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- 02 Financial Results
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- 06 Appraisal Values and  
Financial Conditions



Japan Real Estate Investment Corporation

## Performance Review

for Fiscal Period Ended September 30, 2017

November 15, 2017

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# Summary (Financial Results for Sep. 2017 period)

## DPU

**9,096 yen**

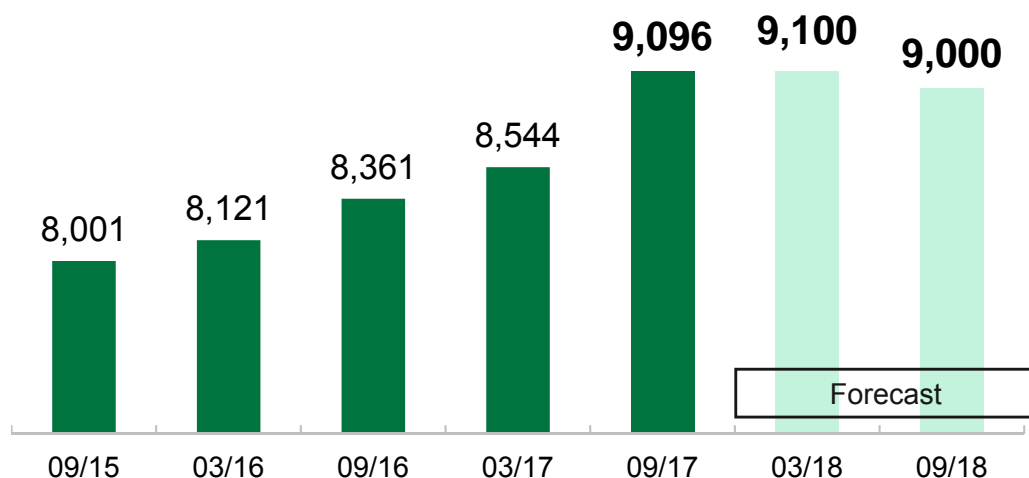
(vs. Mar. 2017 period: **+552 yen +6.5%**)

(vs. forecast announced in May 2017:

**+286 yen +3.2%**)

### 〈Trend of DPU〉

(yen)



## Internal Growth

- Occupancy rate at the end of Sep. 2017 period **99.1%**  
(highest since its IPO in 2001)
- Net increase in rent due to rent revision Monthly rent basis **+¥24 million**
- Net increase in rent due to tenant turnover Monthly rent basis **+¥11 million**

## External Growth

- Additional Acquisition Shiodome Building **¥10,530 million**

## Financial Strategy

- Interest-bearing debt at the end of Sep. 2017 period **¥375,500 million**  
(vs. Mar. 2017 period: +¥6,500 million)
- Average interest rate **0.64%**  
(vs. Mar. 2017 period: ↓0.07pt)

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# Financial Results for Sep. 2017 period

vs. Mar. 2017 period Actual

(In millions of yen)

	Actual Mar. 2017 period	Changes	Actual Sep. 2017 period
Operating revenues	30,818	+899	<b>31,718</b>
Operating expenses	18,251	+288	<b>18,539</b>
Operating profit	12,567	+611	<b>13,178</b>
Ordinary profit	11,197	+723	<b>11,921</b>
Profit	11,186	+723	<b>11,909</b>
DPU	8,544 yen	+552 yen	<b>9,096 yen</b>

Main factors affecting increase and decrease

## ■ Operating revenues

Acquired and disposed properties	+390M
Existing properties	
Rent	+370M
Utilities and other revenues	+172M
Gain on sales of real estate properties	-33M

## ■ Operating expenses

Acquired and disposed properties	+118M
Existing properties	
Property management expenses	-132M
Utilities expenses	+205M
Property and other taxes	-1M
Repairing expenses	-98M
Depreciation	-36M

## ■ Non-operating expenses

Interest expenses	-104M
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# Financial Results for Sep. 2017 period

## vs. Forecasts

(In millions of yen)

	Forecast announced in May 2017	Changes	Actual Sep. 2017 period
Operating revenues	31,590	+128	<b>31,718</b>
Operating expenses	18,740	-200	<b>18,539</b>
Operating profit	12,840	+338	<b>13,178</b>
Ordinary profit	11,550	+371	<b>11,921</b>
Profit	11,540	+369	<b>11,909</b>
DPU	8,810 yen	+286 yen	<b>9,096 yen</b>

## Main factors affecting increase and decrease

### ■ Operating revenues

Additional property acquisitions	+36M
Buildings (Other)	
Rent	+69M
Utilities and other revenues	+32M

### ■ Operating expenses

Additional property acquisitions	+11M
Buildings (Other)	
Property management expenses	+54M
Utilities expenses	-249M
Property and other taxes	-2M
Repairing expenses	-32M
Depreciation	+10M

### ■ Non-operating expenses

Interest expenses	-24M
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# Performance Forecast for Mar. 2018 period

vs. Sep. 2017 period Actual

(In millions of yen)

	Actual Sep. 2017 period	Changes	Forecast Mar. 2018 period
Operating revenues	31,718	+1	<b>31,720</b>
Operating expenses	18,539	+0	<b>18,540</b>
Operating profit	13,178	+1	<b>13,180</b>
Ordinary profit	11,921	-1	<b>11,920</b>
Profit	11,909	+0	<b>11,910</b>
DPU	9,096 yen	+4 yen	<b>9,100 yen</b>

Main factors affecting increase and decrease

■ **Operating revenues**

Acquired properties	+173M
Existing properties	
Rent	-19M
Utilities and other revenues	-162M

■ **Operating expenses**

Acquired properties	+58M
Existing properties	-77M

■ **Non-operating expenses**

Interest expenses	-25M
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# Performance Forecast for Sep. 2018 period

vs. Mar. 2018 period Forecast

(In millions of yen)

	Forecast Mar. 2018 period	Changes	Forecast Sep. 2018 period
Operating revenues	31,720	+40	<b>31,760</b>
Operating expenses	18,540	+210	<b>18,750</b>
Operating profit	13,180	-170	<b>13,010</b>
Ordinary profit	11,920	-130	<b>11,790</b>
Profit	11,910	-130	<b>11,780</b>
DPU	9,100 yen	-100 yen	<b>9,000 yen</b>

Main factors affecting increase and decrease

■ **Operating revenues**

Rent	+70M
Utilities and other revenues	-30M

■ **Operating expenses**

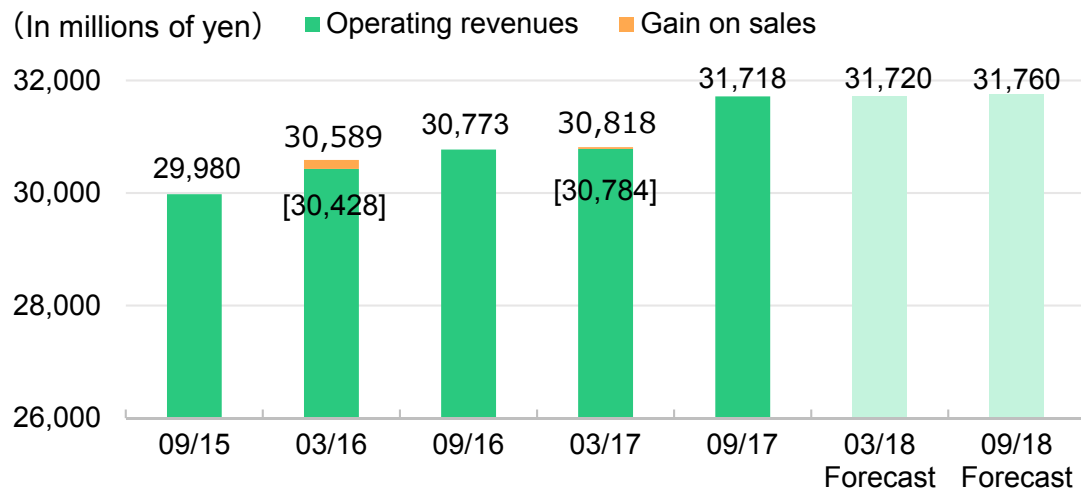
Property-related expenses	+230M
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■ **Non-operating expenses**

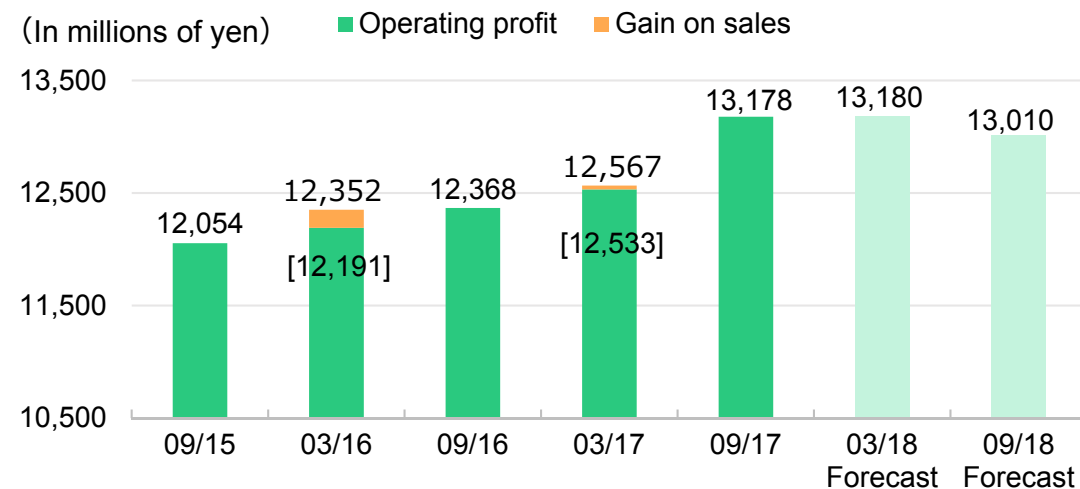
Interest expenses	-20M
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# Summary of Performance Indices

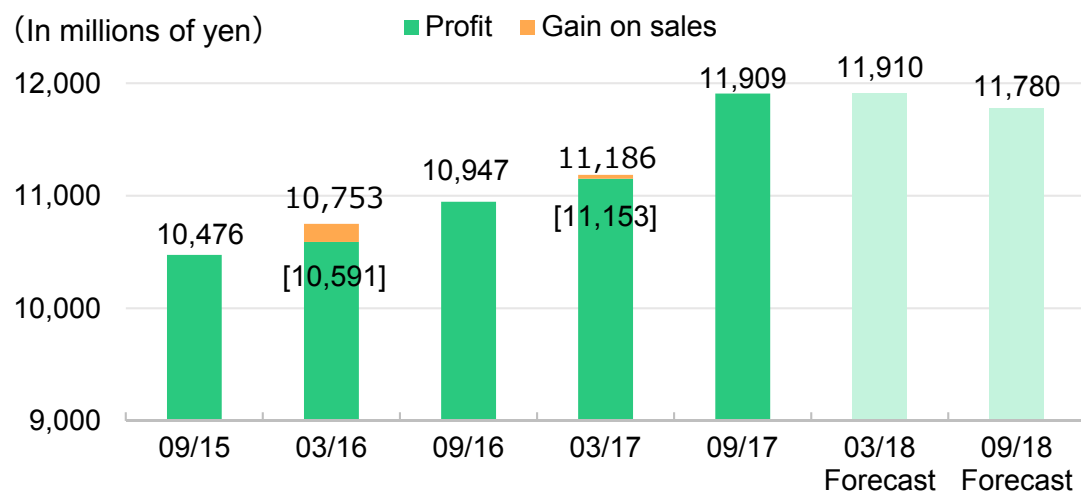
## 〈Trend of operating revenues〉



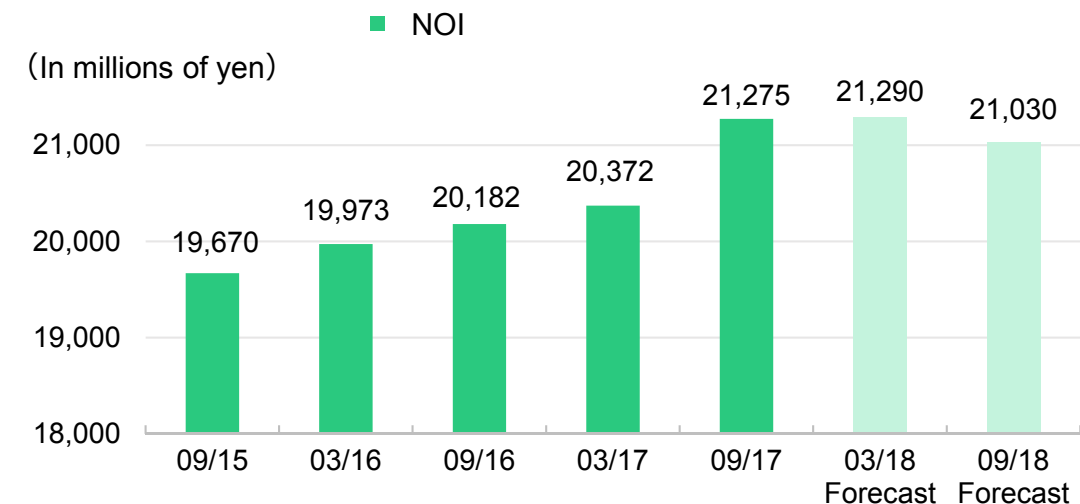
## 〈Trend of operating profit〉



## 〈Trend of profit〉



## 〈Trend of NOI〉



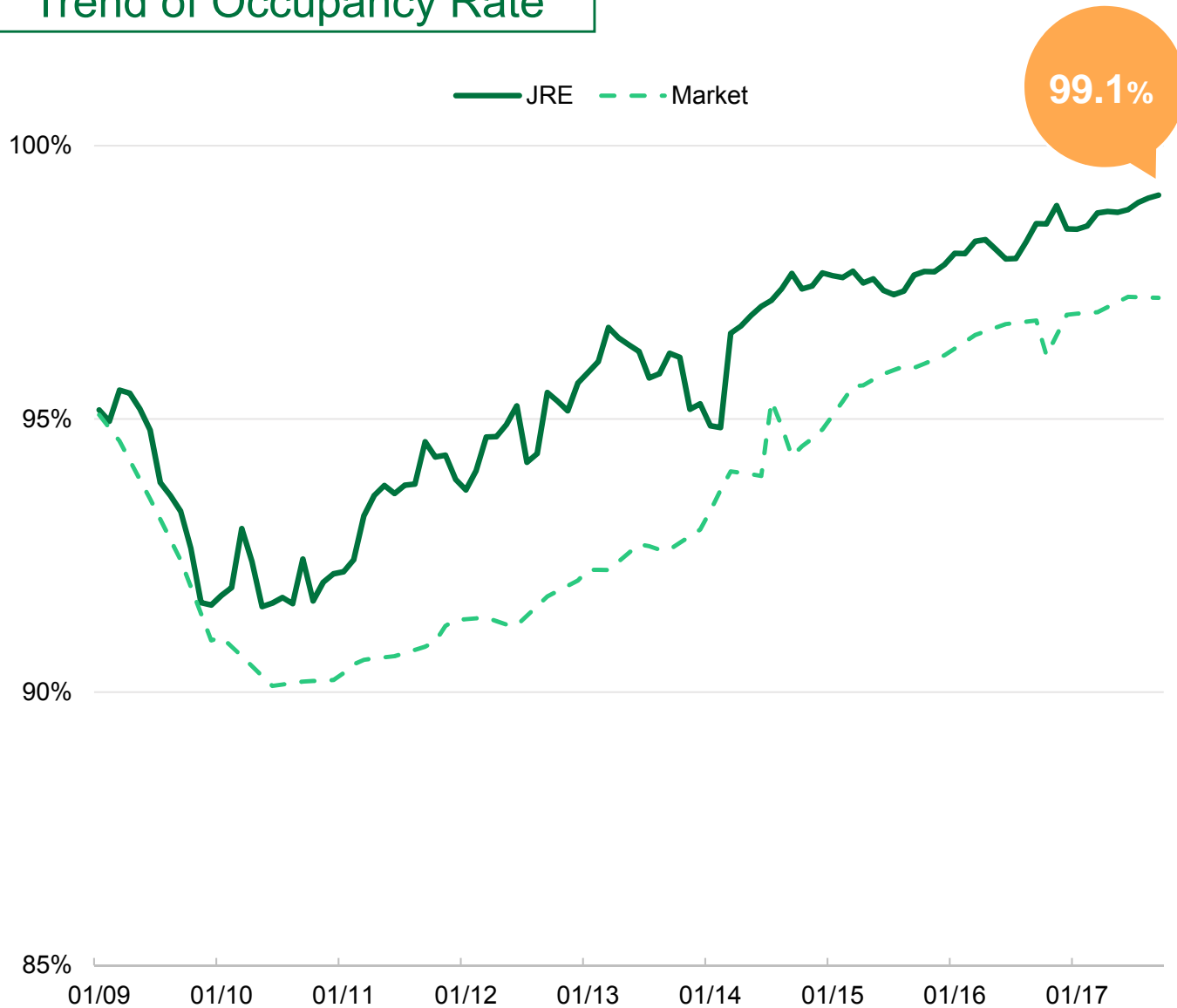
※ Amounts in [ ] do not include gain on sales



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# Internal Growth

## Trend of Occupancy Rate



- JRE's occupancy rate shows **stable trend at a high level** which exceeds market occupancy rate
- Occupancy rate as of the end of Sep. 2017 period **exceeded the previous period (98.8% as of Mar. 2017 period)** which was the highest since its IPO in 2001
- Estimated occupancy rate of the portfolio for the end of Mar. 2018 period is **98.8%**

※Source: CBRE

# Internal Growth

## Net Increase of Monthly Contract Rent

Monthly contract rent as of the end of Sep. 2017 period

**¥4,752 million**

(Increase from Mar. 2017 period: **+¥74 million+1.6%**)

**External Growth**  
**+¥38 million**

**Internal Growth**  
**+¥36 million**

Tenant Turnover: **+11**  
(Leased +99 Returned -87)

Rent Revision: **+24**  
(Increase +25 Decrease -0.4)

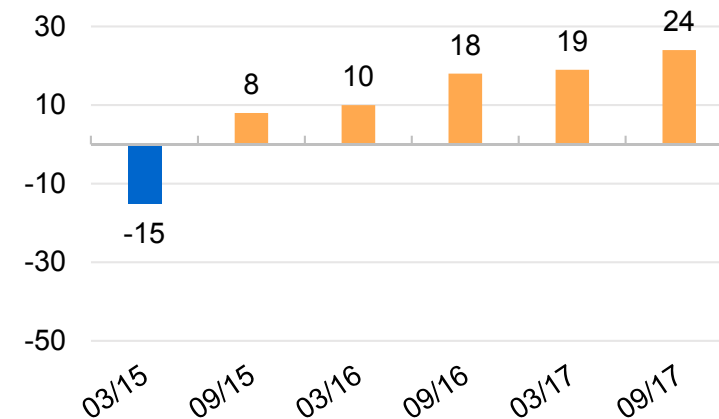
Monthly contract rent as of the end of Mar. 2017 period

**¥4,678 million**

■ Rent revision has moved upward for **five consecutive periods**

〈Trend of rent revision (net change)〉

(In millions of yen)



# Internal Growth

## Assessed Rent of the Portfolio

Properties with assessed rent increased from  
the preceding six months

**42** / 61 properties

### Tokyo Central 3 Wards

**13** / 18 properties      Increase rate of **1.9%**

### Other Tokyo 20 Wards

**10** / 15 properties      Increase rate of **2.6%**

### Other Areas

**19** / 28 properties      Increase rate of **3.8%**

■ Both properties with increase in assessed rent and increase rate have exceeded the previous period, and is continuing its moderate increase.

■ Zero properties with decline in assessed rent.

■ Actual for the Previous period

21/60 properties

Tokyo central 3 wards: 8/18 properties

Increase rate of 1.0%

Other Tokyo 20 wards: 5/15 properties

Increase rate of 1.2%

Other areas: 8/27 properties

Increase rate of 1.9%

※ Of the 68 properties held in total by JRE as of September 30, 2017, 61 properties which are comparable with the assessed rent for the preceding six months (excluding properties in unusual situations, including single-tenant leased properties) are subject to the comparison.

# Internal Growth

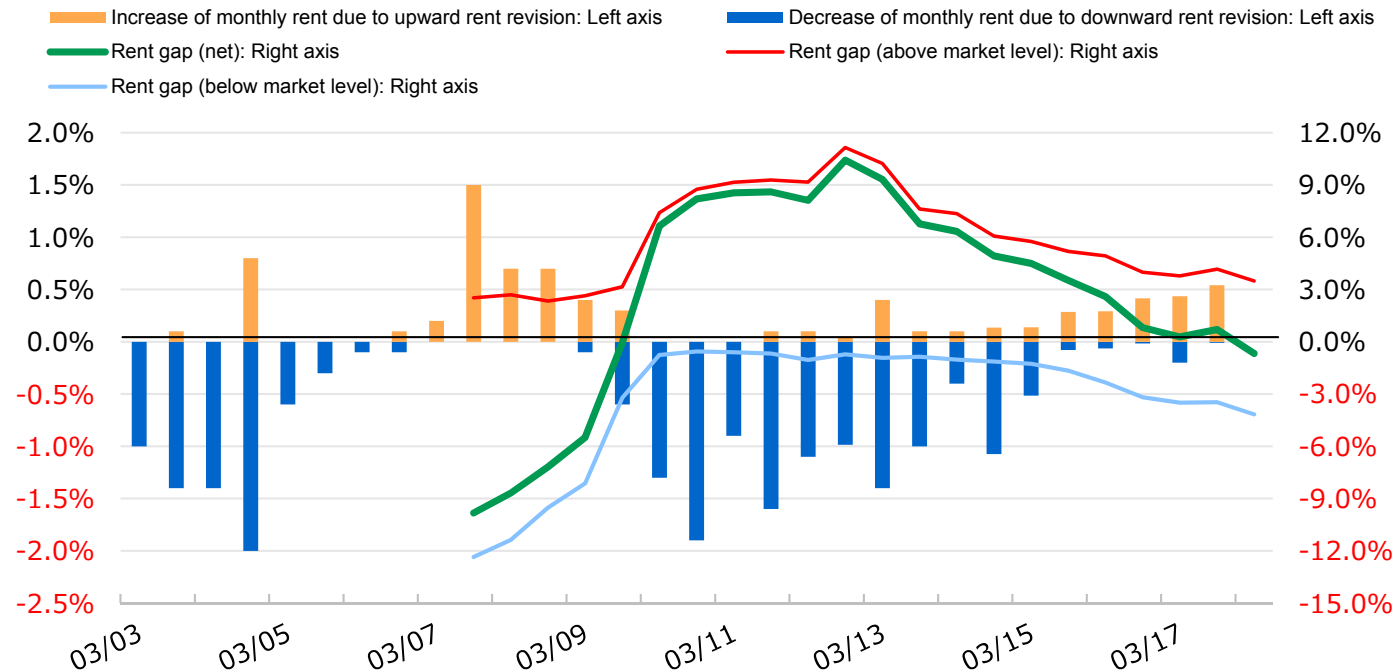
## Rent Gap

### Rent gap of overall portfolio

**-¥32 million**

(Gap Ratio: **-0.7%**)

## Trend of Rent Gap



- Market rent exceeded the rent of overall portfolio due to increase in assessed rent.
- Upward rent revision was smoothly in progress during Sep. 2017 period and is expected to continue.

※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.

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# External Growth

## Additional acquisition of Shiodome Building

### ■ Details of the property

Location: **1-2-20, Kaigan, Minato-ku, Tokyo**

Building: **Above ground: 24 floors Below ground: 2 floors**

Total floor area **115,930m<sup>2</sup>** (Entire building)

Total leasable floor area **4,019m<sup>2</sup>** (Additional acquisition)

Completion date: **December 2007**

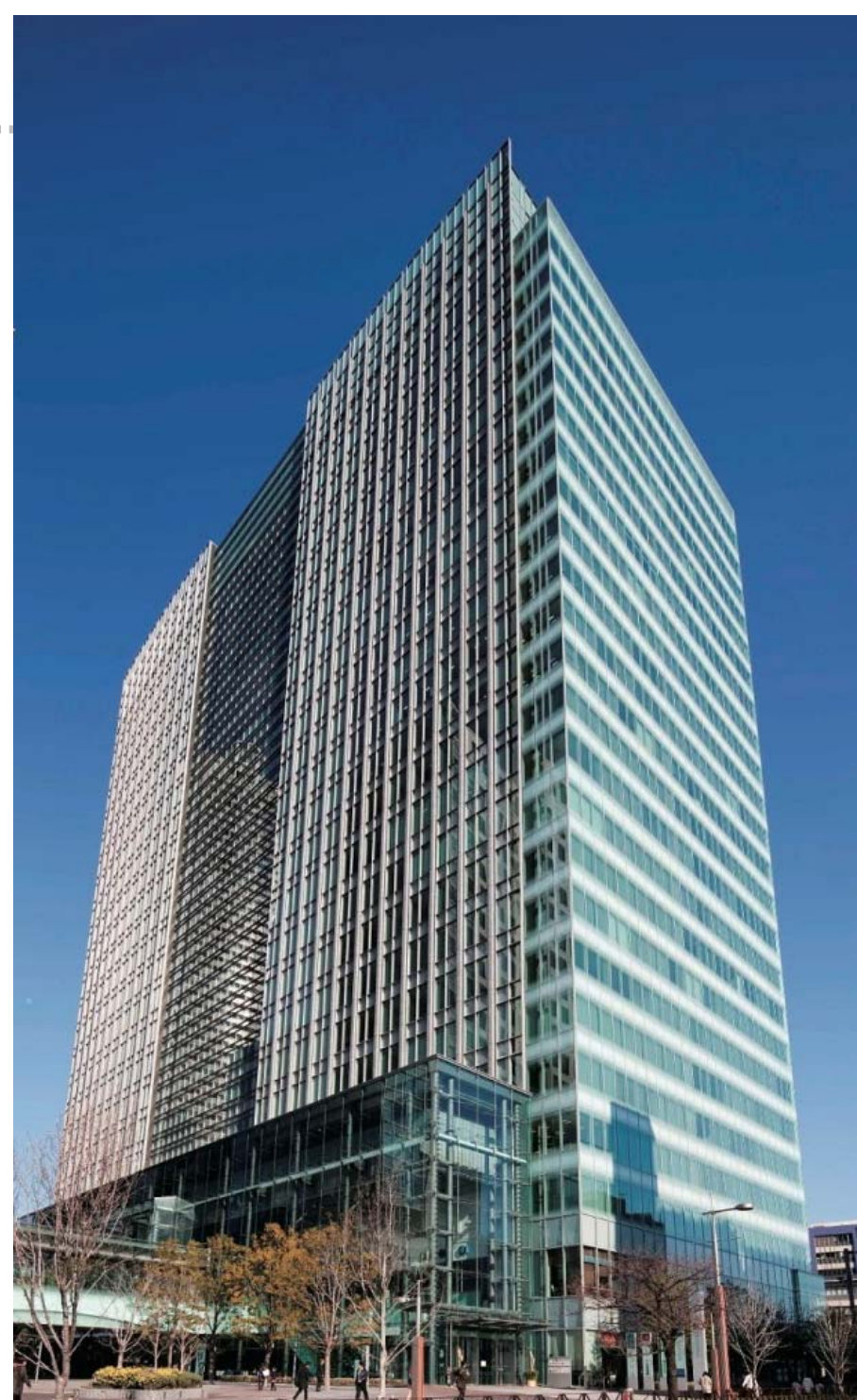
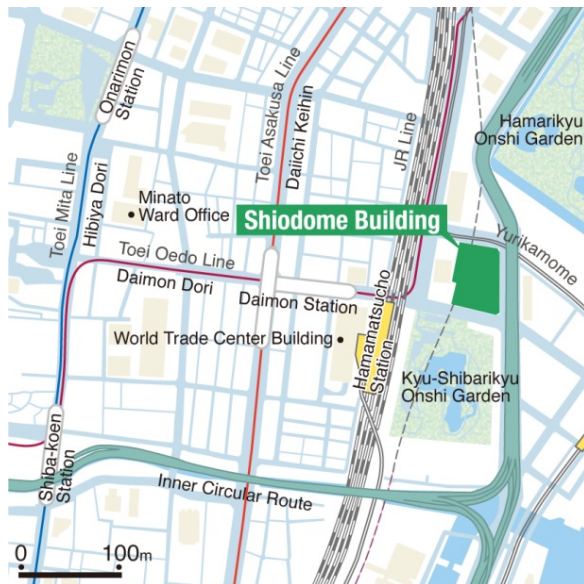
### ■ Acquisition price **¥10,530 million**

(Acquired additional 5% of the entire building/JRE's share: 50%→55%)

### ■ Date of acquisition **September 1, 2017**

### ■ Estimated NOI **¥368 million per year** (NOI yield **3.5%**)

### ■ Seller **Mitsui & Co. Real Estate Ltd.**



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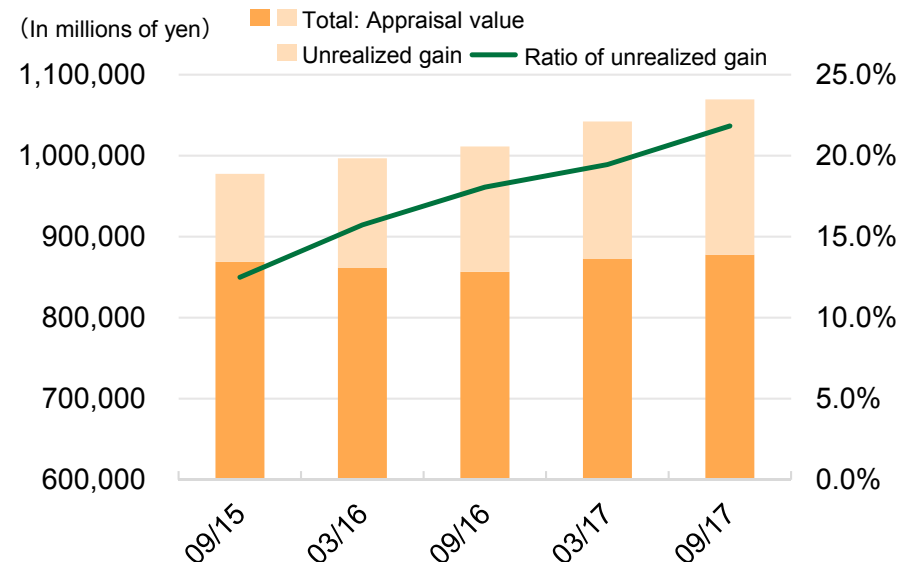
# Appraisal Values

## Summary of Appraisal Values

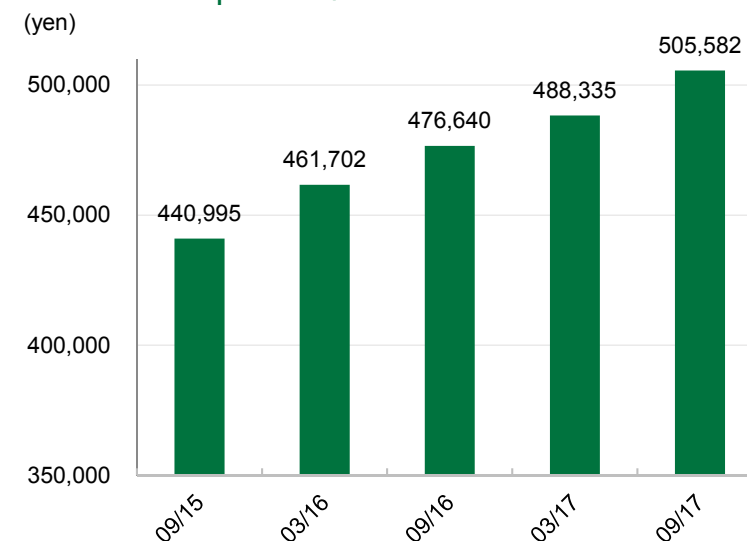
(In millions of yen)

	End of Mar. 2017 period	Changes	End of Sep. 2017 period
Appraisal value	1,042,319	+27,161	<b>1,069,480</b>
Unrealized gain	169,784	+21,858	<b>191,642</b>
Ratio of unrealized gain	19.5%	+2.4pt	<b>21.8%</b>
NAV per unit	488,335 yen	+17,247 yen	<b>505,582 yen</b>

### 〈Trend of appraisal value/unrealized gain〉



### 〈Trend of NAV per unit〉



# Financial Conditions

## Summary of Debts

(In millions of yen)

	End of Mar. 2017 period	Changes	End of Sep. 2017 period
Balance of interest-bearing debt	369,000	+6,500	<b>375,500</b>
LTV (Book value basis)	41.1%	+0.3pt	<b>41.4%</b>
LTV (Market value basis)	34.5%	-0.4pt	<b>34.2%</b>

※ Market value based LTV is calculated by adding unrealized gain to the EOP total assets

- Total interest-bearing debts increased due to acquisition of properties during Sep. 2017 period
- Continue to maintain flexible framework when procuring funds against a background of good portfolios even after implementing fund procurement due to property acquisition

# Financial Conditions

## Average Interest Rate and Maturity

(In millions of yen)

	Balance	Average interest rate	Average maturity
Short-term loans	34,500	0.07%	0.44 years
Long-term Loans (Variable interest)	17,000	0.05%	5.03 years
Current portion of long-term loans (Fixed interest), Investment corporation bonds	46,000	<b>0.89%</b>	0.63 years
Long-term loans (Fixed interest), Investment corporation bonds	278,000	0.70%	4.87 years
Total interest-bearing debt	375,500	0.64%	3.95 years

### Recent borrowings

Lender	<b>The Norinchukin Bank</b>
Amount of loan	<b>¥5,000 million</b>
Interest rate	<b>0.24% (Fix)</b>
Borrowing period	<b>7 years</b>
Start of loan period	<b>September 1, 2017</b>
Lender	<b>The Bank of Fukuoka, Ltd.</b>
Amount of loan	<b>¥1,500 million</b>
Interest rate	<b>0.1325% (Fix)</b>
Borrowing period	<b>4 years</b>
Start of loan period	<b>August 31, 2017</b>
Lender	<b>Shinkin Central Bank, Resona Bank, Limited</b>
Amount of loan	<b>¥2,000 million (Total)</b>
Interest rate	<b>0.07%</b>
(1M. JPY Tibor + 4bp as of the end of Oct. 2017)	
Borrowing period	<b>1 year</b>
Start of loan period	<b>September 1, 2017</b>

### Issuance of USD-denominated investment corporation bonds (private placement)

Amount of issuance	USD26,500,000
Interest rate	3.02% (USD)

Due to currency swap, funds/interest rates are:  
approx. **¥2,993 million / 0.2788%**  
**(JPY fixed interest)**

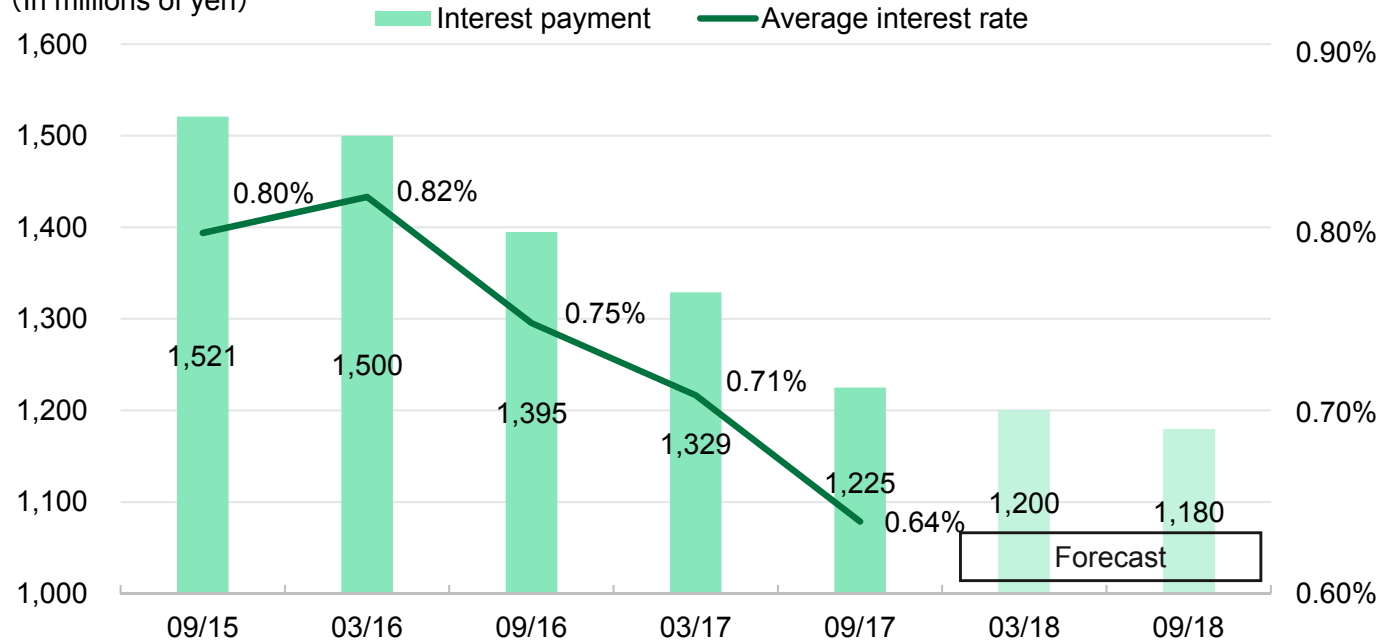
Term	<b>10 years</b>
Date of issuance	<b>October 26, 2017</b>
Placement Agent/FA	<b>The Bank of Tokyo-Mitsubishi UFJ, Ltd.</b>



# Financial Conditions

## Trend of Interest Payment

(In millions of yen)



■ Gradual decline of interest payment is expected after Sep. 2017 period

## JRE's Credit Ratings

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

■ Maintain highest rating in J-REIT



A large cloud of office supply is fading away.  
I will use a longer club to hit against the wind of  
property tax raise.



Opposing wind is temporarily blowing against the unit price but the market for leased office space continues to be strong. Let's continue to concentrate on our course management in this hole, avoiding waves of high priced properties.

## Disclaimer concerning Forecasts

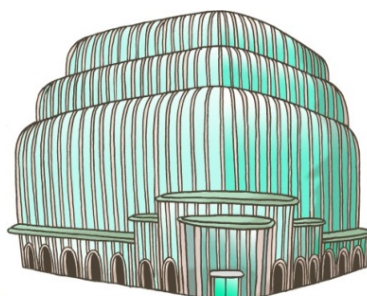
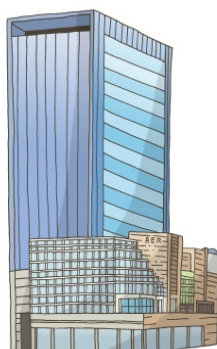
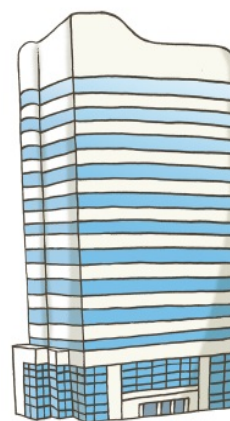
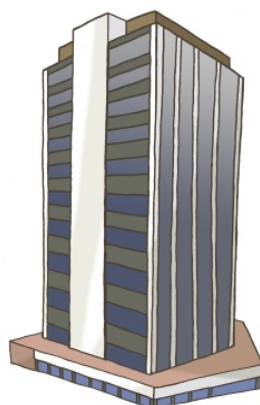
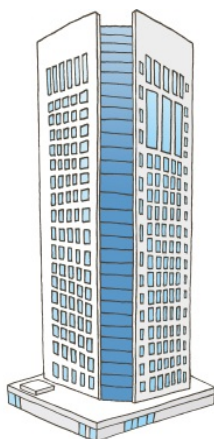
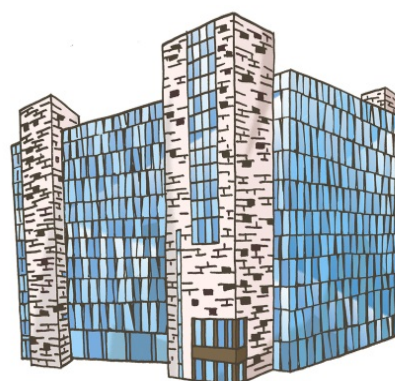
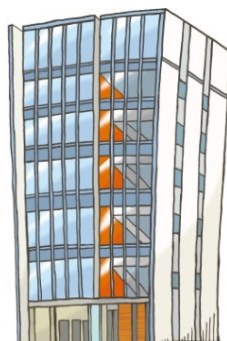
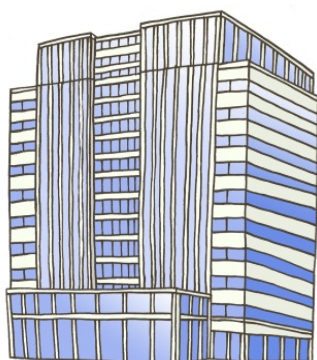
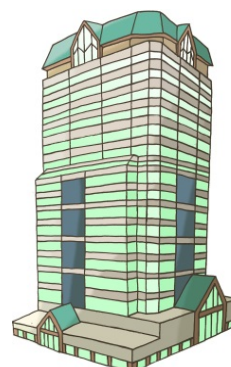
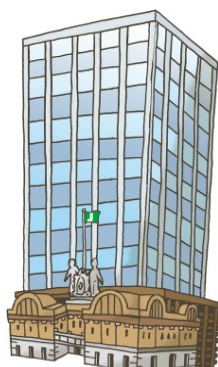
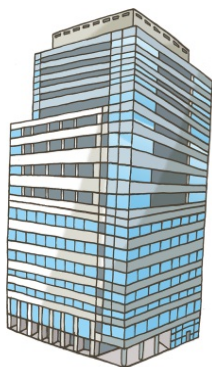
This presentation contains information regarding forecasts based on the plans and outlook of Japan Real Estate Investment Corporation (JRE). All data contained herein, other than those that describe current or historical data, are based on such forecasts.

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



# Japan Real Estate Investment Corporation

Performance Review for Fiscal period Ended September 30, 2017  
November 15, 2017



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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 office space" and "Leased office space" do not include the areas used for or leased as rental meeting rooms, maintenance/stock rooms, and Shinjuku South Gate Project (tentative name) (land with leasehold interest).
- (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) "Gain on transfer of properties" = Gain on sale of properties + Gain on exchange of properties
- (16) The acquisition price for Ryoshin Ginza East Mirror Building (¥7,999,422,762) consists of the amount paid to acquire the building on March 15, 2005 (¥5,353,500,000), and the total amount spent to expand the property (¥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 Nippon Brunswick (building) (Currently: Shinjuku South Gate Project (tentative name)) was transferred as of August 23, 2013, the acquisition price of Nippon Brunswick (land with leasehold interest, ¥5,500 million) represents the acquisition price of Nippon Brunswick (¥6,670 million) net of the acquisition price of the building (¥1,170 million) on March 24, 2004.
- (17) "Sponsors" refers to the following two shareholders of Japan Real Estate Asset Management Co., Ltd. (J-Rea): Mitsubishi Estate Co., Ltd. and Mitsui & Co., Ltd.
- (18) The abbreviated property name is reflected on certain pages (The abbreviations are shown in the chart below).
- (19) 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".
- (20) The name of the property was renamed to "Shinjuku South Gate Project (tentative name) (land with leasehold interest)" from "Nippon Brunswick Building (land with leasehold interest)" on May 15, 2017.

