



**Japan Real Estate Investment Corporation
Performance Review for the Fourth Period
(Ended September 30, 2003)**

November - December 2003

**Japan Real Estate Asset Management Co., Ltd.
CEO & President: Ryoichi Kakehashi**

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1. Performance Review for the 4th Period

Financial Summary for the 4th Period

Financial Figures for the 4th Period

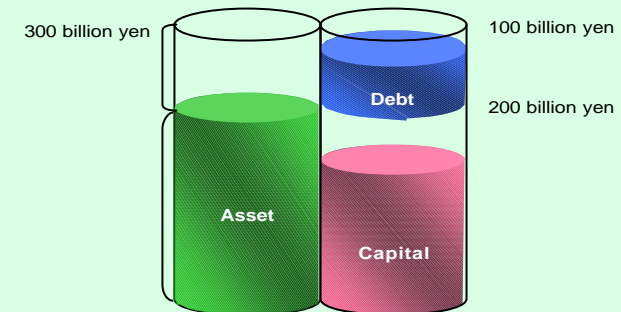
(in millions of yen)

	4th Period Ended at Sep.30, 2003	3rd Period Ended at Mar.31, 2003	2nd Period Ended at Sep.30, 2002	1st Period Ended at Mar.31, 2002
Operating Revenues	8,965	8,500	7,910	6,492
Operating Profits	3,898	3,687	3,386	2,961
Recurring Profits	3,408	3,259	2,898	2,405
Net Income	3,407	3,258	2,897	2,403
Total Assets	209,581	200,022	185,397	161,809
Total Liabilities	94,021	84,611	70,347	78,146
LTV	36.3%	33.4%	29.1%	39.6%
Total Unitholder's Equity	115,559	115,410	115,049	83,663
Market Capitalization	146,059	133,436	115,179	85,012
Units Outstanding	225,400	225,400	225,400	160,400
Dividend per Unit	15,117 yen	14,455 yen	12,853 yen	14,983 yen
Number of Properties	32	30	27	24
Rentable Area	246,062m ²	236,693m ²	215,928m ²	201,884
Number of Tenants	384	359	339	328
Occupancy Rate	95.1%	94.4%	95.3%	94.0%
Key Word	2/3	Larger	Stronger	Faster
Unit Price(fiscal end)	648,000 yen	592,000 yen	511,000 yen	530,000 yen

Comments

Key word: two-thirds

JRE's picture of the future (Mar. 2006)



Continuous growth in revenues and profits for 3 consecutive periods

✎ JRE acquired 2 new properties in the 4th period.

Yurakucho Denki Building 丿

Nagoya Misono Building 丿

✎ Property management

Little effect from the "Year 2003 Problem" and no cancellation of leasing contracts with major tenants in the 4th period resulted in JRE's stable revenues and high occupancy rate.

✎ Cost reduction

Property management fees for 26 properties acquired in the 1st, 2nd, and 3rd periods have already been reduced 6.7% in the 3rd and 4th periods, while the final cost reduction target is 7.3% over 3 years.

Performance Forecast



Forecast Revenues and Profits for the 5th and 6th periods

Assumptions for Performance Forecast

(in millions of yen)

	4th Period Ended at Sep.30, 2003	5th Period Ended at Mar.3, 2004	6th Period Ended at Sep.30, 2004
Operating Revenue	8,965	9,400	9,300
Operating Profits	3,898	4,200	4,000
Recurring Profits	3,408	3,700	3,600
Net Income	3,407	3,700	3,600
Units Outstanding	225,400	260,400	260,400
Dividend per Unit	15,117yen	14,200yen	14,000yen

- ✎ Revenues and profits from uncertain acquisitions in future periods are not taken into consideration.
 - Performance for the 5th period is based on 34 properties: 32 properties held as of Sept. 30, 2003; Jingumae Media Square Building (acquired Oct. 9, 2003); and Ebisu Neonato (acquired Nov. 14, 2003).
 - Performance for the 6th period is based on 35 properties: 34 properties + Yoyogi 1-chome Building (acquired Apr. 1, 2004).
- ✎ The following PML(Probable Maximum Losses) are assumed:
 - Some rent reductions or termination of contracts will occur where rents are relatively expensive compared to the surrounding rental market.
 - Vacant space will be leased gradually over time.
- ✎ Cancellation by Ericsson Japan took place at the end of October 2003.
- ✎ Occupancy rate at the end of the 5th period is estimated at 90.7%.

Yurakucho Denki Building (Acquired in the 4th Period)

Property Summary

- ✦ **Address :** Yurakucho 1-7-1, Chiyoda-ku, Tokyo
- ✦ **Area :** Land: 5,749.91 m²
Building: 70,287.65 m²
- ✦ **Structure :** Reinforced Concrete/Steel Framed
Reinforced Concrete/20 Stories with 4 basements
- ✦ **Built :** Sep. 1975 (Age:28 yrs)
- ✦ **Type of Ownership :** Unit-Ownership (10.78 %)
- ✦ **Net Rentable Area :** 4,694m²
- ✦ **Occupancy rate :** 100%

Transaction Summary

- ✦ **Seller :** Kokusai Motorcars Co., Ltd.
- ✦ **Acquisition Price :** 7,200 million yen
- ✦ **Appraisal Value :** 6,830 million yen
(as of Jul. 1, 2003)
- ✦ **Acquisition Date :** Aug. 1, 2003

Reasons for Acquisition

- ✦ **Superior Location**
Located in popular Marunouchi-Otemachi-Yurakucho area, easily accessed through JR and several Subway lines.
Direct access to Yurakucho and Hibiya Subway Stations.
- ✦ **Stable Revenue**
Fully occupied for several years ; therefore, revenue stability can be expected.



Nagoya Misono Building (Acquired in the 4th Period)

Property Summary

- Address : Sakae 1-10-21, Naka-ku, Nagoya-shi
Aichi-ken
- Area : Land: 805.04 m²
Building: 5,348.00 m²
- Structure : Steel Framed/7 Stories with basement
- Built : Sep. 1991 (Age: 12 yrs)
- Type of Ownership : Fee Simple
- Net Rentable Area : 3,470 m²
- Occupancy rate : 100%

Transaction Summary

- Seller : The Chuo Mitsui Trust and Banking Co.,
Ltd.
- Acquisition Price : 1,865 million yen
- Appraisal Value : 1,810 million yen
(as of Jul. 1, 2003)
- Acquisition Date : Aug. 8, 2003

Reasons for Acquisition

- Superior Location
Located in Nagoya's major office area,
Fushimi, and 3-4 minute walk from
Fushimi Station.
- High Spec.
Well-arranged, no-column office space
with separated air-conditioning system.
Remodeled common area, including
main entrance.



Jingumae Media Square Building (Acquired in the 5th Period)

Property Summary

- ✧ Address : Jingumae 6-25-14, Shibuya-ku, Tokyo
- ✧ Area : Land: 2,261.88 m²
Building: 9,420.42 m²
- ✧ Structure : Steel Framed/Steel Framed Reinforced Concrete/Reinforced Concrete/
9 Stories with 2 basements
- ✧ Built : Mar. 1998 (Age: 5 yrs)
- ✧ Type of Ownership : Fee Simple
- ✧ Net Rentable Area : 5,558m²
- ✧ Occupancy rate : 91.3%

Transaction Summary

- ✧ Seller : J.P. Morgan Trust Bank Ltd.
- ✧ Acquisition Price :12,200 million yen
- ✧ Appraisal Value : 12,350 million yen
(as of Aug. 1, 2003)
- ✧ Acquisition Date : Oct. 9, 2003

Reasons for Acquisition

- ✧ Superior Location
Located in Harajuku area, stable market with expected demand from apparel/music/PR/retail industries.
Facing Meiji Dori, and easy access to JR and Subway stations by foot.
- ✧ High Spec.
Relatively new, well-equipped with air conditioning system/electrical equipment.



Ebisu Neonato (Acquired in the 5th Period)

Property Summary

- Address : Ebisu 4-1-18, Shibuya-ku Tokyo
- Area : Land: 5,005.70 m²
Building: 36,598.38 m²
- Structure : Steel Framed/Steel Framed Reinforced Concrete/18 Stories with 2 basements
- Built : Oct. 1994 (Age: 9 yrs)
- Type of Ownership : Unit-Ownership
- Net Rentable Area : 2,225 m²
- Occupancy rate : 71.9%
(expected on Dec. 1, 2003 :100%)

Transaction Summary

- Seller : Cititrust and Banking Corporation
- Acquisition Price : 3,740 million yen
- Appraisal Value : 3,740 million yen
(as of Oct. 1, 2003)
- Acquisition Date : Nov. 14, 2003

Reasons for Acquisition

- Superior Location
Ebisu area is a major office market in the Tokyo metropolitan area, with expected demand from wide range of industries since the completion of Yebisu Garden Place.
- High Spec.
Landmark building with high-quality constructions and facilities.



(Tentative Name)Yoyogi 1-chome Building (To be Acquired in the 6th Period)

Property Summary

- ✧ Address : Yoyogi 1-22-1, Shibuya-ku, Tokyo
- ✧ Area : Land: 1,793.03m²
Building: 11,234.29m²
- ✧ Structure : Steel Framed/14 Stories with basement
- ✧ Built : Oct. 2003
- ✧ Type of Ownership : Fee Simple
- ✧ Net Rentable Area : N/A
- ✧ Occupancy rate : N/A (expected :100%)

Transaction Summary

- ✧ Seller : Mizuho Trust & Banking Co., Ltd.
- ✧ Acquisition Price : 8,700 million yen
- ✧ Appraisal Value : 8,400 million yen
(as of Aug. 1, 2003)
* with expected building value
- ✧ Acquisition Date : Apr. 1, 2004 (expected)

Reasons for Acquisition

- ✧ Superior Location
Located in Yoyogi, next to a core business area, Shinjuku
3-minute walk from JR/Subway Yoyogi Station.
- ✧ High Spec.
New building with separated air conditioning system, well-equipped electrical equipment and high ceilings.



Image

(This image is pictured based on blueprints as of now)

Overview of JRE's Second Follow-on



Transaction Overview

Transaction type:	Domestic Public Offering
New units:	35,000 units
Units outstanding before the new issue:	225,400 units
Units outstanding after the new issue:	260,400 units
Subscription price/unit:	629,000 yen
Net proceeds:	21,295 million yen
Unitholder's capital after the new issue:	133,448 million yen

Schedule

Launch:	Oct. 1, 2003 (Wed)
Indication:	Oct. 9, 2003 (Thu)
Book Building Period:	Oct.10, 2003 (Fri) ~ Oct.16, 2003 (Thu)
Pricing Date:	Oct.16, 2003 (Thu)
Subscription Period:	Oct.17, 2003 (Fri) ~ Oct.21, 2003 (Tue)
Due Date of Payment:	Oct.24, 2003 (Fri)
Delivery Date:	Oct.27, 2003 (Mon)

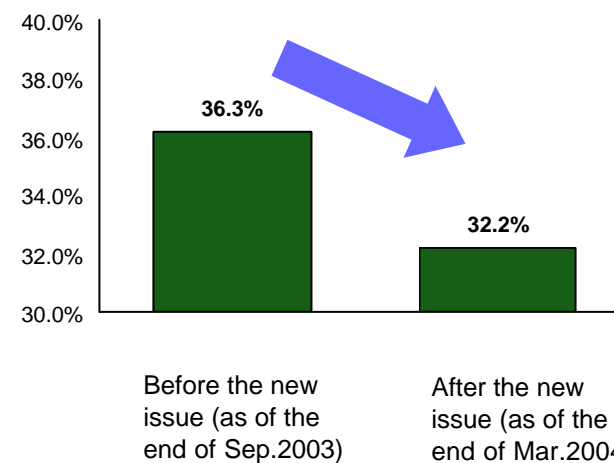
Assets to be Acquired

Name	Acquisition Date	Acquisition Price	Year Built	Net Rentable Area(m ²)	OccupancyRate (on acquisitiondate)
JingumaeMedia	Oct. 9, 2003	12,200	1998	5,558	91.3%
Ebisu Neonato	Nov.14, 2003	3,740	1994	2,225	71.9%
(Tentative Name) Yoyogi 1-Chome	Apr. 1, 2004	8,700	2003	N/A	100% (forecast)
		24,640		-	-

*The notice of asset acquisition was published after the new issue.

Change of LTV

Low LTV maintained to acquire more properties



2. Details of the 4th Period

Income Statement for the 4th Period

(in millions of yen)

Item	4th Period (183 days)			3rd Period	Change	% Change
	Existing 30 properties	Newly acquired properties*	Total	(182 days)		
Operating Revenues	8,828	137	8,965	8,500	465	5.5%
Rental revenues	8,814	137	8,951	8,449		
Other rental revenues	14	-	14	51		
Operating Expenses	2,983	32	3,015	2,798	217	7.8%
Property management fees	1,074	21	1,095	1,076		
Utility charges	769	8	777	711		
Property and other taxes	797	0	797	626		
Insurance expenses	22	0	22	21		
Maintenance expenses	287	2	289	323		
Other operating expenses	32	0	32	39		
NOI	5,846	104	5,950	5,702	248	4.3%
Depreciation and amortization	1,376	17	1,393	1,310		
Operating Profits	4,470	86	4,556	4,391	165	3.8%
Administrative expenses			658	703	45	6.4%
Asset management fees			393	432		
Other administrative expenses			264	270		
Net Operating Profits			3,898	3,687	211	5.7%
Non-Operating Revenues			4	1	3	
Interest received			0	0		
Other non-operating revenues			4	1		
Non-Operating Expenses			494	429	65	15.2%
Interest expenses			177	175		
Bond interest expenses			236	164		
Deferred bond-issuance costs			61	70		
Other non-operating expenses			18	19		
Recurring Profits			3,408	3,259	149	4.6%
Gross Income			3,408	3,259	149	4.6%
Taxes			1	1		
Net Income			3,407	3,258	149	4.6%
Retained Earnings			3,407	3,258		
FFO (Net Income + Depreciation)			4,801	4,568	233	5.1%
Dividend per unit			15,117	14,455		

≪ Continuous growth in revenues and profits for 3 consecutive periods.
 ≪ Full contribution from the acquired properties in the 3rd period, and contribution from the 2 newly acquired properties (Yurakucho Denki Building and Nagoya Misono Building) in the 4th period.

