mitsubishi Estate Group was registered as participants in April 2018. Accordingly, JRE-AM has participated in this initiative as a member of Mitsubishi Estate Group.



ESG (Environmental, Social and Governance)

External Evaluation and Certifications

Commitment to GRESB

Acquired a “Green Star”

In the GRESB Real Estate Assessment conducted in 2018, JRE has received the “Green Star” designation which is awarded to real estate companies that demonstrate excellent management system and performance implementation on ESG. It also has received 5 Stars, the highest evaluation for the “GRESB Rating (five levels)” which is a relative assessment based on the total score.



In addition, JRE has received an “A”, the highest, in the five-level GRESB Public Disclosure, which evaluates the level of ESG disclosure.

<Points highly evaluated>

- Information disclosure regarding sustainability on our website
- Continuous efforts for energy conservation
- The first J-REIT obtaining third-party assurance on energy data etc.
- Increase the number of properties with environmental certifications
- Enhancement of a cooperative relationship with tenants (e.g., promoting green lease programme and conducting tenant satisfaction surveys)

Becoming a GRESB Member

JRE-AM became a GRESB membership as the first Japanese real estate and asset management company. Furthermore, JRE-AM acts as a member of GRESB Asian Benchmark Committee and contributes to the discussion towards the future development of GRESB. JRE-AM will work for greater sustainability by networking and sharing information with companies that are advanced in terms of ESG as well as by showcasing Japanese practices to the global community.

What is GRESB?

GRESB (Global Real Estate Sustainability Benchmark) was established in 2009 by a group of European pension funds. It is an annual benchmark evaluation to assess the environment, society and governance (ESG) performance of the real estate sector. Major European, American and Asian institutional investors utilize this benchmark in their investment decision-making processes. GRESB Real Estate Assessment is unique in evaluating not the individual property itself, but the environment-friendliness and sustainability approach of each real estate company and REIT.

External Evaluation and Certifications

DBJ Green Building Certifications

The DBJ Green Building certification was established by the Development Bank of Japan with the aim of encouraging real estate project activities to pursue environmental and social contributions, instead of focusing solely on economic performance. Green Building-certified properties are selected based on a comprehensive evaluation scheme for multiple criteria including tenant amenities, involvement in local community, and risk management, in addition to the environmental performance of the building. JRE continues to acquire the certifications, and seven properties owned by JRE newly obtained the certifications in the 2018 September period, and the total number of the Green Building-certified properties owned by JRE has become 20.

Properties with exceptionally high environmental and social awareness



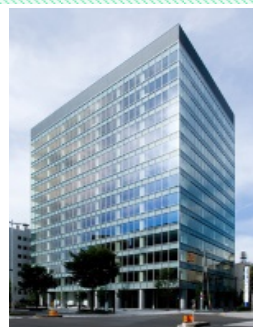
Tokyo Opera City Building
(Shinjuku-ku, Tokyo)



TIXTOWER UENO
(Taito-ku, Tokyo)



Queen's Tower A
(Yokohama, Kanagawa Prefecture)



Higashi Nibancho Square
(Sendai, Miyagi Prefecture)



Nagoya Hirokoji Place
(Nagoya, Aichi Prefecture)

Properties with excellent environmental and social awareness

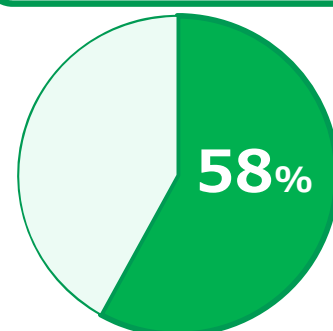


Shijo Karasuma Center Building
(Kyoto City, Kyoto Prefecture)



Shiba 2Chome Daimon Building
(Minato-ku, Tokyo)

Green building - certified properties in the portfolio



*Acquisition price basis

Obtained Third-party Assurance on Non-financial Information

Web information on which the 2017 “Energy Performance Results” disclosed on JRE’s website were based has been given a limited assurance from a third party organization (Ernst & Young ShinNihon LLC).

JRE is the first J-REIT obtaining third-party assurance on non-financial information.

ESG (Environmental, Social and Governance)

Green Bond Framework

Objective

JRE has issued the Green Bonds in order to further promote our sustainability initiatives. JRE will promote “Positive Impact”^(Note 1) by ESG investments such as refurbishment works to conserve energy, improve tenant satisfaction and receive better green building certifications.

(Note 1) “Positive Impact” is defined as “that which produces a positive impact on society or the environment and simultaneously ensures the market-level return”. It is advocated by the United Nations Environment Programme–Finance Initiative (UNEP FI).

For more information on UNEP FI, please refer to the JRE’s website.

JRE’s website: <https://www.j-re.co.jp/en/esg/initiative.html>

Outline of Green Bond Framework

<Use of Proceeds from Green Bond Issuance>

The net proceeds of the green bonds will be used to refinance and/or finance the refurbishments to or the acquisition of assets that meet the eligibility criteria (“Eligible Green Projects”) outlined below.

<Eligible Green Projects>

Eligible Green Projects must meet one or more of the following eligibility criteria. ^(Note 2)

(i) Refurbishments

Refurbishments with a primary purpose of achieving one of the following criteria which have been completed within 36 months prior to the date of green bond issuance and/or will be completed in the near future;

- a. Refurbishments with more than 10% reduction in CO2 emissions or energy consumption
- b. Refurbishments with more than 10% reduction in water consumption
- c. More than one level of star/rank improvement in the green building certifications listed in (ii)
- d. Refurbishment that contributes to the conservation and recovery of biodiversity, including of diversity of outdoor plants will also be considered if one or more of “a” through “c” criteria in (i) are met.
- e. Refurbishment that contributes to the local community by improving public open space connected to the buildings and renovating for accepting people who are temporarily unable to return home will also be considered if one or more of “a” through “c” criteria in (i) are met.
- f. Either one of the certifications/recertification listed in (ii)

(ii) Acquisition

Buildings that have achieved the following top three levels of third-party green building certification/recertification within 36 months prior to the date of green bond issuance and/or will achieve:

- a. 3, 4 or 5 Stars under the DBJ Green Building Certification
- b. 3, 4 or 5 Stars under BELS
- c. B+, A or S Rank under CASBEE

(Note 2) Eligible Green Projects are managed by the Sustainability Committee, which is composed of JRE-AM’s President and CEO (Chief Sustainability Officer), Planning Division’s Head of ESG Office (Sustainability Officer), and the chiefs and practitioners of other departments. The Eligible Green Projects are evaluated and selected based on sustainability policies and relevant criteria and determined by the President, based on JRE-AM’s job responsibilities and authority.

Evaluation by External Organization

JRE has obtained a second-party opinion from Sustainalytics, an ESG rating agency, for the eligibility of green bond framework ^(Note 3).

(Note 3) Green Bond eligibility means a Green Bond framework aligns with the four pillars (use of proceeds, project evaluation / selection, management of proceeds and reporting) of the Green Bond Principles 2018.