Property name	Abbreviation of property name	Property name	Abbreviation of property name
Kitanomaru Square	Kitanomaru Square	Ebisu Neonato	Ebisu Neonato
MD Kanda Building	MD Kanda	Harmony Tower	Harmony Tower
Kandabashi Park Building	Kandabashi Park	Otsuka Higashi-Ikebukuro Building	Otsuka Higashi-Ikebukuro
Otemachi Financial City North Tower	Otemachi FCN	Ikebukuro 2Chome Building	Ikebukuro 2Chome
Nibancho Garden	Nibancho Garden	Ikebukuro YS Building	Ikebukuro YS
Mitsubishi UFJ Trust and Banking Building	Mitsubishi UFJ Trust	Hachioji First Square	Hachioji First
Burex Kojimachi Building	Burex Kojimachi	Saitama Urawa Building	Saitama Urawa
Sanno Grand Building	Sanno Grand	MM Park Building	MM Park
Yurakucho Denki Building	Yurakucho Denki	Queen's Tower A	Queen's
Kodenmacho Shin-Nihonbashi Building	Kodenmacho	Kawasaki Isago Building	Kawasaki Isago
Kyodo Building (Kayabacho 2Chome)	Kyodo (Kayabacho 2Chome)	Musashi Kosugi STM Building	Musashi Kosugi STM
Burex Kyobashi Building	Burex Kyobashi	8・3 Square Kita Building	8・3 Square Kita
Ginza 1Chome East Building	Ginza 1Chome	Jozenji Park Building	Jozenji Park
Ginza Sanwa Building	Ginza Sanwa	Higashi Nibancho Square	Higashi Nibancho
Ryoshin Ginza East Mirror Building	Ryoshin Ginza EM	Sendai Honcho Honma Building	Sendai Honma
Harumi Front	Harumi Front	AER	AER
Harumi Center Building	Harumi Center	Kanazawa Park Building	Kanazawa Park
Akasaka Park Building	Akasaka Park	Kanazawa Kamitsutsumicho Building	Kanazawa Kamitsutsumicho
Aoyama Crystal Building	Aoyama Crystal	Nishiki Park Building	Nishiki Park
Clover Shiba-koen	Clover Shiba-koen	Nagoya Hirokoji Place	Hirokoji Place
Shiodome Building	Shiodome	Nagoya Hirokoji Building	Nagoya Hirokoji
Shiba 2Chome Daimon Building	Shiba 2Chome Daimon	Nagoya Misono Building	Nagoya Misono
Cosmo Kanasugibashi Building	Cosmo Kanasugibashi	Shijo Karasuma Center Building	Shijo Karasuma
Tamachi Front Building	Tamachi Front	Umeda Square Building	Umeda Square
Shinjuku Eastside Square	Shinjuku Eastside	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
da Vinci Harajuku	da Vinci Harajuku		
Jingumae Media Square Building	Jingumae MS		
Shibuya Cross Tower	Shibuya Cross Tower		



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## Financial Results and Forecasts

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# Statements of Income for the six months ended September 2017

(In millions of yen, (DPU in yen))

Term	Mar. 2017 period	→ change →		Sep. 2017 period	← change ←		Sep. 2017 period
Actual/Forecast	Actual	(amount)	(%)	Actual	(amount)	(%)	Initial forecast(*1)
<b>Operating Revenues</b>	30,818	899	2.9%	31,718	128	0.4%	31,590
Property-related revenues	30,784	933	3.0%	31,718	128	0.4%	31,590
Rent revenues	30,726			31,574			
Other lease business revenues	58			144			
Gain on sales of real estate properties	33	(33)	(100.0)%	-	-		-
<b>Operating Expenses</b>	18,251	288	1.6%	18,539	(200)	(1.1)%	18,740
Property-related expenses (*2)	10,412	29	0.3%	10,442	(227)	(2.1)%	10,670
Property management expenses	3,737	(100)	(2.7)%	3,637			
Property management costs	3,638			3,535			
Brokerage fees, etc.	99			101			
Utilities expenses	2,383	229	9.6%	2,612			
Property and other taxes	2,925	(8)	(0.3)%	2,917			
Casualty insurance	58	(0)	(0.1)%	58			
Repairing expenses	1,113	(95)	(8.6)%	1,017			
Other expenses	193	4	2.5%	198			
<b>NOI</b> (*3)	20,372	903	4.4%	21,275	365	1.8%	20,910
Depreciation	6,526	29	0.5%	6,556	16	0.3%	6,540
<b>Property-related profits and losses</b> (*3)	13,845	874	6.3%	14,719	349	2.4%	14,370
Operating gross profit	13,879	840	6.1%	14,719	349	2.4%	14,370
Administrative expenses	1,311	228	17.4%	1,540	20	1.4%	1,520
Asset management fee	960	254	26.5%	1,214	34	2.9%	1,180
Other administrative expenses	351			326			
<b>Operating Profit</b>	12,567	611	4.9%	13,178	338	2.6%	12,840
Non-operating income	4			14			
Interest income	0			0			
Other non-operating income	4			14			
Non-operating expenses	1,373			1,272			
Interest expenses	1,175	(122)	(10.4)%	1,053			
Interest expenses on investment corporation bonds	153	18	12.0%	172	(24)	(2.0)%	1,250
Amortization of investment corporation bond issuance costs	5			6			
Other non-operating expenses	38			41			
<b>Ordinary Profit</b>	11,197	723	6.5%	11,921	371	3.2%	11,550
Profit before income taxes	11,197			11,921			
Income taxes	11			11			
<b>Profit</b>	11,186	723	6.5%	11,909	369	3.2%	11,540
Unappropriated retained earnings	11,219			11,942			
<b>FFO</b> (*4)	17,679	786	4.4%	18,466			
<b>DPU</b>	8,544	552	6.5%	9,096	286	3.2%	8,810

\*1 The initial forecast means the performance forecast for the September 2017 period announced on May 16, 2017

\*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 2017 period and Forecasts for March 2018 and September 2018 periods

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

Term	Mar. 2017 period		Sep. 2017 period		Mar. 2018 period		Sep. 2018 period
Actual/Forecast	Actual	→ Change →	Actual	→ Change →	Forecast	→ Change →	Forecast
Number of properties	69		69		69		69
Number of days	182 days		183 days		182 days		183 days
Operating Revenues	30,818	+899	31,718	+1	31,720	+40	31,760
Property-related revenues	30,784	+933	31,718	+1	31,720	+40	31,760
Gain on sales of real estate properties	33	(33)	-		-		-
Operating Expenses	18,251	+288	18,539	+0	18,540	+210	18,750
Expenses related to rent business (*1)	10,412	+29	10,442	(22)	10,420	+300	10,720
Depreciation	6,526	+29	6,556	+3	6,560	(70)	6,490
Administrative expenses	1,311	+228	1,540	+9	1,550	(20)	1,530
( Asset management fee )	960	+254	1,214	(14)	1,200	(30)	1,170
NOI (*2)	20,372	+903	21,275	+14	21,290	(260)	21,030
Property-related profits and losses (*2)	13,845	+874	14,719	+10	14,730	(190)	14,540
Operating gross profit	13,879	+840	14,719	+10	14,730	(190)	14,540
Operating Profit	12,567	+611	13,178	+1	13,180	(170)	13,010
Non-operating income	4	+10	14	(14)	-	+10	10
Non-operating expenses	1,373	(101)	1,272	(22)	1,250	(20)	1,230
( Interest expenses )	1,329	(104)	1,225	(25)	1,200	(20)	1,180
Ordinary Profit	11,197	+723	11,921	(1)	11,920	(130)	11,790
Profit	11,186	+723	11,909	+0	11,910	(130)	11,780
Units outstanding	1,309,310 units		1,309,310 units		1,309,310 units		1,309,310 units
DPU	8,544 yen	+552 yen	9,096 yen	+4 yen	9,100 yen	(100) yen	9,000 yen
Occupancy rate at period-end	98.8%	+0.3%	99.1%	(0.3)%	98.8%		

\*1 Excluding depreciation

\*2 Excluding gain on sales of real estate properties

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

● Sep. 2017 period→ Mar. 2018 period: Increase due to the full term operation of the additional shares (Shiodome Building) acquired in Sep. 2017 period.

Decrease in revenue due to seasonal factors, etc.

● Mar. 2018 period→ Sep. 2018 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. 2017 period→ Mar. 2018 period: Increase due to the full term operation of the additional shares (Shiodome Building) acquired in Sep. 2017 period.

Decrease in expenses due to seasonal factors, etc.

● Mar. 2018 period→ Sep. 2018 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, 2017

Item	As of Mar. 31, 2017	As of Sep. 30, 2017	Change	Reason for the change
<b>Assets</b>				
<b>I Current assets</b>				
Cash and deposits	21,315	24,355	3,040	Increased due to increase in rent revenues, etc.
Other current assets	672	677	4	
<b>Total current assets</b>	<b>21,988</b>	<b>25,033</b>	<b>3,045</b>	
<b>II Non-current assets</b>				
Property, plant and equipment				
Buildings (including those held in trust)	352,840	355,715	2,874	Increased due to the acquisition of properties and capital expenditure, etc.
Structures (including those held in trust)	3,965	3,971	5	
Machinery and equipment (including those held in trust)	4,549	4,610	60	
Land (including those held in trust)	616,263	625,175	8,911	
Accumulated depreciation	(112,094)	(118,630)	(6,535)	
<b>Total property, plant and equipment</b>	<b>865,524</b>	<b>870,842</b>	<b>5,317</b>	
Intangible assets				
Leasehold rights, etc. (including those held in trust)	7,023	7,007	(16)	
<b>Total intangible assets</b>	<b>7,023</b>	<b>7,007</b>	<b>(16)</b>	
Investments and other assets				
Investment securities	577	577	-	
Long-term prepaid expenses, etc.	3,167	3,027	(140)	
<b>Total investments and other assets</b>	<b>3,744</b>	<b>3,604</b>	<b>(140)</b>	
<b>Total non-current assets</b>	<b>876,292</b>	<b>881,453</b>	<b>5,161</b>	
<b>III Deferred assets</b>				
Investment corporation bond issuance costs	26	20	(6)	
<b>Total deferred assets</b>	<b>26</b>	<b>20</b>	<b>(6)</b>	
<b>Total assets</b>	<b>898,306</b>	<b>906,507</b>	<b>8,200</b>	

(In millions of yen)

Item	As of Mar. 31, 2017	As of Sep. 30, 2017	Change	Reason for the change
<b>Liabilities</b>				
<b>I Current liabilities</b>				
Short-term loans payable	36,000	34,500	(1,500)	Decreased due to refinancing to long-term loans and increased due to refinancing from the current portion of long-term loans, etc.
Current portion of long-term loans payable	46,500	36,000	(10,500)	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	Increased due to transfer from investment corporation bonds.
Advances received	3,329	3,394	65	
Other current liabilities	4,919	5,226	306	Increased due to increase in accrued consumption taxes, decreased in accrued construction costs, etc.
<b>Total current liabilities</b>	<b>90,748</b>	<b>89,120</b>	<b>(1,628)</b>	
<b>II Non-current liabilities</b>				
Investment corporation bonds	30,000	20,000	(10,000)	Decreased due to transfer to current portion of investment corporation bonds.
Long-term loans payable	256,500	275,000	18,500	Increased due to loan for funding acquired properties and refinancing from short-term and current portion of long-term loans, decreased due to transfer to current portion of long-term loans.
Deposits received from tenants	50,950	51,555	604	Increased due to acquisition of properties, etc.
Other non-current liabilities	508	509	1	
<b>Total non-current liabilities</b>	<b>337,958</b>	<b>347,064</b>	<b>9,105</b>	
<b>Total liabilities</b>	<b>428,707</b>	<b>436,185</b>	<b>7,477</b>	
<b>Net assets</b>				
Unitholders' capital	458,016	458,016	-	
Reserve for reduction entry	363	363	0	
Unappropriated retained earnings	11,219	11,942	723	
<b>Total net assets</b>	<b>469,598</b>	<b>470,321</b>	<b>723</b>	
<b>Total liabilities and net assets</b>	<b>898,306</b>	<b>906,507</b>	<b>8,200</b>	

# Statements of Cash Flows and Statements on the Distribution of Monies for September 2017 period

## Statements of Cash Flows

(In millions of yen)	
Item	Sep. 2017 period (183 days)
Cash flows from operating activities	19,759
Profit before income taxes	11,921
Depreciation	6,557
Other	1,280
Cash flows from investing activities	(12,033)
Cash flows from financing activities	(4,685)
Proceeds from short-term loans payable	13,500
Repayments of short-term loans payable	(15,000)
Proceeds from long-term loans payable	36,500
Repayments of long-term loans payable	(28,500)
Proceeds from investment corporation bonds	-
Redemption of investment corporation bonds	-
Payments for investment corporation bond issuance costs	-
Proceeds from issuance of investment units	-
Payments for investment unit issuance expenses	-
Dividends paid	(11,185)
Net increase in cash and cash equivalents	3,040
Cash and cash equivalents at beginning of period	21,315
Cash and cash equivalents at end of period	24,355

## Statements on the Distribution of Monies

(In yen)	
Item	Sep. 2017 period (183 days)
Unappropriated retained earnings	11,942,542,135
Reversal of reserve for reduction entry	69,182
Dividends paid	11,909,483,760
Retained earnings brought forward	33,127,557

DPU: **9,096 yen** for Sep. 2017 period  
( Mar. 2017 period: 8,544 yen )

# Historical Summary of Selected Financial Index in the Previous 5 periods

Term	Sep. 2015 period	Mar. 2016 period	Sep. 2016 period	Mar. 2017 period	Sep. 2017 period
Number of days	183 days	183 days	183 days	182 days	183 days
Return on assets (ROA)	1.2%	1.2%	1.2%	1.3%	1.3%
(annualized)	2.4%	2.4%	2.5%	2.5%	2.6%
Return on equity (ROE)	2.2%	2.3%	2.3%	2.4%	2.5%
(annualized)	4.5%	4.6%	4.7%	4.8%	5.1%
EOP Equity ratio	52.1%	52.7%	53.1%	52.3%	51.9%
LTV(1)	41.5%	40.8%	40.3%	41.1%	41.4%
LTV(2)	44.9%	44.2%	43.8%	44.6%	45.1%
LTV(3)	40.3%	39.4%	38.6%	39.1%	39.3%
LTV(4)	38.2%	36.5%	35.2%	35.4%	35.1%
EOP long-term debts to capitalization	107.4%	107.6%	110.9%	110.1%	109.5%
Debt service coverage ratio (DSCR)	12.1 times	12.5 times	13.5 times	14.3 times	16.1 times
NOI (in millions of yen)	19,670	19,973	20,182	20,372	21,275
NOI yield (annualized)	4.2%	4.3%	4.4%	4.3%	4.4%
FFO (in millions of yen)	16,808	17,079	17,447	17,679	18,466
FFO dividend payout ratio	62.3%	62.3%	62.7%	63.3%	64.5%
AFFO (in millions of yen)	15,668	14,203	15,834	14,836	17,273
AFFO dividend payout ratio	66.9%	74.9%	69.1%	75.4%	68.9%

## <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:

(Total net assets at the beginning of the period x A days + total net assets at the end of the period x B days) / 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

	Mar. 2002 period 05/01 ~ 03/02	Sep. 2002 period 04/02 ~ 09/02	Mar. 2003 period 10/02 ~ 03/03	Sep. 2003 period 04/03 ~ 09/03	Mar. 2004 period 10/03 ~ 03/04	Sep. 2004 period 04/04 ~ 09/04	Mar. 2005 period 10/04 ~ 03/05	Sep. 2005 period 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	14,983 yen	12,853 yen	14,455 yen	15,117 yen	14,602 yen	14,711 yen	15,824 yen	15,951 yen
(Ref) DPU on a post-split basis (*1)	7,491 yen	6,426 yen	7,227 yen	7,558 yen	7,301 yen	7,355 yen	7,912 yen	7,975 yen
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)	260,795 yen	255,212 yen	256,013 yen	256,344 yen	263,538 yen	263,592 yen	264,149 yen	299,627 yen
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)	265,000 yen	255,500 yen	296,000 yen	324,000 yen	415,000 yen	437,500 yen	437,500 yen	457,500 yen
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	201,884㎡	215,928㎡	236,693㎡	246,062㎡	273,157㎡	293,105㎡	336,026㎡	364,610㎡
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	-	490,980 yen	-	-	629,000 yen	-	-	826,000 yen
Aggregate amount of offer price	-	31,913	-	-	22,015	-	-	70,210
Issue price	-	475,268 yen	-	-	608,456 yen	-	-	800,288 yen
Aggregate amount of issue price	-	30,892	-	-	21,295	-	-	68,024
Payment date	-	05/07/2002	-	-	10/24/2003	-	-	04/26/2005



(In millions of yen [excluding items where the units are specified])

Mar. 2006 period 10/05 ~ 03/06	Sep. 2006 period 04/06 ~ 09/06	Mar. 2007 period 10/06 ~ 03/07	Sep. 2007 period 04/07 ~ 09/07	Mar. 2008 period 10/07 ~ 03/08	Sep. 2008 period 04/08 ~ 09/08	Mar. 2009 period 10/08 ~ 03/09	Sep. 2009 period 04/09 ~ 09/09	Mar. 2010 period 10/09 ~ 03/10
13,962 (+6.4%)	15,570 (+11.5%)	16,960 (+8.9%)	17,530 (+3.4%)	25,743 (+46.9%)	19,805 (-23.1%)	20,716 (+4.6%)	21,524 (+3.9%)	21,665 (+0.7%)
13,962 (+6.4%)	15,169 (+8.6%)	16,500 (+8.8%)	17,132 (+3.8%)	17,807 (+3.9%)	19,805 (+11.2%)	20,716 (+4.6%)	20,795 (+0.4%)	20,758 (-0.2%)
-	-	-	-	-	-	-	728	-
-	400	459	397	-	-	-	-	885
-	-	-	-	7,935	-	-	-	-
-	-	-	-	-	-	-	-	21
6,319 (+1.5%)	7,041 (+11.4%)	8,304 (+17.9%)	8,739 (+5.2%)	14,218 (+62.7%)	9,807 (-31.0%)	9,955 (+1.5%)	10,054 (+1.0%)	10,538 (+4.8%)
5,586 (+1.4%)	5,977 (+7.0%)	7,184 (+20.2%)	7,586 (+5.6%)	12,946 (+70.7%)	8,449 (-34.7%)	8,426 (-0.3%)	8,505 (+0.9%)	8,876 (+4.4%)
5,585 (+1.4%)	5,976 (+7.0%)	7,183 (+20.2%)	7,585 (+5.6%)	12,945 (+70.7%)	8,448 (-34.7%)	8,425 (-0.3%)	8,504 (+0.9%)	8,875 (+4.4%)
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
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
16,172 yen	17,302 yen	17,521 yen	18,500 yen	29,223 yen	19,072 yen	19,020 yen	19,198 yen	18,043 yen
8,086 yen	8,651 yen	8,760 yen	9,250 yen	14,611 yen	9,536 yen	9,510 yen	9,599 yen	9,021 yen
433,552	441,163	443,973	449,643	527,537	542,920	565,022	564,528	637,326
207,058	207,449	271,867	272,269	310,547	306,050	306,027	306,106	333,228
299,737 yen	300,302 yen	331,545 yen	332,035 yen	350,504 yen	345,429 yen	345,403 yen	345,492 yen	340,585 yen
226,493	233,714	172,105	177,374	216,990	236,869	258,994	258,422	304,097
196,500	202,500	140,000	144,500	177,500	199,500	220,500	220,500	262,500
45.3%	45.9%	31.5%	32.1%	33.6%	36.7%	39.0%	39.1%	41.2%
510,000 yen	500,000 yen	780,000 yen	690,000 yen	580,000 yen	418,000 yen	378,000 yen	367,000 yen	398,500 yen
352,308	345,400	639,600	565,800	513,880	370,348	334,908	325,162	389,892
52	49	50	50	53	54	55	55	55
412,766	418,693	441,276	446,940	518,969	542,969	564,219	564,219	641,245
400,090m <sup>2</sup>	396,173m <sup>2</sup>	397,928m <sup>2</sup>	406,605m <sup>2</sup>	479,877m <sup>2</sup>	508,296m <sup>2</sup>	516,411m <sup>2</sup>	516,421m <sup>2</sup>	566,277m <sup>2</sup>
98.7%	98.2%	97.8%	98.7%	95.9%	96.1%	95.5%	93.3%	93.0%
-	-	64,600 units	-	33,000 units	-	-	-	46,200 units
-	-	1,009,400 yen	-	1,029,000 yen	-	-	-	597,520 yen
-	-	65,207	-	33,957	-	-	-	27,605
-	-	978,500 yen	-	997,500 yen	-	-	-	579,040 yen
-	-	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 sold as of August 23, 2013 and JRE owns the land with leasehold interest, total leasable floor area and occupancy rate for Shinjuku South Gate Project (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.

	Sep. 2010 period 04/10 ~ 09/10	Mar. 2011 period 10/10 ~ 03/11	Sep. 2011 period 04/11 ~ 09/11	Mar. 2012 period 10/11 ~ 03/12	Sep. 2012 period 04/12 ~ 09/12	Mar. 2013 period 10/12 ~ 03/13	Sep. 2013 period 04/13 ~ 09/13	Mar. 2014 period 10/13 ~ 03/14
Operating revenues	22,112	22,135	22,829	24,059	24,222	25,357	26,225	26,582
(% change from the preceding period)	(+2.1%)	(+0.1%)	(+3.1%)	(+5.4%)	(+0.7%)	(+4.7%)	(+3.4%)	(+1.4%)
Property-related revenues	22,112	22,135	22,283	24,059	24,222	25,357	26,206	26,582
(% change from the preceding period)	(+6.5%)	(+0.1%)	(+0.7%)	(+8.0%)	(+0.7%)	(+4.7%)	(+3.4%)	(+1.4%)
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	9,939	9,802	10,380	10,786	10,212	10,631	10,781	10,831
(% change from the preceding period)	(-5.7%)	(-1.4%)	(+5.9%)	(+3.9%)	(-5.3%)	(+4.1%)	(+1.4%)	(+0.5%)
Ordinary profit	8,135	7,938	8,603	8,863	8,372	8,749	9,143	9,083
(% change from the preceding period)	(-8.3%)	(-2.4%)	(+8.4%)	(+3.0%)	(-5.5%)	(+4.5%)	(+4.5%)	(-0.7%)
Profit	8,134	7,652	8,268	8,934	8,448	8,824	9,129	9,070
(% change from the preceding period)	(-8.4%)	(-5.9%)	(+8.1%)	(+8.1%)	(-5.4%)	(+4.5%)	(+3.5%)	(-0.7%)
Units outstanding	489,200 units	489,200 units	489,200 units	549,040 units	549,040 units	594,140 units	594,140 units	1,188,280 units
(Ref) Units outstanding on a post-split basis (*1)	978,400 units	978,400 units	978,400 units	1,098,080 units	1,098,080 units	1,188,280 units	1,188,280 units	-
DPU	16,628 yen	15,642 yen	15,850 yen	16,190 yen	15,700 yen	15,140 yen	15,366 yen	7,633 yen
(Ref) DPU on a post-split basis (*1)	8,314 yen	7,821 yen	7,925 yen	8,095 yen	7,850 yen	7,570 yen	7,683 yen	-
Total assets	634,974	646,847	643,949	703,085	724,851	765,628	775,066	817,130
Total net assets	332,536	332,054	332,670	372,869	372,429	405,280	405,415	405,355
Net assets per unit (*1)	339,877 yen	339,385 yen	340,014 yen	339,565 yen	339,164 yen	341,065 yen	341,178 yen	341,128 yen
Total liabilities	302,437	314,793	311,279	330,215	352,422	360,347	369,651	411,774
Interest-bearing debt	262,450	272,400	269,350	284,300	305,750	311,200	320,150	358,900
LTV	41.3%	42.1%	41.8%	40.4%	42.2%	40.6%	41.3%	43.9%
Unit price (period-end) (*1)	379,500 yen	393,500 yen	377,000 yen	364,500 yen	393,000 yen	644,500 yen	574,000 yen	518,000 yen
Market capitalization	371,302	385,000	368,856	400,250	431,545	765,846	682,072	615,529
Number of properties	55	57	56	57	58	60	62	64
Total acquisition price of properties	643,891	660,601	657,863	718,663	740,663	782,433	794,230	837,405
Total leasable floor area	567,612㎡	588,984㎡	584,964㎡	629,761㎡	645,787㎡	700,759㎡	713,180㎡	750,956㎡
Occupancy rate	92.4%	93.2%	94.6%	94.7%	95.5%	96.7%	96.3%	96.7%
Issuance of new units								
Number of newly issued units	-	-	-	59,840 units	-	45,100 units	-	-
Offer price	-	-	-	672,750 yen	-	746,850 yen	-	-
Aggregate amount of offer price	-	-	-	40,257	-	33,682	-	-
Issue price	-	-	-	652,050 yen	-	723,870 yen	-	-
Aggregate amount of issue price	-	-	-	39,018	-	32,646	-	-
Payment date	-	-	-	02/28/2012 03/27/2012	-	10/29/2012 11/28/2012	-	-

(In millions of yen [excluding items where the units are specified])

Sep. 2014 period 04/14 ~ 09/14	Mar. 2015 period 10/14 ~ 03/15	Sep. 2015 period 04/15 ~ 09/15	Mar. 2016 period 10/15 ~ 03/16	Sep. 2016 period 04/16 ~ 09/16	Mar. 2017 period 10/16 ~ 03/17	Sep. 2017 period 04/17 ~ 09/17	Mar. 2018 period forecast 10/17 ~ 03/18	Sep. 2018 period forecast 04/18 ~ 09/18
27,760 (+4.4%)	28,314 (+2.0%)	29,980 (+5.9%)	30,589 (+2.0%)	30,773 (+0.6%)	30,818 (+0.1%)	31,718 (+2.9%)	31,720 (+0.0%)	31,760 (+0.1%)
27,760 (+4.4%)	28,314 (+2.0%)	29,980 (+5.9%)	30,428 (+1.5%)	30,773 (+1.1%)	30,784 (+0.0%)	31,718 (+3.0%)	31,720 (+0.0%)	31,760 (+0.1%)
-	-	-	-	-	-	-	-	-
-	-	-	161	-	33	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
11,255 (+3.9%)	11,243 (-0.1%)	12,054 (+7.2%)	12,352 (+2.5%)	12,368 (+0.1%)	12,567 (+1.6%)	13,178 (+4.9%)	13,180 (+0.0%)	13,010 (-1.3%)
9,582 (+5.5%)	9,625 (+0.4%)	10,487 (+9.0%)	10,816 (+3.1%)	10,958 (+1.3%)	11,197 (+2.2%)	11,921 (+6.5%)	11,920 (-0.0%)	11,790 (-1.1%)
9,572 (+5.5%)	9,619 (+0.5%)	10,476 (+8.9%)	10,753 (+2.6%)	10,947 (+1.8%)	11,186 (+2.2%)	11,909 (+6.5%)	11,910 (+0.0%)	11,780 (-1.1%)
1,251,530 units	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	1,309,310 units
-	-	-	-	-	-	-	-	-
7,648 yen	7,681 yen	8,001 yen	8,121 yen	8,361 yen	8,544 yen	9,096 yen	9,100 yen	9,000 yen
-	-	-	-	-	-	-	-	-
813,931	852,679	899,938	890,626	883,633	898,306	906,507	-	-
436,622	436,671	468,767	469,044	469,359	469,598	470,321	-	-
348,871 yen	348,909 yen	358,026 yen	358,238 yen	358,478 yen	358,661 yen	359,213 yen	-	-
377,308	416,007	431,171	421,581	414,273	428,707	436,185	-	-
323,550	361,000	373,450	363,400	356,350	369,000	375,500	-	-
39.8%	42.3%	41.5%	40.8%	40.3%	41.1%	41.4%	-	-
564,000 yen	565,000 yen	551,000 yen	650,000 yen	605,000 yen	590,000 yen	541,000 yen	-	-
705,862	707,114	721,429	851,051	792,132	772,492	708,336	-	-
64	68	70	68	68	69	69	69	69
838,055	883,514	927,778	923,448	923,623	944,723	955,253	955,253	955,253
752,723㎡	793,976㎡	832,030㎡	820,381㎡	820,917㎡	835,069㎡	839,035㎡	839,035㎡	839,035㎡
97.8%	97.8%	97.7%	98.3%	98.7%	98.8%	99.1%	98.8%	-
63,250 units	-	57,780 units	-	-	-	-	-	-
501,760 yen	-	557,620 yen	-	-	-	-	-	-
31,736	-	32,219	-	-	-	-	-	-
486,400 yen	-	540,550 yen	-	-	-	-	-	-
30,764	-	31,232	-	-	-	-	-	-
04/15/2014	-	04/06/2015	-	-	-	-	-	-
05/14/2014	-	05/11/2015	-	-	-	-	-	-

- 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 sold as of August 23, 2013 and JRE owns the land with leasehold interest, total leasable floor area and occupancy rate for Shinjuku South Gate Project (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.

# Performance Comparison (March 2017 period vs September 2017 period)

**Increase and decrease in the entire portfolio**  
=The total sum of groups A· B· C· D below



**Factors affecting increase and decrease in each group**

## \* Asset Group A \*

67 properties operated all through Mar. 2017 and Sep. 2017 periods

(Including Shinjuku South Gate Project (Land), Shiodome (existing shares) and Shinjuku Eastside (existing shares))

<Main factors affecting increase and decrease of Repairing expenses>

Name of Building	Difference
Shibuya Cross Tower	51
Nagoya Hirokoji	40
Akasaka Park	(56)
Sanno Grand	(47)
Umeda Square	(27)
Kitanomaru Square	(25)

(In millions of yen)

	Mar. 2017 period	Sep. 2017 period	Change	% Change
Property-related revenues	30,784	31,718	933	3.0%
Property-related expenses (*1)	16,939	16,999	59	0.4%
Property-related profits and losses	13,845	14,719	874	6.3%
NOI (*2)	20,372	21,275	903	4.4%
Occupancy rate as of the end of the period	98.8%	99.1%	0.3%	
Average occupancy rate during the period	98.7%	98.9%	0.2%	

(\*1) Property-related expenses include depreciation

(\*2) NOI = Net operating income: Property-related profits and losses + Depreciation

	Mar. 2017 period	Sep. 2017 period	Change	% Change
Property-related revenues	30,447	30,990	543	1.8%
Property-related expenses	16,771	16,713	(58)	(0.3)%
Property management expenses	3,708	3,575	(132)	(3.6)%
Utilities expenses	2,360	2,565	205	8.7%
Property and other taxes	2,908	2,907	(1)	(0.0)%
Casualty insurance	58	57	(0)	(1.1)%
Repairing expenses	1,111	1,012	(98)	(8.9)%
Other expenses	192	197	5	2.9%
Depreciation	6,433	6,396	(36)	(0.6)%
Property-related profits and losses	13,675	14,277	601	4.4%
NOI	20,108	20,673	565	2.8%
Occupancy rate as of the end of the period	98.8%	99.1%	0.3%	
Average occupancy rate during the period	98.7%	98.9%	0.2%	

## \* Asset Group B \*

4 properties acquired during Mar. 2017 period and operated all through Sep. 2017 period

(Shiodome (additional acquisition), Tamachi Front, Shinjuku Eastside (additional acquisition), Kanazawa Kamitsutsumicho)

	Mar. 2017 period	Sep. 2017 period	Change
Property-related revenues	192	691	498
Property-related expenses	118	274	156
Property-related profits and losses	74	416	342
NOI	154	570	416

## \* Asset Group C \*

1 property acquired during Sep. 2017 period

(Shiodome (additional acquisition))

	Mar. 2017 period	Sep. 2017 period	Change
Property-related revenues	0	36	36
Property-related expenses	0	11	11
Property-related profits and losses	0	25	25
NOI	0	31	31

## \* Asset Group D \*

1 property disposed during Mar. 2017 period

(Genki Medical Plaza)

	Mar. 2017 period	Sep. 2017 period	Change
Property-related revenues	145	0	(145)
Property-related expenses	49	0	(49)
Property-related profits and losses	95	0	(95)
NOI	109	0	(109)

\* Please refer to the "Property Data" (excel file) downloadable from the top page of JRE website (<http://www.j-re.co.jp/en/>),

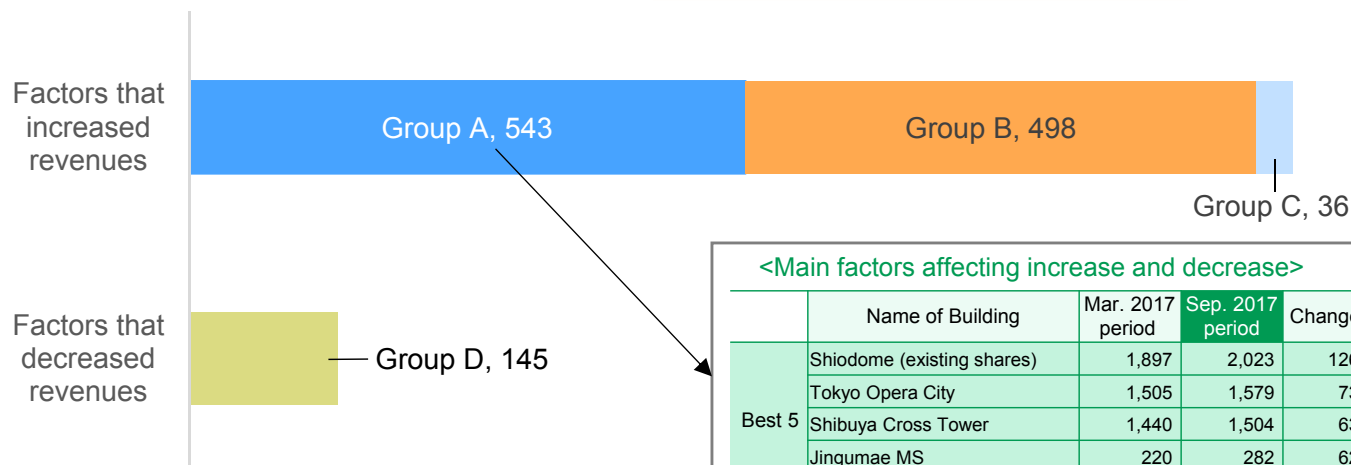
"Financial Results" in the center right for performance comparison by building for Sep. 2017 period.

## Factors affecting Increase and Decrease

(In millions of yen)

### 〈Property-related revenues〉

Increase in revenues    ¥ 933 million

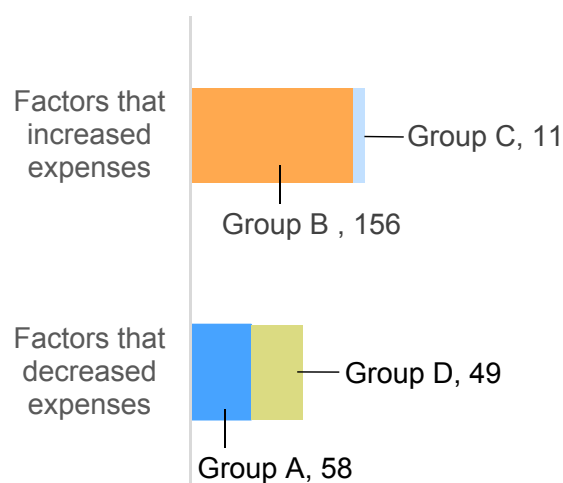


#### <Main factors affecting increase and decrease>

	Name of Building	Mar. 2017 period	Sep. 2017 period	Change	% Change
Best 5	Shiodome (existing shares)	1,897	2,023	126	6.6%
	Tokyo Opera City	1,505	1,579	73	4.9%
	Shibuya Cross Tower	1,440	1,504	63	4.4%
	Jingumae MS	220	282	62	28.3%
	Sanno Grand	911	953	41	4.6%
Worst 5	Akasaka Park	2,211	2,168	(43)	(1.9)%
	Harumi Center	505	475	(29)	(5.9)%
	Higashi-Gotanda 1Chome	183	167	(15)	(8.7)%
	Umeda Square	457	444	(12)	(2.8)%
	Aoyama Crystal	217	208	(9)	(4.2)%

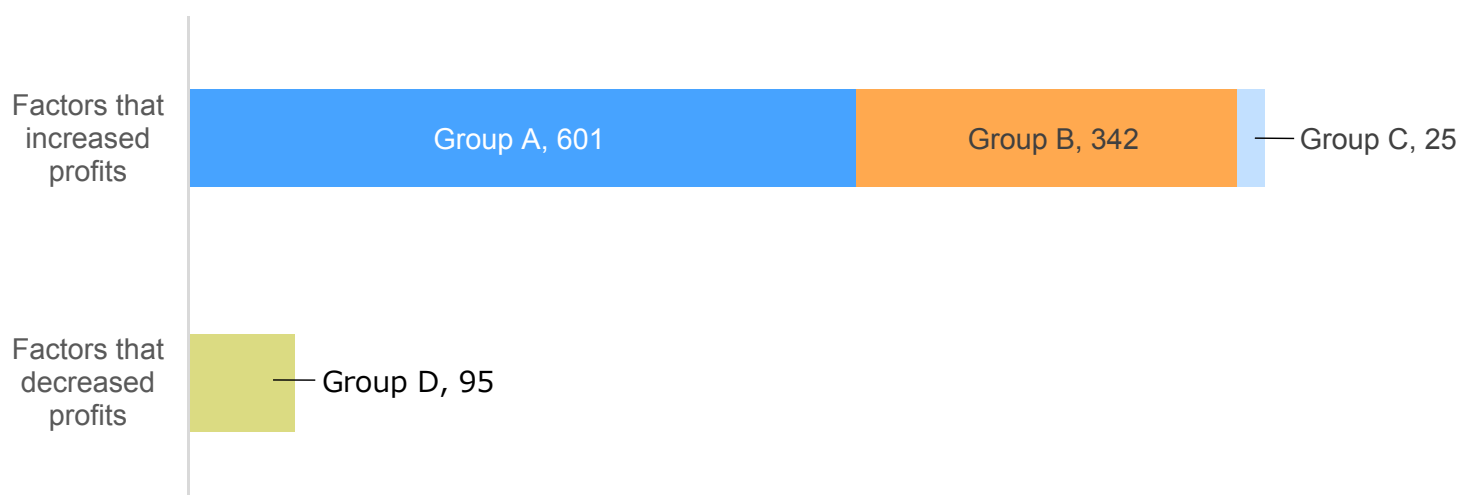
### 〈Property-related expenses〉

Increase in expenses    ¥ 59 million



### 〈Property-related profits and losses〉

Increase in profits    ¥ 874 million



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

(In millions of yen)

	Mar. 2017 period Actual	Sep. 2017 period Actual	Mar. 2018 period Forecast	Sep. 2018 period Forecast
Operating revenues	30,818	31,718	31,720	31,760

	Mar. 2017 period →Sep. 2017 period	Sep. 2017 period →Mar. 2018 period	Mar. 2018 period →Sep. 2018 period
<b>Change</b>	<b>899</b>	<b>1</b>	<b>40</b>
Property-related revenues	933	1	40
Existing property (*)	543	(181)	40
Property acquired			
Mar. 2017 period	498		
Sep. 2017 period	36	173	
Property disposed			
Mar. 2017 period	(145)		
Gain on sales of real estate properties	(33)		

	Mar. 2017 period Actual	Sep. 2017 period Actual	Mar. 2018 period Forecast	Sep. 2018 period Forecast
Operating profit	12,567	13,178	13,180	13,010

	Mar. 2017 period →Sep. 2017 period	Sep. 2017 period →Mar. 2018 period	Mar. 2018 period →Sep. 2018 period
<b>Change</b>	<b>611</b>	<b>1</b>	<b>(170)</b>
Property-related profits and losses	874	10	(190)
Existing property (*)	601	(104)	(190)
Property acquired			
Mar. 2017 period	342		
Sep. 2017 period	25	114	
Property disposed			
Mar. 2017 period	(95)		
Gain on sales of real estate properties	(33)		
Administrative expenses	(228)	(9)	20

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

# Historical NOI Yield (Investment Yield)

## Historical Property-related Revenues, Occupancy Rate, NOI Yield (Properties with constantly held Shares of Ownership)

- Comparison of JRE's portfolio of properties with constantly held shares of ownership throughout the year and on which JRE has paid property and city planning taxes.
- Property-related revenues are scaled as 100 at the end of each period (starting point).

\* NOI Yield = Annualized NOI/Acquisition Price

		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
50 properties held as of the beginning of Sep. 2013 period	Property-related revenues	100.0	98.7	98.6	98.5	99.4	99.6	100.7	99.9	101.3
	Average occupancy rate	96.4%	95.8%	97.6%	97.8%	97.8%	98.3%	98.3%	98.5%	98.6%
Acquisition price ¥ 631 billion	NOI Yield	4.25%	4.20%	4.17%	4.16%	4.21%	4.25%	4.28%	4.31%	4.38%
54 properties held as of the beginning of Sep. 2014 period	Property-related revenues			100.0	100.3	101.1	101.2	102.5	101.7	103.1
	Average occupancy rate			97.2%	97.8%	97.9%	98.3%	98.3%	98.6%	98.8%
Acquisition price ¥ 685 billion	NOI Yield			4.29%	4.32%	4.34%	4.40%	4.42%	4.48%	4.54%
57 properties held as of the beginning of Sep. 2015 period	Property-related revenues					100.0	100.2	101.3	100.6	102.0
	Average occupancy rate					97.9%	98.3%	98.3%	98.6%	98.8%
Acquisition price ¥ 732 billion	NOI Yield					4.37%	4.41%	4.44%	4.51%	4.57%
63 properties held as of the beginning of Sep. 2016 period	Property-related revenues							100.0	99.5	100.9
	Average occupancy rate							98.3%	98.6%	98.8%
Acquisition price ¥ 798 billion	NOI Yield							4.46%	4.51%	4.58%

50 properties held as of the beginning of Sep. 2013 period

Excluded 3 properties already disposed, Shinjuku South Gate Project (Land), Ebisu Neonato, Harumi Front, Higashi Nibancho, Nishiki Park, Harmony Tower and Shiodome from 60 properties.

54 properties held as of the beginning of Sep. 2014 period

Excluded 3 properties already disposed, Shinjuku South Gate Project (Land), Queen's, Ebisu Neonato, Otemachi FCN, Nishiki Park, Harmony Tower and Shiodome from 64 properties.