NOI: Net Operating Income

*Newly acquired properties are Yurakucho Denki Building, and Nagoya Misono Building.

Balance Sheet for the 4th Period



(in millions of yen)

Item	4th Fiscal End (Sep 30, 03)	3th Fiscal End (Mar 31, 03)	Change	Reasons for Change
Current Assets				
Cash and entrusted cash	15,377	15,459	82	
Other current assets	1,031	196	835	
Total Current Assets	16,409	15,656	753	
Fixed Assets				
Property and equipment				} Increased due to Yurakucho Denki and Nagoya Misono acquisition
Buildings	60,112	57,693	2,419	
Structures	326	315	11	
Machinery and equipment	1,204	1,161	43	
Land	135,687	128,013	7,674	
Accumulated depreciation	4,998	3,604	1,394	
Total Property and Equipment	192,332	183,578	8,754	
Intangible Assets				
Lease hold rights	726	726	0	
Total Intangible Assets	726	726	0	
Investments and Others				
Long-term prepaid expenses, etc.	52	61	9	
Total Investments and Others	52	61	9	
Total Fixed Assets	193,111	184,366	8,745	
Deferred Assets				
Bond issuance costs	61	-	61	Increased due to bond issuance costs
Total Deferred Assets	61	-	61	
Total Assets	209,581	200,022	9,559	

Item	4th Fiscal End (Sep 30, 03)	3th Fiscal End (Mar 31, 03)	Change	Reasons for Change
Liabilities				
Current Liabilities				
Short-term borrowings	7,000	17,800	10,800	} The difference between repayment(15,800) and borrowing(5,000) of debt
Rent received in advance	1,444	1,335	109	
Other current liabilities	1,207	1,340	133	
Total Current Liabilities	9,652	20,476	10,824	
Long-term Liabilities				
Investment Corporation Bonds	45,000	25,000	20,000	Increased by 2nd and 3rd bond issuance
Long-term borrowings	24,000	24,000	0	
Deposits from tenants	15,369	15,135	234	Increased due to the deposit received by property acquisition
Total Long-term Liabilities	84,369	64,135	20,234	
Total Liabilities	94,021	84,611	9,410	
Unitholders' Equity				
Unitholders' capital	112,152	112,152	0	
Retained earnings	3,407	3,258	149	
Total Unitholders' Equity	115,559	115,410	149	
Total Liabilities and Unitholders' Equity	209,581	200,022	9,559	

Cash Flow and Dividend Statement



Cash Flow Statement

(in millions of yen)

Item	4th Period (183 days)
Cash Flow from Operating Activities	4,953
Net income before tax	3,408
Depreciation and adjustments	1,545
Cash Flow from Investing Activities	10,854
Cash Flow from Financing Activities	5,819
Increase in short-term borrowings	5,000
Repayment of short-term borrowings	15,800
Proceeds from bond issuance	20,000
Payment of bond issuance	122
Payment of dividend and so on	3,258
Net Decrease in Cash and Cash Equivalents	81
Balance of Cash and Cash Equivalents at BOP	15,459
Balance of Cash and Cash Equivalents at EOP	15,377

Dividend Statement

(in yen)

	4th Period (183 days)
Net income before distribution	3,407,496,598
Total amount of dividends	3,407,371,800
Retained earnings	124,798

*Dividends per unit: 15,117 yen (3rd Period: 14,455 yen)

Comparison of Financial Ratios



Financial Indices	4th Period (183 Days)	3rd Period (182 Days)	2nd Period (183 Days)	1st Period (203 Days)
Return on assets (ROA)	1.7% (3.3% annualized)	1.7% (3.4% annualized)	1.6% (3.2% annualized)	2.0% (3.6% annualized)
Return on equity (ROE)	3.0% (5.9% annualized)	2.8% (5.7% annualized)	2.7% (5.4% annualized)	2.9% (5.2% annualized)
EOP equity ratio	55.1%	57.7%	62.1%	51.7%
LTV#1	36.3%	33.4%	29.1%	39.6%
LTV#2	39.5%	36.4%	32.9%	44.2%
EOP long-term debt to capitalization	98.3%	104.6%	94.2%	123.8%
Debt service coverage ratio (DSCR)	12.6x	14.5x	13.9x	15.5x
Net operating Income (NOI)	5,950 million yen	5,702 million yen	5,211 million yen	4,732 million yen
Funds from operations (FFO)	4,801 million yen	4,568 million yen	4,091 million yen	3,503 million yen
FFO multiple	13.5x	14.1x	14.6x	15.2x
Payout ratio to CAD	80.2%	82.3%	76.4%	79.3%

*ROA = Recurring profits / Average of total assets during the period (1st period: 203 actual working days, 2nd period: 183 actual working days, 3rd period: 182 actual working days, 4th period: 183 actual working days)

*ROE = Net income / Average of net worth during the period (1st period: 203 actual working days, 2nd period: 183 actual working days, 3rd period: 182 actual working days, 4th period: 183 actual working days)

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

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

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

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

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

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

*FFO = Net income + Depreciation + Deferred Expenses

*FFO multiple = Unit price at the end of the period / FFO per unit (annualized)

*Payout ratio to CAD = Total amount of dividends / FFO

CAD (Cash Available for Distribution) = FFO - capital expenditure

Summary of Debts (as of end of the 4th Period)



	Name	Borrowing Date	EOB (million yen)	Interest (%) [*]	Repayment Date
Short-term borrowings	The Chugoku Bank, Ltd.	2003/3/3	2,000	0.5404	2003/10/31
	The Chugoku Bank, Ltd.	2003/8/1	3,000	0.5483	2004/6/15
	The Yamanashi Chuo Bank, Ltd.	2003/8/1	2,000	0.5483	2004/6/15
	Total		7,000		

*Interest rates are weighted average rates calculated by days

	Name	Borrowing Date	EOB (million yen)	Interest (%)	Repayment Date
Long-term borrowings	The Bank of Tokyo-Mitsubishi, Ltd.	2001/9/25	6,000	1.12	Expected Principal Repayments Date 2006/6/23 Final Principal Repayments Date 2008/6/23
	Mizuho Corporate Bank, Ltd.	2001/9/25	6,000		
	The Sumitomo Trust & Banking Co., Ltd.	2001/9/25	5,200		
	The Misubishi Trust & Banking Corporation	2001/9/25	5,200		
	Sompo Japan Insurance Inc.	2001/9/25	1,600		
	Total		24,000		

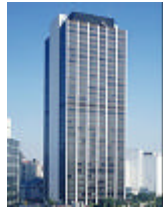
	Name	Issuance Date	EOB (million yen)	Interest (%)	Maturity Date
Investment Corporation Bonds	1st Investment Corporation Bond	2002/6/21	25,000	1.32	2007/6/21
	2nd Investment Corporation Bond	2003/4/30	10,000	0.69	2008/4/30
	3rd Investment Corporation Bond	2003/4/30	10,000	0.98	2010/4/30
	Total		45,000		

- ✎ Weighted average interest rate is 1.06% based on the amount of debts at the end of the period.
- ✎ Duration (as of the end of the 4th period) is 0.53 year (approximately 6 months) for short-term borrowings, 3.92 years (approximately 3 years and 11 months) for long-term debts (long-term borrowings and investment corporation bonds).

Property Data (Properties in the Tokyo Metropolitan Area)



Tokyo Metropolitan Area



Shibuya Cross Tower



Aoyama Crystal



da Vinci Harajuku



Genki Medical Plaza



Kandabashi Park



Burex Kyobashi



MD Kanda



Cosmo Kanasugibashi



JAL Travel



Mitsubishi Soken



Shiba 2-chome Daimon



Takanawadai



Ikebukuro 2-chome



Omori-Eki Higashiguchi



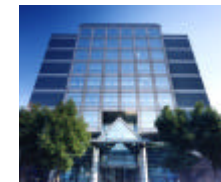
Otsuka Higashi-Ikebukuro



Kawasaki Isago



Saitama Urawa



Ericsson Shin-Yokohama



Kodenmachi Shin-Nihonbashi



Yoyogi 1-chome



Yurakucho Denki



Jingumae Media Square



Ebisu Neonato

* Including properties to be acquired

Property Data (Properties in Other Cities)

Nagoya Area



Nagoya Hirokoji



Nagoya Misono

Osaka/Kobe/Kyoto Area



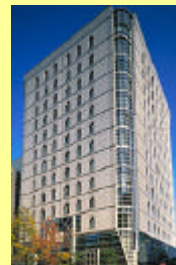
Midosuji Daiwa



Kyoto Shijo
Kawara machi



Kobe Itomachi



Fukusuke
Sakaisuji
honmachi

Other Area



Hinode Tenjin



Niigata
Ishizuecho
Nishi-
Bandaibashi



Kanazawa
Park



Kanazawa
Minamicho



Sendai Honcho
Honma



Tosei Tenjin

Property Data (Property Price Comparison)



Properties as of end of Sep. 2003: 32

Area	Name	Appraisal Value (Mar 31, 02)	Appraisal Value (Sep 30, 02)	Appraisal Value (Mar 31, 03)	Appraisal Value (Sep 30, 03)	Book Value (Sep 30, 03)	Acquisition Price	Year Built	Net Rentable Areas (m ²) (Sep., 2003)	Occupancy Rate (Sep., 2003)		
Tokyo Metropolitan Area	23 Wards	Genki Medical Plaza	-	-	5,450	5,400	5,299	5,000	1985	4,791	100.0%	
		MD Kanda Building	-	9,590	9,620	9,670	9,521	9,520	1998	6,269	100.0%	
		Kandabashi Park Building	-	4,920	4,900	4,860	4,828	4,810	1993	3,687	100.0%	
		Mitsubishi Soken Building	27,800	28,100	28,000	28,000	27,140	27,267	1970	18,006	100.0%	
		Kodenmacho Shin-Nihonbashi Building	3,160	3,170	3,140	3,200	3,087	3,173	1991	3,897	100.0%	
		Burex Kyobashi Building	-	5,040	5,040	5,010	5,402	5,250	2002	4,279	100.0%	
		Aoyama Crystal Building	-	-	7,430	7,430	7,768	7,680	1982	4,916	100.0%	
		Shiba 2-chome Daimon Building	4,730	4,890	4,890	4,920	4,981	4,859	1984	9,622	93.2%	
		Cosmo Kanasugibashi Building	2,790	2,760	2,760	2,800	2,756	2,808	1992	4,062	100.0%	
		Takanawadai Building	2,840	2,970	2,810	2,810	2,672	2,738	1991	4,091	100.0%	
		JAL Travel Building	1,320	1,330	1,500	1,570	1,330	1,362	1991	3,383	100.0%	
		Omori-Eki Higashiguchi Building	4,900	4,980	5,220	5,010	4,938	5,123	1989	7,708	99.4%	
		da Vinci Haraiuku	-	-	4,960	4,970	5,050	4,885	1987	3,051	100.0%	
		Shibuya Cross Tower	34,500	34,500	34,400	33,800	35,027	34,600	1976	29,808	94.9%	
		Otsuka Higashi-Ikebukuro Building	3,550	3,480	3,530	3,480	3,398	3,541	1987	7,114	96.0%	
		Ikebukuro 2-chome Building	1,600	1,570	1,520	1,540	1,703	1,728	1990	2,186	100.0%	
		Excluding 23 Wards	Saitama Urawa Building	2,700	2,690	2,570	2,490	2,549	2,574	1990	4,510	91.1%
			Ericsson Shin-Yokohama Building	3,010	3,100	3,180	2,230	3,003	3,000	1992	6,964	100.0%
			Kawasaki Isago Building	3,320	3,370	3,190	3,160	3,223	3,375	1990	6,831	100.0%
Other Major Cities	Sendai Honcho Honma Building	2,870	2,900	2,940	2,990	2,820	2,924	1991	5,829	100.0%		
	Niigata Ishizuecho Nishi-Bandaibashi Building	970	911	854	821	1,003	1,010	1984	4,383	83.5%		
	Kanazawa Park Building*	3,090	3,090	5,170	5,330	4,827	4,580	1991	21,036	89.2%		
	Kanazawa Minamicho Building	1,290	1,310	1,200	1,120	1,292	1,331	1987	3,782	78.0%		
	Nagoya Hirokoji Building	14,700	14,900	15,000	14,900	14,302	14,533	1987	21,590	97.3%		
	Kyoto Shijo Kawaramachi Building	2,660	2,470	2,380	2,250	2,874	2,650	1982	6,800	89.4%		
	Fukusuke Sakaisujihonmachi Building	2,230	2,330	2,300	2,360	2,182	2,264	1992	5,337	91.6%		
	Midosuji Daiwa Building	14,300	14,400	14,400	14,300	14,151	14,314	1991	20,449	91.4%		
	Kobe Itomachi Building	1,400	1,310	1,180	1,100	1,407	1,436	1989	3,478	89.9%		
	Tosei Tenjin Building	1,530	1,530	1,420	1,420	1,531	1,550	1992	4,080	78.5%		
	Hinode Tenjin Building	3,680	3,640	3,750	3,690	3,555	3,657	1987	5,944	88.6%		
Properties Acquired in the 4th Period	Yurakucho Denki Building	-	-	-	6,830	7,544	7,200	1975	4,694	100.0%		
	Nagoya Misono Building	-	-	-	1,810	1,879	1,865	1991	3,470	100.0%		
Total		144,940	165,251	184,704	191,271	193,058	192,607		246,062	95.1%		

