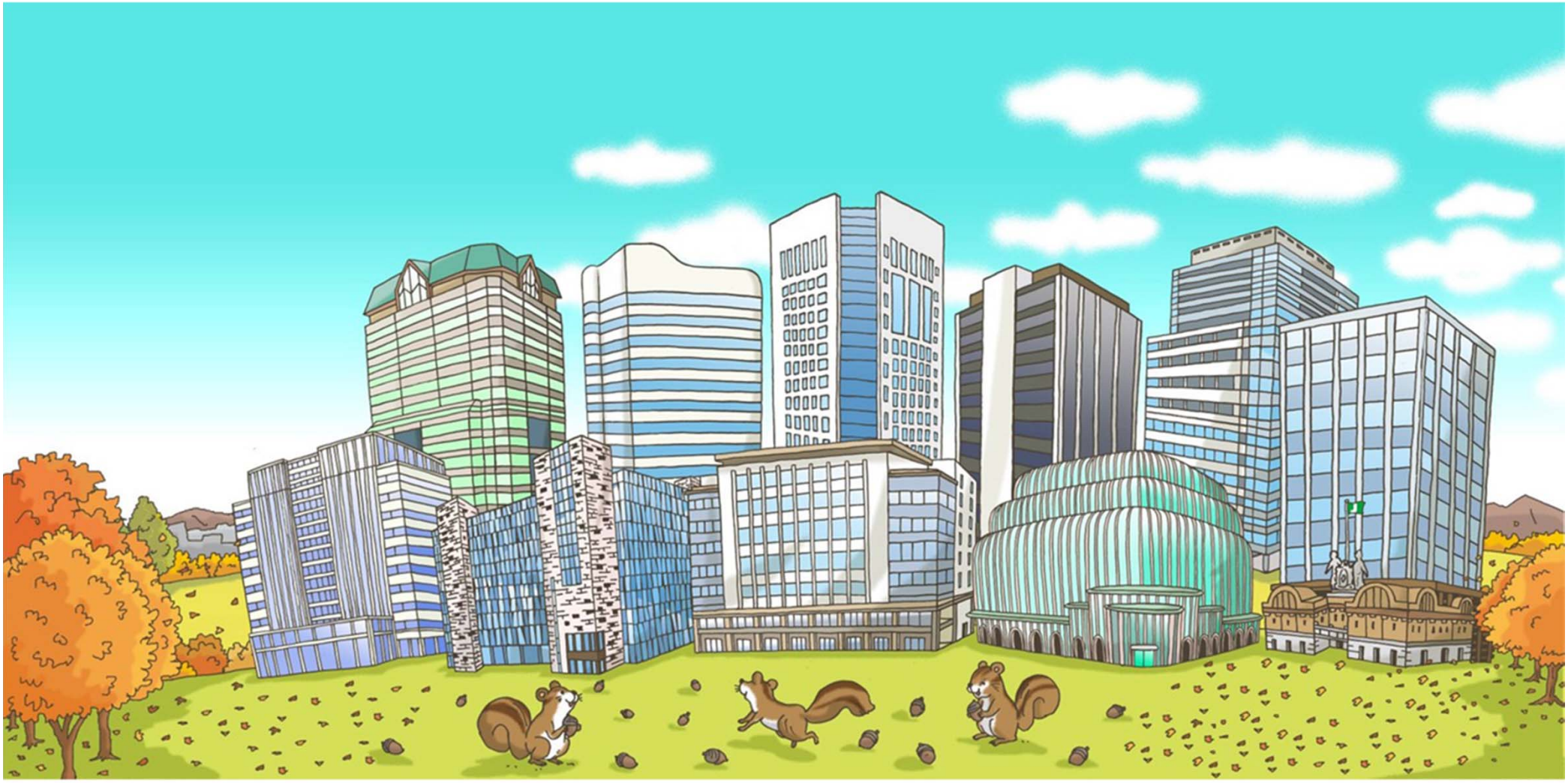

JRe
INVESTMENT CORPORATION

Japan Real Estate Investment Corporation

Performance Review

for Fiscal Period Ended September 30, 2016

November 16, 2016

JRe
INVESTMENT CORPORATION

Message from President & CEO

I would like to express our sincere appreciation that JRE Investment Corporation successfully marked its 15th anniversary on September 2016 with your support. We look forward to your continued patronage.

Japan Real Estate Asset Management Co., Ltd.
Naoki Umeda, President & CEO

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JRe
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001 Summary

002 Financial Results for Sep. ’16 Period

003 Performance Forecasts for Mar. and Sep. ’17 Period

004 Internal Growth

005 External Growth

006 Appraisal Values

007 Financial Condition

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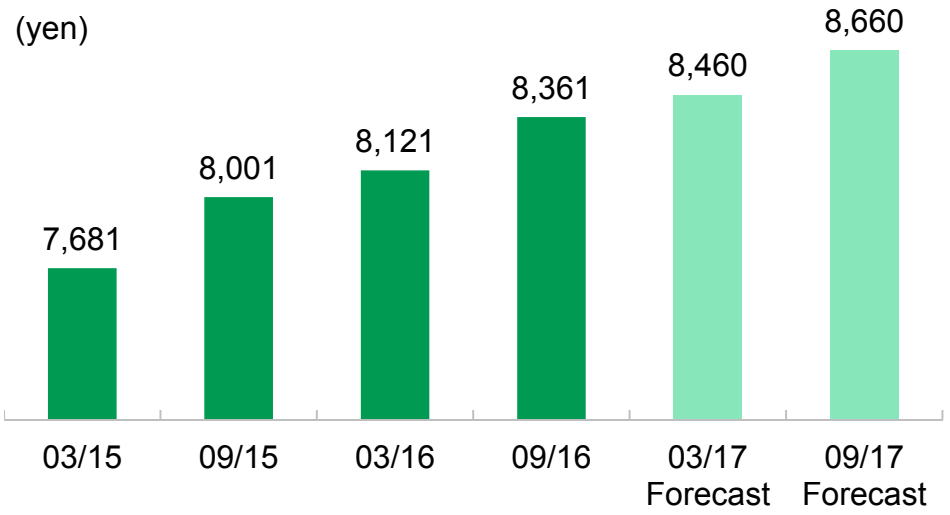
Summary (Financial Results for Sep. ’16 Period)

Dividend Per Unit

8,361 yen

(vs. Mar. '16 Period: **+240 yen +3.0%**)
(vs. forecast announced in May 2016: **+111 yen +1.3%**)

〈Trend of dividend per unit〉



Internal Growth

- Occupancy rate at the end of Sep. ’16Period → **98.7%** (vs.Mar. ‘16 Period: ＋0.4pt)
- Net increase in rent due to rent revision → Monthly rent basis **＋¥18 million** (vs. Mar. ‘16 Period: +¥8 million)
- Net increase in rent due to tenant turnover → Monthly rent basis **＋¥24 million** (vs. Mar. '16 Period: +¥19 million)

External Growth

- Additional acquisition of Nishiki Park Building → **¥175 million**
- Acquisition policy → No Change

Financial Strategy

- Interest-bearing debt at the end of Sep. ’16 Period → **¥356,350 million** (vs. Mar. '16 Period: - ¥7,050 million)
- Average interest rate → **0.75%** (vs. Mar. ‘16 Period: ↓ 0.07 pt)

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Summary (Performance Forecast for Mar. and Sep. ’17 Period)

Forecast of dividend for Mar. ’17 Period

8,460 yen

(vs. Mar. '16 Period: **+99 yen**)
(vs. forecast announced in May 2016: **+100 yen**)

Forecast of dividend for Sep. ’17 Period

8,660 yen

(vs. Mar. '17 Period: **+200 yen**)

Internal Growth

- Net change in monthly rent due to rent revision

Mar. ’17 Period

Expect a positive growth for four consecutive periods

External Growth

- Kanazawa Kamitsutsumicho Building

Acquisition on October 3, 2016

Contribute to revenue from Mar. ’17 Period

Financial Strategy

- Continuing low interest rate

Interest payment

Gradually decreasing by refinance

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JRe
INVESTMENT CORPORATION

001 Summary

002 Financial Results for Sep. ’16 Period

003 Performance Forecasts for Mar. and Sep. ’17 Period

004 Internal Growth

005 External Growth

006 Appraisal Values

007 Financial Condition

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Financial Results for Sep. ’16 Period

vs. Mar. ’16 Period Actual

(In millions of yen)

	Actual Mar. ’16 Period	Changes	Actual Sep. ’16 Period
Operating revenues	30,589	＋184	**30,773**
(Property-related revenues among operating revenues)	30,428	＋345	**30,773**
Operating income	12,352	＋16	**12,368**
Ordinary income	10,816	＋142	**10,958**
Profit	10,753	＋194	**10,947**
Dividend per unit	8,121 yen	＋240 yen	**8,361 yen**

■ Main factors affecting increase and decrease

- **Increase of revenue and income from the existing properties**
  (Progress in leasing, rent revision, etc.)
  - Operating revenues + 552M
  - Operating income + 271M
- **Decrease due to reactionary fall of gain on sales of real estate properties, etc.**
  - Operating revenues and operating income - 161M
- **Decrease of revenue and income due to the sales of properties**
  - Operating revenues - 218M
  - Operating income - 81M
- **Decrease of interest payment**
  - Ordinary income + 105M

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Financial Results for Sep. ’16 Period

vs. Forecasts

(In millions of yen)

	Forecast announced in May 2016	Changes	Actual Sep. ’16 Period
Operating revenues	30,560	+213	**30,773**
Operating income	12,280	+88	**12,368**
Ordinary income	10,810	+148	**10,958**
Profit	10,800	+147	**10,947**
Dividend per unit	8,250 yen	+111 yen	**8,361 yen**

■ Main factors affecting increase and decrease

- **Progress in leasing and upward rent revision that exceeded our assumption and increase of utilities revenues, etc.**
  - Operating revenues + 213M
- **Increase of property-related expenses due to increase of repairing expenses, etc.**
  - Operating income - 71M
- **Decrease of interest payment**
  - Ordinary income + 34M

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JRe
INVESTMENT CORPORATION

001 Summary

002 Financial Results for Sep. ’16 Period

003 Performance Forecasts for Mar. and Sep. ’17 Period

004 Internal Growth

005 External Growth

006 Appraisal Values

007 Financial Condition

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Performance Forecast for Mar. ’17 Period

vs. Sep. ’16 Period Actual

(In millions of yen)

	Actual Sep. ’16 Period	Changes	Forecast Mar. ’17 Period
Operating revenues	30,773	- 53	**30,720**
Operating income	12,368	+121	**12,490**
Ordinary income	10,958	+121	**11,080**
Profit	10,947	+122	**11,070**
Dividend per unit	8,361 yen	+99 yen	**8,460 yen**

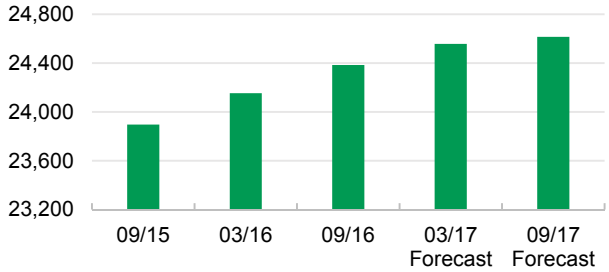
■ Main factors affecting increase and decrease

- **Decrease in utilities revenues due to seasonal causes**
  - Operating revenues (existing properties) - 183M

※ Rent of the existing properties have increased

<Changes in rent for properties held constantly from the beginning of Sep. ’15 Period>

(In millions of yen)



- **Decrease of property-related expenses due to decrease of utilities expenses from seasonal causes, etc.**
  - Operating income (existing properties) + 231M
- **Acquisition of Kanazawa Kamitsutsumicho Building**
  - Operating revenues + 120M
  - Operating income + 30M
- **Decrease of interest payment**
  - Ordinary income + 35M

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Performance Forecast for Sep. ’17 Period

vs. Mar. ’17 Period Forecast

(In millions of yen)

	Forecast Mar. ’17 Period	Changes	Forecast Sep. ’17 Period
Operating revenues	30,720	+450	**31,170**
Operating income	12,490	+240	**12,730**
Ordinary income	11,080	+270	**11,350**
Profit	11,070	+270	**11,340**
Dividend per unit	8,460 yen	+200 yen	**8,660 yen**

■ Main factors affecting increase and decrease

- **Progress in leasing, upward rent revision and increase of utilities revenue due to seasonal causes**
  - Operating revenues + 450M
- **Increase of property-related expenses due to increase of utilities expenses from seasonal causes , etc.**
  - Operating income - 340M
- **Decrease of depreciation**
  - Operating income + 70M
- **Decrease of interest payment**
  - Ordinary income + 20M

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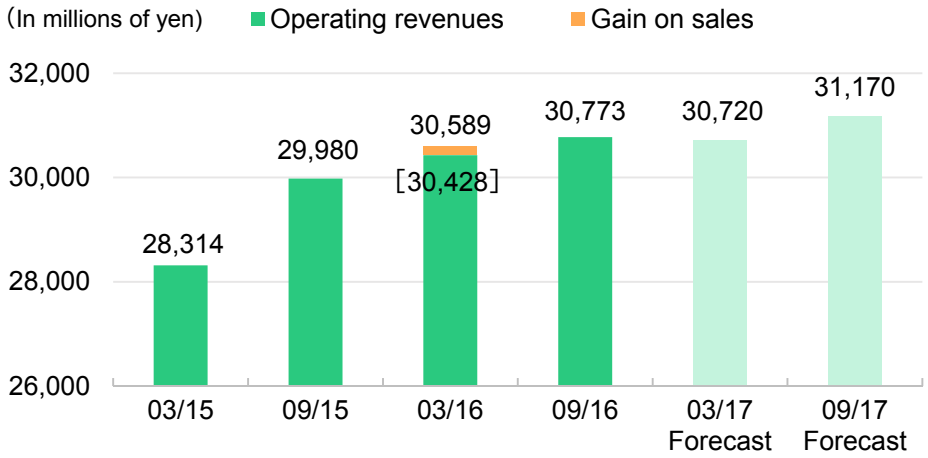
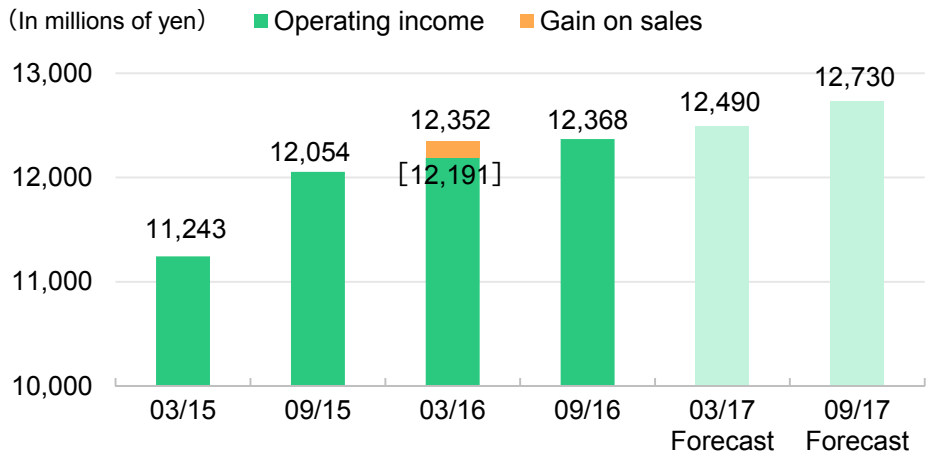
Summary of Performance Indices

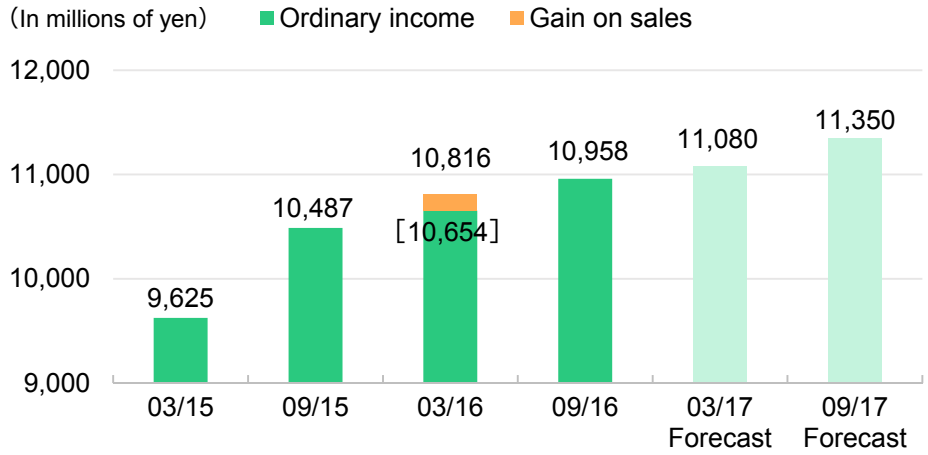
〈Trend of operating revenues〉



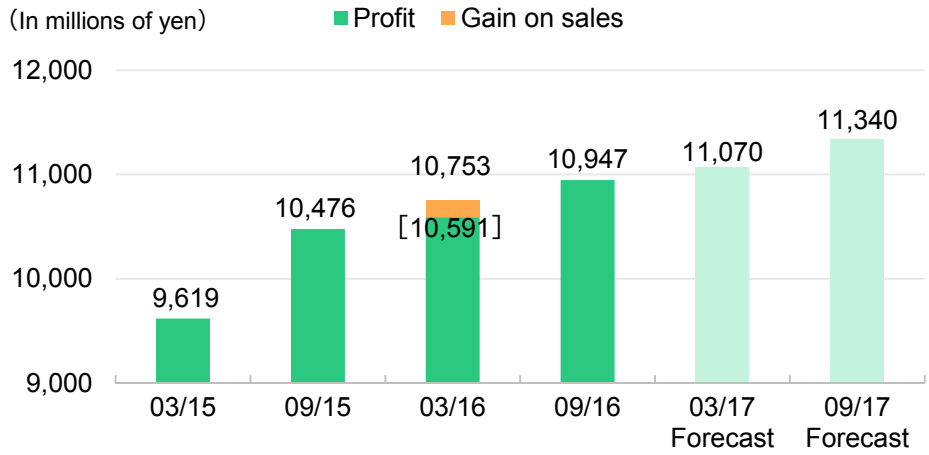
〈Trend of operating income〉



〈Trend of ordinary income〉



〈Trend of profit〉



※Amounts in [] do not include influences from gain on sales

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001 Summary
002 Financial Results for Sep. ’16 Period
003 Performance Forecasts for Mar. and Sep. ’17 Period
004 Internal Growth
005 External Growth
006 Appraisal Values
007 Financial Condition

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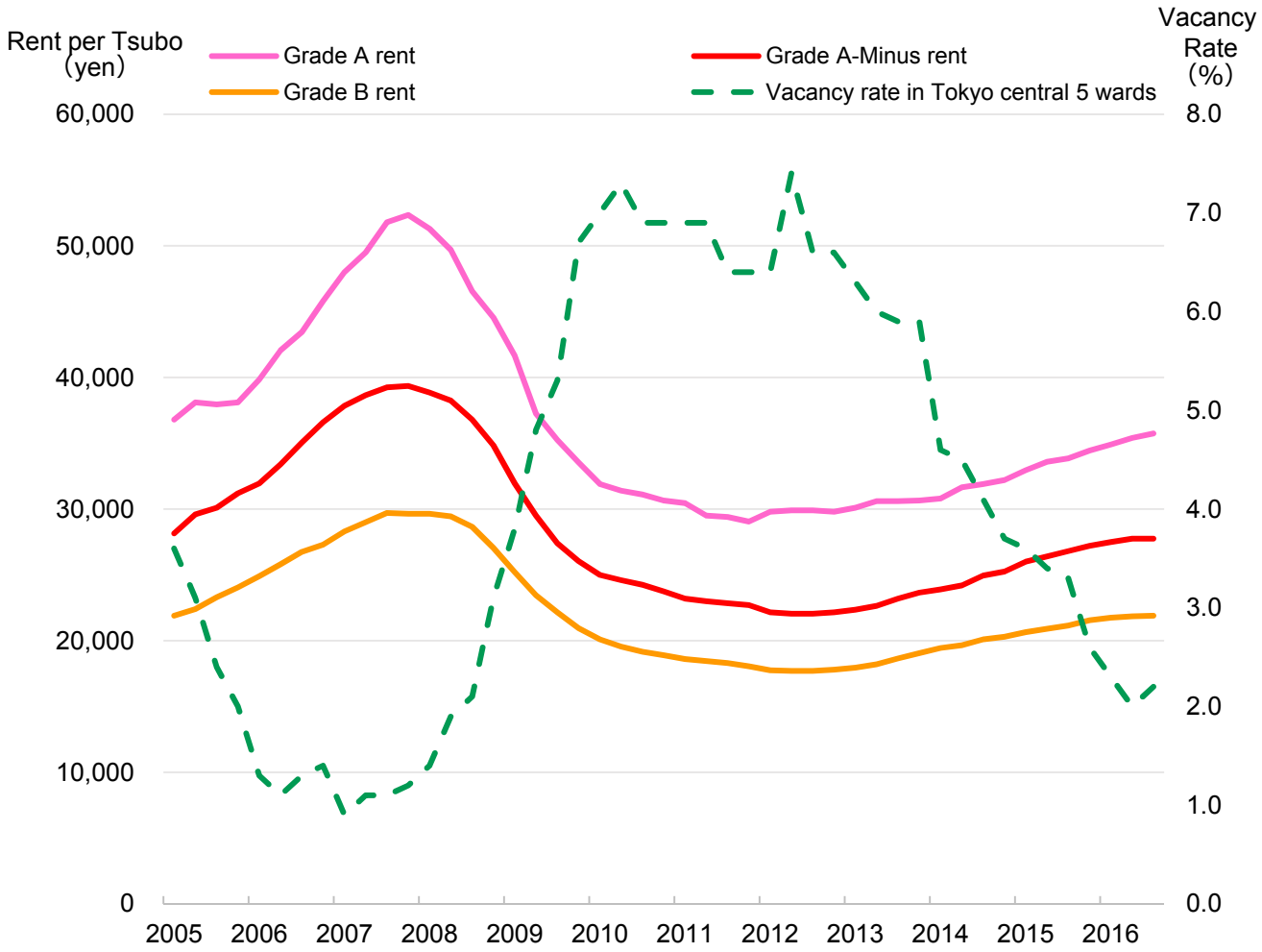
Internal Growth

Leasing Market Conditions



※Data of Tokyo central 5 wards from Mar. 2005- Sep. 2016
※(Left axis) Estimated contract rent (Right axis) Vacancy Rate
※Source: CBRE

- Market for leased office space in Tokyo is strong due to low level in supply and steady demand
- At present, influence from the expected increase in supply after 2018 is not seen

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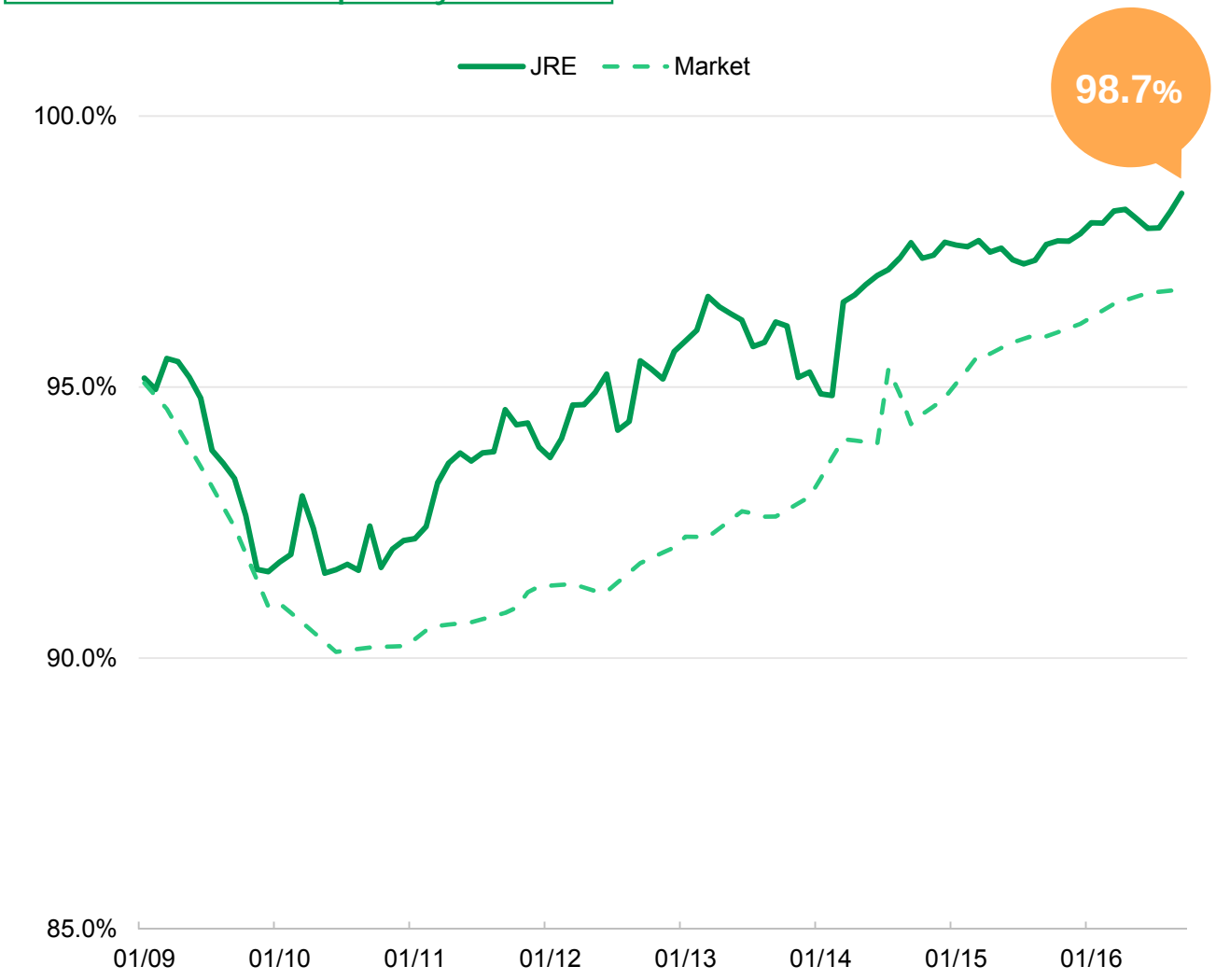
Internal Growth

Trend of Occupancy Rate



※Source: CBRE

- **JRE's occupancy rate shows stable trend at a high level** which exceeds market occupancy rate
- Estimated occupancy rate of the portfolio for the end of Mar. '17 Period is **98.5**%

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Internal Growth

Market Rent of the Portfolio

Properties with assessed rent increased from the preceding six months

25 / 60 properties

(↓14 properties)

Tokyo Central 3 Wards

- Rent increased

  11 / 18 properties

  (↓3 properties)

- Rent increase ratio out of total 18 properties

  1.7%

  (↓1.0 pt)

Tokyo 23 Wards(*1)

- Rent increased

  6 / 15 properties

  (↓6 properties)

- Rent Increase ratio out of total 15 properties

  1.1%

  (↓1.7 pt)

Other Areas

- Rent increased

  8 / 27 properties

  (↓5 properties)

- Rent increase ratio out of 27 properties

  1.3%

  (↓1.4 pt)

(*1) excluding Tokyo Central 3 Wards
(*2) （） are figures changed from the preceding six months

- Market rent are continuing its increase
- Rent of certain properties have slowed down after showing continuous increase until the previous period

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Internal Growth

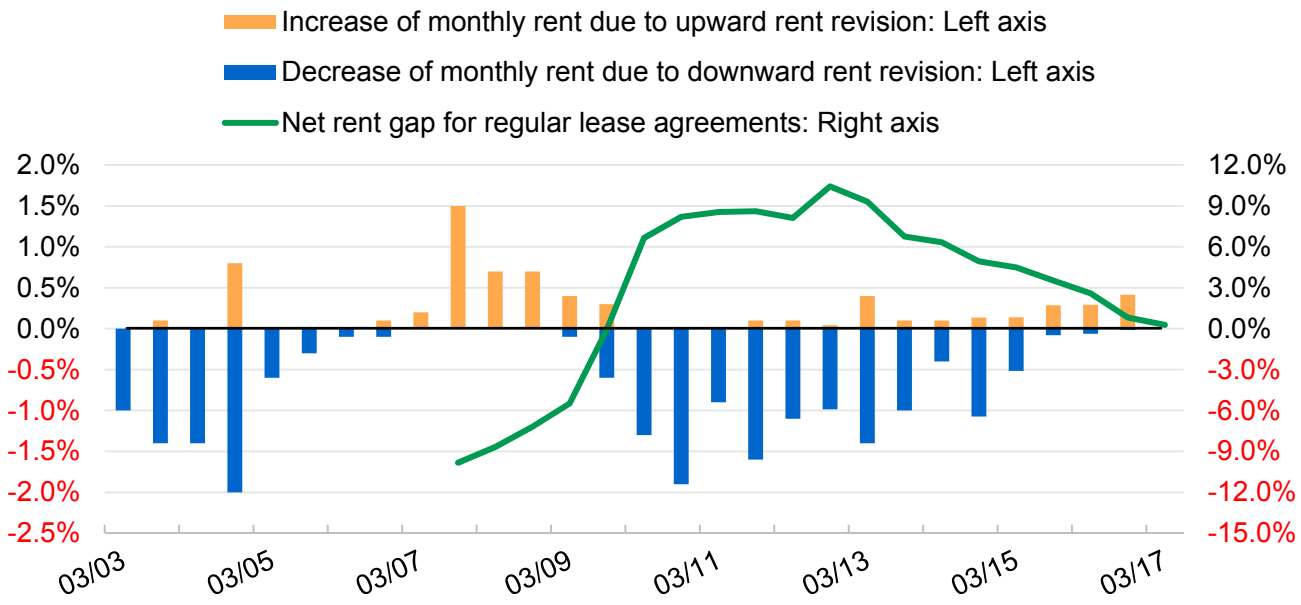
Rent Gap

Rent gap of overall portfolio

+¥12 million

(Gap ratio: **+0.3%**)

Trend of Rent Gap



- Upward rent revision is smoothly in progress due to decrease of rent gap

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Internal Growth

Net Increase of Monthly Contract Rent

Monthly contract rent as of the end of Sep. ’16 Period

¥4,574 million

(Increase from Mar. ’16 Period: **+¥44 million +1.0%**)

External Growth

+¥1 million

Internal Growth

+¥43 million

- Rent Revision **+18**
  (Increase +19 Decrease - 0.6)
- Tenant Turnover **+24**
  (Leased +111 Returned - 87)

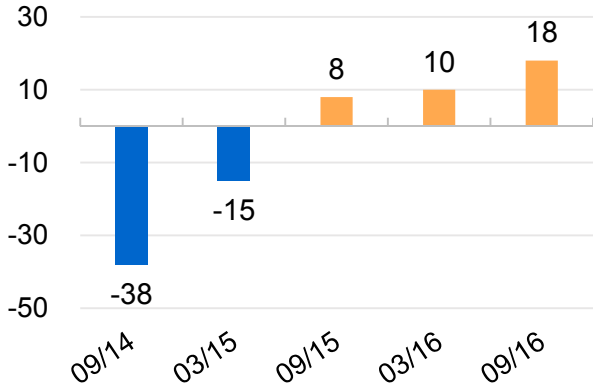
Monthly contract rent as of the end of Mar. ’16 Period

¥4,529 million

- Rent revision has moved upward for **three consecutive periods**
  Range of increase tend to widen as well

〈Trend of rent revision (net change)〉

(In millions of yen)



- Increase from tenant turnover has expanded as well due to progress of leasing in Tokyo 23 Wards

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001 Summary
002 Financial Results for Sep. ’16 Period
003 Performance Forecasts for Mar. and Sep. ’17 Period
004 Internal Growth
005 External Growth
006 Appraisal Values
007 Financial Condition

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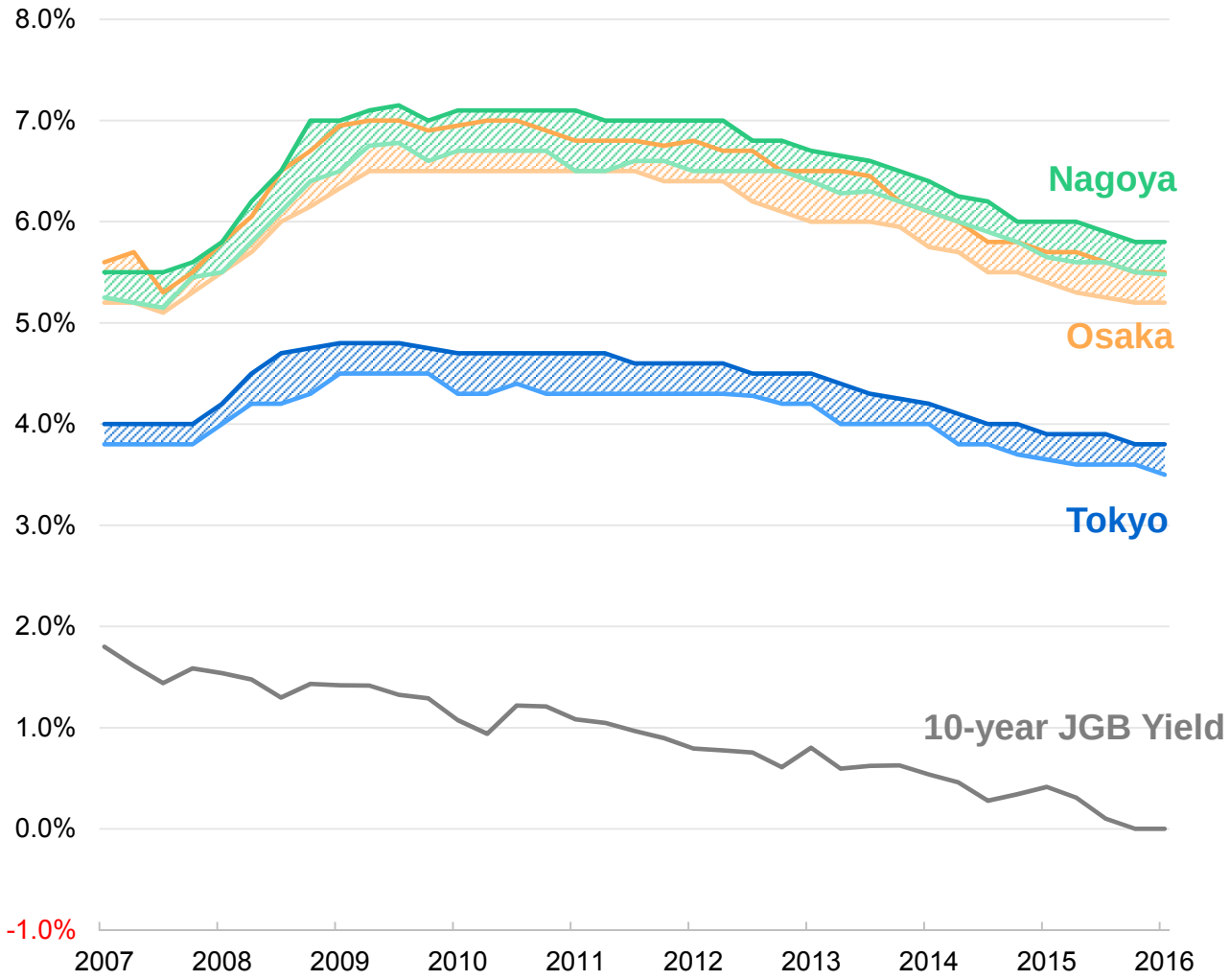
External Growth

Investment Market for Real Estate

〈Trend of expected yield by each area〉



※ Source: CBRE, bloomberg ※Expected yield of investors are shown as upper or lower limits of each area

- Expected yield of investors continue to decline and intensifying competition continue in the investment market
- Shortage of desirable properties in Tokyo 23 Wards

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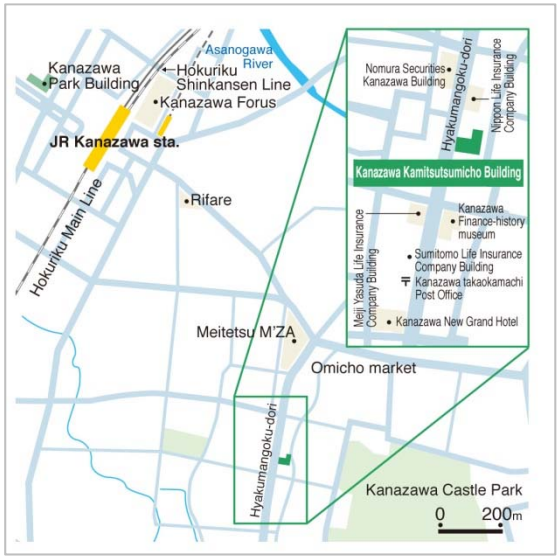
External Growth

Kanazawa Kamitsutsumicho Building

<Exterior appearance>

<Map>



- Location
  1-15 Kamitsutsumicho, Kanazawa City, Ishikawa Prefecture
- Acquisition price
  ¥2,780 million
- Date of acquisition
  October 3, 2016
- Completion date
  August 2009
- Total leasable space
  7,206㎡
- Estimated NOI
  ¥178 million per year
  (NOI yield **6.4%**)
  (Under normal leasing operation)
- Appraisal value
  ¥2,960 million
  (as of September 1, 2016)
- Seller
  Shimizu Corporation

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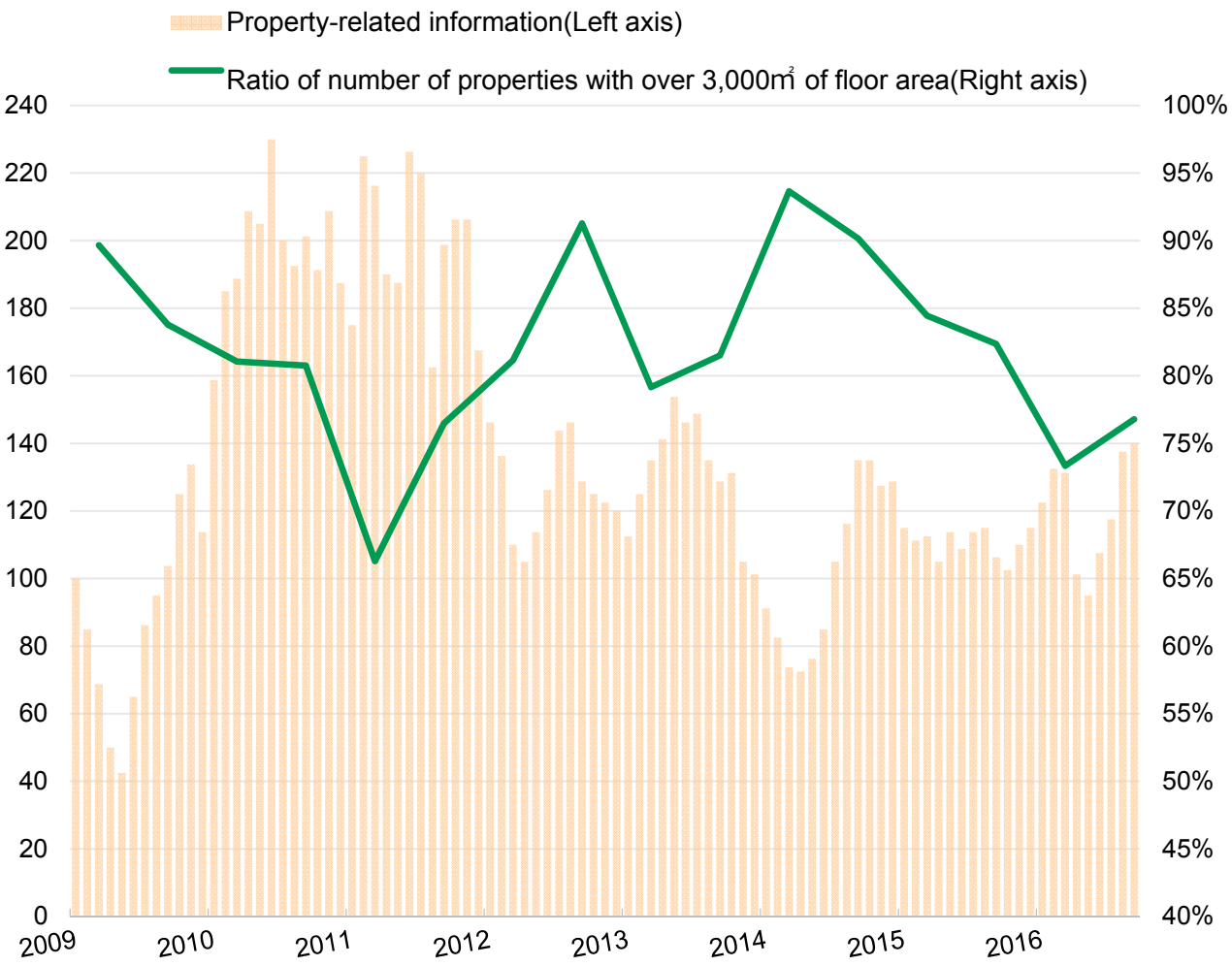
External Growth