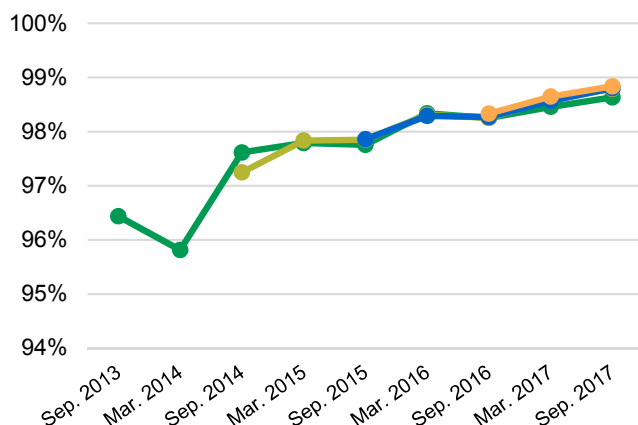
57 properties held as of the beginning of Sep. 2015 period

Excluded 3 properties already disposed, Shinjuku South Gate Project (Land), Clover Shiba-koen, Ginza 1Chome, Harmony Tower, Amagasaki Front, Umeda Square, Shiodome, Nishiki Park and Shinjuku Eastside from 69 properties.

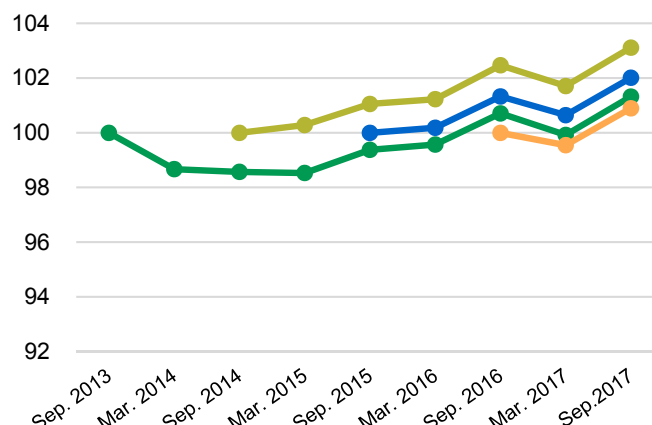
63 properties held as of the beginning of Sep. 2016 period

Excluded 1 property already disposed, Shinjuku South Gate Project (Land), Shiodome, Nishiki Park and Shinjuku Eastside from 68 properties.

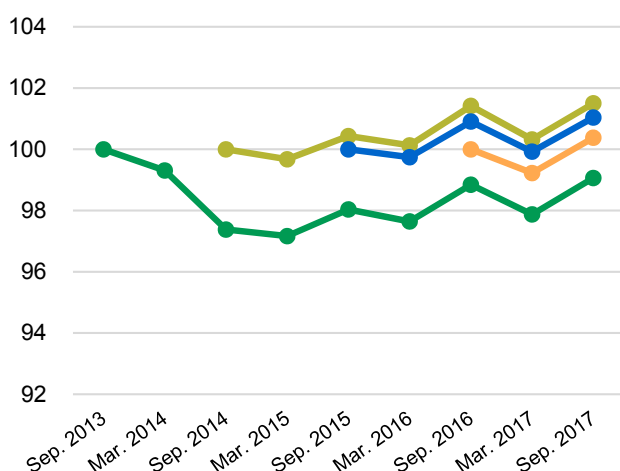
### Average occupancy rate during the period



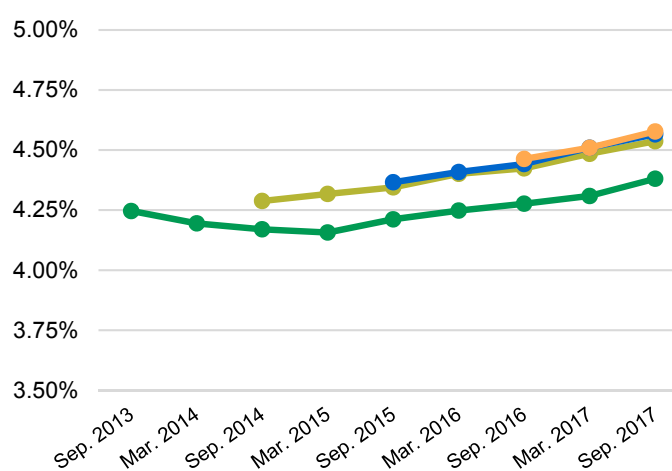
### Property-related revenues



### Revenues / Average occupancy rate during the period



### NOI Yield



— 50 properties held as of the beginning of Sep. 2013 Period  
— 57 properties held as of the beginning of Sep. 2015 Period

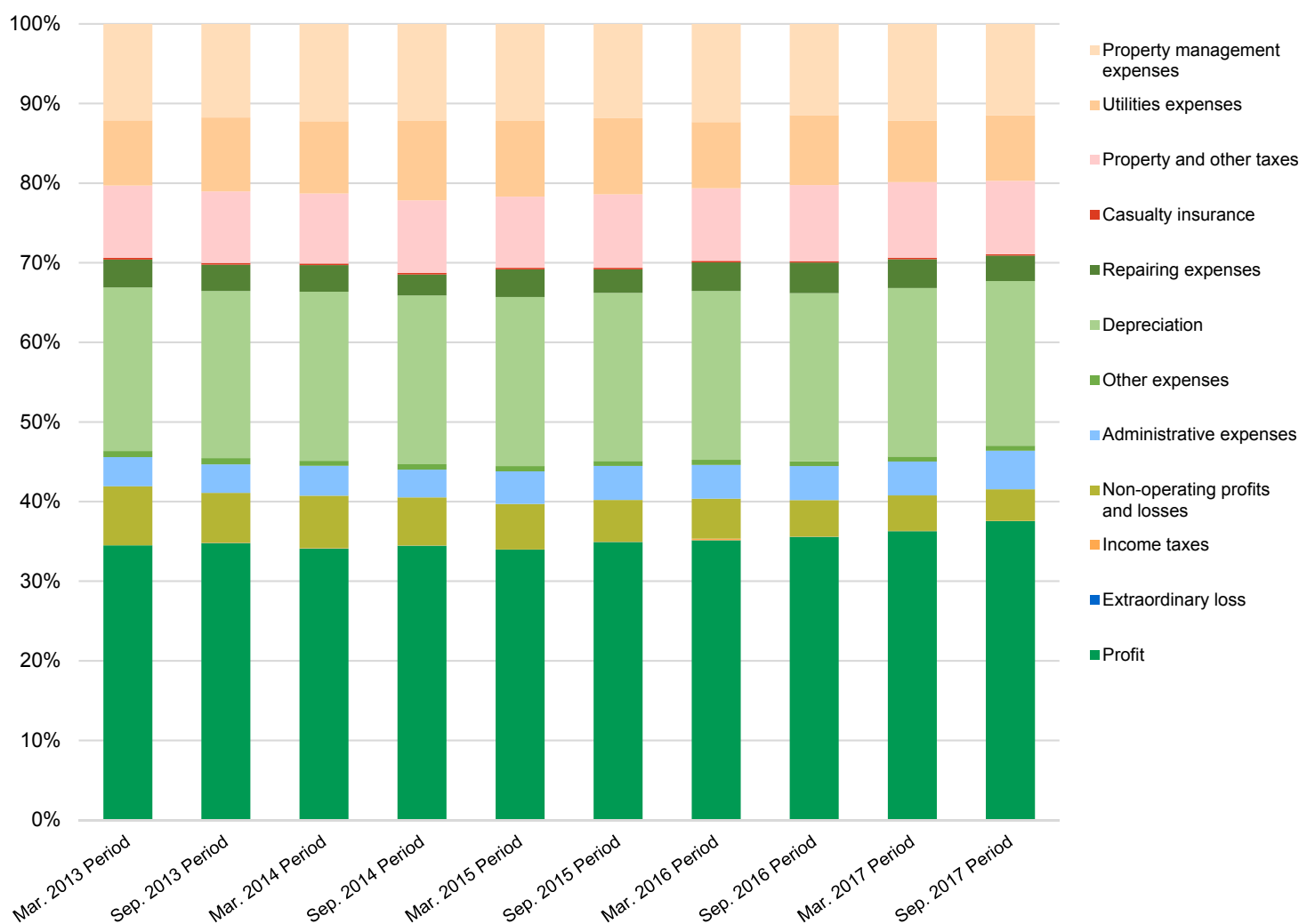
— 54 properties held as of the beginning of Sep. 2014 Period  
— 63 properties held as of the beginning of Sep. 2016 Period



# Operating Expenses, etc. as a Percent of Operating Revenues

	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
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	12.1%	11.7%	12.2%	12.2%	12.2%	11.8%	12.3%	11.4%	12.1%	11.5%
Utilities expenses	8.2%	9.3%	9.1%	10.0%	9.5%	9.6%	8.3%	8.8%	7.7%	8.2%
Property and other taxes	9.1%	9.0%	8.8%	9.1%	8.9%	9.2%	9.1%	9.5%	9.5%	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	3.5%	3.3%	3.3%	2.6%	3.5%	2.9%	3.6%	3.8%	3.6%	3.2%
Depreciation	20.5%	21.0%	21.3%	21.2%	21.2%	21.1%	21.2%	21.1%	21.2%	20.7%
Other expenses	0.8%	0.8%	0.6%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%
Administrative expenses	3.7%	3.6%	3.8%	3.5%	4.1%	4.3%	4.2%	4.3%	4.3%	4.9%
Non-operating profits and losses	7.4%	6.2%	6.6%	6.0%	5.7%	5.2%	5.0%	4.6%	4.4%	4.0%
Income taxes	(0.3)%	0.1%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%
Extraordinary loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit	34.8%	34.8%	34.1%	34.5%	34.0%	34.9%	35.2%	35.6%	36.3%	37.5%

\*In operating revenues, gain on sales of real estate properties is included in Sep. 2013, Mar. 2016 and Mar. 2017 periods.

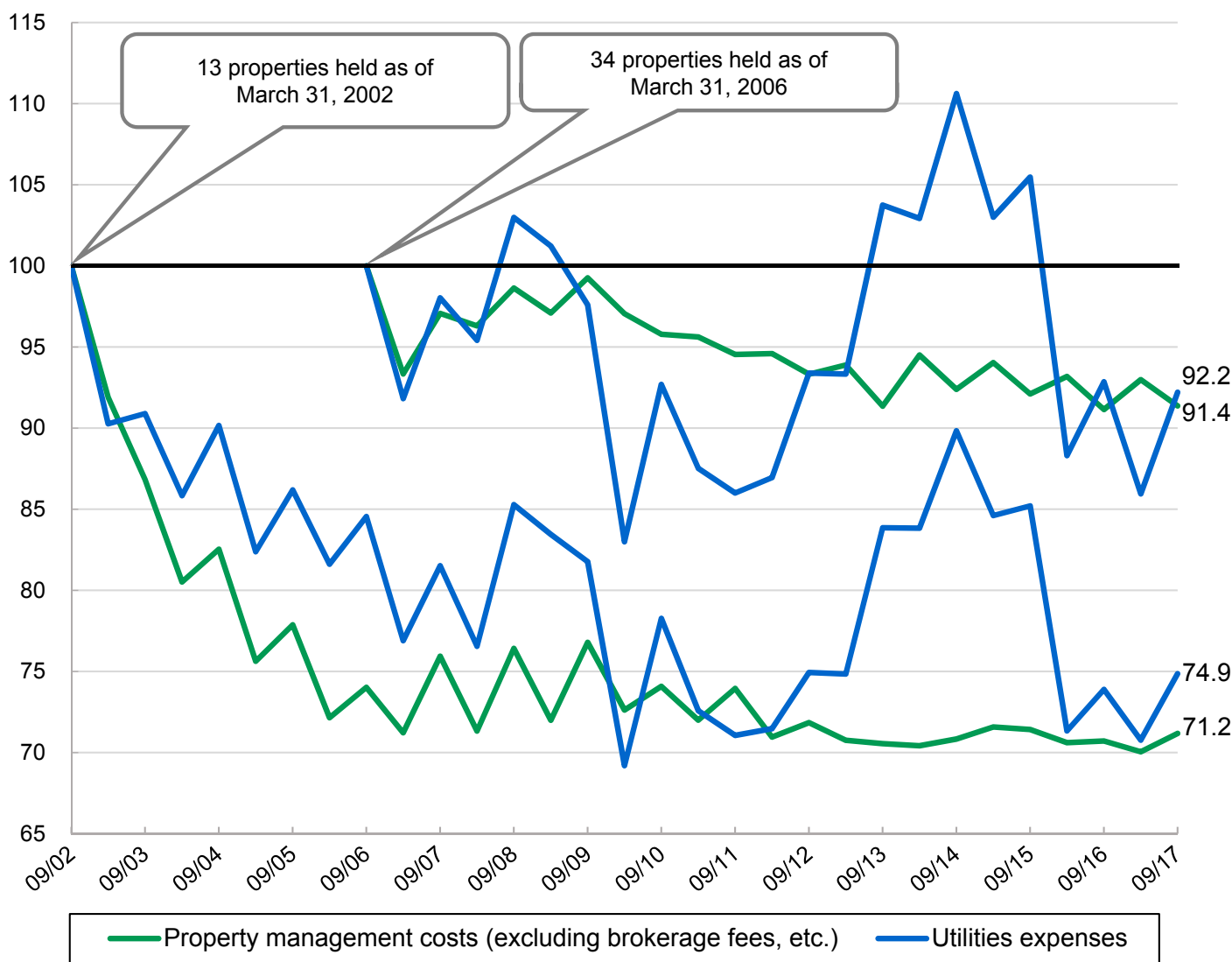




# Trend in Property Management Costs and Utilities Expenses

- Comparison of JRE's portfolio with constantly held shares of ownership in which no increase or decrease (including disposal) of shares has been seen as of March 31, 2002 and March 31, 2006.
- The trend sets the property management costs and utilities expenses as of March 31, 2002 and March 31, 2006 (the start of each trend) at 100.

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



Achieved steady cost reduction by reviewing the management system and renewing facilities

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

## JRE's Renovation Work

- Prepared mid- to long-term renovation plans, taking stable cash flow into account
- Conducted renovation work that increases profitability through such efforts as reducing costs and attracting tenants
- Conducted customer service renovation work that improves amenities for tenants, including work to improve air-conditioning systems and restrooms
- Conducted appropriate renovations to maintain building functions
- Had a third-party review on the construction estimates and costs (order placed), and carried out proper construction management

## Construction Costs and Depreciation (Actual)

(In millions of yen)

	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
Construction costs	794	453	933	841	1,585	1,161	1,178	1,025	1,728	1,654	2,857
Repairing expenses (reported as expense)	321	152	323	289	365	363	471	474	528	513	916
Capital expenditure (capitalized as asset)	472	301	609	552	1,219	797	706	550	1,200	1,141	1,940
Depreciation	1,100	1,194	1,310	1,393	1,498	1,657	1,641	2,017	2,359	2,682	2,717
Total assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968	433,552	441,163	443,973
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

	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	Sep. 2012 period
Construction costs	1,520	2,760	1,138	1,721	2,309	2,074	1,563	2,315	1,328	2,493	2,227
Repairing expenses (reported as expense)	580	991	511	676	1,119	756	790	833	585	700	764
Capital expenditure (capitalized as asset)	939	1,769	627	1,044	1,190	1,318	773	1,481	743	1,792	1,463
Depreciation	2,835	3,068	3,560	3,788	3,801	3,945	4,218	4,286	4,433	4,690	4,908
Total assets	449,643	527,537	542,920	565,022	564,528	637,326	634,974	646,847	643,949	703,085	724,851
Property-related revenues	17,132	17,807	19,805	20,716	20,795	20,758	22,112	22,135	22,283	24,059	24,222

	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
Construction costs	2,741	2,411	3,320	2,472	4,216	2,021	3,977	2,794	3,956	2,210
Repairing expenses (reported as expense)	886	866	887	733	983	881	1,101	1,181	1,113	1,017
Capital expenditure (capitalized as asset)	1,854	1,545	2,433	1,738	3,233	1,140	2,876	1,613	2,842	1,192
Depreciation	5,208	5,507	5,649	5,883	6,009	6,332	6,487	6,500	6,526	6,556
Total assets	765,628	775,066	817,130	813,931	852,679	899,938	890,626	883,633	898,306	906,507
Property-related revenues	25,357	26,206	26,582	27,760	28,314	29,980	30,428	30,773	30,784	31,718

\*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.

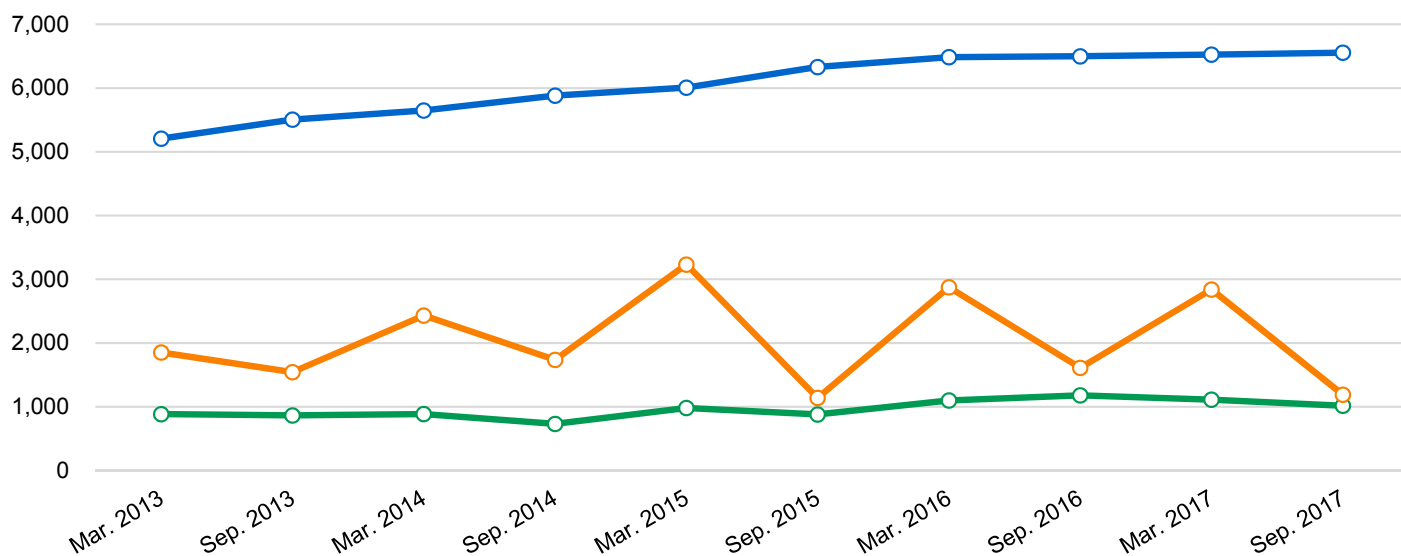
## Capital Expenditure and Depreciation (Forecast)

(In billions of yen)

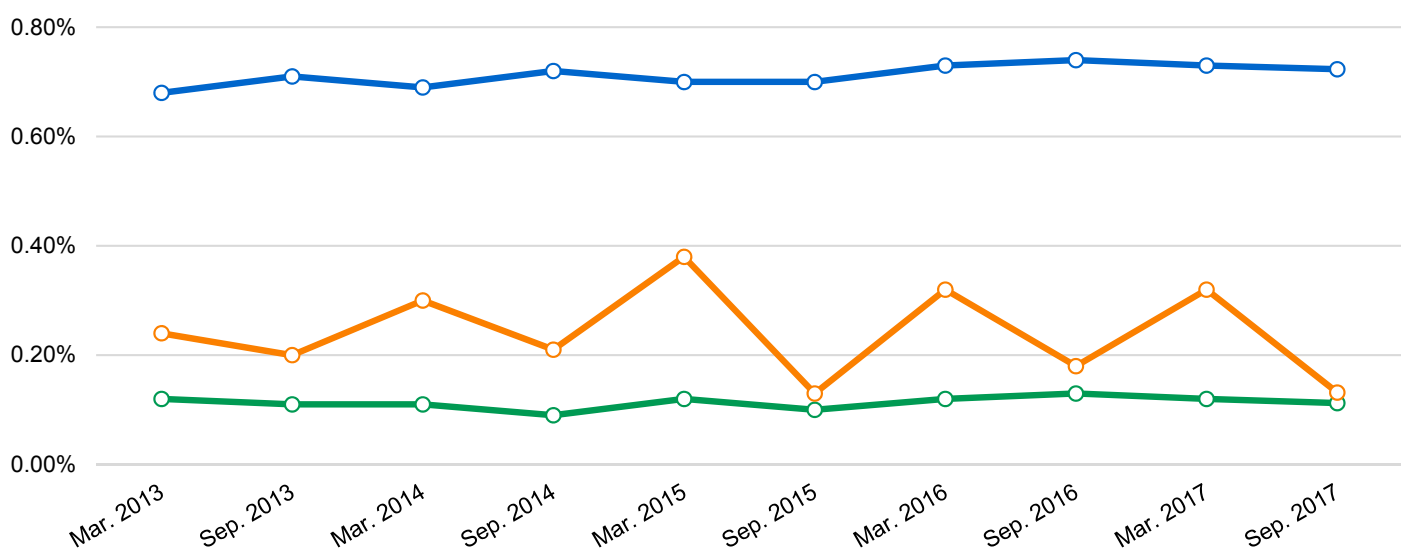
	Mar. 2018 period	Sep. 2018 period	Mar. 2019 period	Sep. 2019 period	Mar. 2020 period	Sep. 2020 period	Total
Capital expenditure	2.7	1.5	2.2	1.4	2.8	1.2	12.1
Depreciation	6.5	6.4	6.4	6.3	6.2	6.2	38.3

## Repair work expenses, capital expenditure, depreciation (Actual)

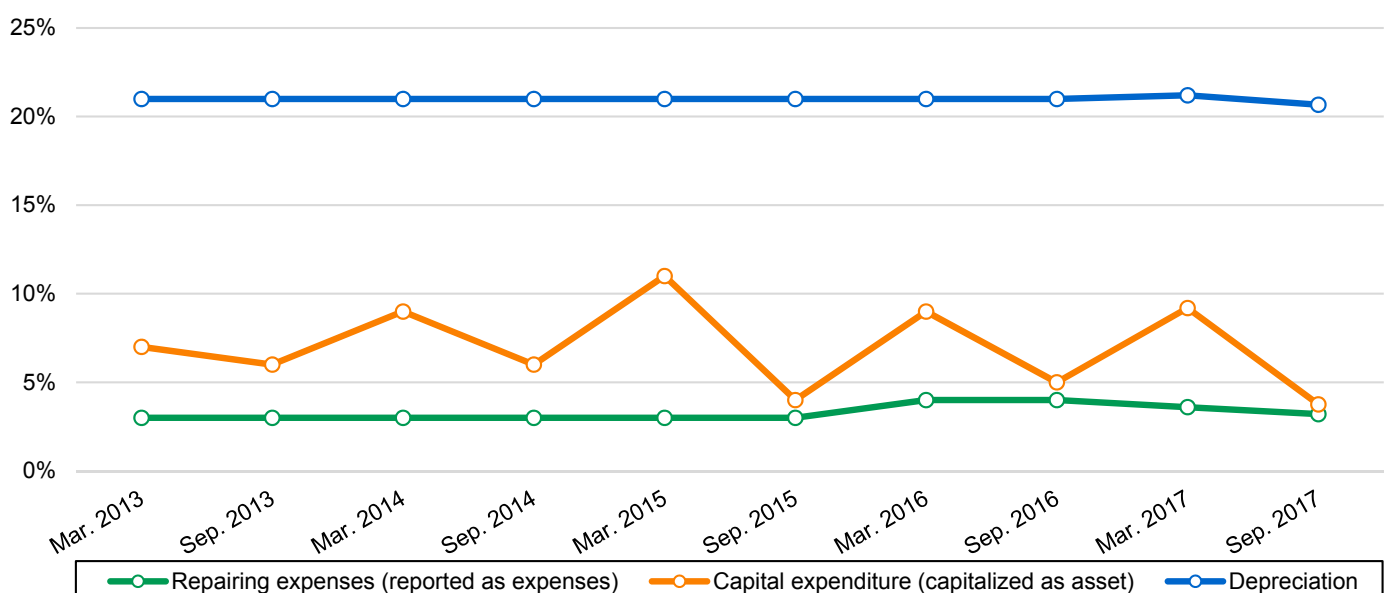
(In millions of yen)



## Ratio of repair work expenses, capital expenditure, depreciation in total assets

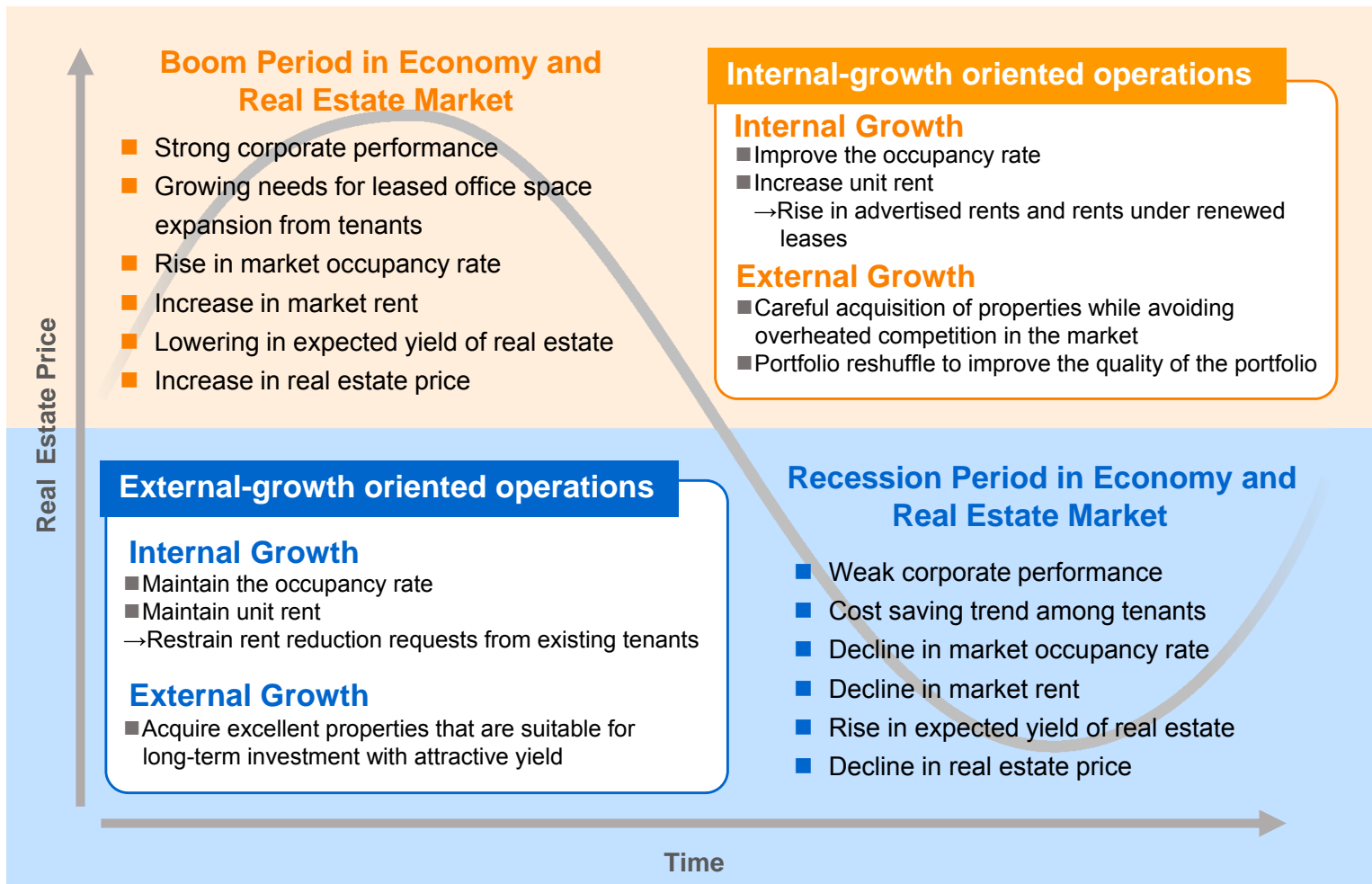


## Ratio of repair work expenses, capital expenditure, depreciation in property-related revenues



# 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

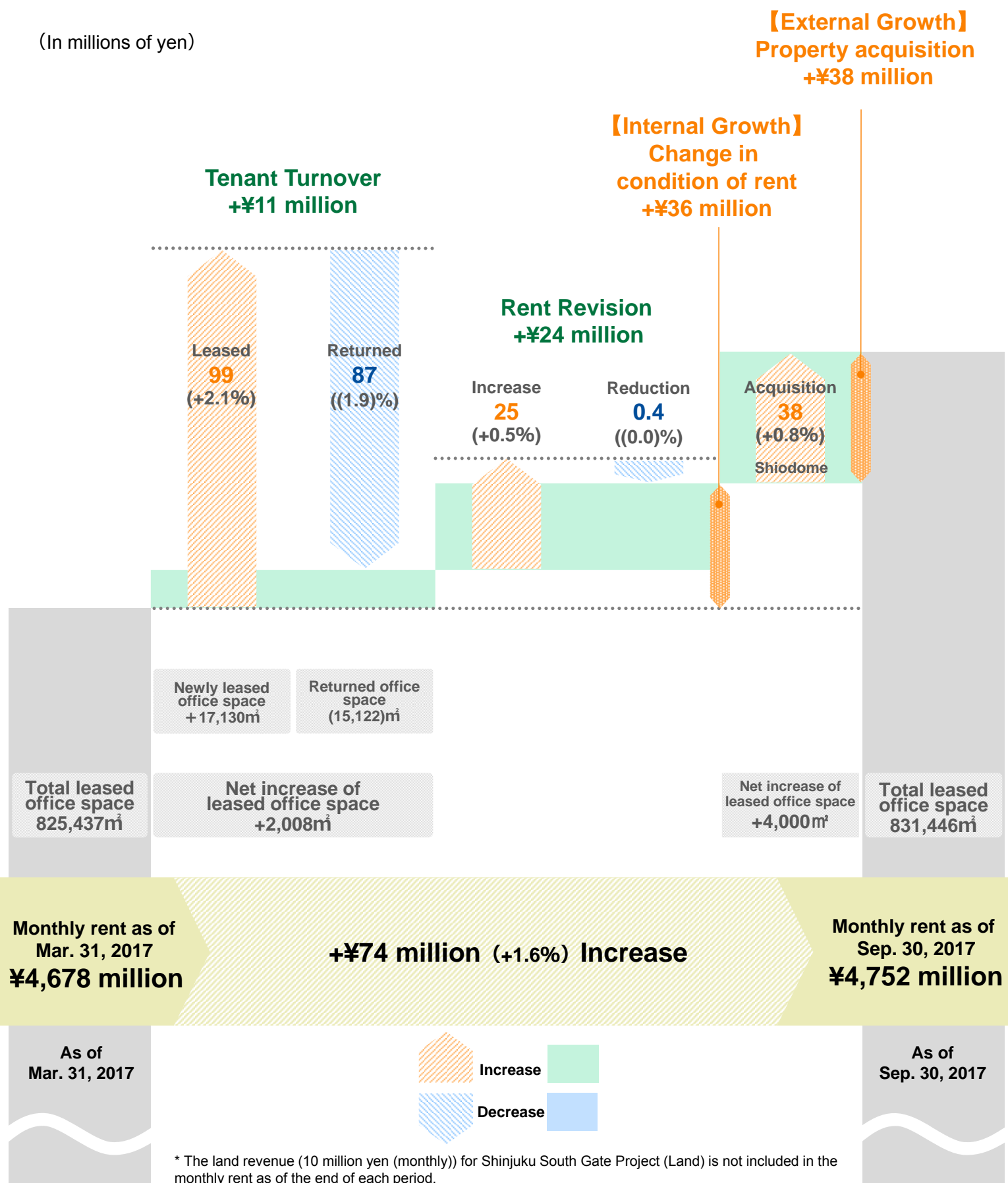
## 2 Internal Growth

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# 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 yen)



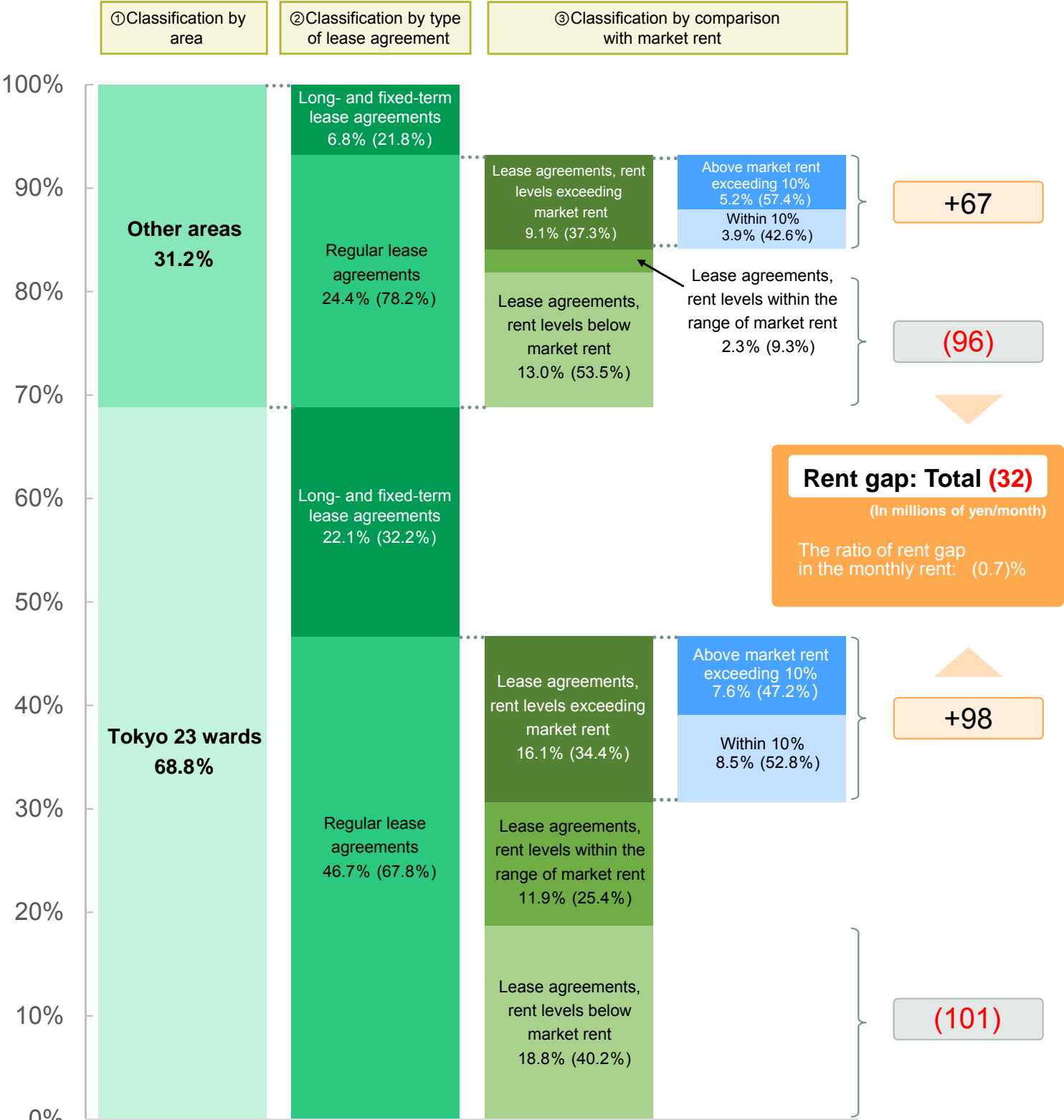


# Comparison of Portfolio Rent vs Market Rent

68 properties held as of September 30, 2017 \* Shinjuku South Gate Project (Land) is not included.

Monthly rent in the entire portfolio, including common service charges: ¥4,752 million

- Percentages represent the share of monthly rent in the entire portfolio. The numbers in parenthesis show the percentage of the share classified in the previous step.
- Long- and fixed-term lease agreements are contracts in which revenues are promised for a period of one year or longer as of September 30, 2017. Regular lease agreements are contracts other than long- and fixed-term lease agreements.



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

# 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, 2017 set at 100.
- The assessment was made for 62 properties. 6 properties are excluded (excluding properties in unusual situations, including single-tenant leased properties) from the 68 properties (building) (Note 2) held in total by JRE as of September 30, 2017.

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	
Tokyo 23 Wards	Chiyoda	Kitanomaru Square													95	89	86
		MD Kanda	120	120	120	124	130	130	149	149	162	168	151	135	114	103	95
		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				100	106	120	139	143	151	151	145	127	106	98	90
	Chuo	Yurakucho Denki		95	95	105	113	124	142	149	167	167	160	133	105	98	93
		Kodenmacho	104	104	104	107	114	114	121	121	154	164	157	146	132	118	104
		Kyodo (Kayabacho 2Chome)															
		Burex Kyobashi															
		Ginza 1Chome															
		Ginza Sanwa					113	121	127	133	142	142	140	110	96	96	87
		Ryoshin Ginza EM					132	132	137	145	153	153	145	134	116	103	92
		Harumi Front															
	Minato	Harumi Center										168	168	161	143	132	118
		Akasaka Park															
		Aoyama Crystal	102	100	98	104	114	124	126	136	142	142	138	124	102	92	86
		Clover Shiba-koen															
		Shiodome													109	98	93
		Shiba 2Chome Daimon	110	110	110	123	135	139	145	148	155	158	158	148	129	110	94
		Cosmo Kanasugibashi	111	111	111	118	129	136	143	150	157	164	164	143	118	111	96
		Tamachi Front															
	Shinjuku	Shinjuku Eastside															
		Shinwa				98	102	107	127	137	141	141	141	122	98	93	90
		Tokyo Opera City						129	141	147	151	151	147	124	102	98	94
	Taito	TIX UENO															
	Shinagawa	Higashi-Gotanda 1Chome			116	128	128	131	131	138	144	144	144	131	119	106	97
		Osaki Front Tower															
	Ota	Omori-Eki Higashiguchi	127	123	123	123	123	123	123	135	142	150	150	131	127	112	112
	Shibuya	Yoyogi 1Chome					116	129	142	147	150	153	153	132	105	100	97
		da Vinci Harajuku	115	110	110	110	110	124	124	124	124	124	124	120	98	90	88
		Jingumae MS		98	96	96	98	117	123	132	132	136	132	123	96	89	87
		Shibuya Cross Tower	86	86	86	96	102	116	134	134	138	138	129	113	82	79	79
		Ebisu Neonato		87	89	98	105	118	127	133	138	138	131	109	84	82	80
	Nakano	Harmony Tower					119	124	130	141	146	146	146	135	114	100	100
		Otsuka Higashi-Ikebukuro	100	100	92	92	92	92	92	96	113	113	117	117	113	104	104
		Ikebukuro 2Chome	98	98	98	98	100	100	104	104	112	112	112	112	108	100	100
		Ikebukuro YS				100	106	113	123	129	132	132	132	126	106	100	100
Other Areas	Hachioji	Hachioji First				109	109	109	109	109	113	113	109	100	96	96	
		Saitama	92	92	79	79	96	96	104	108	113	113	113	104	88	88	88
	Yokohama	MM Park											127	123	107	93	93
		Queen's															
	Kawasaki	Kawasaki Isago	106	102	102	102	102	102	102	102	106	106	106	102	94	94	94
		Musashi Kosugi STM											100	94	88	88	88
	Sapporo	8・3 Square Kita									90	93	93	93	90	90	90
	Sendai	Jozenji Park				121	124	132	132	132	134	134	134	118	111	105	105
		Higashi Nibancho															
		Sendai Honma	147	141	135	135	138	147	147	147	150	150	150	135	124	118	106
		AER															
	Kanazawa	Kanazawa Park	93	89	89	89	89	87	98	98	98	98	96	89	81	78	78
		Kanazawa Kamitsutsumicho															
	Nagoya	Nishiki Park								143	143	143	139	135	127	118	102
		Hirokoji Place															
		Nagoya Hirokoji	135	135	135	135	135	143	143	143	143	143	143	139	135	130	109
		Nagoya Misono		150	150	150	150	159	153	153	153	153	153	147	147	141	124
	Kyoto	Shijo Karasuma															
	Osaka	Umeda Square															
		Shin-Fujita												122	119	104	93
		Sakaisujihonmachi	124	119	105	105	110	119	129	138	138	138	133	124	110	100	90
		Midosuji Daiwa	128	112	108	108	116	124	148	148	152	152	148	132	108	100	100
	Amagasaki	Amagasaki Front															
	Okayama	Lit City							93	93	93	93	93	90	90	86	86
	Hiroshima	NHK Hiroshima			93	93	93	96	107	107	107	111	111	111	104	100	100
	Fukuoka	Tosei Tenjin	95	91	86	86	86	86	91	91	95	95	95	95	86	82	82
		Tenjin Crystal					96	96	100	100	100	100	96	85	78	70	70
		Hinode Tenjin	97	83	76	76	76	79	86	86	86	86	86	86	79	76	76

(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) is not included.