Refurbishments of Shiba 2Chome Daimon Building

Outline of Refurbishment

Refurbishments of Shiba 2Chome Daimon Building which has already been started apply to the Eligible Green Projects. Among the eligibility criteria, this project meets “refurbishments with more than 10% reduction in CO2 emissions or energy consumption” and “3, 4 or 5 Stars under the DBJ Green Building Certification”.

Additionally, in regard to DBJ Green Building Certification, this project received high praise for not only the installation of highly efficient air conditioning and LED lighting inside the building but also the promotion of efforts that contribute to disaster prevention and BCP.

Outline of refurbishment of Shiba 2Chome Daimon Building is as follows.



Name of property		Shiba 2Chome Daimon Building
Location		2-3-3 Shiba, Minato-ku, Tokyo
Area	Land	2,820 m ² (Total land area)
	Building	16,235 m ² (Total floor space)
Structure		Steel-framed, Steel-framed reinforced concrete structure, flat roof Above ground: 8 floors Below ground: 2 floors
Time of completion		March 1984
Type of ownership	Land	Ownership
	Building	Ownership
Time of acquisition		September 2001
Acquisition price		JPY 4,859 million



Main Contents of the Refurbishment

This project was designed with reference to the idea of the UN Environment Finance Initiative's Principles for Positive Impact Finance.

<Replacement of building equipment to reduce environmental impacts>

- Highly efficient air conditioning and LED lighting

<Improve work environment for tenant satisfaction>

- Expand and upgrade common spaces, which many tenants requested for on the tenant satisfaction surveys

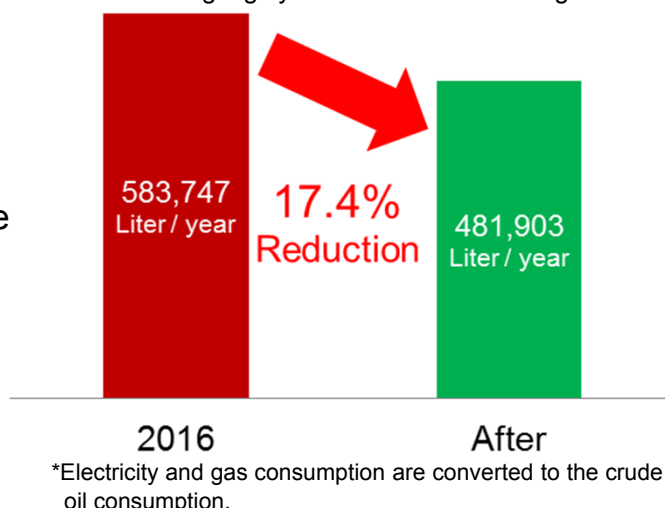
<Consideration for the health and well-being of tenants' employees>

- Relaxation space with natural materials, where they can feel relaxed and refreshed
- Greening common spaces

<Value Enhancement in terms of design>

- Study ESG conscious design
- Enhance the presence of the property through renewing the existing image of the property

<Energy reduction of entire building resulting from installing highly efficient air conditioning*>



Social Responsibility

Improving Tenant Satisfaction

JRE regularly conducts tenant satisfaction surveys aiming to improve operation and management of the buildings.

(Case study)

For Ginza Sanwa Building, JRE conducted a questionnaire survey of tenants to check their level of satisfaction with the building and its operation. Reflecting the results, we renovated the common areas including the entrance hall.

In addition, JRE has been proactively implementing measures for the safety and health of tenants including below.

- Formulation of the earthquake damage identification criteria
- Introduction of an earthquake damage identification system / tool
- Establishment of a system to check and share information about the damage caused by earthquakes
- Establishment of the guidelines on evacuation judgment
- Establishment of the guidelines on actions to be taken for stranded commuters in the event of disaster
- Organization of a disaster control council and implementation of disaster control and firefighting drills
- Implementation of indoor air quality measurement and pest control for tenant spaces
- Installation of automated external defibrillators (AEDs)



Relationship with Local Communities

JRE has been participating in a range of activities to contribute to local communities and local society.

- Contribution to urban development (participation in various committees on urban development)
- Local contribution in the event of a disaster (establishment of a system to host stranded commuters in the event of a disaster, participation in disaster controls drills)
- Support for local events, local group activities, and artistic and cultural activities (support a local summer festival, regularly hold local music events at the open spaces and common areas)
- Contribution to the local environment and community health (provide a space for “community cycles” and a space to conduct blood donation activities)



JRE's Basic Principle of Compliance

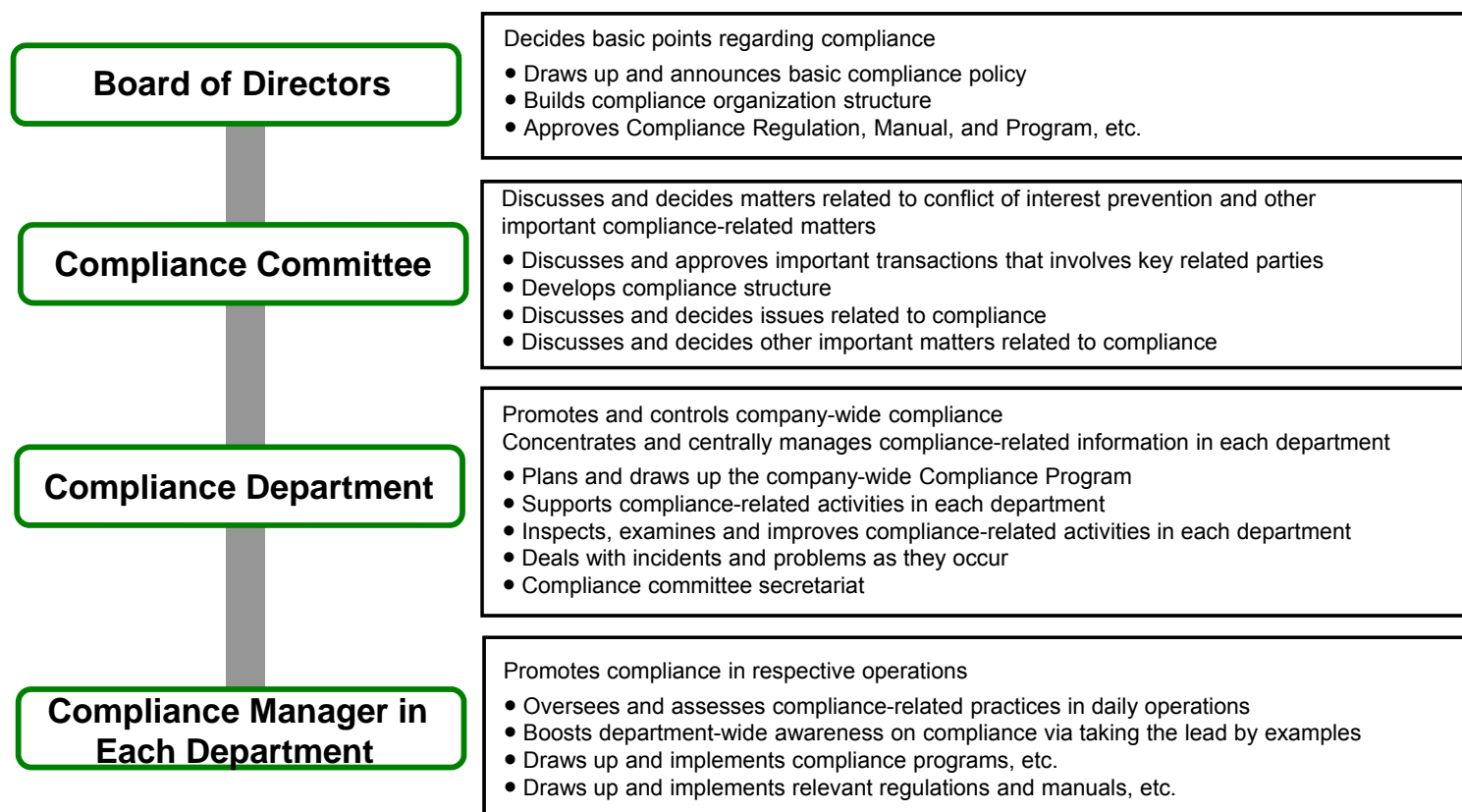
JRE's basic principle of compliance is to thoroughly observe legal and other relevant norms in regards to the business operation as well as to respond to the requirements from society. This means that the Investment Corporation administers and oversees the outsourcing companies from the same standpoint, while complying with legal and other relevant norms in its decision-making.