Trend of Property Information



※ Property-related Information:
An index calculated by obtaining the moving average of for the amount of property-related information obtained over the past six months and assigning that moving average as of January 2009 as 100

■ Acquisition policy

- Acquire properties among Tokyo metropolitan area and other major cities in a balanced manner
- Continue to consider acquiring properties of the Sponsors as well
- Carefully select and invest in only competitive and desirable properties

■ Continue to consider replacement of the properties and aim to improve competitiveness of the portfolio

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JRe
INVESTMENT CORPORATION

001 Summary

002 Financial Results for Sep. ’16 Period

003 Performance Forecasts for Mar. and Sep. ’17 Period

004 Internal Growth

005 External Growth

006 Appraisal Values

007 Financial Condition

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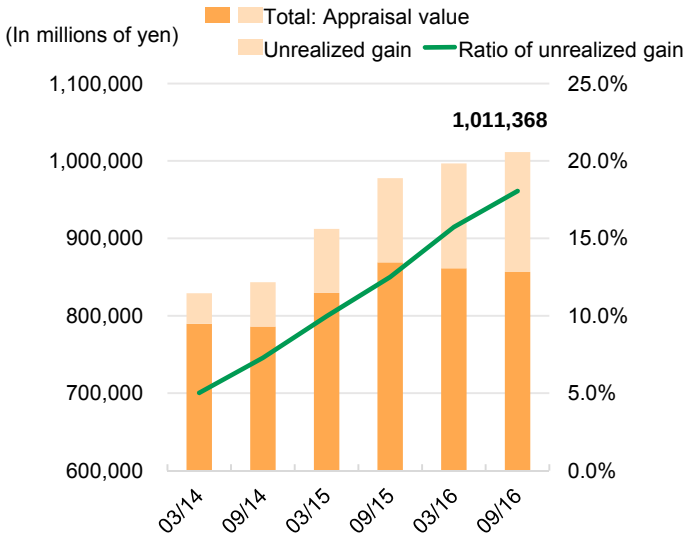
Appraisal Values

Summary of Appraisal Values

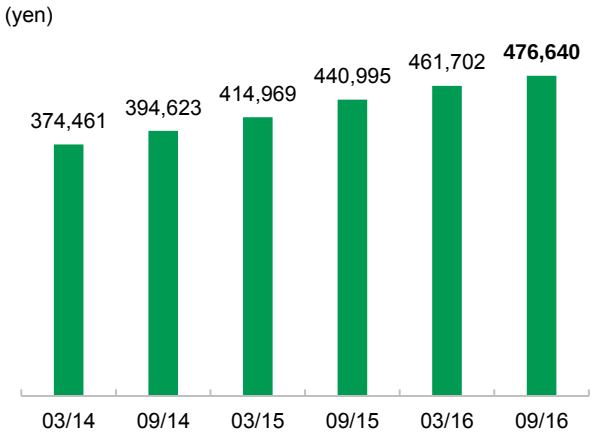
(In millions of yen)

	End of Mar. '16 Period	Changes (Of which, increase due to acquisition)	End of Sep. '16 Period
Appraisal value	996,828	+14,540 (+246)	**1,011,368**
Unrealized gain	135,467	+19,242 (+20)	**154,710**
Ratio of unrealized gain	15.7%	↑ 2.4pt	**18.1%**
Upward appraisal value	57/68 properties	↓ 3 properties	**54/68** properties
Downward appraisal value	1/68 properties	↑ 2 properties	**3/68** properties
Downward CAP rate	58/68 properties	↓ 5 properties	**53/68** properties
Upward assessed CF	43/68 properties	↑ 2 properties	**45/68** properties

〈Trend of appraisal value/unrealized gain〉



〈Trend of NAV per unit〉



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001 Summary
002 Financial Results for Sep. ’16 Period
003 Performance Forecasts for Mar. and Sep. ’17 Period
004 Internal Growth
005 External Growth
006 Appraisal Values
007 Financial Condition

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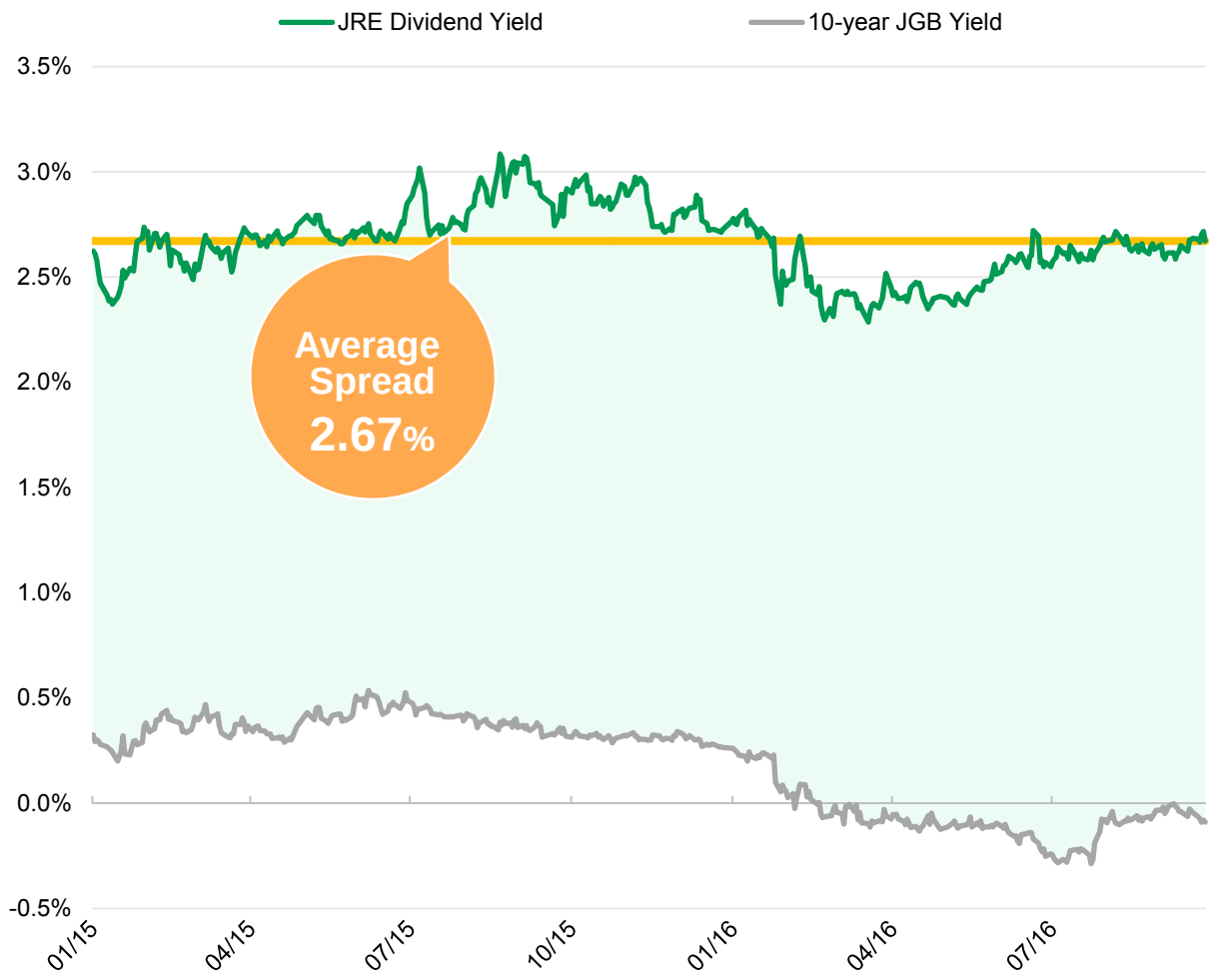
Financial Condition

Condition of Financial Market

〈JRE Dividend Yield Spread〉



※ Average spread is the average of daily data after April 2002
※ Source: bloomberg

- Movement of long-term interest rate is currently stable
- Lenders' attitude continue to be positive
- Unit price performance is at a level where public offering which exceeds the net asset value per unit is possible

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Financial Condition

Summary of Debts

(In millions of yen)

	End of Mar. '16 Period	Changes	End of Sep. '16 Period
Balance of interest-bearing debt	363,400	- 7,050	**356,350**
LTV (Book value basis)	40.8%	↓ 0.5pt	**40.3%**
LTV (Market value basis)	35.4%	↓ 1.1pt	**34.3%**

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

Debt Capacity

- Up to LTV 45% ▶ **¥75,063 million**

- Improve cash efficiency by repaying interest-bearing debt via cash reserves
- Maintain flexible framework when procuring funds

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Financial Condition

Average Interest Rate and Maturity

(In millions of yen)

	Balance	Average interest rate	Average maturity
Short-term loans	45,700	0.07%	0.41 years
Current portion of long-term loans	42,850	**1.10%**	0.57 years
Long-term loans/ Investment corporation bonds	267,800	0.81%	4.55 years
Total interest-bearing debt	356,350	0.75%	3.54 years

■ Recent borrowings

- Lender: **Mitsubishi UFJ Trust and Banking Corp.**
- Amount of loan: **¥3,000 million**
- Interest rate: **0.24% (fix)**
- Borrowing period: **10 years**
- Start of loan period: **October 31, 2016**

- Lender: **Shinsei Bank, Ltd.**
  Shinkin Central Bank
  Resona Bank, Ltd.
- Amount of loan: **¥4,000 million (total)**
- Interest rate: **0.0718%**
  (1M.Tibor + 4bp as of the end of Sep. 2016)
- Borrowing period: **1 year**
- Start of loan period: **September 1, 2016**

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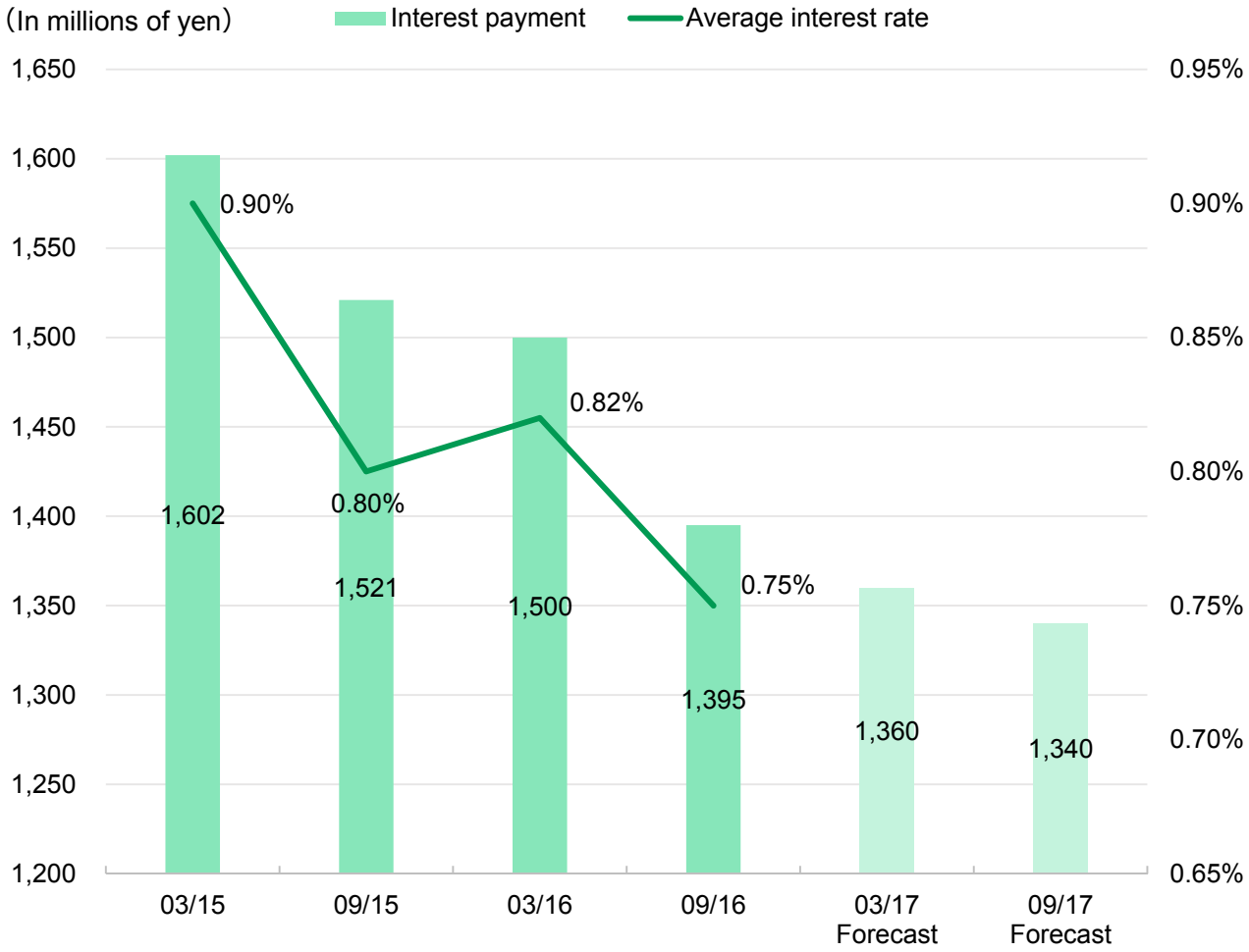
Financial Condition

Trend of Interest Payment



- Gradual decline of interest payment is expected after Mar. ’17 Period

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Financial Condition

JRE's Credit Ratings

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

- Maintain highest rating in J-REIT under conservative financial operations

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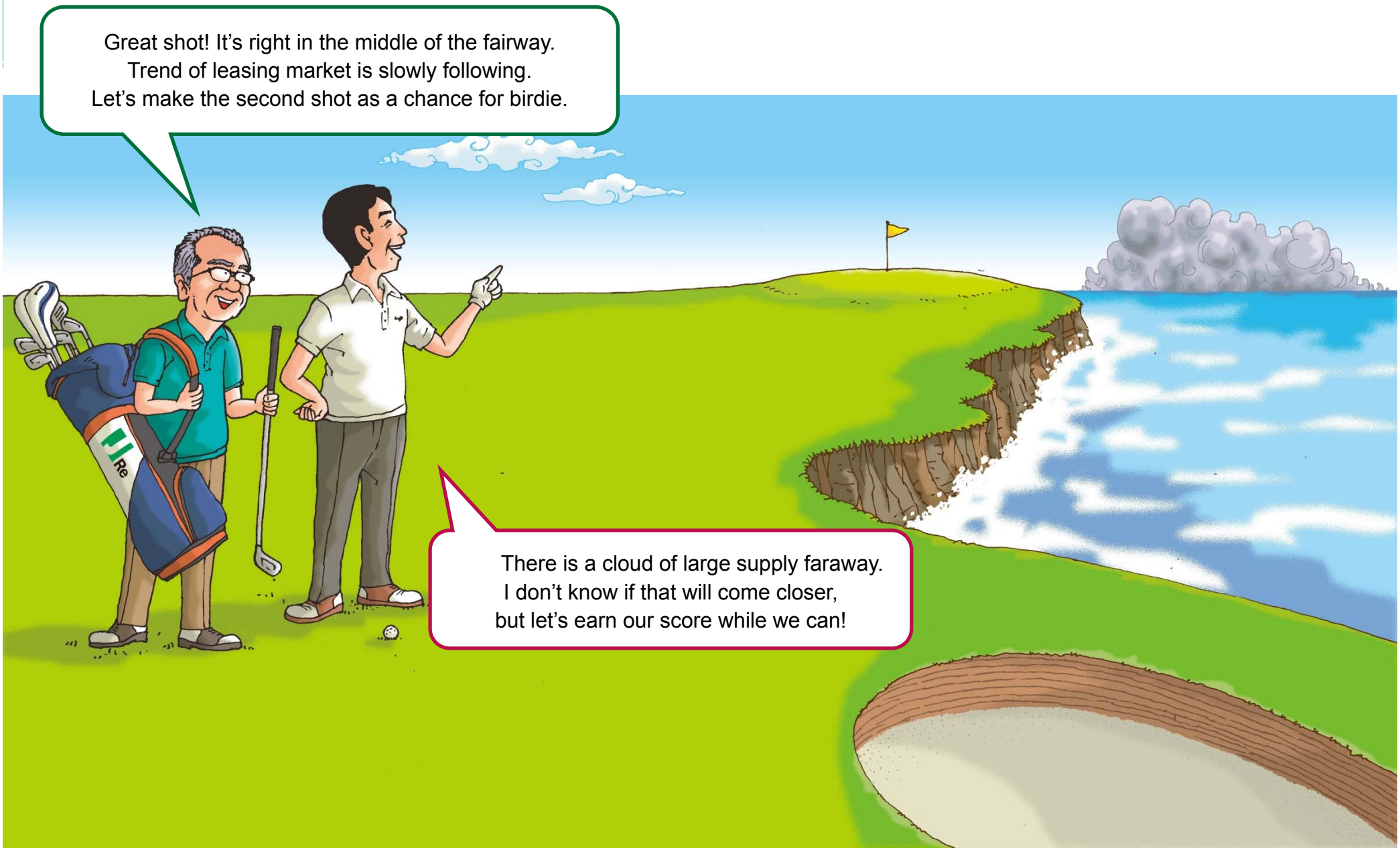

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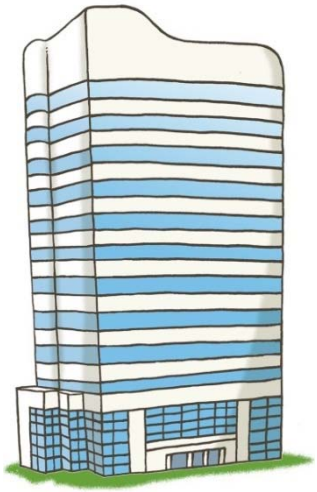
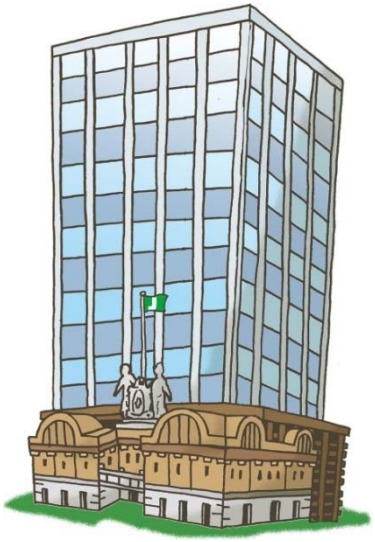
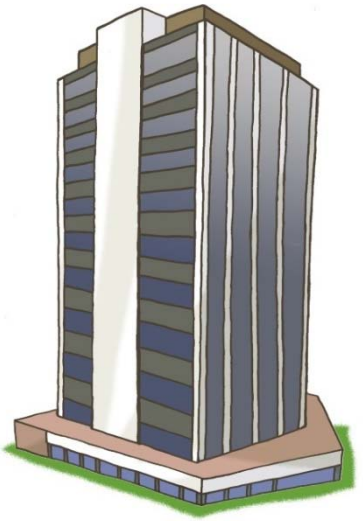
Akasaka Park Building



Queen’s Tower A



Mitsubishi UFJ Trust and Banking Building



Shibuya Cross Tower

＜Disclaimer concerning Forecasts＞

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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.

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Japan Real Estate Investment Corporation

Performance Review for Fiscal Period Ended September 30, 2016

November 16, 2016

Japan Real Estate Asset Management Co., Ltd.

Table of Contents

1. Financial Results and Forecasts

- Income Statement for Sep. ’16 Period 2
- Financial Results for Sep. ’16 Period and Forecasts for Mar. ’17 and Sep. ’17 Periods 3
- Balance Sheet for Sep. ’16 Period 4・5
- Balance Sheet Forecast for Mar. ’17 Period 6・7
- Cash Flow and Dividend Statement for Sep. ’16 Period 8
- Historical Summary of Selected Financial Index in the Previous 5 Periods 9
- JRE’s Achievement after IPO and Performance Forecasts 10・11・12・13
- Performance Comparison (Mar. ’16 Period vs Sep. ’16 Period) 14・15
- Breakdown of Factors in the Net Increase of Operating Revenues and Operating Income 16
- Historical NOI Yield (Investment Yield) 17
- Breakdown of Operating Revenues 18
- Trend in Property Management Costs and Utilities Expenses 19
- Past Record of Capital Expenditure and Repairing Expenses for Renovation Work and Future Plan 20・21
- JRE Growth Strategy 22
- Management Principles 23

2. Internal Growth

- Factors in the Net Increase of Monthly Contract Rent 26
- Comparison of Portfolio Rent vs Market Rent 27
- Trend of Market Rent Level 28・29
- Net Increase of Monthly Contract Rent 30
- Trend of Rent Revision 31
- Changes in Average Rent Level 32
- Status of Tenant Turnover (By Area and Rent Change) 33
- Trend in Vacancy Rate (Comparison with Market Vacancy Rate) 34

3. External Growth

- Acquisition of an Additional Share for Sep. ’16 Period (Nagoya)-Nishiki Park Building- 36
- Acquisition for Mar. ’17 Period (Kanazawa)-Kanazawa Kamitsutsumicho Building- 37
- External Growth (Consideration of Property Acquisitions) 38
- External Growth (Deal Sources) 40・41
- External Growth (Acquisition Criteria) 42

4. Financial Strategies

- Summary of Debts at the End of Sep. ’16 Period 44
- LTV / Debt Capacity / Diversification of Repayment Dates 45
- Overview of the Interest-bearing Debt at the End of Sep. ’16 Period 46・47
- Unitholder Data 48・49

5. Portfolio Information

- Historical Asset Size and Occupancy Rate 52
- Geographic Diversification and Trend in Average Building Age 53
- Tenant Diversification and Changes in the Number of Tenants 54
- Major Tenants and Ratios 55
- Newly Leased & Returned Space of Each Property 56
- Portfolio List at the End of Sep. ’16 Period (Occupancy Rate, etc.) 57
- Appraisal Values of Properties 58・59
- Details of Appraisal Values at the End of Sep. ’16 Period 60
- Historical Appraisal Values and NCF 61
- Performance (Operating Results) of Each Property for Sep. ‘16 Period 62
- Other Portfolio Information for Sep. ‘16 Period 63
- PML Values 64・65
- Portfolio Map 66・67
- Portfolio Classification by Area and Floor Space 68
- Portfolio Classification by Building Age and Location 69

6. Others

- Outline of Japan Real Estate Investment Corporation 72
- Compliance Structure 73
- Structure and Past Record of Fees to Asset Management Company 74・75
- Environmental Measures・Disaster Prevention・ Strengthen Portfolio Competitiveness 76・77
- Key Properties of JRE 78・79
- Unit Price Performance ① (After IPO) 80
- Unit Price Performance ② (From Sep. ’16 Period to Date) 81
- Unit Price Performance ③ (Relative to Major Indices) 82
- Yield Spread Comparison 83
- Interest Rate Comparison of Japan and U.S. 84
- J-REIT Market 85
- Disclaimer concerning Forecasts and Translation 87

Terms used in this report

(1) All numerical data are expressed by rounding the numbers down to their respective units. Percentages, including those for occupancy rates, and interest-bearing debt/total assets ratio are rounded to the first decimal point.

(2) The figures for “Leasable space,” “Leased space,” “Occupancy rate” and “Number of tenants” only refer to the portion of shares owned by Japan Real Estate Investment Corporation (JRE).

(3) “Average occupancy rate” is calculated by dividing total leased space by total leasable space at the end of every month during the period.

(4) “Leasable space” and “Leased space” do not include the area used for or leased as rental meeting rooms and maintenance/stock rooms and Nippon Brunswick (land with leasehold interest).

(5) The data pertaining to the residential portions are not included in “Leasable space,” “Leased space,” “Occupancy rate” and “Number of tenants” for “Kitanomaru Square,” “Nibancho Garden,” “Akasaka Park Building,” and “Nishiki Park Building.”

(6) “Rent” means tenant rent for “Leasable space.”

(7) “The number of tenants” refers to those tenants with whom we have concluded lease agreements for leasable floor space of building. (It does not include tenants who are leasing space other than floor space of buildings, such as parking space or side signboards.)

(8) “The number of tenants” is the number of sub-lessees in cases where a pass-through lease agreement (a type of agreement in which the rent charged to the lessee is linked to the rent to be collected from the sub-lessees) is signed with a property management company, etc.

(9) The number of tenants for the entire portfolio is the gross number of tenants by building. (If the same tenant occupies multiple properties, such tenant is counted as multiple tenants.)

(10) “Book value” includes construction in progress and leasehold rights, etc.

(11) “Capital expenditure” represents capital expenditure for construction completed during the period. (excluding the expenses capitalized as construction in progress and as home furniture, 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, and collected electricity charges, etc.) + Non-rental revenues (cancellation fees and other miscellaneous income)

(15) “Gain on transfer of properties” = Gain on sale of properties + Gain on exchange of properties

(16) The 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) 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.”

Property name	Abbreviation of property name	Property name	Abbreviation of property name
Genki Medical Plaza	Genki Medical Plaza	Ebisu Neonato	Ebisu Neonato
Kitanomaru Square	Kitanomaru Square	Harmony Tower	Harmony Tower
MD Kanda Building	MD Kanda	Otsuka Higashi-Ikebukuro Building	Otsuka Higashi-Ikebukuro
Kandabashi Park Building	Kandabashi Park	Ikebukuro 2Chome Building	Ikebukuro 2Chome
Otemachi Financial City North Tower	Otemachi FCN	Ikebukuro YS Building	Ikebukuro YS
Nibancho Garden	Nibancho Garden	Hachioji First Square	Hachioji First
Mitsubishi UFJ Trust and Banking Building	Mitsubishi UFJ Trust	Saitama Urawa Building	Saitama Urawa
Burex Kojimachi Building	Burex Kojimachi	MM Park Building	MM Park
Sanno Grand Building	Sanno Grand	Queen's Tower A	Queen's
Yurakucho Denki Building	Yurakucho Denki	Kawasaki Isago Building	Kawasaki Isago
Kodenmacho Shin-Nihonbashi Building	Kodenmacho	Musashi Kosugi STM Building	Musashi Kosugi STM
Kyodo Building (Kayabacho 2Chome)	Kyodo (Kayabacho 2Chome)	8･3 Square Kita Building	8･3 Square Kita
Burex Kyobashi Building	Burex Kyobashi	Jozenji Park Building	Jozenji Park
Ginza 1Chome East Building	Ginza 1Chome	Higashi Nibancho Square	Higashi Nibancho
Ginza Sanwa Building	Ginza Sanwa	Sendai Honcho Honma Building	Sendai Honma
Ryoshin Ginza East Mirror Building	Ryoshin Ginza EM	AER	AER
Harumi Front	Harumi Front	Kanazawa Park Building	Kanazawa Park
Harumi Center Building	Harumi Center	Nishiki Park Building	Nishiki Park
Akasaka Park Building	Akasaka Park	Nagoya Hirokoji Place	Hirokoji Place
Aoyama Crystal Building	Aoyama Crystal	Nagoya Hirokoji Building	Nagoya Hirokoji
Clover Shiba-koen	Clover Shiba-koen	Nagoya Misono Building	Nagoya Misono
Shiodome Building	Shiodome	Shijo Karasuma Center Building	Shijo Karasuma
Shiba 2Chome Daimon Building	Shiba 2Chome Daimon	Umeda Square Building	Umeda Square
Cosmo Kanasugibashi Building	Cosmo Kanasugibashi	Shin-Fujita Building	Shin-Fujita
Shinjuku Eastside Square	Shinjuku Eastside	Sakaisujihonmachi Building	Sakaisujihonmachi
Shinwa Building	Shinwa	Midosuji Daiwa Building	Midosuji Daiwa
Tokyo Opera City Building	Tokyo Opera City	Amagasaki Front Building	Amagasaki Front
TIXTOWER UENO	TIX UENO	Lit City Building	Lit City
Higashi-Gotanda 1Chome Building	Higashi-Gotanda 1Chome	NHK Hiroshima Broadcasting Center Building	NHK Hiroshima
Osaki Front Tower	Osaki Front Tower	Tosei Tenjin Building	Tosei Tenjin
Omori-Eki Higashiguchi Building	Omori-Eki Higashiguchi	Tenjin Crystal Building	Tenjin Crystal
Nippon Brunswick Building(Land with leasehold interest)	Nippon Brunswick (Land with leasehold interest)	Hinode Tenjin Building	Hinode Tenjin
Yoyogi 1Chome Building	Yoyogi 1Chome	Kanazawa Kamitsutsumicho Building	Kanazawa Kamitsutsumicho
da Vinci Harajuku	da Vinci Harajuku	Hirokoji Sakae Building	Hirokoji sakae
Jingumae Media Square Building	Jingumae MS	Kyoto Shijo Kawaramachi Building	Kyoto Kawaramachi
Shibuya Cross Tower	Shibuya Cross Tower		

1. Financial Results and Forecasts

Income Statement for Sep. ’16 Period

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

Term / Actual/Forecast		Mar. '16 Period Actual	→ change → (amount)	(%)	Sep. '16 Period Actual	← change ← (amount)	(%)	Sep. '16 Period Initial forecast(*1)
Operating Revenues		30,589	184	0.6%	30,773	213	0.7%	30,560
Property-related revenues		30,428	345	1.1%	30,773	213	0.7%	30,560
Rent revenues		30,290			30,565			
Other lease business revenues		138			208			
Gain on sales of real estate properties		161	(161)	(100.0)%	-	-		-
Operating Expenses		18,237	167	0.9%	18,405	125	0.7%	18,280
Property-related expenses	(*2)	10,454	136	1.3%	10,591	71	0.7%	10,520
Property management expenses		3,767	(248)	(6.6)%	3,519			
Property management costs		3,658			3,413			
Brokerage fees, etc.		109			106			
Utilities expenses		2,543	165	6.5%	2,708			
Property and other taxes		2,789	146	5.3%	2,936			
Casualty insurance		58	0	(1.4)%	57			
Repairing expenses		1,101	79	7.2%	1,181			
Other expenses		194	(6)	(3.5)%	187			
NOI	(*3)	19,973	209	1.0%	20,182	142	0.7%	20,040
Depreciation		6,487	12	0.2%	6,500	10	0.2%	6,490
Property-related profits and losses	(*3)	13,486	196	1.5%	13,682	142	1.1%	13,540
Gross Operating Income		13,647	34	0.3%	13,682	142	1.1%	13,540
Administrative expenses		1,295	18	1.4%	1,314	54	4.3%	1,260
Asset management fee		933	31	3.4%	964	64	7.2%	900
Other administrative expenses		362			349			
Operating Income		12,352	16	0.1%	12,368	88	0.7%	12,280
Non-operating income		9			30			
Interest income		4			0			
Other non-operating income		4			29			
Non-operating expenses		1,545			1,440			
Interest expenses		1,347	(104)	(7.7)%	1,243			
Interest expenses on investment corporation bonds		153	(1)	(0.7)%	152	(34)	(2.4)%	1,430
Amortization of investment corporation bond issuance costs		5			5			
Other non-operating expenses		39			39			
Ordinary Income		10,816	142	1.3%	10,958	148	1.4%	10,810
Income before income taxes		10,816			10,958			
Income taxes		62			11			
Profit		10,753	194	1.8%	10,947	147	1.4%	10,800
Unappropriated retained earnings		10,785			10,979			
FFO	(*4)	17,079	368	2.2%	17,447			
Dividend per unit		8,121	240	3.0%	8,361	111	1.3%	8,250

*1 The initial forecast means the Sep. ’16 Period performance forecast announced on May 16, 2016

*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 Sep. ’16 Period and Forecasts for Mar. ‘17 and Sep. ’17 Periods

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

Term		Mar. '16 Period	→ Change →	Sep. '16 Period	→ Change →	Mar. '17 Period	→ Change →	Sep. '17 Period
Actual/Forecast		Actual		Actual		Forecast		Forecast
Number of properties		68		68		69		69
Number of days		183 days		183 days		182 days		183 days
Operating Revenues		30,589	+184	30,773	(53)	30,720	+450	31,170
Property-related revenues		30,428	+345	30,773	(53)	30,720	+450	31,170
Gain on sales of real estate properties		161	(161)	-		-		-
Operating Expenses		18,237	+167	18,405	(185)	18,220	+220	18,440
Expenses related to rent business	(*1)	10,454	+136	10,591	(131)	10,460	+340	10,800
Depreciation		6,487	+12	6,500	(10)	6,490	(70)	6,420
Administrative expenses		1,295	+18	1,314	(44)	1,270	(60)	1,210
(Asset management fee)		933	+31	964	(54)	910	(40)	870
NOI	(*2)	19,973	+209	20,182	+77	20,260	+110	20,370
Property-related profits and losses	(*2)	13,486	+196	13,682	+77	13,760	+190	13,950
Gross Operating Income		13,647	+34	13,682	+77	13,760	+190	13,950
Operating Income		12,352	+16	12,368	+121	12,490	+240	12,730
Non-operating income		9	+20	30	(30)	-		-
Non-operating expenses		1,545	(105)	1,440	(30)	1,410	(30)	1,380
(Interest expenses)		1,500	(105)	1,395	(35)	1,360	(20)	1,340
Ordinary Income		10,816	+142	10,958	+121	11,080	+270	11,350
Profit		10,753	+194	10,947	+122	11,070	+270	11,340
Units outstanding		1,309,310 units		1,309,310 units		1,309,310 units		1,309,310 units
Dividend per unit		8,121 yen	+240 yen	8,361 yen	+99 yen	8,460 yen	+200 yen	8,660 yen
Occupancy rate at period-end		98.3%	+0.4%	98.7%	(0.2)%	98.5%		

*1 Excluding depreciation

*2 Excluding gain on sales of real estate properties

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

●Sep. ’16 Period→ Mar. ’17 Period: Decrease in revenue due to seasonal factors, etc.

Increase due to tenant turnover and upward rent revision for the properties operating full term in Sep. ’16 and Mar. ’17 Periods.

Increase due to the acquisition of property during Mar. ’17 Period (Kanazawa Kamitsutsumicho Building).

●Mar. ’17 Period→ Sep. ’17 Period: Increase of revenue due to seasonal factors, etc.

Increase due to tenant turnover and upward rent revision of the properties operating full term for Mar. ’17 and Sep. ’17 Periods.

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

● Sep. ’16 Period→ Mar. ’17 Period: Decrease in expenses due to seasonal factors, etc.

● Mar. ’17 Period→ Sep. ’17 Period: Increase in expenses due to seasonal factors, etc.

Increase due to Property and other taxes for the property acquired in Mar. ’17 Period (Kanazawa Kamitsutsumicho Building).