Trend in assessed new rent (intermediate value of upper and lower limits: index) at time of survey														Property Name	Area		
12/10	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				
84	81	81	81	84	88	91	93	95	96	98	100	100	100	Kitanomaru Square	Chiyoda	Tokyo 23 Wards	
95	89	86	86	86	86	86	86	89	89	92	95	97	100	MD Kanda			
88	83	81	81	83	83	83	83	86	88	93	95	98	100	Kandabashi Park			
							91	91	93	95	96	98	100	Otemachi FCN			
														Nibancho Garden			
														Mitsubishi UFJ Trust			
														Burex Kojimachi			
86	86	82	82	82	82	82	84	86	90	94	96	98	100	Sanno Grand	Chuo		
91	89	85	85	85	87	87	87	89	93	95	98	98	100	Yurakucho Denki			
104	100	96	96	96	96	96	96	96	96	100	100	100	100	Kodenmacho			
	100	97	97	97	97	97	97	97	97	97	97	100	100	Kyodo (Kayabacho 2Chome)			
														Burex Kyobashi			
									97	97	97	97	100	Ginza 1Chome			
83	81	81	81	81	83	87	88	90	92	94	98	98	100	Ginza Sanwa			
92	87	84	84	84	84	87	87	89	92	95	97	97	100	Ryoshin Ginza EM			
														Harumi Front			
114	111	96	93	93	93	93	93	96	96	96	96	96	100	Harumi Center			
		81	81	81	83	85	87	88	90	94	96	98	100	Akasaka Park			
86	84	80	80	82	84	84	86	90	94	98	98	98	100	Aoyama Crystal			
									100	100	100	100	100	Clover Shiba-koen			
90	88	88	88	90	90	91	93	97	97	98	100	100	100	Shiodome			
87	87	84	84	84	84	84	84	84	84	87	90	94	100	Shiba 2Chome Daimon	Minato		
89	89	86	86	86	86	86	86	86	86	93	93	96	100	Cosmo Kanasugibashi			
													100	Tamachi Front			
								94	94	96	96	96	100	Shinjuku Eastside			
80	80	76	76	78	78	78	80	83	88	95	95	95	100	Shinwa			
94	92	86	84	84	82	84	88	90	92	94	96	96	100	Tokyo Opera City			
			93	93	93	93	93	95	95	100	100	100	100	TIX UENO			
94	91	84	84	84	84	84	84	84	88	91	94	97	100	Higashi-Gotanda 1Chome	Taito	Shinagawa	
														Osaki Front Tower			
104	100	100	100	100	100	100	100	100	100	100	100	100	100	Omori-Eki Higashiguchi			
92	87	84	84	84	84	84	84	87	89	92	95	97	100	Yoyogi 1Chome			
85	85	85	85	85	85	85	85	85	88	88	88	93	100	da Vinci Harajuku			
85	81	81	81	83	83	85	91	91	94	96	96	100	100	Jingumae MS			
79	79	75	77	79	82	86	89	93	95	96	98	98	100	Shibuya Cross Tower			
76	76	76	76	78	82	85	89	93	95	96	98	98	100	Ebisu Neonato	Nakano		
95	92	89	89	89	89	89	92	92	92	95	97	97	100	Harmony Tower			
104	96	83	83	83	83	83	83	88	92	96	96	96	100	Otsuka Higashi-Ikebukuro			
100	100	100	100	100	100	100	100	100	100	100	100	100	100	Ikebukuro 2Chome	Toshima		
94	94	94	94	94	94	94	94	94	94	97	97	100	100	Ikebukuro YS			
96	87	87	87	87	87	87	87	91	96	96	96	96	100	Hachioji First			
88	88	88	88	88	88	88	92	92	96	96	96	96	100	Saitama Urawa	Hachioji	Other Areas	
93	93	90	90	90	90	90	90	90	93	97	100	100	100	MM Park	Saitama		
						81	82	85	88	97	100	100	100	Queen's	Yokohama		
94	86	73	73	73	73	78	82	86	90	94	98	98	100	Kawasaki Isago	Kawasaki		
88	82	82	82	82	82	82	82	85	88	94	100	100	100	Musashi Kosugi STM			
90	90	87	87	87	87	87	87	87	88	90	93	97	100	8・3 Square Kita			
105	105	100	100	100	100	100	100	100	100	100	100	100	100	Jozenji Park			
				77	77	77	80	83	88	93	93	93	100	Higashi Nibancho	Sendai		
100	100	94	94	94	94	94	94	94	94	94	94	94	100	Sendai Honma			
										83	85	95	100	AER			
78	78	78	78	78	78	78	78	78	81	89	89	96	100	Kanazawa Park	Kanazawa		
												93	100	Kanazawa Kamitsutsumicho			
102	98	98	94	92	92	92	94	94	94	98	98	98	100	Nishiki Park	Nagoya		
						92	92	92	92	92	92	92	100	Hirokoji Place			
109	104	104	104	100	100	100	100	100	100	100	100	100	100	Nagoya Hirokoji			
124	112	112	100	100	94	94	97	97	97	100	100	100	100	Nagoya Misono			
						79	82	85	91	94	94	94	100	Shijo Karasuma	Kyoto		
									89	89	91	96	100	Umeda Square	Osaka		
93	93	93	93	93	93	93	93	93	93	96	96	96	100	Shin-Fujita			
90	86	86	86	86	86	86	86	86	86	86	86	90	100	Sakaisujihonmachi			
100	100	100	100	100	92	92	92	92	92	92	92	96	100	Midosuji Daiwa			
									100	100	100	100	100	Amagasaki Front	Amagasaki		
86	86	86	86	88	88	88	88	90	91	100	100	100	100	Lit City	Okayama		
100	98	98	98	98	98	98	98	98	100	100	100	100	100	NHK Hiroshima	Hiroshima	Fukuoka	
82	80	80	80	80	80	80	80	80	86	91	91	91	100	Tosei Tenjin			
70	70	70	70	70	70	74	78	85	89	89	89	93	100	Tenjin Crystal			
76	76	72	72	72	72	76	78	83	86	86	90	93	100	Hinode Tenjin			

Assessed rent increased compared to the preceding assessment

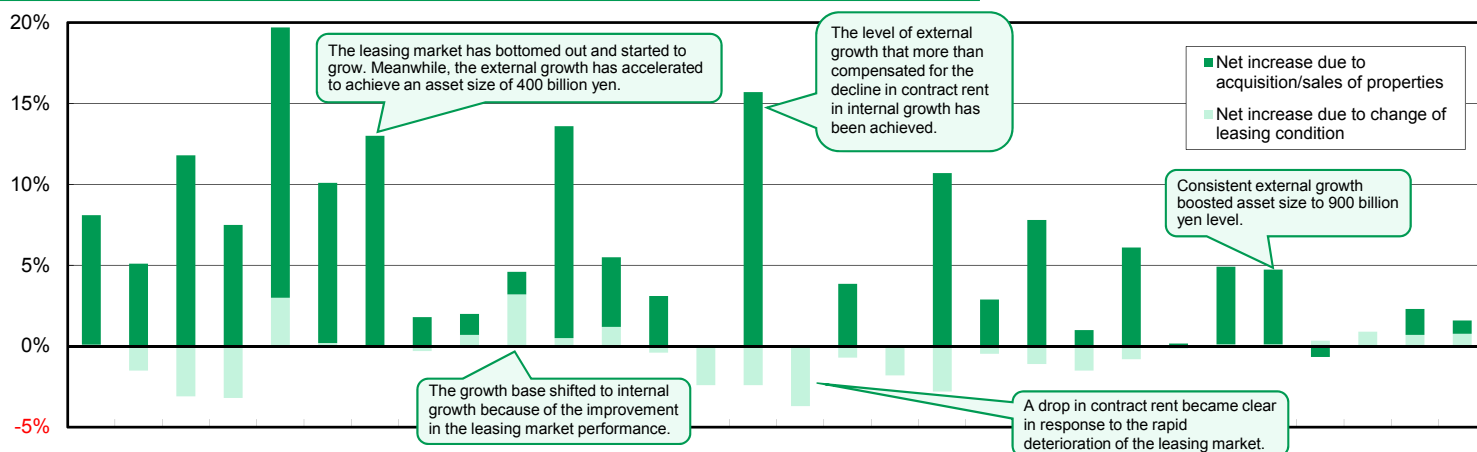
Assessed rent decreased compared to the preceding assessment

# Net Increase of Monthly Contract Rent

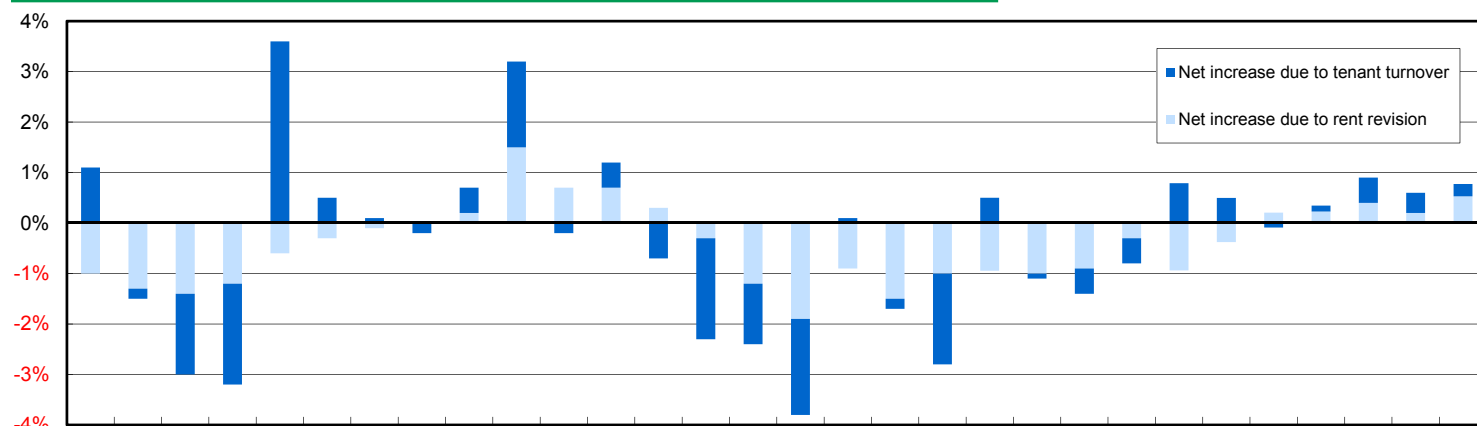
\* Percentages represent the rates of net increase of rent over monthly total portfolio contract rent (including common service charges) as of the end of the previous period (prior six months). Data for residential portions are excluded.

	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	Mar. 2015 period	Sep. 2015 period	Mar. 2016 period	Sep. 2016 period	Mar. 2017 period	Sep. 2017 period
Rate of net increase of rent over the end of the previous period ... I + II	(3.7)%	3.2%	(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%
Net increase due to acquisition/sales of properties ... I (= ㊸ + ㊹)	0.0%	3.9%	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%
Increase due to property acquisition ... ㊸	0.0%	3.9%	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%
Reduction due to property sales ... ㊹	0.0%	0.0%	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%
Net increase due to change of leasing condition ... II (= ㊺ + ㊻)	(3.7)%	(0.7)%	(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%
Reduction due to returned office spaces ... ㊺ (= ㊼ + ㊽)	(1.9)%	0.1%	(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%
Increase due to newly leased office spaces ... ㊻	3.9%	3.5%	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%
Reduction due to returned office spaces ... ㊼	(5.8)%	(3.4)%	(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)%
Net increase due to rent revision ... ㊾ (= ㊿ + ㋀)	(1.9)%	(0.9)%	(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%
Increase due to rent revision ... ㊿	0.0%	0.0%	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%
Reduction due to rent revision ... ㋀	(1.9)%	(0.9)%	(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)%

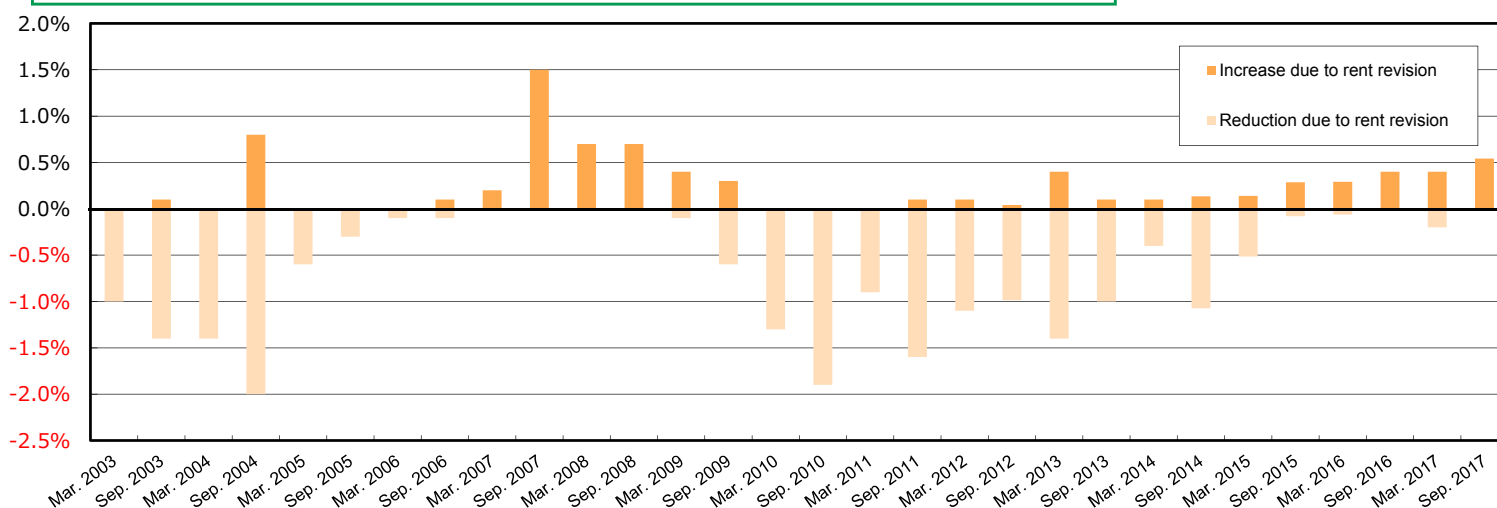
## Breakdown of net increase of rent due to external growth and internal growth



## 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

• Rent increase revision data for Sep. 2005 period or before are not listed due to insufficient samples.

(In thousands of yen-month)

	Mar. 2005 period	Sep. 2005 period	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
Tokyo 23 Wards			646	1,706	4,979	35,780	15,600	17,771	11,006	4,326	258	1,169	288
Other Areas			32	109	6	1,560	1,685	2,329	1,191	4,391	954	165	588
Overall			678	1,815	4,986	37,341	17,286	20,101	12,198	8,718	1,213	1,335	876
	Sep. 2011 period	Mar. 2012 period	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
Tokyo 23 Wards	1,004	443	1,319	10,004	374	888	2,616	4,258	11,413	11,209	15,851	16,083	19,063
Other Areas	121	1,467	184	4,935	2,809	1,741	2,976	1,503	995	2,030	3,204	3,852	6,280
Overall	1,125	1,911	1,503	14,940	3,184	2,630	5,593	5,761	12,409	13,239	19,056	19,935	25,343

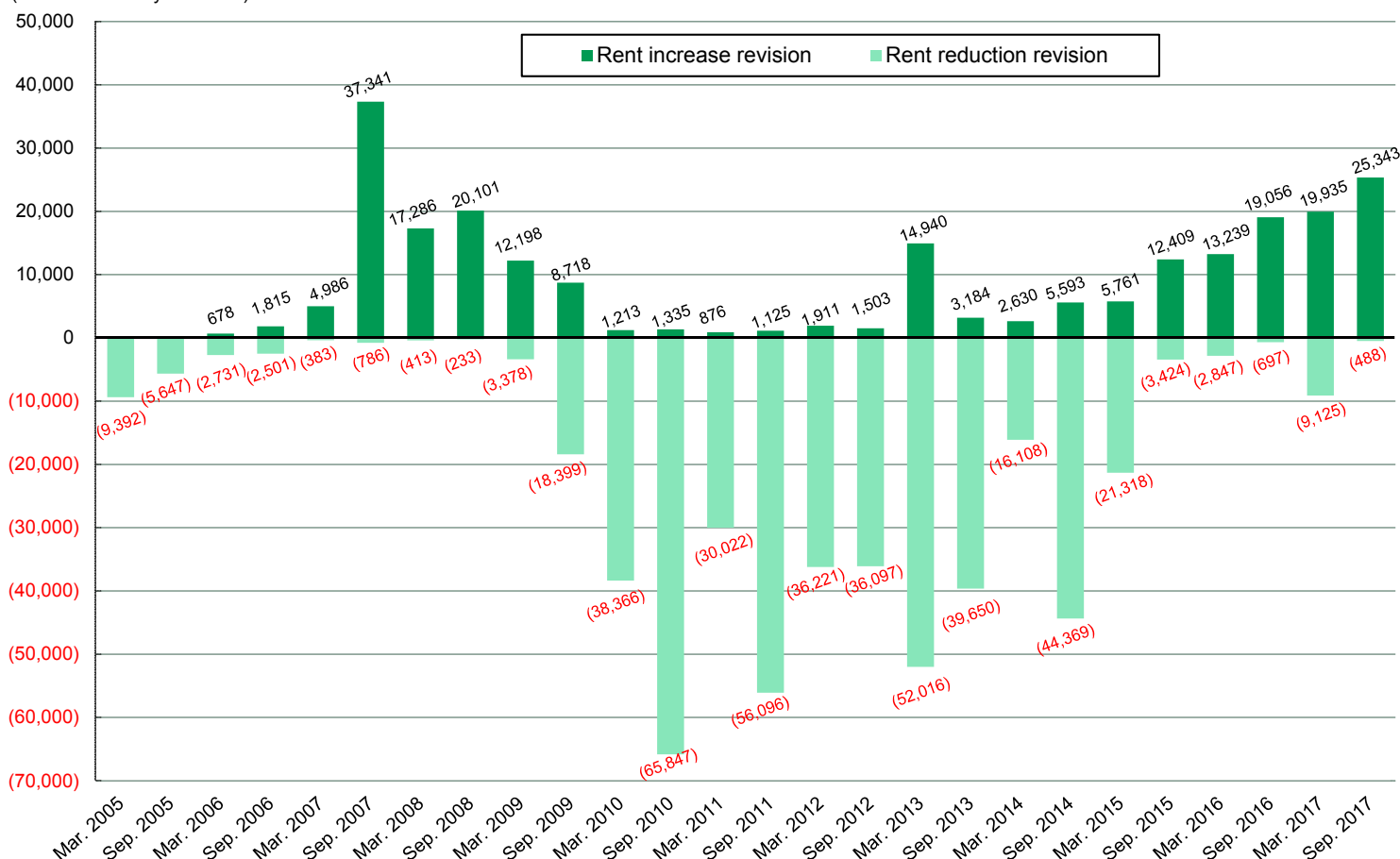
## Rent reduction on revision of monthly rent

(In thousands of yen-month)

	Mar. 2005 period	Sep. 2005 period	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
Tokyo 23 Wards	(2,179)	(3,311)	(393)	(89)	0	(22)	(350)	(26)	(2,218)	(10,806)	(27,211)	(49,726)	(22,157)
Other Areas	(7,213)	(2,335)	(2,337)	(2,412)	(383)	(763)	(63)	(207)	(1,159)	(7,592)	(11,155)	(16,121)	(7,865)
Overall	(9,392)	(5,647)	(2,731)	(2,501)	(383)	(786)	(413)	(233)	(3,378)	(18,399)	(38,366)	(65,847)	(30,022)
	Sep. 2011 period	Mar. 2012 period	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
Tokyo 23 Wards	(44,791)	(25,312)	(31,407)	(40,836)	(18,288)	(10,405)	(42,019)	(17,784)	(535)	(145)	(169)	(8,943)	(203)
Other Areas	(11,304)	(10,908)	(4,689)	(11,179)	(21,362)	(5,702)	(2,350)	(3,534)	(2,888)	(2,702)	(528)	(181)	(284)
Overall	(56,096)	(36,221)	(36,097)	(52,016)	(39,650)	(16,108)	(44,369)	(21,318)	(3,424)	(2,847)	(697)	(9,125)	(488)

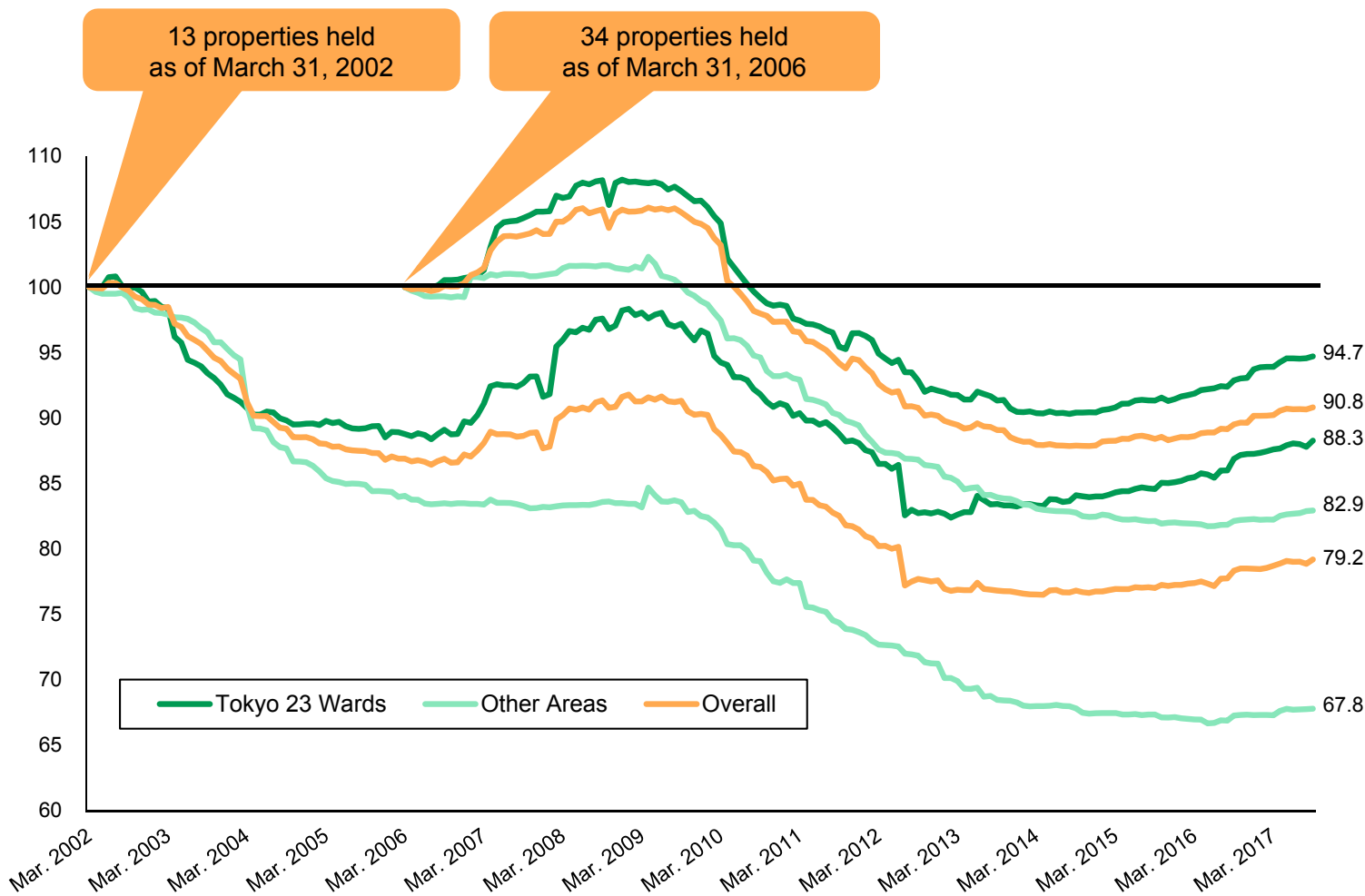
## Entire portfolio / Trend of rent increase and reduction

(In thousands of yen-month)



# Changes in Average Rent Level

- Comparison of JRE’s portfolio of properties with constantly held shares of ownership in which no increase or decrease (including disposal) of shares has been seen as of March 31, 2002 and March 31, 2006.
- The trend sets the average rent based on the contracts as of March 31, 2002 and March 31, 2006 (the start of trend) at 100.



## MEMO

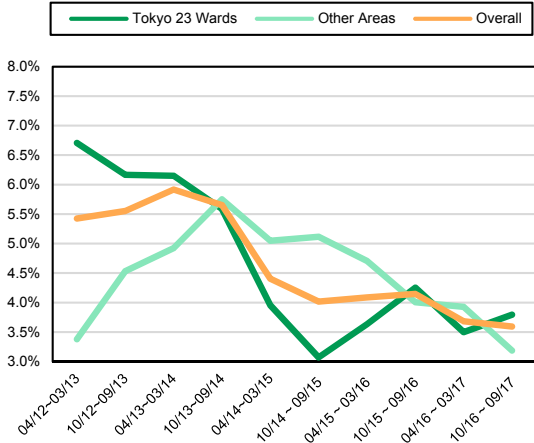


# Status of Tenant Turnover (By Area and Rent Change)

## Ratio of Annual Tenant Turnover

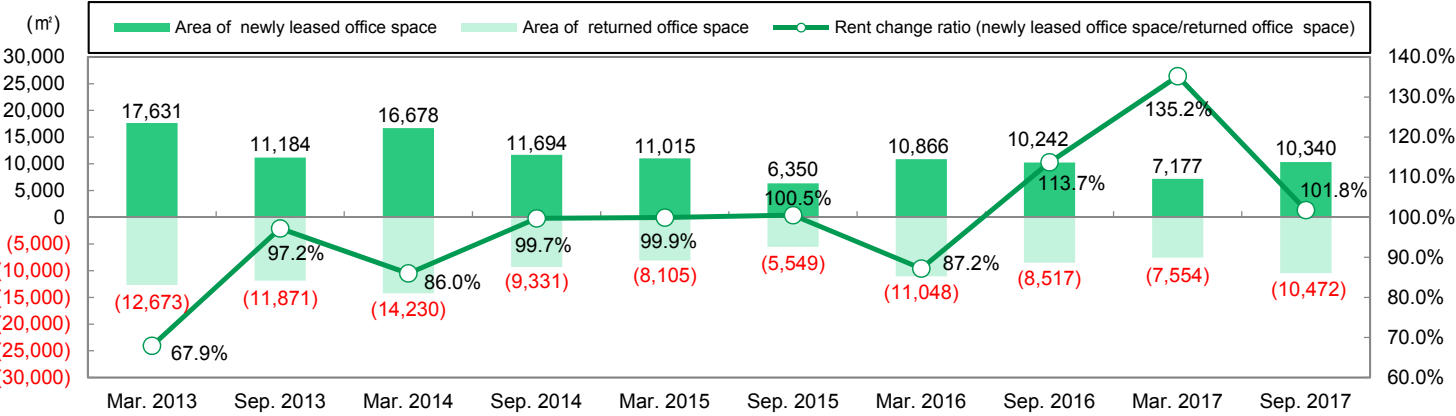
	04/12 ~ 03/13	10/12 ~ 09/13	04/13 ~ 03/14	10/13 ~ 09/14	04/14 ~ 03/15	10/14 ~ 09/15	04/15 ~ 03/16	10/15 ~ 09/16	04/16 ~ 03/17	10/16 ~ 09/17
Tokyo 23 Wards	6.7%	6.2%	6.2%	5.6%	4.0%	3.1%	3.6%	4.3%	3.5%	3.8%
Other Areas	3.4%	4.5%	4.9%	5.8%	5.0%	5.1%	4.7%	4.0%	3.9%	3.2%
Overall	5.4%	5.6%	5.9%	5.7%	4.4%	4.0%	4.1%	4.1%	3.7%	3.6%

\*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)

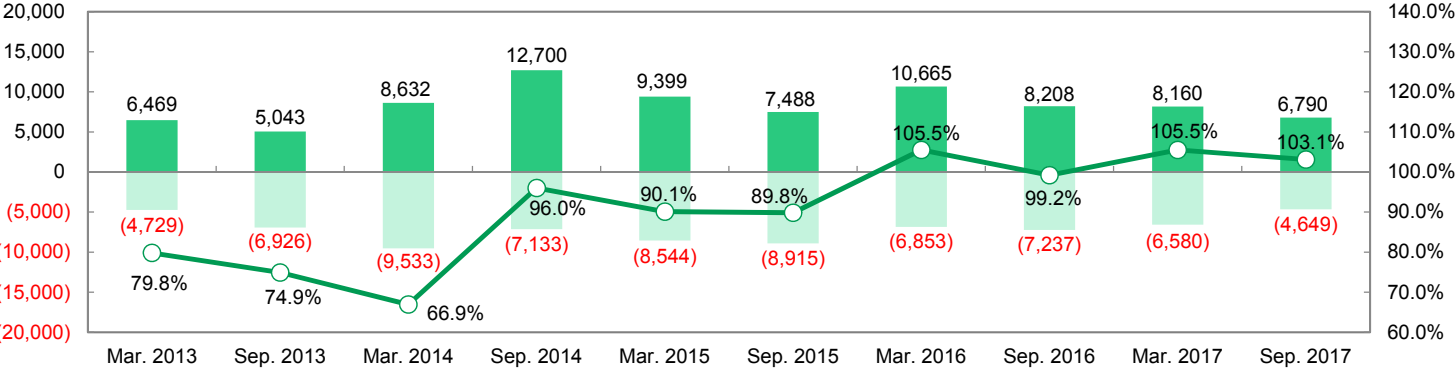


## Trend in Area of Newly Leased & Returned Office Space and Rent Change Ratio

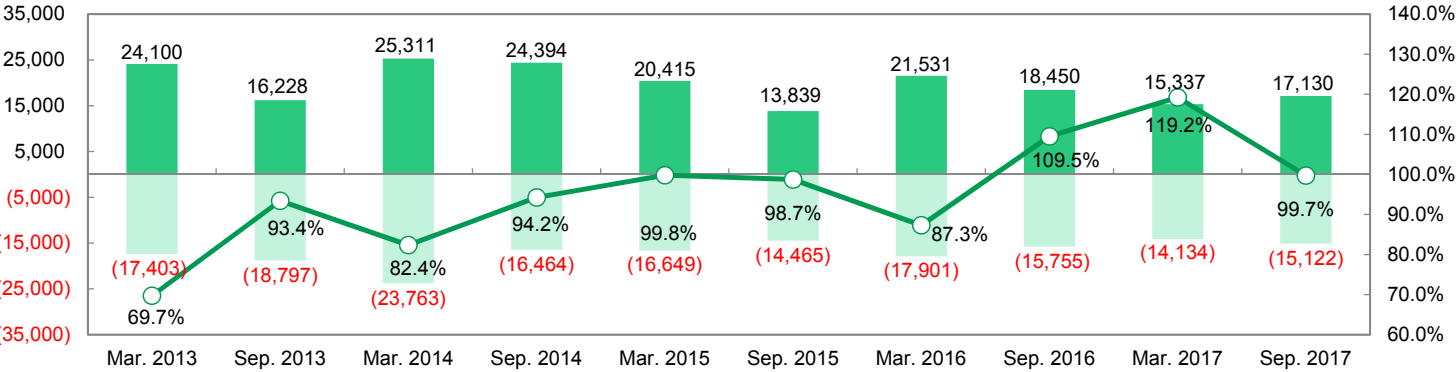
### Tokyo 23 Wards



### Other Areas

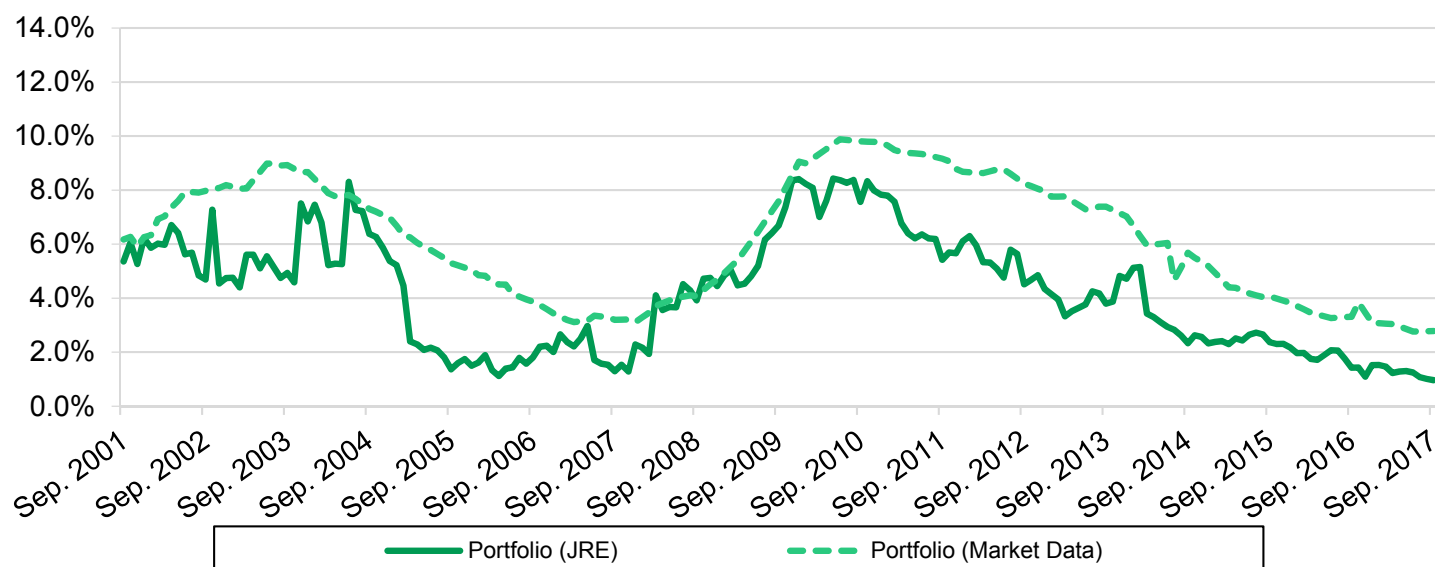


### Overall

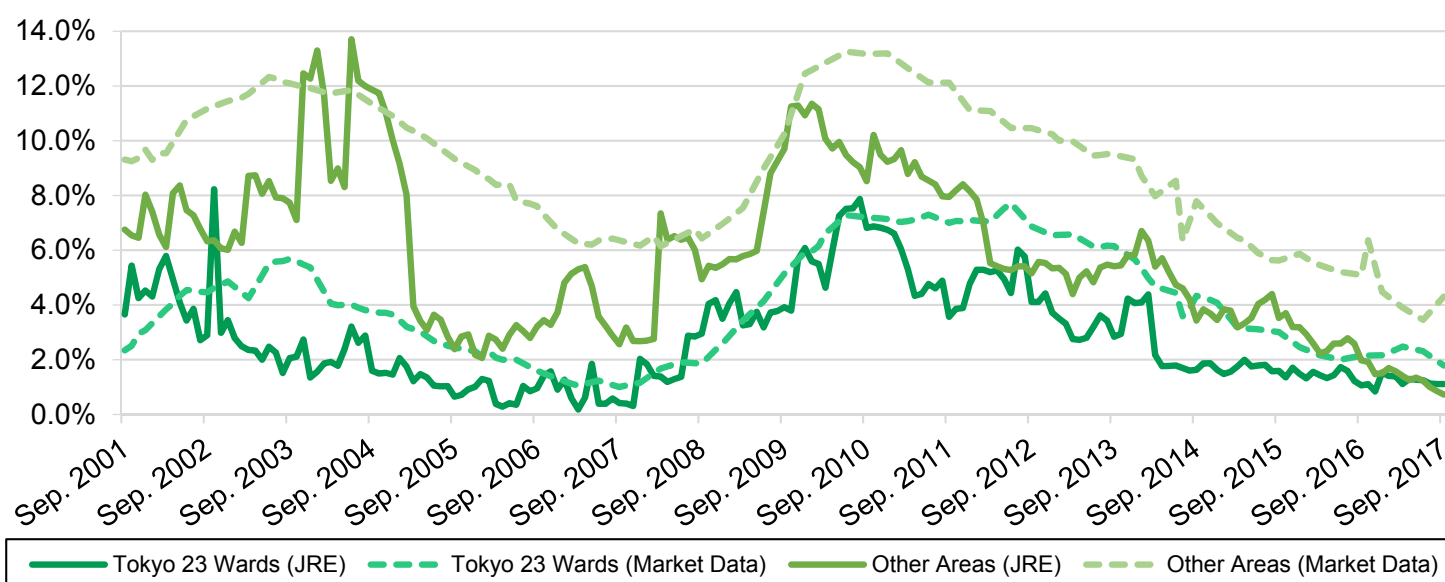


# Trend in Vacancy Rate (Comparison with Market Vacancy Rate)

## Overall



## Tokyo 23 Wards / Other Areas



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

$$\textcircled{6} = ( \textcircled{1} \times \textcircled{4} + \textcircled{2} \times \textcircled{5} ) / \textcircled{3}$$

$$\textcircled{9} = ( \textcircled{1} \times \textcircled{7} + \textcircled{2} \times \textcircled{8} ) / \textcircled{3}$$

\* 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. reflects all office building properties in all of the researched areas until June 2011, and thereafter to December 2012 reflects office building properties with total floor area of 500 tsubo or larger. Data from January 2013 and thereafter applies new area grouping and reflects office building properties with total floor area of 1,000 tsubo or larger that is based on New Earthquake Resistant Standard.

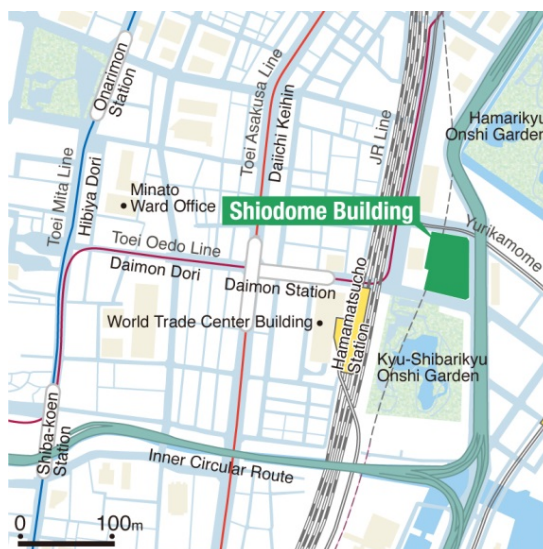
\* JRE's properties which are not located in the areas reflected in the above CBRE K.K. data are excluded from the average vacancy rate from January 2013.

**Maintaining lower vacancy rate than the market**

## 3 External Growth

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## Shiodome Building



### Property Summary (as of Acquisition date)

■ Location :	1-2-20, Kaigan, Minato-ku, Tokyo
■ Area :	< Land > 12,054.22㎡ < Building > 115,930.83㎡ (Note) A part of the land has a compartmentalized surface right created to protect railroad structures and to build a subway facilities.
■ Structure :	Steel-framed, steel-framed reinforced concrete structure, flat roof Above ground: 24 floors Below ground: 2 floors
■ Completion date :	December 2007
■ Type of ownership :	Trust beneficiary right in trust of domestic property (5% of quasi-co-ownership from the additional acquisition) Real Property Land : Ownership Building : Ownership *Change of quasi-co-ownership : 50.0% → 55.0%
■ Leasable office space :	4,019㎡ (for additional share) *Total leasable office space owned by JRE : 44,213㎡ (After additional acquisition)
■ Occupancy rate :	99.5%

### Transaction Summary

■ Seller :	Mitsui & Co. Real Estate Ltd.
■ Acquisition price :	¥ 10,530 million
■ Appraisal value :	¥ 10,800 million (as of July 1, 2017)
■ Acquisition date :	September 1, 2017

### Estimation of NOI and Depreciation

(Estimated under ordinary state occupancy)

< Estimated NOI > **¥ 368 million per year**

< Estimated Depreciation > **¥ 83 million per year**

# External Growth (Consideration of Property Acquisitions)

## Performance of Property Acquisitions and Sales

(In millions of yen)

	At IPO ~09/01	Mar. 2002 period 10/01~03/02	Sep. 2002 period 04/02~09/02	Mar. 2003 period 10/02~03/03	Sep. 2003 period 04/03~09/03	Mar. 2004 period 10/03~03/04	Sep. 2004 period 04/04~09/04	Mar. 2005 period 10/04~03/05	Sep. 2005 period 04/05~09/05	Mar. 2006 period 10/05~03/06	Sep. 2006 period 04/06~09/06	Mar. 2007 period 10/06~03/07
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

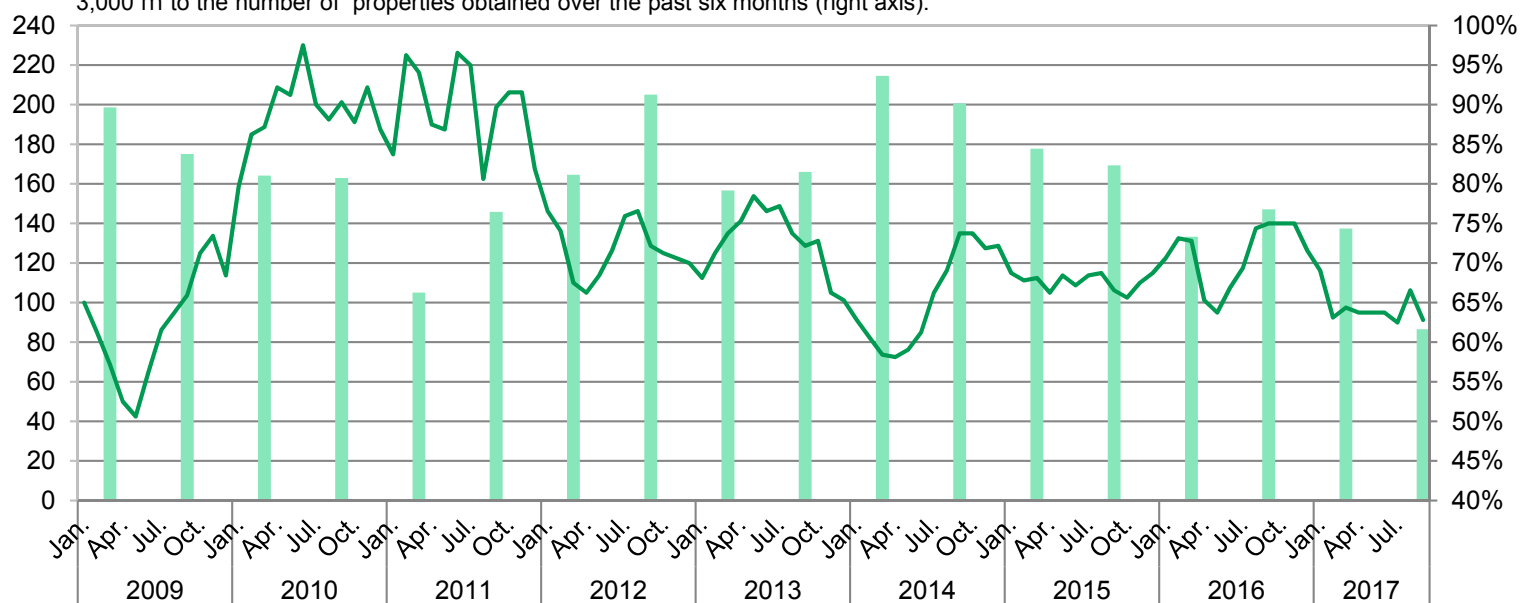
	Sep. 2007 period 04/07~09/07	Mar. 2008 period 10/07~03/08	Sep. 2008 period 04/08~09/08	Mar. 2009 period 10/08~03/09	Sep. 2009 period 04/09~09/09	Mar. 2010 period 10/09~03/10	Sep. 2010 period 04/10~09/10	Mar. 2011 period 10/10~03/11	Sep. 2011 period 04/11~09/11	Mar. 2012 period 10/11~03/12	Sep. 2012 period 04/12~09/12	Mar. 2013 period 10/12~03/13
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 period 04/13~09/13	Mar. 2014 period 10/13~03/14	Sep. 2014 period 04/14~09/14	Mar. 2015 period 10/14~03/15	Sep. 2015 period 04/15~09/15	Mar. 2016 period 10/15~03/16	Sep. 2016 period 04/16~09/16	Mar. 2017 period 10/16~03/17	Sep. 2017 period 04/17~09/17	TOTAL
Acquisition	12,967	43,174	650	45,459	44,263	-	175	26,100	10,530	1,003,897
Sales	1,220	-	-	-	-	4,366	-	6,890	-	67,816

## Trend of Property Information

Constantly acquire the information of properties for sales as much as possible despite the intensification of investment market for real estate.