Basic Principle of Compliance for JRE-AM

- Ensuring thorough compliance is our basic management principle, since we understand that any insufficiency in compliance would affect even our management base
- 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
- We, the Asset Management Company for REIT, are jointly managed by Mitsubishi Estate Co., Ltd., 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
- 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 JRE-AM.



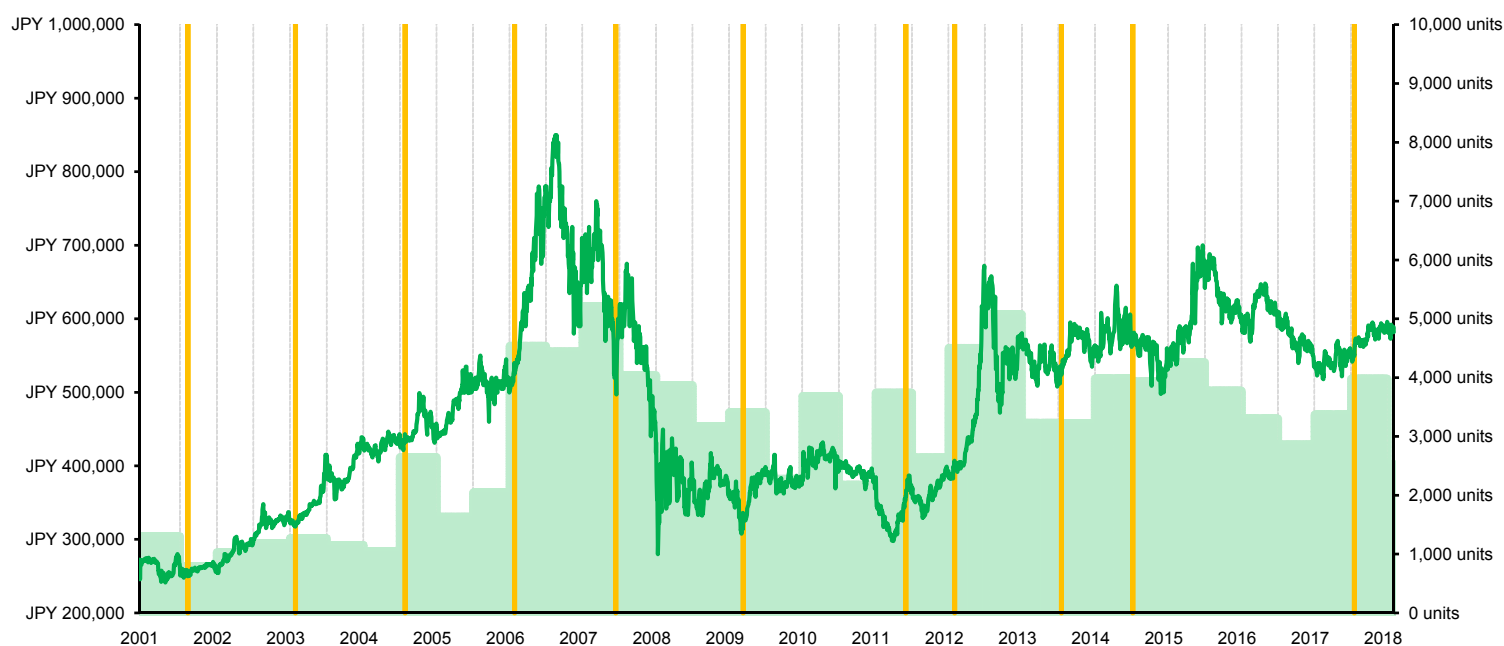
- JRE-AM consults with external experts such as lawyers etc. as necessary, depending on the content of issues in order to complement our knowledge of legal tasks in the company.
- It has also concluded a consulting contracts with external advisors for improving and strengthening internal control, with a view to further enhancing our compliance system.

The compliance system for JRE-AM 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 the JRE-AM's staffs 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.

Unit Price Performance ① (After IPO)