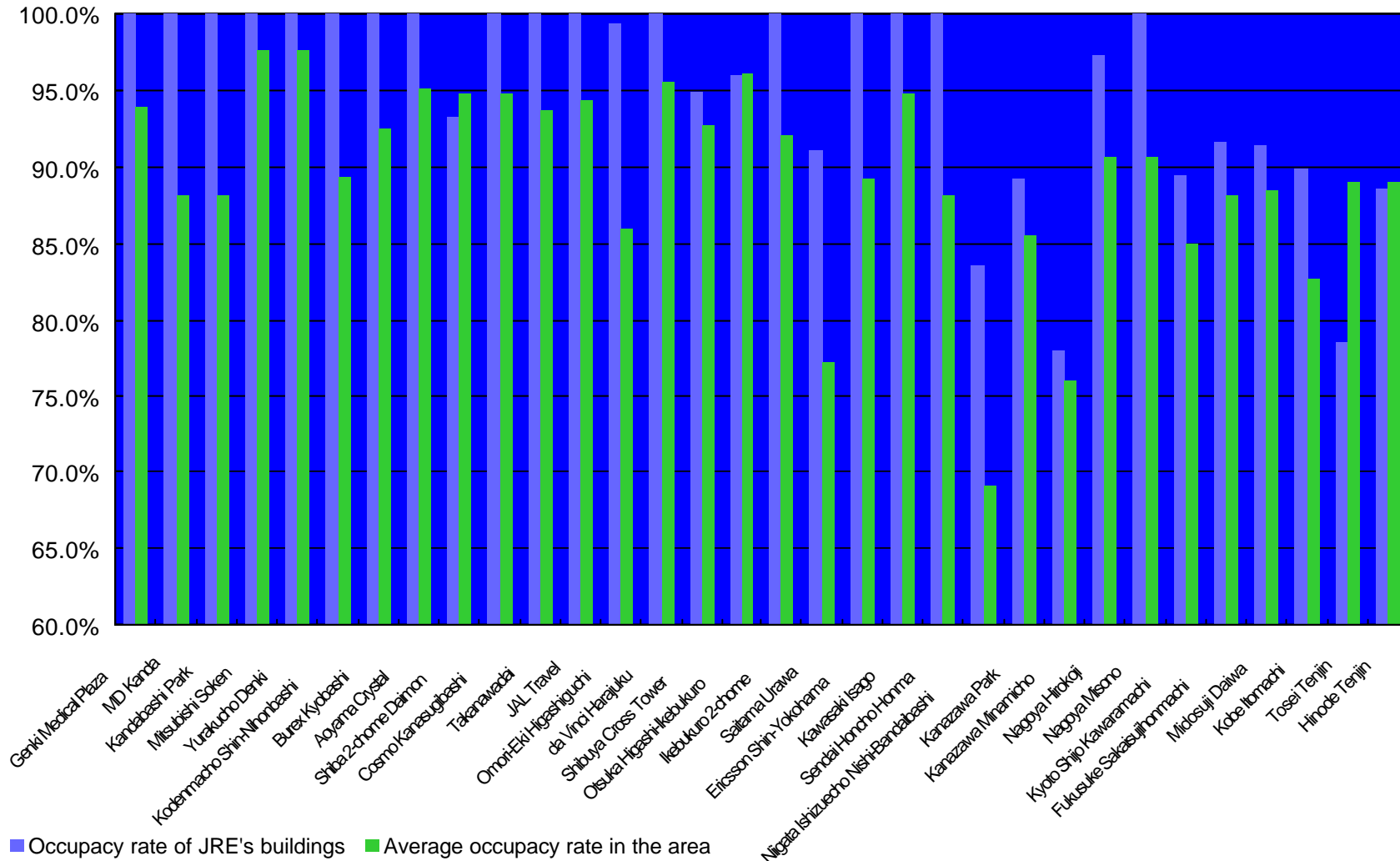
*Additional portion was acquired in the 3rd period.

Properties to be acquired: 3

Area	Name	Appraisal Value (Mar 31, 02)	Appraisal Value (Sep 30, 02)	Appraisal Value (Mar 31, 03)	Appraisal Value (before acquisition)	Book Value (Sep 30, 03)	Acquisition Price	Year Built	Net Rentable Areas (m ²) (Acquisition Date)	Occupancy Rate (Acquisition Date)	
Tokyo Metropolitan Area	23 Wards	Jingumae Media Square Building	-	-	-	12,350	-	12,200	1998	5,558	91.3%
		Ebisu Neonato	-	-	-	3,740	-	3,740	1994	2,225	71.9%
		(Tentative Name)Yoyogi 1-chome Building	-	-	-	8,400	-	8,700	2003	N/A	100% (forecast)
Total		-	-	-	24,490	-	24,640				

*Jingumae Media Square was acquired on Oct. 9, 2003, Ebisu Neonato on Nov.14, 2003, and (Tentative Name)Yoyogi 1-chome building will be acquired on Apr. 1, 2004.

Comparison of Occupancy Rate by Area



*The comparison between the occupancy rates of the buildings held by JRE as of the end of Sep., 2003 and the average rates of some buildings in the same areas as of the end of Jun. 2003 (from Jul., 2002 to Jun. 2003), randomly chosen by Ikoma Data Service.

Property Data (Performance by property)



(in millions of yen)

Performance

Apr. 1, 2003 ~ Sep. 30, 2003

⚡ The contribution from Yurakucho Denki Building and Nagoya Misono Building started from Aug. 1, 2003 and Aug. 8, 2003 respectively.

Operation

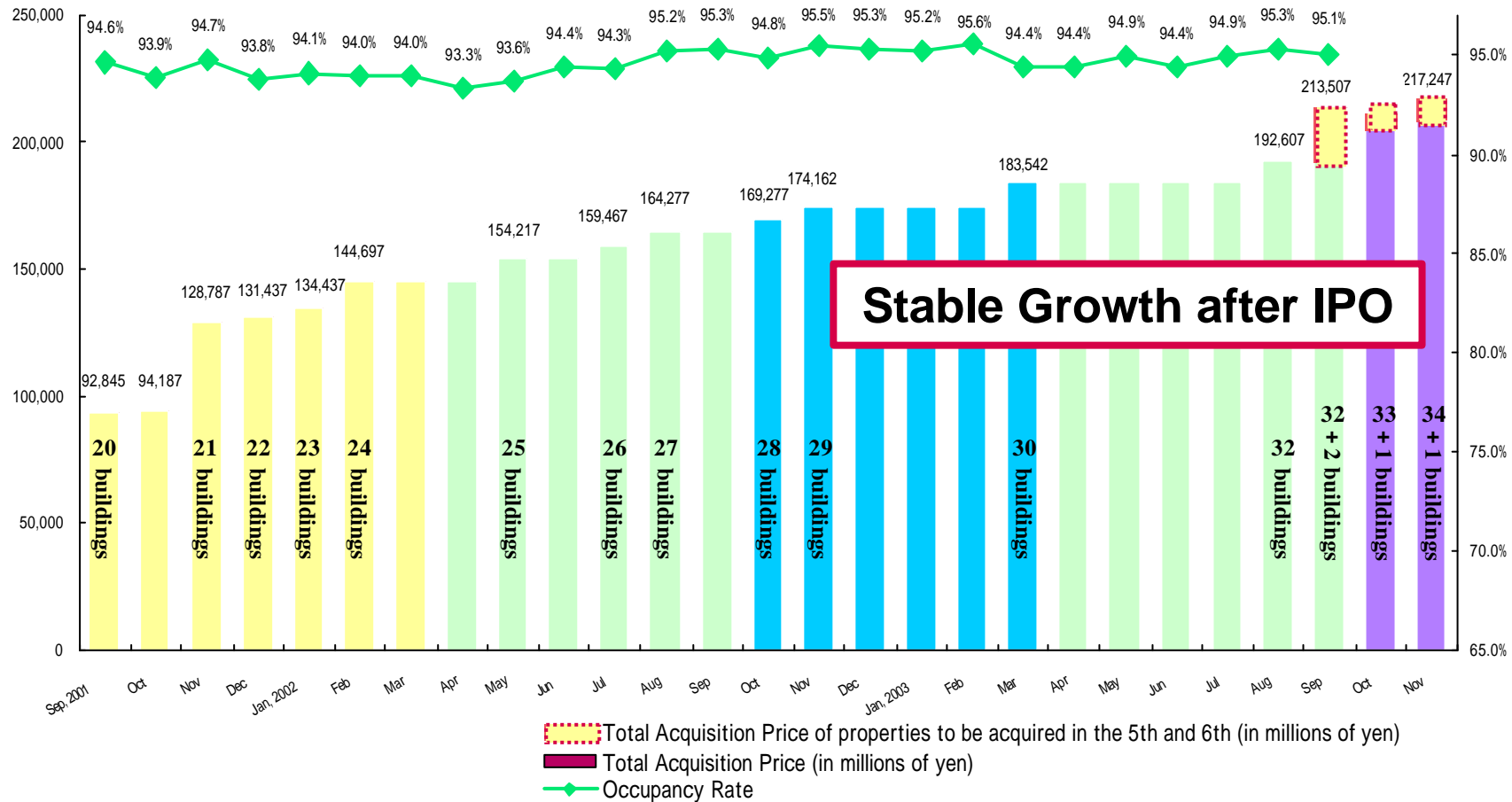
As of Sep. 30, 2003

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

	Name	Genki Medical Plaza	MD Kanda Building	Kanda bashi Park Building	Mitsubishi Soken Building	Yurakucho Denki Building	Kodenma-cho Shin-Nihonbashi Building	Burex Kyobashi Building	Aoyama Crystal Building	Shiba 2-chome Daimon Building	Cosmo Kanasugi bashi Building	Takanawa dai Building	JAL Travel Building	Omori-Eki Higashi-guchi Building	da Vinci Harajuku	Shibuya Cross Tower	Otsuka Higashi-Ikebukuro Building	Ikebukuro 2-chome Building
Performance Apr. 1, 2003 ~ Sep. 30, 2003	Operating Revenues	194	371	196	973	107	161	150	253	288	133	141	105	274	189	1,555	191	81
	Operating Expenses	80	118	56	355	30	85	52	65	155	64	74	70	150	63	863	105	41
	Property management fees	14	24	1	90	17	17	-	15	38	15	19	12	28	14	196	25	11
	Utility charges	11	18	-	113	7	11	-	12	26	9	12	11	24	11	172	17	7
	Property and other taxes	19	26	19	75	0	16	14	0	39	14	13	11	28	12	149	15	6
	Insurance expenses	0	1	0	2	0	0	0	1	1	0	0	0	1	0	4	1	0
	Maintenance expenses	9	0	9	12	-	9	-	2	19	2	6	21	9	10	73	5	3
	Depreciation	25	49	28	63	5	28	38	35	32	23	23	15	60	17	253	42	14
	Other operating expenses	2	0	-	-	-	4	-	0	0	-	0	-	0	0	16	0	0
	Operating Profits	114	253	140	618	77	76	98	187	133	69	67	35	125	126	692	86	40
NOI	139	302	168	680	82	104	136	223	165	91	91	50	184	143	945	128	54	
Operation As of Sep. 30, 2003	Occupancy Rate (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	93.2	100.0	100.0	100.0	99.4	100.0	94.9	96.0	100.0
	Number of Tenants	1	3	7	4	13	5	1	9	27	7	1	1	18	6	51	8	5