- 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 m<sup>2</sup> to the number of properties obtained over the past six months (right axis).



Area	Sep. 2016 period							Mar. 2017 period							Total	%
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Total	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Total		
Tokyo Metropolitan Area	10	10	15	16	19	10	80	10	6	12	13	5	10	56	136	71.6%
Other Major Cities	0	3	9	6	10	4	32	0	7	1	1	5	8	22	54	28.4%
Total	10	13	24	22	29	14	112	10	13	13	14	10	18	78	190	100.0%

Area	Sep. 2017 period							Total	%
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Total		
Tokyo Metropolitan Area	8	8	12	4	20	2	54	54	74.0%
Other Major Cities	0	5	1	6	3	4	19	19	26.0%
Total	8	13	13	10	23	6	73	73	100.0%





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)

**43 deals** (\*2)

**¥435,719 million**



Harumi Front



Akasaka Park Building

Sponsors' introductions  
(Negotiated Transactions)

**13 deals**

**¥94,687 million**



Shiodome Building  
(The share acquired in December 2008)

Negotiated Transactions from others

**33 deals** (\*2)

**¥212,877 million**



Nagoya Hirokoji Place

The acquisition through  
negotiated transaction  
against total acquisition is:

**74.0%**

\* Acquisition Price Basis

Acquisition through negotiated transactions

(As of September 30, 2017)

Type of transaction	Number of deals		Amount (In billions of yen)	
Negotiated Transactions	89	(85.6%)	743	(74.0%)
Acquisition from sponsors, etc.	43	(41.3%)	435	(43.4%)
Acquisition through sponsors' introduction	13	(12.5%)	94	(9.4%)
Others	33	(31.7%)	212	(21.2%)
Tender Transactions	15	(14.4%)	260	(26.0%)
Acquisition from sponsors, etc.	5	(4.8%)	71	(7.2%)
Acquisition through sponsors' introduction	2	(1.9%)	116	(11.6%)
Others	8	(7.7%)	72	(7.2%)
<b>Total</b>	<b>104</b>	<b>(100.0%)</b>	<b>1,003</b>	<b>(100.0%)</b>

Tender Transactions  
from sponsors, etc. (\*1)

**5 deals**

**¥71,780 million**



MM Park Building

Sponsors' introduction  
(Tender Transactions)

**2 deals**

**¥116,155 million**



Kitanomaru Square

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

**71.6%**

\* Acquisition Price Basis

Acquisition / Introduction  
by parties other than sponsors

**8 deals**

**¥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:  
3,000m<sup>2</sup> or over

40 large-sized buildings  
each have total floor  
area of 10,000m<sup>2</sup> or over

Acquire properties with  
total floor area of  
3,000m<sup>2</sup> 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**

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# Summary of Debts as of September 30, 2017

As of September 30, 2017

Total interest-bearing debt ¥375,500 million

Long-term interest-bearing debt ratio 90.8%

Long-term fixed interest-bearing debt ratio 86.3%

Weighted average interest rate 0.64%

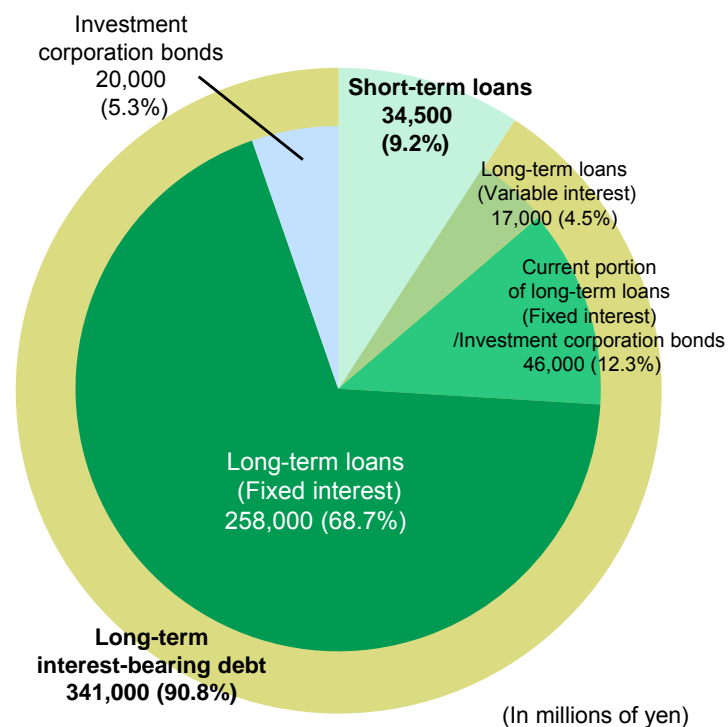
Average maturity of total interest-bearing debt 3.95 years

## Breakdown of short-term and long-term debt

(In millions of yen)

Short-term loans	34,500
Long-term loans (Variable interest)	17,000
Current portion of long-term loans (Fixed interest)	36,000
Long-term loans (Fixed interest)	258,000
Total amount of loans	345,500
Investment corporation bonds	30,000
Total amount of Investment corporation bonds	30,000

	Average interest rate	Average maturity (year)
Short-term loans	0.07%	0.44
Long-term loans (Variable interest)	0.05%	5.03
Current portion of long-term loans (Fixed interest), Investment corporation bonds	0.89%	0.63
Long-term loans (Fixed interest), Investment corporation bonds	0.70%	4.87



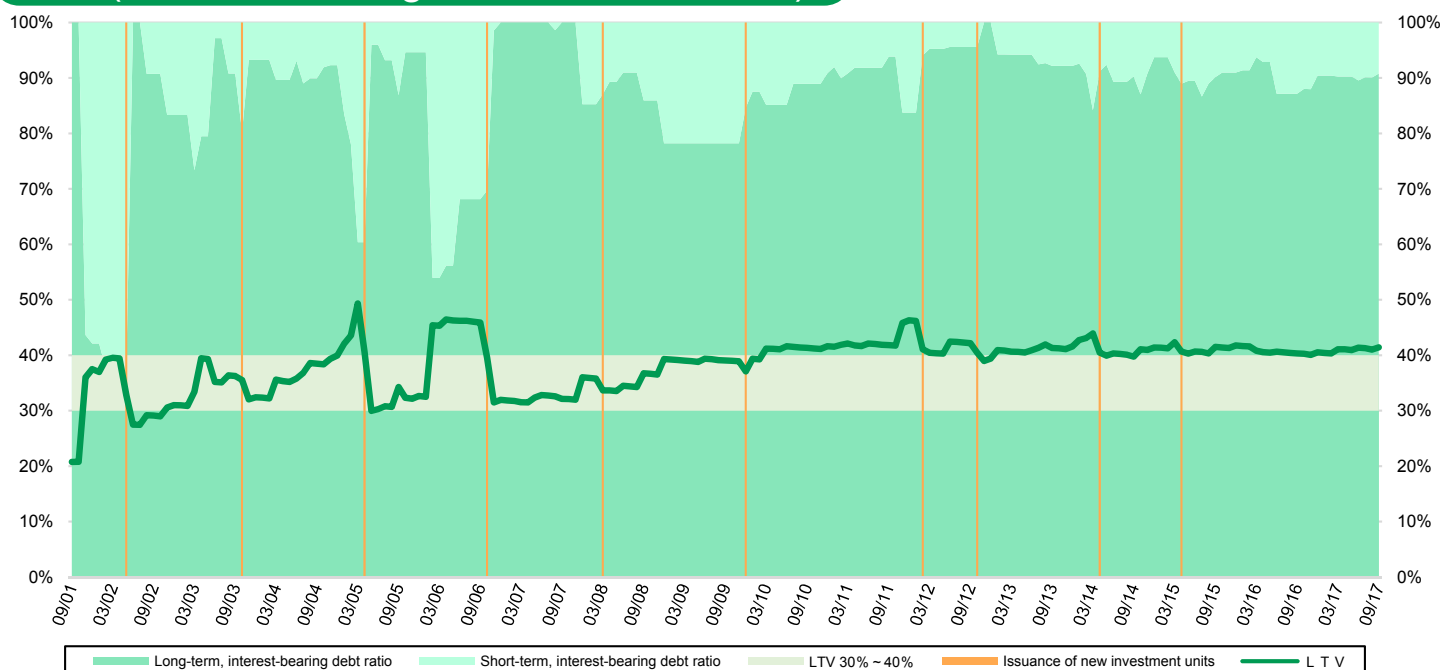
## Outstanding balance of loans by financial institutions

(In millions of yen)

Mitsubishi UFJ Trust and Banking Corporation	57,000
Mizuho Bank, Ltd.	47,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	47,000
Sumitomo Mitsui Trust Bank, Limited	36,000
Shinkin Central Bank	23,000
Development Bank of Japan Inc.	20,000
The Norinchukin Bank	15,000
The Bank of Fukuoka, Ltd.	8,500
Shinsei Bank, Limited	8,000
The Iyo Bank, Ltd.	6,500
The Chugoku Bank, Limited	6,000
Taiyo Life Insurance Company	5,500
Sumitomo Mitsui Banking Corporation	5,000
The Hachijuni Bank, Ltd.	4,000
Resona Bank, Limited	4,000
The Hiroshima Bank, Ltd.	3,000
Mizuho Trust & Banking Co., Ltd.	3,000
The Yamaguchi Bank, Ltd.	3,000
The Gunma Bank, Ltd.	2,000
Nippon Life Insurance Company	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

# 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 + Investment corporation bonds [including current portion of Long-term, fixed-interest loans and Investment corporation bonds]) / Total interest-bearing debt

## Rating

S & P	Moody's	R & I
<b>A+</b> Stable	<b>A1</b> Stable	<b>AA</b> Stable

## Debt Capacity

(As of September 30, 2017)

(In millions of yen)

Total assets	Interest-bearing debt	LTV	Debt Capacity	
906,507	375,500	41.4%	Up to LTV45%	58,960
			Up to LTV40%	(21,495)

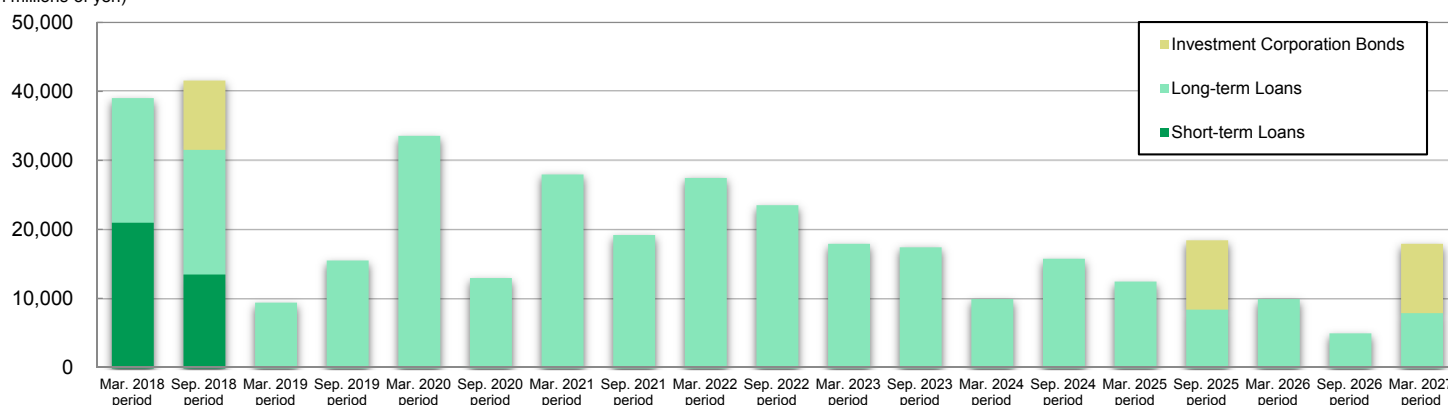
## Diversification of Repayment Dates

(As of September 30, 2017)

(In millions of yen)

	04/17-03/18 (Within 6 months)	04/18-03/19 (Within 1.5 years)	04/19-03/20 (Within 2.5 years)	04/20-03/21 (Within 3.5 years)	04/21-03/22 (Within 4.5 years)	04/22-03/23 (Within 5.5 years)	04/23-03/24 (Within 6.5 years)	04/24-03/25 (Within 7.5 years)	04/25-03/26 (Within 8.5 years)	04/26-03/27 (Within 9.5 years)	Total
Short-term Loans	21,000	13,500	-	-	-	-	-	-	-	-	34,500
Long-term Loans	18,000	27,500	49,000	41,000	46,700	41,500	27,500	28,300	18,500	13,000	311,000
Investment Corporation Bonds	-	10,000	-	-	-	-	-	-	10,000	10,000	30,000
Total	39,000	51,000	49,000	41,000	46,700	41,500	27,500	28,300	28,500	23,000	375,500

(In millions of yen)



# Overview of the Interest-bearing Debt as of September 30, 2017

## Overview of the Interest-bearing Debt

	Lender	Drawdown date	EOB	Interest	Repayment date (period)	
Short-term Loans	Mitsubishi UFJ Trust and Banking Corporation	12/26/16	5,000	0.07	12/26/17	1 year
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	12/26/16	5,000	0.07	12/26/17	1 year
	Sumitomo Mitsui Trust Bank, Limited	12/26/16	1,300	0.07	12/26/17	1 year
	The 77 Bank, Ltd.	01/10/17	1,000	0.07	01/10/18	1 year
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	03/02/17	1,500	0.07	03/02/18	1 year
	Mizuho Bank, Ltd.	03/27/17	5,500	0.07	03/27/18	1 year
	Sumitomo Mitsui Trust Bank, Limited	03/31/17	1,700	0.0754	03/30/18	1 year
	Mizuho Bank, Ltd.	04/03/17	5,500	0.07	04/03/18	1 year
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	04/03/17	3,500	0.07	04/03/18	1 year
	Shinsei Bank, Limited	06/15/17	2,500	0.07	06/15/18	1 year
	Shinkin Central Bank	09/01/17	1,000	0.07	09/03/18	1 year
	Resona Bank, Limited	09/01/17	1,000	0.07	09/03/18	1 year
Total			34,500	0.07 (Average)	0.44 years (Average maturity)	

	Lender	Drawdown date	EOB	Interest	Repayment date (period)	
Long-term Loans (Variable interest)	Mitsubishi UFJ Trust and Banking Corporation	04/04/17	5,000	0.07083	04/05/21	4 years
	Mitsubishi UFJ Trust and Banking Corporation	06/01/17	12,000	0.047146	06/01/23	6 years
Total			17,000	0.05 (Average)	5.03 years (Average maturity)	

	Lender	Drawdown date	EOB	Interest	Repayment date (period)	
Current Portion of Long-term Loans	The Hachijuni Bank, Ltd.	12/20/12	1,000	0.45625	12/20/17	5 years
	The Ashikaga Bank, Ltd.	01/07/13	1,000	0.49125	01/09/18	5 years
	The Joyo Bank, Ltd.	01/07/13	1,000	0.49125	01/09/18	5 years
	Sumitomo Mitsui Trust Bank, Limited	01/17/11	3,000	1.43375	01/17/18	7 years
	Nippon Life Insurance Company	03/01/11	2,000	1.465	03/01/18	7 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	03/24/11	2,000	1.3975	03/26/18	7 years
	Resona Bank, Limited	03/25/13	3,000	0.45	03/26/18	5 years
	The Chugoku Bank, Limited	03/25/13	2,000	0.45	03/26/18	5 years
	The Hachijuni Bank, Ltd.	03/25/13	1,000	0.45	03/26/18	5 years
	Taiyo Life Insurance Company	03/30/11	2,000	1.39625	03/30/18	7 years
	Shinkin Central Bank	04/24/13	5,000	0.52775	04/24/18	5 years
	Mitsubishi UFJ Trust and Banking Corporation	06/01/11	10,000	1.31125	06/01/18	7 years
	Shinsei Bank, Limited	08/31/11	3,000	1.0475	08/31/18	7 years
Total			36,000	1.00 (Average)	0.55 years (Average maturity)	

	Lender	Drawdown date	EOB	Interest	Repayment date (period)	
Long-term Loans (Fixed interest)	Sumitomo Mitsui Trust Bank, Limited	09/26/11	5,500	1.16	09/26/19	8 years
	Mizuho Bank, Ltd.	11/01/11	6,000	1.2075	11/01/19	8 years
	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
	Mitsubishi UFJ Trust and Banking Corporation	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
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	11/15/11	3,000	1.13875	11/15/19	8 years
	Mitsubishi UFJ Trust and Banking Corporation	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
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	06/15/12	4,000	1.1975	06/15/22	10 years
	Mitsubishi UFJ Trust and Banking Corporation	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
	Mitsubishi UFJ Trust and Banking Corporation	12/21/12	5,000	0.80125	12/21/20	8 years
	The Bank of Tokyo-Mitsubishi UFJ, 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
	The Bank of Tokyo-Mitsubishi UFJ, 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
	The Bank of Tokyo-Mitsubishi UFJ, 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

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

	Lender	Drawdown date	EOB	Interest	Repayment date (period)	
Long-term Loans (Fixed interest)	The Bank of Tokyo-Mitsubishi UFJ, 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
	Mitsubishi UFJ Trust and Banking Corporation (*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 Gunma Bank, Ltd. (*1)	03/24/14	1,000	0.4105	03/25/19	5 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
	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
	Sumitomo Mitsui Trust Bank, Limited	05/29/15	5,000	0.2075	05/29/19	4 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
	Mizuho Bank, Ltd.	09/01/15	2,500	0.17	03/01/19	3.5 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	09/01/15	5,000	0.2	09/02/19	4 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	09/01/15	2,000	0.47125	09/01/22	7 years
	Mitsubishi UFJ Trust and Banking Corporation	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
	Mitsubishi UFJ Trust and Banking Corporation	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
	<b>Total</b>		<b>258,000</b>	<b>0.64</b> (Average)	<b>4.57 years</b> (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 Ninth unsecured Investment Corporation Bond	08/30/13	10,000	0.497	08/30/18	5 years
	The 10th unsecured Investment Corporation Bond	03/30/17	10,000	0.3975	03/30/27	10 years
	<b>Total</b>		<b>30,000</b>	<b>1.15</b> (Average)	<b>6.14 years</b> (Average maturity)	

## Outline of Commitment Line Agreement

\*The loans drawn down and the bonds issued in Sep. 2017 period are shown in blue.

- Maximum Amount: ¥50 billion
- Expiry of the contract: September 19, 2020
- Participating financial institutions:  
Mizuho Bank, Ltd.  
The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
Sumitomo Mitsui Trust Bank, Limited  
Mitsubishi UFJ Trust and Banking Corporation

(\*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.

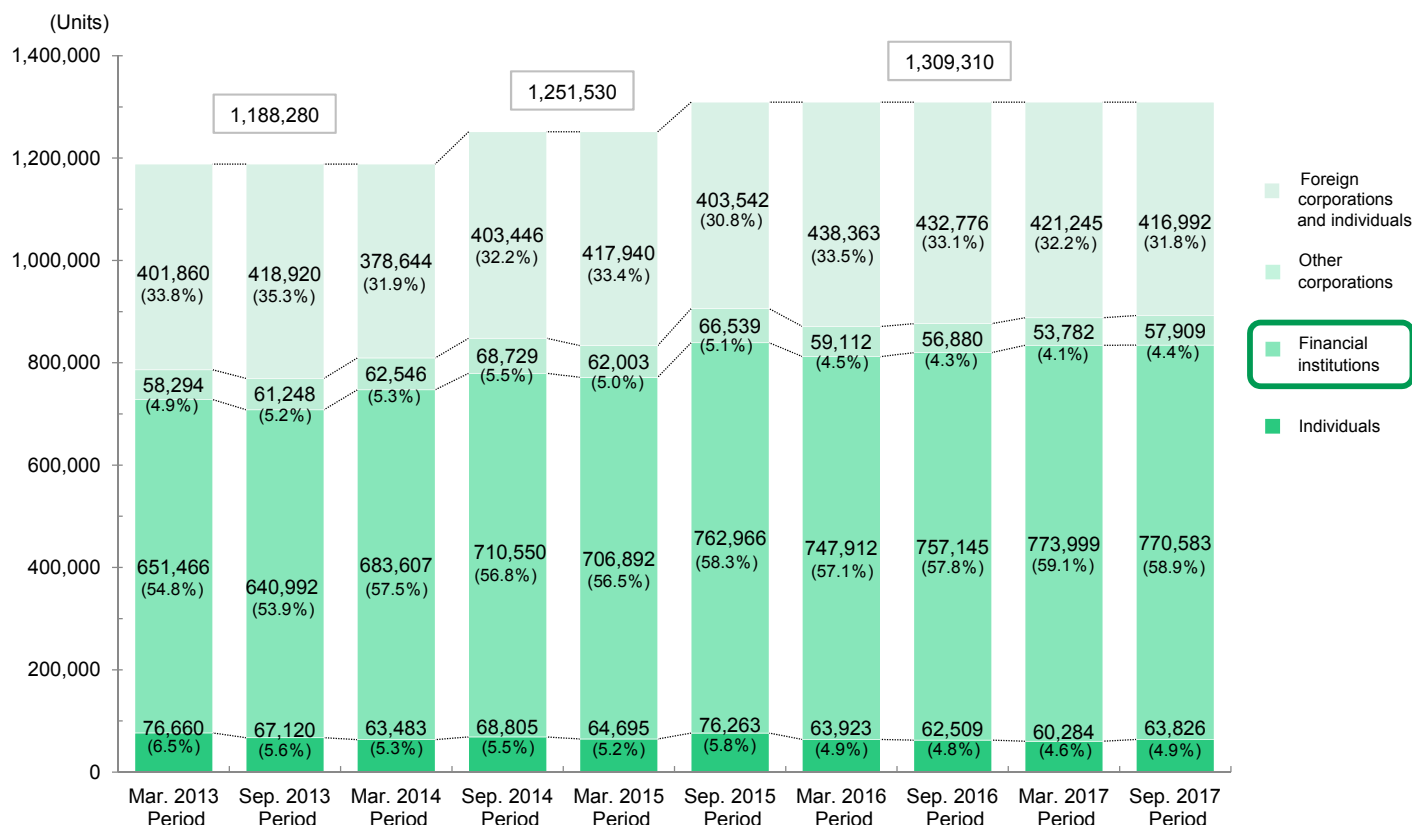
(\*2) The loans were originally in US dollar, floating rate basis and the currency and interest rate swap transaction was executed in order to hedge against a risk of exchange-rate fluctuations and interest fluctuations. Hence the above rates are the fixed rates after the currency and interest rate swap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

**There is no outstanding balance  
as of September 30, 2017**

# Unitholder Data

(As JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014, units outstanding refers to the amount as a post-split basis.)

## Unitholder Composition



## Top 10 Unitholders

### Sep. 2017 period

	Name of Unitholder	Units	% of Total Units Outstanding
1	Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	258,170	19.72%
2	The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	165,752	12.66%
3	Trust & Custody Services Bank, Ltd. (Toshin Acc.)	65,889	5.03%
4	The Nomura Trust and Banking Co., Ltd. (Toshin Acc.)	54,307	4.15%
5	STATE STREET BANK WEST CLIENT-TREATY 505234	30,936	2.36%
6	STATE STREET BANK AND TRUST COMPANY 505012	27,082	2.07%
7	STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	25,767	1.97%
8	STATE STREET BANK AND TRUST COMPANY 505223	19,571	1.49%
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%

### Mar. 2017 period

	Name of Unitholder	Units	% of Total Units Outstanding
1	Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	251,457	19.21%
2	The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	129,910	9.92%
3	Trust & Custody Services Bank, Ltd. (Toshin Acc.)	106,502	8.13%
4	The Nomura Trust and Banking Co., Ltd. (Toshin Acc.)	54,572	4.17%
5	STATE STREET BANK WEST CLIENT-TREATY 505234	28,253	2.16%
6	STATE STREET BANK AND TRUST COMPANY 505012	25,552	1.95%
7	STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	24,029	1.84%
8	NOMURA BANK (LUXEMBOURG) S . A .	19,727	1.51%
9	STATE STREET BANK AND TRUST COMPANY 505223	18,347	1.40%
10	The Chugoku Bank Ltd.	17,970	1.37%
	Mitsubishi Estate Co., Ltd	17,120	1.31%
	Mitsui & Co., Ltd.	3,200	0.24%

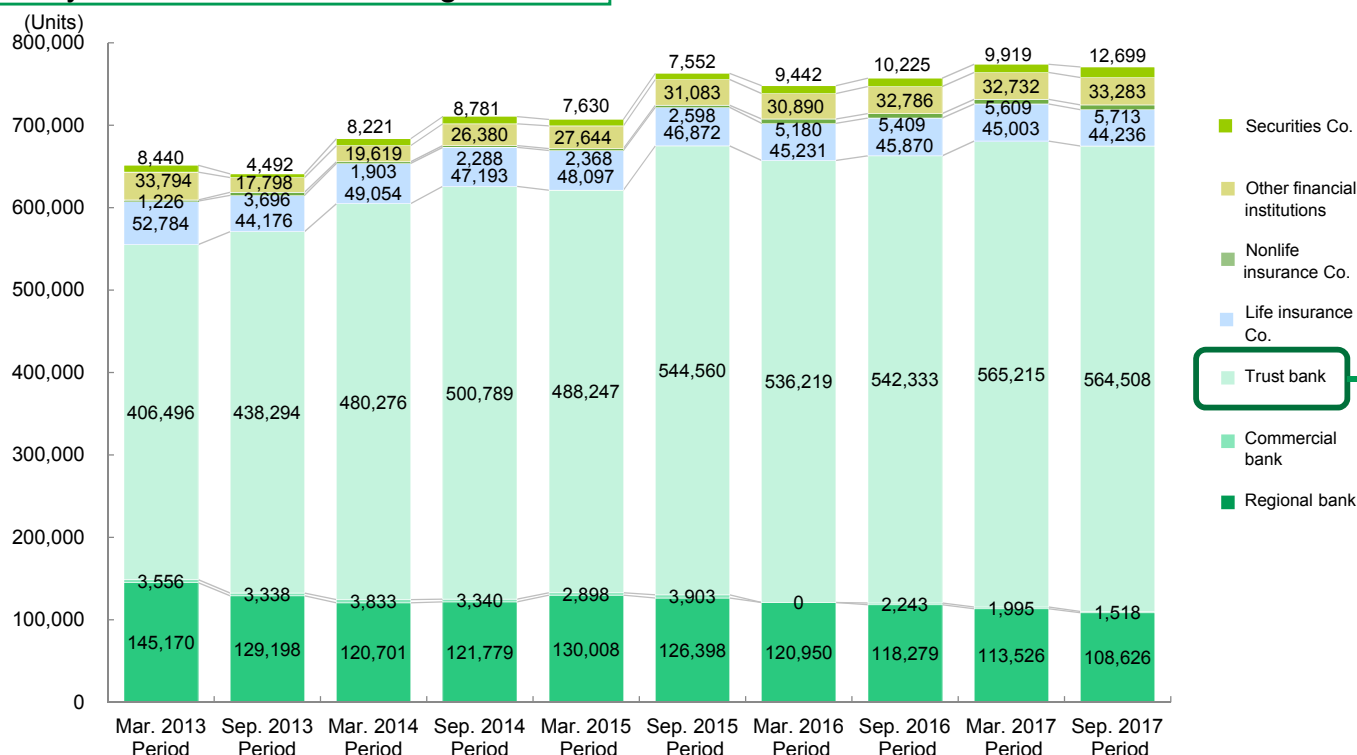
## Number of Unitholders by Sector

	As of September 30, 2017		As of March 31, 2017	
	Unitholders	%	Unitholders	%
Individuals	13,707	92.3%	13,489	92.2%
Financial institutions	236	1.6%	234	1.6%
Other corporations	386	2.6%	399	2.7%
Foreign corporations / individuals	518	3.5%	501	3.4%
<b>Total</b>	<b>14,847</b>	<b>100.0%</b>	<b>14,623</b>	<b>100.0%</b>



## Financial Institutions

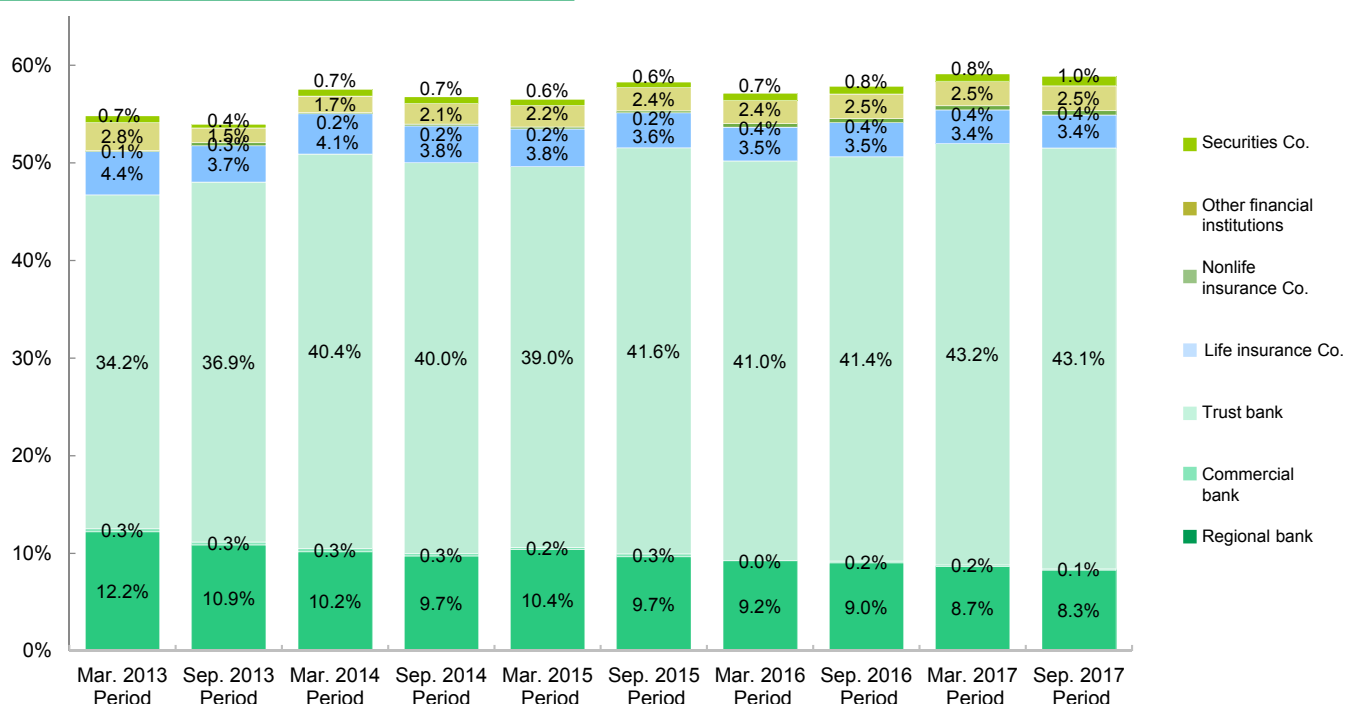
Distribution of Total Units Outstanding  
by Financial Institution Segment



<Number of investment trust units>

	(Units)									
	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
Number of units outstanding	1,188,280	1,188,280	1,188,280	1,251,530	1,251,530	1,309,310	1,309,310	1,309,310	1,309,310	1,309,310
Trust bank	406,496	438,294	480,276	500,789	488,247	544,560	536,219	542,333	565,215	564,508
Investment trust	316,986	336,156	374,564	389,165	370,639	425,120	415,349	414,234	433,363	425,624
% against total units outstanding	26.7%	28.3%	31.5%	31.1%	29.6%	32.5%	31.7%	31.6%	33.1%	32.5%
% against units owned by trust bank	78.0%	76.7%	78.0%	77.7%	75.9%	78.1%	77.5%	76.4%	76.7%	75.4%

Proportion of Total Units Outstanding  
by Financial Institution Segment



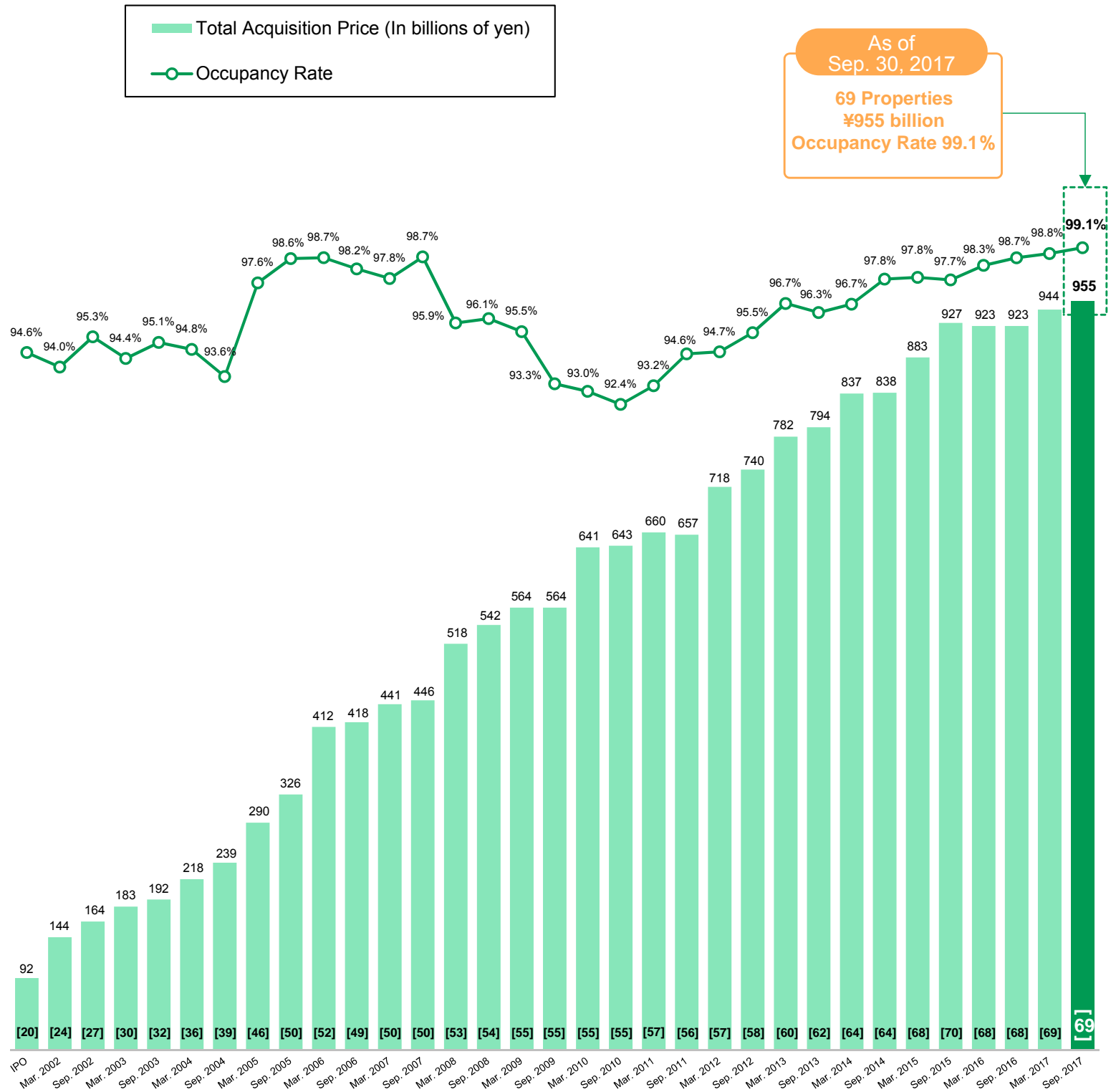
## MEMO

## 5

# Portfolio Information

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# Historical Asset Size and Occupancy Rate



\*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 of Shinjuku South Gate Project (Land) is not included in the above graph after Sep. 2013 period, as Shinjuku South Gate Project (Land) was disposed on August 23, 2013.

Achieved steady growth since IPO in 2001 and established a portfolio worth over ¥950 billion (acquisition price basis)

# Geographic Diversification and Trend in Average Building Age

At IPO (As of September 30, 2001)  
**20 properties**

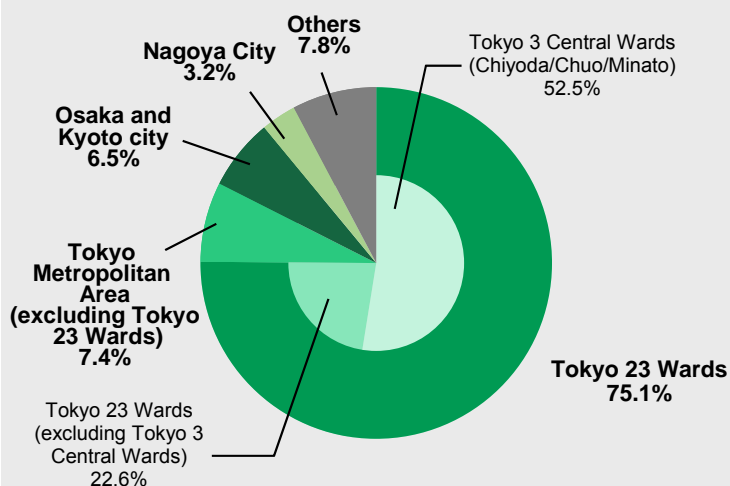
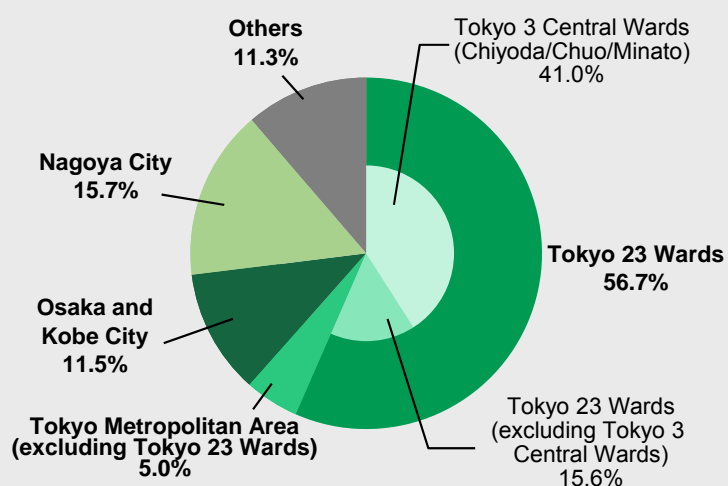
After 16 years

As of September 30, 2017  
**69 properties**

## Geographical Diversification

Asset size at IPO : ¥92,845 million

Asset size : ¥955,253 million



\* Acquisition price basis

\* Tokyo metropolitan area represents Tokyo, Saitama, Chiba and Kanagawa prefecture.

Portfolio advanced with strong competitiveness and high liquidity, focusing mainly in Tokyo 3 central wards / Tokyo 23 wards.

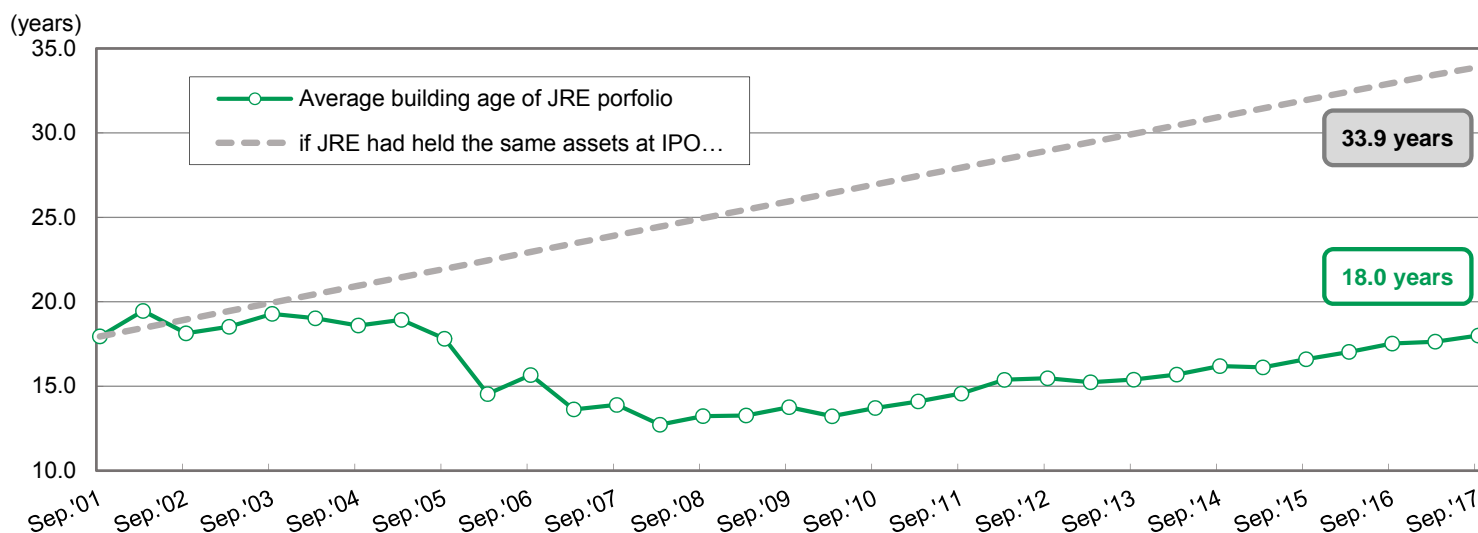
## Trend in Average Building Age

Average Building Age at IPO : 17.9 years

Average Building Age : **18.0 years**

\*Weighted average of the entire portfolio based on acquisition prices

\*Shinjuku South Gate Project (Land) is not included.