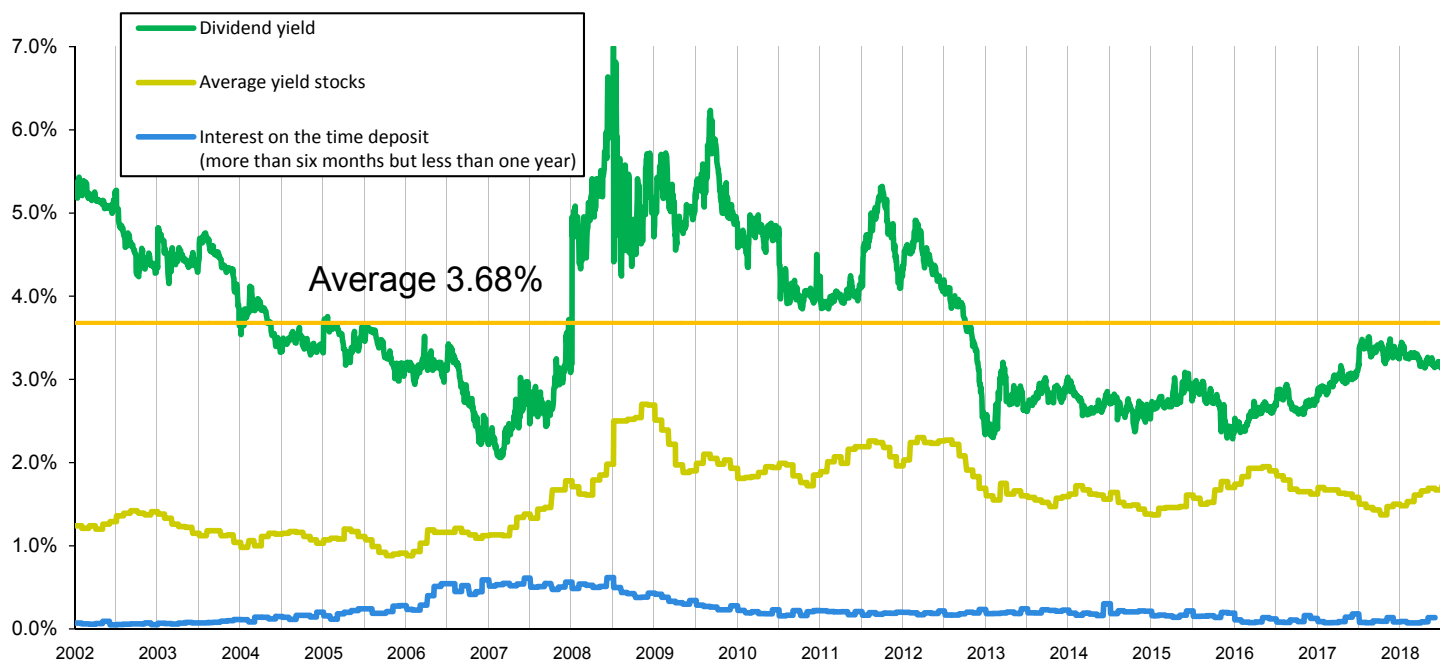
Unit Price Performance



- * Unit prices are based on daily closing prices.
- * JRE has conducted 2-for-1 investment unit split on January 1, 2014.
- * Unit prices and offer prices are all noted after the split.
- * Trading volume shows average volume during each fiscal period.
- * Source: Bloomberg

— Unit Price Trading Volume
 | Issue of New Investment Units
 | Fiscal period End
 (the end of March and September)

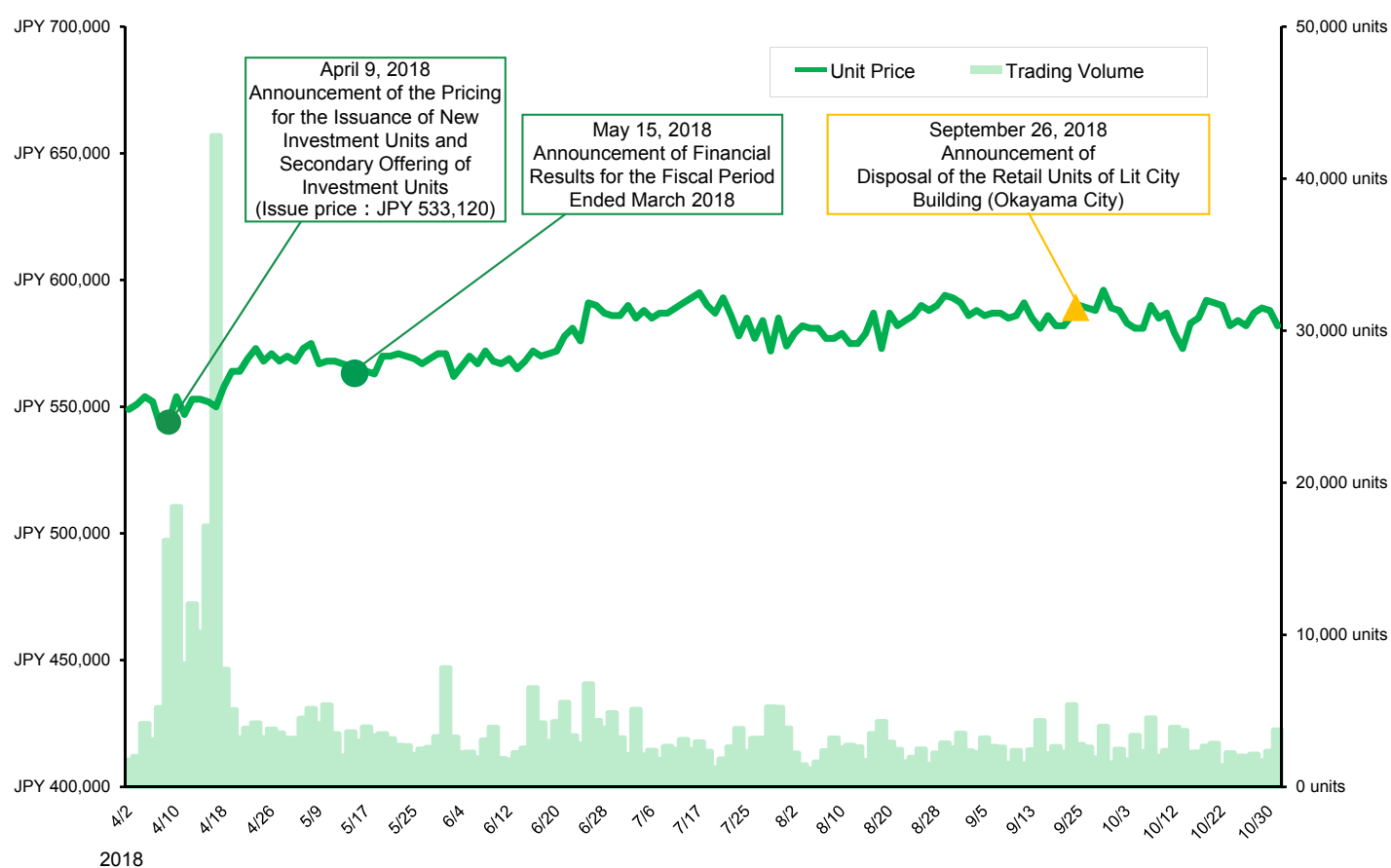
Historical Dividend Yield of JRE Unit



- * The Dividend yield is calculated by dividing annualized actual dividend by unit price (daily closing price from April 1, 2002 to October 31, 2018).
- * The average yield of stocks is based on fixed dividends and is simple average of dividend yield of stocks listed on the 1st section of TSE on a monthly basis as of October 2018.
- * Interest on the time deposit (more than six months but less than one year) is on a monthly basis as of August 2018.
- * The vertical gray lines show ex-dividend dates.
- * Source: Bank of Japan, Tokyo Stock Exchange.