	Name	Saitama Urawa Building	Ericsson Shin-Yokohama Building	Kawasaki Isago Building	Sendai Hancho Honma Building	Nigata Ichizuecho Nishi-Bandabashi Building	Kanazawa Park Building	Kanazawa Minamicho Building	Nagoya Hirokoji Building	Nagoya Misono Building	Kyoto Shijo Kawaramachi Building	Fukuoka Sakaejishi-honmachi Building	Midosuji Daiwa Building	Kobe Itomachi Building	Tosei Tenjin Building	Hinode Tenjin Building	Total
Performance Apr. 1, 2003 ~ Sep. 30, 2003	Operating Revenues	141	179	196	166	77	541	80	763	31	137	163	769	71	93	197	8,965
	Operating Expenses	63	107	120	79	50	340	51	431	20	94	84	324	50	64	105	4,403
	Property management fees	19	22	30	17	15	127	13	128	4	22	22	81	16	19	23	1,095
	Utility charges	8	21	17	5	8	68	7	68	2	14	14	46	8	9	20	777
	Property and other taxes	11	14	16	17	8	49	7	65	0	12	21	87	7	11	17	797
	Insurance expenses	0	1	1	0	0	2	0	2	0	1	1	2	0	0	0	22
	Maintenance expenses	2	6	12	9	5	6	11	20	2	8	0	6	4	3	5	289
	Depreciation	23	44	45	31	12	88	14	147	12	32	25	102	15	22	34	1,393
	Other operating expenses	-	-	0	-	0	-	0	-	-	5	-	0	-	-	5	32
	Operating Profits	78	72	76	87	27	201	28	332	10	43	79	444	21	29	92	4,566
NOI	101	117	121	117	39	289	42	479	22	75	105	546	36	51	126	5,950	
Operation As of Sep. 30, 2003	Occupancy Rate (%)	91.1	100.0	100.0	100.0	83.5	89.2	78.0	97.3	100.0	89.4	91.6	91.4	89.9	78.5	88.6	95.1
	Number of Tenants	12	2	10	13	8	62	13	26	7	24	7	18	11	17	8	384

Property Acquisitions after IPO



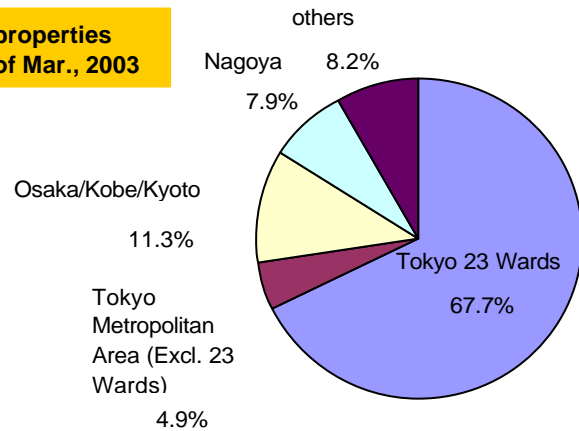
* Occupancy rate of Genki Medical Plaza is not considered for the calculation of October 2002, because rental contract started at the beginning of November 2002.

* Properties to be acquired in the 5th and 6th periods, Jingumae Media Square Building (Acquisition Price: 12,200 million yen; Acquisition Date : Oct. 9, 2003); Ebisu Neonato (Acquisition Price: 3,740 million yen; Acquisition Date : Nov.14, 2003); and Yoyogi 1-chome Building (Acquisition Price: 8,700 million yen; Acquisition Date : Apr. 1, 2004); are included in total acquisition price from the announcement of the acquisition.

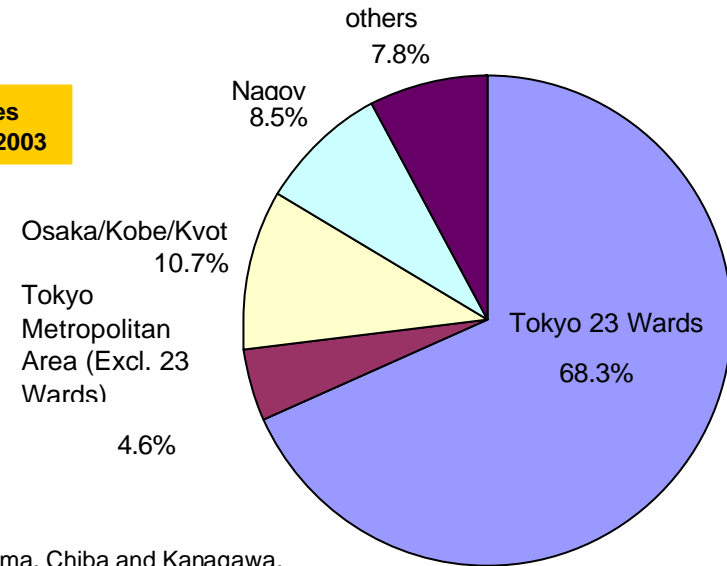
Geographical Diversification and Earthquake Risk

Geographical Diversification

30 properties as of Mar., 2003

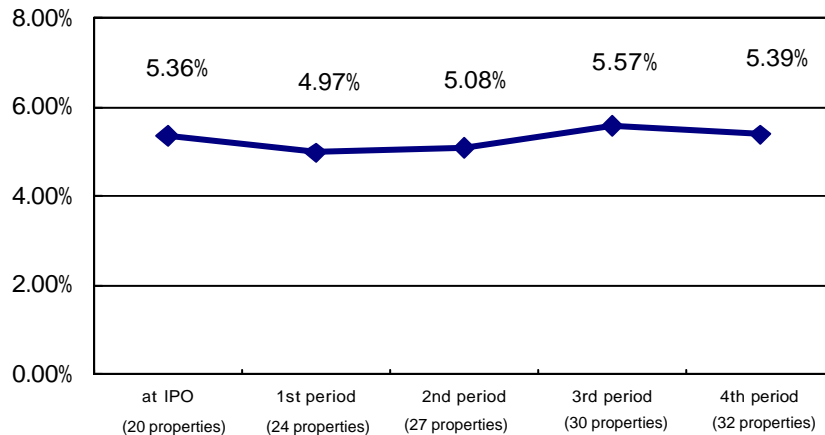


32 properties as of Sep., 2003



* Acquisition price basis
 * Tokyo Metropolitan Area includes Tokyo, Saitama, Chiba and Kanagawa.

Earthquake Risk (PML Value)

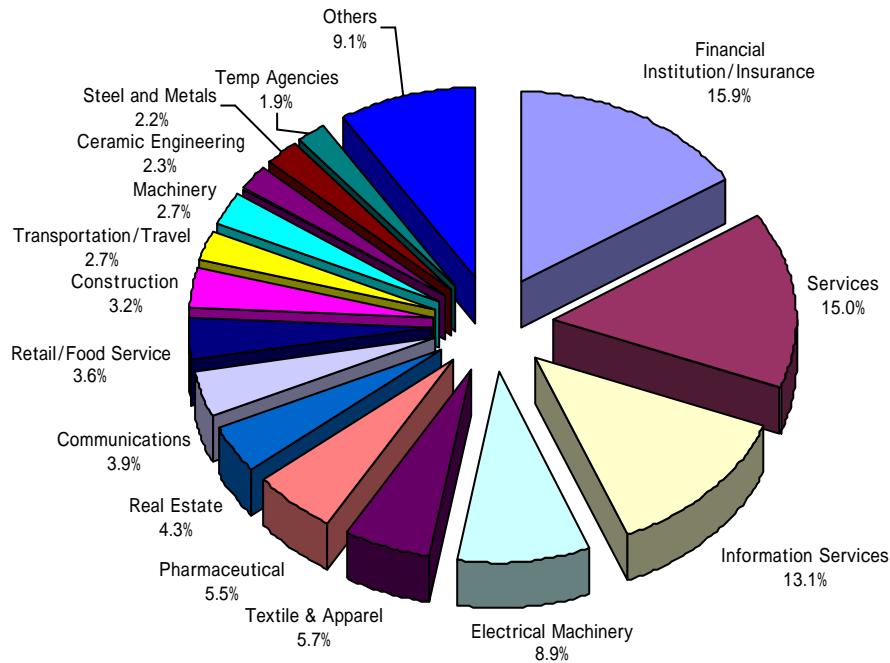


Well-balanced portfolio: Highly liquid properties with stable rent income in the Tokyo Metropolitan Area account for approximately 73%; properties with attractive yields in other major cities account for 27% as of the end of the 4th period. Compared with the 3rd period, the shares of Tokyo 23 Wards and Nagoya increased, because of the locations of the 2 new properties acquired.

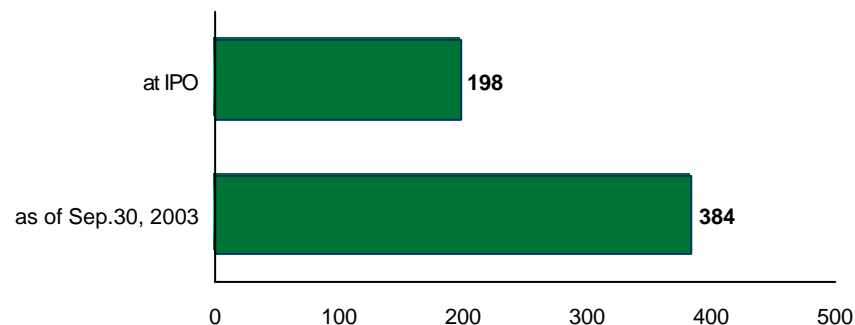
PML value has been stable around 5% since IPO.

Tenant Data (Diversification and Major Tenants)

Tenant Diversification (Based on Rented Area)



The Number of Tenants



Top 6 Tenants

#	Major Tenants	Property	Rented Area	% of Total Rented Area
1	Mitsubishi Research Institute* ¹	Mitsubishi Soken	14,529m ²	6.2%
2	Dai-ichi Mutual Life	Midosuji Daiwa Other 7 buildings	13,008m ²	5.6%
3	Ericsson Japan* ²	Ericsson Shin-Yokohama	5,794m ²	2.5%
4	TOTO	Nagoya Hirokoji Midosuji Daiwa	4,840m ²	2.1%
5	Tokyo Kenbikyoin Foundation* ³	Genki Medical Plaza	4,791m ²	2.0%
6	Janssen Pharmaceutical	Takanawadai Tosei Tenjin	4,318m ²	1.8%

*1 Lease with this tenant is a fixed-term lease for the period from Feb. 1, 2001 to Mar. 31, 2011. This tenant has agreed not to terminate the contract during the lease period.

*2 Rent contract with the Ericsson Japan was canceled on October 31, 2003.

*3 Lease with this tenant is a fixed-term lease for the period from Nov. 1, 2002 to Oct. 31, 2017. This tenant has agreed not to terminate the contract during the lease period.

The number of tenants rose sharply from 198 at IPO to 384 (at the end of 3rd period: 359).

Tenant Data (Stability)



Example Changes in Major Tenants

3rd Period	4th Period	Tenant	3rd Period Rented areas(m ²)	4th Period Rented areas(m ²)	Change(m ²)
1	1	Mitsubishi Research Institute	14,529	14,529	0
2	2	Dai-ichi Mutual Life	13,292	13,008	284
3	3	Ericsson Japan	5,794	5,794	0
4	4	TOTO	4,840	4,840	0
5	5	Tokyo Kenbikyoin Foundation	4,791	4,791	0
6	6	Janssen Pharmaceutical	4,318	4,318	0
7	7	Company A	4,279	4,279	0
8	8	Company B	3,918	3,918	0
9	9	Company C	3,592	3,592	0
10	10	Company D	3,575	3,575	0
11	11	Company E	3,383	3,383	0
12	12	Company F	3,103	3,103	0
13	13	Company G	2,964	2,964	0
14	16	Company H	2,798	2,798	0
15	17	Company I	2,783	2,783	0
16	14	Company J	2,677	2,866	189

* Rent contract with Ericsson Japan was canceled on Oct. 31.2003.

The “Year 2003 Problem” has not resulted in termination of leasing contracts with major tenants.

Example Changes in Rent contracts to longer-term instruments*

* Includes a non-cancellation clause.

Percentage of revenues from fixed rent contracts over the next year.

Tokyo Metropolitan Area (Tokyo/Kanagawa/Saitama/Chiba) Tokyo Central 3 Wards (Chiyoda/Chuo/Minato)

	3rd Period	4th Period		3rd Period	4th Period
% of revenues from fixed-rent contracts over the next year	32.5%	32.0%	% of revenues from fixed-rent contracts over the next year	58.3%	53.2%
Average maturity of fixed- and long-term rent contracts	7.7years	7.1years	Average maturity of fixed- and long-term rent contracts	8.5years	7.7years