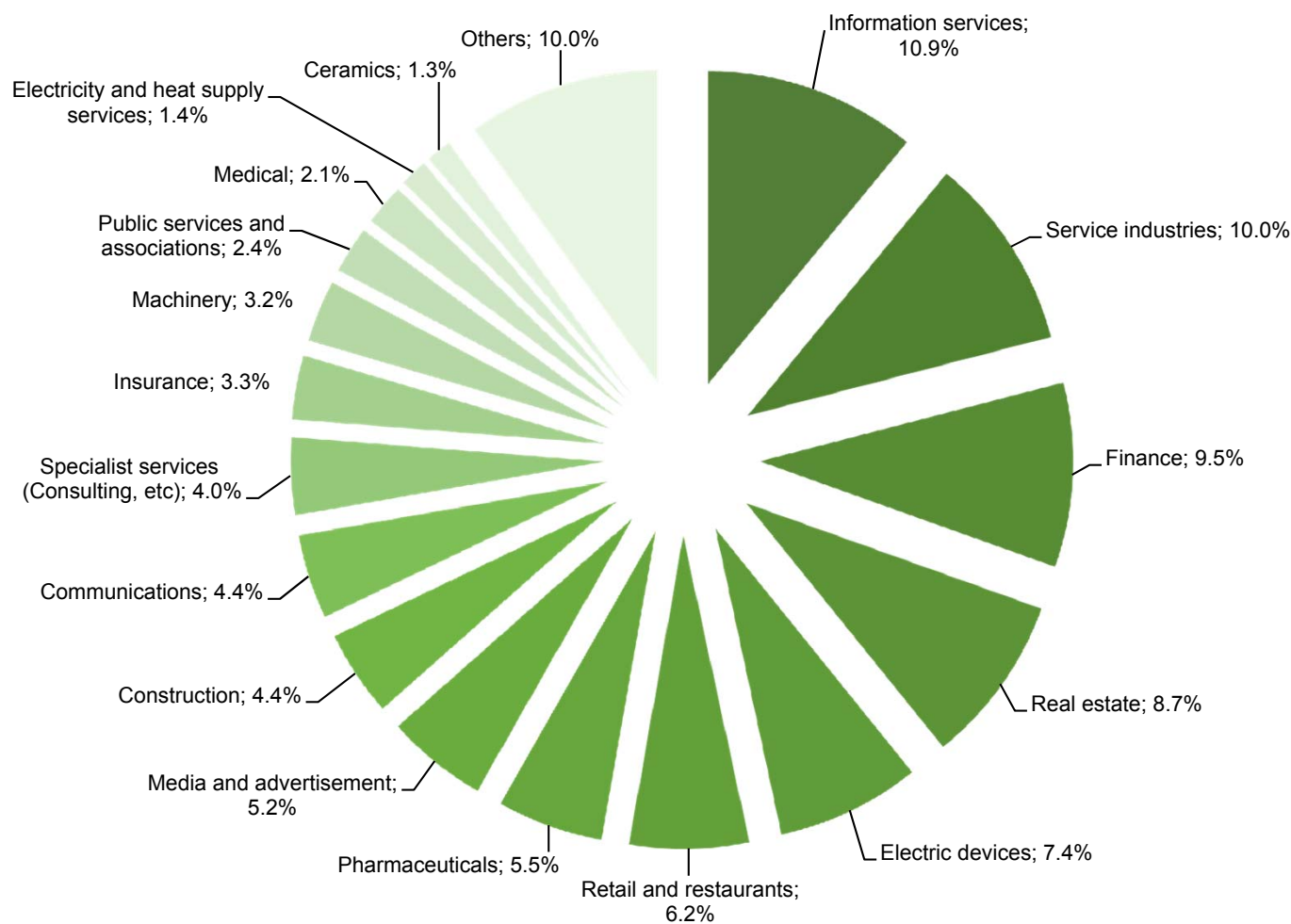
Even after 16 years since IPO, JRE maintains the same average building age at IPO

# Tenant Diversification and Changes in the Number of Tenants

## Tenant Diversification

68 properties as of September 30, 2017 Based on the office space leased

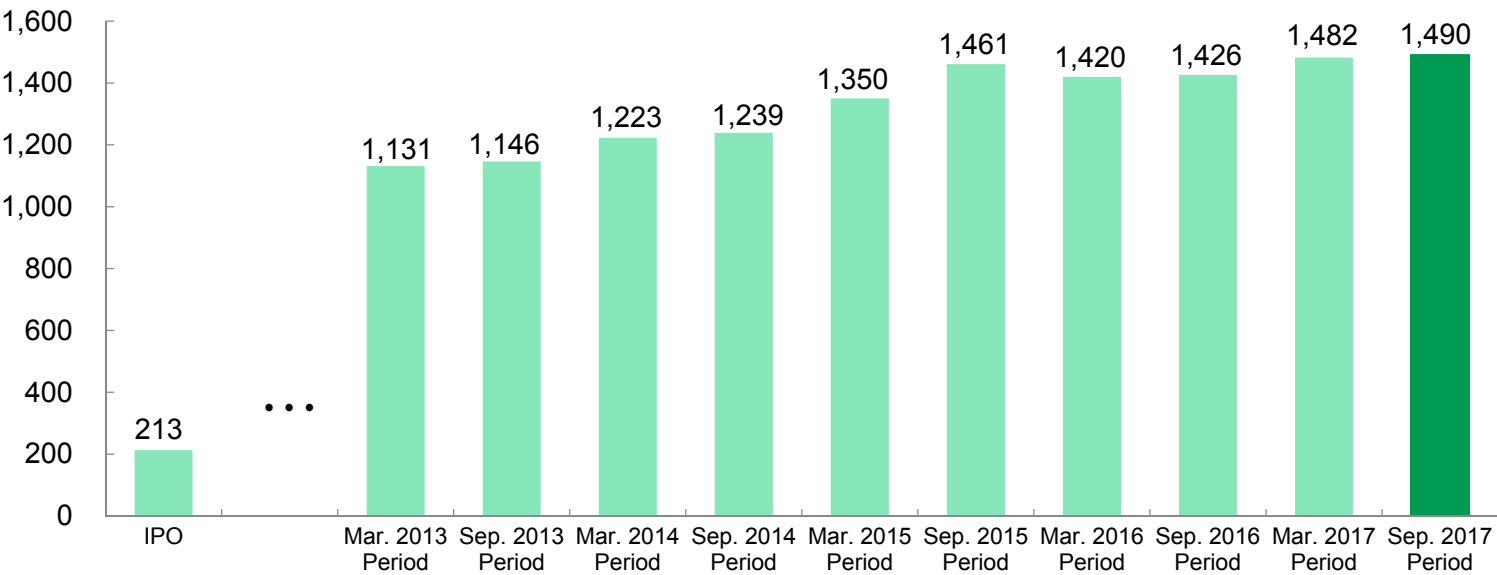
\*Shinjuku South Gate Project (Land) is not included.



## Changes in the Number of Tenants

Gross 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

68 properties as of September 30, 2017 Based on the office space leased

\*Shinjuku South Gate Project (Land) is not included.

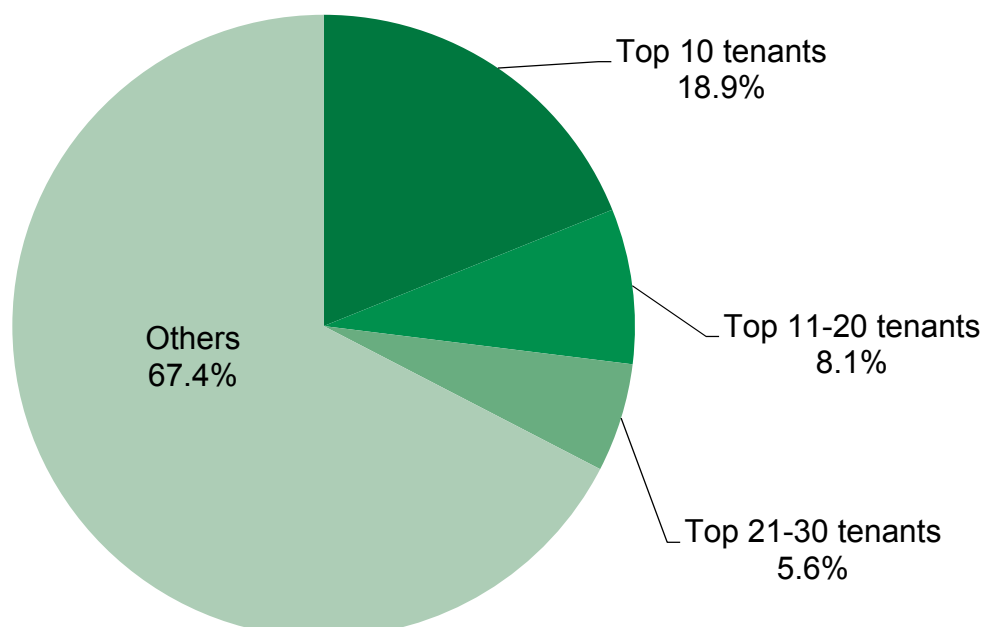
Sep. 2017 period					Mar. 2017 period		
Rank	Tenant	Property	Leased Office Space(m <sup>2</sup> )	% of Total Leased Office Space	Rank	Leased Office Space(m <sup>2</sup> )	Leased Office Space Change(m <sup>2</sup> )
1	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Harumi Front (also includes 3 other buildings)	33,912	4.1%	1	33,912	0
2	(Note)	Kitanomaru Square (also includes 2 other buildings)	22,305	2.7%	2	22,305	0
3	(Note)	Osaki Front Tower (also includes 2 other buildings)	21,849	2.6%	3	21,849	0
4	NTT Communications Corporation	Shiodome Building	16,243	2.0%	4	14,766	1,476
5	HAKUHODO DY HOLDINGS INCORPORATED	Akasaka Park Building (also includes 1 other building)	13,403	1.6%	5	12,831	572
6	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Building	10,598	1.3%	6	10,598	0
7	JGC Corporation	MM Park Building (also includes 1 other building)	10,246	1.2%	7	10,483	(236)
8	TOTO LTD.	Shiodome Building (also includes 1 other building)	9,694	1.2%	10	9,138	556
9	Minato Mirai 21 District Heating and Cooling Co., Ltd	Queen's Tower A	9,536	1.1%	8	9,536	0
10	Seven & i Holdings Co., Ltd.	Nibancho Garden	9,316	1.1%	9	9,316	0
11	Company A		8,774	1.1%	11	8,774	0
12	Company B		8,567	1.0%	12	8,567	0
13	Company C		6,880	0.8%	17	6,255	625
14	Company D		6,493	0.8%	15	6,493	0
15	Company E		6,427	0.8%	22	5,371	1,056

(Note) Not disclosed due to tenant's request

## Percentage of Major Tenants

68 properties as of September 30, 2017 Based on the office space leased

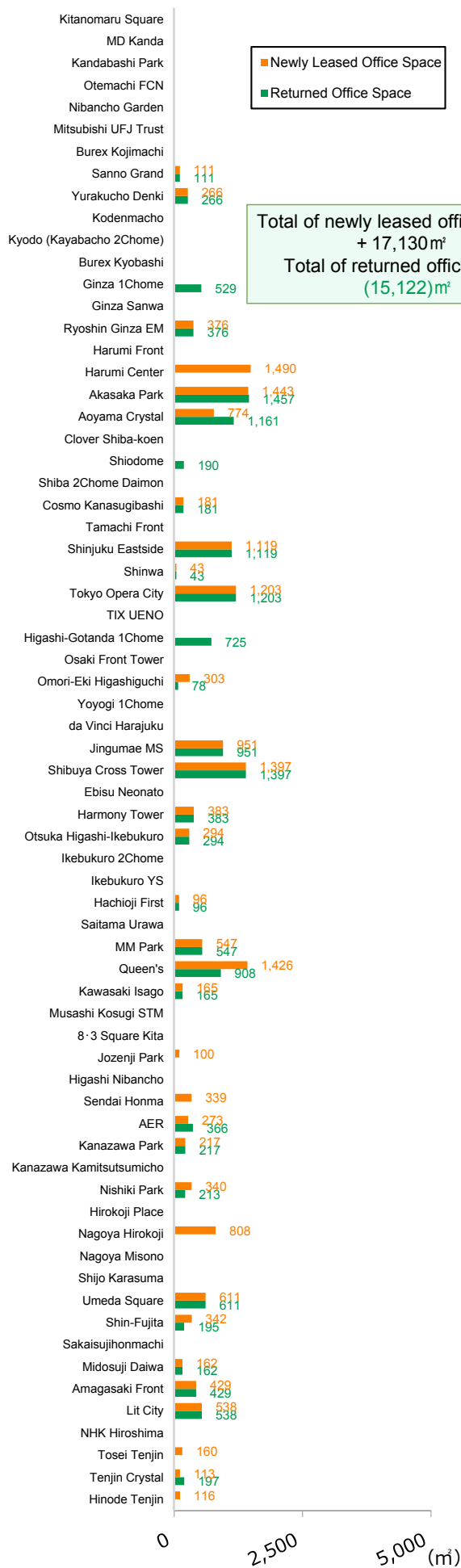
\*Shinjuku South Gate Project (Land) is not included.



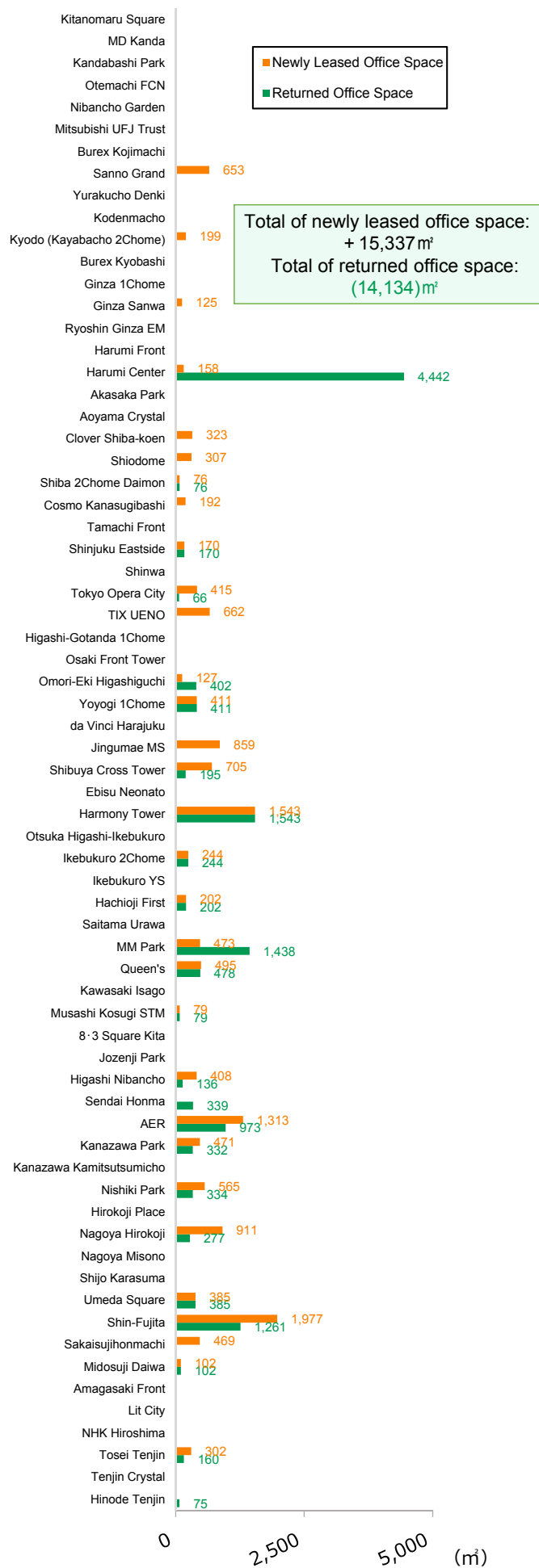


# Newly Leased & Returned Office Space of Each Property

Tenant Turnover in Sep. 2017 period



Tenant Turnover in Mar. 2017 period



# Portfolio List as of September 30, 2017 (Occupancy Rate, etc.)

			As of September 30, 2017 (Actual)						As of March 31, 2018 (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, 2017	Variance from Mar. 31, 2017	As of Sep. 30, 2017	Variance from Mar. 31, 2017				As of Mar. 31, 2018	Variance from Sep. 30, 2017	As of Mar. 31, 2018	Variance from Sep. 30, 2017	
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	20,665	20,571	93		99.5%		41	20,615	19,980	634	540	96.9%	(2.6)%	
	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	3,897	0		100.0%		
		Kyodo (Kayabacho 2Chome)	4,464	4,464	0		100.0%		10	4,464	4,464	0		100.0%		
		Burex Kyobashi	4,279	4,279	0		100.0%		1	4,279	4,279	0		100.0%		
		Ginza 1Chome	4,513	3,984	529	529	88.3%	(11.7)%	7	4,513	4,513	0	(529)	100.0%	11.7%	
		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%		12	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	18,018	2,793	(1,490)	86.6%	7.2%	10	20,812	20,812	0	(2,793)	100.0%	13.4%	
		Minato	Akasaka Park	44,999	44,999	0		100.0%		29	44,999	44,999	0		100.0%	
			Aoyama Crystal	4,898	4,511	387	387	92.1%	(7.9)%	7	4,898	4,898	0	(387)	100.0%	7.9%
			Clover Shiba-koen	2,550	2,550	0		100.0%		8	2,550	2,550	0		100.0%	
	Shiodome		44,213	44,004	209	209	99.5%	(0.5)%	36	44,213	43,748	465	255	98.9%	(0.6)%	
	Shiba 2Chome Daimon		9,606	9,606	0		100.0%		24	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		Shinjuku Eastside	20,573	20,573	0		100.0%		41	20,573	20,573	0		100.0%	
			Shinwa	5,997	5,997	0		100.0%		14	5,997	5,997	0		100.0%	
	Tokyo Opera City		34,945	34,817	127	(80)	99.6%	0.2%	102	34,951	34,824	127		99.6%		
	Taito	TIX UENO	15,020	14,593	427		97.2%		17	15,020	15,020	0	(427)	100.0%	2.8%	
	Shinagawa	Higashi-Gotanda 1Chome	5,205	4,479	725	725	86.1%	(13.9)%	4	5,205	5,205	0	(725)	100.0%	13.9%	
		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	(224)	100.0%	2.9%	26	7,706	7,706	0		100.0%		
	Shibuya	Yoyogi 1Chome	7,745	7,745	0		100.0%		8	7,745	7,745	0		100.0%		
		da Vinci Harajuku	3,147	3,147	0		100.0%		4	3,147	2,373	773	773	75.4%	(24.6)%	
		Jingumae MS	5,558	5,558	0		100.0%		5	5,558	5,558	0		100.0%		
		Shibuya Cross Tower	29,797	29,797	0		100.0%		53	29,797	29,748	49	49	99.8%	(0.2)%	
		Ebisu Neonato	8,700	8,679	20		99.8%		6	8,700	8,679	20		99.8%		
	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%		6	7,224	6,617	606	606	91.6%	(8.4)%	
		Ikebukuro 2Chome	2,186	2,186	0		100.0%		8	2,186	2,186	0		100.0%		
		Ikebukuro YS	5,932	5,932	0		100.0%		10	5,932	5,932	0		100.0%		
Other Areas	Hachioji	Hachioji First	10,068	10,068	0		100.0%		50	10,068	10,068	0		100.0%		
	Saitama	Saitama Urawa	4,510	4,510	0		100.0%		18	4,510	4,510	0		100.0%		
	Yokohama	MM Park	38,426	36,987	1,438		96.3%		30	38,426	34,251	4,174	2,735	89.1%	(7.2)%	
		Queen's	26,669	26,457	211	(518)	99.2%	1.9%	50	26,669	26,512	157	(54)	99.4%	0.2%	
	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%		26	5,378	5,378	0		100.0%		
	Sapporo	8・3 Square Kita	12,265	12,265	0		100.0%		9	12,265	12,265	0		100.0%		
	Sendai	Jozenji Park	2,518	2,518	0	(100)	100.0%	4.0%	17	2,518	2,518	0		100.0%		
		Higashi Nibancho	20,526	20,526	0		100.0%		23	20,526	20,390	136	136	99.3%	(0.7)%	
		Sendai Honma	6,234	6,234	0	(339)	100.0%	5.4%	27	6,234	5,640	594	594	90.5%	(9.5)%	
		AER	23,612	23,429	183	92	99.2%	(0.4)%	64	23,612	23,519	92	(90)	99.6%	0.4%	
	Kanazawa	Kanazawa Park	20,942	20,942	0		100.0%		82	20,942	20,545	396	396	98.1%	(1.9)%	
		Kanazawa Kamitsutsumicho	7,206	7,044	162		97.7%		26	7,206	7,044	162		97.7%		
	Nagoya	Nishiki Park	10,338	10,315	23	(126)	99.8%	1.2%	62	10,338	10,244	93	70	99.1%	(0.7)%	
		Hirokoji Place	13,200	13,200	0		100.0%		27	13,200	13,200	0		100.0%		
		Nagoya Hirokoji	21,427	21,256	171	(808)	99.2%	3.8%	38	21,427	21,043	383	212	98.2%	(1.0)%	
		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%		11	6,634	6,634	0		100.0%		
	Osaka	Umeda Square	10,370	10,370	0		100.0%		42	10,370	10,370	0		100.0%		
		Shin-Fujita	28,403	28,403	0	(146)	100.0%	0.5%	51	28,403	28,246	156	156	99.4%	(0.6)%	
		Sakaisujihonmachi	11,520	11,520	0		100.0%		22	11,520	11,281	238	238	97.9%	(2.1)%	
		Midosuji 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%		30	15,500	15,219	280	280	98.2%	(1.8)%	
	Okayama	Lit City	9,965	9,965	0		100.0%		37	9,965	9,805	160	160	98.4%	(1.6)%	
	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	(160)	100.0%	4.0%	24	3,995	3,920	75	75	98.1%	(1.9)%	
		Tenjin Crystal	5,964	5,880	83	83	98.6%	(1.4)%	30	5,964	5,911	53	(30)	99.1%	0.5%	
		Hinode Tenjin	5,944	5,944	0	(75)	100.0%	1.3%	2	5,944	5,944	0		100.0%		
	Tokyo 23 Wards			476,817	471,502	5,314	56	98.9%		608	476,773	474,096	2,676	(2,638)	99.4%	0.5%
	Other Areas			362,217	359,943	2,274	(2,099)	99.4%	0.6%	882	362,217	355,061	7,156	4,882	98.0%	(1.4)%
Portfolio			839,035	831,446	7,589	(2,042)	99.1%	0.3%	1,490	838,991	829,158	9,833	2,244	98.8%	(0.3)%	

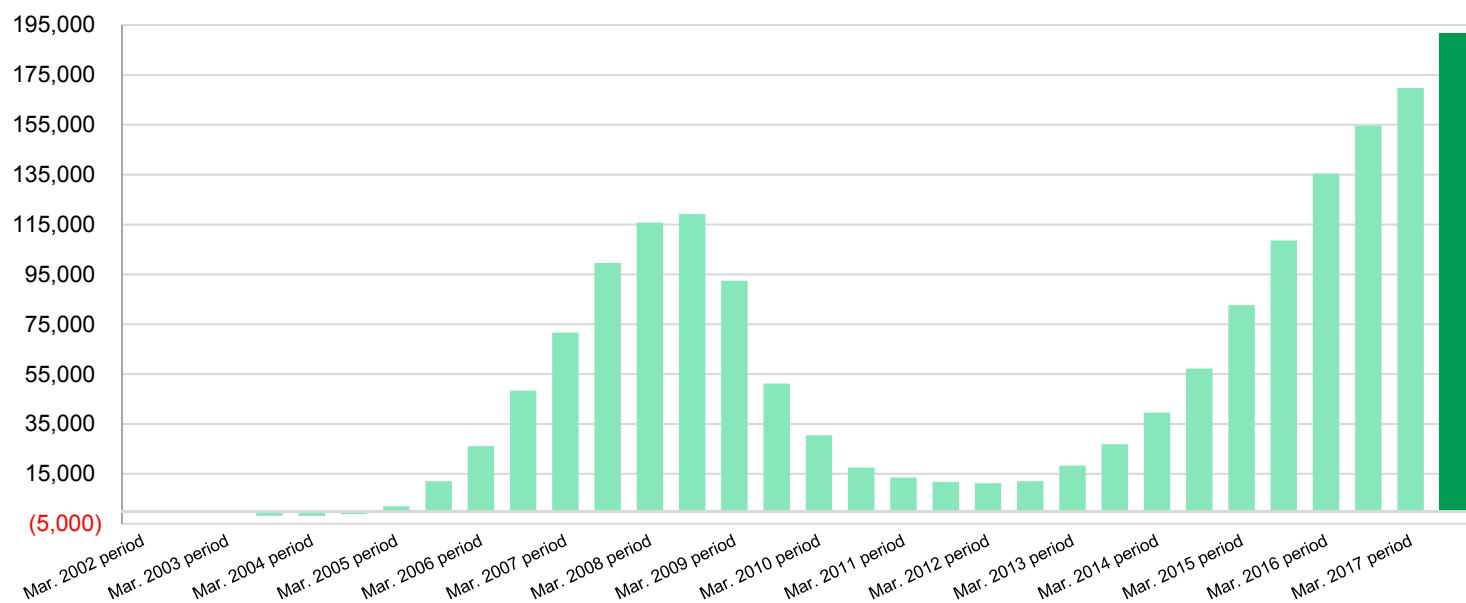
- The above-mentioned office space and occupancy rates do not include the residential portions. Leasable office space and occupancy rates of the residential portions as of September 30, 2017 are 11,694 m<sup>2</sup> 97.7% of Kitanomaru Square, 10,780 m<sup>2</sup> 93.6% of Akasaka Park, 1,686 m<sup>2</sup> 100.0% of Nibancho Garden, 954 m<sup>2</sup> 80.5% 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 yen)									
Area		Name	Sep. 2017 period Appraisal Value	Mar. 2017 period Appraisal Value	Amount of Difference	Sep. 2017 period Book Value	Sep. 2017 period Appraisal Value - Book Value	Acquisition Price	
Tokyo 23 Wards	Chiyoda	Kitanomaru Square	82,400	80,100	2,300	72,402	9,997	81,555	
		MD Kanda	8,470	8,460	10	8,734	(264)	9,520	
		Kandabashi Park	4,740	4,610	130	4,481	258	4,810	
		Otemachi FCN	19,600	18,900	700	15,109	4,490	15,462	
		Nibancho Garden	18,300	17,900	400	12,481	5,818	14,700	
		Mitsubishi UFJ Trust	53,600	51,800	1,800	28,901	24,698	44,700	
		Burex Kojimachi	7,070	6,880	190	5,638	1,431	7,000	
		Sanno Grand	33,300	33,300	0	21,240	12,059	20,900	
		Yurakucho Denki	8,300	8,080	220	7,685	614	7,200	
	Chuo	Kodenmacho	2,930	2,920	10	2,766	163	3,173	
		Kyodo (Kayabacho 2Chome)	4,990	4,990	0	4,193	796	4,410	
		Burex Kyobashi	7,880	7,660	220	4,454	3,425	5,250	
		Ginza 1Chome	7,540	7,360	180	6,415	1,124	6,459	
		Ginza Sanwa	18,400	18,400	0	17,215	1,184	16,830	
		Ryoshin Ginza EM	6,450	6,260	190	7,454	(1,004)	7,999	
		Harumi Front	39,000	40,900	(1,900)	28,436	10,563	31,300	
		Harumi Center	19,600	19,600	0	22,412	(2,812)	26,800	
	Minato	Akasaka Park	73,900	71,300	2,600	59,995	13,904	60,800	
		Aoyama Crystal	8,380	8,120	260	7,092	1,287	7,680	
		Clover Shiba-koen	4,620	4,610	10	4,554	65	4,500	
		Shiodome (existing units)	108,200	108,000	200	93,457	14,742	96,400	
		Shiba 2Chome Daimon	6,860	6,670	190	4,992	1,867	4,859	
		Cosmo Kanasugibashi	3,170	3,170	0	2,517	652	2,808	
		Tamachi Front	6,510	6,330	180	6,274	235	6,210	
		Shinjuku	Shinjuku Eastside	33,700	32,800	900	27,310	6,389	29,760
	Shinwa		7,290	7,040	250	7,674	(384)	7,830	
	Tokyo Opera City		34,500	33,700	800	28,091	6,408	31,776	
	Taito	TIX UENO	25,700	25,000	700	19,785	5,914	22,000	
	Shinagawa	Higashi-Gotanda 1Chome	6,460	6,140	320	4,446	2,013	5,500	
		Osaki Front Tower	16,600	16,600	0	9,360	7,239	12,300	
	Ota	Omori-Eki Higashiguchi	5,850	5,700	150	4,748	1,101	5,123	
	Shibuya	Shinjuku South Gate Project (Land)	5,490	5,490	0	5,572	(82)	5,500	
		Yoyogi 1Chome	12,000	11,600	400	6,942	5,057	8,700	
		da Vinci Harajuku	6,910	7,100	(190)	4,881	2,028	4,885	
		Jingumae MS	10,500	10,100	400	10,680	(180)	12,200	
		Shibuya Cross Tower	50,500	52,700	(2,200)	37,166	13,333	34,600	
		Ebisu Neonato	17,800	16,900	900	14,129	3,670	14,612	
		Harmony Tower	14,100	14,000	100	9,992	4,107	11,120	
	Toshima	Otsuka Higashi-Ikebukuro	4,500	4,530	(30)	3,421	1,078	3,541	
		Ikebukuro 2Chome	1,750	1,700	50	1,566	183	1,728	
		Ikebukuro YS	5,190	5,100	90	4,103	1,086	4,500	
Other Areas	Hachioji	Hachioji First	5,010	4,900	110	4,937	72	5,679	
	Saitama	Saitama Urawa	2,470	2,480	(10)	2,509	(39)	2,574	
		MM Park	39,800	39,800	0	32,011	7,788	37,400	
	Yokohama	Queen's	21,500	20,600	900	16,330	5,169	17,200	
		Kawasaki Isago	2,890	2,680	210	2,927	(37)	3,375	
	Kawasaki	Musashi Kosugi STM	4,360	4,260	100	3,837	522	4,000	
		8·3 Square Kita	8,690	7,940	750	5,959	2,730	7,100	
	Sendai	Jozenji Park	1,020	999	21	999	20	1,000	
		Higashi Nibancho	13,500	13,500	0	9,063	4,436	9,950	
		Sendai Honma	2,550	2,430	120	2,877	(327)	3,174	
		AER	19,900	19,400	500	18,400	1,499	18,640	
	Kanazawa	Kanazawa Park	5,340	4,880	460	4,294	1,045	4,580	
		Kanazawa Kamitsutsumicho	3,020	3,000	20	2,731	288	2,780	
	Nagoya	Nishiki Park	5,130	5,040	90	5,163	(33)	5,975	
		Hirokoji Place	10,900	10,700	200	8,086	2,813	8,567	
		Nagoya Hirokoji	12,700	12,700	0	15,538	(2,838)	14,533	
		Nagoya Misono	1,320	1,280	40	1,513	(193)	1,865	
	Kyoto	Shijo Karasuma	5,410	5,080	330	3,994	1,415	4,400	
	Osaka	Umeda Square	16,800	16,400	400	15,507	1,292	15,523	
		Shin-Fujita	19,200	18,900	300	22,125	(2,925)	24,000	
		Sakaisujihonmachi	3,480	3,390	90	3,698	(218)	4,164	
		Midotsuji Daiwa	14,600	14,300	300	13,516	1,083	14,314	
	Amagasaki	Amagasaki Front	10,100	9,890	210	8,802	1,297	9,300	
	Okayama	Lit City	4,540	4,430	110	3,151	1,388	4,650	
	Hiroshima	NHK Hiroshima	2,920	2,870	50	2,959	(39)	2,770	
	Fukuoka	Tosei Tenjin	1,410	1,360	50	1,373	36	1,550	
		Tenjin Crystal	2,880	2,700	180	3,995	(1,115)	5,000	
		Hinode Tenjin	4,190	3,890	300	3,401	788	3,657	
	Existing properties excluding properties acquired during Sep. 2017 period		Tokyo 23 Wards	813,050	802,520	10,530	648,782	164,267	707,002
			Other Areas	245,630	239,799	5,831	219,710	25,919	237,720
			Total (69 properties)	1,058,680	1,042,319	16,361	868,492	190,187	944,723
	Properties acquired during Sep. 2017 period								
Tokyo 23 Wards	Minato	Shiodome (additional acquisition)	10,800	-	-	9,345	1,454	10,530	
Properties held as of September 30, 2017									
Tokyo 23 Wards			823,850	-	-	658,127	165,722	717,532	
Other Areas			245,630	-	-	219,710	25,919	237,720	
Total (69 properties)			1,069,480	-	-	877,837	191,642	955,253	

## Trend of Unrealized Gain or Loss

(In millions of yen)



(In millions of yen, 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	Sep. 2006 period	Mar. 2007 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	467,001	498,741
Book value	B	145,580	165,088	184,304	193,058	219,032	240,134	291,350	327,005	413,708	418,607	427,013
Unrealized gain or loss	A-B=C	(640)	162	399	(1,787)	(1,882)	(1,173)	1,991	12,023	26,090	48,393	71,727
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%	11.6%	16.8%
<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	690,800 units	820,000 units
	Unrealized gain or loss per unit	C/D=E	(1,995) yen	359 yen	887 yen	(3,965) yen	(3,614) yen	(2,252) yen	3,823 yen	17,405 yen	37,768 yen	87,472 yen
	Net asset value per unit	F	260,795 yen	255,212 yen	256,013 yen	256,344 yen	263,538 yen	263,592 yen	264,149 yen	299,627 yen	299,737 yen	331,545 yen
	Adjusted net asset value per unit	E+F=G	258,800 yen	255,571 yen	256,900 yen	252,379 yen	259,923 yen	261,340 yen	267,973 yen	317,032 yen	337,506 yen	419,018 yen
	Unit price at the end of period	H	265,000 yen	255,500 yen	296,000 yen	324,000 yen	415,000 yen	437,500 yen	437,500 yen	457,500 yen	510,000 yen	780,000 yen
	H/G		1.02 times	1.00 times	1.15 times	1.28 times	1.60 times	1.67 times	1.63 times	1.44 times	1.51 times	1.86 times

		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	Sep. 2012 period
Appraisal value at the end of period	A	531,100	619,160	644,700	636,770	591,920	645,239	632,112	642,220	634,357	693,230	712,888
Book value	B	431,463	503,376	525,503	544,245	540,709	614,734	614,593	628,689	622,542	681,970	700,829
Unrealized gain or loss	A-B=C	99,636	115,783	119,196	92,524	51,210	30,504	17,518	13,530	11,814	11,259	12,058
Unrealized gain or loss ratio	C/B	23.1%	23.0%	22.7%	17.0%	9.5%	5.0%	2.9%	2.2%	1.9%	1.7%	1.7%
<Reference>	Units outstanding	D	820,000 units	886,000 units	886,000 units	886,000 units	978,400 units	978,400 units	978,400 units	978,400 units	1,098,080 units	1,098,080 units
	Unrealized gain or loss per unit	C/D=E	121,507 yen	130,681 yen	134,533 yen	104,429 yen	57,799 yen	31,177 yen	17,905 yen	13,828 yen	12,075 yen	10,981 yen
	Net asset value per unit	F	332,035 yen	350,504 yen	345,429 yen	345,403 yen	345,492 yen	340,585 yen	339,877 yen	339,385 yen	340,014 yen	339,565 yen
	Adjusted net asset value per unit	E+F=G	453,543 yen	481,186 yen	479,962 yen	449,832 yen	403,291 yen	371,763 yen	357,783 yen	353,213 yen	352,090 yen	349,818 yen
	Unit price at the end of period	H	690,000 yen	580,000 yen	418,000 yen	378,000 yen	367,000 yen	398,500 yen	379,500 yen	393,500 yen	377,000 yen	393,000 yen
	H/G		1.52 times	1.21 times	0.87 times	0.84 times	0.91 times	1.07 times	1.06 times	1.11 times	1.07 times	1.12 times

		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
Appraisal value at the end of period	A	758,210	775,147	829,152	843,367	912,125	977,666	996,828	1,011,368	1,042,319	1,069,480
Book value	B	739,901	748,257	789,543	786,106	829,449	869,034	861,360	856,657	872,534	877,837
Unrealized gain or loss	A-B=C	18,308	26,889	39,608	57,260	82,675	108,631	135,467	154,710	169,784	191,642
Unrealized gain or loss ratio	C/B	2.5%	3.6%	5.0%	7.3%	10.0%	12.5%	15.7%	18.1%	19.5%	21.8%
<Reference>	Units outstanding	D	1,188,280 units	1,188,280 units	1,251,530 units	1,251,530 units	1,309,310 units	1,309,310 units	1,309,310 units	1,309,310 units	1,309,310 units
	Unrealized gain or loss per unit	C/D=E	15,407 yen	22,629 yen	33,332 yen	45,752 yen	66,059 yen	82,968 yen	103,464 yen	129,674 yen	146,368 yen
	Net asset value per unit	F	341,065 yen	341,178 yen	341,128 yen	348,871 yen	348,909 yen	358,026 yen	358,238 yen	358,478 yen	359,213 yen
	Adjusted net asset value per unit	E+F=G	356,472 yen	363,807 yen	374,461 yen	394,623 yen	414,969 yen	440,995 yen	461,702 yen	488,335 yen	505,582 yen
	Unit price at the end of period	H	644,500 yen	574,000 yen	518,000 yen	564,000 yen	551,000 yen	650,000 yen	605,000 yen	590,000 yen	541,000 yen
	H/G		1.81 times	1.58 times	1.38 times	1.43 times	1.36 times	1.25 times	1.41 times	1.27 times	1.07 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. 2017 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.