Balance Sheet for Sep. ’16 Period

Item	End of Mar. '16 Period	End of Sep. '16 Period	Change	Reason for the change
Assets				
Ⅰ Current assets				Increase due to increase in rent revenues, decrease due to repayment of loans, etc.
Cash and deposits	24,904	22,546	(2,358)	
Other current assets	553	716	163	Decrease due to receiving accrued consumption taxes refund, etc.
Total current assets	25,457	23,263	(2,194)	
Ⅱ Non-current assets				
Property, plant and equipment				
Buildings (including those held in trust)	343,382	344,936	1,553	Increase due to the acquisition of properties and capital expenditure.
Structures (including those held in trust)	3,833	3,899	65	
Machinery and equipment (including that held in trust)	4,331	4,385	54	
Land (including that held in trust)	602,202	602,320	117	
Accumulated depreciation	(99,711)	(106,192)	(6,480)	
Total property, plant and equipment	854,039	849,349	(4,689)	
Intangible assets				
Leasehold rights, etc. (including those held in trust)	7,321	7,322	0	
Total intangible assets	7,321	7,322	0	
Investments and other assets				
Investment securities	577	577	-	
Long-term prepaid expenses, etc.	3,204	3,099	(104)	
Total investments and other assets	3,781	3,676	(104)	
Total non-current assets	865,141	860,348	(4,793)	
Ⅲ Deferred assets				
Investment corporation bond issuance costs	26	21	(5)	
Total deferred assets	26	21	(5)	
Total assets	890,626	883,633	(6,993)	

(In millions of yen)

Item	End of Mar. '16 Period	End of Sep. '16 Period	Change	Reason for the change
Liabilities				
Ⅰ Current liabilities				Increase due to refinancing from long-term loans and decrease due to repayment out of cash reserves.
Short-term loans payable	22,700	45,700	23,000	
Current portion of long-term loans payable	44,400	42,850	(1,550)	Decrease due to repayment of loans and refinancing to short-term loans, increase due to transfer from long-term loans, etc.
Current portion of investment corporation bonds	-	-	-	
Advances received	3,088	3,500	412	
Other current liabilities	5,386	4,187	(1,199)	Decrease due to payment of unpaid consumption tax, etc. for Mar. '16 period and decrease in accrued construction costs.
Total current liabilities	75,574	96,237	20,663	
Ⅱ Non-current liabilities				
Investment corporation bonds	20,000	20,000	-	
Long-term loans payable	276,300	247,800	(28,500)	Decrease due to transfer to current portion of long-term loans.
Deposits received from tenants	49,197	49,727	529	
Other non-current liabilities	508	508	0	
Total non-current liabilities	346,006	318,035	(27,970)	
Total liabilities	421,581	414,273	(7,307)	
Net assets				
Unitholders' capital	458,016	458,016	-	
Reserve for reduction entry	243	363	120	
Unappropriated retained earnings	10,785	10,979	194	
Total net assets	469,044	469,359	314	
Total liabilities and net assets	890,626	883,633	(6,993)	

Balance Sheet Forecast for Mar. ’17 Period

Item	End of Sep. '16 Period	End of Mar. '17 Period	Change	Reason for the change
Assets				
Ⅰ Current assets				
Cash and deposits	22,546	24,079	1,533	
Other current assets	716	618	(98)	
Total current assets	23,263	24,697	1,434	
Ⅱ Non-current assets				
Property, plant and equipment				
Buildings (including those held in trust)	344,936	349,518	4,582	Increase due to the acquisition of properties and capital expenditure.
Structures (including those held in trust)	3,899	4,018	119	
Machinery and equipment (including those held in trust)	4,385	4,525	140	
Land (including those held in trust)	602,320	603,115	795	
Accumulated depreciation	(106,192)	(112,688)	(6,496)	
Total property,plant and equipment	849,349	848,488	(861)	
Intangible assets				
Leasehold rights, etc. (including those held in trust)	7,322	7,305	(17)	
Total intangible assets	7,322	7,305	(17)	
Investments and other assets				
Investment securities	577	577	-	
Long-term prepaid expenses, etc.	3,099	3,050	(49)	
Total investments and other assets	3,676	3,627	(49)	
Total non-current assets	860,348	859,420	(928)	
Ⅲ Deferred assets				
Investment corporation bond issuance costs	21	15	(6)	
Total deferred assets	21	15	(6)	
Total assets	883,633	884,132	499	

(In millions of yen)

Item	End of Sep. '16 Period	End of Mar. '17 Period	Change	Reason for the change
Liabilities				
Ⅰ Current liabilities				
Short-term loans payable	45,700	42,700	(3,000)	Decrease due to refinancing to long-term loans.
Current portion of long-term loans payable	42,850	46,500	3,650	Decrease due to repayment of loans and refinancing to long-term loans, increase due to transfer from long-term loans.
Current portion of investment corporation bonds	-	-	-	
Advances received	3,500	3,520	20	
Other current liabilities	4,187	5,213	1,026	Increase in accrued construction costs and decrease in unpaid consumption tax.
Total current liabilities	96,237	97,933	1,696	
Ⅱ Non-current liabilities				
Investment corporation bonds	20,000	20,000	-	Increase due to refinancing of short-term loans and current portion of long-term loans, decrease due to transfer to current portion of long-term loans.
Long-term loans payable	247,800	246,150	(1,650)	
Deposits received from tenants	49,727	50,052	325	Increase in deposits related to acquisition of new properties and new lease agreements.
Other non-current liabilities	508	508	-	
Total non-current liabilities	318,035	316,710	(1,325)	
Total liabilities	414,273	414,643	370	
Net assets				
Unitholders' capital	458,016	458,016	-	
Reserve for reduction entry	363	363	-	
Unappropriated retained earnings	10,979	11,100	121	
Total net assets	469,359	469,488	129	
Total liabilities and net assets	883,633	884,132	499	

Cash Flow and Dividend Statement for Sep. ’16 Period

Cash Flow Statement

(in millions of yen)

Items	Sep. 16 Period (183 days)
Cash flows from operating activities	17,280
Income before income taxes	10,958
Depreciation	6,501
Other	(179)
Cash flows from investing activities	(1,964)
Cash flows from financing activities	(17,673)
Proceeds from short-term loans payable	36,000
Repayments of short-term loans payable	(13,000)
Proceeds from long-term loans payable	-
Repayments of long-term loans payable	(30,050)
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	(10,623)
Net increase (decrease) in cash and cash equivalents	(2,358)
Cash and cash equivalents at beginning of period	24,904
Cash and cash equivalents at end of period	22,546

Dividend Statement

(in yen)

Items	Sep. 16 Period (183 days)
Unappropriated retained earnings	10,979,760,350
Reversal of reserve for reduction entry	69,530
Dividends paid	10,947,140,910
Retained earnings brought forward	32,688,970

Dividend per unit: **8,361 yen** for Sep. ’16 Period
(Mar. ’16 Period: 8,121 yen)

Historical Summary of Selected Financial Index in the Previous 5 Periods

Term / Number of days	Sep. '14 Period 183 days	Mar. '15 Period 182 days	Sep. '15 Period 183 days	Mar. '16 Period 183 days	Sep. '16 Period 183 days
Return on assets (ROA)	1.2%	1.2%	1.2%	1.2%	1.2%
(annualized)	2.3%	2.3%	2.4%	2.4%	2.5%
Return on equity (ROE)	2.2%	2.2%	2.2%	2.3%	2.3%
(annualized)	4.4%	4.4%	4.5%	4.6%	4.7%
EOP Equity ratio	53.6%	51.2%	52.1%	52.7%	53.1%
LTV(1)	39.8%	42.3%	41.5%	40.8%	40.3%
LTV(2)	43.1%	45.8%	44.9%	44.2%	43.8%
LTV(3)	38.6%	40.9%	40.3%	39.4%	38.6%
LTV(4)	38.4%	39.6%	38.2%	36.5%	35.2%
EOP Long-term debts to capitalization	108.6%	108.4%	107.4%	107.6%	110.9%
Debt service coverage ratio (DSCR)	10.5 times	10.8 times	12.1 times	12.5 times	13.5 times
NOI (in millions of yen)	18,105	18,412	19,670	19,973	20,182
NOI yield (annualized)	4.3%	4.2%	4.2%	4.3%	4.4%
FFO (in millions of yen)	15,455	15,629	16,808	17,079	17,447
FFO dividend payout ratio	61.9%	61.5%	62.3%	62.3%	62.7%
AFFO (in millions of yen)	13,716	12,396	15,668	14,203	15,834
AFFO dividend payout ratio	69.8%	77.5%	66.9%	74.9%	69.1%

<Definition of each index>

∗ ROA = Ordinary income / 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 assets during the period
For calculation of the average, the total assets of beginning and end for 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:
(Net assets at the beginning of the period x A days + net assets at the end of the period x B days)/operating days (A + B days).
∗ EOP equity ratio = EOP net assets / EOP total assets
∗ LTV (1) = EOP interest-bearing debt / EOP total assets
∗ LTV (2) = EOP interest-bearing debt / (EOP interest-bearing debt + EOP unitholders' capital)
∗ LTV (3) = EOP interest-bearing debt / EOP total property acquisition price
∗ LTV (4) = EOP interest-bearing debt / EOP total property appraisal values determined by institutional appraisers
∗ 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 + Depreciation
∗ NOI Yield = Annualized NOI / Total amount of acquisition price
∗ FFO = Profit + Depreciation – Gain (Loss) on sales of real estate properties
∗ FFO Dividends 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. '02 05/01～03/02	Sep. '02 04/02～09/02	Mar. '03 10/02～03/03	Sep. '03 04/03～09/03	Mar. '04 10/03～03/04	Sep. '04 04/04～09/04	Mar. '05 10/04～03/05	Sep. '05 04/05～09/05
Operating revenues	6,492	7,910	8,500	8,965	9,560	10,151	10,747	13,119
(% change from the preceding period)	—	(+21.8%)	(+7.5%)	(+5.5%)	(+6.6%)	(+6.2%)	(+5.9%)	(+22.1%)
Property-related revenues	6,492	7,910	8,500	8,965	9,560	10,151	10,747	13,119
(% change from the preceding period)	—	(+21.8%)	(+7.5%)	(+5.5%)	(+6.6%)	(+6.2%)	(+5.9%)	(+22.1%)
Gain on transfer of unused development rights of floor area	—	—	—	—	—	—	—	—
Gain on sales of real estate properties	—	—	—	—	—	—	—	—
Dividend income	—	—	—	—	—	—	—	—
Compensation for the property transfer	—	—	—	—	—	—	—	—
Operating income	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 income	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*
Dividend per unit	14,983 yen	12,853 yen	14,455 yen	15,117 yen	14,602 yen	14,711 yen	15,824 yen	15,951 yen
(Ref) Dividend per unit 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
Leasable space	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 unit is specified])

Mar. '06 10/05～03/06	Sep. '06 04/06～09/06	Mar. '07 10/06～03/07	Sep. '07 04/07～09/07	Mar. '08 10/07～03/08	Sep. '08 04/08～09/08	Mar. '09 10/08～03/09	Sep. '09 04/09～09/09
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%)
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%)
–	–	–	–	–	–	–	728
–	400	459	397	–	–	–	–
–	–	–	–	7,935	–	–	–
–	–	–	–	–	–	–	–
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%)
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%)
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%)
345,400 units	345,400 units	410,000 units	410,000 units	443,000 units	443,000 units	443,000 units	443,000 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*
16,172 yen	17,302 yen	17,521 yen	18,500 yen	29,223 yen	19,072 yen	19,020 yen	19,198 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*
433,552	441,163	443,973	449,643	527,537	542,920	565,022	564,528
207,058	207,449	271,867	272,269	310,547	306,050	306,027	306,106
299,737 yen	300,302 yen	331,545 yen	332,035 yen	350,504 yen	345,429 yen	345,403 yen	345,492 yen
226,493	233,714	172,105	177,374	216,990	236,869	258,994	258,422
196,500	202,500	140,000	144,500	177,500	199,500	220,500	220,500
45.3%	45.9%	31.5%	32.1%	33.6%	36.7%	39.0%	39.1%
510,000 yen	500,000 yen	780,000 yen	690,000 yen	580,000 yen	418,000 yen	378,000 yen	367,000 yen
352,308	345,400	639,600	565,800	513,880	370,348	334,908	325,162
52	49	50	50	53	54	55	55
412,766	418,693	441,276	446,940	518,969	542,969	564,219	564,219
400,090㎡	396,173㎡	397,928㎡	406,605㎡	479,877㎡	508,296㎡	516,411㎡	516,421㎡
98.7%	98.2%	97.8%	98.7%	95.9%	96.1%	95.5%	93.3%
–	–	64,600 units	–	33,000 units	–	–	–
–	–	1,009,400 yen	–	1,029,000 yen	–	–	–
–	–	65,207	–	33,957	–	–	–
–	–	978,500 yen	–	997,500 yen	–	–	–
–	–	63,211	–	32,917	–	–	–
–	–	10/24/2006	–	03/12/2008	–	–	–

- The land and building adjacent to Ryoshin Ginza East Mirror Building are not included in the number of properties and total acquisition price of properties for Sep. '08 through Mar. '10 Periods.
- The acquisition price related to the transfer of the part of Jingumae Media Square Building site is not excluded.
- As Nippon Brunswick (building) was sold as of August 23, 2013 and JRE owns the land with leasehold interest, leasable space and occupancy rate for Nippon Brunswick are excluded.

(*1) JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014. The figures for Mar. '02 through Sep. '13 Periods have taken the split into account.

	Mar. '10 10/09～03/10	Sep. '10 04/10～09/10	Mar. '11 10/10～03/11	Sep. '11 04/11～09/11	Mar. '12 10/11～03/12	Sep. '12 04/12～09/12	Mar. '13 10/12～03/13	Sep. '13 04/13～09/13
Operating revenues	21,665	22,112	22,135	22,829	24,059	24,222	25,357	26,225
(% change from the preceding period)	(+0.7%)	(+2.1%)	(+0.1%)	(+3.1%)	(+5.4%)	(+0.7%)	(+4.7%)	(+3.4%)
Property-related revenues	20,758	22,112	22,135	22,283	24,059	24,222	25,357	26,206
(% change from the preceding period)	(-0.2%)	(+6.5%)	(+0.1%)	(+0.7%)	(+8.0%)	(+0.7%)	(+4.7%)	(+3.4%)
Gain on transfer of unused development rights of floor area	–	–	–	–	–	–	–	–
Gain on sales of real estate properties	885	–	–	546	–	–	–	18
Dividend income	–	–	–	–	–	–	–	–
Compensation for the property transfer	21	–	–	–	–	–	–	–
Operating income	10,538	9,939	9,802	10,380	10,786	10,212	10,631	10,781
(% change from the preceding period)	(+4.8%)	(-5.7%)	(-1.4%)	(+5.9%)	(+3.9%)	(-5.3%)	(+4.1%)	(+1.4%)
Ordinary income	8,876	8,135	7,938	8,603	8,863	8,372	8,749	9,143
(% change from the preceding period)	(+4.4%)	(-8.3%)	(-2.4%)	(+8.4%)	(+3.0%)	(-5.5%)	(+4.5%)	(+4.5%)
Profit	8,875	8,134	7,652	8,268	8,934	8,448	8,824	9,129
(% change from the preceding period)	(+4.4%)	(-8.4%)	(-5.9%)	(+8.1%)	(+8.1%)	(-5.4%)	(+4.5%)	(+3.5%)
Units outstanding	489,200 units	489,200 units	489,200 units	489,200 units	549,040 units	549,040 units	594,140 units	594,140 units
(Ref) Units outstanding on a post-split basis (*1)	*978,400 units*	*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*
Dividend per unit	18,043 yen	16,628 yen	15,642 yen	15,850 yen	16,190 yen	15,700 yen	15,140 yen	15,366 yen
(Ref) Dividend per unit on a post-split basis (*1)	*9,021 yen*	*8,314 yen*	*7,821 yen*	*7,925 yen*	*8,095 yen*	*7,850 yen*	*7,570 yen*	*7,683 yen*
Total assets	637,326	634,974	646,847	643,949	703,085	724,851	765,628	775,066
Total net assets	333,228	332,536	332,054	332,670	372,869	372,429	405,280	405,415
Net assets per unit (*1)	340,585 yen	339,877 yen	339,385 yen	340,014 yen	339,565 yen	339,164 yen	341,065 yen	341,178 yen
Total liabilities	304,097	302,437	314,793	311,279	330,215	352,422	360,347	369,651
Interest-bearing debt	262,500	262,450	272,400	269,350	284,300	305,750	311,200	320,150
LTV	41.2%	41.3%	42.1%	41.8%	40.4%	42.2%	40.6%	41.3%
Unit price (period-end) (*1)	398,500 yen	379,500 yen	393,500 yen	377,000 yen	364,500 yen	393,000 yen	644,500 yen	574,000 yen
Market capitalization	389,892	371,302	385,000	368,856	400,250	431,545	765,846	682,072
Number of properties	55	55	57	56	57	58	60	62
Total acquisition price of properties	641,245	643,891	660,601	657,863	718,663	740,663	782,433	794,230
Leasable space	566,277㎡	567,612㎡	588,984㎡	584,964㎡	629,761㎡	645,787㎡	700,759㎡	713,180㎡
Occupancy rate	93.0%	92.4%	93.2%	94.6%	94.7%	95.5%	96.7%	96.3%
Issuance of new units								
Number of newly issued units	46,200 units	–	–	–	59,840 units	–	45,100 units	–
Offer price	597,520 yen	–	–	–	672,750 yen	–	746,850 yen	–
Aggregate amount of offer price	27,605	–	–	–	40,257	–	33,682	–
Issue price	579,040 yen	–	–	–	652,050 yen	–	723,870 yen	–
Aggregate amount of issue price	26,751	–	–	–	39,018	–	32,646	–
Payment date	12/08/2009 12/22/2009	–	–	–	02/28/2012 03/27/2012	–	10/29/2012 11/28/2012	–

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

Mar. '14 10/13～03/14	Sep. '14 04/14～09/14	Mar. '15 10/14～03/15	Sep. '15 04/15～09/15	Mar. '16 10/15～03/16	Sep. '16 04/16～09/16	Mar. '17 forecast 10/16～03/17	Sep. '17 forecast 04/17～09/17
26,582 (+1.4%)	27,760 (+4.4%)	28,314 (+2.0%)	29,980 (+5.9%)	30,589 (+2.0%)	30,773 (+0.6%)	30,720 (-0.2%)	31,170 (+1.5%)
26,582 (+1.4%)	27,760 (+4.4%)	28,314 (+2.0%)	29,980 (+5.9%)	30,428 (+1.5%)	30,773 (+1.1%)	30,720 (-0.2%)	31,170 (+1.5%)
–	–	–	–	–	–	–	–
–	–	–	–	161	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
10,831 (+0.5%)	11,255 (+3.9%)	11,243 (-0.1%)	12,054 (+7.2%)	12,352 (+2.5%)	12,368 (+0.1%)	12,490 (+1.0%)	12,730 (+1.9%)
9,083 (-0.7%)	9,582 (+5.5%)	9,625 (+0.4%)	10,487 (+9.0%)	10,816 (+3.1%)	10,958 (+1.3%)	11,080 (+1.1%)	11,350 (+2.4%)
9,070 (-0.7%)	9,572 (+5.5%)	9,619 (+0.5%)	10,476 (+8.9%)	10,753 (+2.6%)	10,947 (+1.8%)	11,070 (+1.1%)	11,340 (+2.4%)
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
–	–	–	–	–	–	–	–
7,633 yen	7,648 yen	7,681 yen	8,001 yen	8,121 yen	8,361 yen	8,460 yen	8,660 yen
–	–	–	–	–	–	–	–
817,130	813,931	852,679	899,938	890,626	883,633	–	–
405,355	436,622	436,671	468,767	469,044	469,359	–	–
341,128 yen	348,871 yen	348,909 yen	358,026 yen	358,238 yen	358,478 yen	–	–
411,774	377,308	416,007	431,171	421,581	414,273	–	–
358,900	323,550	361,000	373,450	363,400	356,350	–	–
43.9%	39.8%	42.3%	41.5%	40.8%	40.3%	–	–
518,000 yen	564,000 yen	565,000 yen	551,000 yen	650,000 yen	605,000 yen	–	–
615,529	705,862	707,114	721,429	851,051	792,132	–	–
64	64	68	70	68	68	69	69
837,405	838,055	883,514	927,778	923,448	923,623	926,403	926,403
750,956㎡	752,723㎡	793,976㎡	832,030㎡	820,381㎡	820,917㎡	827,751㎡	827,751㎡
96.7%	97.8%	97.8%	97.7%	98.3%	98.7%	98.5%	–
–	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 05/14/2014	–	04/06/2015 05/11/2015	–	–	–	–

- The land and building adjacent to Ryoshin Ginza East Mirror Building are not included in the number of properties and total acquisition price of properties for Sep. '08 through Mar. '10 Periods.
- The acquisition price related to the transfer of the part of Jingumae Media Square Building site is not excluded.
- As Nippon Brunswick (building) was sold as of August 23, 2013 and JRE owns the land with leasehold interest, leasable space and occupancy rate for Nippon Brunswick are excluded.

(*1) JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014. The figures for Mar. '02 through Sep. '13 Periods have taken the split into account.

Performance Comparison (Mar. '16 Period vs Sep. '16 Period)

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

Factors affecting increase and decrease in each group

(In millions of yen)

	Mar. '16 Period	Sep. '16 Period	Change	% Change
Property-related Revenues	30,428	30,773	345	1.1%
Property-related Expenses (*1)	16,941	17,091	149	0.9%
Property-related Profits and Losses	13,486	13,682	196	1.5%
NOI (*2)	19,973	20,182	209	1.0%
Occupancy Rate as of the end of Period	98.3%	98.7%	0.4%	
Average Occupancy Rate during Period	98.0%	98.3%	0.3%	

(*1) Property-related Expenses include Depreciation.
(*2) NOI = Net Operating Income: Property-related Profits and Losses + Depreciation

＊Asset Group A＊
68 properties operated all through Mar. '16 and Sep. '16 Periods (including Nippon Brunswick (Land with leasehold interest) and Nishiki Park (existing shares)).

<Main factors affecting increase and decrease of Repairing Expenses>

Name of Building	Difference
Shibuya Cross Tower	285
Nagoya Hirokoji	132
AER	25
Akasaka Park	(52)
MM Park	(49)
Midosuji Daiwa	(36)

	Mar. '16 Period	Sep. '16 Period	Change	% Change
Property-related Revenues	30,207	30,759	552	1.8%
Property-related Expenses	16,792	17,072	280	1.7%
Property Management Expenses	3,733	3,517	(216)	(5.8)%
Property Management Costs	3,624	3,411	(213)	(5.9)%
Brokerage Fees, etc.	108	106	(2)	(2.7)%
Utilities Expenses	2,515	2,706	191	7.6%
Property and Other Taxes	2,750	2,925	175	6.4%
Casualty Insurance	58	57	0	(0.5)%
Repairing Expenses	1,092	1,180	88	8.1%
Other Expenses	194	187	(7)	(3.6)%
Depreciation	6,448	6,497	49	0.8%
Property-related Profits and Losses	13,414	13,686	271	2.0%
NOI	19,863	20,184	321	1.6%
Occupancy Rate as of the end of Period	98.3%	98.7%	0.4%	
Average Occupancy Rate during Period	98.1%	98.3%	0.2%	

＊Asset Group B＊
1 property acquired during Sep. '16 Period
(Nishiki Park (additional acquisition))

	Mar. '16 Period	Sep. '16 Period	Change
Property-related Revenues	0	12	12
Property-related Expenses	0	6	6
Property-related Profits and Losses	0	5	5
NOI	0	8	8

＊Asset Group C＊
2 properties transferred during Mar. '16 Period
(Hirokoji Sakae, Kyoto Kawaramachi)

	Mar. '16 Period	Sep. '16 Period	Change
Property-related Revenues	220	2	(218)
Property-related Expenses	149	11	(137)
Property-related Profits and Losses	71	(9)	(81)
NOI	110	(9)	(120)

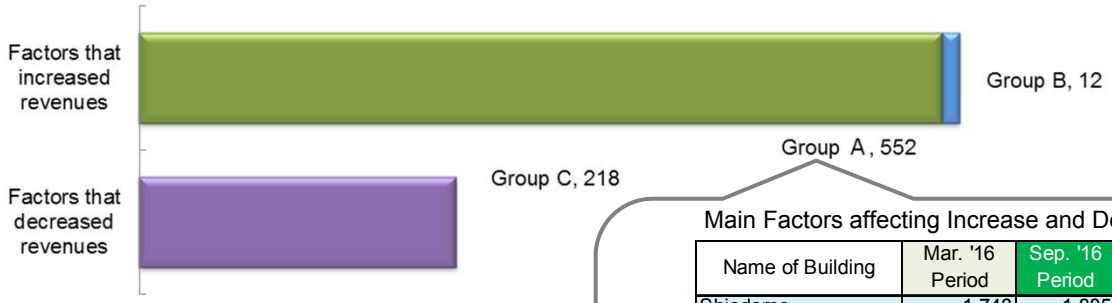
＊ Please refer to the "Property Data" (excel file) downloadable from the top page of JRE website (http://www.j-re.co.jp/en/), "Financial Results" in the center right for performance comparison by building for Sep. '16 Period.

Factors affecting Increase and Decrease

(In millions of yen)

Property-related revenues

Increase in revenues: ¥ 345 million

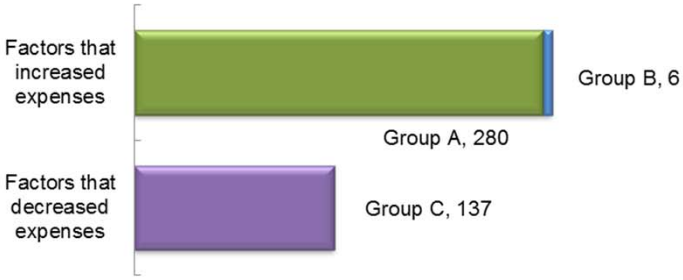


Main Factors affecting Increase and Decrease

	Name of Building	Mar. '16 Period	Sep. '16 Period	Change	% Change
Best 5	Shiodome	1,748	1,885	136	7.8%
	Nagoya Hirokoji	577	662	85	14.8%
	Shinjuku Eastside	574	658	83	14.4%
	Shin-Fujita	639	684	44	7.0%
	MM Park	1,277	1,320	43	3.4%
Worst 5	TIX UENO	681	651	(30)	(4.5)%
	Jingumae MS	188	166	(22)	(12.0)%
	Shibuya Cross Tower	1,410	1,398	(12)	(0.9)%
	Hinode Tenjin	169	159	(10)	(6.0)%
	Clover Shiba-koen	110	100	(9)	(9.0)%

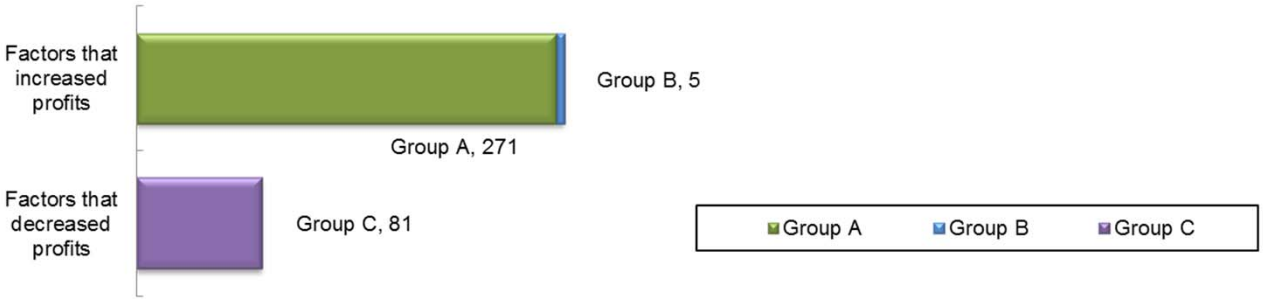
Property-related expenses

Increase in expenses: ¥ 149 million



Property-related profits and losses

Increase in profits: ¥ 196 million



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

(In millions of yen)

	Mar. '16 Period Actual	Sep. '16 Period Actual	Mar. '17 Period Forecast	Sep. '17 Period Forecast
Operating Revenues	30,589	30,773	30,720	31,170

	Mar. '16 →Sep. '16	Sep. '16 →Mar. '17	Mar. '17 →Sep. '17
Change	**184**	**(53)**	**450**
Property-related Revenues	345	(53)	450
Existing Property(*)	552	(183)	460
Property Acquired			
Sep. '16 Period	12		
Mar. '17 Period		120	0
Property Transferred			
Mar. '16 Period	(218)		
Gain on Sales of Real estate Properties	(161)		

	Mar. '16 Period Actual	Sep. '16 Period Actual	Mar. '17 Period Forecast	Sep. '17 Period Forecast
Operating Income	12,352	12,368	12,490	12,730

	Mar. '16 →Sep. '16	Sep. '16 →Mar. '17	Mar. '17 →Sep. '17
Change	**16**	**121**	**240**
Property-related Profits and Losses	196	77	190
Existing Property(*)	271	37	200
Property Acquired			
Sep. '16 Period	5		
Mar. '17 Period		30	(10)
Property Transferred			
Mar. '16 Period	(81)		
Gain on Sales of Real estate Properties	(161)		
Administrative Expenses	(18)	44	60

(*) Comparison made from the second term after the whole period 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. '12 Period	Mar. '13 Period	Sep. '13 Period	Mar. '14 Period	Sep. '14 Period	Mar. '15 Period	Sep. '15 Period	Mar. '16 Period	Sep. '16 Period
50 properties held as of the beginning of Sep. '12 Period Acquisition price ¥ 614 billion	Property-related revenues	100.0	100.2	100.3	98.9	98.9	99.0	99.7	99.9	101.2
	Average occupancy rate	94.9%	95.9%	96.4%	95.8%	97.6%	97.8%	97.7%	98.3%	98.4%
	NOI Yield	4.32%	4.38%	4.25%	4.19%	4.17%	4.17%	4.21%	4.25%	4.29%
51 properties held as of the beginning of Sep. '13 Period Acquisition price ¥ 636 billion	Property-related revenues			100.0	98.7	98.6	98.6	99.4	99.6	100.7
	Average occupancy rate			96.5%	95.8%	97.6%	97.8%	97.8%	98.4%	98.3%
	NOI Yield			4.27%	4.22%	4.19%	4.18%	4.23%	4.27%	4.30%
55 properties held as of the beginning of Sep. '14 Period Acquisition price ¥ 690 billion	Property-related revenues					100.0	100.3	101.0	101.2	102.4
	Average occupancy rate					97.3%	97.9%	97.9%	98.3%	98.3%
	NOI Yield					4.31%	4.34%	4.36%	4.42%	4.44%
59 properties held as of the beginning of Sep. '15 Period Acquisition price ¥ 760 billion	Property-related revenues							100.0	100.6	102.1
	Average occupancy rate							97.8%	98.3%	98.3%
	NOI Yield							4.33%	4.40%	4.46%

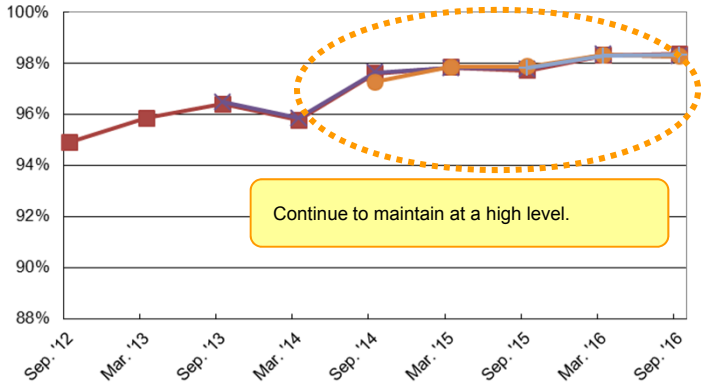
・50 properties held as of the beginning of Sep. '12 Period
Excluded 2 properties already transferred, Nippon Brunswick (land with leasehold interest), Ebisu Neonato, Nishiki Park, Harmony Tower and Shiodome from 57 properties

・51 properties held as of the beginning of Sep. '13 Period
Excluded 2 properties already transferred, Nippon Brunswick (land with leasehold interest), Ebisu Neonato, Harumi Front, Higashi Nibancho, Nishiki Park, Harmony Tower and Shiodome from 60 properties

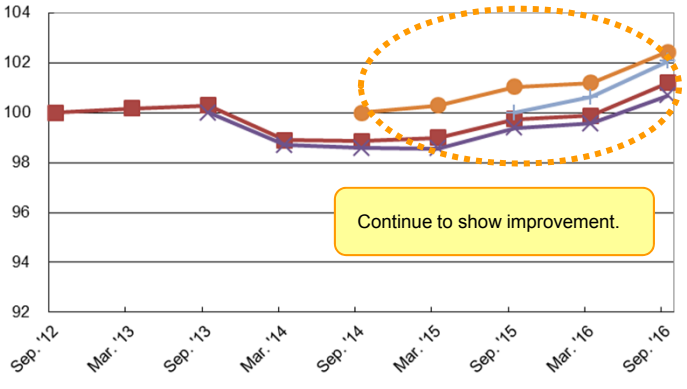
・55 properties held as of the beginning of Sep. '14 Period
Excluded 2 properties already transferred, Nippon Brunswick (land with leasehold interest), Queen's, Ebisu Neonato, Otemachi FCN, Nishiki Park, Harmony Tower and Shiodome from 64 properties

・59 properties held as of the beginning of Sep. '15 Period
Excluded 2 properties already transferred, Nippon Brunswick (land with leasehold interest), Clover Shiba-koen, Ginza 1Chome, Harmony Tower, Amagasaki Front, Umeda Square, Shiodome and Nishiki Park from 69 properties

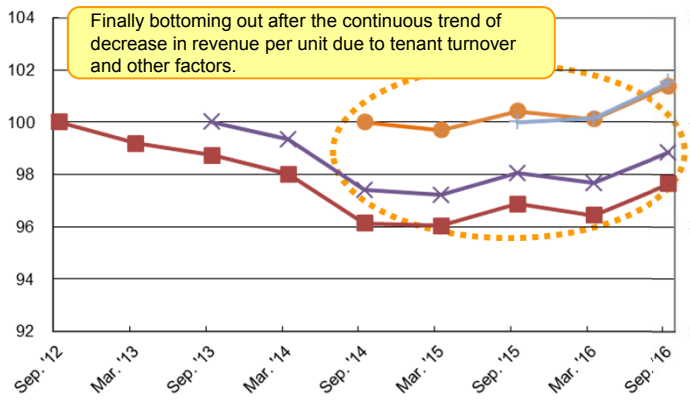
Average Occupancy Rate during the Period



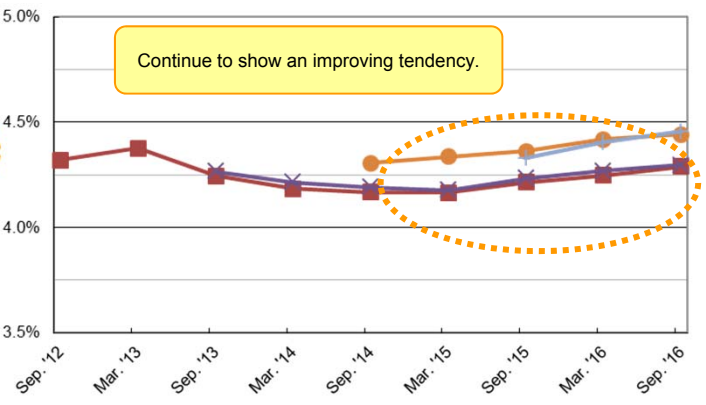
Property-related Revenues



Revenues / Average Occupancy Rate during the Period



NOI Yield

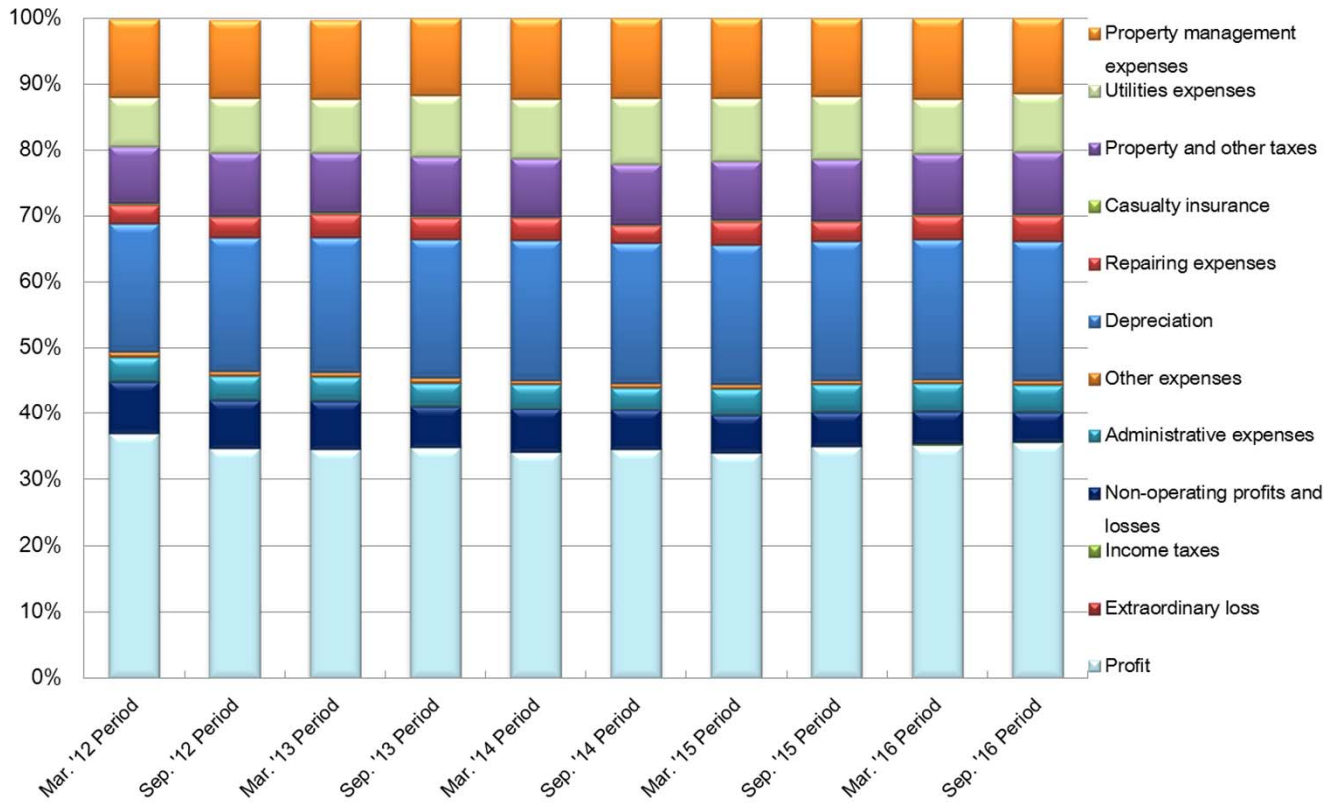


50 properties held as of the beginning of Sep. '12 Period
51 properties held as of the beginning of Sep. '13 Period
55 properties held as of the beginning of Sep. '14 Period
59 properties held as of the beginning of Sep. '15 Period

Breakdown of Operating Revenues

	Mar. '12 Period	Sep. '12 Period	Mar. '13 Period	Sep. '13 Period	Mar. '14 Period	Sep. '14 Period	Mar. '15 Period	Sep. '15 Period	Mar. '16 Period	Sep. '16 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	11.9%	11.9%	12.1%	11.7%	12.2%	12.2%	12.2%	11.8%	12.3%	11.4%
Utilities expenses	7.5%	8.4%	8.2%	9.3%	9.1%	10.0%	9.5%	9.6%	8.3%	8.8%
Property and other taxes	8.6%	9.5%	9.1%	9.0%	8.8%	9.1%	8.9%	9.2%	9.1%	9.5%
Casualty insurance	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Repairing expenses	2.9%	3.2%	3.5%	3.3%	3.3%	2.6%	3.5%	2.9%	3.6%	3.8%
Depreciation	19.5%	20.3%	20.5%	21.0%	21.3%	21.2%	21.2%	21.1%	21.2%	21.1%
Other expenses	0.8%	0.8%	0.8%	0.8%	0.6%	0.7%	0.7%	0.6%	0.6%	0.6%
Administrative expenses	3.7%	3.6%	3.7%	3.6%	3.8%	3.5%	4.1%	4.3%	4.2%	4.3%
Non-operating profits and losses	8.0%	7.6%	7.4%	6.2%	6.6%	6.0%	5.7%	5.2%	5.0%	4.6%
Income taxes	(0.1)%	(0.3)%	(0.3)%	0.1%	0.0%	0.0%	0.0%	0.0%	0.2%	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	37.1%	34.9%	34.8%	34.8%	34.1%	34.5%	34.0%	34.9%	35.2%	35.6%

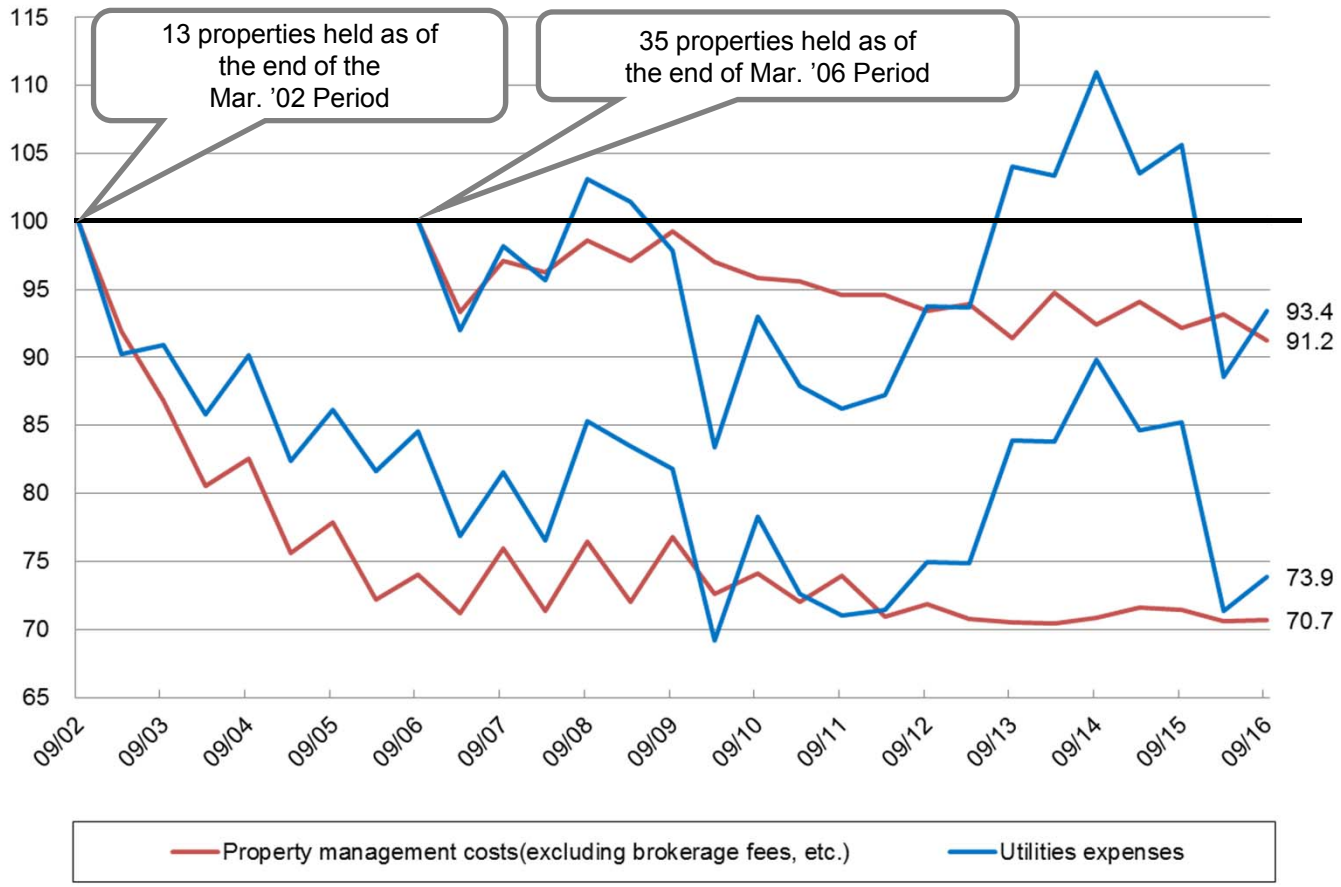
*In Operating revenues, Extraordinary income is included in Mar. '12 Period, Gain on sales of real estate properties is included in Sep. '13 and Mar. '16 Periods.