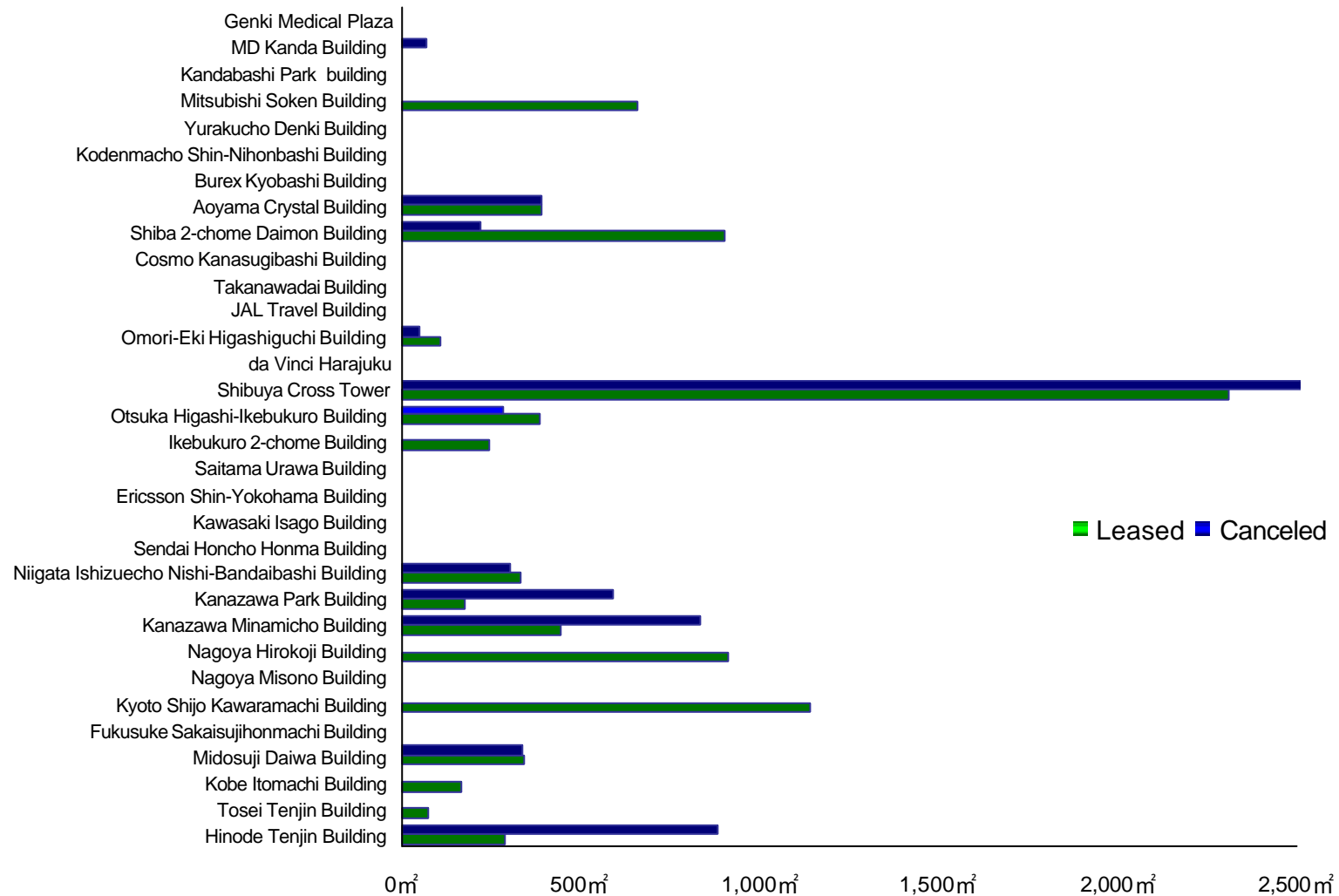
Other Major Cities

	3rd Period	4th Period
% of revenues from fixed-rent contracts over the next year	5.2%	6.4%
Average maturity of fixed- and long-term rent contracts	2.5years	2.1years

Aiming for more stable revenue.

*Average fixed rent contract years are calculated on the 4th period.

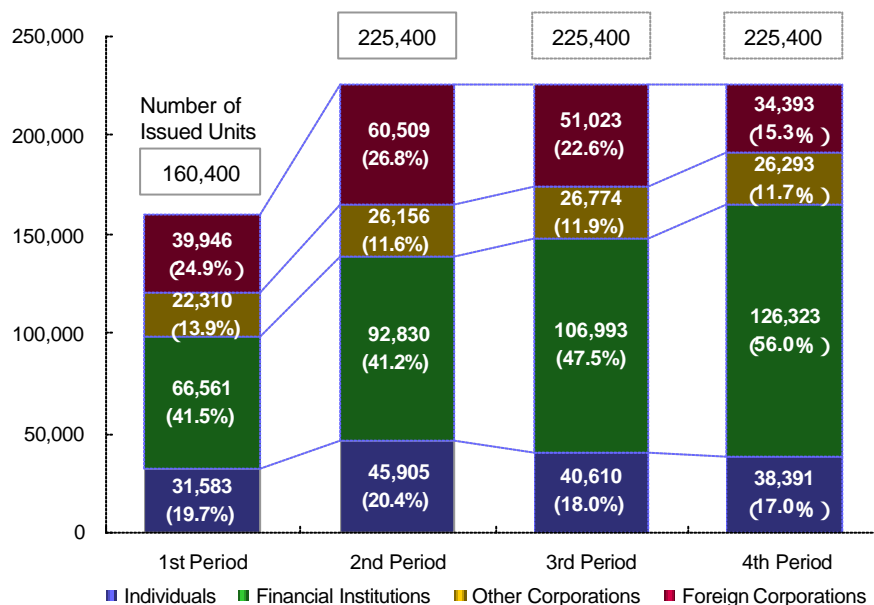
Tenant Data (Tenant Moves in the 4th Period)



Unitholder Data (Composition and Major Unitholders)



Unitholder Composition



Numbers of Unitholders by Sector

	1st Period		2nd Period	
	Unitholders	%	Unitholders	%
Individuals	12,045	95.8%	17,409	96.3%
Financial Institutions	108	0.9%	127	0.7%
Other Corporations	315	2.5%	417	2.3%
Foreign Corporations	106	0.8%	130	0.7%
Total	12,574	100.0%	18,083	100.0%

	3rd Period		4th Period	
	Unitholders	%	Unitholders	%
Individuals	14,897	96.0%	13,810	95.6%
Financial Institutions	126	0.8%	152	1.1%
Other Corporations	377	2.4%	352	2.4%
Foreign Corporations	120	0.8%	137	0.9%
Total	15,520	100.0%	14,451	100.0%

Top 10 Unitholders

3rd Period

Company	Units	% of Total Units Outstanding
The Chase Manhattan Bank, N.A. London	13,088	5.81%
Mitsubishi Estate Co., Ltd.	10,160	4.51%
The Tokio Marine and Fire Insurance Co., Ltd.	8,120	3.60%
The Yamanashi Chuo Bank, Ltd.	7,300	3.24%
The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	7,103	3.15%
The Chugoku Bank, Ltd.	6,540	2.90%
The Bank of Ikeda, Ltd.	5,085	2.26%
The Nomura Trust & Banking Co., Ltd. (Toshin Acc.)	4,952	2.20%
The Dai-ichi Mutual Life Insurance Company	4,920	2.18%
The Goldman Sachs International	4,662	2.07%

4th Period

Company	Units	% of Total Units Outstanding
Mitsubishi Estate Co., Ltd.	10,160	4.51%
The Chugoku Bank, Ltd.	8,688	3.85%
The Tokio Marine and Fire Insurance Co., Ltd.	8,120	3.60%
The Bank of Ikeda, Ltd.	7,766	3.45%
The Chase Manhattan Bank, N.A. London	7,470	3.31%
The Yamanashi Chuo Bank, Ltd.	7,300	3.24%
Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	4,954	2.20%
The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	4,929	2.19%
The Dai-ichi Mutual Life Insurance Company	4,920	2.18%
The Hiroshima Bank, Ltd.	4,878	2.16%

3. Management Policy for the Future

Real Estate Market in Japan

- ✎ While the overall real estate market is weak due to the sluggish domestic economy, there have been some positive developments, including the peaking out of the vacancy rate.
- ✎ Excellent properties are expected to come on the market as corporations reduce their real estate holdings.
- ✎ As companies focus more on core businesses, the distinction between holding and using real estate is becoming clearer.

Office Building Market in Japan

- ✎ Office demand and the rent market will plunge due to a reduction of office space by corporations because of the sluggish Japanese economy, although the effects of the “Year 2003 problem” have not been felt.
- ✎ Performance of selected local cities is apparent, as corporations re-arrange their local branches.
- ✎ Tenants’ demands for office buildings are becoming more complex and diverse due to globalization and IT development.



Performance of office buildings will be polarized by sales/management ability.

Growth Strategy

External Growth Strategy

- ✍ Increase revenue and stability by purchasing new properties at appropriate prices
- ✍ Reduce operating costs of newly acquired properties as well as existing properties
- ✍ Target Asset Size = 300 billion yen by March 2006

Internal Growth Strategy

- ✍ Maximize profitability of existing properties
- ✍ Maintain/increase rents by increasing tenant satisfaction through proper property management
- ✍ Stabilize occupancy rate by understanding needs of tenants
- ✍ Increase rental income by finding new tenants for properties with low occupancy rate
- ✍ Reduce property management costs




Increase revenues per unit

Internal Growth Plan: Cost Reduction

Current Situation and Plan for Cost Reduction

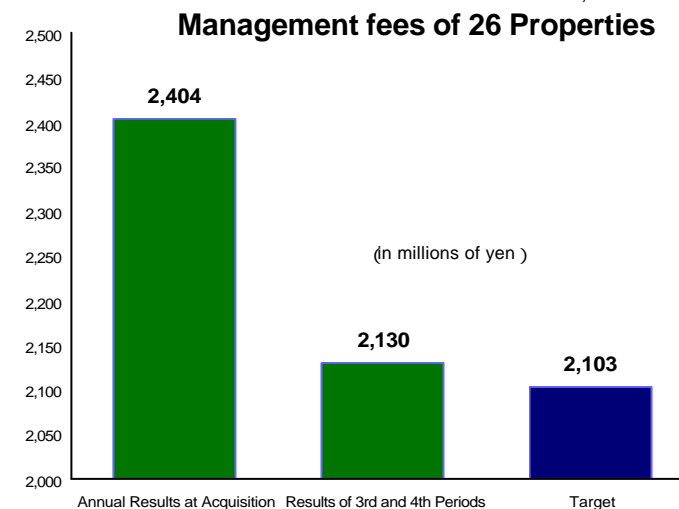
26 Properties

(in millions of yen)

For 24 properties acquired in the 1st period			
	Target	Annual Results at Acquisition (Initial Amount)	Results of 3rd and 4th Period
Property Management Fees		2,320	2,050
Reduction Amount (for the basis)	290	→ 270	
Achievement Rate	-	-	93.1%
For 2 properties acquired in the 2nd and 3rd period (MD Kanda da Vinci Haraiuku)			
	Target	Annual Results at Acquisition	Results in 3rd and 4th Period
Property Management Fees		84	80
Reduction Amount (for the basis)	11	→ 4	
Achievement Rate	-	-	36.4%
Total (For 26 properties acquired in the 1st, 2nd, and 3rd Period)			
	Target	Annual Results at Acquisition	Results in 3rd and 4th Period
Property Management Fees		2,404	2,130
Reduction Amount (for the basis)	301	→ 273	
Achievement Rate	-	-	90.7%

- Basic Policy :Management fees should be cut by 5% of the total amount of the basis (management fees and utilities costs) within three years following the acquisition of properties. Based on this policy, a 7.3% cut in the management fees is the aim of the reduction plan.
- The total planned reduction amount for 26 properties acquired in the 1st, 2nd, and 3rd periods was 301 million yen. The results in the 3rd and 4th periods already see a reduction of 273 million yen, only two years following acquisition, which means 90.7% of the cost reduction target has been achieved.
- That is, a 6.7% cut in the total amount of the basis for the 26 properties is achieved, and this rate surpasses the initial target of 5% set in the basic policy of the cost reduction plan.

* The total amount of the basis is 4,106 million yen.



Achieved over 90% of the reduction plan for 26 properties

Maintenance Work: Implementation and Plans

1. JRE's renovation works

- Prepare mid- to long-term renovation plans for each building
- Conduct renovation work to increase asset profitability
- Implement renovation work to ensure appropriate asset management
- Conduct proper renovation to maintain and enhance the function of buildings
- Review construction estimates and conduct construction administration by third parties

2. Implementation and plans

• Implementation for the 4th period

a. Renovation to attract tenants

(In thousands of yen)

Property Name	Purpose	Accounting Treatment	Cost
Kyoto Shijo Kawaramachi	Addition of individual air-conditioner	Capitalized cost	28,000
Shibuya Cross Tower	Restroom renewal (lower floors)	Capitalized cost/Expense	53,000
Kobe Itomachi	Water heaters renovation at restroom	Capitalized cost	12,000
Mitsubishi Soken	Carpet renewal at corridors	Capitalized cost/Expense	8,000

b. Renovation for appropriate asset management

(In thousands of yen)

Property Name	Purpose	Accounting Treatment	Cost
Shiba 2-chome Daimon	Heat/cool generating systems renewal	Capitalized cost/Expense	94,000
Shibuya Cross Tower	Plumbing pipes and fittings renewal	Capitalized cost/Expense	87,000
Shibuya Cross Tower	System ceilings renewal	Capitalized cost/Expense	20,000
Kanazawa Park	Roters renewal for outdoor air-handling units renewal	Capitalized cost	8,000

• Plans for 5th and 6th Periods

c. Renovation to attract tenants

(In thousands of yen)

Property Name	Purpose	Accounting Treatment	Cost
Ericsson Shin-Yokohama	Interior finishings of rentable areas	Capitalized cost/Expense	100,000
Shibuya Cross Tower	Interior finishings of rentable areas	Capitalized cost/Expense	39,000
Niigata Ishizuecho	Restroom renewal	Capitalized cost	39,000
Shiba 2-chome Daimon	Entrance * Lobby renewal	Capitalized cost	38,000

d. Renovation for appropriate asset management

(In thousands of yen)

Property Name	Purpose	Accounting Treatment	Cost
Shibuya Cross Tower	Plumbing pipes and fittings renewal in building core	Capitalized cost/Expense	335,000
Omori-Eki Higashiguchi	Building automation and monitoring panel boards renewal	Capitalized cost	24,000
Shiba 2-chome Daimon	Exterior wall repair and waterproofing renovation	Capitalized cost/Expense	22,000
Mitsubishi Soken	Gray water supply systems renovation	Capitalized cost	8,000

3. Cost reduction by strict review of construction estimates (during 4th period)

(In thousands of yen)

Number of Works	118
Total cost of construction estimates before inspection	716,000
Total cost of construction estimates after inspection	618,000
Reduced	98,000 (13.7%)

4. 5-year plan of renovation works

(In million of yen)

	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Renovation Works	1,900	1,400	1,400	2,000	2,200	8,900
Annual Depreciation Amount	2,900	2,800	2,700	2,600	2,500	13,500

*35 properties, including Yoyoqi 1chome Building.