Unit Price Performance ② (From September 2018 period to Date)

As of October 31, 2018



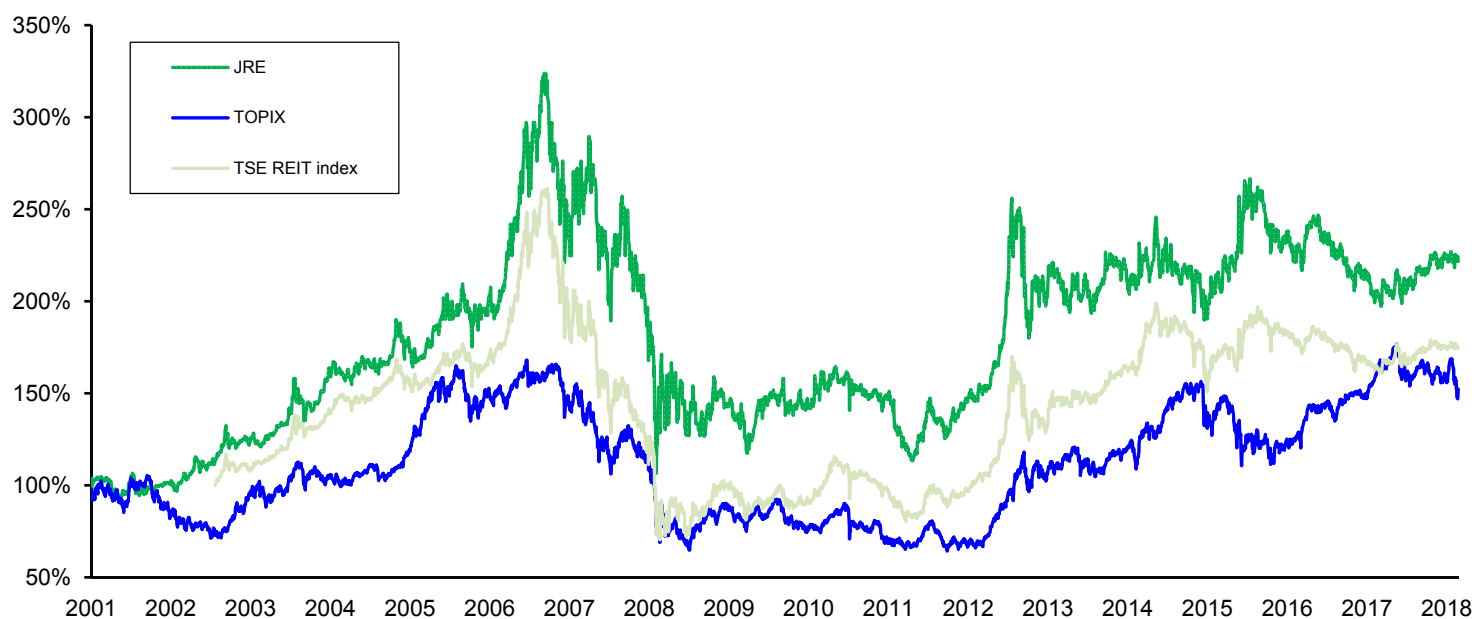
* Source: Bloomberg

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Unit Price Performance ③ (Relative to Major Indices)

Unit Price Performance

(As of October 31, 2018)



* Unit price performance is measured based on the offer price of JPY 262,500 (after the split) for JRE and the closing prices of 1,080.83 for TOPIX on September 7, 2001. The TSE REIT index is a ratio against the closing price on March 31, 2003.

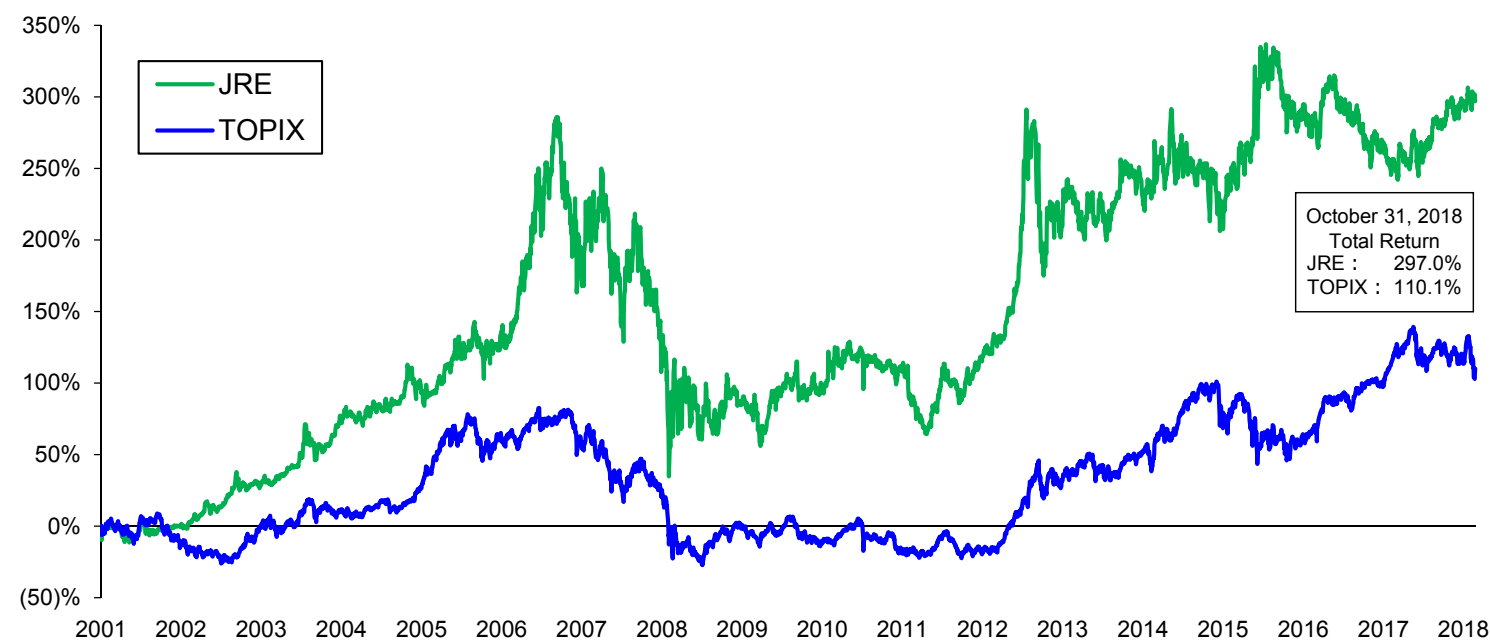
* Unit prices are based on the closing prices of each day.

* The unit price performance above is historical and not an indication of future performance.

* Source: Bloomberg

Total Return Performance

(As of October 31, 2018)



* Total return is the rate of return on investment in JRE from September 10, 2001 to the end of each holding period.

Total return = $((\text{the number of units acquired by reinvestment of dividends} + 1) \times (\text{the last closing price} / \text{the closing price on September 10, 2001}) - 1) \times 100$.