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 transfer) of shares has been seen since the ends of Mar. '02 and Mar. '06 Periods.**
- **The trend sets the property management costs and utilities expenses as of the ends of Mar. '02 and Mar. '06 Periods (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 (orders placed), and carried out proper construction management

Construction Costs and Depreciation (Actual)

(In millions of yen)

	Mar. '02 Period	Sep. '02 Period	Mar. '03 Period	Sep. '03 Period	Mar. '04 Period	Sep. '04 Period	Mar. '05 Period	Sep. '05 Period	Mar. '06 Period	Sep. '06 Period
Construction costs	794	453	933	841	1,585	1,161	1,178	1,025	1,728	1,654
Repairing expenses (reported as expense)	321	152	323	289	365	363	471	474	528	513
Capital expenditure (capitalized as asset)	472	301	609	552	1,219	797	706	550	1,200	1,141
Depreciation	1,100	1,194	1,310	1,393	1,498	1,657	1,641	2,017	2,359	2,682
Total assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968	433,552	441,163
Property-related revenues	6,492	7,910	8,500	8,965	9,560	10,151	10,747	13,119	13,962	15,169

	Mar. '07 Period	Sep. '07 Period	Mar. '08 Period	Sep. '08 Period	Mar. '09 Period	Sep. '09 Period	Mar. '10 Period	Sep. '10 Period	Mar. '11 Period	Sep. '11 Period
Construction costs	2,857	1,520	2,760	1,138	1,721	2,309	2,074	1,563	2,315	1,328
Repairing expenses (reported as expense)	916	580	991	511	676	1,119	756	790	833	585
Capital expenditure (capitalized as asset)	1,940	939	1,769	627	1,044	1,190	1,318	773	1,481	743
Depreciation	2,717	2,835	3,068	3,560	3,788	3,801	3,945	4,218	4,286	4,433
Total assets	443,973	449,643	527,537	542,920	565,022	564,528	637,326	634,974	646,847	643,949
Property-related revenues	16,500	17,132	17,807	19,805	20,716	20,795	20,758	22,112	22,135	22,283

	Mar. '12 Period	Sep. '12 Period	Mar. '13 Period	Sep. '13 Period	Mar. '14 Period	Sep. '14 Period	Mar. '15 Period	Sep. '15 Period	Mar. '16 Period	Sep. '16 Period
Construction costs	2,493	2,227	2,741	2,411	3,320	2,472	4,216	2,021	3,977	2,794
Repairing expenses (reported as expense)	700	764	886	866	887	733	983	881	1,101	1,181
Capital expenditure (capitalized as asset)	1,792	1,463	1,854	1,545	2,433	1,738	3,233	1,140	2,876	1,613
Depreciation	4,690	4,908	5,208	5,507	5,649	5,883	6,009	6,332	6,487	6,500
Total assets	703,085	724,851	765,628	775,066	817,130	813,931	852,679	899,938	890,626	883,633
Property-related revenues	24,059	24,222	25,357	26,206	26,582	27,760	28,314	29,980	30,428	30,773

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

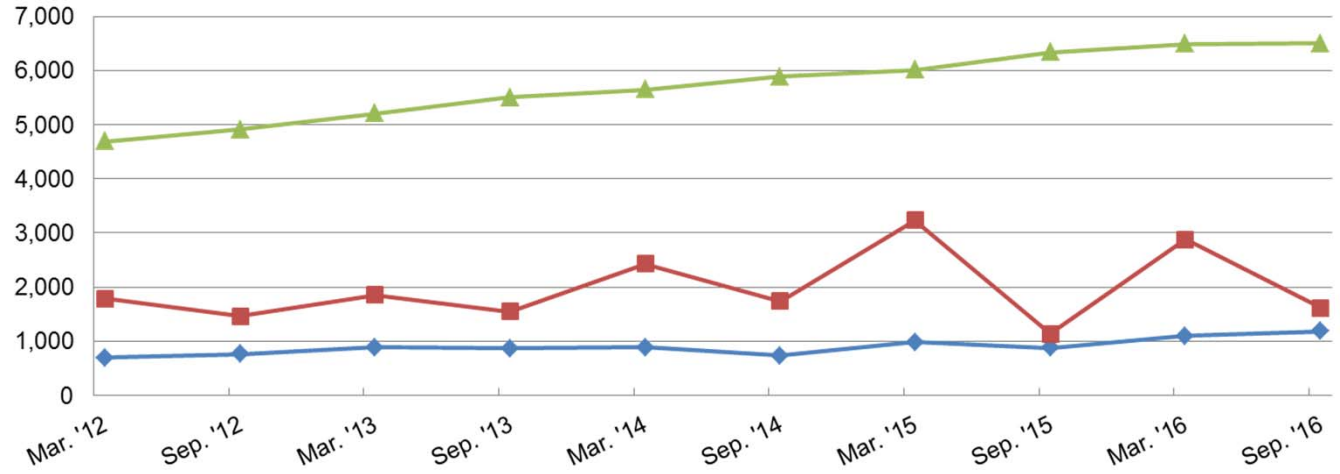
Capital Expenditure and Depreciation (Forecast)

(In billions of yen)

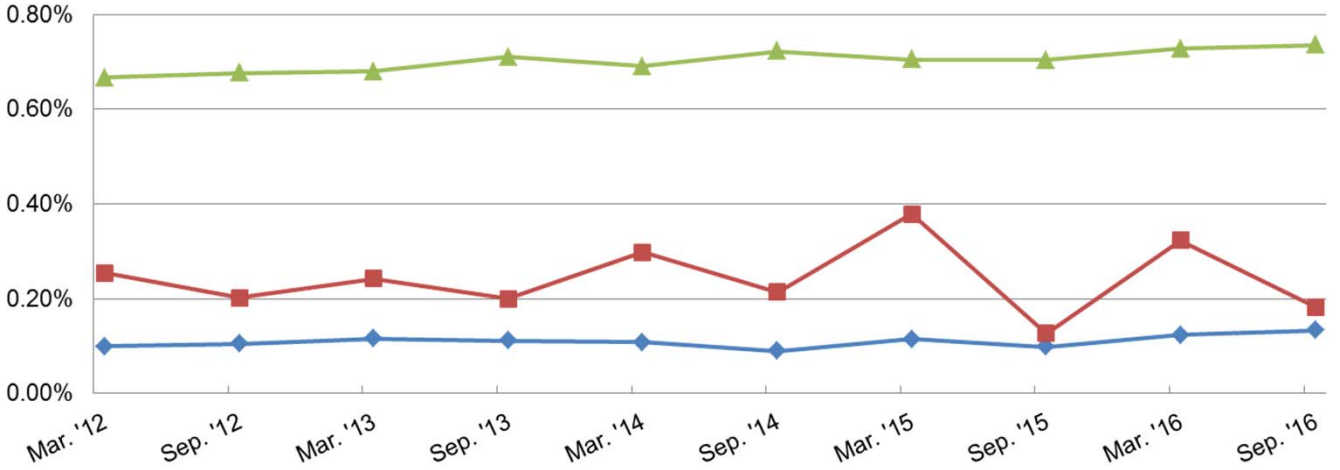
	Mar. '17 Period	Sep. '17 Period	Mar. '18 Period	Sep. '18 Period	Mar. '19 Period	Sep. '19 Period	Total
Capital expenditure	2.8	1.4	2.7	1.9	1.9	1.7	12.6
Depreciation	6.4	6.4	6.4	6.3	6.2	6.2	38.1

Repair work expenses, capital expenditure, depreciation（Actual）

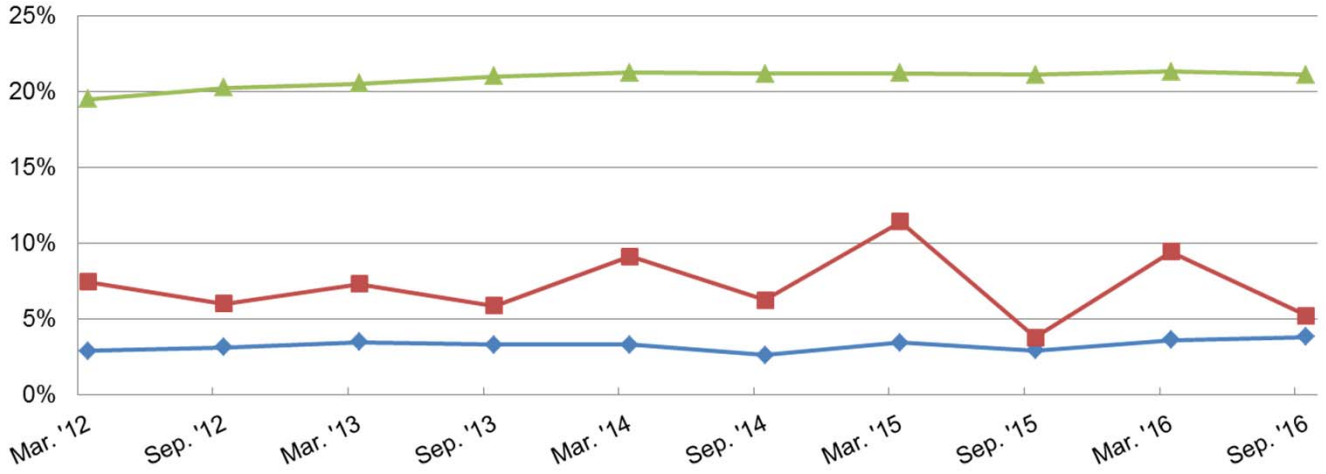
(In millions of yen)

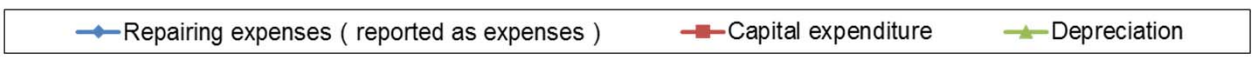


Ratio of repair work expenses, capital expenditure, depreciation in total assets



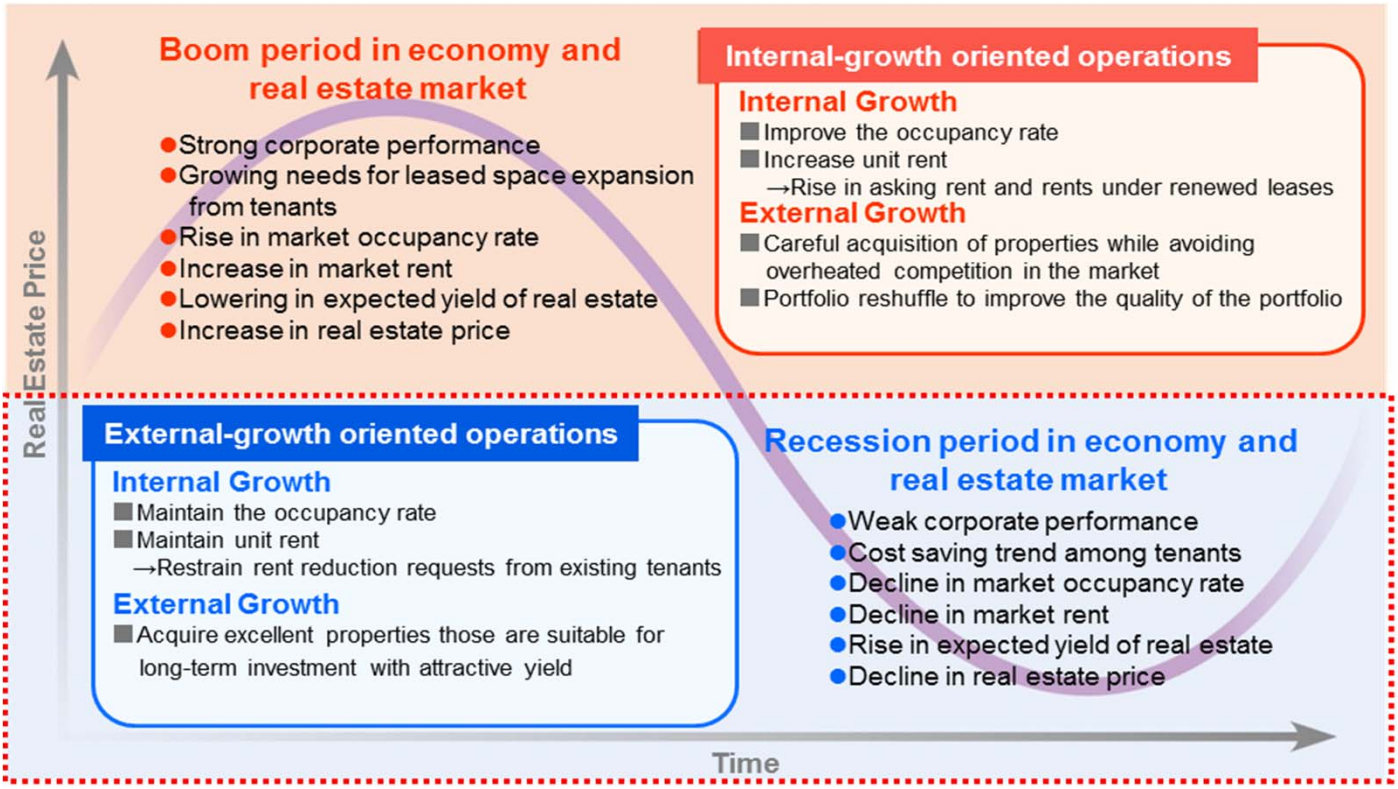
Ratio of repair work expenses, capital expenditure, depreciation in property-related revenues





JRE Growth Strategy

Market Environment and Growth Strategy (Image)



MEMO

Management Principles

External Growth

Steady external growth with a focus on quality

- **Secure steady external growth by strengthening the collaboration with two sponsors**
  - Acquire properties by negotiated transactions mainly with two sponsors
  - Work to diversify the property acquisition processes
- **Continued efforts to strengthen portfolio quality**
  - Acquire relatively new, large-scale competitive properties that generate stable revenues
  - Weigh the external environment and our financial standing in acquiring properties
  - Consider possibilities for reshuffling of assets that could strengthen the portfolio quality on a 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 incomes**
  - Continuous efforts to rise rent levels
  - 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 soundness

- **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 fundraising by limiting the covenants or other restrictive terms of financing
- **Appropriate response to interest risk**
  - Maintain conservative interest-bearing debt / total assets ratio (cruising speed of 30-40% level)
  - Lengthen the term of interest-bearing debt , stabilize the interest rate and diversify repayment dates

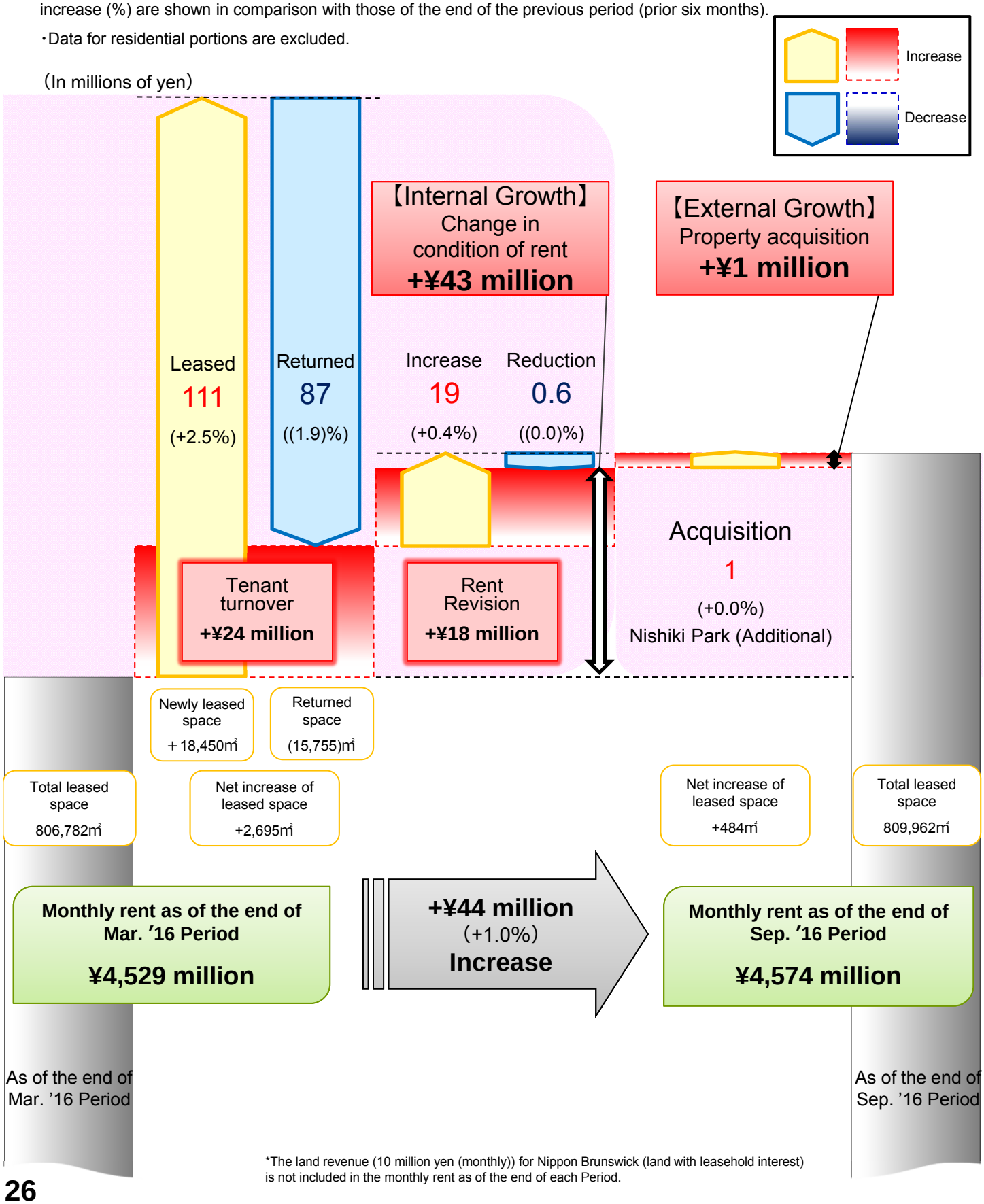
MEMO

2. Internal Growth

Factors in the Net Increase of Monthly Contract Rent

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

・Data for residential portions are excluded.



*The land revenue (10 million yen (monthly)) for Nippon Brunswick (land with leasehold interest) is not included in the monthly rent as of the end of each Period.

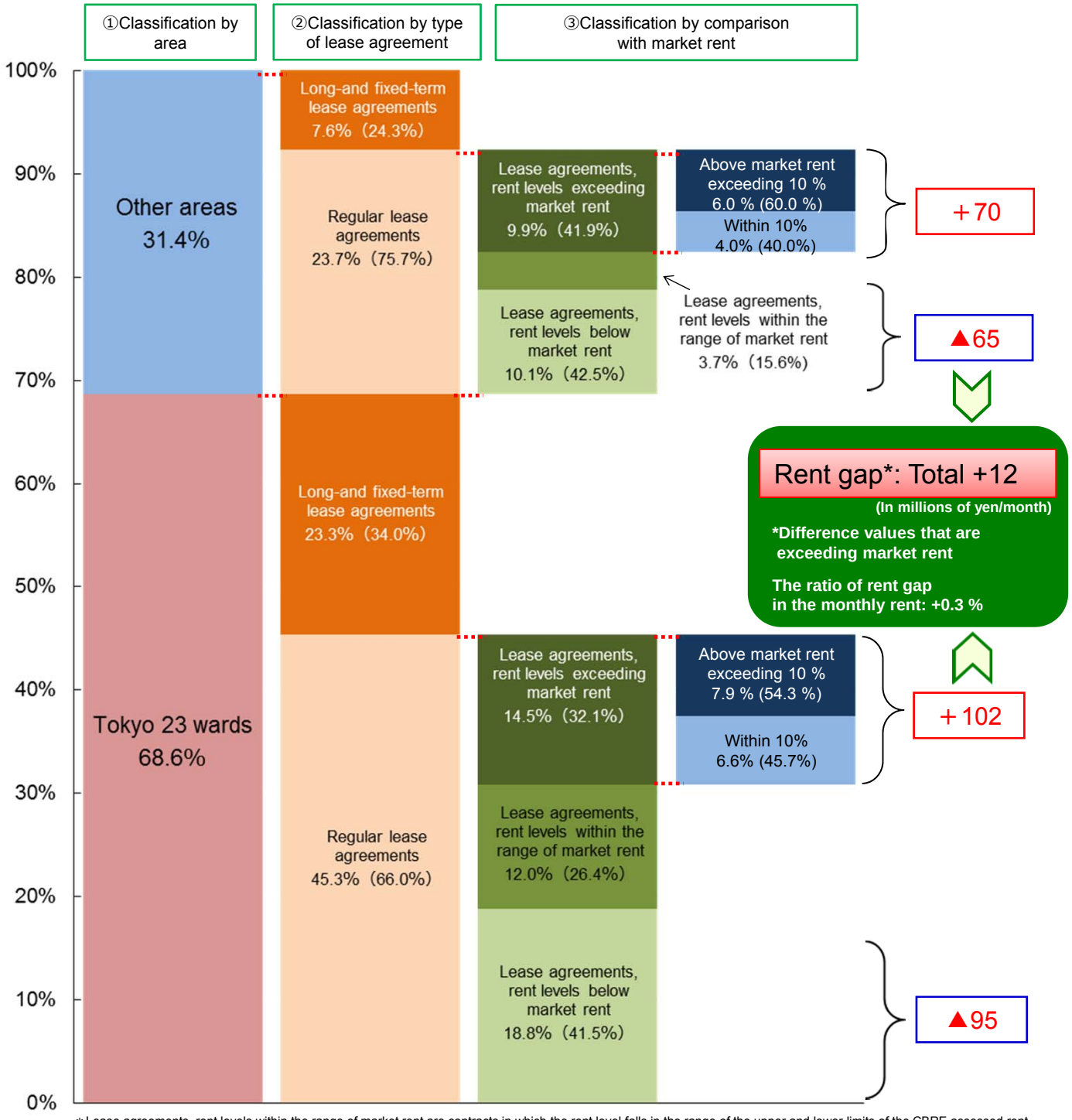
Comparison of Portfolio Rent vs Market Rent

67 properties held as of September 30, 2016

Monthly rent in the entire portfolio,
including common service charges : **¥4,574 million**

*Nippon Brunswick (land with leasehold interest) is not included.

- 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 from the end of Sep. '16 Period. 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, 2016 set at 100.
- The assessment was made for 60 properties. 7 properties are excluded (excluding properties in unusual situations, including single-tenant leased properties) from the 67 properties (building) (Note 2) held in total by JRE as of September 30, 2016.

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
Tokyo 23 Wards	Chiyoda	Genki Medical Plaza													
		Kitanomaru Square													95
		MD Kanda	127	127	127	131	137	137	157	157	171	177	160	143	120
		Kandabashi Park	111	111	111	118	123	125	155	155	170	170	160	140	120
		Otemachi FCN													
		Nibancho Garden													
		Mitsubishi UFJ Trust													
		Burex Kojimachi													
		Sanno Grand				104	111	126	145	149	157	157	151	132	111
		Yurakucho Denki		96	96	107	115	126	144	152	170	170	163	135	107
	Chuo	Kodenmacho	104	104	104	107	114	114	121	121	154	164	157	146	132
		Kyodo (Kayabacho 2Chome)													
		Burex Kyobashi													
		Ginza 1Chome													
		Ginza Sanwa					116	124	129	135	145	145	143	112	98
		Ryoshin Ginza EM					135	135	141	149	157	157	149	138	119
		Harumi Front													
		Harumi Center										174	174	167	148
	Minato	Akasaka Park													
		Aoyama Crystal	104	102	100	106	116	127	129	139	145	145	141	127	104
		Clover Shiba-koen													
		Shiodome													109
		Shiba 2Chome Daimon	121	121	121	136	150	154	161	164	171	175	175	164	143
		Cosmo Kanasugibashi	119	119	119	127	138	146	154	162	169	177	177	154	127
	Shinjuku	Shinjuku Eastside													
		Shinwa				103	108	113	133	144	149	149	149	128	103
		Tokyo Opera City						134	147	153	157	157	153	130	106
	Taito	TIX UENO													
	Shinagawa	Higashi-Gotanda 1Chome			123	137	137	140	140	147	153	153	153	140	127
		Osaki Front Tower													
	Ota	Omori-Eki Higashiguchi	127	123	123	123	123	123	123	135	142	150	150	131	127
	Shibuya	Yoyogi 1Chome					122	136	150	156	158	161	161	139	111
		da Vinci Harajuku	131	125	125	125	125	142	142	142	142	142	142	136	111
		Jingumae MS		102	100	100	102	122	129	138	138	142	138	129	100
		Shibuya Cross Tower	87	87	87	98	104	118	136	136	140	140	131	115	84
		Ebisu Neonato		89	91	100	107	120	130	135	141	141	133	111	85
	Nakano	Harmony Tower					122	128	133	144	150	150	150	139	117
	Toshima	Otsuka Higashi-Ikebukuro	104	104	96	96	96	96	96	100	117	117	122	122	117
		Ikebukuro 2Chome	98	98	98	98	100	100	104	104	112	112	112	112	108
		Ikebukuro YS				103	110	117	127	133	137	137	137	130	110
Other Areas	Hachioji	Hachioji First					114	114	114	114	114	118	118	114	105
	Saitama	Saitama Urawa	96	96	83	83	100	100	109	113	117	117	117	109	91
	Yokohama	MM Park											127	123	107
		Queen's													
	Kawasaki	Kawasaki Isago	108	104	104	104	104	104	104	104	108	108	108	104	96
		Musashi Kosugi STM											100	94	88
	Sapporo	8･3 Square Kita									96	100	100	100	96
	Sendai	Jozenji Park				121	124	132	132	132	134	134	134	118	111
		Higashi Nibancho													
		Sendai Honma	156	150	144	144	147	156	156	156	159	159	159	144	131
		AER													
	Kanazawa	Kanazawa Park	104	100	100	100	100	98	110	110	110	110	108	100	92
	Nagoya	Nishiki Park								146	146	146	142	138	129
		Hirokoji Place													
		Nagoya Hirokoji	135	135	135	135	135	143	143	143	143	143	143	139	135
		Nagoya Misono		150	150	150	150	159	153	153	153	153	153	147	147
	Kyoto	Shijo Karasuma													
	Osaka	Umeda Square													
		Shin-Fujita												127	123
		Sakaisujihonmachi	144	139	122	122	128	139	150	161	161	161	156	144	128
		Midosuji Daiwa	139	122	117	117	126	135	161	161	165	165	161	143	117
	Amagasaki	Amagasaki Front													
	Okayama	Lit City							93	93	93	93	93	90	90
	Hiroshima	NHK Hiroshima			93	93	93	96	107	107	107	111	111	111	104
	Fukuoka	Tosei Tenjin	105	100	95	95	95	95	100	100	105	105	105	105	95
		Tenjin Crystal					108	108	113	113	113	113	108	96	88
		Hinode Tenjin	108	92	85	85	85	88	96	96	96	96	96	96	88

(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) Nippon Brunswick (land with leasehold interest) is not included.

Trend in assessed new rent (intermediate value of upper and lower limits:index) at time of survey															Property Name	Area	
12/09	06/10	12/10	06/11	12/11	06/12	12/12	06/13	12/13	06/14	12/14	06/15	12/15	06/16				
															Genki Medical Plaza	Chiyoda	Tokyo 23 Wards
89	86	84	81	81	81	84	88	91	93	95	96	98	100		Kitanomaru Square		
109	100	100	94	91	91	91	91	91	91	94	94	97	100		MD Kanda		
108	100	93	88	85	85	88	88	88	88	90	93	98	100		Kandabashi Park		
									95	95	96	99	100		Otemachi FCN		
															Nibancho Garden		
															Mitsubishi UFJ Trust		
															Burex Kojimachi		
102	94	89	89	85	85	85	85	85	87	89	94	98	100		Sanno Grand		
100	94	93	91	87	87	87	89	89	89	91	94	96	100		Yurakucho Denki		
118	104	104	100	96	96	96	96	96	96	96	96	100	100		Kodenmacho	Chuo	
			103	100	100	100	100	100	100	100	100	100	100		Kyodo (Kayabacho 2Chome)		
															Burex Kyobashi		
											100	100	100		Ginza 1Chome		
98	88	84	82	82	82	82	84	88	90	92	94	96	100		Ginza Sanwa		
105	95	95	89	86	86	86	86	89	89	92	95	97	100		Ryoshin Ginza EM		
															Harumi Front		
137	122	119	115	100	96	96	96	96	96	100	100	100	100		Harumi Center		
				84	84	84	86	88	90	92	94	98	100		Akasaka Park	Minato	
94	88	88	86	82	82	84	86	86	88	92	96	100	100		Aoyama Crystal		
											100	100	100		Clover Shiba-koen		
98	93	90	88	88	88	90	90	91	93	97	97	98	100		Shiodome		
121	104	96	96	93	93	93	93	93	93	93	93	96	100		Shiba 2Chome Daimon		
119	104	96	96	92	92	92	92	92	92	92	92	100	100		Cosmo Kanasugibashi		
										98	98	100	100		Shinjuku Eastside	Shinjuku	
97	95	85	85	79	79	82	82	82	85	87	92	100	100		Shinwa		
102	98	98	96	89	87	87	85	87	91	94	96	98	100		Tokyo Opera City		
					93	93	93	93	93	95	95	100	100		TIX UENO	Taito	
113	103	100	97	90	90	90	90	90	90	90	93	97	100		Higashi-Gotanda 1Chome	Shinagawa	
															Osaki Front Tower		
112	112	104	100	100	100	100	100	100	100	100	100	100	100		Omori-Eki Higashiguchi	Ota	
106	103	97	92	89	89	89	89	89	89	92	94	97	100		Yoyogi 1Chome	Shibuya	
103	100	97	97	97	97	97	97	97	97	97	100	100	100		da Vinci Harajuku		
93	91	89	84	84	84	87	87	89	96	96	98	100	100		Jingumae MS		
80	80	80	80	76	78	80	84	87	91	95	96	98	100		Shibuya Cross Tower		
83	81	78	78	78	78	80	83	87	91	94	96	98	100		Ebisu Neonato		
103	103	97	94	92	92	92	92	92	94	94	94	97	100		Harmony Tower	Nakano	
109	109	109	100	87	87	87	87	87	87	91	96	100	100		Otsuka Higashi-Ikebukuro	Toshima	
100	100	100	100	100	100	100	100	100	100	100	100	100	100		Ikebukuro 2Chome		
103	103	97	97	97	97	97	97	97	97	97	97	100	100		Ikebukuro YS		
100	100	100	91	91	91	91	91	91	91	95	100	100	100		Hachioji First	Hachioji	Other Areas
91	91	91	91	91	91	91	91	91	96	96	100	100	100		Saitama Urawa	Saitama	
93	93	93	93	90	90	90	90	90	90	90	93	97	100		MM Park	Yokohama	
								81	82	85	88	97	100		Queen's		
96	96	96	88	75	75	75	75	79	83	88	92	96	100		Kawasaki Isago	Kawasaki	
88	88	88	82	82	82	82	82	82	82	85	88	94	100		Musashi Kosugi STM		
96	96	96	96	93	93	93	93	93	93	93	95	96	100		8･3 Square Kita	Sapporo	
105	105	105	105	100	100	100	100	100	100	100	100	100	100		Jozenji Park	Sendai	
						82	82	82	86	89	95	100	100		Higashi Nibancho		
125	113	106	106	100	100	100	100	100	100	100	100	100	100		Sendai Honma		
												97	100		AER		
88	88	88	88	88	88	88	88	88	88	88	92	100	100		Kanazawa Park	Kanazawa	
121	104	104	100	100	96	94	94	94	96	96	96	100	100		Nishiki Park	Nagoya	
								100	100	100	100	100	100		Hirokoji Place		
130	109	109	104	104	104	100	100	100	100	100	100	100	100		Nagoya Hirokoji		
141	124	124	112	112	100	100	94	94	97	97	97	100	100		Nagoya Misono		
								84	87	90	97	100	100		Shijo Karasuma	Kyoto	
											98	98	100		Umeda Square	Osaka	
108	96	96	96	96	96	96	96	96	96	96	96	100	100		Shin-Fujita		
117	106	106	100	100	100	100	100	100	100	100	100	100	100		Sakaisujihonmachi		
109	109	109	109	109	109	109	100	100	100	100	100	100	100		Midosuji Daiwa		
											100	100	100		Amagasaki Front	Amagasaki	
86	86	86	86	86	86	88	88	88	88	90	91	100	100		Lit City	Okayama	
100	100	100	98	98	98	98	98	98	98	98	100	100	100		NHK Hiroshima	Hiroshima	
90	90	90	88	88	88	88	88	88	88	88	95	100	100		Tosei Tenjin	Fukuoka	
79	79	79	79	79	79	79	79	83	88	96	100	100	100		Tenjin Crystal		
85	85	85	85	81	81	81	81	85	87	92	96	96	100		Hinode Tenjin		

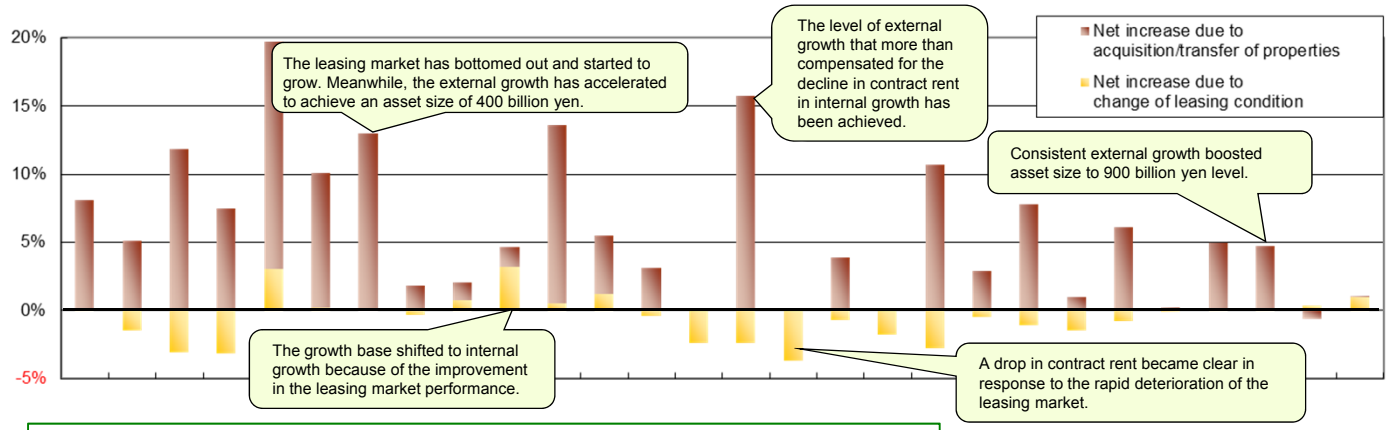
Assessed rent increased compared to the preceding assessment Assessed rent decreased compared to the preceding assessment

Net Increase of Monthly Contract Rent

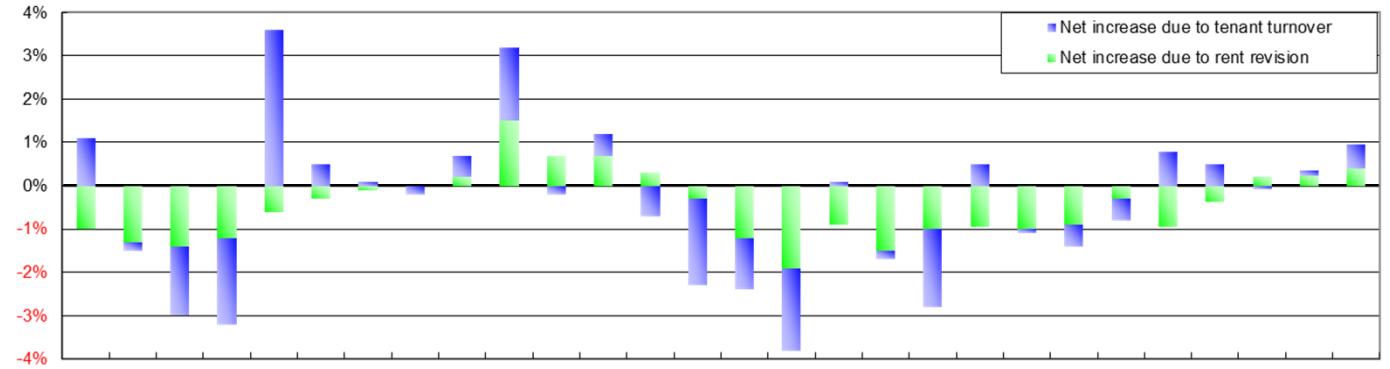
∗ Percentages represent the rates of net increase of rent over monthly total portfolio contract rent (including common service charges) as of the end of the previous period (prior six months). Data for residential portions are excluded.

		Sep. '09	Mar. '10	Sep. '10	Mar. '11	Sep. '11	Mar. '12	Sep. '12	Mar. '13	Sep. '13	Mar. '14	Sep. '14	Mar. '15	Sep. '15	Mar. '16	Sep. '16
Rate of net increase of rent over the end of the previous period	・・・Ⅰ+Ⅱ	-2.4%	13.3%	-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%
Net increase due to acquisition/transfer of properties	・・・Ⅰ(=①+②)	0.0%	15.7%	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%
Increase due to property acquisition	・・・①	0.0%	15.7%	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%
Reduction due to property transfer	・・・②	0.0%	0.0%	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%
Net increase due to change of leasing condition	・・・Ⅱ(=③+④)	-2.4%	-2.4%	-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%
Net increase due to tenant turnover	・・・③(= a + b)	-2.0%	-1.2%	-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%
Increase due to newly leased spaces	・・・a	2.6%	3.5%	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%
Reduction due to returned spaces	・・・b	-4.6%	-4.7%	-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%
Net increase due to rent revision	・・・④(= c + d)	-0.3%	-1.2%	-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%
Increase due to rent revision	・・・c	0.3%	0.0%	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%
Reduction due to rent revision	・・・d	-0.6%	-1.3%	-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%

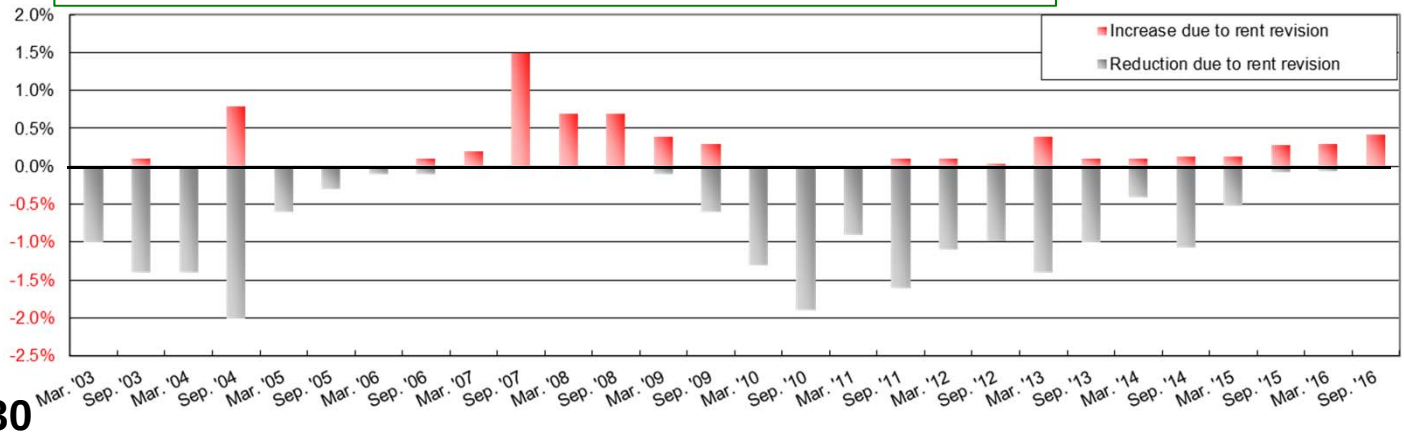
Breakdown of net increase of rent due to external growth and internal growth



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 the Sep. '05 Period or before are not listed due to insufficient samples.