External Growth ••Acquisition Plan



Investment Criteria for Property Acquisition

- Geographic Diversification** → 60%-80% in the Tokyo Metropolitan Area
 Balance among Major Local Cities, including Osaka and Nagoya
- Structure** → Adaptation to revised earthquake resistance standards
 or equivalent structure/strength
- Size of Property** → Equal to/more than 3,000m² of building area

Deal Source

FY2002

Area	First Half of FY2002							Second Half of FY2002							Total	%
	Apr	May	Jun	Jul	Aug	Sep	Total	Oct	Nov	Dec	Jan	Feb	Mar	Total		
Tokyo Metropolitan	11	19	24	18	20	28	120	34	16	13	26	17	6	112	232	79.5%
Other Cities	10	6	7	7	2	13	45	1	2	2	4	2	4	15	60	20.5%
Total	21	25	31	25	22	41	165	35	18	15	30	19	10	127	292	100.0%

FY2003

Area	First Half of FY2003							Second Half of FY2003							Total	%
	Apr	May	Jun	Jul	Aug	Sep	Total	Oct	Nov	Dec	Jan	Feb	Mar	Total		
Tokyo Metropolitan	27	22	20	15	14	4	102								102	82.3%
Other Cities	5	6	6	1	4	0	22								22	17.7%
Total	32	28	26	16	18	4	124								124	100.0%

Among 416 properties (including 292 properties acquired in the fiscal year 2002 and 124 properties acquired in the first half of the fiscal year 2003), 13 properties are under due diligence process, valued at 96 billion yen; and 5 properties of 13 are in the process of negotiation for acquisition and valued at 26 billion yen.

4. Business Forecasts

Income Statement Forecast



(in millions of yen)

Term	1st Period	2nd Period	3rd Period	4th Period	5th Period	6th Period
	Ended at Mar 31, 02	Ended at Sep 30, 02	Ended at Mar 31, 03	Ended at Sep 30, 03	Ended at Mar 31, 04	Ended at Sep 30, 04
Number of Properties	24	27	30	32	Forecast 34	Forecast 35
Number of Days	(203 days)	(183 days)	(182 days)	(183 days)	(183 days)	(183 days)
Operating Revenues	6,492	7,910	8,500	8,965	9,400	9,300
Operating Expenses	1,759	2,699	2,798	3,015	3,100	-
NOI	4,732	5,211	5,702	5,950	6,300	-
Depreciation and Amortization	1,100	1,194	1,310	1,393	1,500	-
Operating Profits	3,632	4,017	4,391	4,556	4,800	-
Administrative Expenses	671	630	703	658	600	-
Net Operating Profits	2,961	3,386	3,687	3,898	4,200	4,000
Non-Operating Profits	556	488	428	489	500	-
(Interest Expenses)	241	316	339	414	500	-
Recurring Profits	2,405	2,898	3,259	3,408	3,700	3,600
Net Income	2,403	2,897	3,258	3,407	3,700	3,600
Dividend	2,403	2,897	3,258	3,407	3,700	3,600
Number of Units	160,400 units	225,400 units	225,400 units	225,400 units	260,400 units	260,400 units
Dividend per Unit	14,983 yen	12,853 yen	14,455 yen	15,117 yen	14,200 yen	14,000 yen
Occupancy Rate	94.0%	95.3%	94.4%	95.1%	90.7%	-

Balance Sheet Forecast



(in millions of yen)

Item	5th Fiscal End (Mar 31, 04)	4th Fiscal End (Sep 30, 03)	Change	Reasons for Change
Current Assets				
Cash and entrusted cash	21,586	15,377	6,209	
Other current assets	630	1,031	401	
Total Current Assets	22,216	16,409	5,807	
Fixed Assets				
Property and equipment				
Buildings	64,284	60,112	4,172	Increased due to Jingumae and Ebisu acquisition
Structures	326	326	0	
Machinery and equipment	1,204	1,204	0	
Land	146,666	135,687	10,979	Increased due to Jingumae and Ebisu acquisition
Accumulated depreciation	6,448	4,998	1,450	
Total Property and Equipment	206,032	192,332	13,700	
Intangible Assets				
Lease hold rights	1,546	726	820	Increased due to Jingumae acquisition
Total Intangible Assets	1,546	726	820	
Investments and Others				
Long-term prepaid expenses, etc.	43	52	9	
Total Investments and Others	43	52	9	
Total Fixed Assets	207,621	193,111	14,510	
Deferred Assets				
Bond issuance costs	0	61	61	Decreased due to deferred bond issuance costs
Total Deferred Assets	0	61	61	
Total Assets	229,837	209,581	20,256	

Item	5th Fiscal End (Mar 31, 04)	4th Fiscal End (Sep 30, 03)	Change	Reasons for Change
Liabilities				
Current Liabilities				
Short-term borrowings	5,000	7,000	2,000	Decreased due to repayment of short-term borrowing.
Rent received in advance	1,500	1,444	56	
Other current liabilities	1,200	1,207	7	
Total Current Liabilities	7,700	9,652	1,952	
Long-term Liabilities				
Investment Corporation Bonds	45,000	45,000	0	Increased due to Jingumae and Ebisu acquisition
Long-term borrowings	24,000	24,000	0	
Deposits from tenants	15,989	15,369	620	
Total Long-term Liabilities	84,989	84,369	620	
Total Liabilities	92,689	94,021	1,332	
Unitholder Equity				
Unitholder's capital	133,448	112,152	21,296	increased due to equity finance
Retained earnings	3,700	3,407	293	
Total Unitholder Equity	137,148	115,559	21,589	
Total Liabilities and Unitholder Equity	229,837	209,581	20,256	

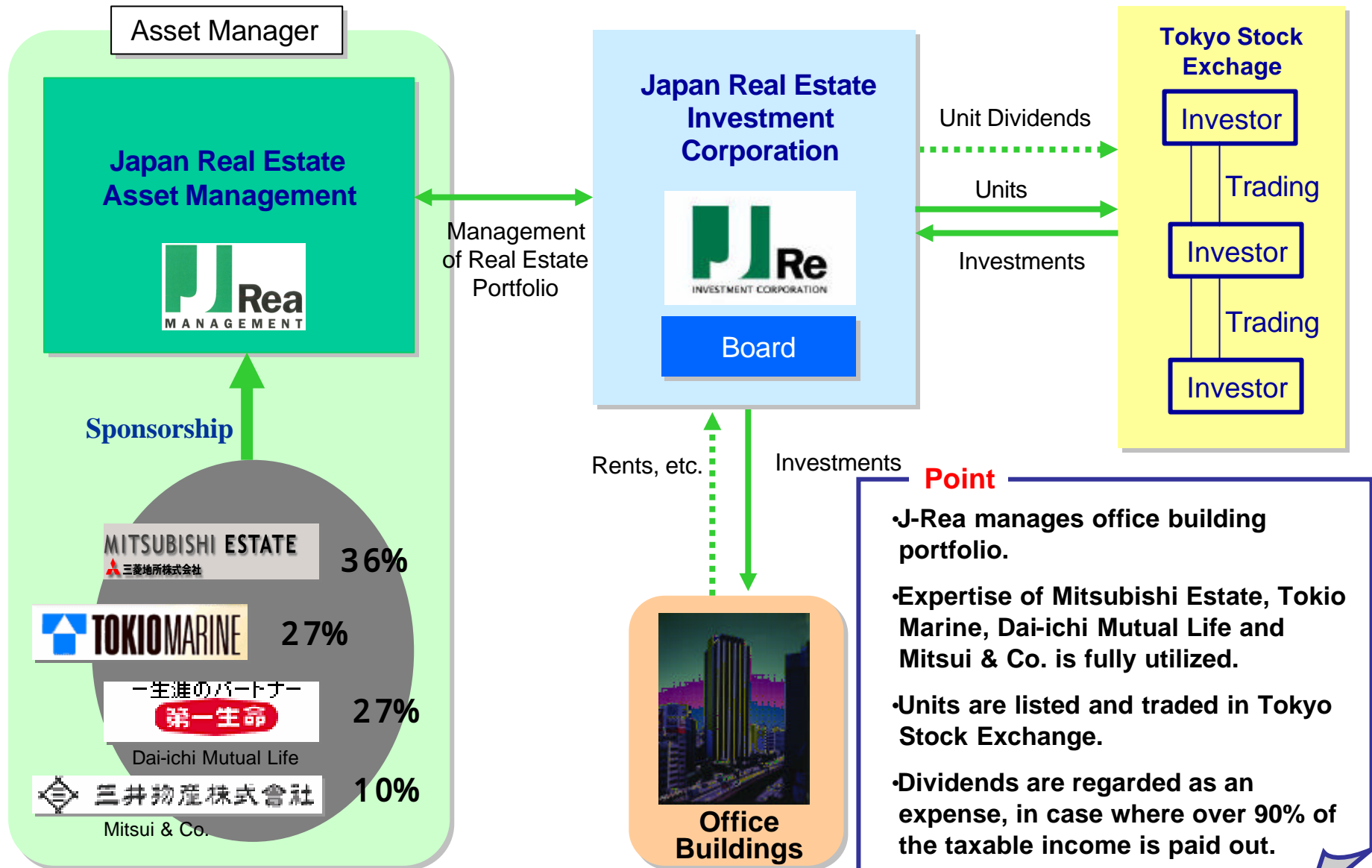
Forecast Property Occupancy Rates



Area		Name	2nd Period (Sep 30, 02)	3rd Period (Mar 31, 03)	4th Period (Sep 30, 03)	5th Period Forecast (Mar 31, 04)
Tokyo Metropolitan Area	23 Wards	Genki Medical Plaza	-	100.0%	100.0%	100.0%
		MD Kanda Building	100.0%	100.0%	100.0%	100.0%
		Kandabashi Park Building	100.0%	100.0%	100.0%	100.0%
		Mitsubishi Soken Building	96.3%	96.3%	100.0%	100.0%
		Yurakucho Denki Building	-	-	100.0%	86.0%
		Kodenmacho Shin-Nihonbashi Building	100.0%	100.0%	100.0%	100.0%
		Burex Kyobashi Building	100.0%	100.0%	100.0%	100.0%
		Aoyama Crystal Building	-	100.0%	100.0%	90.3%
		Shiba 2-chome Daimon Building	89.9%	86.1%	93.2%	93.9%
		Cosmo Kanasugibashi Building	83.2%	100.0%	100.0%	100.0%
		Takanawadai Building	100.0%	100.0%	100.0%	100.0%
		JAL Travel Building	100.0%	100.0%	100.0%	100.0%
		Omori-Eki Higashiguchi Building	95.7%	98.6%	99.4%	99.4%
		da Vinci Harajuku	-	100.0%	100.0%	100.0%
		Jingumae Media Square Building	-	-	-	91.3%
		Shibuya Cross Tower	100.0%	100.0%	94.9%	99.7%
		Ebisu Neonato	-	-	-	100.0%
		Otsuka Higashi-Ikebukuro Building	98.6%	94.6%	96.0%	100.0%
		Ikebukuro 2-chome Building	88.9%	88.8%	100.0%	77.6%
	Average	97.1%	97.6%	97.9%	97.8%	
	Excluding 23 Wards	Saitama Urawa Building	91.1%	91.1%	91.1%	96.0%
		Ericsson Shin-Yokohama Building	100.0%	100.0%	100.0%	17.1%
		Kawasaki Isago Building	93.1%	100.0%	100.0%	100.0%
Average		95.2%	97.8%	97.8%	67.6%	
Other Major Cities	Sendai Honcho Honma Building	100.0%	100.0%	100.0%	95.6%	
	Niigata Ishizuecho Nishi-Bandaibashi Building	82.9%	82.9%	83.5%	95.8%	
	Kanazawa Park Building	93.3%	91.2%	89.2%	89.4%	
	Kanazawa Minamicho Building	88.4%	88.4%	78.0%	78.0%	
	Nagoya Hirokoji Building	99.7%	93.1%	97.3%	94.8%	
	Nagoya Misono Building	-	-	100.0%	100.0%	
	Kyoto Shijo Kawaramachi Building	70.9%	72.6%	89.4%	74.4%	
	Fukusuke Sakaisujihonmachi Building	91.6%	91.6%	91.6%	79.7%	
	Midosuji Daiwa Building	100.0%	91.4%	91.4%	74.2%	
	Kobe Itomachi Building	73.8%	85.1%	89.9%	90.4%	
	Tosei Tenjin Building	80.4%	76.7%	78.5%	78.5%	
	Hinode Tenjin Building	100.0%	98.7%	88.6%	83.6%	
	Average	93.4%	90.1%	91.3%	86.0%	
Average			95.3%	94.4%	95.1%	90.7%

APPENDIX

Structure of JRE



*J-Rea is a separate entity from JRE.