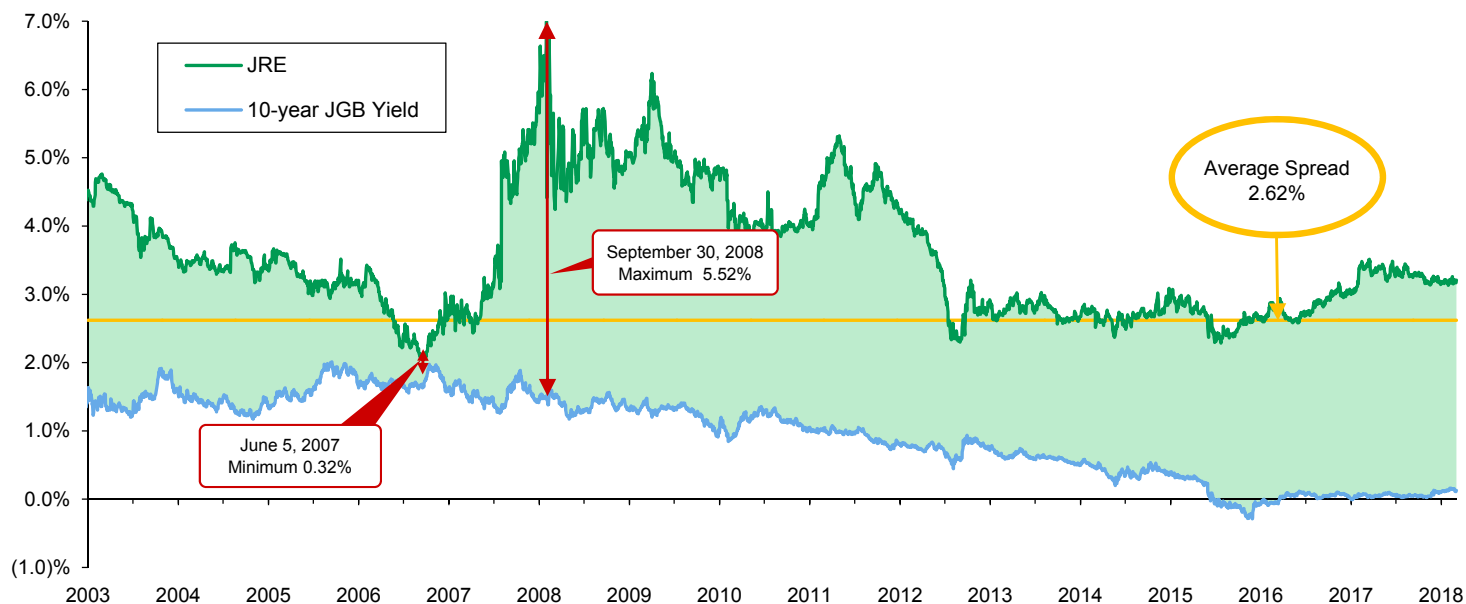
* Total return is calculated from September 10, 2001 to October 31, 2018 on a daily basis.

* Source: Bloomberg

Yield Spread Comparison

JRE Dividend Yield Spread against JGB

(As of October 31, 2018)



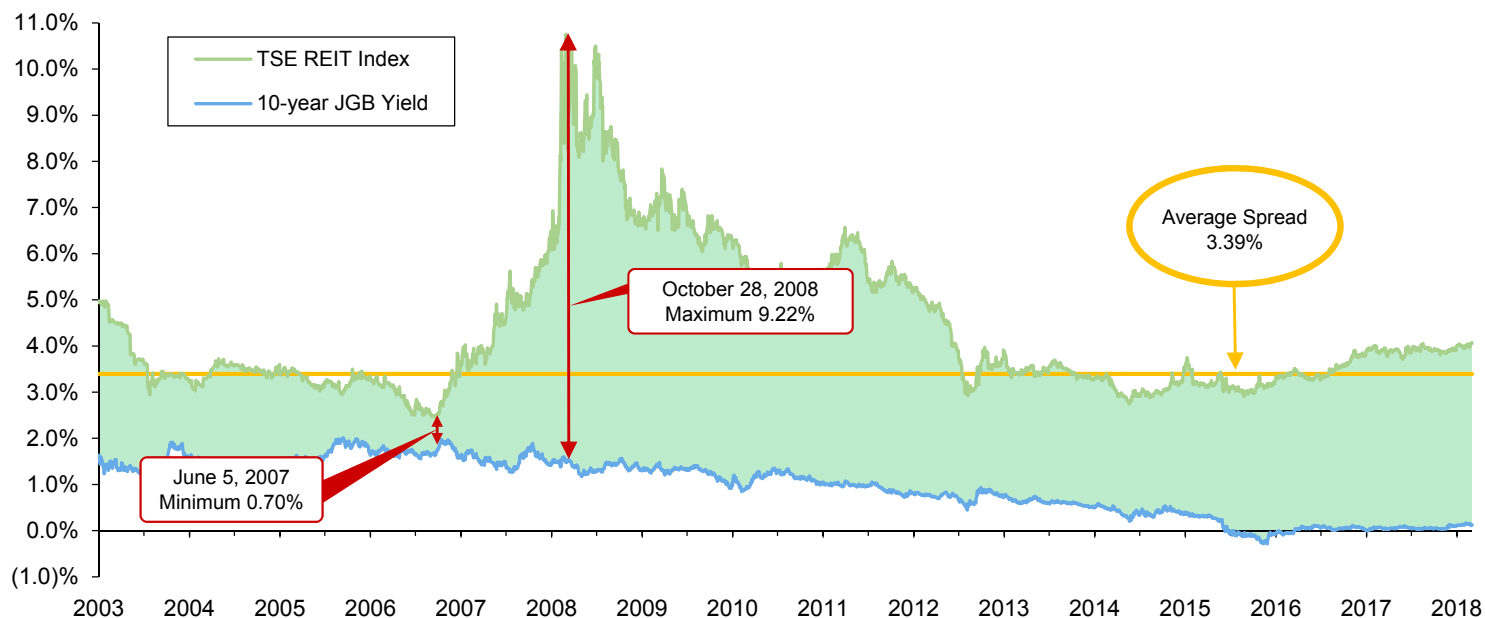
* Daily basis data from September 1, 2003 to October 31, 2018.

* Dividend yield is based on the actual performance

* Source: Bloomberg

TSE REIT Dividend Yield Spread against JGB

(As of October 31, 2018)



* Daily basis data from September 1, 2003 to October 31, 2018.