(In thousands of yen-month)

	Mar. '05 Period	Sep. '05 Period	Mar. '06 Period	Sep. '06 Period	Mar. '07 Period	Sep. '07 Period	Mar. '08 Period	Sep. '08 Period	Mar. '09 Period	Sep. '09 Period	Mar. '10 Period	Sep. '10 Period
Tokyo 23 Wards			646	1,706	4,979	35,780	15,600	17,771	11,006	4,326	258	1,169
Other Areas			32	109	6	1,560	1,685	2,329	1,191	4,391	954	165
Overall			678	1,815	4,986	37,341	17,286	20,101	12,198	8,718	1,213	1,335

	Mar. '11 Period	Sep. '11 Period	Mar. '12 Period	Sep. '12 Period	Mar. '13 Period	Sep. '13 Period	Mar. '14 Period	Sep. '14 Period	Mar. '15 Period	Sep. '15 Period	Mar. '16 Period	Sep. '16 Period
Tokyo 23 Wards	288	1,004	443	1,319	10,004	374	888	2,616	4,258	11,413	11,209	15,851
Other Areas	588	121	1,467	184	4,935	2,809	1,741	2,976	1,503	995	2,030	3,204
Overall	876	1,125	1,911	1,503	14,940	3,184	2,630	5,593	5,761	12,409	13,239	19,056

Rent reduction on revision of monthly rent

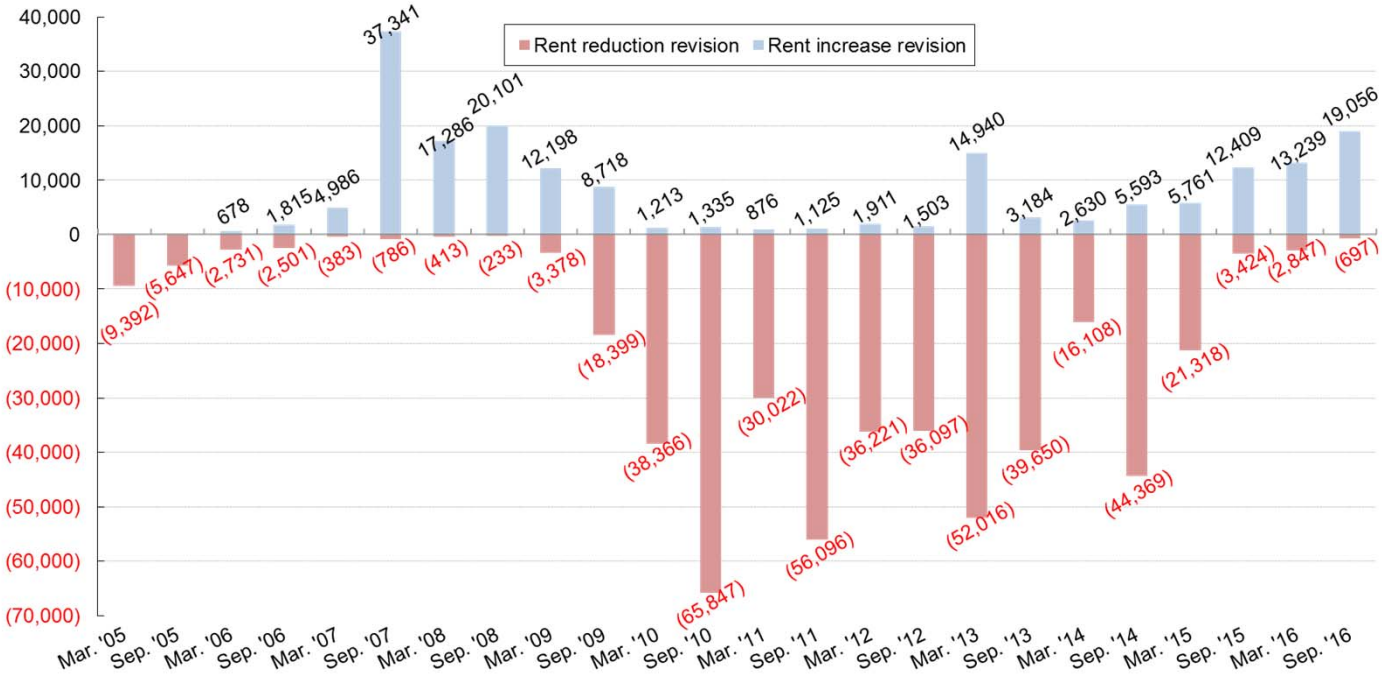
(In thousands of yen-month)

	Mar. '05 Period	Sep. '05 Period	Mar. '06 Period	Sep. '06 Period	Mar. '07 Period	Sep. '07 Period	Mar. '08 Period	Sep. '08 Period	Mar. '09 Period	Sep. '09 Period	Mar. '10 Period	Sep. '10 Period
Tokyo 23 Wards	(2,179)	(3,311)	(393)	(89)	0	(22)	(350)	(26)	(2,218)	(10,806)	(27,211)	(49,726)
Other Areas	(7,213)	(2,335)	(2,337)	(2,412)	(383)	(763)	(63)	(207)	(1,159)	(7,592)	(11,155)	(16,121)
Overall	(9,392)	(5,647)	(2,731)	(2,501)	(383)	(786)	(413)	(233)	(3,378)	(18,399)	(38,366)	(65,847)

	Mar. '11 Period	Sep. '11 Period	Mar. '12 Period	Sep. '12 Period	Mar. '13 Period	Sep. '13 Period	Mar. '14 Period	Sep. '14 Period	Mar. '15 Period	Sep. '15 Period	Mar. '16 Period	Sep. '16 Period
Tokyo 23 Wards	(22,157)	(44,791)	(25,312)	(31,407)	(40,836)	(18,288)	(10,405)	(42,019)	(17,784)	(535)	(145)	(169)
Other Areas	(7,865)	(11,304)	(10,908)	(4,689)	(11,179)	(21,362)	(5,702)	(2,350)	(3,534)	(2,888)	(2,702)	(528)
Overall	(30,022)	(56,096)	(36,221)	(36,097)	(52,016)	(39,650)	(16,108)	(44,369)	(21,318)	(3,424)	(2,847)	(697)

Entire portfolio / Trend of rent increase and reduction

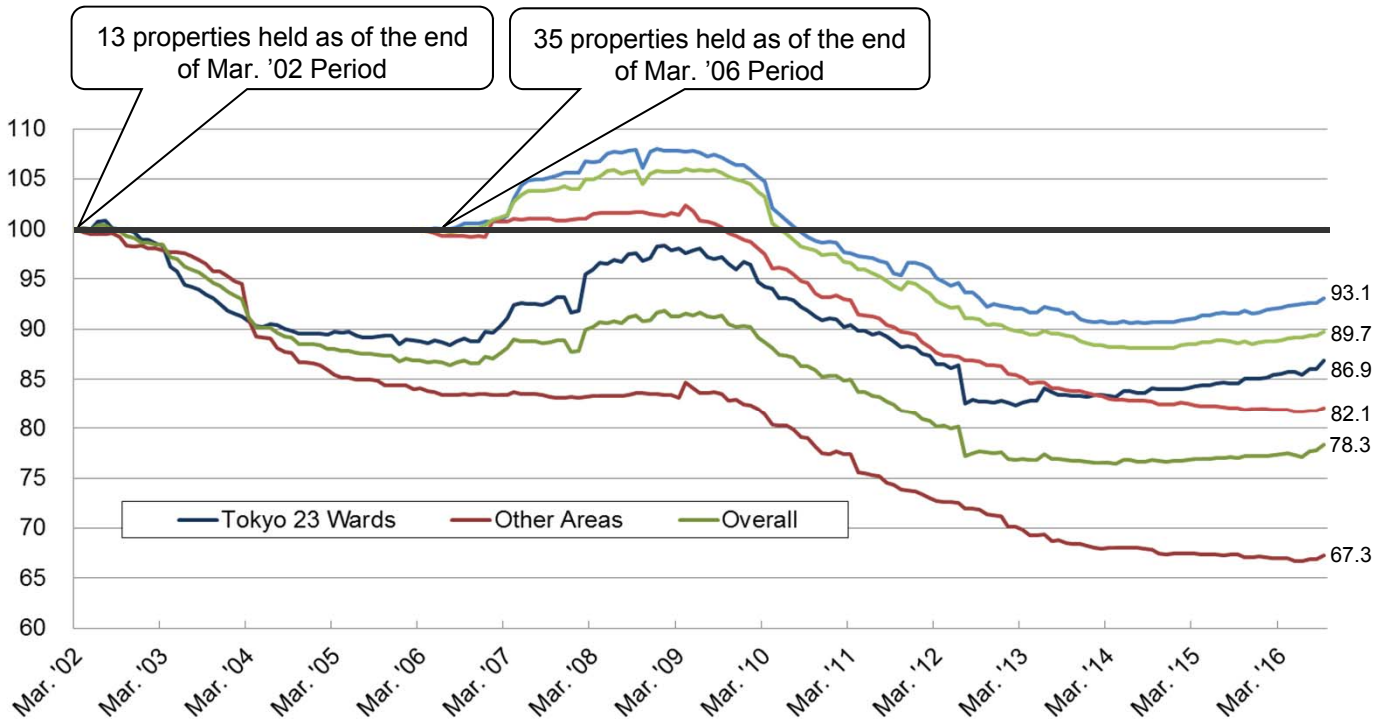
(In thousands of yen・month)



Changes in Average Rent Level

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 transfer) of shares has been seen since the ends of Mar. '02 and Mar. '06 Periods.
- The trend sets the average rent based on the contracts as of the ends of Mar. '02 and Mar. '06 Periods (the start of trend) at 100.



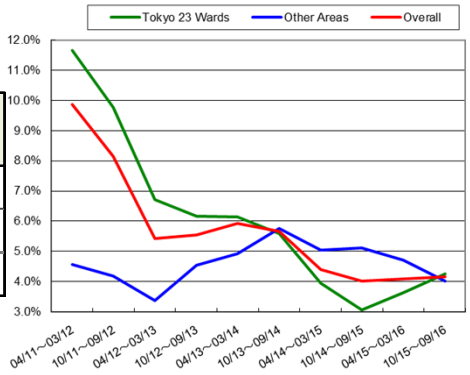
MEMO

Status of Tenant Turnover (By Area and Rent Change)

Ratio of Annual Tenant Turnover

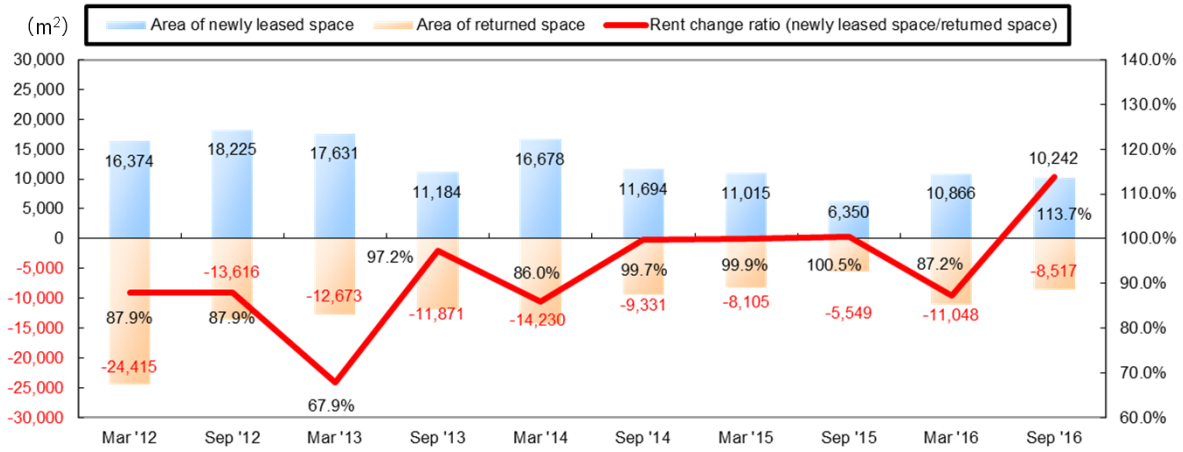
	04/11 ～ 03/12	10/11 ～ 09/12	04/12 ～ 03/13	10/12 ～ 09/13	04/13 ～ 03/14	10/13 ～ 09/14	04/14 ～ 03/15	10/14 ～ 09/15	04/15 ～ 03/16	10/15 ～ 09/16
Tokyo 23 Wards	11.7%	9.8%	6.7%	6.2%	6.2%	5.6%	4.0%	3.1%	3.6%	4.3%
Other Areas	4.6%	4.2%	3.4%	4.5%	4.9%	5.8%	5.0%	5.1%	4.7%	4.0%
Overall	9.9%	8.2%	5.4%	5.6%	5.9%	5.7%	4.4%	4.0%	4.1%	4.1%

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

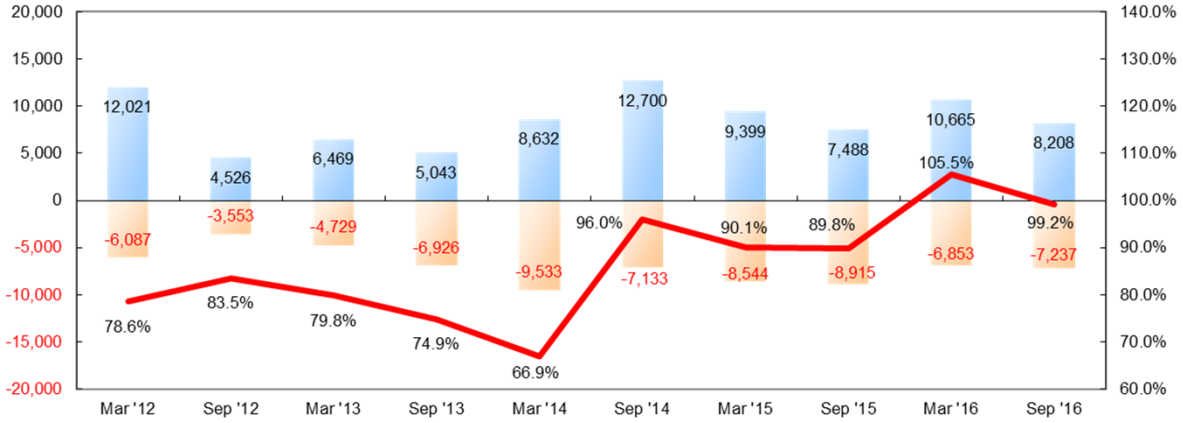


Trend in Area of Newly Leased & Returned Space and Rent Change Ratio

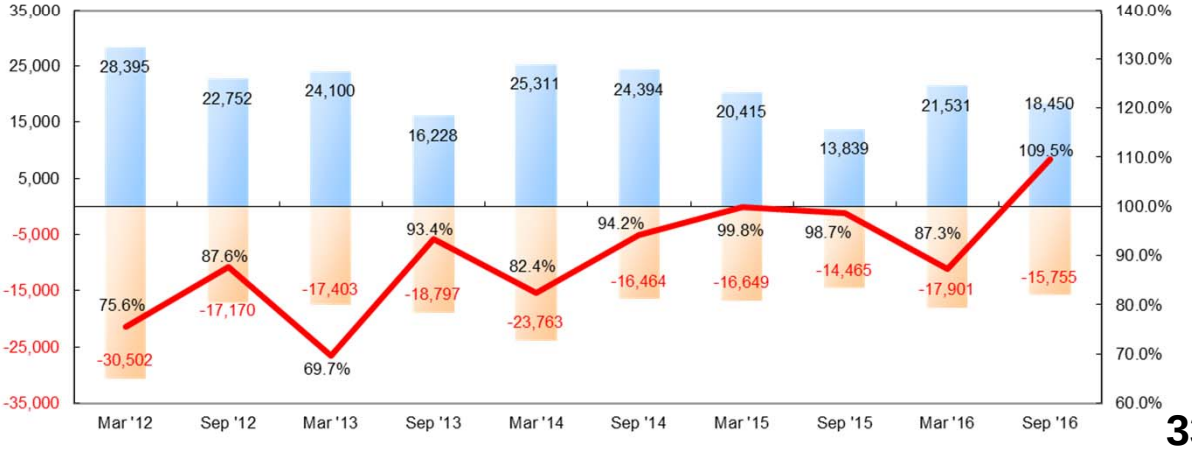
Tokyo 23 Wards



Other Areas

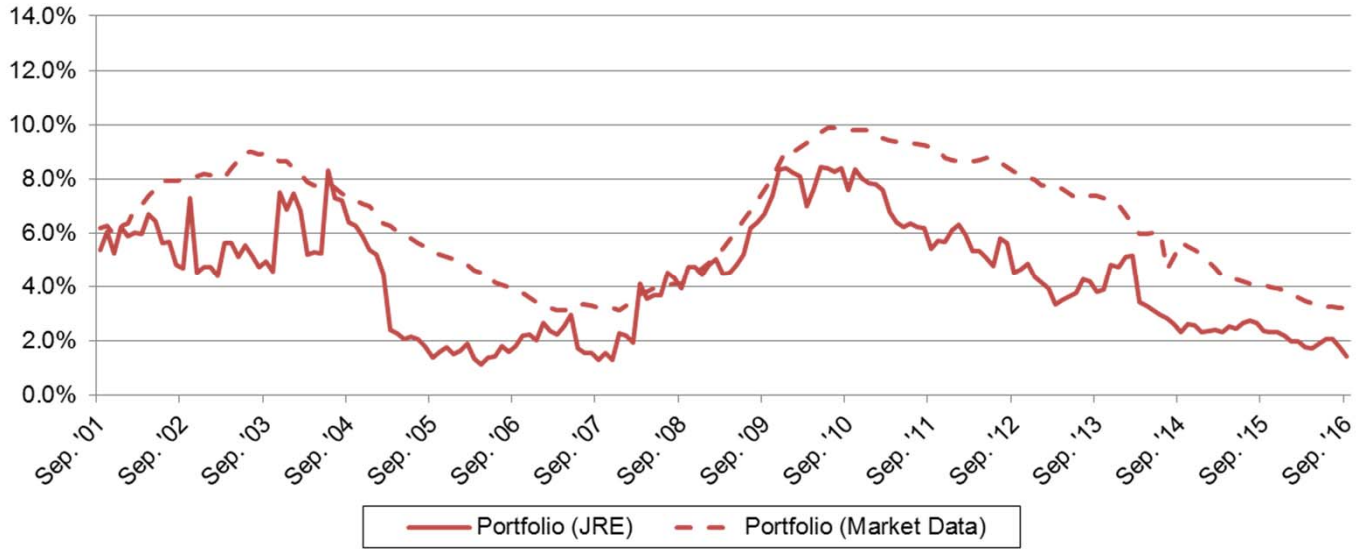


Overall

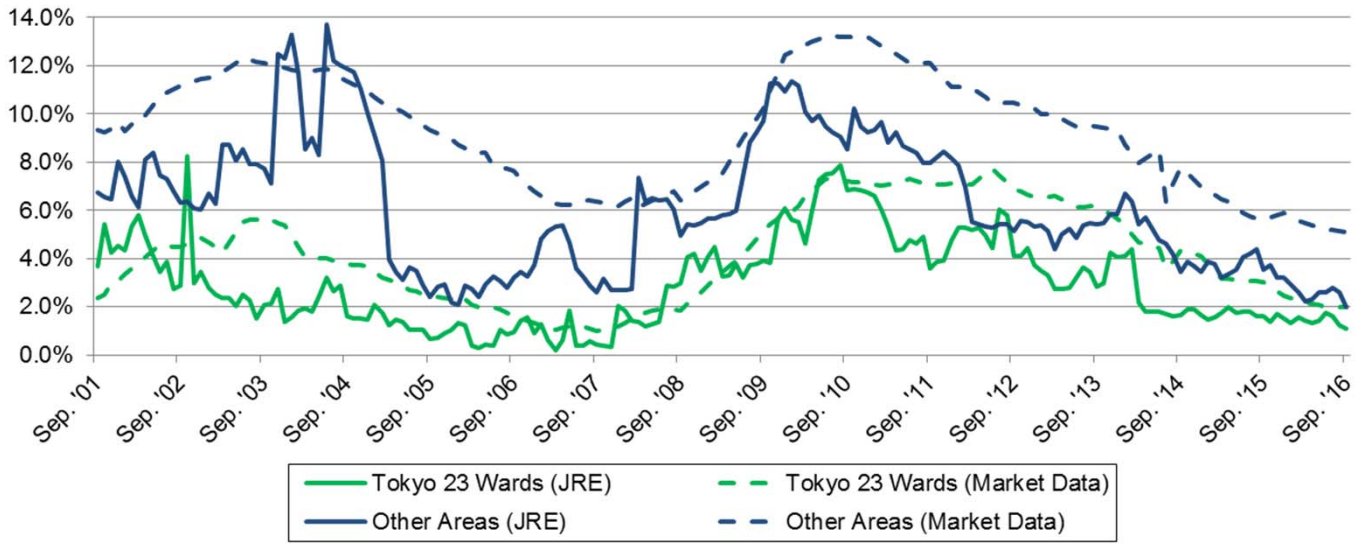


Trend in Vacancy Rate (Comparison with Market Vacancy Rate)

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

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

* The data of CBRE K.K. 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 space of 500 tsubo or larger.
Data from January 2013 and thereafter applys new area grouping and reflects office building properties with total floor space of 1,000 tsubo or larger and filling New Earthquake Resistance 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

Acquisition of an Additional Share for Sep. ’16 Period（Nagoya）

Nishiki Park Building

＜Exterior appearance＞

＜Map＞

Property Summary (as of Acquisition date)

- Location： 4-3, 2 Chome, Nishiki, Naka-ku, Nagoya City, Aichi Prefecture
- Area： ＜Land＞ 2,170.45㎡ ＜Building＞ 25,091.91㎡
- Structure： Steel-framed, steel-framed reinforced concrete, reinforced concrete structure, flat roof
  Above ground : 22 floors Below ground : 4 floors
- Completion date： August 1995
- Type of ownership：Real Property Land：Ownership (36,729/1,000,000 co-ownership of 1 lot :1,786.45 ㎡)
  Building：Compartmentalized building units（share of co-ownership）
  37,003/1,000,000 co-ownership from the 1st floor to the 20th floor
  in office and shop spaces : 13,296.06 ㎡
  *Share of ownership of the building : 3.1047%
  *Changes in JRE’s share of ownership of the building after the acquisition of additional share：
  68.63831%→71.74301%
- Leasable space： 487㎡（for additional share（3.1047%））
  *JRE’s total share 10,338㎡ (after the additional acquisition)
- Occupancy rate： 96.3% *as of the end of Sep. ’16 Period

Transaction Summary

- Seller： Three individuals
- Acquisition price：￥175 million
- Appraisal value：￥203 million
  (as of March 1, 2016)
- Acquisition date： April 1, 2016

Estimation of NOI and Depreciation

＜**Estimated NOI**＞ ￥14 million per year
(Estimated under normal leasing operation)

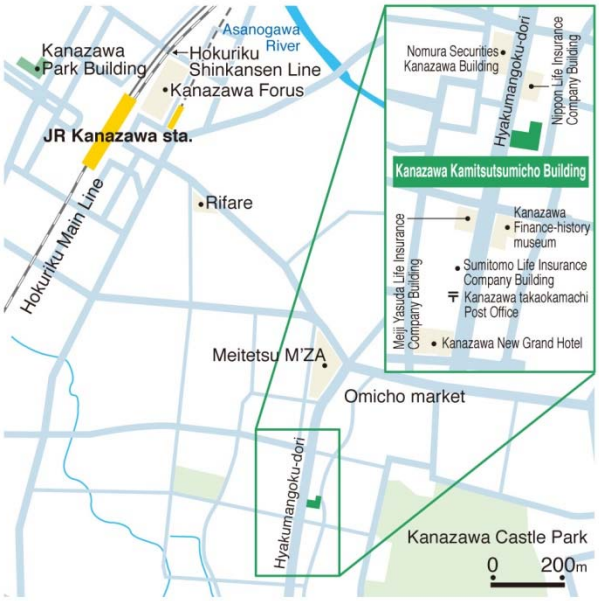
＜**Estimated Depreciation**＞ ￥2 million per year
(Estimated under normal leasing operation)

Acquisition for Mar. ’17 Period（Kanazawa）

Kanazawa Kamitsutsumicho Building

＜Exterior appearance＞

＜Map＞



Property Summary (as of Acquisition date)

- Location : 1-15 Kamitsutsumicho, Kanazawa City, Ishikawa Prefecture
- Area : ＜Land＞ 1,561.80㎡ ＜Building＞ 9,619.96㎡
- Structure : Steel structure, flat roof
  Above ground : 11 floors
- Completion date : August 2009
- Type of ownership : Real Property Land : Ownership
  Building : Ownership
- Leasable space : 7,206.64㎡
- Occupancy rate : 97.7%

Transaction Summary

- Seller : Shimizu Corporation
- Acquisition price : ¥2,780 million
- Appraisal value : ¥2,960 million
  (as of September 1, 2016)
- Acquisition date : October 3, 2016

Estimation of NOI and Depreciation

＜Estimated NOI＞ ¥178 million per year
(Estimated under normal leasing operation)

＜Estimated Depreciation＞ ¥90 million per year
(Estimated under normal leasing operation)

External Growth (Consideration of Property Acquisitions)

Performance of Property Acquisitions and Transfers

(In millions of yen)

	At IPO ~ 09/01	Mar. '02 Period 10/01 ~ 03/02	Sep. '02 Period 04/02 ~ 09/02	Mar. '03 Period 10/02 ~ 03/03	Sep. '03 Period 04/03 ~ 09/03	Mar. '04 Period 10/03 ~ 03/04	Sep. '04 Period 04/04 ~ 09/04	Mar. '05 Period 10/04 ~ 03/05	Sep. '05 Period 04/05 ~ 09/05	Mar. '06 Period 10/05 ~ 03/06	Sep. '06 Period 04/06 ~ 09/06
Acquisition	92,845	51,852	19,580	19,265	9,065	25,830	21,390	50,683	36,050	86,205	12,630
Transfer	-	-	-	-	-	-	-	-	-	-	7,003

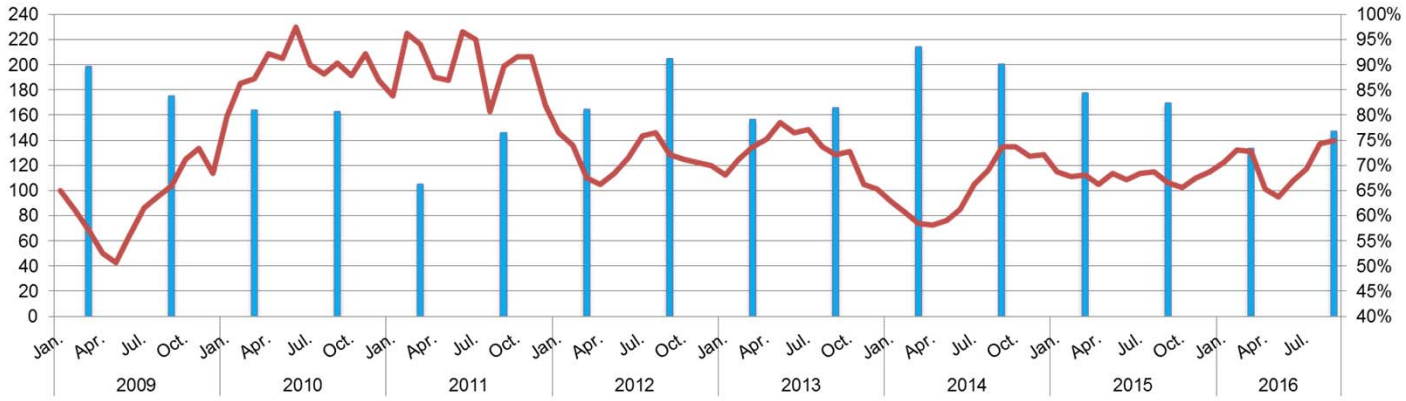
	Mar. '07 Period 10/06 ~ 03/07	Sep. '07 Period 04/07 ~ 09/07	Mar. '08 Period 10/07 ~ 03/08	Sep. '08 Period 04/08 ~ 09/08	Mar. '09 Period 10/08 ~ 03/09	Sep. '09 Period 04/09 ~ 09/09	Mar. '10 Period 10/09 ~ 03/10	Sep. '10 Period 04/10 ~ 09/10	Mar. '11 Period 10/10 ~ 03/11	Sep. '11 Period 04/11 ~ 09/11	Mar. '12 Period 10/11 ~ 03/12
Acquisition	49,850	7,100	72,029	24,000	21,250	-	77,026	2,645	16,710	-	60,800
Transfer	41,900	1,770	-	-	-	-	1,507	-	-	3,160	-

	Sep. '12 Period 04/12 ~ 09/12	Mar. '13 Period 10/12 ~ 03/13	Sep. '13 Period 04/13 ~ 09/13	Mar. '14 Period 10/13 ~ 03/14	Sep. '14 Period 04/14 ~ 09/14	Mar. '15 Period 10/14 ~ 03/15	Sep. '15 Period 04/15 ~ 09/15	Mar. '16 Period 10/15 ~ 03/16	Sep. '16 Period 04/16 ~ 09/16	TOTAL
Acquisition	22,000	41,770	12,967	43,174	650	45,459	44,263	–	175	**967,267**
Transfer	–	–	1,220	–	–	–	–	4,366	–	**60,926**

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㎡ to the number of properties obtained over the past six months (right axis).



Area	Sep. '15 Period							Mar. '16 Period							Total	%
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Total	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Total		
Tokyo Metropolitan Area	9	12	11	11	8	12	63	9	18	13	13	16	9	78	**141**	**74.2%**
Other Major Cities	5	6	3	3	5	0	22	2	6	5	7	5	2	27	**49**	**25.8%**
Total	*14*	*18*	*14*	*14*	*13*	*12*	*85*	*11*	*24*	*18*	*20*	*21*	*11*	*105*	***190***	***100.0%***

Area	Sep. '16 Period							%
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Total	
Tokyo Metropolitan Area	10	10	15	16	19	10	80	**71.4%**
Other Major Cities	0	3	9	6	10	4	32	**28.6%**
Total	*10*	*13*	*24*	*22*	*29*	*14*	*112*	***100.0%***

MEMO

External Growth (Deal Sources)

MITSUBISHI ESTATE
MITSUI&CO.

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)

41 deals (*2)

¥422,849 million

Sponsors' introductions (Negotiated Transactions)

13 deals

¥94,687 million

Harumi Front

Akasaka Park Building

Shiodome Building
(The share acquired in December 2008)

Negotiated Transactions from others

32 deals (*2)

¥210,097 million

Nagoya Hirokoji Place

The acquisition through negotiated transaction against total acquisition is:

75.2%

Acquisition Price Basis

Acquisition through negotiated transactions

(As of September 30, 2016)

Type of transaction	Number of deals		Amount (In billions of yen)	
Negotiated Transactions	86	(86.9%)	727	(75.2%)
Acquisition from sponsors, etc.	41	(41.4%)	422	(43.7%)
Acquisition through sponsors' introduction	13	(13.1%)	94	(9.8%)
Others	32	(32.3%)	210	(21.7%)
Tender Transactions	13	(13.1%)	239	(24.8%)
Acquisition from sponsors, etc.	3	(3.0%)	50	(5.3%)
Acquisition through sponsors' introduction	2	(2.0%)	116	(12.0%)
Others	8	(8.1%)	72	(7.5%)
Total	**99**	**(100.0%)**	**967**	**(100.0%)**

Tender Transactions from sponsors, etc.

＊3 deals

＊¥50,800 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:

70.8%

＊Acquisition Price Basis

Acquisition / Introduction by parties other than sponsors

Acquisition through tender transactions from others

＊8 deals

＊¥72,678 million

Umeda Square Building
AER

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)

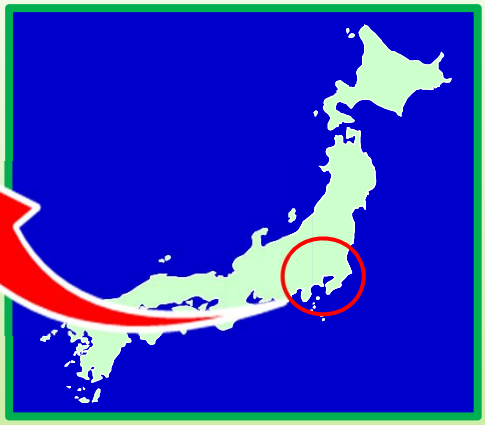
Geographic Diversification

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

Adaptation to new earthquake-resistance standards

Size of Property

40 large-sized buildings have total floor area of 10,000㎡ or over

Total floor area: 3,000㎡ or over

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

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

4. Financial Strategies

Summary of Debts at the End of Sep. ’16 Period

As of the end of September 2016

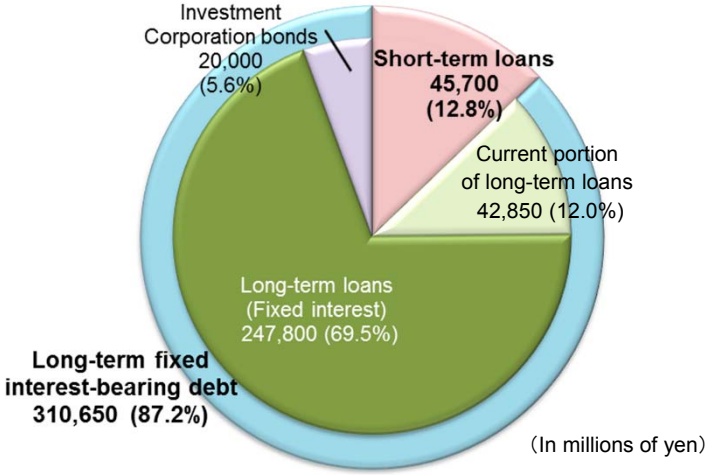
Total interest-bearing debt	¥356,350 million
Long-term fixed interest-bearing debt ratio	87.2 %
Weighted average interest rate	0.75 %
Average maturity of total interest-bearing debt	3.54 years

Breakdown of short-term and long-term debt

In millions of yen

Short-term loans	45,700
Current portion of long-term loans	42,850
Long-term loans (Fixed interest)	247,800
Total amount of loans	336,350
Investment corporation bonds	20,000
Total amount of Investment corporation bonds	20,000

	Average interest rate	Average Maturity(year)
Short-term loans	0.07%	0.41
Current portion of long-term loans, Investment corporation bonds	1.10%	0.57
Long-term loans, Investment corporation bonds	0.81%	4.55



（In millions of yen）

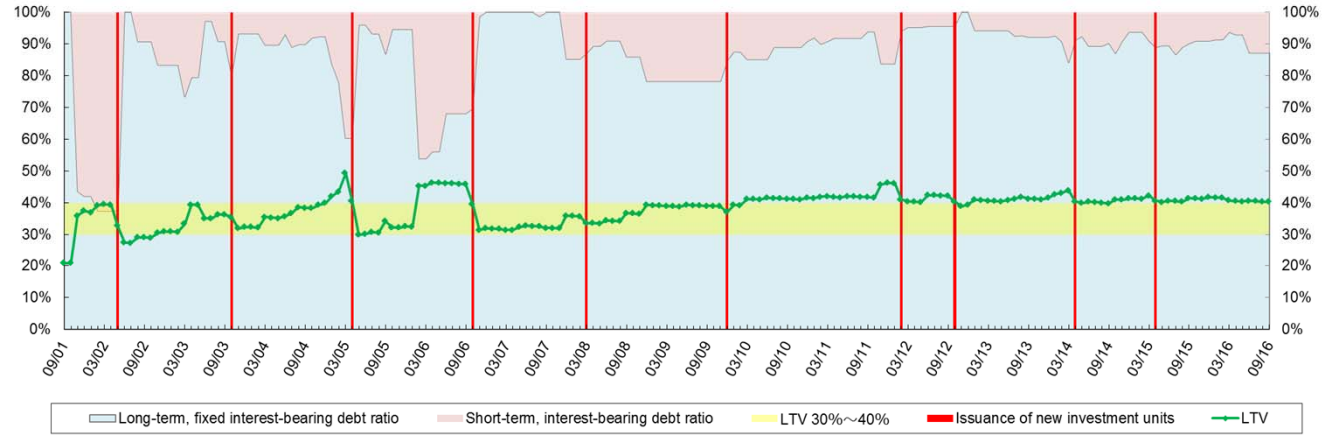
Outstanding balance of loans by financial institutions

（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
Development Bank of Japan Inc.	16,350
Shinkin Central Bank	14,000
The Bank of Fukuoka, Ltd.	10,000
The Norinchukin Bank	10,000
Shinsei Bank, Limited	10,000
The Iyo Bank, Ltd.	6,500
The Chugoku Bank, Limited	6,000
Resona Bank, Limited	6,000
Taiyo Life Insurance Company	5,500
The Dai-ichi Life Insurance Company, Limited	5,000
Sumitomo Mitsui Banking Corporation	5,000
The Hachijuni Bank, Ltd.	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
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, fixed interest-bearing debt ratio = (Long-term, fixed-interest loans + Investment corporation bonds [including current portion of Long-term, fixed-interest loans and Investment corporation bonds]) / Total interest-bearing debt

Ensure financial soundness by constantly maintaining conservative LTV

Debt Capacity

(As of the end of September 2016)

(In millions of yen)

Total assets	Interest-bearing debt	L T V	Debt Capacity	
883,633	356,350	40.3%	Up to LTV45%	75,063
			Up to LTV40%	(4,827)

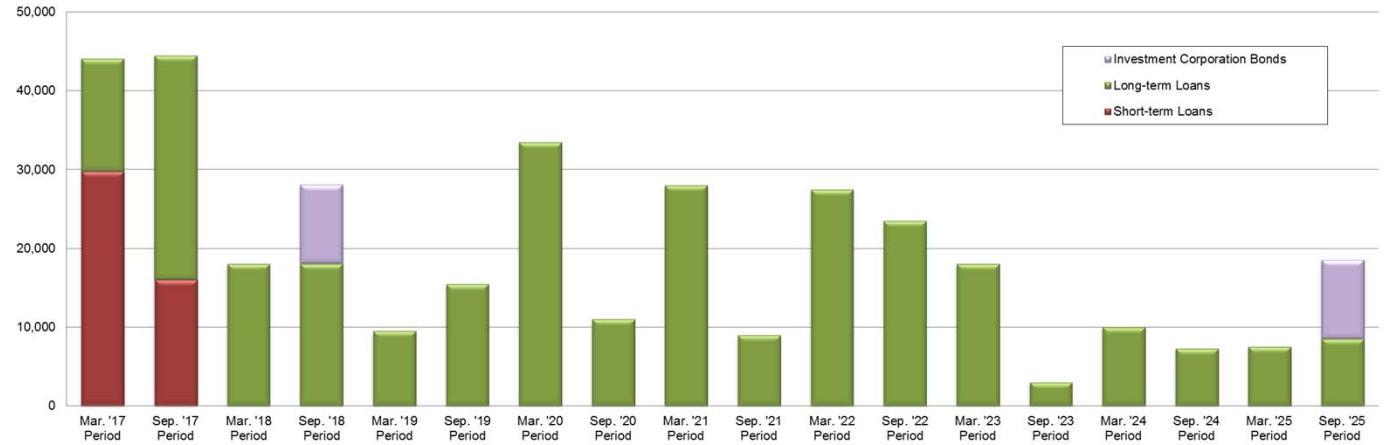
Diversification of Repayment Dates

(As of the end of September 2016)