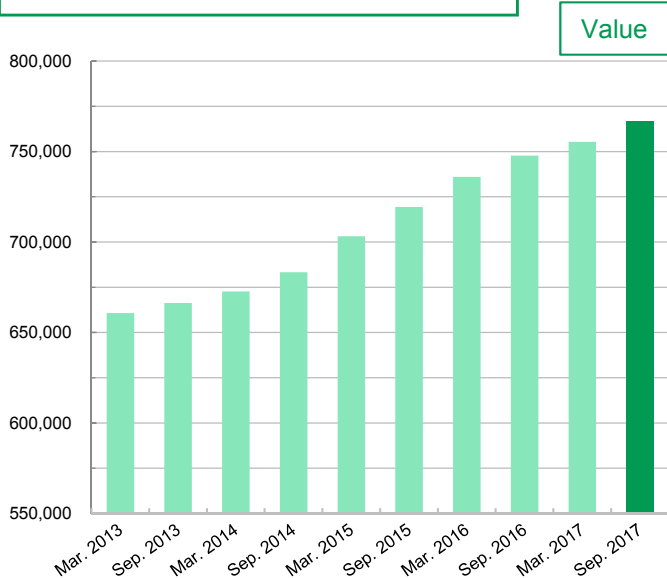
Details of Appraisal Values as of September 30, 2017

(In million of yen)																	
Name	Acquisition Price	Appraisal Value as of the End of period															
		Mar. 2017 period					Sep. 2017 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	80,100	3.40%	2,786	3.20%	3.60%	82,400	3.30%	2,785	3.10%	3.50%	2,300	2.9%	(0.10)%	0.0%	(0.10)%	(0.10)%
MD Kanda	9,520	8,460	3.60%	313	3.40%	3.80%	8,470	3.60%	314	3.40%	3.80%	10	0.1%	0.00%	0.2%	0.00%	0.00%
Kandabashi Park	4,810	4,610	3.70%	173	3.50%	3.90%	4,740	3.60%	173	3.40%	3.80%	130	2.8%	(0.10)%	0.0%	(0.10)%	(0.10)%
Otemachi FCN	15,462	18,900	3.00%	584	2.70%	3.10%	19,600	2.90%	584	2.60%	3.00%	700	3.7%	(0.10)%	0.0%	(0.10)%	(0.10)%
Nibancho Garden	14,700	17,900	3.90%	713	3.70%	4.10%	18,300	3.80%	713	3.60%	4.00%	400	2.2%	(0.10)%	0.0%	(0.10)%	(0.10)%
Mitsubishi UFJ Trust	44,700	51,800	2.90%	1,526	2.60%	3.00%	53,600	2.80%	1,527	2.50%	2.90%	1,800	3.5%	(0.10)%	0.0%	(0.10)%	(0.10)%
Burex Kojimachi	7,000	6,880	3.60%	254	3.40%	3.80%	7,070	3.50%	254	3.30%	3.70%	190	2.8%	(0.10)%	0.0%	(0.10)%	(0.10)%
Sanno Grand	20,900	33,300	3.60%	1,219	3.30%	3.70%	33,300	3.60%	1,218	3.30%	3.70%	0	0.0%	0.00%	(0.1)%	0.00%	0.00%
Yurakucho Denki	7,200	8,080	3.50%	289	3.30%	3.70%	8,300	3.40%	288	3.20%	3.60%	220	2.7%	(0.10)%	(0.1)%	(0.10)%	(0.10)%
Kodenmacho	3,173	2,920	4.10%	123	3.90%	4.30%	2,930	4.00%	122	3.80%	4.20%	10	0.3%	(0.10)%	(1.0)%	(0.10)%	(0.10)%
Kyodo (Kayabacho 2Chome)	4,410	4,990	3.70%	190	3.50%	3.90%	4,990	3.70%	190	3.50%	3.90%	0	0.0%	0.00%	0.0%	0.00%	0.00%
Burex Kyobashi	5,250	7,660	3.50%	274	3.30%	3.70%	7,880	3.40%	274	3.20%	3.60%	220	2.9%	(0.10)%	0.0%	(0.10)%	(0.10)%
Ginza 1Chome	6,459	7,360	3.60%	273	3.40%	3.80%	7,540	3.50%	272	3.30%	3.70%	180	2.4%	(0.10)%	(0.4)%	(0.10)%	(0.10)%
Ginza Sanwa	16,830	18,400	2.90%	544	2.90%	2.90%	18,400	2.80%	521	2.80%	2.80%	0	0.0%	(0.10)%	(4.3)%	(0.10)%	(0.10)%
Ryoshin Ginza EM	7,999	6,260	3.60%	235	3.40%	3.80%	6,450	3.50%	235	3.30%	3.70%	190	3.0%	(0.10)%	0.1%	(0.10)%	(0.10)%
Harumi Front	31,300	40,900	4.10%	1,685	3.80%	4.40%	39,000	4.10%	1,637	3.80%	4.40%	(1,900)	(4.6)%	0.00%	(2.8)%	0.00%	0.00%
Harumi Center	26,800	19,600	4.10%	833	3.90%	4.30%	19,600	4.10%	834	3.90%	4.30%	0	0.0%	0.00%	0.0%	0.00%	0.00%
Akasaka Park	60,800	71,300	3.50%	2,553	3.30%	3.70%	73,900	3.40%	2,568	3.20%	3.60%	2,600	3.6%	(0.10)%	0.6%	(0.10)%	(0.10)%
Aoyama Crystal	7,680	8,120	3.50%	292	3.30%	3.70%	8,380	3.40%	292	3.20%	3.60%	260	3.2%	(0.10)%	0.0%	(0.10)%	(0.10)%
Clover Shiba-koen	4,500	4,610	4.10%	191	3.80%	4.20%	4,620	4.00%	186	3.70%	4.10%	10	0.2%	(0.10)%	(2.3)%	(0.10)%	(0.10)%
Shiodome Building (existing units)	96,400	108,000	3.40%	3,782	3.20%	3.60%	108,200	3.40%	3,782	3.20%	3.60%	200	0.2%	0.00%	0.0%	0.00%	0.00%
Shiba 2Chome Daimon	4,859	6,670	4.10%	287	3.90%	4.30%	6,860	4.00%	288	3.80%	4.20%	190	2.8%	(0.10)%	0.4%	(0.10)%	(0.10)%
Cosmo Kanasugibashi	2,808	3,170	4.10%	132	3.90%	4.30%	3,170	4.00%	131	3.80%	4.20%	0	0.0%	(0.10)%	(1.2)%	(0.10)%	(0.10)%
Tamachi Front	6,210	6,330	3.70%	239	3.50%	3.90%	6,510	3.60%	239	3.40%	3.80%	180	2.8%	(0.10)%	0.1%	(0.10)%	(0.10)%
Shinjuku Eastside	29,760	32,800	4.00%	1,315	3.60%	4.10%	33,700	3.90%	1,313	3.50%	4.00%	900	2.7%	(0.10)%	(0.1)%	(0.10)%	(0.10)%
Shinwa	7,830	7,040	3.80%	275	3.60%	4.00%	7,290	3.70%	277	3.50%	3.90%	250	3.6%	(0.10)%	0.8%	(0.10)%	(0.10)%
Tokyo Opera City	31,776	33,700	3.80%	1,357	3.60%	4.00%	34,500	3.70%	1,351	3.50%	3.90%	800	2.4%	(0.10)%	(0.4)%	(0.10)%	(0.10)%
TIX UENO	22,000	25,000	3.80%	968	3.60%	4.00%	25,700	3.70%	969	3.50%	3.90%	700	2.8%	(0.10)%	0.1%	(0.10)%	(0.10)%
Higashi-Gotanda 1Chome	5,500	6,140	3.90%	241	3.60%	4.00%	6,460	3.80%	248	3.50%	3.90%	320	5.2%	(0.10)%	2.7%	(0.10)%	(0.10)%
Osaki Front Tower	12,300	16,600	4.10%	929	3.90%	4.30%	16,600	4.10%	932	3.90%	4.30%	0	0.0%	0.00%	0.3%	0.00%	0.00%
Omori-Eki Higashiguchi	5,123	5,700	4.50%	263	4.30%	4.70%	5,850	4.40%	263	4.20%	4.60%	150	2.6%	(0.10)%	0.2%	(0.10)%	(0.10)%
Shinjuku South Gate Project (Land)	5,500	5,490	-	171	3.40%	-	5,490	-	171	3.45%	-	0	0.0%	-	0.0%	0.05%	-
Yoyogi 1Chome	8,700	11,600	3.60%	428	3.40%	3.80%	12,000	3.50%	428	3.30%	3.70%	400	3.4%	(0.10)%	0.0%	(0.10)%	(0.10)%
da Vinci Harajuku	4,885	7,100	3.80%	271	3.50%	3.90%	6,910	3.70%	262	3.50%	3.90%	(190)	(2.7)%	(0.10)%	(3.0)%	0.00%	0.00%
Jingumae MS	12,200	10,100	3.40%	355	3.20%	3.60%	10,500	3.30%	355	3.10%	3.50%	400	4.0%	(0.10)%	(0.2)%	(0.10)%	(0.10)%
Shibuya Cross Tower	34,600	52,700	3.40%	1,838	3.20%	3.60%	50,500	3.40%	1,759	3.20%	3.60%	(2,200)	(4.2)%	0.00%	(4.3)%	0.00%	0.00%
Ebisu Neonato	14,612	16,900	3.60%	628	3.40%	3.80%	17,800	3.50%	648	3.30%	3.70%	900	5.3%	(0.10)%	3.1%	(0.10)%	(0.10)%
Harmony Tower	11,120	14,000	4.00%	585	3.80%	4.20%	14,100	4.00%	585	3.80%	4.20%	100	0.7%	0.00%	0.0%	0.00%	0.00%
Otsuka Higashi-Ikebukuro	3,541	4,530	4.90%	223	4.60%	5.00%	4,500	4.90%	219	4.60%	5.00%	(30)	(0.7)%	0.00%	(1.7)%	0.00%	0.00%
Ikebukuro 2Chome	1,728	1,700	4.50%	77	4.30%	4.70%	1,750	4.40%	78	4.20%	4.60%	50	2.9%	(0.10)%	0.6%	(0.10)%	(0.10)%
Ikebukuro YS	4,500	5,100	4.30%	225	4.10%	4.50%	5,190	4.20%	224	4.00%	4.40%	90	1.8%	(0.10)%	(0.6)%	(0.10)%	(0.10)%
Hachioji First	5,679	4,900	4.80%	245	4.60%	5.00%	5,010	4.70%	245	4.50%	4.90%	110	2.2%	(0.10)%	0.0%	(0.10)%	(0.10)%
Saitama Urawa	2,574	2,480	4.90%	125	4.70%	5.10%	2,470	4.80%	120	4.60%	5.00%	(10)	(0.4)%	(0.10)%	(4.1)%	(0.10)%	(0.10)%
MM Park	37,400	39,800	4.20%	1,696	4.00%	4.40%	39,800	4.20%	1,698	4.00%	4.40%	0	0.0%	0.00%	0.1%	0.00%	0.00%
Queen's	17,200	20,600	4.30%	894	4.00%	4.60%	21,500	4.20%	911	3.90%	4.50%	900	4.4%	(0.10)%	1.9%	(0.10)%	(0.10)%
Kawasaki Isago	3,375	2,680	4.80%	130	4.60%	5.00%	2,890	4.70%	135	4.50%	4.90%	210	7.8%	(0.10)%	4.1%	(0.10)%	(0.10)%
Musashi Kosugi STM	4,000	4,260	4.70%	200	4.50%	4.90%	4,360	4.60%	200	4.40%	4.80%	100	2.3%	(0.10)%	0.1%	(0.10)%	(0.10)%
8-3 Square Kita	7,100	7,940	4.90%	393	4.70%	5.10%	8,690	4.80%	430	4.60%	5.00%	750	9.4%	(0.10)%	9.2%	(0.10)%	(0.10)%
Jozenji Park	1,000	999	5.60%	57	5.40%	5.80%	1,020	5.50%	57	5.30%	5.70%	21	2.1%	(0.10)%	0.0%	(0.10)%	(0.10)%
Higashi Nibancho	9,950	13,500	5.00%	659	4.80%	5.20%	13,500	5.00%	659	4.80%	5.20%	0	0.0%	0.00%	0.1%	0.00%	0.00%
Sendai Honma	3,174	2,430	5.30%	134	5.10%	5.50%	2,550	5.20%	138	5.00%	5.40%	120	4.9%	(0.10)%	2.6%	(0.10)%	(0.10)%
AER	18,640	19,400	4.20%	841	4.00%	4.40%	19,900	4.10%	841	3.90%	4.30%	500	2.6%	(0.10)%	0.0%	(0.10)%	(0.10)%
Kanazawa Park	4,580	4,880	5.80%	283	5.60%	6.00%	5,340	5.70%	323	5.50%	5.90%	460	9.4%	(0.10)%	14.3%	(0.10)%	(0.10)%
Kanazawa Kamitsutsumicho	2,780	3,000	5.70%	177	5.50%	5.90%	3,020	5.60%	175	5.40%	5.80%	20	0.7%	(0.10)%	(1.1)%	(0.10)%	(0.10)%
Nishiki Park	5,975	5,040	5.00%	261	4.80%	5.20%	5,130	4.90%	260	4.70%	5.10%	90	1.8%	(0.10)%	(0.3)%	(0.10)%	(0.10)%
Hirokoji Place	8,567	10,700	4.40%	473	4.20%	4.60%	10,900	4.30%	472	4.10%	4.50%						

# Historical Appraisal Values and NCF

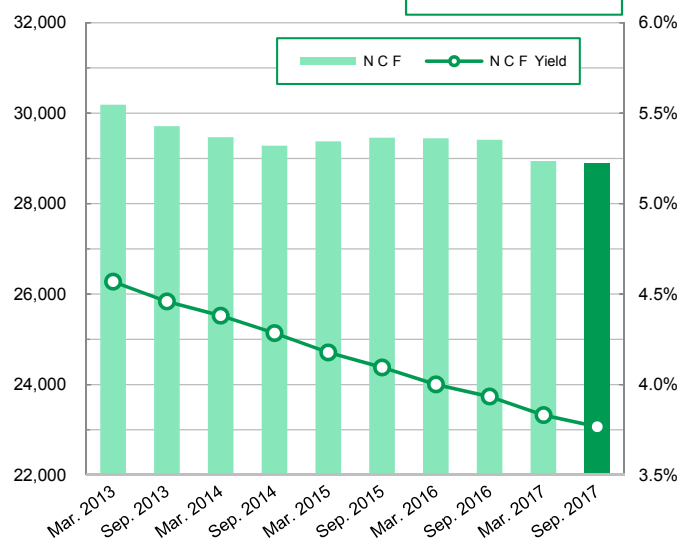
52 properties of JRE's portfolio with constantly held ownership without increase or decrease of share as of March 31, 2013 through September 31, 2017.

## Overall

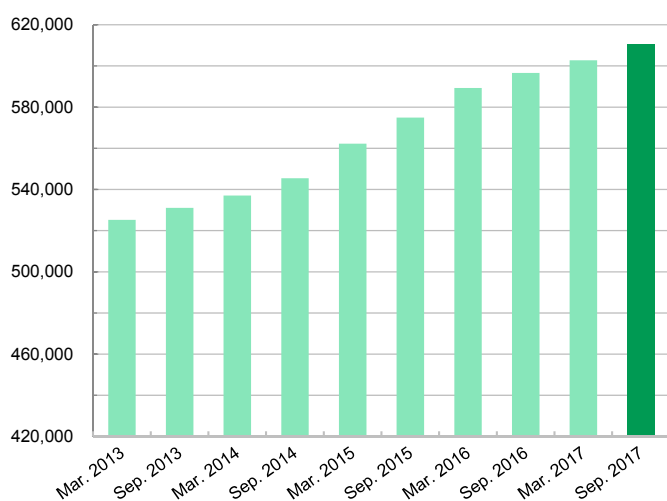


(Value and NCF: In millions of yen)

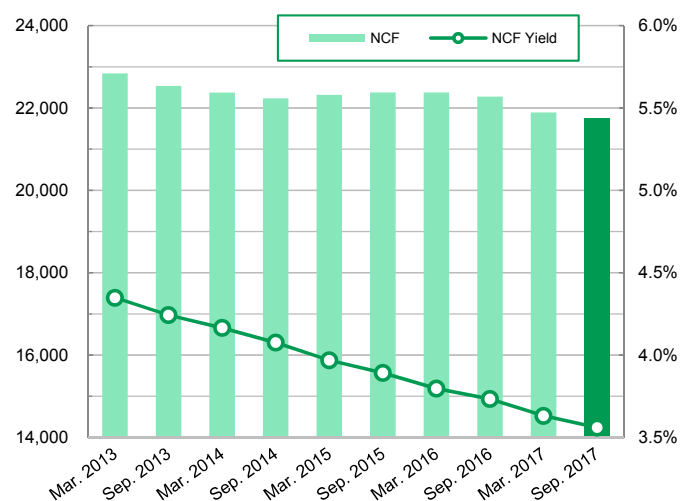
## NCF and Yield



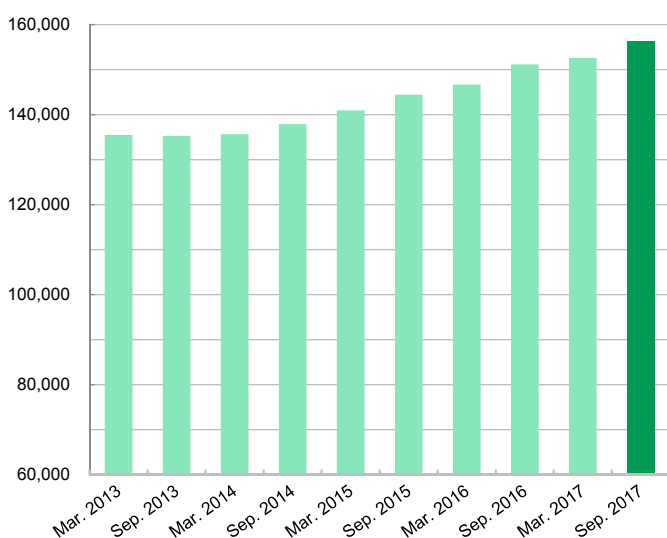
## Tokyo 23 Wards



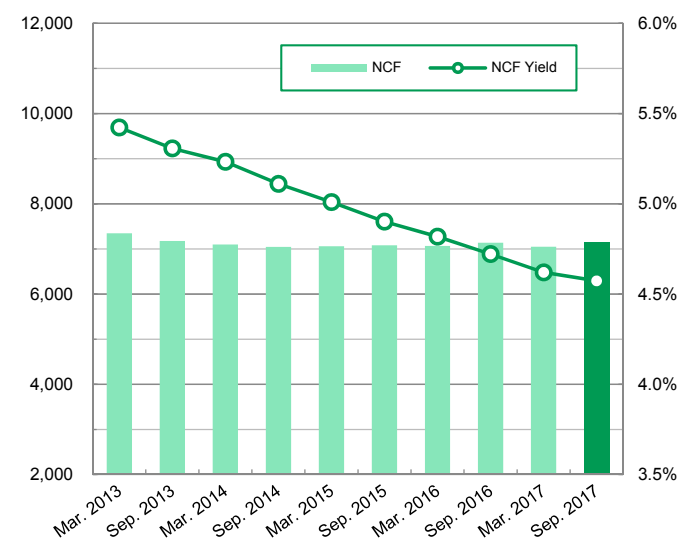
## NCF and Yield



## Other Areas



## NCF and Yield



\*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. 2017 period

(In millions of yen)

Property Name	Performance (April 1, 2017 – September 30, 2017 )												
	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	1,719	738	122	72	93	2	34	412	-	981	1,393	9	1,383
MD Kanda	227	85	16	18	20	0	0	28	-	142	170	5	165
Kandabashi Park	119	40	2	-	16	0	3	17	-	79	97	7	90
Otemachi FCN	349	176	25	18	44	0	0	86	0	173	259	-	259
Nibancho Garden	475	235	61	23	53	0	6	90	-	240	330	1	328
Mitsubishi UFJ Trust	992	365	53	57	136	1	2	113	1	627	740	-	740
Burex Kojimachi	153	77	-	-	13	0	0	62	-	76	138	0	138
Sanno Grand	953	386	99	57	105	1	42	78	-	567	645	12	633
Yurakucho Denki	261	126	33	20	41	0	0	30	-	134	165	0	164
Kodenmachi	115	53	13	8	11	0	2	13	3	61	75	4	70
Kyodo (Kayabacho 2Chome)	146	57	10	12	11	0	2	21	-	89	110	7	102
Burex Kyobashi	158	52	-	-	11	0	3	36	-	106	143	2	141
Ginza 1Chome	171	92	13	7	10	0	1	58	-	79	138	2	135
Ginza Sanwa	399	147	33	16	65	0	9	22	0	251	274	47	227
Ryoshin Ginza EM	159	81	15	10	14	0	1	39	-	78	117	2	115
Harumi Front	1,225	694	144	110	76	1	1	359	0	531	890	6	883
Harumi Center	475	379	72	38	46	1	10	210	0	95	305	18	287
Akasaka Park	2,168	1,243	233	254	272	4	78	398	2	924	1,322	60	1,262
Aoyama Crystal	208	117	17	12	29	0	37	20	0	90	110	0	110
Clover Shiba-koen	112	49	10	6	6	0	3	22	-	63	85	-	85
Shiodome	2,285	837	170	129	142	2	16	370	5	1,448	1,818	10	1,807
Shiba 2Chome Daimon	277	208	38	30	38	0	64	36	0	69	105	7	98
Cosmo Kanasugibashi	111	46	11	7	13	0	0	13	-	65	79	3	75
Tamachi Front	153	50	11	7	0	0	0	31	-	103	134	-	134
Shinjuku Eastside	899	344	61	61	48	1	5	165	1	554	720	8	711
Shinwa	221	96	17	17	19	0	11	29	-	125	155	111	43
Tokyo Opera City	1,579	1,054	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed	524	Undisclosed	73	Undisclosed
TIX UENO	652	397	59	48	38	1	15	234	-	255	489	5	483
Higashi-Gotanda 1Chome	167	92	12	18	14	0	2	43	0	75	118	-	118
Osaki Front Tower	706	500	68	42	27	0	10	257	93	206	463	1	461
Omori-Eki Higashiguchi	227	118	31	20	25	0	3	36	-	109	145	4	140
Shinjuku South Gate Project (Land)	60	20	-	-	20	-	-	-	-	39	39	-	39
Yoyogi 1Chome	306	137	22	20	23	0	2	68	-	168	236	3	232
da Vinci Harajuku	191	57	10	10	16	0	2	16	-	134	150	1	149
Jingumae MS	282	148	24	21	47	0	15	39	-	134	173	-	173
Shibuya Cross Tower	1,504	1,002	177	123	123	2	146	428	0	502	930	109	821
Ebisu Neonato	472	197	50	19	37	1	0	88	-	275	363	11	351
Harmony Tower	448	196	72	-	56	1	12	53	-	252	305	-	305
Otsuka Higashi-Ikebukuro	189	97	19	21	12	0	3	40	-	92	132	20	112
Ikebukuro 2Chome	68	28	7	6	5	0	1	7	0	39	47	0	47
Ikebukuro YS	190	80	17	16	14	0	1	30	-	110	140	-	140
Hachioji First	239	134	51	1	26	0	21	33	-	104	138	17	120
Saitama Urawa	111	48	13	7	9	0	0	17	-	62	80	-	80
MM Park	1,299	736	141	171	78	1	49	294	-	563	857	18	838
Queen's	987	630	205	95	111	3	7	200	6	357	557	11	546
Kawasaki Isago	154	92	27	14	13	0	12	23	-	62	86	1	84
Musashi Kosugi STM	162	65	21	2	11	0	2	27	-	97	124	2	121
8-3 Square Kita	325	190	30	54	22	0	12	69	-	134	204	4	199
Jozenji Park	62	38	9	6	6	0	4	11	-	24	35	1	34
Higashi Nibancho	579	272	73	49	39	0	2	106	-	307	413	14	399
Sendai Honma	130	69	17	12	15	0	6	17	0	61	78	6	72
AER	656	415	87	68	62	0	36	160	0	241	402	54	347
Kanazawa Park	509	325	98	59	64	1	30	69	1	183	252	27	225
Kanazawa Kamitsutsumicho	128	94	17	12	10	0	1	51	-	33	85	-	85
Nishiki Park	275	171	55	24	24	0	3	55	6	103	159	-	159
Hirokoji Place	387	177	36	34	33	0	0	72	-	210	282	-	282
Nagoya Hirokoji	559	412	88	47	60	1	61	154	0	146	300	202	98
Nagoya Misono	72	62	9	6	6	0	10	29	-	9	38	13	24
Shijo Karasuma	197	114	23	15	11	0	4	59	-	83	142	-	142
Umeda Square	444	220	45	37	46	0	12	76	-	224	301	72	228
Shin-Fujita	695	545	85	89	75	1	59	233	-	150	383	152	230
Sakaisujihonmachi	226	199	41	30	35	0	64	27	-	27	54	1	53
Midosuji Daiwa	533	268	64	44	73	1	6	79	0	264	343	1	342
Amagasaki Front	441	227	65	30	26	0	2	102	0	213	315	3	311
Lit City	255	142	29	22	19	1	4	65	0	112	177	1	176
NHK Hiroshima	265	177	49	25	23	0	4	48	24	88	136	8	128
Tosei Tenjin	80	43	12	7	7	0	4	10	0	37	48	3	44
Tenjin Crystal	157	125	22	17	18	0	4	61	0	32	93	1	91
Hinode Tenjin	178	76	20	18	14	0	2	20	0	101	122	5	117
Total	31,718	16,999	3,637	2,612	2,917	58	1,017	6,556	198	14,719	21,275	1,192	20,083

\* 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 2017 period

(As of September 30, 2017)

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	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
		MD Kanda	8,185.11	05/31/02	-	100.0%	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	Kodenmachi	5,822.88	09/25/01	-	100.0%	The Dai-Ichi Building 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%	Mitsubishi Estate Co., Ltd.
		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	17.6%
	Shinjuku	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.
		da Vinci Harajuku	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.
		Shibuya Cross Tower	61,862.33	11/30/01	-	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	-	27.7488%	Taisei-Yuraku Real Estate 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 Tenjin	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	02/1998	5.0%
	Kandabashi Park	07/1993	5.0%
	Otemachi FCN	10/2012	0.9%
	Nibancho Garden	04/2004	2.1%
	Mitsubishi UFJ Trust	02/2003	1.4%
	Burex Kojimachi	01/2005	4.1%
	Sanno Grand	09/1966	3.6%
	Yurakucho Denki	09/1975	3.7%
Chuo	Kodenmacho	11/1991	3.3%
	Kyodo (Kayabacho 2Chome)	04/1991	3.6%
	Burex Kyobashi	02/2002	4.7%
	Ginza 1Chome	05/2008	2.1%
	Ginza Sanwa	10/1982	3.7%
	Ryoshin Ginza EM	10/1998	2.8%
	Harumi Front	02/2012	2.0%
	Harumi Center	11/2006	3.5%
Minato	Akasaka Park	07/1993	1.4%
	Aoyama Crystal	12/1982	5.4%
	Clover Shiba-koen	02/2006	4.6%
	Shiodome	12/2007	1.4%
	Shiba 2Chome Daimon	03/1984	3.0%
	Cosmo Kanasugibashi	03/1992	7.3%
	Tamachi Front	07/2014	3.3%
Shinjuku	Shinjuku Eastside	03/2012	1.2%
	Shinwa	11/1989	7.0%
	Tokyo Opera City	07/1996	2.0%
Taito	TIX UENO	07/2010	2.0%
Shinagawa	Higashi-Gotanda 1Chome	07/2004	2.6%
	Osaki Front Tower	06/2005	3.4%
Ota	Omori-Eki Higashiguchi	07/1989	2.8%
Shibuya	Yoyogi 1Chome	10/2003	2.2%
	da Vinci Harajuku	12/1987	9.6%
	Jingumae MS	03/1998	3.3%
	Shibuya Cross Tower	04/1976	2.2%
	Ebisu Neonato	10/1994	2.4%
Nakano	Harmony Tower	03/1997	2.0%
Toshima	Otsuka Higashi-Ikebukuro	11/1987	6.1%
	Ikebukuro 2Chome	05/1990	3.4%
	Ikebukuro YS	12/1989	5.7%

## Other Areas

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

**Portfolio PML**

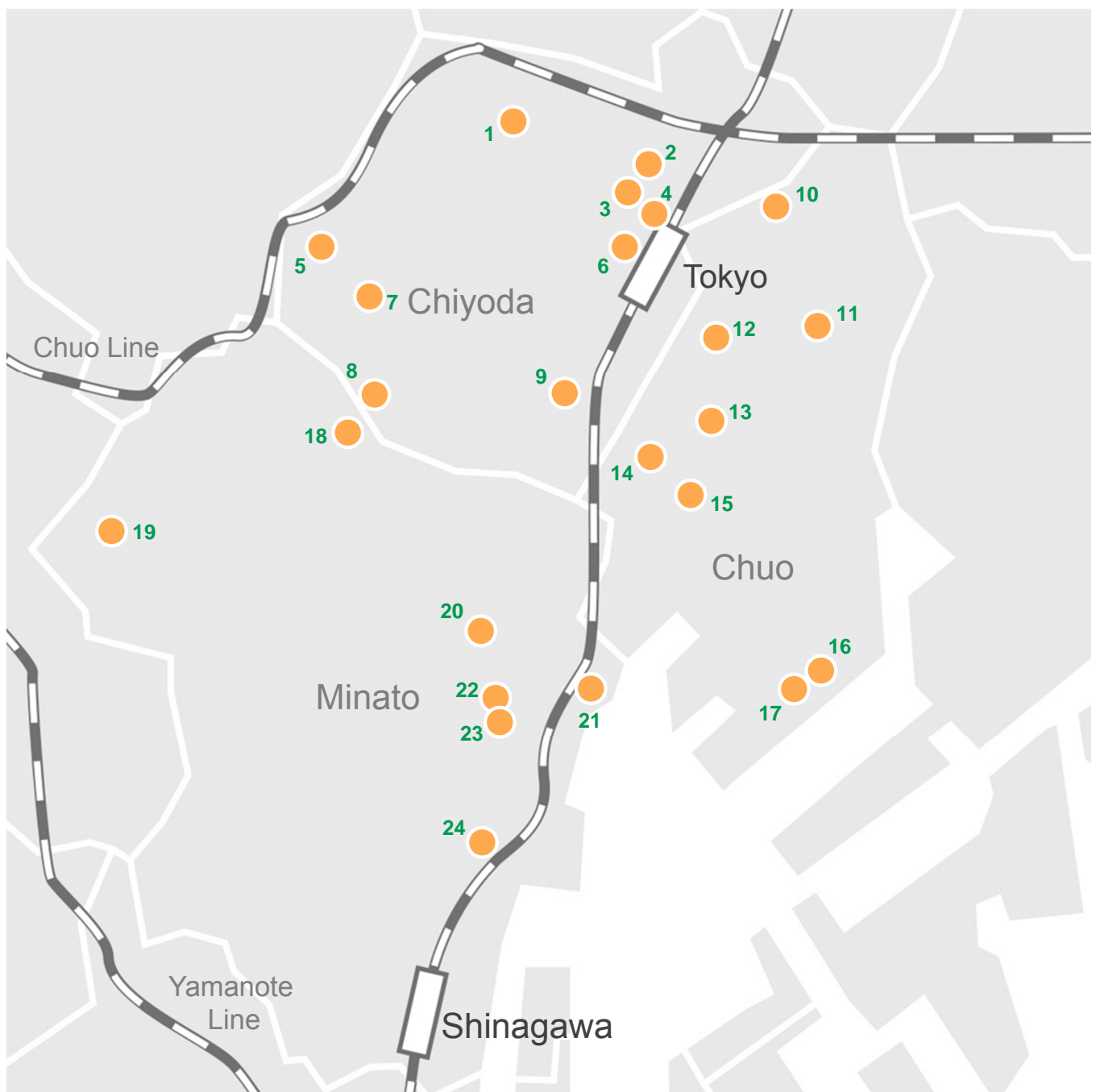
**1.8%**

**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).

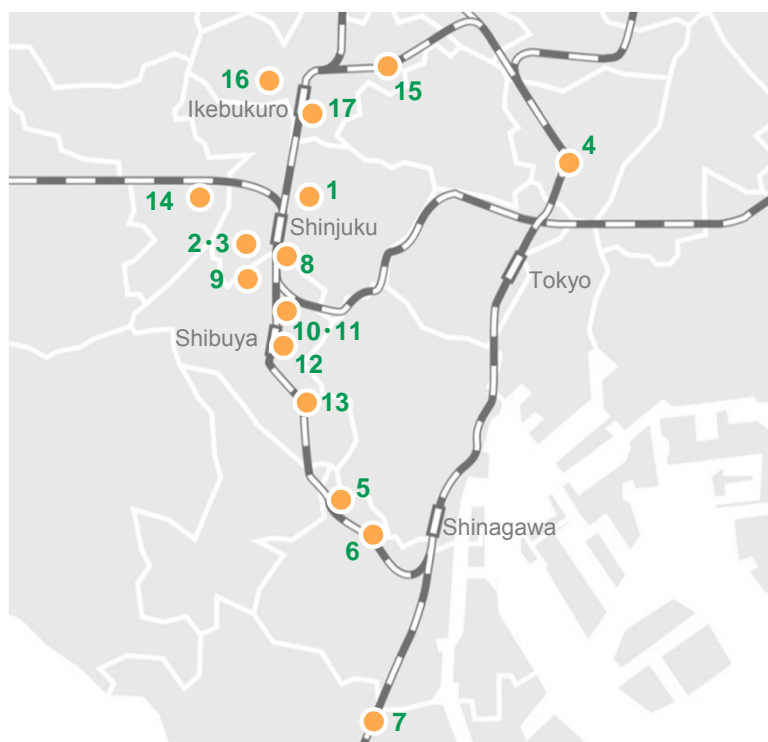
## Tokyo 3 Central Wards

- |   |                                       |
|---|---------------------------------------|
| 1 Kitanomaru Square                         | 13 Ginza 1Chome East Building         |
| 2 MD Kanda Building                         | 14 Ginza Sanwa Building               |
| 3 Kandabashi Park Building                  | 15 Ryoshin Ginza East Mirror Building |
| 4 Otemachi Financial City North Tower       | 16 Harumi Front                       |
| 5 Nibancho Garden                           | 17 Harumi Center Building             |
| 6 Mitsubishi UFJ Trust and Banking Building | 18 Akasaka Park Building              |
| 7 Burex Kojimachi Building                  | 19 Aoyama Crystal Building            |
| 8 Sanno Grand Building                      | 20 Clover Shiba-koen                  |
| 9 Yurakucho Denki Building                  | 21 Shiodome Building                  |
| 10 Kodenmacho Shin-Nihonbashi Building      | 22 Shiba 2Chome Daimon Building       |
| 11 Kyodo Building (Kayabacho 2Chome)        | 23 Cosmo Kanasugibashi Building       |
| 12 Burex Kyobashi Building                  | 24 Tamachi Front Building             |



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

As of September 30, 2017



- 1 Shinjuku Eastside Square
- 2 Shinwa Building
- 3 Tokyo Opera City Building
- 4 TIXTOWER UENO
- 5 Higashi-Gotanda 1Chome Building
- 6 Osaki Front Tower
- 7 Omori-Eki Higashiguchi Building
- 8 Shinjuku South Gate Project (tentative name) (Land with leasehold interest)
- 9 Yoyogi 1Chome Building
- 10 da Vinci Harajuku
- 11 Jingumae Media Square Building
- 12 Shibuya Cross Tower
- 13 Ebisu Neonato
- 14 Harmony Tower
- 15 Otsuka Higashi-Ikebukuro Building
- 16 Ikebukuro 2Chome Building
- 17 Ikebukuro YS Building



Jingumae Media Square Building



Osaki Front Tower

## Other Areas

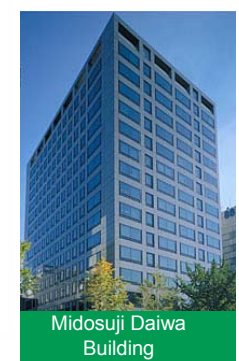
- |                                      |   |
|--------------------------------------|---|
| 1 Hachioji First Square              | 18 Shijo Karasuma Center Building             |
| 2 Saitama Urawa Building             | 19 Umeda Square Building                      |
| 3 MM Park Building          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



8·3 Square Kita Building



Nagoya Hirokoji Building



Midotsuji Daiwa Building



# Portfolio Classification by Area and Office Space

## Floor Size by Area and Property

Blue Italic shows the properties acquired in Sep. 2017 period

Red Italic shows the disposed properties

(As of September 30, 2017)

Area  Tsubo per Standard floor (Tsubo≒3.3㎡)	Area										Total Number of Buildings		
	Tokyo 23 Wards					Other Areas					Total Acquisition Price (¥mm) (%)		
	Tokyo 3 Central Wards		Other Area		Tokyo Metropolitan Area (excl.23 Wards)		Osaka / Kyoto / Kobe		Nagoya	Other			
450 -	Nibancho Garden	1,117	Shinjuku Eastside	1,789	MM Park	828			Kanazawa Park	625	18		
	Shiodome	1,059	Tokyo Opera City	653	Musashi Kosugi STM	619			Lit City	550	551,765		
	Otemachi FCN	709			Queen's	476			Amagasaki Front	517	(58.1%)		
	Harumi Front	693							Higashi Nibancho	468			
	Sanno Grand	666											
	Harumi Center	648											
	Akasaka Park	617											
	Kitanomaru Square	568											
	Mitsubishi UFJ Trust	537											
300 - 450	Property E		Harmony Tower	413	Hachioji First	335	Shin-Fujita	440	Hirokoji Place	421	8・3 Square Kita	373	15
	Yurakucho Denki	398	Ebisu Neonato	373			Midosuji Daiwa	341	Nagoya Hirokoji	333	AER	302	202,294
	Shiba 2Chome Daimon	352	Osaki Front Tower	368							NHK Hiroshima	301	(21.3%)
			TIX UENO	329									
			Shibuya Cross Tower	313									
200 - 300	Kandabashi Park	212	Property H		Property B		Sakaisujihonmachi	284	Nishiki Park	209	Hinode Tenjin	252	12
			Otsuka Higashi- Ikebukuro	273			Shijo Karasuma	264			Kanazawa Kamitsutsumicho	209	60,980
			Ikebukuro YS	251							Property J		(6.4%)
			Yoyogi 1Chome	230									
			Shinwa	227									
			Omori-Eki Higashiguchi	218									
			Higashi-Gotanda 1Chome	201									
150 - 200	Ginza Sanwa	198	Property A		Kawasaki Isago	197	Umeda Square	185	Nagoya Misono	157	Jozenji Park	191	15
	MD Kanda	198			Saitama Urawa	189				Sendai Honma	179	85,510	
	Property K									Property C		(9.0%)	
	Kyodo (Kayabacho 2Chome)	181								Tosei Tenjin	167		
	Burex Kyobashi	176											
	Ryoshin Ginza EM	173											
	Ginza 1Chome	160											
	Cosmo Kanasugibashi	160											
	Kodenmacho	150											
100 - 150	Tamachi Front	141	Jingumae MS	146			Property F		Property I		Property D		6
	Burex Kojimachi	132	da Vinci Harajuku	117			Tenjin Crystal	112	42,975				
	Aoyama Crystal	117	Property G						(4.5%)				
- 100	Clover Shiba-koen	98	Ikebukuro 2Chome	74								2	
											6,228		
												(0.7%)	
Total Number of Buildings	24	16	6	5	4	13	68						
Total Acquisition Price (¥mm)	501,856	210,175	70,228	62,401	30,940	74,151	949,753						
(%)	(52.8%)	(22.1%)	(7.4%)	(6.6%)	(3.3%)	(7.8%)	(100.0%)						

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

# Portfolio Classification by Building Age and Location

## Building Age and Walking Time from the Nearest Station

Blue Italic shows the properties acquired in Sep. 2017 period

Red Italic shows the disposed properties

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

(As of September 30, 2017)

Time  Building Age	Area								Total Number of Buildings
	Tokyo 23 Wards				Other Areas				Total Acquisition Price (¥mm)
	- 1 min. walk	1 - 5 min.	5 - 10 min.	10 min. -	- 1 min. walk	1 - 5 min.	5 - 10 min.	10 min. -	(%)
- 10 years	Otemachi FCN	Tamachi Front	Harumi Front		Shijo Karasuma	Amagasaki Front		Kanazawa Kamitsutsumicho	12
	Shinjuku Eastside	TIX UENO			Higashi Nibancho				281,951
		Ginza 1Chome <i>Shiodome</i>			MM Park				(29.7%)
10 - 20 years	Kitanomaru Square	Clover Shiba-koen	Harumi Center		8・3 Square Kita	Hirokoji Place			17
	Burex Kojimachi	Osaki Front Tower			Lit City	AER			279,681
	Mitsubishi UFJ Trust	Higashi-Gotanda 1Chome							(29.4%)
	MD Kanda	Nibancho Garden							
		Yoyogi 1Chome Burex Kyobashi Ryoshin Ginza EM Jingumae MS							
20 -30 years	Harmony Tower	Kandabashi Park	Cosmo Kanasugibashi		Queen's	Umeda Square	Tosei Tenjin	<i>Property B</i>	31
	Tokyo Opera City	Akasaka Park	<i>Property A</i>		Hachioji First	Shin-Fujita	<i>Property F</i>		277,860
	Ebisu Neonato	Otsuka Higashi-Ikebukuro	Ikebukuro 2Chome		Nishiki Park	Tenjin Crystal			(29.3%)
	Kodenmacho		Ikebukuro YS		NHK Hiroshima	Jozenji Park			
	Kyodo (Kayabacho 2Chome)		Shinwa		Sakaisujihonmachi	Kanazawa Park			
	<i>Property G</i>		da Vinci Harajuku		Sendai Honma	Nagoya Misono			
	Omori-Eki Higashiguchi				Midosuji Daiwa	Kawasaki Isago			
				Musashi Kosugi STM	Saitama Urawa				
30 years -	<i>Property K</i>	Shiba 2Chome Daimon				<i>Property I</i>		<i>Property D</i>	8
	Ginza Sanwa	Aoyama Crystal				Hinode Tenjin		<i>Property C</i>	110,259
	Yurakucho Denki	Shibuya Cross Tower				Nagoya Hirokoji			(11.6%)
	<i>Property E</i> Sanno Grand	<i>Property H</i>				<i>Property J</i>			
Total Number of Buildings	15	18	7	0	13	13	1	1	68
Total Acquisition Price (¥mm)	303,143	329,038	79,851	0	120,776	112,614	1,550	2,780	949,753
(%)	(31.9%)	(34.6%)	(8.4%)	(0.0%)	(12.7%)	(11.9%)	(0.2%)	(0.3%)	(100.0%)

- Properties aged 10 years or less account for approx. 30% of the total properties (on an acquisition price basis).
- Approx. 91% of the total properties are located within a five-minute walk from the nearest station (on an acquisition price basis).



MEMO

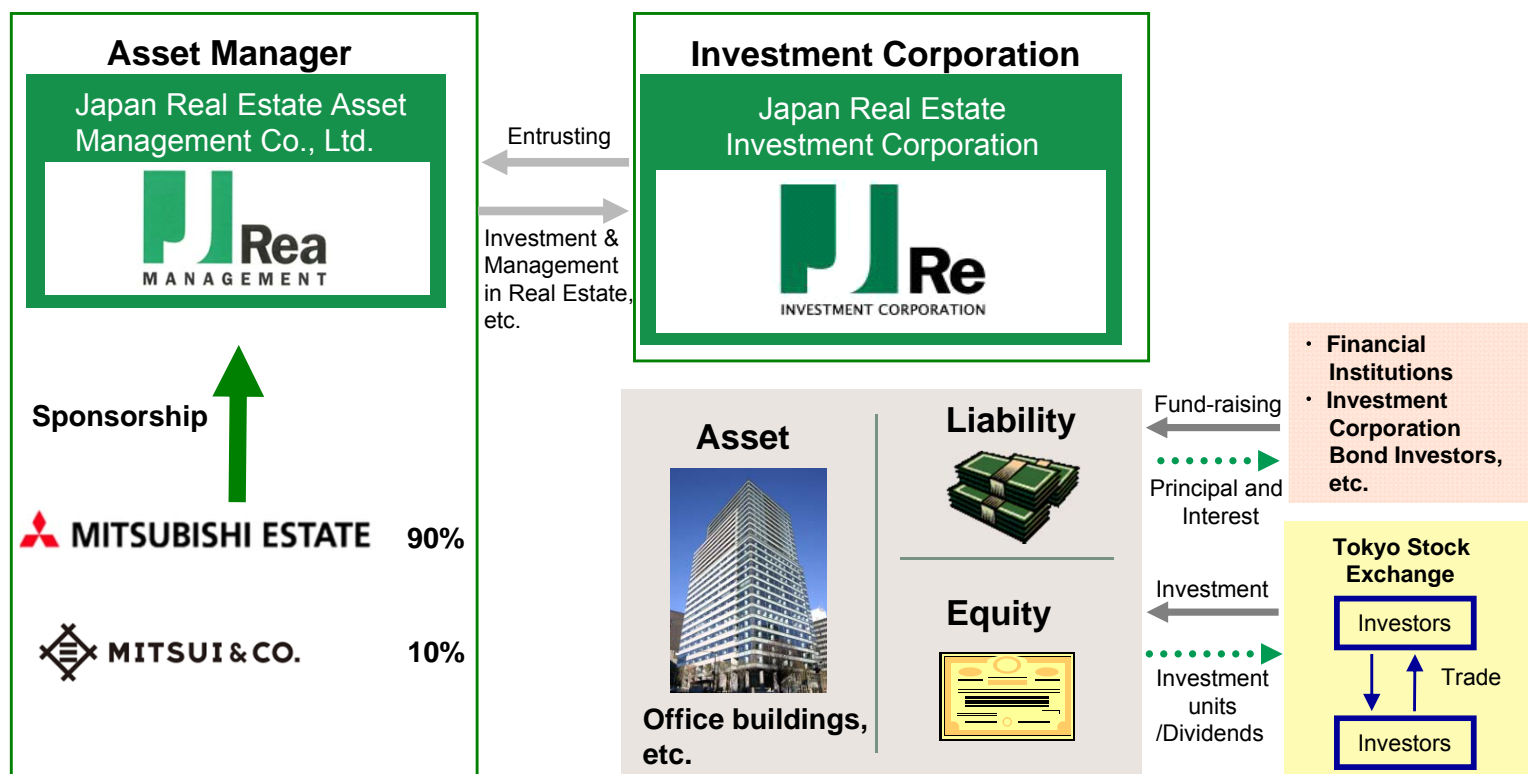
**6**

**Others**

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# Outline of Japan Real Estate Investment Corporation

## Structure



## Point

- J-Rea 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, 2017)

### 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**

(69 office buildings, total acquisition price: ¥955.2 billion\*)

### ③ **The first listed J-REIT**, showing steady performance for 32 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 yen)

	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
<b>Total AM Fee</b>	<b>1,038</b>	<b>470</b>	<b>617</b>	<b>484</b>	<b>518</b>	<b>576</b>	<b>941</b>	<b>573</b>	<b>1,046</b>	<b>707</b>	<b>741</b>	<b>741</b>	<b>2,960</b>

Total Assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968	433,552	441,163	443,973	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%	-
<b>Total AM Fee/Total Assets</b>	<b>0.64%</b>	<b>0.25%</b>	<b>0.31%</b>	<b>0.23%</b>	<b>0.21%</b>	<b>0.22%</b>	<b>0.29%</b>	<b>0.16%</b>	<b>0.24%</b>	<b>0.16%</b>	<b>0.17%</b>	<b>0.16%</b>	<b>0.56%</b>

	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
<b>Total AM Fee</b>	<b>609</b>	<b>591</b>	<b>540</b>	<b>910</b>	<b>542</b>	<b>622</b>	<b>562</b>	<b>856</b>	<b>681</b>	<b>800</b>	<b>692</b>	<b>891</b>	<b>641</b>

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%	-	-
<b>Total AM Fee/Total Assets</b>	<b>0.11%</b>	<b>0.10%</b>	<b>0.10%</b>	<b>0.14%</b>	<b>0.09%</b>	<b>0.10%</b>	<b>0.09%</b>	<b>0.12%</b>	<b>0.09%</b>	<b>0.10%</b>	<b>0.09%</b>	<b>0.11%</b>	<b>0.08%</b>

	Mar. 2015 period	Sep. 2015 period	Mar. 2016 period	Sep. 2016 period	Mar. 2017 period		Sep. 2017 period
Term Fee (*a)	647	687	697	707	715	NOI-linked fee (*a)	851
Incentive Fee (*a)	124	238	235	256	245	Distribution-linked fee (*a)	363
Acquisition Fee (*b)	227	221	0	0	130	Acquisition Fee (*b)	52
Disposition Fee (*c)	0	0	21	0	34	Disposition Fee (*c)	0
<b>Total AM Fee</b>	<b>999</b>	<b>1,147</b>	<b>955</b>	<b>965</b>	<b>1,125</b>	<b>Total AM Fee</b>	<b>1,267</b>

Total Assets	852,679	899,938	890,626	883,633	898,306	Total Assets	906,507
Amount of Acquisition Price during the period	45,459	44,263	0	175	26,100	Amount of Acquisition Price during the period	10,530
Amount of Disposition Price during the period	0	0	4,366	0	6,890	Amount of Disposition Price during the period	0

Term Fee/Total Assets	0.08%	0.08%	0.08%	0.08%	0.08%	NOI-linked fee /Total Assets	0.09%
Incentive Fee/Total Assets	0.01%	0.03%	0.03%	0.03%	0.03%	Distribution-linked fee /Total Assets	0.04%
Acquisition Fee/Amount of Acquisition Price during the period	0.50%	0.50%	-	0.50%	0.50%	Acquisition Fee/Amount of Acquisition Price during the period	0.50%
Disposition Fee/Amount of Disposition Price during the period	-	-	0.50%	-	0.50%	Disposition Fee/Amount of Disposition Price during the period	-
<b>Total AM Fee/Total Assets</b>	<b>0.12%</b>	<b>0.13%</b>	<b>0.11%</b>	<b>0.11%</b>	<b>0.13%</b>	<b>Total AM Fee/Total Assets</b>	<b>0.14%</b>

(\*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.