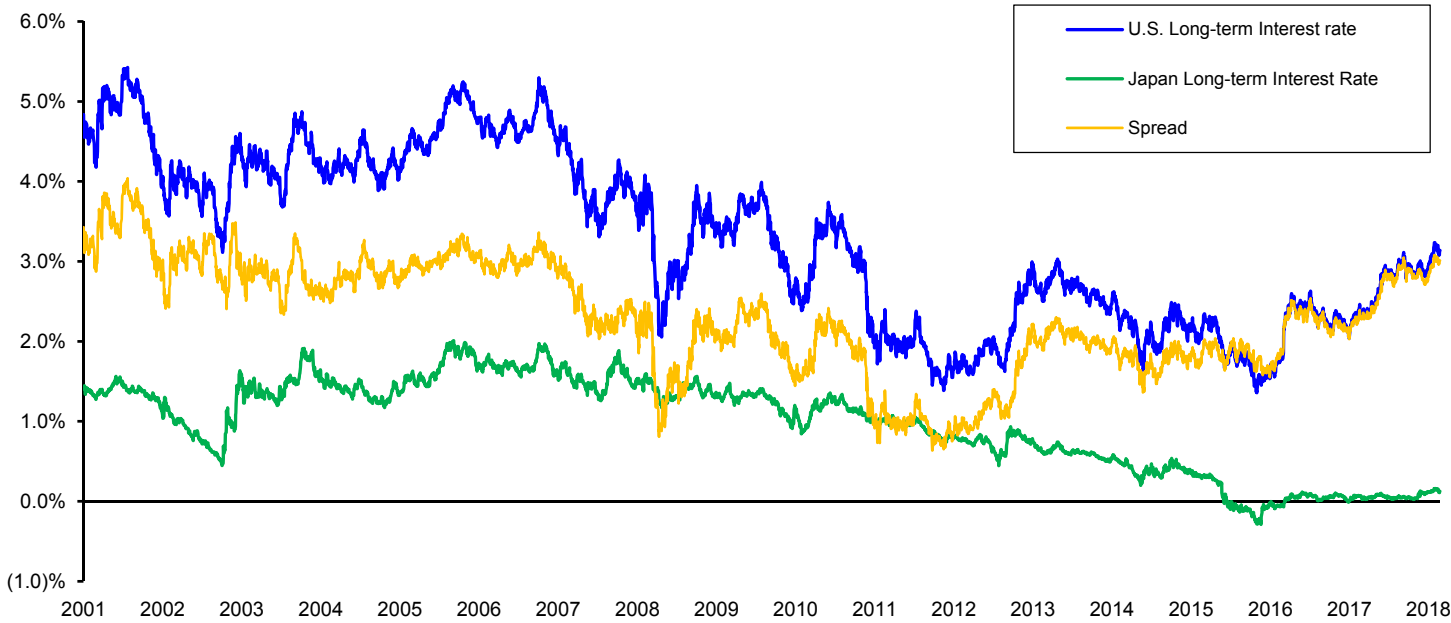
* Calculated based on the dividend yield of TSE REIT Index. Dividend yield is based on the actual performance

* Source: Bloomberg

Interest Rate Comparison of Japan and U.S.

Long-term Interest Rate Comparison of Japan and U.S.

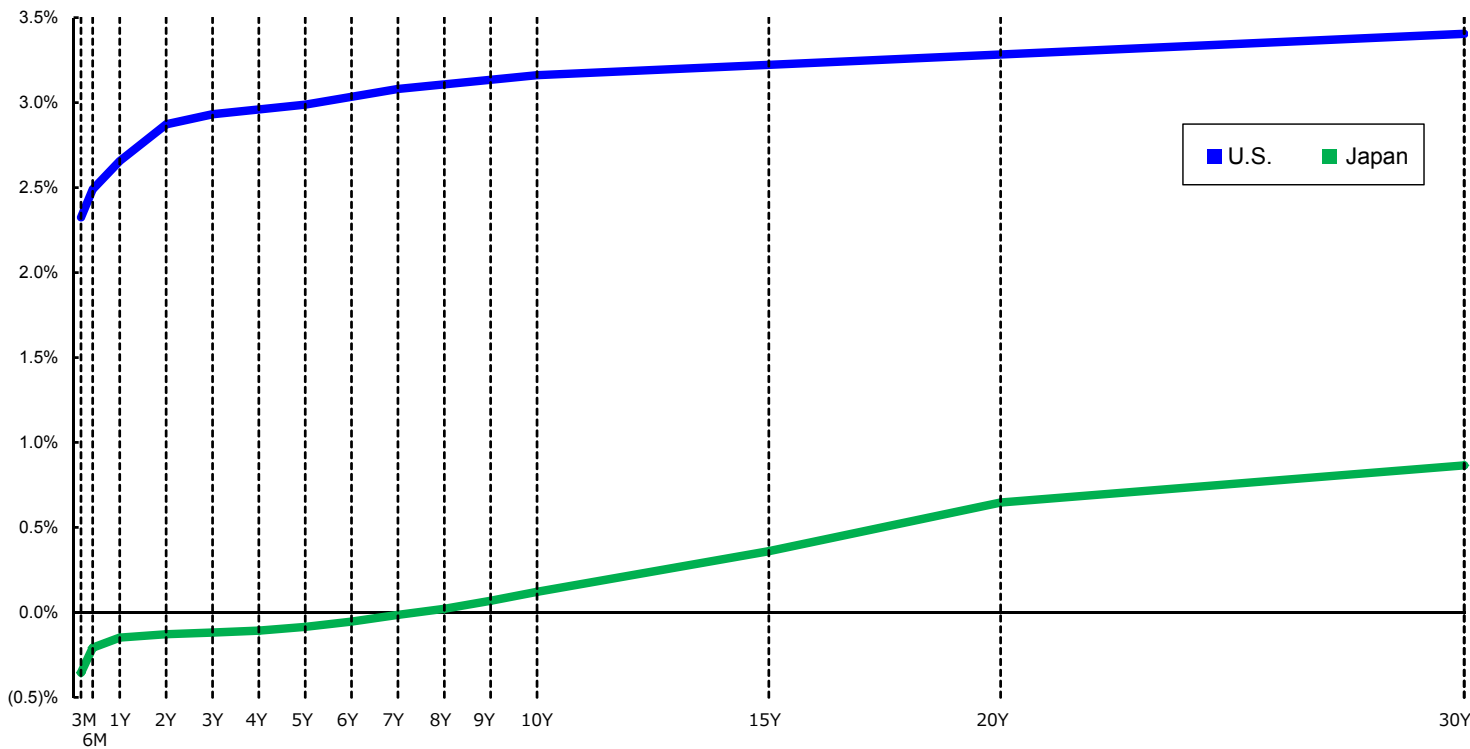
(As of October 31, 2018)



* 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.