JRE Through an Entire J-REIT Cycle



Listing

Listed Date :2001/9/10

Subscription Price :525,000 yen

Units Issued :160,000

JRE won third place in “Deal of the Year” of *Nikkei Bonds & Financial Weekly*.

Credit Rating

JRE was the first to receive a credit rating as J-REIT

highest level of financial conditions in the real estate industry

S&P A+

Moody's A2

Public Offering

First Public Offering

Issuance Date :
2002/5/8

Subscription Price :
490,980 yen

Units Issued :
65,000 units

Second Public Offering

Issuance Date :
2003/10/25

Subscription Price :
629,000 yen

Units Issued :
35,000 units

JRE won fourth place (placing for the second consecutive year) in “Deal of the Year” of *Nikkei Bonds & Financial Weekly*.

Investment Corporation Bond

1st/2nd/3rd Investment corporation bond issuance

Term :5 and 7 years

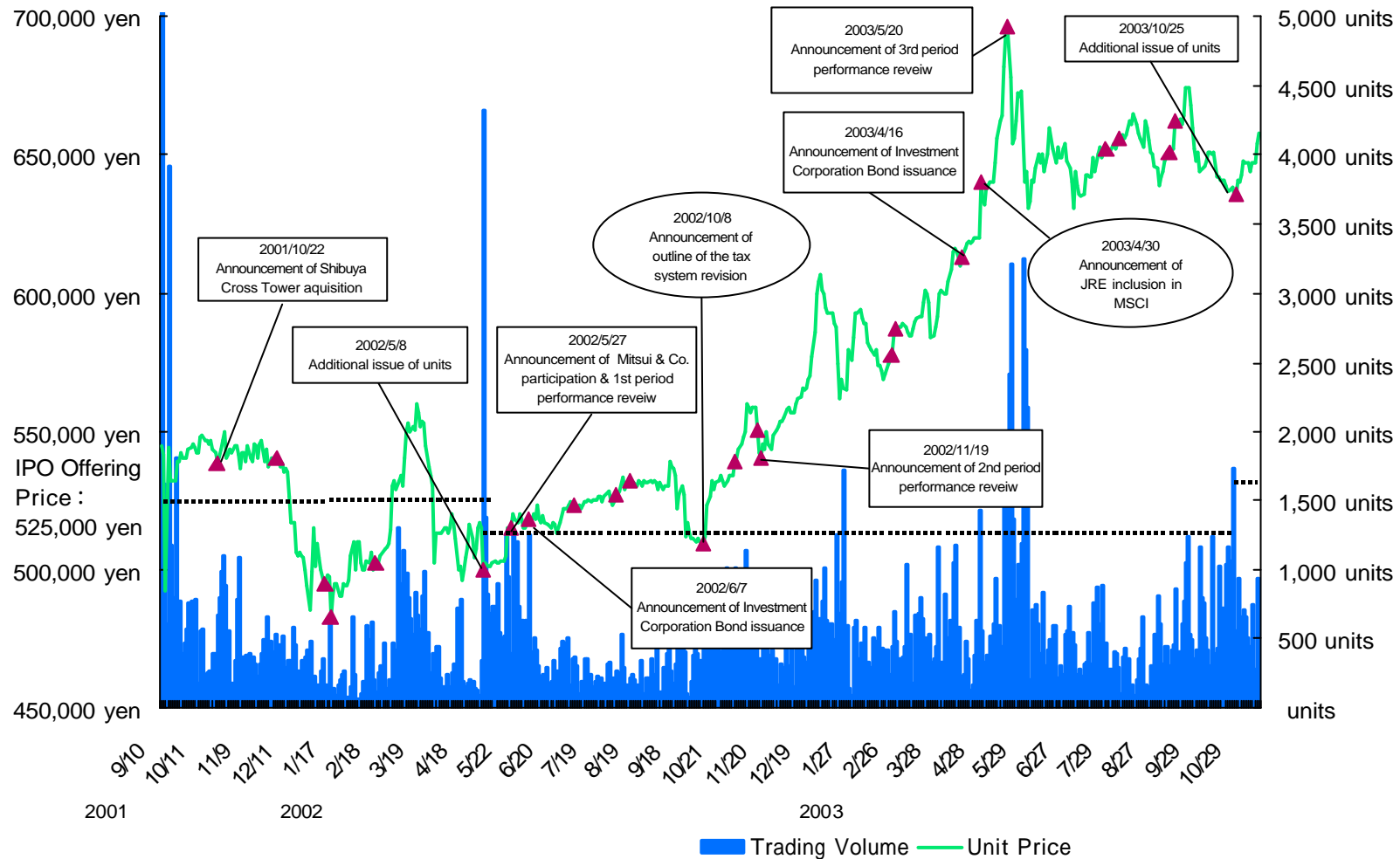
Amount :45 billion yen in total

Credit Rating :
S&P:A+, Moody's:A2

JRE Unit Price Performance and Events after IPO



As of Nov.14, 2003



* Unit prices are based on daily closing prices.

* marks show announcement dates of important issues regarding JRE.

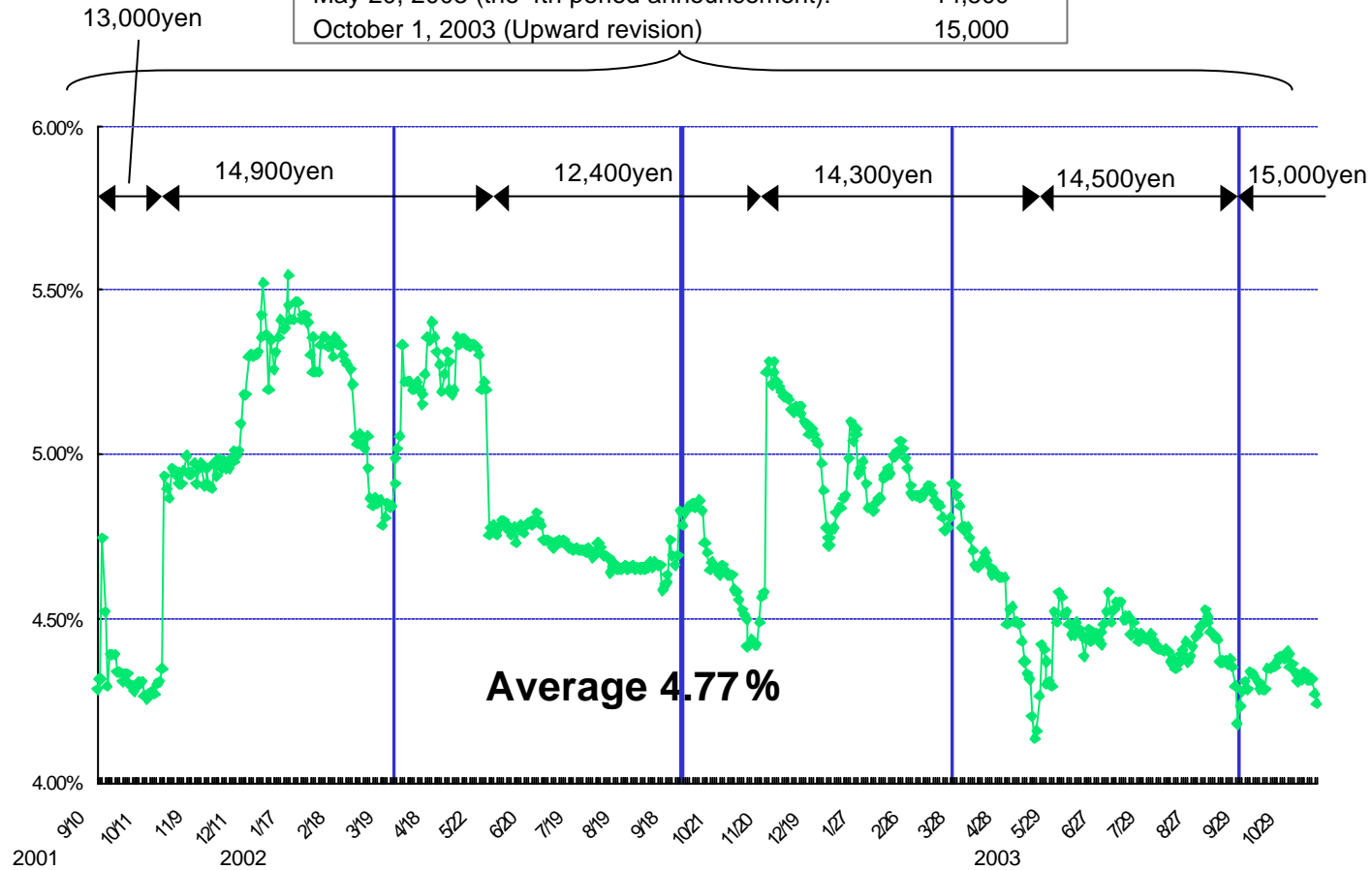
*means JRE's weighted average offering price per unit by the number of outstanding units.

Historical Dividend Yield of JRE Unit



As of Nov.14, 2003

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



* Dividend yield is annualized.
 * Blue lines show ex right date.

Unit Price Performance Relative to Indices



As of Nov.14, 2003



* Share performance is measured based on an offering price of 525,000 yen for JRE and the Sept. 7, 2001 closing price of 1,080.83 yen for TOPIX, 770.21 yen for TPREAL, and 3,140 yen for Tokyo Electric Power Company.

* TPREAL (the TOPIX Real Estate Index) is a weighted index designed to measure the performance of the real estate sector of the TOPIX Index.

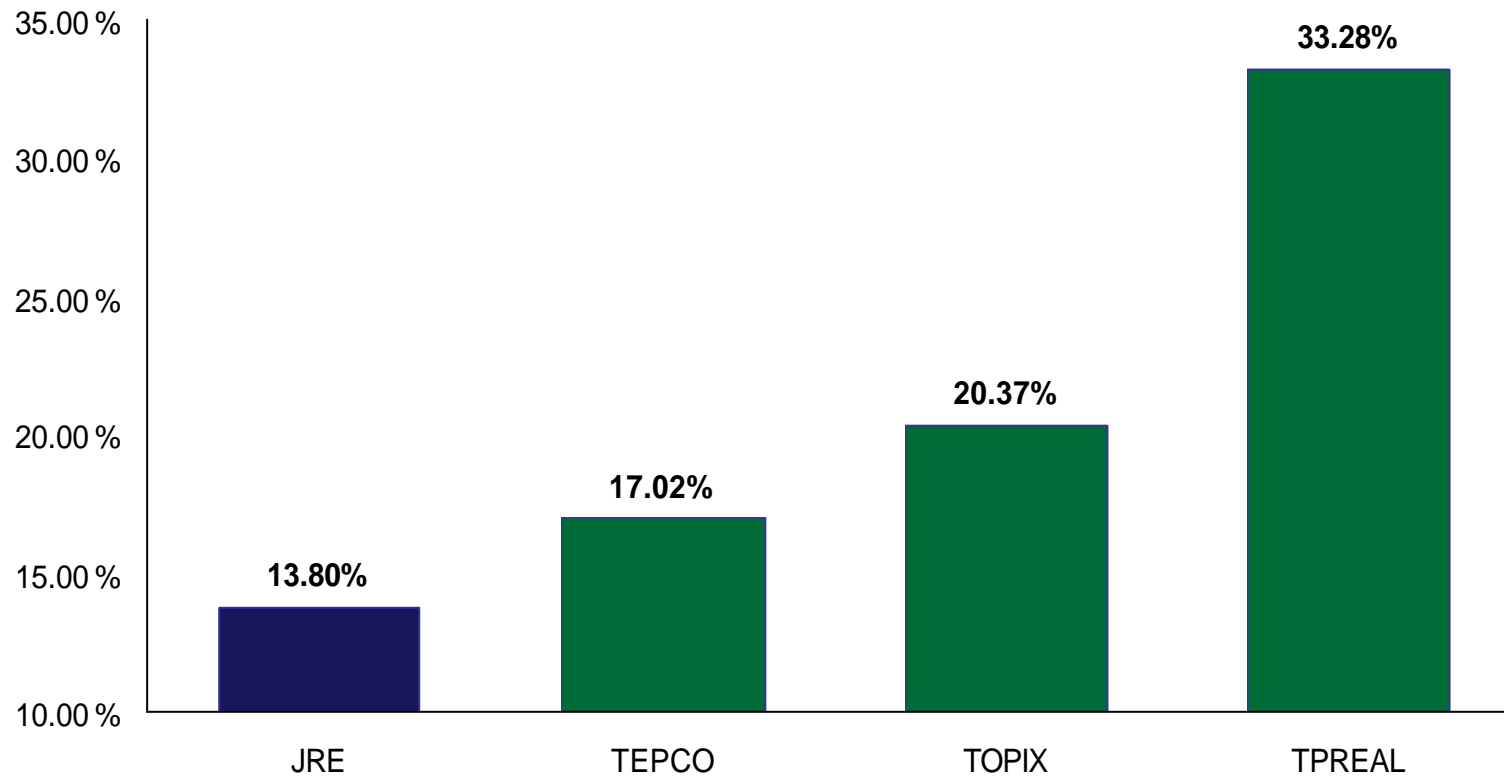
* Stock prices are based on closing prices of each day.