(In millions of yen)

	10/16-03/17 (within 6 months)	04/17-03/18 (within 1.5 years)	04/18-03/19 (within 2.5 years)	04/19-03/20 (within 3.5 years)	04/20-03/21 (within 4.5 years)	04/21-03/22 (within 5.5 years)	04/22-03/23 (within 6.5 years)	04/23-03/24 (within 7.5 years)	04/24-03/25 (within 8.5 years)	04/25-03/26 (within 9 y ears)	Total
Short-term Loans	29,700	16,000	-	-	-	-	-	-	-	-	45,700
Long-term Loans	14,350	46,500	27,500	49,000	39,000	36,500	41,500	13,000	14,800	8,500	290,650
Investment Corporation Bonds	-	-	10,000	-	-	-	-	-	-	10,000	20,000
Total	44,050	62,500	37,500	49,000	39,000	36,500	41,500	13,000	14,800	18,500	356,350

(In millions of yen)



Overview of the Interest-bearing Debt at the End of Sep. ’16 Period

Overview of the Interest-bearing Debt

	Lender	Drawdown date	EOB	Interest	Repayment date (period)	
Short-term Loans	The 77 Bank, Ltd.	01/07/16	1,000	0.0718	01/10/17	1 year
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	03/02/16	1,500	0.0718	03/02/17	1 year
	Mizuho Bank, Ltd.	03/25/16	5,500	0.0718	03/27/17	1 year
	Sumitomo Mitsui Trust Bank, Limited	03/31/16	1,700	0.07	03/31/17	1 year
	Mizuho Bank, Ltd.	04/01/16	5,500	0.0718	04/03/17	1 year
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	04/01/16	3,500	0.0718	04/03/17	1 year
	Mitsubishi UFJ Trust and Banking Corporation	04/04/16	3,000	0.0718	04/04/17	1 year
	Mitsubishi UFJ Trust and Banking Corporation	06/23/16	5,000	0.0718	12/26/16	0.5 years
	Mizuho Bank, Ltd.	06/23/16	5,000	0.0718	12/26/16	0.5 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	06/23/16	5,000	0.0718	12/26/16	0.5 years
	Sumitomo Mitsui Trust Bank, Limited	06/23/16	5,000	0.0718	12/26/16	0.5 years
	Shinsei Bank, Limited	09/01/16	2,000	0.0718	09/01/17	1 year
	Shinkin Central Bank	09/01/16	1,000	0.0718	09/01/17	1 year
	Resona Bank, Limited	09/01/16	1,000	0.0718	09/01/17	1 year
	Total		**45,700**	**0.07** (Average)	**0.41 years** (Average maturity)	

	Lender	Drawdown date	EOB	Interest	Repayment date (period)	
Current Portion of Long-term Loans	The Dai-ichi Life Insurance Company, Limited	03/30/09	5,000	1.54375	03/30/17	8 years
	Development Bank of Japan Inc. (*1)	03/24/10	1,350	1.665	03/24/17	7 years
	Mizuho Bank, Ltd.	12/21/10	5,000	1.30625	12/21/16	6 years
	Resona Bank, Limited	03/01/11	2,000	1.255	03/01/17	6 years
	Mitsubishi UFJ Trust and Banking Corporation	04/04/11	5,000	1.205	04/04/17	6 years
	Mitsubishi UFJ Trust and Banking Corporation	06/01/11	12,000	1.12625	06/01/17	6 years
	The Bank of Fukuoka, Ltd.	08/31/11	2,000	0.9025	08/31/17	6 years
	Shinkin Central Bank	11/15/11	1,000	0.7525	11/15/16	5 years
	The Bank of Fukuoka, Ltd.	06/15/12	2,500	0.66	06/15/17	5 years
	Shinsei Bank, Limited	06/15/12	2,500	0.66	06/15/17	5 years
	The Iyo Bank, Ltd.	06/15/12	2,500	0.66	06/15/17	5 years
	The Hachijuni Bank, Ltd.	06/15/12	1,000	0.66	06/15/17	5 years
	The Bank of Fukuoka, Ltd.	08/31/12	1,000	0.57125	08/31/17	5 years
	Total		**42,850**	**1.10** (Average)	**0.57 years** (Average maturity)	

	Lender	Drawdown date	EOB	Interest	Repayment date (period)	
Long-term Loans	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
	Taiyo Life Insurance Company	03/30/11	2,000	1.39625	03/30/18	7 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
	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
	The Hachijuni Bank, Ltd.	12/20/12	1,000	0.45625	12/20/17	5 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
	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
	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

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

	Lender		Drawdown date	EOB	Interest	Repayment date (period)	
Long-term Loans	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
	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
	The Yamaguchi Bank, Ltd.		03/25/13	1,000	0.945	03/24/23	10 years
	Shinkin Central Bank		04/24/13	5,000	0.52775	04/24/18	5 years
	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	(*2)	01/31/14	4,000	0.64225	01/29/21	7 years
	The Bank of Fukuoka, Ltd.	(*2)	01/31/14	2,500	0.63849	01/29/21	7 years
	Sumitomo Mitsui Trust Bank, Limited	(*2)	01/31/14	2,000	0.62575	01/29/21	7 years
	The Norinchukin Bank	(*2)	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.	(*2)	03/24/14	1,000	0.4105	03/25/19	5 years
	The Iyo Bank, Ltd.	(*2)	03/24/14	2,000	0.6035	03/24/21	7 years
	The Nishi-Nippon City Bank, Ltd.	(*2)	06/17/14	2,000	0.621	12/17/21	7.5 years
	The Norinchukin Bank	(*2)	06/17/14	3,000	0.6785	06/17/22	8 years
	The Hiroshima Bank, Ltd.	(*2)	10/01/14	3,000	0.31575	10/01/19	5 years
	The Iyo Bank, Ltd.	(*2)	10/01/14	1,000	0.46525	10/01/21	7 years
	The Chugoku Bank, Limited	(*2)	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	(*2)	11/14/14	13,000	0.463	11/15/21	7 years
	The Gunma Bank, Ltd.	(*2)	11/17/14	1,000	0.316	11/18/19	5 years
	The Yamanashi Chuo Bank, Ltd.	(*2)	12/15/14	2,000	0.266	12/16/19	5 years
	The second General syndication loan	(*3)	12/19/14	10,000	0.42375	12/19/23	9 years
	Mizuho Trust & Banking Co., Ltd.	(*2)	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	(*2)	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	(*2)	06/15/15	3,000	0.61175	06/15/23	8 years
	The third General syndication loan	(*2)	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	(*2)	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.	(*2)	01/07/16	1,500	0.2802	01/10/23	7 years
	The Iyo Bank, Ltd.	(*2)	01/15/16	1,000	0.265	01/16/23	7 years
	The Hachijuni Bank, Ltd.	(*2)	01/15/16	1,000	0.265	01/16/23	7 years
	Total			**247,800**	**0.76** (Average)	**4.47 years** (Average maturity)	

	Bond Name	Issue Date	EOB	Interest	Maturity Date (period)	
Investment Corporation Bonds	Fourth unsecured Investment Corporation Bond	09/29/05	10,000	2.56	09/29/25	20 years
	Ninth unsecured Investment Corporation Bond	08/30/13	10,000	0.497	08/30/18	5 years
	Total		**20,000**	**1.53** (Average)	**5.45 years** (Average maturity)	

*The loans drawn down and the bonds issued in Sep. '16 Period are shown in blue

Outline of Commitment line agreement

- Maximum Amount: ¥50 billion
- Expiry of the contract: September 19, 2019
- Participating financial institutions:
  - Mizuho Bank, Ltd.
  - The Bank of Tokyo-Mitsubishi UFJ, Ltd.
  - Sumitomo Mitsui Trust Bank, Limited
  - Mitsubishi UFJ Trust and Banking Corporation

There is no outstanding balance as of the end of Sep. '16 Period

(*1) The 2,000-million-yen loan dated March 24, 2010 (principal outstanding: 1,350 million yen as of the end of September 2016) will be repaid according to the repayment schedule under which 50 million yen will be repaid every six months and 1,350 million yen on the final repayment date.

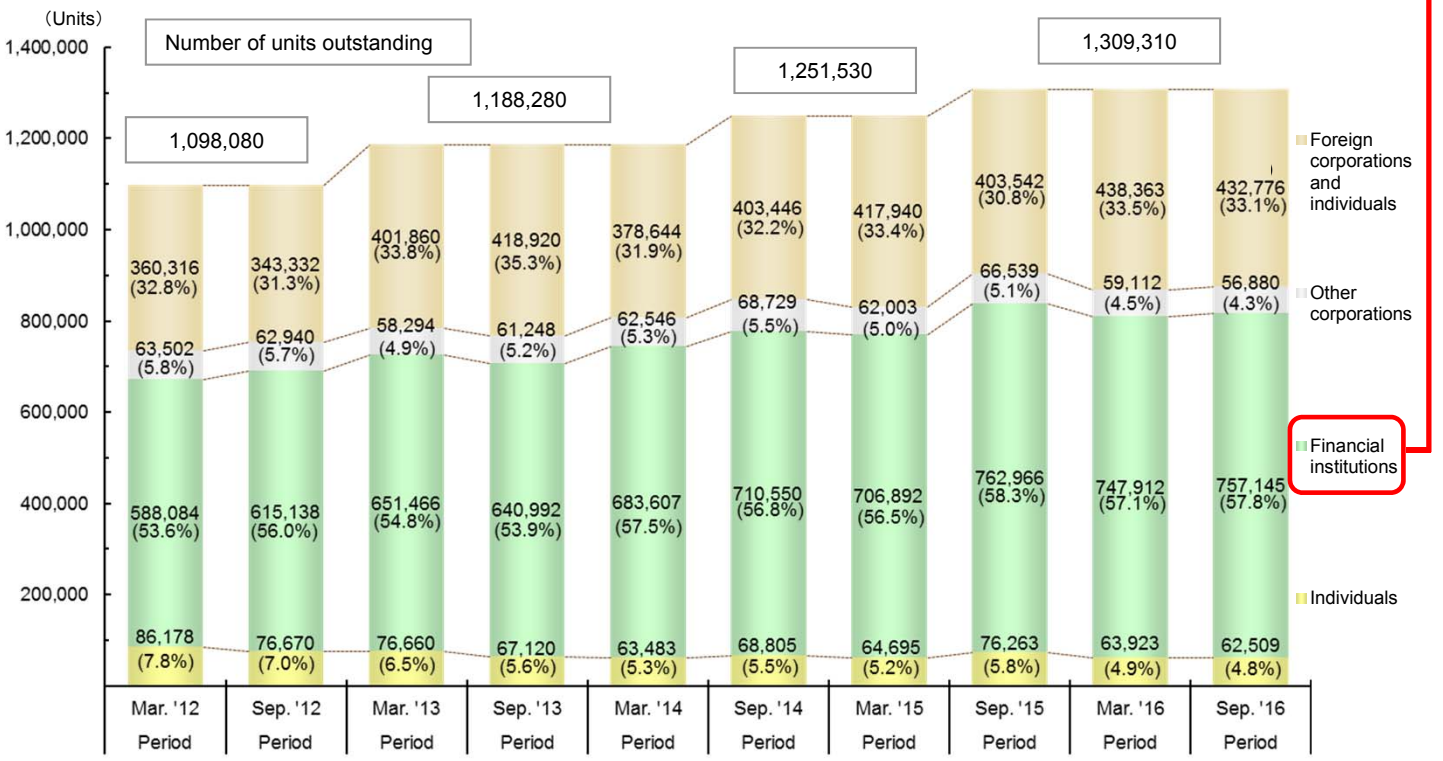
(*2) The loans were originally floating rate basis, which were swapped into fixed rates to hedge against interest rate fluctuations. Hence the fixed rates after the swap transactions are shown above.

(*3) 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.

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. '16 Period

	Company	Units	% of Total Units Outstanding
1	Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	237,365	18.13%
2	The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	129,151	9.86%
3	Trust & Custody Services Bank, Ltd. (Toshin Acc.)	97,820	7.47%
4	The Nomura Trust and Banking Co., Ltd. (Toshin Acc.)	52,705	4.03%
5	STATE STREET BANK WEST CLIENT-TREATY 505234	26,487	2.02%
6	STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	22,544	1.72%
7	STATE STREET BANK AND TRUST COMPANY 505223	21,279	1.63%
8	The Chugoku Bank Ltd.	17,970	1.37%
9	NOMURA BANK (LUXEMBOURG) S. A.	17,226	1.32%
10	Mitsubishi Estate Co., Ltd.	17,120	1.31%
	Mitsui & Co., Ltd.	3,200	0.24%

Mar. '16 Period

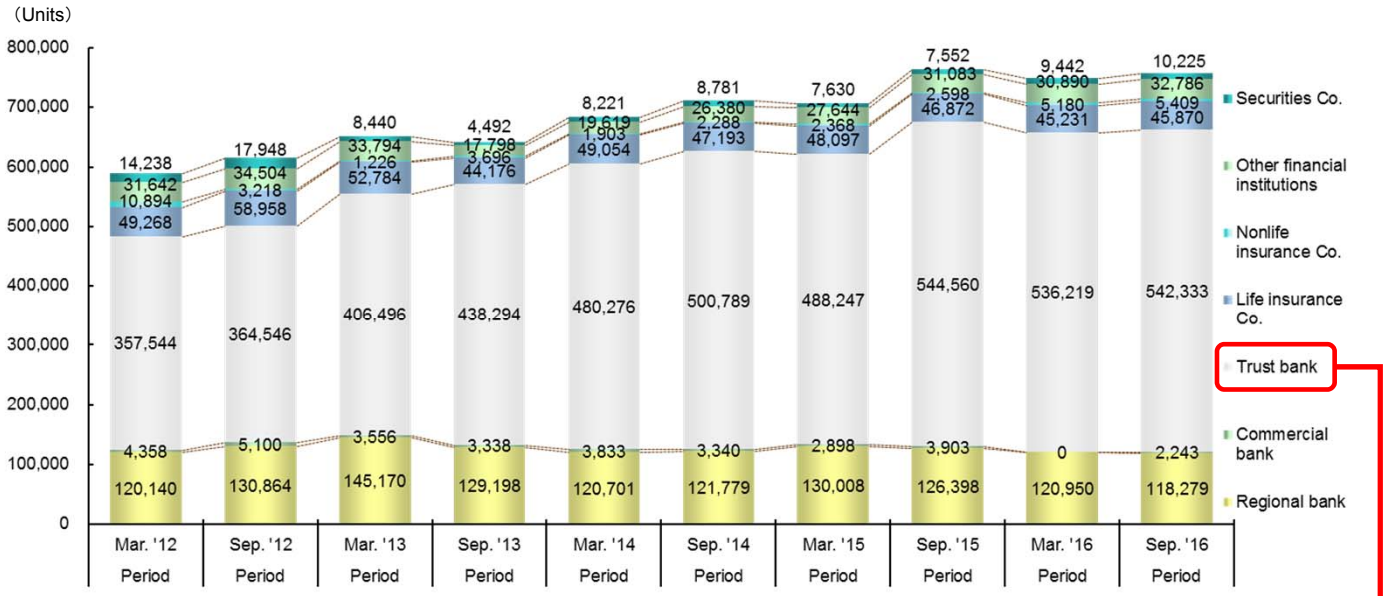
	Company	Units	% of Total Units Outstanding
1	Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	232,035	17.72%
2	The Master Tust Bank of Japan, Ltd. (Shintaku Acc.)	125,817	9.61%
3	Trust & Custody Services Bank, Ltd. (Toshin Acc.)	100,794	7.70%
4	The Nomura Trust and Banking Co., Ltd. (Toshin Acc.)	51,227	3.91%
5	STATE STREET BANK WEST CLIENT-TREATY 505234	29,807	2.28%
6	STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	23,178	1.77%
7	STATE STREET BANK AND TRUST COMPANY 505223	22,674	1.73%
8	NOMURA BANK (LUXEMBOURG) S. A.	18,931	1.45%
9	The Chugoku Bank Ltd.	17,970	1.37%
10	Mitsubishi Estate Co., Ltd.	17,120	1.31%
	Mitsui & Co., Ltd.	3,200	0.24%

Number of Unitholders by Sector

	End of Sep. '16 Period		End of Mar. '16 Period	
	Unitholders	%	Unitholders	%
Individuals	14,059	92.5%	14,631	92.9%
Financial institutions	244	1.6%	228	1.4%
Other corporations	413	2.7%	439	2.8%
Foreign corporations / individuals	490	3.2%	457	2.9%
Total	15,206	100.0%	15,755	100.0%

Financial Institutions

Distribution of Total Units Outstanding by Financial Institution Segment

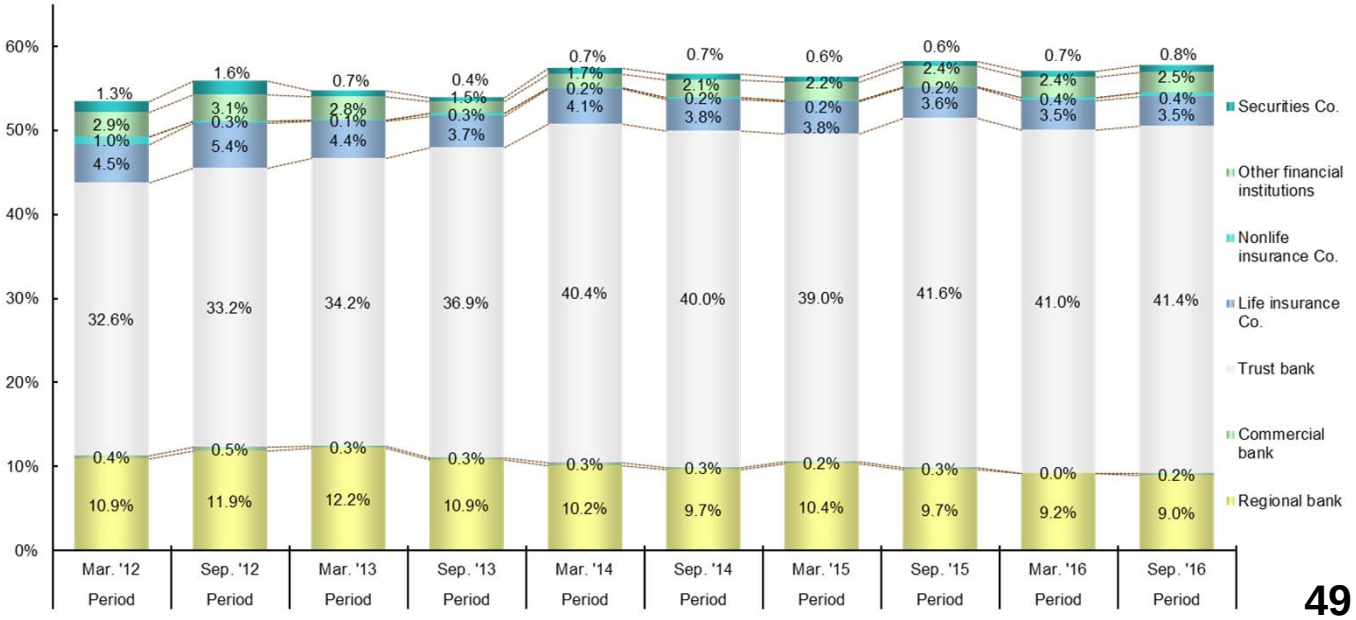


<Number of investment trust units>

(Units)

	Mar. '12 Period	Sep. '12 Period	Mar. '13 Period	Sep. '13 Period	Mar. '14 Period	Sep. '14 Period	Mar. '15 Period	Sep. '15 Period	Mar. '16 Period	Sep. '16 Period
Number of units outstanding	1,098,080	1,098,080	1,188,280	1,188,280	1,188,280	1,251,530	1,251,530	1,309,310	1,309,310	1,309,310
Trust bank	357,544	364,546	406,496	438,294	480,276	500,789	488,247	544,560	536,219	542,333
Investment trust	285,850	278,266	316,986	336,156	374,564	389,165	370,639	425,120	415,349	414,234
% against total units outstanding	26.0%	25.3%	26.7%	28.3%	31.5%	31.1%	29.6%	32.5%	31.7%	31.6%
% against units ow ned by trust bank	79.9%	76.3%	78.0%	76.7%	78.0%	77.7%	75.9%	78.1%	77.5%	76.4%

Proportion of Total Units Outstanding by Financial Institution Segment



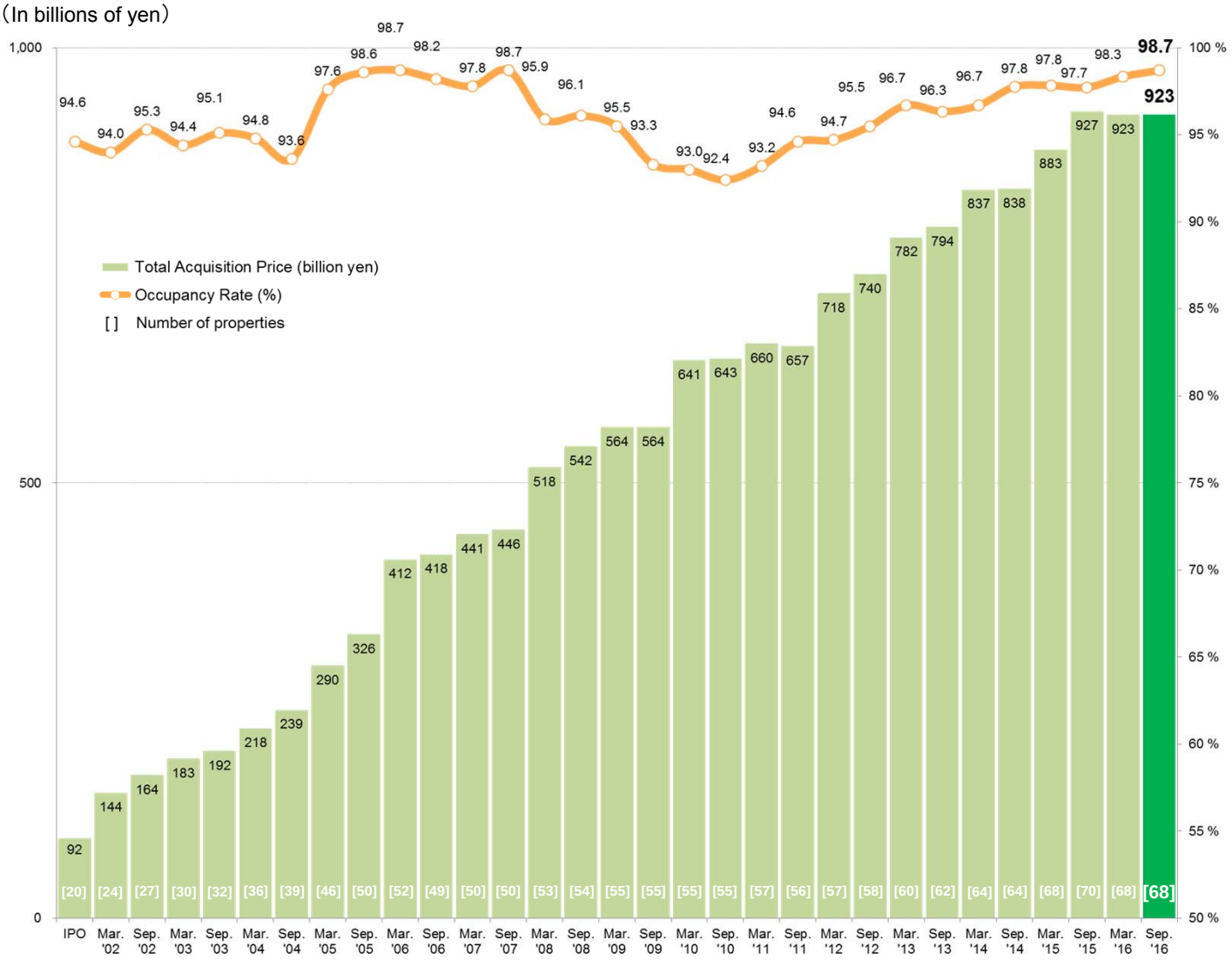
MEMO

5. Portfolio Information

Historical Asset Size and Occupancy Rate

Trend of Asset Size and Occupancy Rate

（In billions of yen）



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

*Occupancy rate of Nippon Brunswick (land with leasehold interest) is not included in the above graph after Sep. '13 Period, as its building portion was transferred on August 23, 2016.

Achieved steady growth since IPO in 2001 and established a portfolio worth over ¥920 billion (total acquisition price)

Geographic Diversification and Trend in Average Building Age

At IPO（The end of September 2001）
20 properties

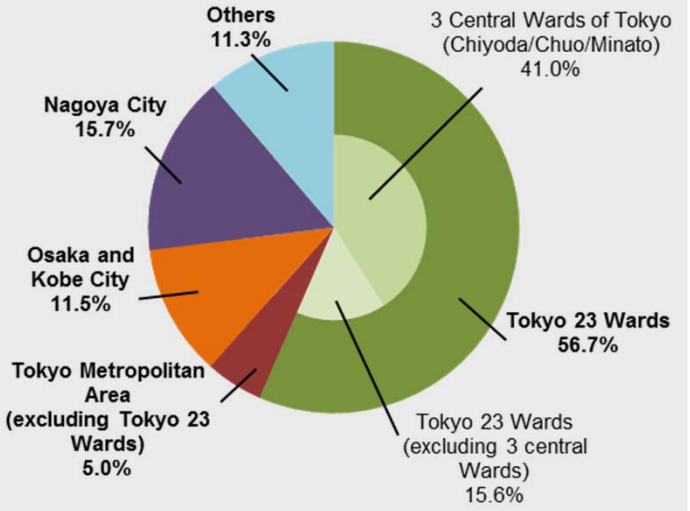
After 15 years

As of the end of Sep. ’16 Period
68 properties

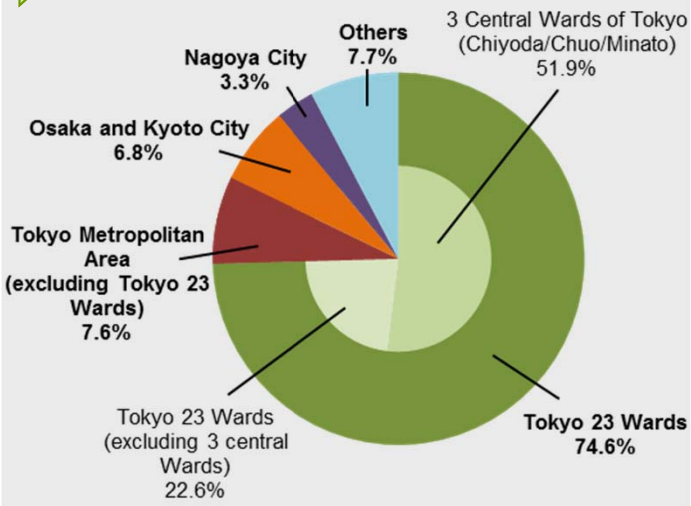
Geographical Diversification

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

Asset size at IPO : ¥92,845 million



Asset size : ¥923,623 million



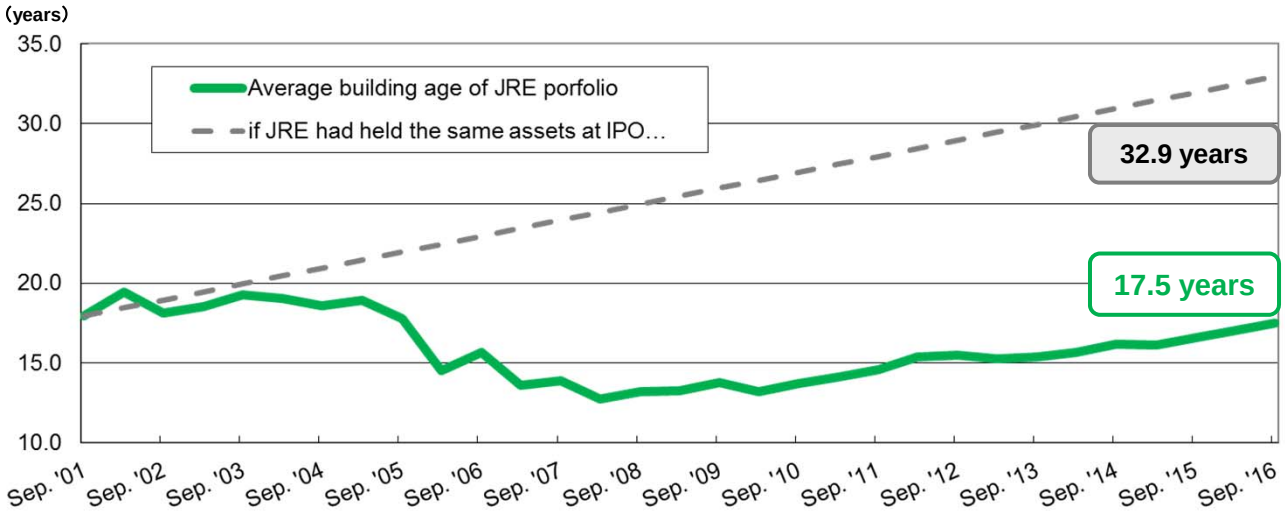
Portfolio, advanced with strong competitiveness and high liquidity, focusing mainly in 3 central wards of Tokyo / Tokyo 23 wards.

Trend in Average Building Age

*Weighted average based on acquisition prices
*Nippon Brunswick（land with leasehold interest）is not included.

Average Building Age at IPO : 17.9 years

Average Building Age : 17.5 years



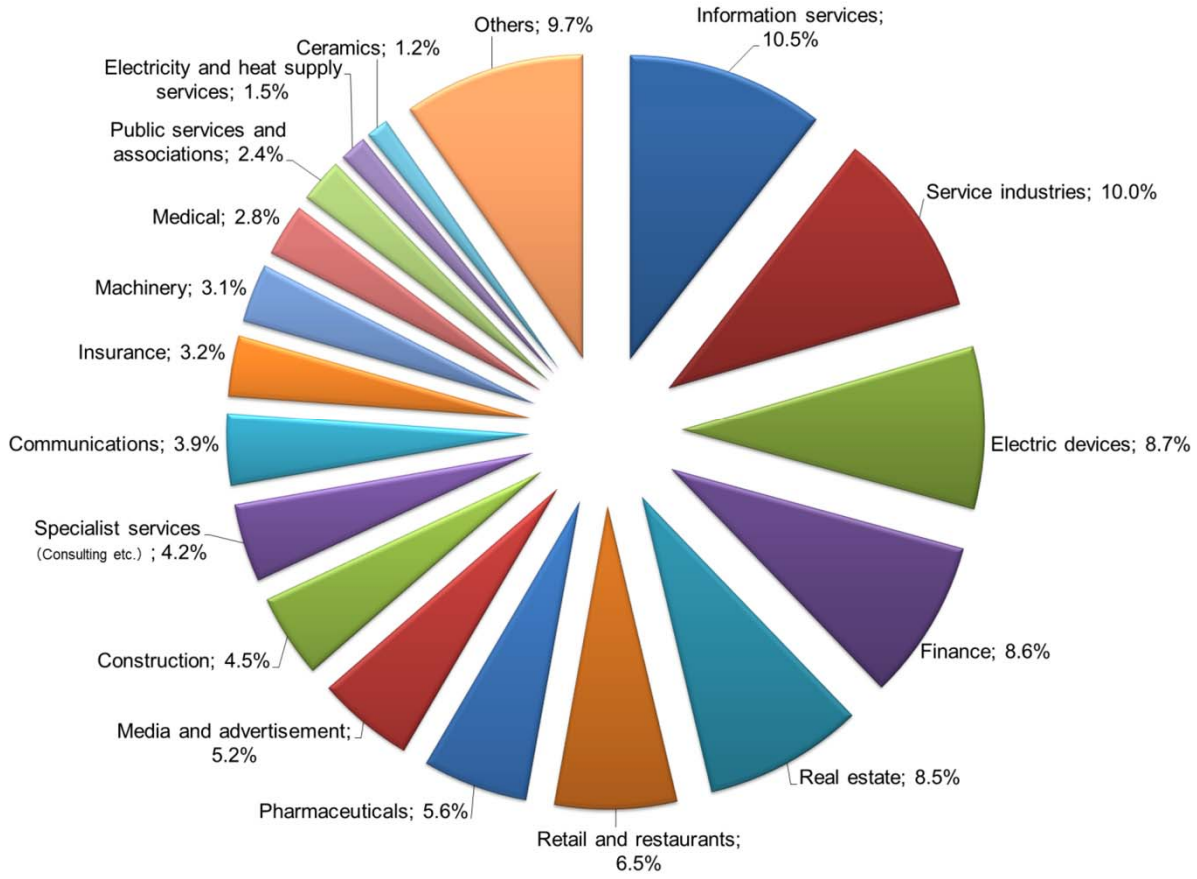
Even after 15 years since IPO, overall building age is newer in the current portfolio

Tenant Diversification and Changes in the Number of Tenants

Tenant Diversification

67 properties as of September 30, 2016
Based on the leased space

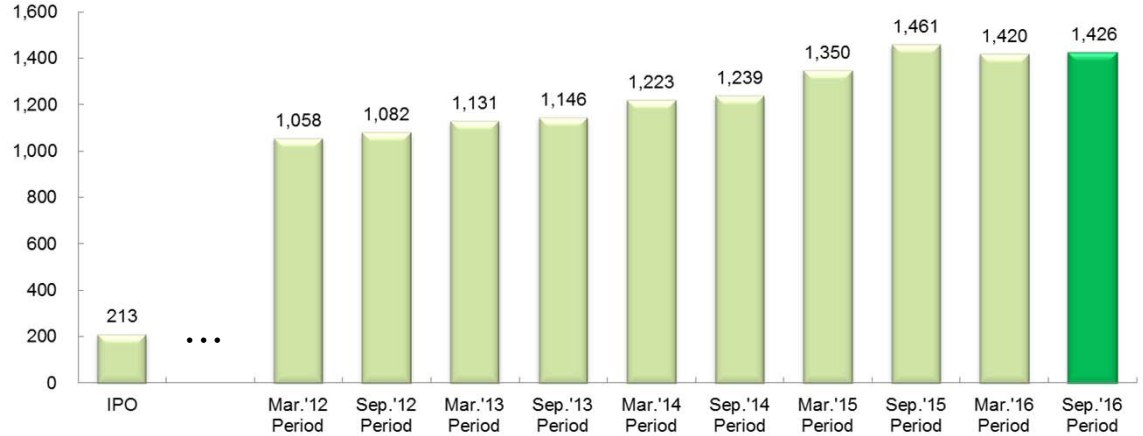
*Nippon Brunswick (land with leasehold interest) is not included.



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

67 properties as of September 30, 2016 Based on the leased space

*Nippon Brunswick (land with leasehold interest) is not included.

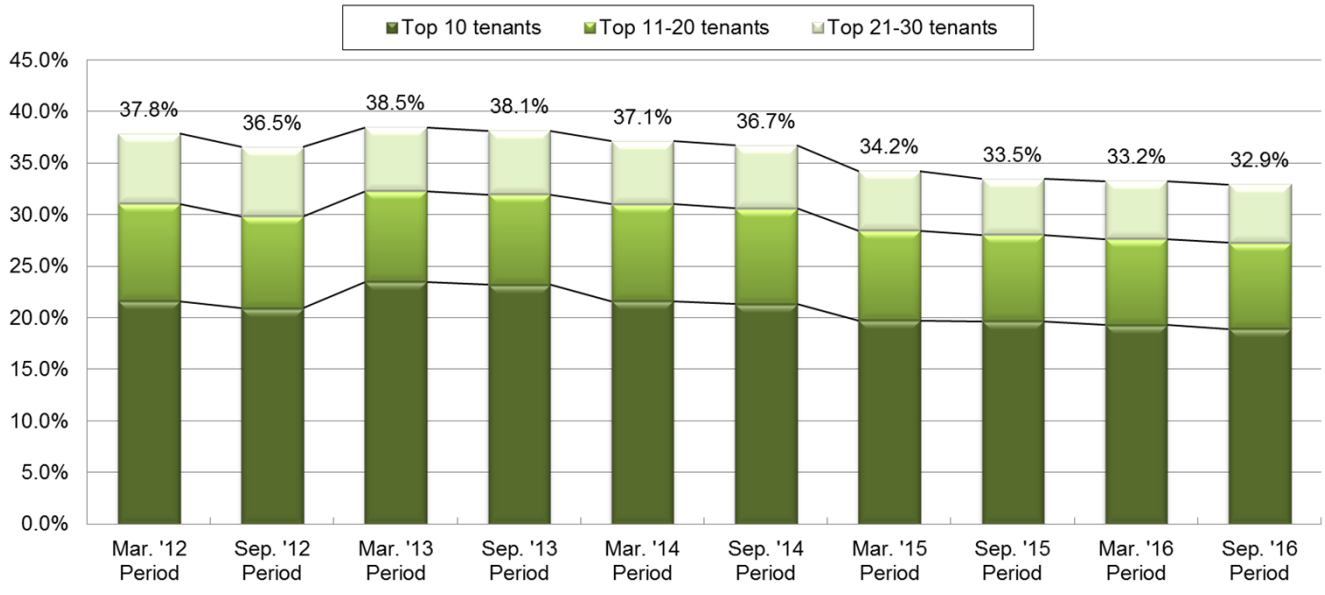
Sep. '16 Period					Mar. '16 Period		Leased Space Change(㎡)
Rank	Tenant	Property	Leased Space(㎡)	% of Total Leased Space	Rank	Leased Space(㎡)	
1	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Harumi Front (also includes 3 other buildings)	33,912	4.2%	1	33,910	2
2	(Note)	Kitanomaru Square (also includes 2 other buildings)	22,305	2.8%	2	22,305	0
3	(Note)	Osaki Front Tower (also includes 2 other buildings)	21,985	2.7%	3	21,985	0
4	NTT Communications Corporation	Shiodome Building	13,289	1.6%	4	13,289	0
5	HAKUHODO DY HOLDINGS INCORPORATED	Akasaka Park Building (also includes 1 other building)	12,831	1.6%	5	12,831	0
6	JGC Corporation	MM Park Building (also includes 1 other building)	10,649	1.3%	7	10,649	0
7	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Building	10,598	1.3%	8	10,598	0
8	Minato Mirai 21 District Heating and Cooling Co., Ltd	Queen's Tower A	9,536	1.2%	9	9,536	0
9	Seven & i Holdings Co., Ltd.	Nibancho Garden	9,316	1.2%	10	9,316	0
10	Space Design, Inc.	Burex Kojimachi Building (also includes 1 other building)	8,774	1.1%	11	8,774	0
11	Company A		8,581	1.1%	6	11,127	(2,545)
12	Company B		8,567	1.1%	12	8,567	0
13	Company C		7,271	0.9%	13	7,271	0
14	Company D		6,564	0.8%	14	6,564	0
15	Company E		6,493	0.8%	15	6,493	0

(Note) Not disclosed due to tenant's request

Percentage of Major Tenants

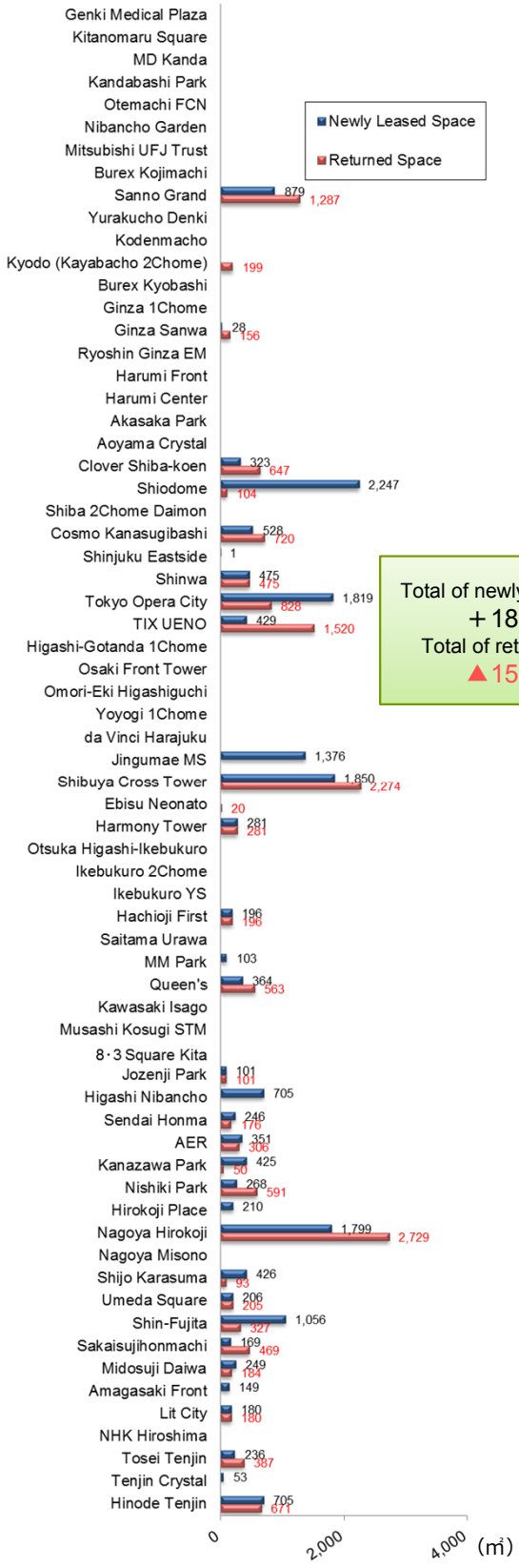
67 properties as of September 30, 2016 Based on the leased space

*Nippon Brunswick (land with leasehold interest) is not included.