# Compliance Structure

## Basic Principle of Compliance for the Investment Corporation

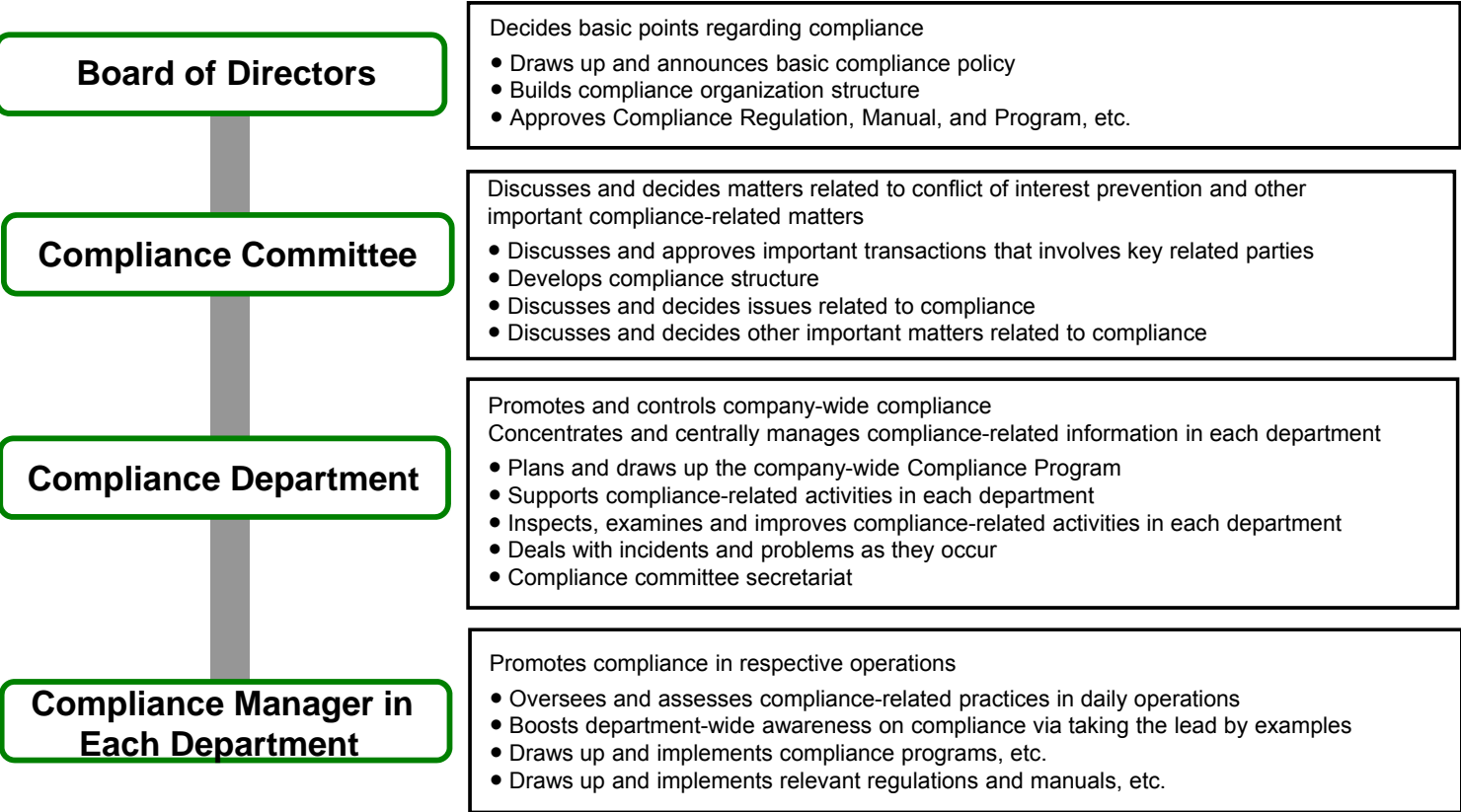
JRE's basic principle of compliance is to thoroughly observe legal and other relevant norms in regards to the business operation as well as to respond to the requirements from society. This means that the Investment Corporation administers and oversees the outsourcing companies from the same standpoint,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

## Basic Principle of Compliance for the Asset Management Company

- 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 the Asset Management Company.



- The Asset Management Company has entered into contracts with several law firms with different specialized areas as its corporate lawyers in order to complement our knowledge of legal tasks in the company, and consults with them, as necessary, depending on the content of issues
- 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 the Asset Management Company is mainly organized by the board of directors, compliance committee and compliance department. Although the compliance manager in each department plays a central role in the compliance promotion activities, it is understood that each member of the Asset Management Company staff must be a leader in compliance promotion. Therefore, they are highly alert to compliance issues in performing their tasks, and maintain sound work ethics and strict self-discipline in observing the rules and regulations in their everyday work.

Acquired the best status,  
a “Green Star” in GRESB



## 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.

## Acquired a “Green Star”

In the 2017 GRESB Real Estate Assessment, JRE was highly evaluated and acquired the best status, a “Green Star”.

## Environmental Measures · Disaster Prevention · Renovation to improve Portfolio Competitiveness

- Organize an emergency drill and AED training
- Stock emergency food and portable toilets
- Set up an MCA wireless communication system for emergency to contact the asset management company and property management companies
- Install a Visual Sensor System for Earthquakes

(Kitanomaru Square, Mitsubishi UFJ Trust, Harumi Front, Akasaka Park, Tokyo Opera City, Shibuya Cross Tower and MM Park)

## Contribution to local community

- Shiodome Building  
Holds ‘HAMASITE Summer Festival’ at an open space of Shiodome, in collaboration with city assembly, area management association and retail tenants.
- Tokyo Opera City Building  
Sponsorship to concerts and art exhibitions as well as lunchtime concerts for free.
- Osaki Front Tower  
Sponsorship to light-up illuminations decorating along the Meguro River.

**Continue to make efforts for maintaining and improving competitiveness  
in the market over the mid- to long- term**



## DBJ Green Building Certification The highest rank 'five stars' given by DBJ

DBJ Green Building Certification is a certification system uniquely developed by the Development Bank of Japan, evaluating not only the building's environmental performance but also tenants' comfort, involvement with the local community, risk management, etc. in order to increase the number of real estate properties with high environmental and social awareness ("Green Building").

JRE is highly evaluated in several of its buildings, such as Harumi Front, which is the first building to receive the highest rank "five stars" among J-REITs.



DBJ Green Building

DBJ Green Building  
∞∞∞

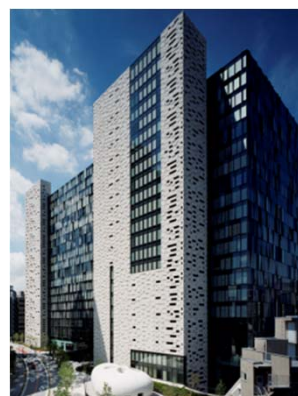
### Properties with the best class environmental & social awareness



Otemachi FCN  
(Chiyoda-ku, Tokyo)



Shiodome Building  
(Minato-ku, Tokyo)



Shinjuku Eastside Square  
(Shinjuku-ku, Tokyo)



Harumi Front  
(Chuo-ku, Tokyo)

DBJ Green Building  
∞∞∞

### Properties with exceptionally high environmental & social awareness



Tamachi Front  
(Minato-ku, Tokyo)



Akasaka Park  
(Minato-ku, Tokyo)



Harumi Center  
(Chuo-ku, Tokyo)



Osaki Front Tower  
(Shinagawa-ku, Tokyo)



MM Park  
(Yokohama City, Kanagawa Prefecture)

**Aim for sustainable growth with environment and local community**

# Key Properties of JRE



## Kitanomaru Square (Chiyoda-ku, Tokyo)

- Acquisition Date February 24, 2006
- Acquisition Price ¥81,555 million
- Area Land: 5,821.03 m<sup>2</sup> Building: 57,279.20 m<sup>2</sup>
- Completion Date January 2006

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

- Acquisition Date March 28, 2007
- Acquisition Price ¥44,700 million
- Area Land: 8,100.39 m<sup>2</sup> Building: 108,171.67 m<sup>2</sup>  
(Ownership: 19.38402%)
- Completion Date February 2003



## Harumi Front (Chuo-ku, Tokyo)

- Acquisition Date January 7, 2013
- Acquisition Price ¥31,300 million
- Area Land: 7,250.15 m<sup>2</sup> Building: 45,458.90 m<sup>2</sup>
- Completion Date February 2012

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

- Acquisition Date September 13, 2005 / March 24, 2010
- Acquisition Price ¥31,776 million
- Area Land: 18,236.94 m<sup>2</sup> Building: 232,996.81 m<sup>2</sup>  
(Ownership: 31.325%)
- Completion Date July 1996







### Akasaka Park Building (Minato-ku, Tokyo)

- Acquisition Date November 15, 2011
- Acquisition Price ¥60,800 million
- Area Land: 14,198.20 m<sup>2</sup> Building: 97,489.16m<sup>2</sup>
- Completion Date July 1993

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

- Acquisition Date December 19, 2008 / January 15, 2010 / May 1, 2015 / March 30, 2017 / September 1, 2017
- Acquisition Price ¥106,930 million
- Area Land: 12,054.22 m<sup>2</sup> Building: 115,930.83 m<sup>2</sup>  
(Quasi-co-ownership: 55.0% of the trust beneficiary right)
- Completion Date December 2007



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

- Acquisition Date November 30, 2001
- Acquisition Price ¥34,600 million
- Area Land: 5,153.45 m<sup>2</sup> Building: 61,862.33 m<sup>2</sup>
- Completion Date April 1976

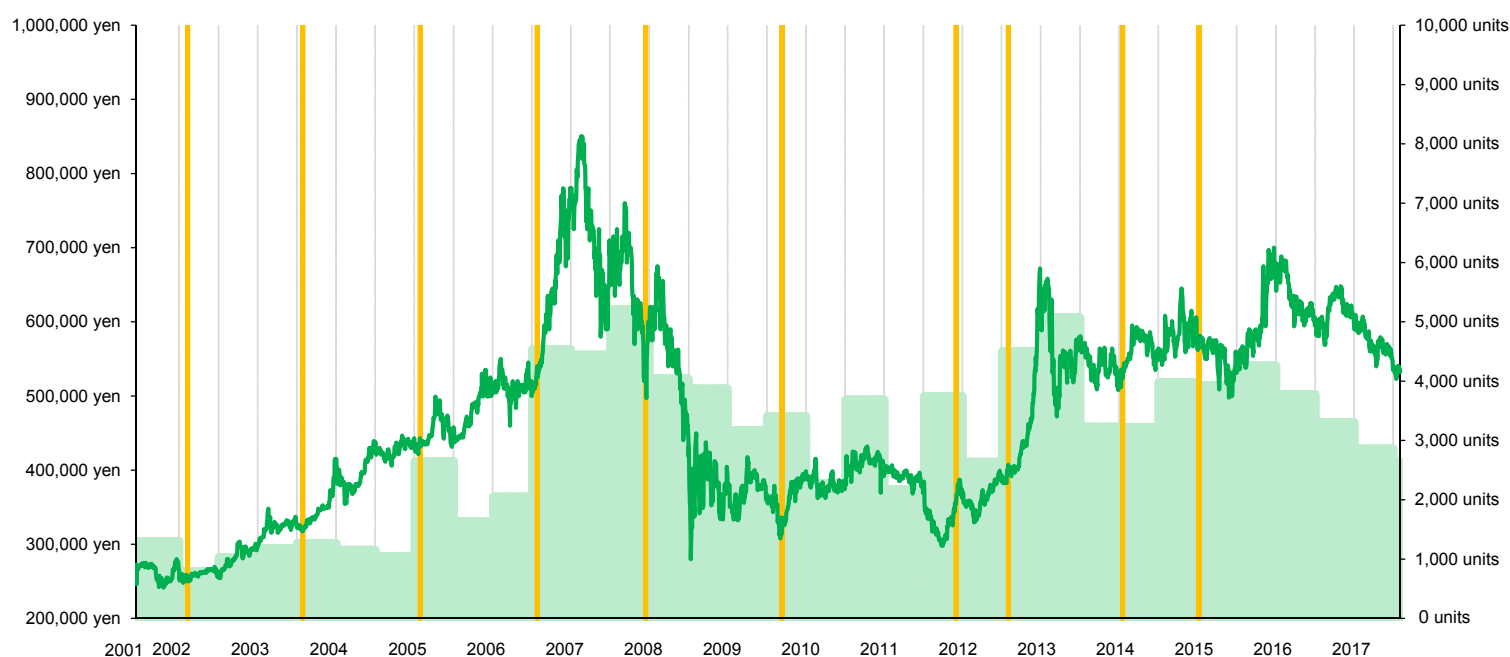
### MM Park Building (Yokohama City, Kanagawa Prefecture)

- Acquisition Date March 24, 2008
- Acquisition Price ¥37,400 million
- Area Land: 6,825.77 m<sup>2</sup> Building: 49,037.51 m<sup>2</sup>
- Completion Date December 2007



# Unit Price Performance ① (After IPO)

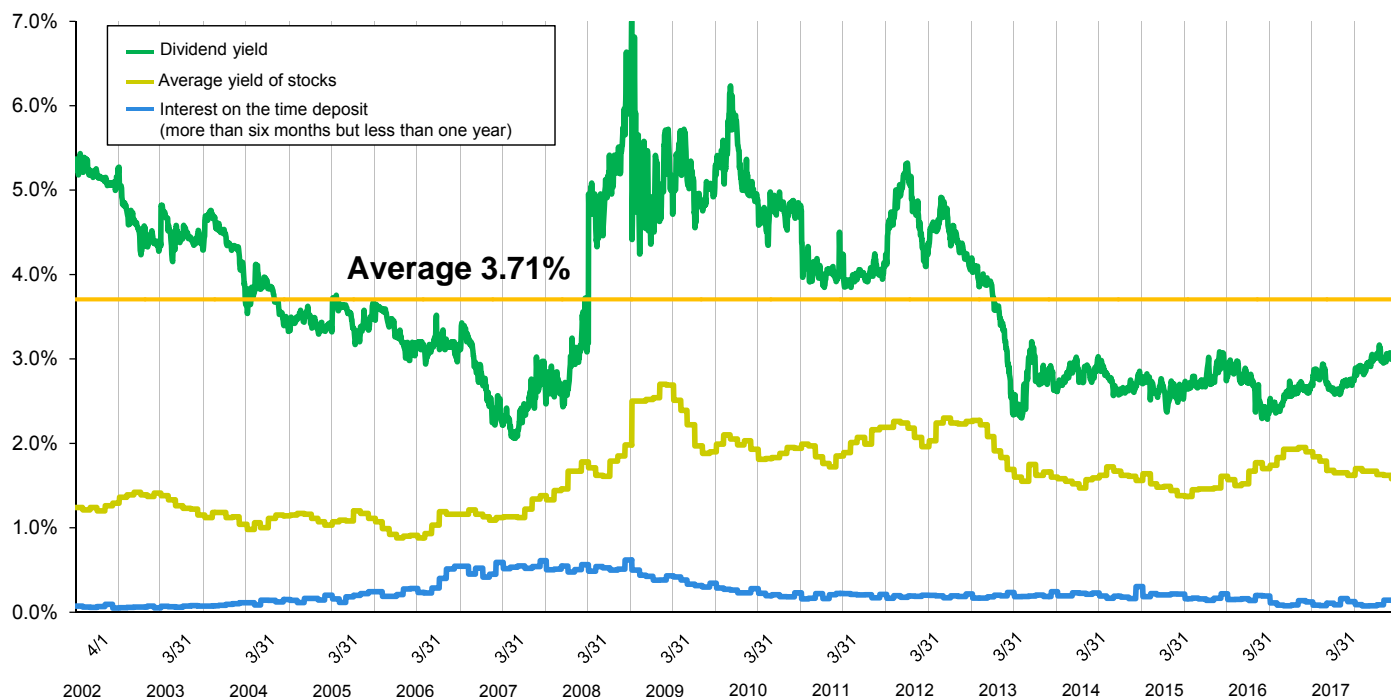
## Unit Price Performance



- \* 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.

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

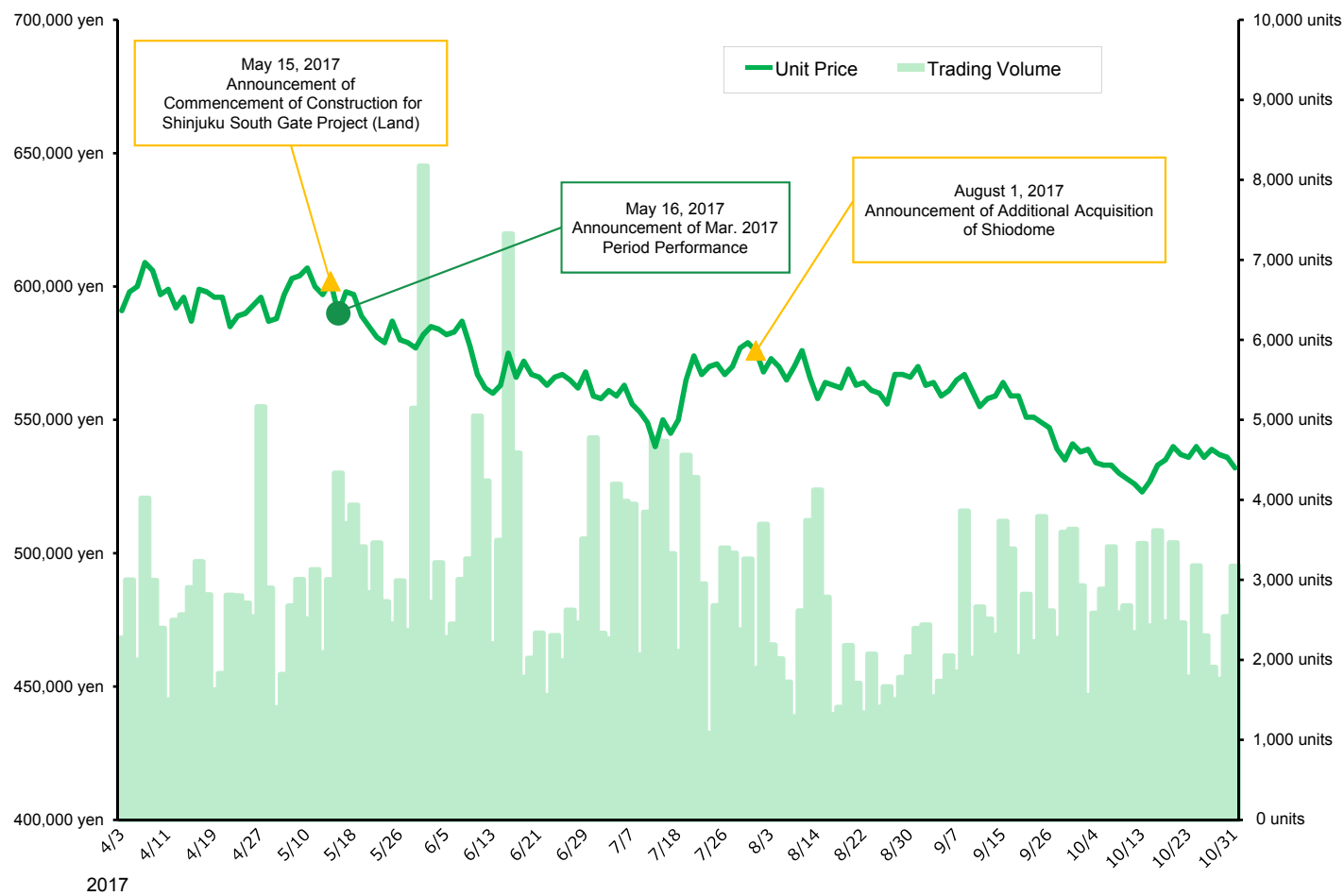
## Historical Dividend Yield of JRE Unit



- \* The Dividend yield is calculated by dividing annualized actual dividend by unit price (daily closing price from April 1, 2002 to September 29, 2017).
- \* 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 September 2017.
- \* Interest on the time deposit (more than six months but less than one year) is on a monthly basis as of August 2017.
- \* The vertical gray lines show ex-dividend dates.
- \* Source: Bank of Japan, Tokyo Stock Exchange.

# Unit Price Performance ② (From September 2017 period to Date)

As of October 31, 2017

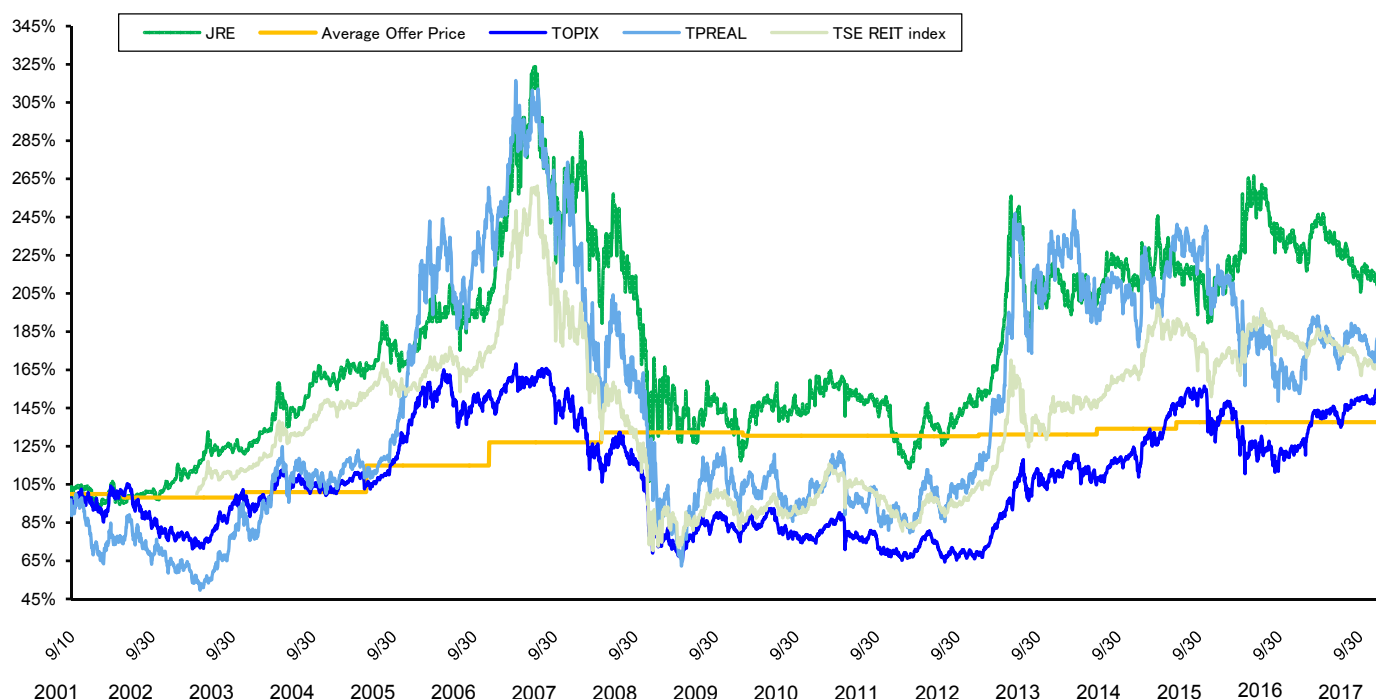


## MEMO

# Unit Price Performance ③ (Relative to Major Indices)

## Unit Price Performance

(As of October 31, 2017)



- \* Unit price performance is measured based on the offer price of 262,500 yen (after the split) for JRE and the closing prices of 1,080.83 for TOPIX and 770.21 for TPREAL on September 7, 2001. The TSE REIT index is a ratio against the closing price on March 31, 2003.
- \* TPREAL (TOPIX Real Estate Index) is a weighted index designed to measure the performance of the real estate sector of the TOPIX index by industry.
- \* 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.

## Total Return Performance

(As of October 31, 2017)



- \* Total return is the rate of return on investment in JRE from September 10, 2001 to the end of each holding period.  
Total return = ((the number of units acquired by reinvestment of dividends+1)×(the last closing price/the closing price on September 10, 2001)-1)×100.
- \* Total return is calculated from September 10, 2001 to October 31, 2017 on a daily basis.
- \* Source: Bloomberg.

# Yield Spread Comparison

## JRE Dividend Yield Spread against JGB

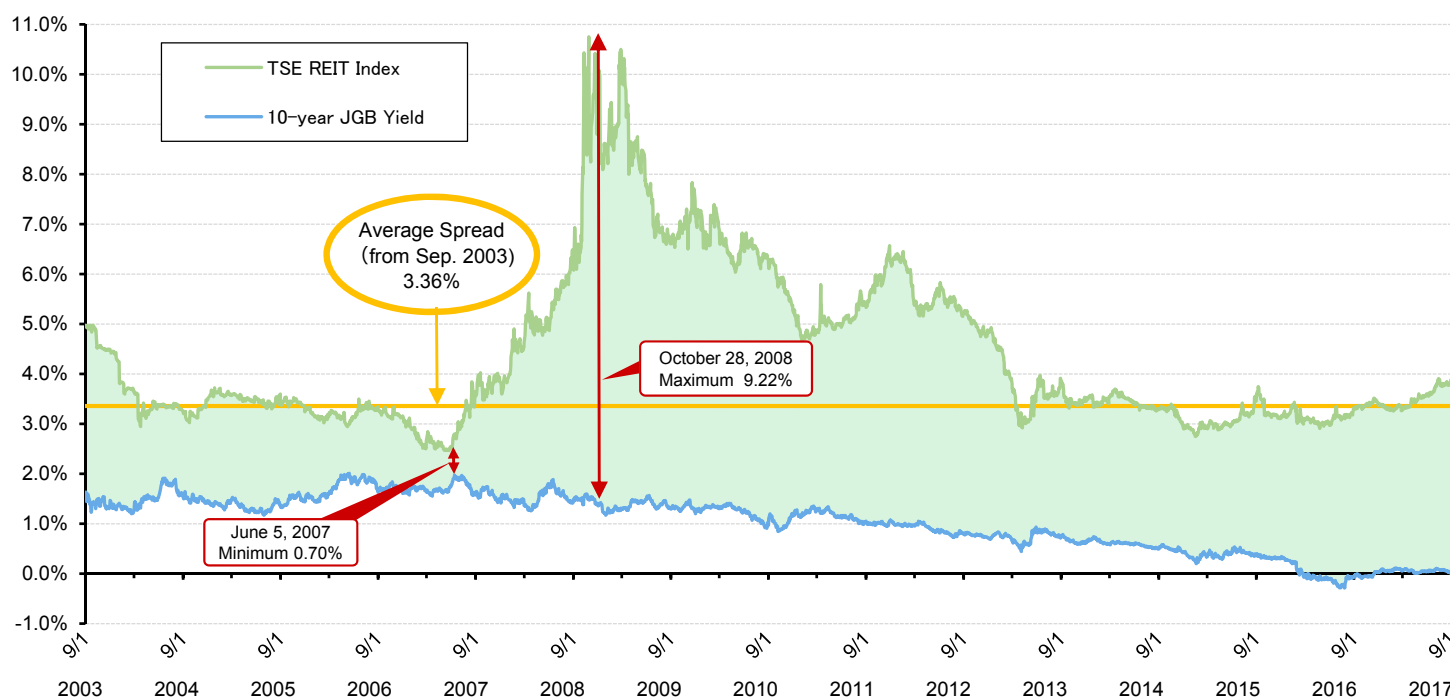
(As of September 29, 2017)



\* Source: Bloomberg (Dividend yield is based on the actual performance).

## TSE REIT Dividend Yield Spread against JGB

(As of September 29, 2017)



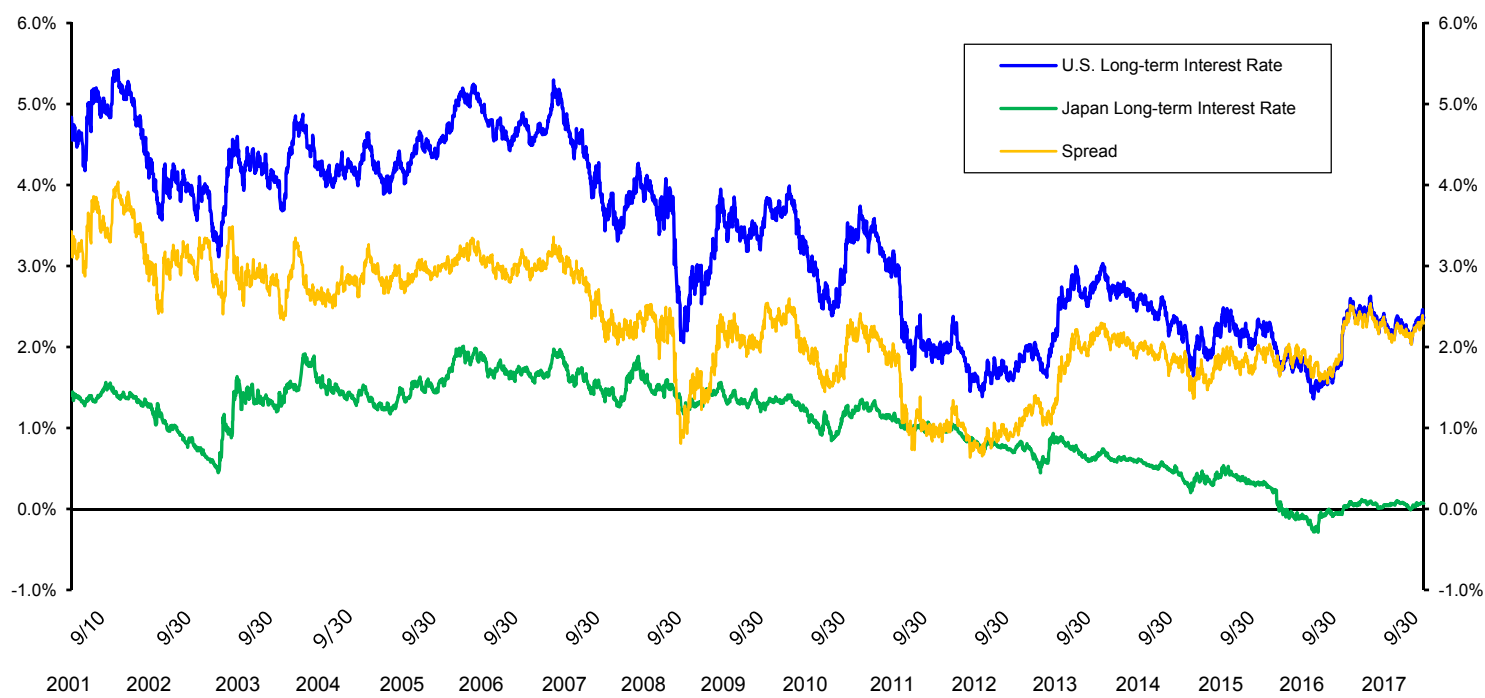
\* Source: Bloomberg (Calculated based on the dividend yield of TSE REIT Index. Dividend yield is based on the actual performance).



# Interest Rate Comparison of Japan and U.S.

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

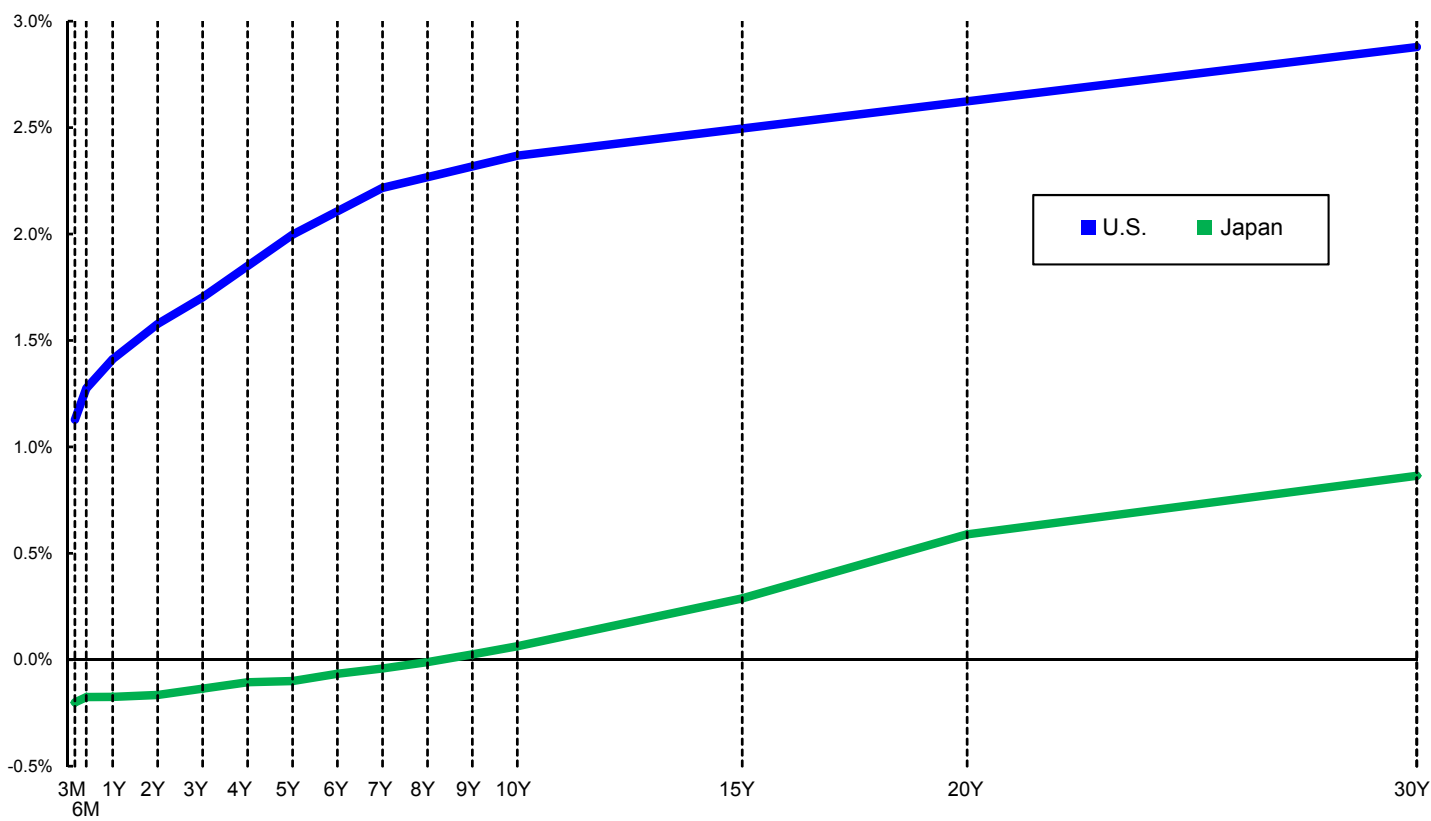
(As of October 31, 2017)



\* 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.

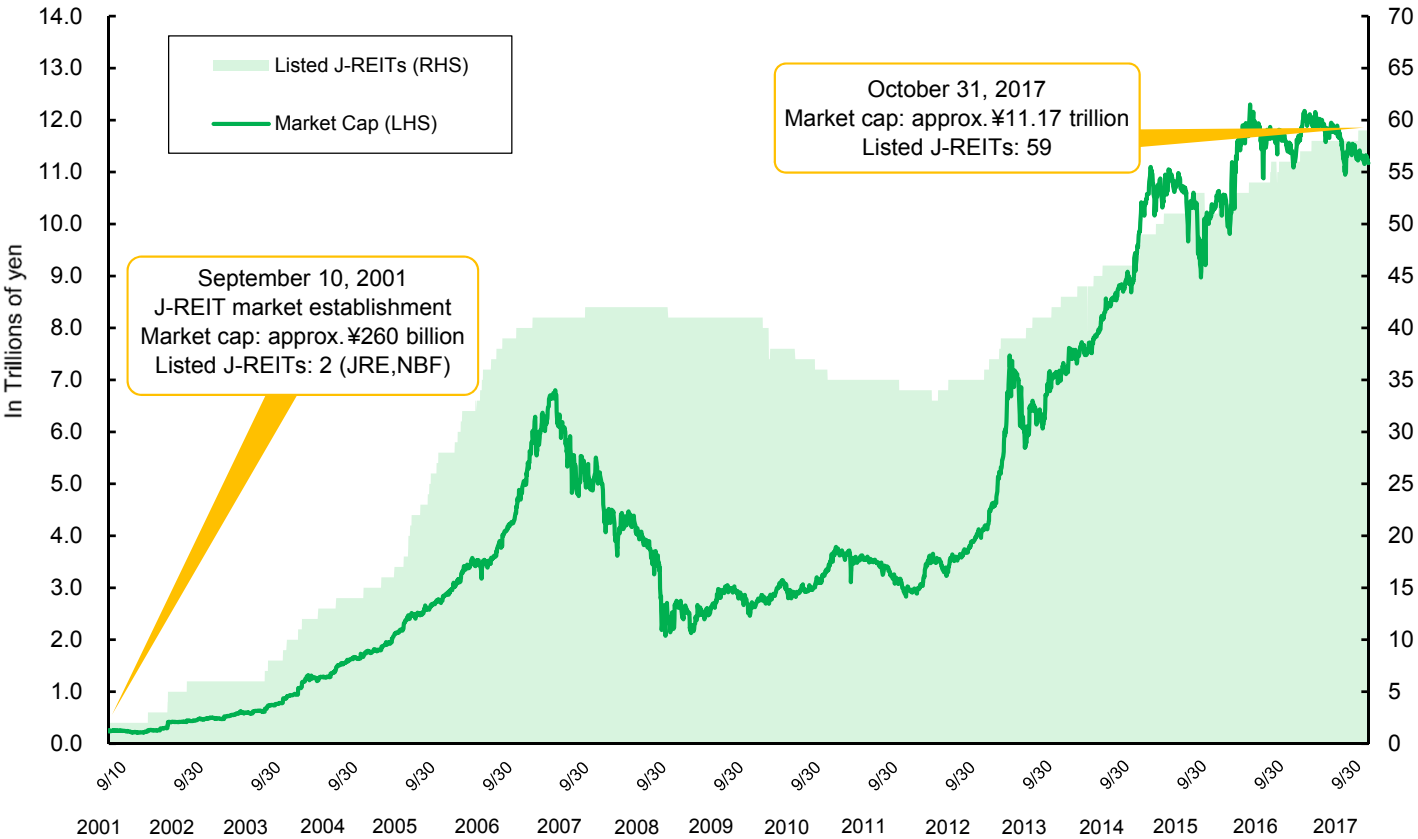
(As of October 31, 2017)



\* Source: Bloomberg.

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

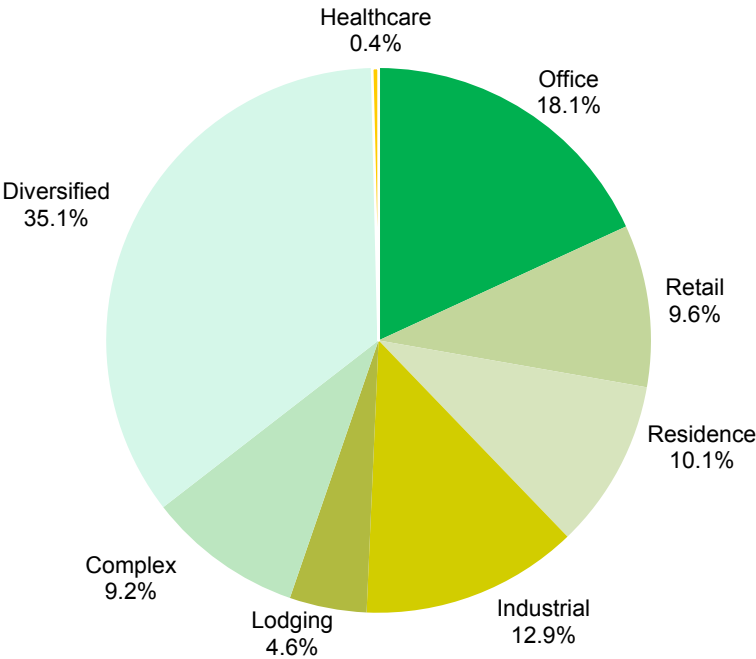
(As of October 31, 2017)



\* Source: Bloomberg.

Sector Breakdown by Market Capitalization

(As of October 31, 2017)



\* "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 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.

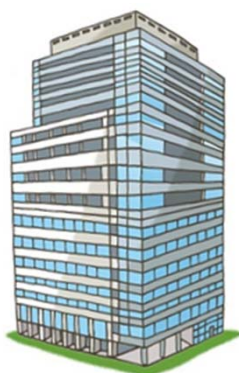
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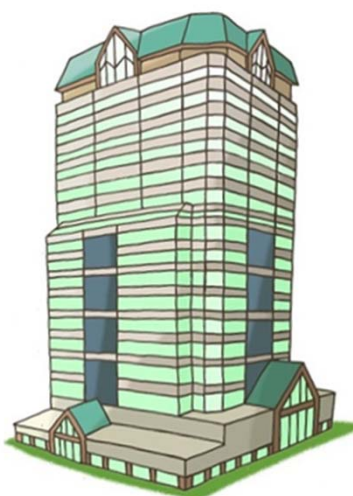
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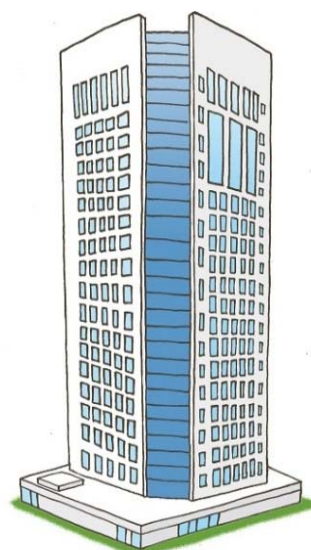
Kitanomaru Square



Shiodome Building



Akasaka Park Building



Tokyo Opera City Building