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

Historical Volatility of Unit Price



As of Nov.14, 2003



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

* Source: Bloomberg

Performance of 30 Properties



(in thousands of yen)

Performance of the 30 properties (3rd Period : Oct. 2002 ~ Mar. 2003)

Item	3rd Period
Revenues	8,957,498
Operating Expenses(Excluding Depreciation)	2,895,029
NOI	6,062,468
Depreciation	1,369,540
Operating Profits	4,692,929

Performance of the 30 properties (4th Period : Apr. 2003 ~ Sep. 2003)

Item	4th Period
Revenues	8,828,506
Operating Expenses(Excluding Depreciation)	2,982,884
NOI	5,845,622
Depreciation	1,375,963
Operating Profits	4,469,659

Assumption :

Properties acquired in the 3rd period are assumed to have begun operation on Oct. 1, 2002.

Tokyo Metropolitan Area (23 Wards)

Item	Mitsubishi Soken		Kodenmachi Shin-Nihonbashi		Shiba 2-chome Daimon		Cosmo Kanasugibashi	
	3rd Period	4th Period	3rd Period	4th Period	3rd Period	4th Period	3rd Period	4th Period
Revenues	972,791	972,608	161,061	160,847	314,228	287,938	111,909	132,775
Operating Expenses(Excluding Depreciation)	352,358	292,200	55,945	56,883	152,835	123,057	62,020	41,318
NOI	620,433	680,408	105,116	103,964	161,393	164,882	49,889	91,457
Depreciation	63,173	62,839	28,033	27,992	30,058	31,771	22,575	22,522

Item	Takanawadai		JAL Travel		Omori-Eki Higashiguchi		Otsuka Higashi-Ikebukuro	
	3rd Period	4th Period	3rd Period	4th Period	3rd Period	4th Period	3rd Period	4th Period
Revenues	141,012	140,937	103,821	104,855	292,670	274,277	190,982	191,030
Operating Expenses(Excluding Depreciation)	65,496	50,292	32,723	54,594	85,179	89,926	72,692	63,329
NOI	75,516	90,645	71,098	50,261	207,491	184,351	118,290	127,701
Depreciation	23,619	23,414	15,044	15,055	60,117	59,739	42,152	42,016

Item	Ikebukuro 2-chome		Shibuya Cross Tower		MD Kanda		Burex Kyobashi	
	3rd Period	4th Period	3rd Period	4th Period	3rd Period	4th Period	3rd Period	4th Period
Revenues	76,036	81,420	1,619,884	1,555,237	375,286	370,746	150,000	150,000
Operating Expenses(Excluding Depreciation)	27,749	27,317	598,084	609,869	46,312	68,775	772	14,144
NOI	48,289	54,103	1,021,800	945,368	328,974	301,971	149,228	135,856
Depreciation	13,849	13,735	245,909	252,874	49,226	49,241	37,867	37,867

Item	Kandabashi Park	
	3rd Period	4th Period
Revenues	198,004	196,396
Operating Expenses(Excluding Depreciation)	3,085	28,613
NOI	194,919	167,783
Depreciation	27,585	27,599

Tokyo Metropolitan Area (Ex. 23 Wards)

Item	Saitama Urawa		Kawasaki Isago		Ericsson Shin-Yokohama	
	3rd Period	4th Period	3rd Period	4th Period	3rd Period	4th Period
Revenues	147,554	141,188	195,772	195,911	186,248	179,370
Operating Expenses(Excluding Depreciation)	41,775	40,008	72,028	75,343	57,587	62,867
NOI	105,779	101,180	123,744	120,568	128,661	116,503
Depreciation	23,100	23,020	45,025	44,567	44,334	44,394

Item	Sendai Honcho Honma		Niigata Ishizucho Nishi-Bandaibashi		Kanazawa Minamicho		Kanazawa Park	
	3rd Period	4th Period	3rd Period	4th Period	3rd Period	4th Period	3rd Period	4th Period
Revenues	164,996	165,524	82,639	76,655	94,104	79,631	553,592	541,220
Operating Expenses(Excluding Depreciation)	45,342	48,304	34,668	37,757	32,728	37,684	223,376	252,320
NOI	119,654	117,220	47,971	38,898	61,376	41,947	330,216	288,900
Depreciation	31,094	30,690	12,210	12,317	13,806	13,714	87,554	87,670

Other Major Cities

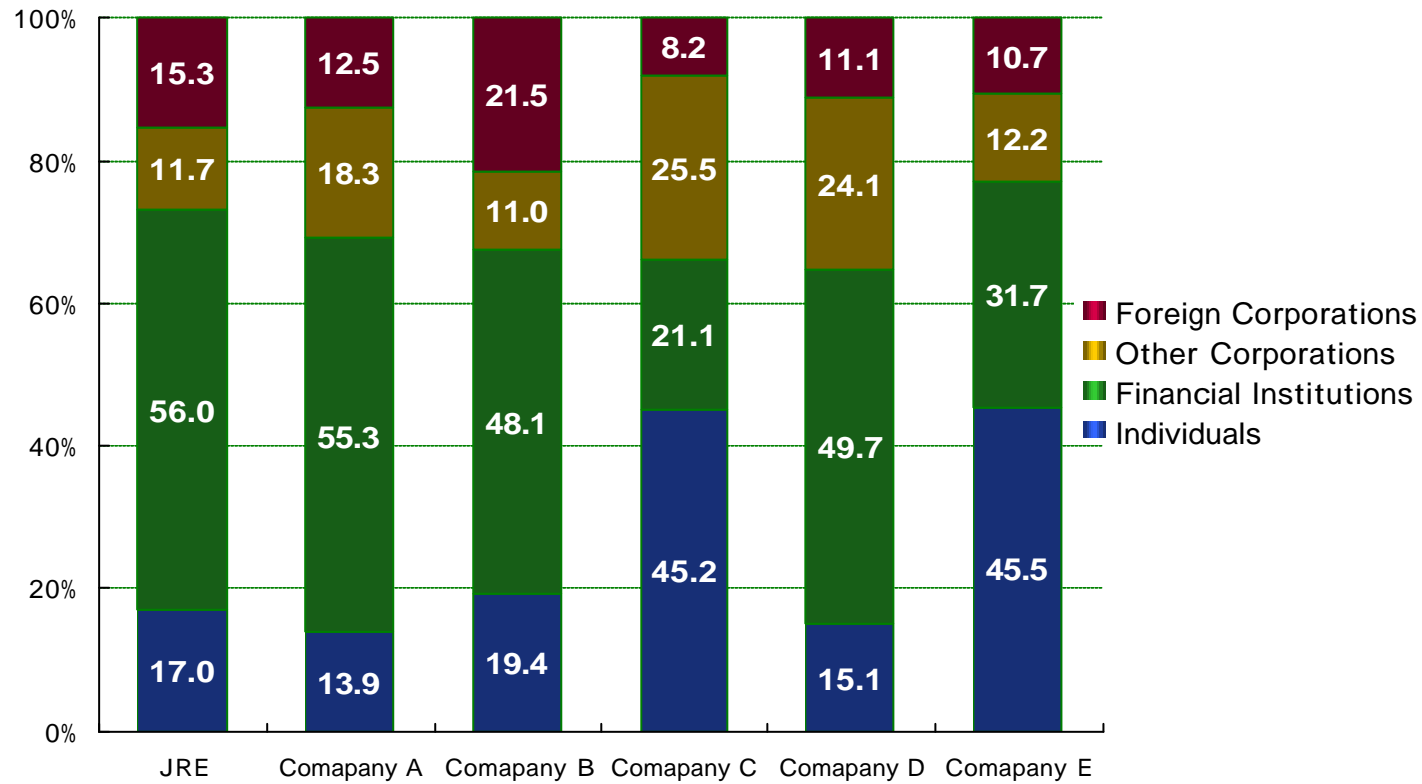
Item	Nagoya Hirokoji		Kyoto Shijo Kawaramachi		Midosuji Daiwa		Fukusuke Sakaisujihonmachi	
	3rd Period	4th Period	3rd Period	4th Period	3rd Period	4th Period	3rd Period	4th Period
Revenues	811,894	763,015	127,790	137,211	830,653	768,667	161,642	163,207
Operating Expenses(Excluding Depreciation)	299,489	283,949	53,662	62,204	195,258	222,548	64,179	58,604
NOI	512,405	479,066	74,128	75,007	635,395	546,119	97,463	104,603
Depreciation	148,844	146,589	30,788	31,671	102,522	101,925	25,647	25,346

Item	Kobe Itomachi		Hinode Tenjin		Tosei Tenjin	
	3rd Period	4th Period	3rd Period	4th Period	3rd Period	4th Period
Revenues	70,336	71,464	215,971	196,984	98,028	93,473
Operating Expenses(Excluding Depreciation)	39,209	35,676	66,699	70,907	37,222	42,337
NOI	31,127	35,788	149,272	126,077	60,806	51,136
Depreciation	14,588	14,554	34,273	34,053	22,204	22,016

Properties Acquired in the 3rd Period

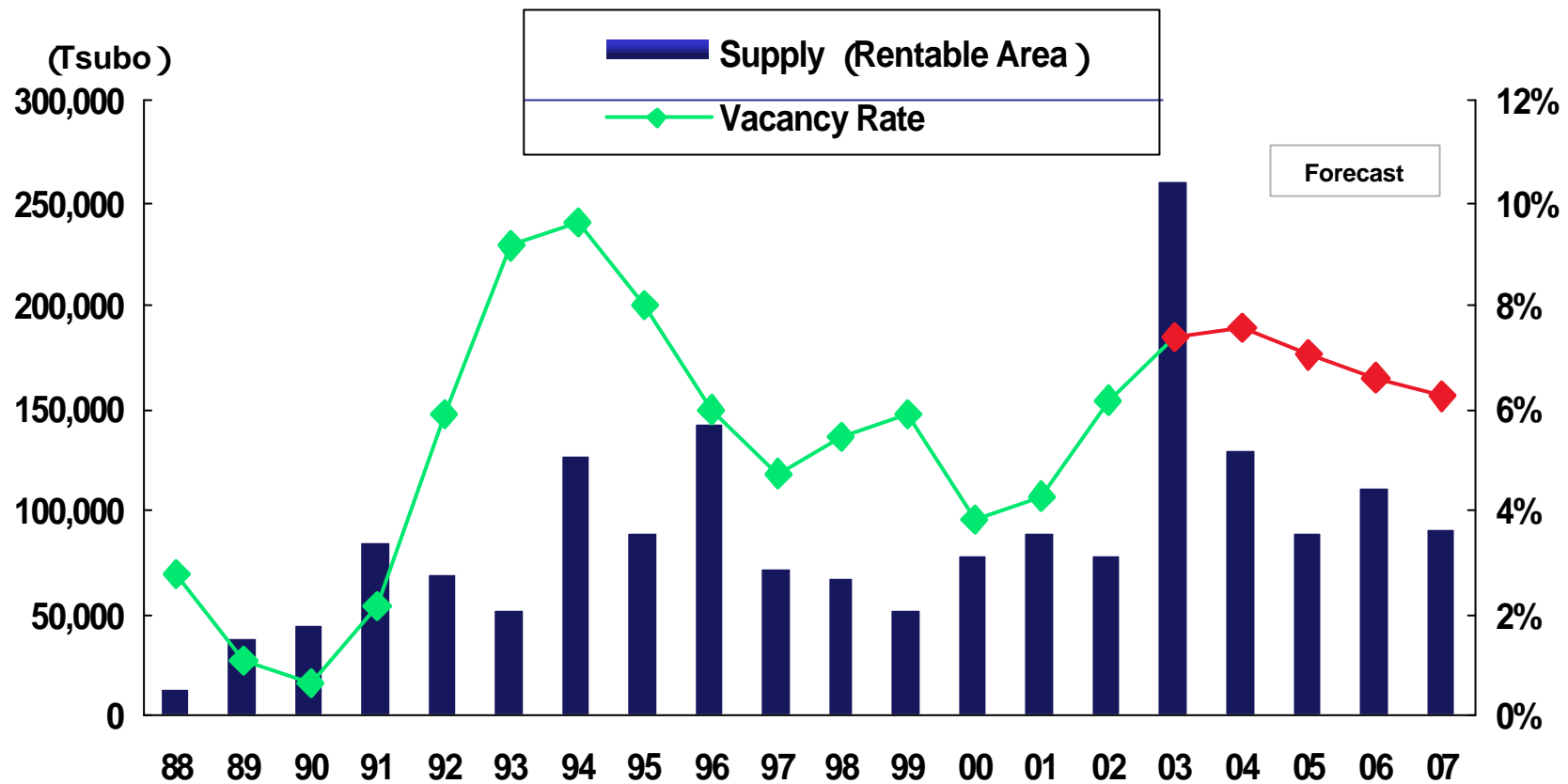
Item	Genki Medical Plaza		da Vinci Harajuku		Aoyama Crystal	
	3rd Period	4th Period	3rd Period	4th Period	3rd Period	4th Period
Revenues	84,637	194,029	185,283	189,260	238,673	252,630
Operating Expenses(Excluding Depreciation)	37,424	55,497	25,150	46,544	14,034	30,018
NOI	47,213	138,532	160,133	142,716	224,639	222,612
Depreciation	23,445	24,933	16,629	16,707	34,269	35,133

Comparison of Unitholder Composition



↳ High ratio of Financial Institutions and Foreign Corporations

Overview of Tokyo Office Market



Source: Ikoma Data Service System (DSS) 'The Real Estate White Paper 2003'

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

Disclaimer on Forecasts

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