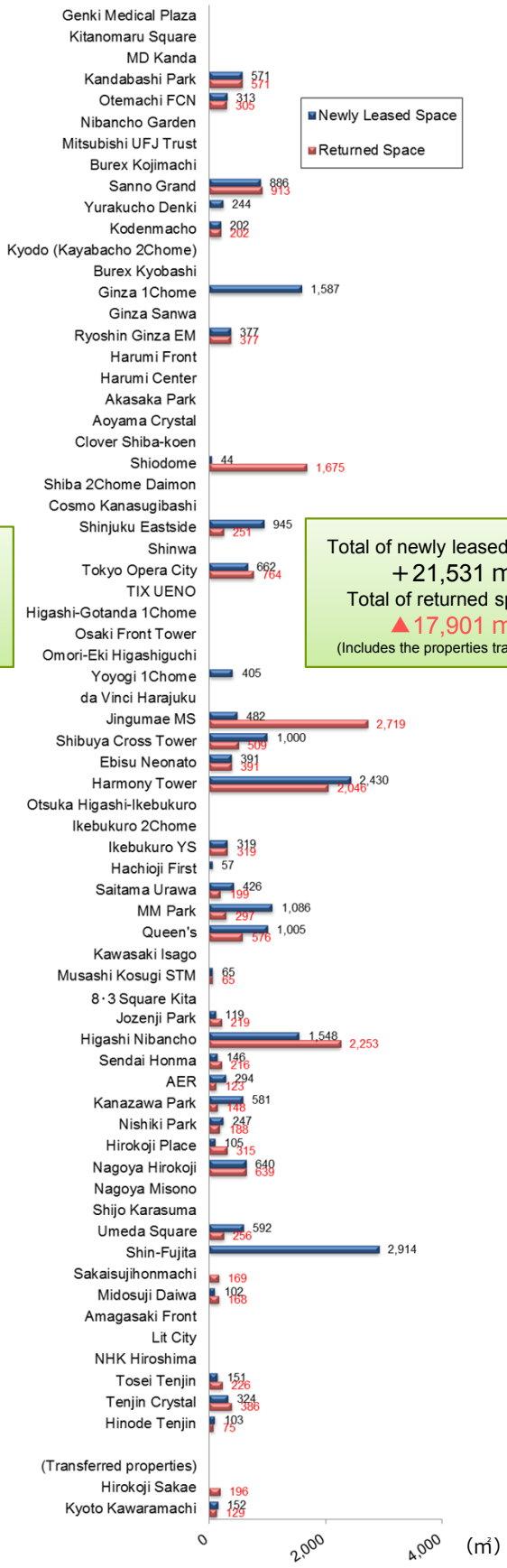
Newly Leased & Returned Space of Each Property

Tenant Turnover in Sep. '16 Period



Total of newly leased space :
+18,450 ㎡
Total of returned space :
▲15,755 ㎡

Tenant Turnover in Mar. '16 Period



Total of newly leased space :
+21,531 ㎡
Total of returned space :
▲17,901 ㎡
(Includes the properties transferred)

Portfolio List at the End of Sep. '16 Period (Occupancy Rate, etc.)

Area		Name	End of Sep. '16 Period							End of Mar. '17 Period (Forecast)					
			Leasable Space (m^2)	Leased Space (m^2)	Vacant Area (m^2)		Occupancy Rate		Number of Tenants	Leasable Space (m^2)	Leased Space (m^2)	Vacant Area (m^2)		Occupancy Rate	
					End of Sep. '16 Period	Variance from End of Mar. '16 Period	End of Sep. '16 Period	Variance from End of Mar. '16 Period				End of Mar. '17 Period	Variance from End of Sep. '16 Period	End of Mar. '17 Period	Variance from End of Sep. '16 Period
Tokyo 23 Wards	Chiyoda	Genki Medical Plaza	4,791	4,791	0		100.0%		1	4,791	4,791	0		100.0%	
		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	19,918	747	408	96.4%	(2.0)%	38	20,665	20,462	203	(543)	99.0%	2.6%
		Yurakucho Denki	4,697	4,697	0		100.0%		13	4,697	4,697	0		100.0%	
	Chuo	Kodenmacho	3,897	3,897	0		100.0%		11	3,897	3,897	0		100.0%	
		Kyodo (Kayabacho 2Chome)	4,464	4,265	199	199	95.5%	(4.5)%	9	4,464	4,464	0	(199)	100.0%	4.5%
		Burex Kyobashi	4,279	4,279	0		100.0%		1	4,279	4,279	0		100.0%	
		Ginza 1Chome	4,513	4,513	0		100.0%		8	4,513	4,513	0		100.0%	
		Ginza Sanwa	4,326	4,201	125	125	97.1%	(2.9)%	9	4,326	4,249	76	(48)	98.2%	1.1%
		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	20,812	0		100.0%		9	20,812	16,369	4,442	4,442	78.7%	(21.3)%
	Minato	Akasaka Park	45,013	45,013	0		100.0%		29	45,013	45,013	0		100.0%	
		Aoyama Crystal	4,898	4,898	0		100.0%		7	4,898	4,898	0		100.0%	
		Clover Shiba-koen	2,550	2,227	323	323	87.3%	(12.7)%	7	2,550	2,550	0	(323)	100.0%	12.7%
		Shiodome	36,174	35,867	307	(2,142)	99.1%	5.9%	35	36,174	36,135	39	(267)	99.9%	0.8%
		Shiba 2Chome Daimon	9,606	9,606	0		100.0%		25	9,606	9,530	76	76	99.2%	(0.8)%
		Cosmo Kanasugibashi	4,062	3,870	192	192	95.3%	(4.7)%	7	4,062	3,870	192		95.3%	
	Shinjuku	Shinjuku Eastside	16,365	16,365	0	(1)	100.0%		43	16,365	16,229	135	135	99.2%	(0.8)%
		Shinwa	5,997	5,997	0		100.0%		13	5,997	5,997	0		100.0%	
		Tokyo Opera City	35,099	34,469	629	(974)	98.2%	2.8%	101	35,025	34,523	502	(127)	98.6%	0.4%
	Taito	TIX UENO	15,020	13,930	1,090	1,090	92.7%	(7.3)%	16	15,020	15,020	0	(1,090)	100.0%	7.3%
	Shinagawa	Higashi-Gotanda 1Chome	5,205	5,205	0		100.0%		4	5,205	5,205	0		100.0%	
		Osaki Front Tower	16,856	16,856	0		100.0%		1	16,856	16,856	0		100.0%	
	Ota	Omori-Eki Higashiguchi	7,756	7,756	0		100.0%		23	7,706	7,418	288	288	96.3%	(3.7)%
	Shibuya	Yoyogi 1Chome	7,745	7,745	0		100.0%		9	7,745	7,745	0		100.0%	
		da Vinci Harajuku	3,147	3,147	0		100.0%		4	3,147	3,147	0		100.0%	
		Jingumae MS	5,558	4,698	859	(1,376)	84.5%	24.7%	5	5,558	5,558	0	(859)	100.0%	15.5%
		Shibuya Cross Tower	29,762	29,288	474	424	98.4%	(1.4)%	55	29,797	29,797	0	(474)	100.0%	1.6%
		Ebisu Neonato	8,700	8,679	20	20	99.8%	(0.2)%	6	8,700	8,679	20		99.8%	
	Nakano	Harmony Tower	14,340	14,340	0		100.0%		20	14,340	13,956	383	383	97.3%	(2.7)%
	Toshima	Otsuka Higashi-Ikebukuro	7,224	7,224	0		100.0%		7	7,224	7,224	0		100.0%	
		Ikebukuro 2Chome	2,186	2,186	0		100.0%		9	2,186	2,186	0		100.0%	
		Ikebukuro YS	5,932	5,932	0		100.0%		10	5,932	5,932	0		100.0%	
Other Areas	Hachioji	Hachioji First	10,068	10,068	0		100.0%		51	10,068	9,952	115	115	98.8%	(1.2)%
	Saitama	Saitama Urawa	4,510	4,510	0		100.0%		18	4,510	4,510	0		100.0%	
	Yokohama	MM Park	38,426	37,953	473	(103)	98.8%	0.3%	30	38,426	38,426	0	(473)	100.0%	1.2%
		Queen's	26,669	25,922	746	200	97.2%	(0.8)%	49	26,669	25,762	906	160	96.6%	(0.6)%
	Kawasaki	Kawasaki Isago	6,831	6,831	0		100.0%		13	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	2,418	100		96.0%		16	2,518	2,418	100		96.0%	
		Higashi Nibancho	20,526	20,254	272	(705)	98.7%	3.5%	21	20,526	20,118	408	136	98.0%	(0.7)%
		Sendai Honma	6,234	6,234	0	(70)	100.0%	1.1%	24	6,234	5,894	339	339	94.6%	(5.4)%
		AER	23,612	23,182	430	(44)	98.2%	0.2%	61	23,612	23,488	123	(306)	99.5%	1.3%
	Kanazawa	Kanazawa Park	20,942	20,803	139	(375)	99.3%	1.8%	79	20,853	20,470	383	243	98.2%	(1.1)%
		Kanazawa Kamitsutusmicho	-	-	-	-	-	-	-	7,206	7,044	162	-	97.7%	-
	Nagoya	Nishiki Park	10,338	9,957	380	326	96.3%	(3.1)%	59	10,338	9,880	457	77	95.6%	(0.7)%
		Hirokoji Place	13,200	13,200	0	(210)	100.0%	1.6%	27	13,200	13,200	0		100.0%	
		Nagoya Hirokoji	21,610	19,814	1,796	929	91.7%	(4.3)%	33	21,415	20,175	1,239	(556)	94.2%	2.5%
		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	(333)	100.0%	5.0%	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	28,414	27,540	874	(728)	96.9%	2.5%	49	28,414	27,006	1,408	534	95.0%	(1.9)%
		Sakaisujihonmachi	11,520	11,050	469	299	95.9%	(2.6)%	21	11,520	11,520	0	(469)	100.0%	4.1%
		Midosuji Daiwa	20,450	20,450	0	(65)	100.0%	0.3%	41	20,450	20,450	0		100.0%	
	Amagasaki	Amagasaki Front	15,500	15,500	0	(149)	100.0%	1.0%	31	15,500	15,500	0		100.0%	
	Okayama	Lit City	9,965	9,965	0		100.0%		39	9,965	9,965	0		100.0%	
	Hiroshima	NHK Hiroshima	9,860	9,860	0		100.0%		12	9,860	9,860	0		100.0%	
	Fukuoka	Tosei Tenjin	3,995	3,693	302	151	92.4%	(3.8)%	22	3,995	3,607	387	85	90.3%	(2.1)%
		Tenjin Crystal	5,964	5,964	0	(53)	100.0%	0.9%	30	5,964	5,964	0		100.0%	
		Hinode Tenjin	5,903	5,903	0		100.0%		3	5,903	5,828	75	75	98.7%	(1.3)%
Tokyo 23 Wards			465,753	460,783	4,970	(1,712)	98.9%	0.3%	593	465,665	459,303	6,361	1,390	98.6%	(0.3)%
Other Areas			355,164	349,179	5,985	(932)	98.3%	0.3%	833	362,086	355,977	6,109	124	98.3%	
Portfolio			820,917	809,962	10,955	(2,644)	98.7%	0.4%	1,426	827,751	815,281	12,470	1,515	98.5%	(0.2)%

- The above-mentioned occupancy rates do not include the residential portions. Leasable space and occupancy rates of the residential portions as of the end of Sep. '16 Period are 11,694 m^2 95.0% of Kitanomaru Square, 10,780 m^2 92.8% of Akasaka Park Building, 1,686 m^2 100.0% of Nibancho Garden, 954 m^2 74.0% of Nishiki Park Building.
- The Number of tenants is disclosed based on the gross number of tenants by building.

Appraisal Values of Properties

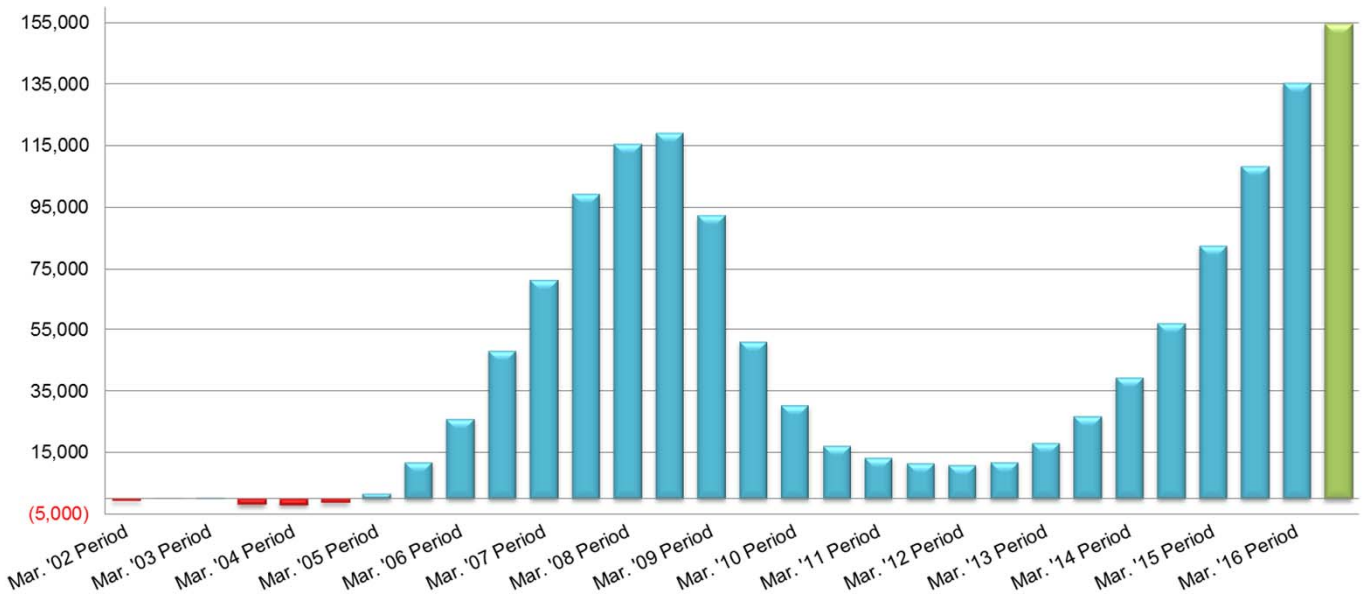
(In millions of yen)

Area		Name	Sep. '16 Period Appraisal Value	Mar.'16 Period Appraisal Value	Amount of Difference	Sep. '16 Period Book Value	Sep. '16 Period Appraisal Value -Book Value	Acquisition Price
Tokyo 23 Wards	Chiyoda	Genki Medical Plaza	6,890	6,890	0	4,790	2,099	5,000
		Kitanomaru Square	78,600	78,300	300	73,195	5,404	81,555
		MD Kanda	8,360	8,170	190	8,780	(420)	9,520
		Kandabashi Park	4,580	4,460	120	4,498	81	4,810
		Otemachi FCN	18,800	18,200	600	15,282	3,517	15,462
		Nibancho Garden	17,900	17,800	100	12,654	5,245	14,700
		Mitsubishi UFJ Trust	51,600	49,300	2,300	29,089	22,510	44,700
		Burex Kojimachi	6,610	6,600	10	5,747	862	7,000
		Sanno Grand	33,300	32,300	1,000	21,175	12,124	20,900
		Yurakucho Denki	8,060	7,980	80	7,711	348	7,200
	Chuo	Kodenmacho	2,880	2,800	80	2,784	95	3,173
		Kyodo (Kayabacho 2Chome)	4,920	4,800	120	4,226	693	4,410
		Burex Kyobashi	7,520	7,520	0	4,519	3,000	5,250
		Ginza 1Chome	7,220	7,010	210	6,531	688	6,459
		Ginza Sanwa	18,400	17,800	600	17,177	1,222	16,830
		Ryoshin Ginza EM	6,180	5,910	270	7,524	(1,344)	7,999
		Harumi Front	40,000	39,500	500	29,147	10,852	31,300
		Harumi Center	19,600	20,600	(1,000)	22,813	(3,213)	26,800
	Minato	Akasaka Park	70,100	71,400	(1,300)	60,472	9,627	60,800
		Aoyama Crystal	8,120	7,890	230	7,129	990	7,680
		Clover Shiba-koen	4,600	4,600	0	4,598	1	4,500
		Shiodome	96,800	96,800	0	82,361	14,438	85,950
		Shiba 2Chome Daimon	6,470	6,250	220	5,032	1,437	4,859
		Cosmo Kanasugibashi	3,090	3,000	90	2,539	550	2,808
	Shinjuku	Shinjuku Eastside	25,900	25,900	0	22,874	3,025	23,100
		Shinwa	6,970	6,560	410	7,474	(504)	7,830
		Tokyo Opera City	32,500	31,200	1,300	28,448	4,051	31,776
	Taito	TIX UENO	24,800	25,300	(500)	20,247	4,552	22,000
	Shinagawa	Higashi-Gotanda 1Chome	6,070	5,910	160	4,521	1,548	5,500
		Osaki Front Tower	16,500	16,300	200	9,861	6,638	12,300
	Ota	Omori-Eki Higashiguchi	5,600	5,480	120	4,730	869	5,123
	Shibuya	Nippon Brunswick (Land with leasehold interest)	5,490	5,490	0	5,572	(82)	5,500
		Yoyogi 1Chome	11,600	10,900	700	7,074	4,525	8,700
		da Vinci Harajuku	7,100	6,920	180	4,842	2,257	4,885
		Jingumae MS	10,500	10,500	0	10,705	(205)	12,200
		Shibuya Cross Tower	52,300	51,300	1,000	37,771	14,528	34,600
		Ebisu Neonato	16,500	15,600	900	14,228	2,271	14,612
	Nakano	Harmony Tower	13,900	13,900	0	10,100	3,799	11,120
	Toshima	Otsuka Higashi-Ikebukuro	4,480	4,430	50	3,454	1,025	3,541
		Ikebukuro 2Chome	1,700	1,690	10	1,581	118	1,728
		Ikebukuro YS	4,800	4,640	160	4,159	640	4,500
Other Areas	Hachioji	Hachioji First	4,810	4,800	10	4,976	(166)	5,679
	Saitama	Saitama Urawa	2,420	2,310	110	2,515	(95)	2,574
	Yokohama	MM Park	39,800	38,700	1,100	32,580	7,219	37,400
		Queen's	20,000	19,400	600	16,575	3,424	17,200
	Kawasaki	Kawasaki Isago	2,610	2,560	50	2,967	(357)	3,375
		Musashi Kosugi STM	4,210	4,100	110	3,885	324	4,000
	Sapporo	8･3 Square Kita	7,700	7,510	190	6,090	1,609	7,100
	Sendai	Jozenji Park	998	958	40	1,001	(3)	1,000
		Higashi Nibancho	13,700	13,500	200	9,269	4,430	9,950
		Sendai Honma	2,430	2,350	80	2,900	(470)	3,174
		AER	19,000	19,000	0	18,665	334	18,640
	Kanazawa	Kanazawa Park	4,680	4,590	90	4,283	396	4,580
	Nagoya	Nishiki Park (existing units)	4,784	4,700	84	4,984	(200)	5,800
		Hirokoji Place	10,600	10,400	200	8,227	2,372	8,567
		Nagoya Hirokoji	12,600	12,400	200	15,622	(3,022)	14,533
		Nagoya Misono	1,270	1,240	30	1,538	(268)	1,865
	Kyoto	Shijo Karasuma	5,040	4,920	120	4,110	929	4,400
	Osaka	Umeda Square	16,300	16,300	0	15,459	840	15,523
		Shin-Fujita	18,300	17,800	500	22,264	(3,964)	24,000
		Sakaisujihonmachi	3,330	3,240	90	3,643	(313)	4,164
		Midosuji Daiwa	14,300	13,800	500	13,269	1,030	14,314
	Amagasaki	Amagasaki Front	9,820	9,690	130	9,016	803	9,300
	Okayama	Lit City	4,430	4,370	60	3,280	1,149	4,650
	Hiroshima	NHK Hiroshima	2,830	2,660	170	2,959	(129)	2,770
	Fukuoka	Tosei Tenjin	1,320	1,320	0	1,389	(69)	1,550
		Tenjin Crystal	2,650	2,590	60	4,112	(1,462)	5,000
		Hinode Tenjin	3,880	3,720	160	3,411	468	3,657
Existing properties excluding properties acquired during Sep. '16 Period		Tokyo 23 Wards	777,310	767,900	9,410	637,430	139,879	688,682
		Other Areas	233,812	228,928	4,884	219,001	14,810	234,765
		Total (68 properties)	1,011,122	996,828	14,294	856,432	154,689	923,448
Property acquired during Sep. '16 Period								
Other Areas	Nagoya	Nishiki Park (additional acquisition)	246	–	–	225	20	175
Properties held as of the end of Sep. '16 Period								
Tokyo 23 Wards			777,310	–	–	637,430	139,879	688,682
Other Areas			234,058	–	–	219,226	14,831	234,940
Total (68 properties)			1,011,368	–	–	856,657	154,710	923,623

*Figures of the properties for which additional shares were acquired during Sep. '16 Period among properties held at the end of Mar. '16 Period are described separately.

Trend of Unrealized Gain or Loss

(In millions of yen)



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

		Mar. '02 Period	Sep. '02 Period	Mar. '03 Period	Sep. '03 Period	Mar. '04 Period	Sep. '04 Period	Mar. '05 Period	Sep. '05 Period	Mar. '06 Period	Sep. '06 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
Book value	B	145,580	165,088	184,304	193,058	219,032	240,134	291,350	327,005	413,708	418,607
Unrealized gain or loss	A-B=C	(640)	162	399	(1,787)	(1,882)	(1,173)	1,991	12,023	26,090	48,393
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%
<Reference> Units outstanding	D	320,800 units	450,800 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
<Reference> 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	70,053 yen
<Reference> 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	300,302 yen
<Reference> 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	370,356 yen
<Reference> 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	500,000 yen
<Reference> 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	1.35 times

		Mar. '07 Period	Sep. '07 Period	Mar. '08 Period	Sep. '08 Period	Mar. '09 Period	Sep. '09 Period	Mar. '10 Period	Sep. '10 Period	Mar. '11 Period	Sep. '11 Period
Appraisal value at the end of period	A	498,741	531,100	619,160	644,700	636,770	591,920	645,239	632,112	642,220	634,357
Book value	B	427,013	431,463	503,376	525,503	544,245	540,709	614,734	614,593	628,689	622,542
Unrealized gain or loss	A-B=C	71,727	99,636	115,783	119,196	92,524	51,210	30,504	17,518	13,530	11,814
Unrealized gain or loss ratio	C/B	16.8%	23.1%	23.0%	22.7%	17.0%	9.5%	5.0%	2.9%	2.2%	1.9%
<Reference> Units outstanding	D	820,000 units	820,000 units	886,000 units	886,000 units	886,000 units	886,000 units	978,400 units	978,400 units	978,400 units	978,400 units
<Reference> Unrealized gain or loss per unit	C/D=E	87,472 yen	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
<Reference> Net asset value per unit	F	331,545 yen	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
<Reference> Adjusted net asset value per unit	E+F=G	419,018 yen	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
<Reference> Unit price at the end of period	H	780,000 yen	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
<Reference> H/G		1.86 times	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

		Mar. '12 Period	Sep. '12 Period	Mar. '13 Period	Sep. '13 Period	Mar. '14 Period	Sep. '14 Period	Mar. '15 Period	Sep. '15 Period	Mar. '16 Period	Sep. '16 Period
Appraisal value at the end of period	A	693,230	712,888	758,210	775,147	829,152	843,367	912,125	977,666	996,828	1,011,368
Book value	B	681,970	700,829	739,901	748,257	789,543	786,106	829,449	869,034	861,360	856,657
Unrealized gain or loss	A-B=C	11,259	12,058	18,308	26,889	39,608	57,260	82,675	108,631	135,467	154,710
Unrealized gain or loss ratio	C/B	1.7%	1.7%	2.5%	3.6%	5.0%	7.3%	10.0%	12.5%	15.7%	18.1%
<Reference> Units outstanding	D	1,098,080 units	1,098,080 units	1,188,280 units	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
<Reference> Unrealized gain or loss per unit	C/D=E	10,253 yen	10,981 yen	15,407 yen	22,629 yen	33,332 yen	45,752 yen	66,059 yen	82,968 yen	103,464 yen	118,161 yen
<Reference> Net asset value per unit	F	339,565 yen	339,164 yen	341,065 yen	341,178 yen	341,128 yen	348,871 yen	348,909 yen	358,026 yen	358,238 yen	358,478 yen
<Reference> Adjusted net asset value per unit	E+F=G	349,818 yen	350,145 yen	356,472 yen	363,807 yen	374,461 yen	394,623 yen	414,969 yen	440,995 yen	461,702 yen	476,640 yen
<Reference> Unit price at the end of period	H	364,500 yen	393,000 yen	644,500 yen	574,000 yen	518,000 yen	564,000 yen	565,000 yen	551,000 yen	650,000 yen	605,000 yen
<Reference> H/G		1.04 times	1.12 times	1.81 times	1.58 times	1.38 times	1.43 times	1.36 times	1.25 times	1.41 times	1.27 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. '02 Period through Mar. '06 Period, or appraisal values determined by institutional appraisers for Sep. '06 Period through Sep. '16 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. '02 Period through Sep. '13 Period are taken the split into account.

Details of Appraisal Values at the End of Sep. '16 Period

(In millions of yen)

Name	Acquisition Price	Appraisal Value as of the End of Period										Change					
		Mar. '16 Period					Sep. '16 Period										
		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
Genki Medical Plaza	5,000	6,890	4.80%	336	4.40%	5.10%	6,890	4.80%	336	4.40%	5.10%	0	0.0%	0.00%	0.0%	0.00%	0.00%
Kitanomaru Square	81,555	78,300	3.50%	2,806	3.30%	3.70%	78,600	3.50%	2,819	3.30%	3.70%	300	0.4%	0.00%	0.5%	0.00%	0.00%
MD Kanda	9,520	8,170	3.80%	320	3.60%	4.00%	8,360	3.70%	319	3.50%	3.90%	190	2.3%	(0.10)%	(0.5)%	(0.10)%	(0.10)%
Kandabashi Park	4,810	4,460	3.90%	177	3.70%	4.10%	4,580	3.80%	177	3.60%	4.00%	120	2.7%	(0.10)%	0.0%	(0.10)%	(0.10)%
Otemachi FCN	15,462	18,200	3.20%	604	2.90%	3.30%	18,800	3.10%	606	2.80%	3.20%	600	3.3%	(0.10)%	0.2%	(0.10)%	(0.10)%
Nibancho Garden	14,700	17,800	4.10%	750	3.90%	4.30%	17,900	4.00%	732	3.80%	4.20%	100	0.6%	(0.10)%	(2.3)%	(0.10)%	(0.10)%
Mitsubishi UFJ Trust	44,700	49,300	3.10%	1,547	2.80%	3.20%	51,600	3.00%	1,566	2.70%	3.10%	2,300	4.7%	(0.10)%	1.3%	(0.10)%	(0.10)%
Burex Kojimachi	7,000	6,600	3.70%	250	3.50%	3.90%	6,610	3.70%	251	3.50%	3.90%	10	0.2%	0.00%	0.0%	0.00%	0.00%
Sanno Grand	20,900	32,300	3.80%	1,253	3.50%	3.90%	33,300	3.70%	1,255	3.40%	3.80%	1,000	3.1%	(0.10)%	0.1%	(0.10)%	(0.10)%
Yurakucho Denki	7,200	7,980	3.80%	311	3.60%	4.00%	8,060	3.70%	305	3.50%	3.90%	80	1.0%	(0.10)%	(2.0)%	(0.10)%	(0.10)%
Kodenmacho	3,173	2,800	4.30%	125	4.10%	4.50%	2,880	4.20%	125	4.00%	4.40%	80	2.9%	(0.10)%	0.0%	(0.10)%	(0.10)%
Kyodo (Kayabacho 2Chome)	4,410	4,800	3.90%	193	3.70%	4.10%	4,920	3.80%	192	3.60%	4.00%	120	2.5%	(0.10)%	(0.2)%	(0.10)%	(0.10)%
Burex Kyobashi	5,250	7,520	3.60%	276	3.40%	3.80%	7,520	3.60%	276	3.40%	3.80%	0	0.0%	0.00%	0.0%	0.00%	0.00%
Ginza 1Chome	6,459	7,010	3.80%	275	3.60%	4.00%	7,220	3.70%	276	3.50%	3.90%	210	3.0%	(0.10)%	0.1%	(0.10)%	(0.10)%
Ginza Sanwa	16,830	17,800	3.20%	589	3.10%	3.30%	18,400	3.10%	591	3.00%	3.20%	600	3.4%	(0.10)%	0.3%	(0.10)%	(0.10)%
Ryoshin Ginza EM	7,999	5,910	3.80%	233	3.60%	4.00%	6,180	3.70%	237	3.50%	3.90%	270	4.6%	(0.10)%	1.8%	(0.10)%	(0.10)%
Harumi Front	31,300	39,500	4.30%	1,702	4.00%	4.60%	40,000	4.20%	1,685	3.90%	4.50%	500	1.3%	(0.10)%	(1.0)%	(0.10)%	(0.10)%
Harumi Center	26,800	20,600	4.30%	917	4.10%	4.50%	19,600	4.20%	852	4.00%	4.40%	(1,000)	(4.9)%	(0.10)%	(7.1)%	(0.10)%	(0.10)%
Akasaka Park	60,800	71,400	3.60%	2,645	3.40%	3.80%	70,100	3.60%	2,598	3.40%	3.80%	(1,300)	(1.8)%	0.00%	(1.8)%	0.00%	0.00%
Aoyama Crystal	7,680	7,890	3.70%	300	3.50%	3.90%	8,120	3.60%	300	3.40%	3.80%	230	2.9%	(0.10)%	0.0%	(0.10)%	(0.10)%
Clover Shiba-koen	4,500	4,600	4.20%	195	3.90%	4.30%	4,600	4.20%	196	3.90%	4.30%	0	0.0%	0.00%	0.0%	0.00%	0.00%
Shiodome	85,950	96,800	3.50%	3,506	3.30%	3.70%	96,800	3.50%	3,497	3.30%	3.70%	0	0.0%	0.00%	(0.3)%	0.00%	0.00%
Shiba 2Chome Daimon	4,859	6,250	4.30%	280	4.10%	4.50%	6,470	4.20%	282	4.00%	4.40%	220	3.5%	(0.10)%	0.9%	(0.10)%	(0.10)%
Cosmo Kanasugibashi	2,808	3,000	4.30%	132	4.10%	4.50%	3,090	4.20%	132	4.00%	4.40%	90	3.0%	(0.10)%	0.1%	(0.10)%	(0.10)%
Shinjuku Eastside	23,100	25,900	4.10%	1,066	3.70%	4.20%	25,900	4.10%	1,066	3.70%	4.20%	0	0.0%	0.00%	0.0%	0.00%	0.00%
Shinwa	7,830	6,560	4.00%	270	3.80%	4.20%	6,970	3.90%	280	3.70%	4.10%	410	6.3%	(0.10)%	3.6%	(0.10)%	(0.10)%
Tokyo Opera City	31,776	31,200	4.00%	1,337	3.80%	4.20%	32,500	3.90%	1,354	3.70%	4.10%	1,300	4.2%	(0.10)%	1.2%	(0.10)%	(0.10)%
TIX UENO	22,000	25,300	4.00%	1,033	3.80%	4.20%	24,800	3.90%	986	3.70%	4.10%	(500)	(2.0)%	(0.10)%	(4.5)%	(0.10)%	(0.10)%
Higashi-Gotanda 1Chome	5,500	5,910	4.10%	245	3.80%	4.20%	6,070	4.00%	245	3.70%	4.10%	160	2.7%	(0.10)%	0.0%	(0.10)%	(0.10)%
Osaki Front Tower	12,300	16,300	4.30%	931	4.10%	4.50%	16,500	4.20%	929	4.00%	4.40%	200	1.2%	(0.10)%	(0.3)%	(0.10)%	(0.10)%
Omori-Eki Higashiguchi	5,123	5,480	4.70%	270	4.50%	4.90%	5,600	4.60%	270	4.40%	4.80%	120	2.2%	(0.10)%	0.1%	(0.10)%	(0.10)%
Nippon Brunswick (Land with leasehold interest)	5,500	5,490	-	180	3.40%	-	5,490	-	180	3.45%	-	0	0.0%	-	0.0%	0.05%	-
Yoyogi 1Chome	8,700	10,900	3.80%	426	3.60%	4.00%	11,600	3.70%	440	3.50%	3.90%	700	6.4%	(0.10)%	3.2%	(0.10)%	(0.10)%
da Vinci Harajuku	4,885	6,920	4.00%	278	3.70%	4.10%	7,100	3.90%	278	3.60%	4.00%	180	2.6%	(0.10)%	0.1%	(0.10)%	(0.10)%
Jingumae MS	12,200	10,500	3.60%	387	3.40%	3.80%	10,500	3.50%	379	3.30%	3.70%	0	0.0%	(0.10)%	(2.1)%	(0.10)%	(0.10)%
Shibuya Cross Tower	34,600	51,300	3.50%	1,855	3.30%	3.70%	52,300	3.50%	1,883	3.30%	3.70%	1,000	1.9%	0.00%	1.5%	0.00%	0.00%
Ebisu Neonato	14,612	15,600	3.80%	616	3.60%	4.00%	16,500	3.70%	632	3.50%	3.90%	900	5.8%	(0.10)%	2.6%	(0.10)%	(0.10)%
Harmony Tower	11,120	13,900	4.10%	594	3.90%	4.30%	13,900	4.10%	594	3.90%	4.30%	0	0.0%	0.00%	0.0%	0.00%	0.00%
Otsuka Higashi-Ikebukuro	3,541	4,430	5.10%	228	4.80%	5.20%	4,480	5.00%	226	4.70%	5.10%	50	1.1%	(0.10)%	(0.8)%	(0.10)%	(0.10)%
Ikebukuro 2Chome	1,728	1,690	4.70%	80	4.50%	4.90%	1,700	4.60%	79	4.40%	4.80%	10	0.6%	(0.10)%	(1.2)%	(0.10)%	(0.10)%
Ikebukuro YS	4,500	4,640	4.50%	214	4.30%	4.70%	4,800	4.40%	216	4.20%	4.60%	160	3.4%	(0.10)%	1.0%	(0.10)%	(0.10)%
Hachioji First	5,679	4,800	4.90%	246	4.70%	5.10%	4,810	4.90%	246	4.70%	5.10%	10	0.2%	0.00%	0.0%	0.00%	0.00%
Saitama Urawa	2,574	2,310	5.10%	121	4.90%	5.30%	2,420	5.00%	125	4.80%	5.20%	110	4.8%	(0.10)%	3.7%	(0.10)%	(0.10)%
MM Park	37,400	38,700	4.40%	1,729	4.20%	4.60%	39,800	4.30%	1,735	4.10%	4.50%	1,100	2.8%	(0.10)%	0.3%	(0.10)%	(0.10)%
Queen's	17,200	19,400	4.50%	880	4.20%	4.80%	20,000	4.40%	890	4.10%	4.70%	600	3.1%	(0.10)%	1.1%	(0.10)%	(0.10)%
Kawasaki Isago	3,375	2,560	5.00%	131	4.80%	5.20%	2,610	4.90%	130	4.70%	5.10%	50	2.0%	(0.10)%	(0.2)%	(0.10)%	(0.10)%
Musashi Kosugi STM	4,000	4,100	4.90%	202	4.70%	5.10%	4,210	4.80%	203	4.60%	5.00%	110	2.7%	(0.10)%	0.5%	(0.10)%	(0.10)%
8・3 Square Kita	7,100	7,510	5.10%	384	4.90%	5.30%	7,700	5.10%	398	4.90%	5.30%	190	2.5%	0.00%	3.7%	0.00%	0.00%
Jozenji Park	1,000	958	5.80%	57	5.70%	6.00%	998	5.70%	58	5.50%	5.90%	40	4.2%	(0.10)%	1.8%	(0.20)%	(0.10)%
Higashi Nibancho	9,950	13,500	5.20%	656	5.00%	5.40%	13,700	5.10%	681	4.90%	5.30%	200	1.5%	(0.10)%	3.9%	(0.10)%	(0.10)%
Sendai Honma	3,174	2,350	5.50%	135	5.30%	5.70%	2,430	5.40%	137	5.20%	5.60%	80	3.4%	(0.10)%	1.1%	(0.10)%	(0.10)%
AER	18,640	19,000	4.30%	850	4.10%	4.50%	19,000	4.30%	853	4.10%	4.50%	0	0.0%	0.00%	0.4%	0.00%	0.00%
Kanazawa Park	4,580	4,590	6.00%	279	5.80%	6.20%	4,680	5.90%	279	5.70%	6.10%	90	2.0%	(0.10)%	0.1%	(0.10)%	(0.10)%
Nishiki Park (existing units)	5,800	4,700	5.20%	253	5.00%	5.40%	4,784	5.10%	253	4.90%	5.30%	84	1.8%	(0.10)%	0.1%	(0.10)%	(0.10)%
Hirokoji Place	8,567	10,400	4.60%	482	4.40%	4.80%	10,600	4.50%	481	4.30%	4.70%	200	1.9%	(0.10)%	(0.2)%	(0.10)%	(0.10)%
Nagoya Hirokoji	14,533	12,400	4.80%	611	4.60%	5.00%	12,600	4.70%	606	4.50%	4.90%	200	1.6%	(0.10)%	(0.8)%	(0.10)%	(0.10)%
Nagoya Misono	1,865	1,240	5.20%	65	5.00%	5.40%	1,270	5.10%	66	4.90%	5.30%	30	2.4%	(0.10)%	0.4%	(0.10)%	(0.10)%
Shijo Karasuma	4,400	4,920	5.20%	258	5.00%	5.40%	5,040	5.10%	259	4.90%	5.30%	120	2.4%	(0.10)%	0.7%	(0.10)%	(0.10)%
Umeda Square	15,523	16,300	4.00%	678	3.80%	4.20%	16,300	4.00%	678	3.80%	4.20%	0	0.0%	0.00%	0.0%	0.00%	0.00%
Shin-Fujita	24,000	17,800	4.60%	855	4.40%	4.80%	18,300	4.50%	857	4.30%	4.70%	500	2.8%	(0.10)%	0.3%	(0.10)%	(0.10)%
Sakaisujihonmachi	4,164	3,240	4.90%	169	4.70%	5.10%	3,330	4.80%	169	4.60%	5.00%	90	2.8%	(0.10)%	0.2%	(0.10)%	(0.10)%
Midosuji Daiwa	14,314	13,800	4.30%	606	4.10%	4.50%	14,300	4.20%	612	4.00%	4.40%	500	3.6%	(0.10)%	1.1%	(0.10)%	(0.10)%
Amagasaki Front	9,300	9,690	5.70%	557	5.50%	5.90%	9,820	5.60%	555	5.40%	5.80%	130	1.3%	(0.10)%	(0.5)%	(0.10)%	(0.10)%
Lit City	4,650	4,370	5.90%	259	5.70%	6.10%	4,430	5.80%	258	5.60%	6.00%	60	1.4%	(0.10)%	(0.4)%	(0.10)%	(0.10)%
NHK Hiroshima	2,770	2,660	5.80%	148	5.70%	6.00%	2,830	5.70%	161	5.60%	5.90%	170	6.4%	(0.10)%	9.0%	(0.10)%	(0.10)%
Tosei Tenjin	1,550	1,320	5.50%	76	5.40%	5.70%	1,320	5.40%	74	5.30%	5.60%	0	0.0%	(0.10)%	(1.9)%	(0.10)%	(0.10)%
Tenjin Crystal	5,000	2,590	5.10%	137	5.00%	5.30%	2,650	5.00%	137	4.90%	5.20%	60	2.3%	(0.10)%	0.2%	(0.10)%	(0.10)%
Hinode Tenjin	3,657	3,720	5.10%	193	4.80%	5.10%	3,880	5.00%	195	4.70%	5.00%	160	4.3%	(0.10)%	1.0%	(0.10)%	(0.10)%
Total (68 properties)	923,448	996,828		40,782			1,011,122		40,771			14,294	1.4%		0.0%		
Nishiki Park (additional acquisition)	175						246	5.10%	12	4.90%	5.30%						
Total (68 properties)	923,623						1,011,368		40,784								

*Figures of the properties for which additional shares were acquired during Sep. '16 Period among properties held at the end of Mar. '16 Period are described separately.