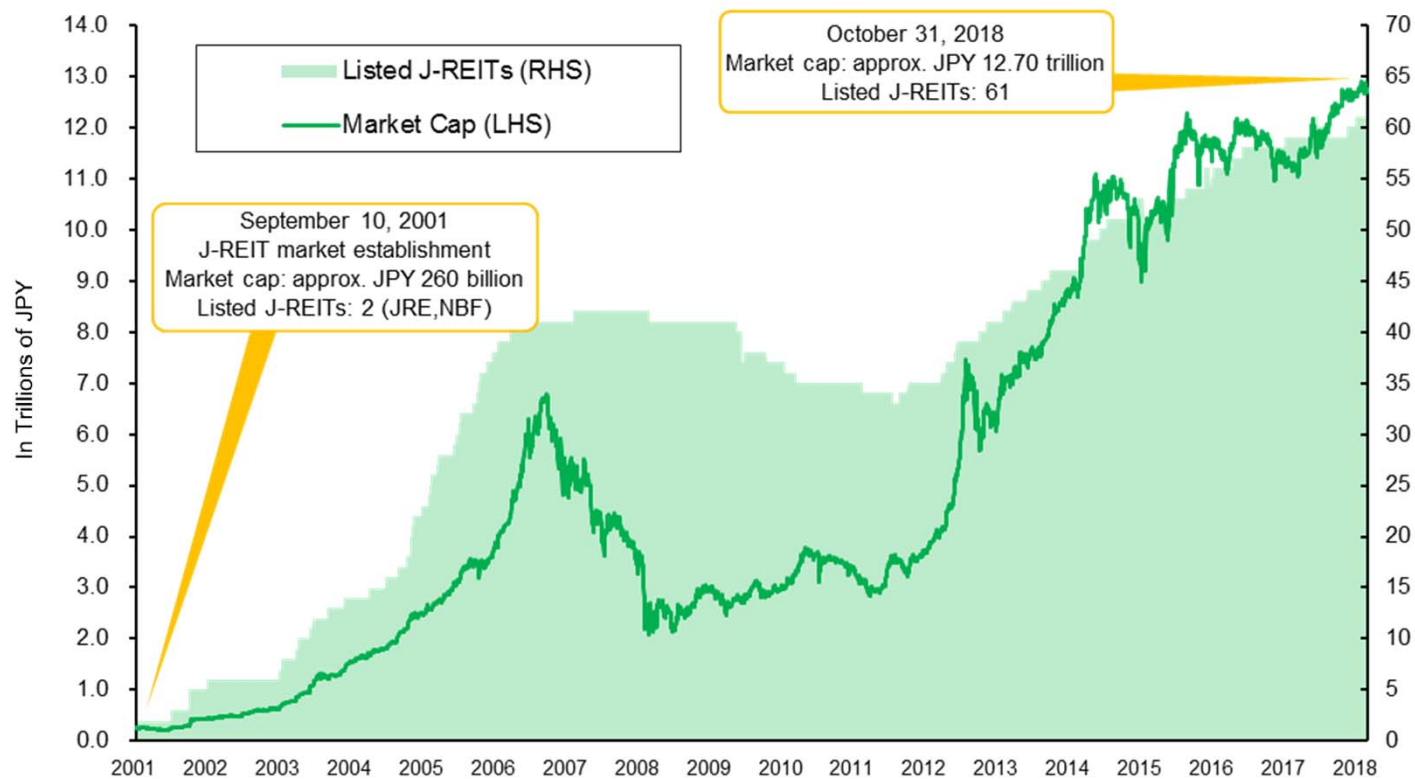
(As of October 31, 2018)



* Source: Bloomberg

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

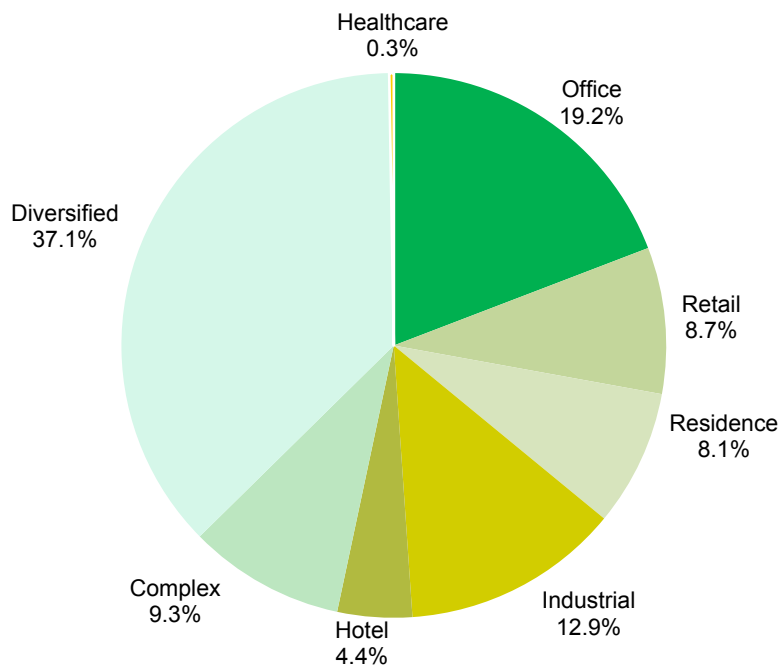
(As of October 31, 2018)



* Source: Bloomberg

Sector Breakdown by Market Capitalization

(As of October 31, 2018)



* “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.
* Source: Security registration statements, financial statements, Bloomberg and websites of each J-REITs

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Disclaimer Concerning 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.

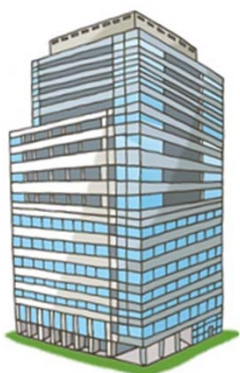
These forecasts are based on the assumptions, judgment, and data currently available from Japan Real Estate Asset Management Co., Ltd. and JRE. These data may contain known and unknown risks, uncertainty, and other factors not accounted for. The forecasts herein may be affected by known and unknown risks, uncertainty, or other factors, particularly with respect to JRE's internal and external growth and profitability-per-unit targets.

The aforementioned risks, uncertainty, and other factors may result in significantly different results regarding JRE's future performance, management, and financial data implicitly or explicitly presented herein.

JRE shall assume no obligation to update or further disclose data regarding these forecasts after the date of this presentation.

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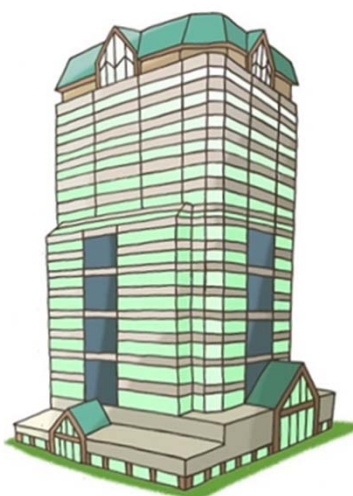
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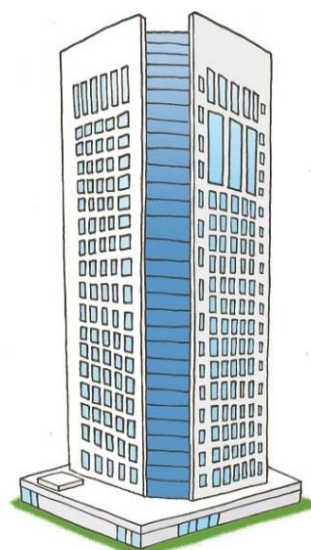
Kitanomaru Square



Shiodome Building



Akasaka Park Building



Tokyo Opera City Building