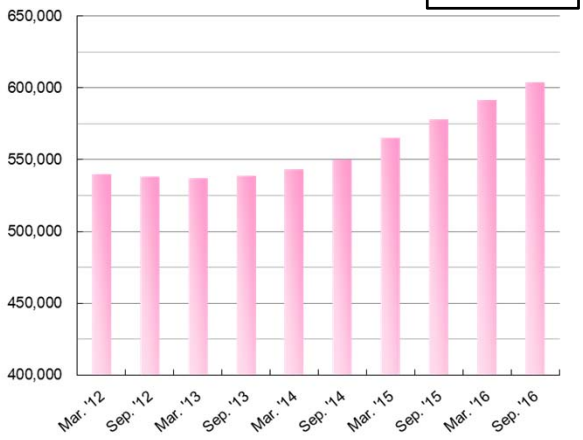
Historical Appraisal Values and NCF

49 properties of JRE's portfolio with constantly held ownership without increase or decrease of share between the end of Mar. '12 Period through the end of Sep. '16 Period.

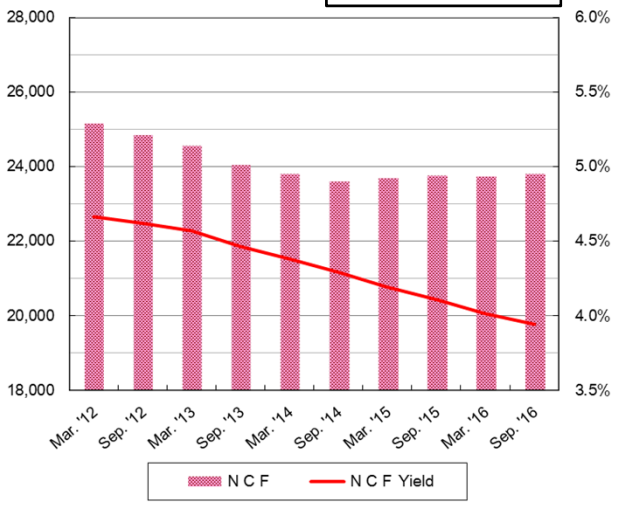
(Value and NCF: In millions of yen)

Overall

Value

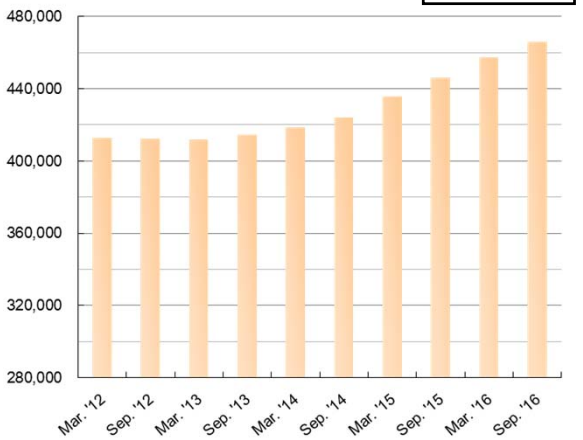


NCF and Yield

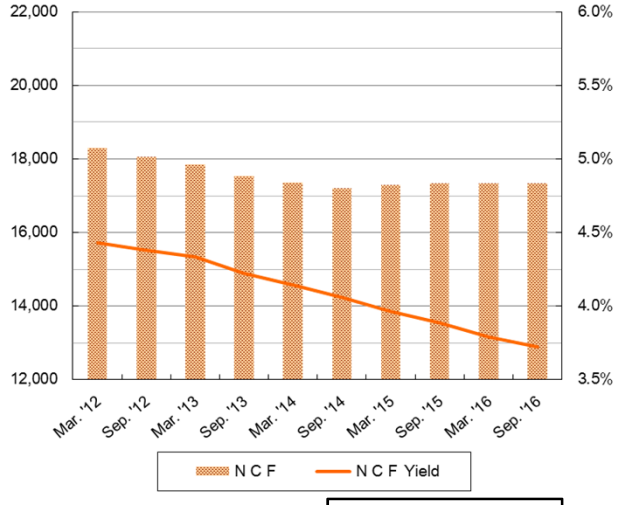


Tokyo 23 Wards

Value

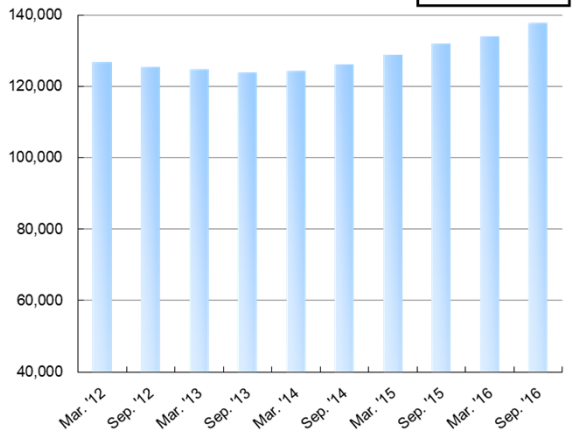


NCF and Yield

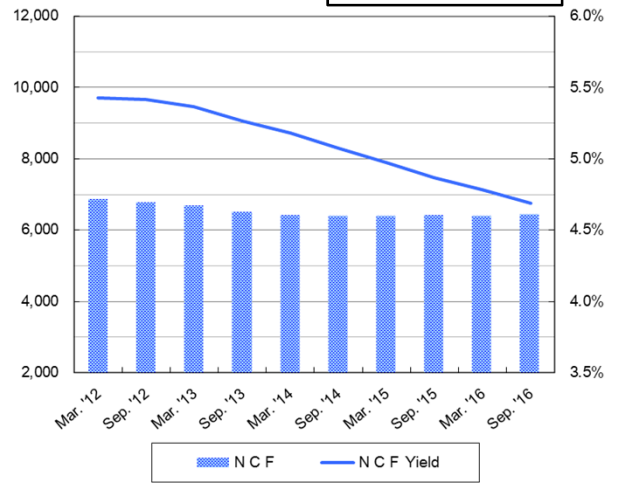


Other Areas

Value



NCF and Yield



Value: Calculated using direct capitalization (DC) method based on survey or appraisal value as of the end of each period
NCF: Net cash flow in the above DC method
Yield: annualized NCF / Value

Performance (Operating Results) of Each Property for Sep. ’16 Period

(In millions of yen)

Property Name	Performance (April 1, 2016 - September 30,2016)												
	Property-related Revenues	Property-related Expenses	Property Management Expenses	Utilities Expenses	Property and Other Taxes	Casualty Insurance	Repairing Expenses	Depreciation (1)	Other Expenses	(2) Property-related Profits and Losses	(3) NOI ((1)+(2))	(4) Capex	NCF ((3)-(4))
Genki Medical Plaza	222	71	13	17	17	0	0	20	2	151	171	-	171
Kitanomaru Square	1,719	745	120	78	94	2	38	411	0	973	1,384	11	1,373
MD Kanda	223	86	17	17	20	0	1	28	-	136	164	0	164
Kandabashi Park	115	41	1	-	16	0	5	17	-	74	91	4	86
Otemachi FCN	344	177	24	18	45	0	-	88	0	166	255	-	255
Nibancho Garden	476	234	60	26	53	0	3	90	-	241	332	2	329
Mitsubishi UFJ Trust	998	384	53	74	135	1	5	112	1	613	726	77	648
Burex Kojimachi	150	79	-	-	13	0	2	62	-	71	133	-	133
Sanno Grand	924	392	102	63	105	1	43	75	-	532	608	42	565
Yurakucho Denki	267	129	32	23	41	0	0	31	-	137	168	3	165
Kodenmacho	113	58	14	8	11	0	7	13	3	54	67	0	66
Kyodo (Kayabacho 2Chome)	145	59	9	10	11	0	5	21	-	86	107	2	104
Burex Kyobashi	157	57	-	-	11	0	5	39	-	100	140	-	140
Ginza 1Chome	145	94	12	7	11	0	2	61	-	50	112	1	110
Ginza Sanwa	378	148	28	19	65	0	12	21	0	230	251	65	186
Ryoshin Ginza EM	162	85	14	13	14	0	2	40	0	76	116	0	116
Harumi Front	1,248	719	145	131	75	1	5	360	0	529	889	-	889
Harumi Center	608	399	71	43	47	1	24	212	0	208	421	1	419
Akasaka Park	2,235	1,232	226	269	273	3	67	388	3	1,002	1,391	24	1,367
Aoyama Crystal	217	95	14	13	29	0	7	30	0	121	152	11	140
Clover Shiba-koen	100	48	10	5	6	0	1	23	0	51	74	0	74
Shiodome	1,885	770	161	111	142	2	14	335	2	1,114	1,449	30	1,418
Shiba 2Chome Daimon	277	158	35	26	38	0	21	35	0	118	154	3	150
Cosmo Kanasugibashi	99	47	12	7	13	0	0	13	0	52	66	1	65
Shinjuku Eastside	658	282	44	53	49	0	0	132	0	375	508	-	508
Shinwa	214	85	20	17	19	0	2	25	-	128	153	16	136
Tokyo Opera City	1,469	1,049	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed	420	Undisclosed	72	Undisclosed
TIX UENO	651	390	59	48	38	1	4	237	0	261	498	7	491
Higashi-Gotanda 1Chome	182	95	14	21	14	0	1	42	0	86	129	0	128
Osaki Front Tower	711	499	68	40	27	0	12	256	93	212	468	-	468
Omori-Eki Higashiguchi	234	130	27	21	25	0	23	31	-	103	134	123	11
Nippon Brunswick (Land with leasehold interest)	60	20	-	-	20	-	-	-	-	39	39	-	39
Yoyogi 1Chome	304	137	24	20	23	0	0	67	-	167	235	6	229
da Vinci Harajuku	191	55	10	10	16	0	1	14	-	136	151	-	151
Jingumae MS	166	137	26	19	45	0	7	37	-	29	67	16	50
Shibuya Cross Tower	1,398	1,226	182	122	123	2	361	433	0	171	605	201	403
Ebisu Neonato	451	214	49	25	37	1	3	95	-	236	332	10	321
Harmony Tower	444	139	14	-	57	1	12	53	-	304	358	-	358
Otsuka Higashi-Ikebukuro	189	94	19	20	12	0	1	40	-	95	135	-	135
Ikebukuro 2Chome	67	29	7	6	5	0	1	8	0	37	45	-	45
Ikebukuro YS	190	78	17	16	14	0	0	30	-	111	142	2	139
Hachioji First	240	126	49	4	26	1	11	33	-	114	147	20	127
Saitama Urawa	109	50	13	8	9	0	1	17	-	59	76	-	76
MM Park	1,320	709	137	183	78	1	13	294	0	611	905	15	890
Queen's	992	691	206	113	111	3	23	225	7	300	525	152	373
Kawasaki Isago	145	76	24	13	13	0	0	23	-	69	93	-	93
Musashi Kosugi STM	161	62	21	3	11	0	0	27	-	98	125	2	123
8･3 Square Kita	320	180	29	56	22	0	2	69	-	140	209	-	209
Jozenji Park	61	37	9	8	6	0	0	10	-	24	35	0	34
Higashi Nibancho	554	305	77	55	39	0	3	127	-	248	376	3	372
Sendai Honma	129	65	16	13	15	0	2	17	0	63	80	-	80
AER	619	394	85	55	62	0	28	161	0	225	386	25	360
Kanazawa Park	495	343	97	51	64	1	60	65	1	152	217	19	198
Nishiki Park	278	168	55	27	23	0	1	54	6	109	163	0	162
Hirokoji Place	383	184	39	32	33	0	3	74	-	199	273	-	273
Hirokoji Sakae	0	6	0	0	5	-	-	-	-	(5)	(5)	-	(5)
Nagoya Hirokoji	662	561	92	54	60	1	206	147	0	100	247	437	(189)
Nagoya Misono	70	60	10	7	6	0	7	28	-	10	38	6	32
Shijo Karasuma	185	116	24	18	11	0	1	59	0	69	128	1	127
Kyoto Kawaramachi	1	5	0	-	5	-	-	-	-	(3)	(3)	-	(3)
Umeda Square	449	225	40	48	47	0	8	80	-	223	304	13	291
Shin-Fujita	684	515	85	91	75	1	36	223	-	169	393	137	255
Sakaisujihonmachi	220	131	41	28	35	0	2	22	-	88	111	0	110
Midosuji Daiwa	529	246	60	40	73	1	2	68	0	282	351	-	351
Amagasaki Front	439	253	64	36	25	0	4	121	0	186	307	0	307
Lit City	254	149	31	21	19	1	9	65	0	104	170	-	170
NHK Hiroshima	268	181	50	28	23	0	7	46	24	86	133	15	118
Tosei Tenjin	76	43	12	8	7	0	2	10	0	32	43	3	40
Tenjin Crystal	156	133	22	20	18	0	9	61	0	23	84	-	84
Hinode Tenjin	159	78	24	15	14	0	5	19	0	80	100	16	84
Total	30,773	17,091	3,519	2,708	2,936	57	1,181	6,500	187	13,682	20,182	1,613	18,569

* At the request of the co-owners of Tokyo Opera City Building, 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 Sep. ’16 Period

(As of September 30, 2016)

Area		Name	Floor Area (Whole Building) (㎡)	Acquisition Date	Additional Acquisition Date	Ownership	Property Management Company
Tokyo 23 Wards	Chiyoda	Genki Medical Plaza	6,722.02	10/31/02	-	100.0%	Mitsubishi Jisho Property Management Co., Ltd.
		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 Corp.
		Nibancho Garden	57,031.06	04/01/05	-	31.345%	The Dai-Ichi Building Co., Ltd.
		Mitsubishi UFJ Trust	108,171.67	03/28/07	-	19.38402%	Mitsubishi Estate Co., Ltd.
		Burex Kojimachi	6,526.64	07/29/05	-	100.0%	Space Design, Inc.
		Sanno Grand	33,875.95	01/31/05	04/03/06	99.0%	Mitsubishi Estate Co., Ltd.
		Yurakucho Denki	70,287.65	08/01/03	-	10.78%	Yuden Building Kanri Co., Ltd.
	Chuo	Kodenmacho	5,822.88	09/25/01	-	100.0%	The Dai-Ichi Building Co., Ltd.
		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%	The Dai-Ichi Building 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	45.0%	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.
	Shinjuku	Shinjuku Eastside	167,245.46	10/01/14	-	14.0%	Mitsubishi Estate Co., Ltd.
		Shinwa	8,291.69	09/01/04	-	100.0%	Tokio Marine & Nichido Facilities, Inc.
		Tokyo Opera City	232,996.81	09/13/05	03/24/10	31.325%	Tokyo Opera City Property Management co.,ltd.
	Taito	TIX UENO	23,727.48	06/15/12	-	94.040229%	The Dai-Ichi Building Co., Ltd.
	Shinagawa	Higashi-Gotanda 1Chome	6,460.39	11/01/04	-	100.0%	Sohgo Housing 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%	The Dai-Ichi Building 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.
	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%	The Dai-Ichi Building 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.

PML Values

Tokyo 23 Wards

Area	Name	Completion Date	PML Value
Chiyoda	Genki Medical Plaza	09/1985	3.4%
	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%
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 Value
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%
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%

* Completion date is the data of construction.

Portfolio PML	1.8%

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

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

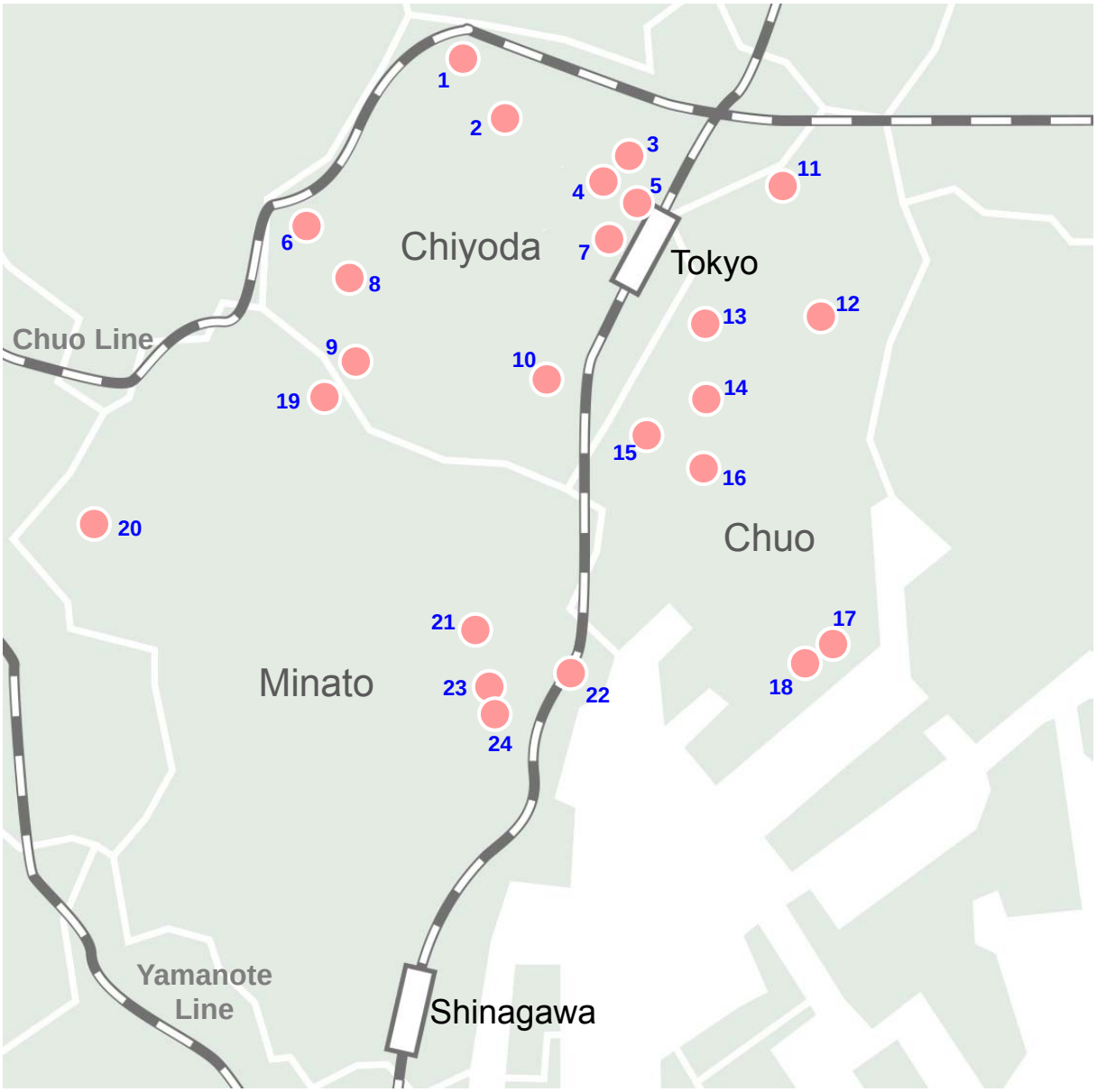
Portfolio Map

3 Central Wards of Tokyo (Chiyoda/Chuo/Minato)

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

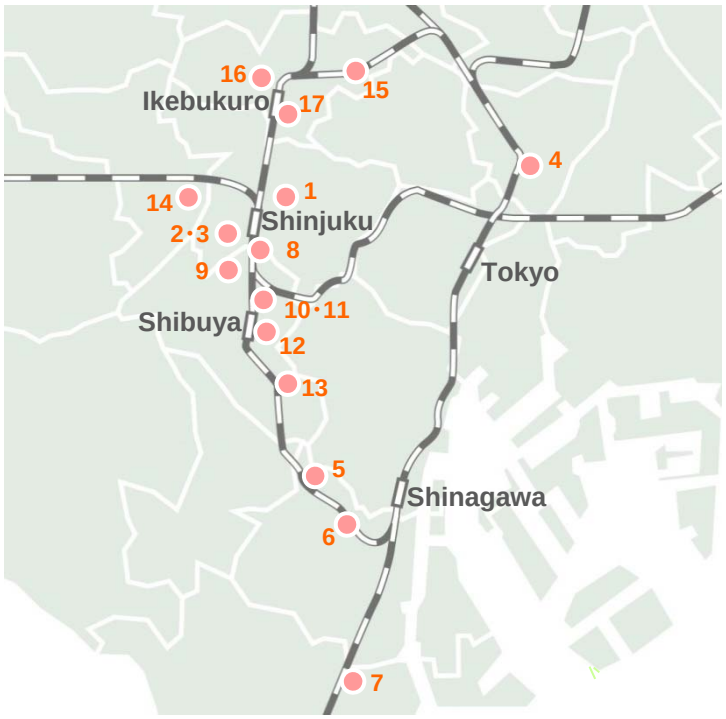
Nibancho Garden

Ginza Sanwa Building



23 Wards of Tokyo (excluding 3 Central Wards)

As of September 30, 2016



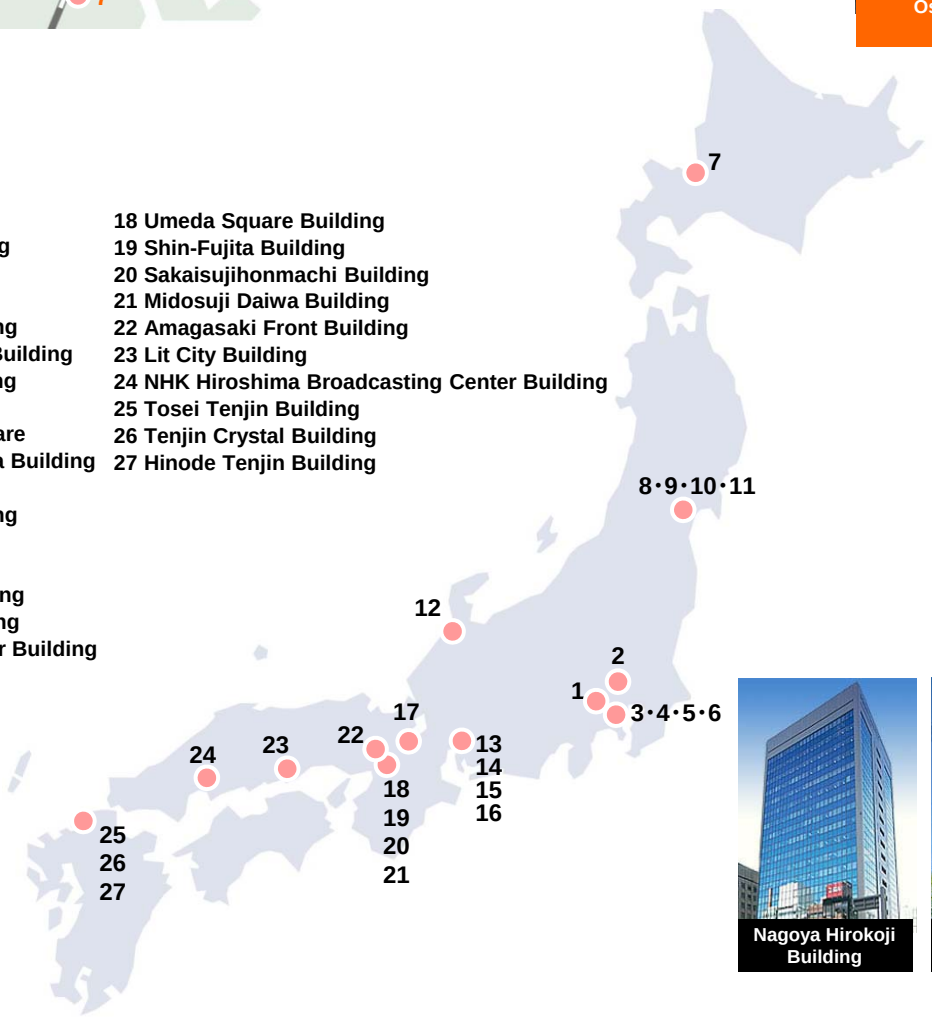
1 Shinjuku Eastside Square
2 Shinwa Building
3 Tokyo Opera City Building
4 TIXTOWER UENO
5 Higashi-Gotanda 1Chome Building
6 Osaki Front Tower
7 Omori-Eki Higashiguchi Building
8 Nippon Brunswick Building
(Land with leasehold interest)
9 Yoyogi 1Chome Building
10 da Vinci Harajuku
11 Jingumae Media Square 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
2 Saitama Urawa Building
3 MM Park Building
4 Queen's Tower A
5 Kawasaki Isago Building
6 Musashi Kosugi STM Building
7 8･3 Square Kita Building
8 Jozenji Park Building
9 Higashi Nibancho Square
10 Sendai Honcho Honma Building
11 AER
12 Kanazawa Park Building
13 Nishiki Park Building
14 Nagoya Hirokoji Place
15 Nagoya Hirokoji Building
16 Nagoya Misono Building
17 Shijo Karasuma Center Building
18 Umeda Square Building
19 Shin-Fujita Building
20 Sakaisujihonmachi Building
21 Midosuji Daiwa Building
22 Amagasaki Front Building
23 Lit City Building
24 NHK Hiroshima Broadcasting Center Building
25 Tosei Tenjin Building
26 Tenjin Crystal Building
27 Hinode Tenjin Building



8･3 Square Kita Building

Nagoya Hirokoji Building

Midosuji Daiwa Building

Portfolio Classification by Area and Floor Space

Floor Size by Area, Property and PM Companies

Blue Italic shows the property acquired in Sep. '16 Period *Red Italic shows the transferred properties* (As of September 30, 2016)

Tsubo per Standard floor (Tsubo≒3.3 ㎡) \ Area	Tokyo 23 Wards: 3 Central Wards	Tokyo 23 Wards: Other Area	Other Areas: Tokyo Metropolitan Area (excl. 23 Wards)	Other Areas: Osaka / Kyoto / Kobe	Other Areas: Nagoya	Other Areas: Other	Total Number of Buildings / Total Acquisition Price (¥mm) (%)
450 -	Nibancho Garden 1,117 Shiodome 1,059 Otemachi FCN 709 Harumi Front 693 Sanno Grand 666 Harumi Center 648 Akasaka Park 617 Kitanomaru Square 568 Mitsubishi UFJ Trust 537	Shinjuku Eastside 1,789 Tokyo Opera City 653	MM Park 828 Musashi Kosugi STM 619 Queen's 476			Kanazawa Park 625 Lit City 550 Amagasaki Front 517 Higashi Nibancho 468	18 524,125 (57.1%)
300 - 450	*Property E* Yurakucho Denki 398 Shiba 2Chome Daimon 352	Harmony Tower 413 Ebisu Neonato 373 Osaki Front Tower 368 TIX UENO 329 Shibuya Cross Tower 313	Hachioji First 335	Shin-Fujita 440 Midosuji Daiwa 341	Hirokoji Place 421 Nagoya Hirokoji 333	8･3 Square Kita 373 AER 302 NHK Hiroshima 301	15 202,294 (22.0%)
200 - 300	Kandabashi Park 212	*Property H* Otsuka Higashi-Ikebukuro 273 Ikebukuro YS 251 Yoyogi 1Chome 230 Shinwa 227 Omori-Eki Higashiguchi 218 Higashi-Gotanda 1Chome 201	*Property B*	Sakaisujihonmachi 284 Shijo Karasuma 264 *Property J*	*Nishiki Park* 209	Hinode Tenjin 252	11 58,200 (6.3%)
150 - 200	Ginza Sanwa 198 MD Kanda 198 Genki Medical Plaza 183 Kyodo (Kayabacho 2Chome) 181 Burex Kyobashi 176 Ryoshin Ginza EM 173 Ginza 1Chome 160 Cosmo Kanasugibashi 160 Kodenmacho 150	*Property A*	Kawasaki Isago 197 Saitama Urawa 189	Umeda Square 185	Nagoya Misono 157	Jozenji Park 191 Sendai Honma 179 *Property C* Tosei Tenjin 167	16 90,510 (9.9%)
100 - 150	Burex Kojimachi 132 Aoyama Crystal 117	Jingumae MS 146 da Vinci Harajuku 117 *Property G*		*Property F*	*Property I*	*Property D* Tenjin Crystal 112	5 36,765 (4.0%)
- 100	Clover Shiba-koen 98	Ikebukuro 2Chome 74					2 6,228 (0.7%)
Total Number of Buildings	24	16	6	5	4	12	67
Total Acquisition Price (¥mm)	479,666	203,515	70,228	62,401	30,940	71,371	918,123
(%)	(52.2%)	(22.2%)	(7.6%)	(6.8%)	(3.4%)	(7.8%)	(100.0%)
Number of PM Companies	9	7	3	2	3	5	12

- Balanced portfolio of properties, mostly large scale and competitive properties.
- The ratio of properties with standard floor area of 200 tsubo is approximately 85% on an acquisition price basis.
- JRE keeps property management agreements with several property management companies in each area with a view to assure fair competition among them and accumulate know-how through them.

Portfolio Classification by Building Age and Location

Building Age and Walking Time from the Nearest Station

Blue Italic shows the property acquired in Sep. '16 Period *Red Italic shows the transferred properties*

shows properties conveniently located where multiple lines are available in Tokyo 23 Wards. **(As of September 30, 2016)**

Time / Building Age	Area								Total Number of Buildings / Total Acquisition Price (¥mm) / (%)
	Tokyo 23 Wards				Other Areas				
	- 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 Shinjuku Eastside	TIX UENO Ginza 1Chome Shiodome	Harumi Front Harumi Center		Shijo Karasuma Higashi Nibancho MM Park 8･3 Square Kita	Amagasaki Front			12 279,221 (30.4%)
10 - 20 years	Kitanomaru Square Burex Kojimachi Mitsubishi UFJ Trust MD Kanda Harmony Tower	Clover Shiba-koen Osaki Front Tower Higashi-Gotanda 1Chome Nibancho Garden Yoyogi 1Chome Burex Kyobashi Ryoshin Ginza EM Jingumae MS			Lit City Queen's	Hirokoji Place AER			17 274,101 (29.9%)
20 -30 years	Tokyo Opera City Ebisu Neonato Kodenmacho Kyodo (Kayabacho 2Chome) *Property G* Omori-Eki Higashiguchi	Kandabashi Park Akasaka Park Otsuka Higashi-Ikebukuro	Cosmo Kanasugibashi *Property A* Ikebukuro 2Chome Ikebukuro YS Shinwa da Vinci Harajuku		Hachioji First *Nishiki Park* NHK Hiroshima Sakaisujihonmachi Sendai Honma Midosuji Daiwa Musashi Kosugi STM	Umeda Square Shin-Fujita Tenjin Crystal Jozenji Park Kanazawa Park Nagoya Misono Kawasaki Isago Saitama Urawa *Property I* Hinode Tenjin Nagoya Hirokoji	Tosei Tenjin *Property F*	*Property B* *Property D*	31 267,730 (29.2%)
30 years -	Genki Medical Plaza Ginza Sanwa Yurakucho Denki *Property E* Sanno Grand	Shiba 2Chome Daimon Aoyama Crystal Shibuya Cross Tower *Property H*				*Property J*		*Property C*	7 97,069 (10.6%)
Total Number of Buildings	16	17	7	0	13	13	1	0	67
Total Acquisition Price (¥mm)	301,483	301,848	79,851	0	120,776	112,614	1,550	0	918,123
(%)	(32.8%)	(32.9%)	(8.7%)	(0.0%)	(13.2%)	(12.3%)	(0.2%)	(0.0%)	(100.0%)

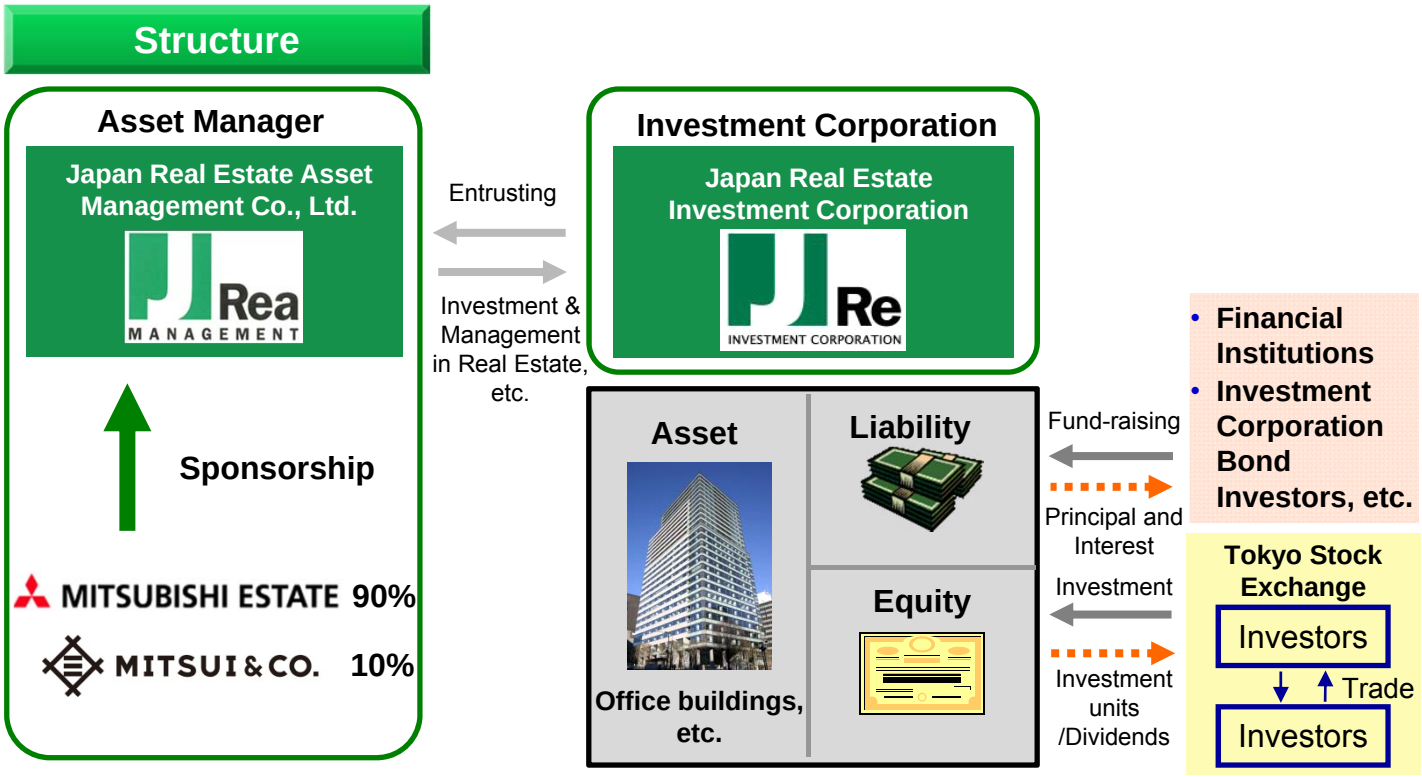
- Properties aged 10 years or less account for approx. 30% of the total properties on an acquisition price basis.
- The ratio of properties located within a five-minute walk from the nearest station is approx. 91% of the total properties on an acquisition price basis.

MEMO

6. Others

Outline of Japan Real Estate Investment Corporation

Structure



Points

- 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, 2016)

① Collaboration with the sponsors:

Property pipeline support
- Providing properties
- Property information, etc.

Operating support
- Providing expertise on attracting 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
(68 office buildings, total acquisition price: ¥923.6 billion*)

③The first listed J-REIT, showing steady performance for 30 consecutive periods

④Sound financial strength
- Conservative LTV (cruising speed of 30%- 40% level)
- 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 transfer of the part of Jingumae MS site

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 regard 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.

Board of Directors

Decides basic points regarding compliance

- Draw up and announce basic compliance policy
- Build compliance organization structure
- Approve Compliance Regulation, Manual, and Program, etc.

Compliance Committee

Discuss and decide matters related to conflict of interest prevention and other important compliance-related matters

- Discuss and approve important transactions that involve key related parties
- Develop compliance structure
- Discuss and decide issues related to compliance
- Discuss and decide other important matters related to compliance

Compliance Department

Promote and control company-wide compliance
Concentrate and centrally manage compliance-related information in each department

- Plan and draw up the company-wide Compliance Program
- Support compliance-related activities in each department
- Inspect, examine and improve compliance-related activities in each department
- Deal with incidents and problems as they occur
- Compliance committee secretariat

Compliance Manager in Each Department

Promote compliance in respective operations

- Oversee and assess compliance-related practices in daily operations
- Boost department-wide awareness on compliance via taking the lead by examples
- Draw up and implement compliance programs, etc.
- Draw up and implement relevant regulations and manuals, etc.

- 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.

Structure and Past Record of Fees to Asset Management Company

Structure of Fees to Asset Management Company

(As of September 30, 2016)

Term fee

Each amount calculated in the following formula is based on the current cash flow(CF).
CF = Income or loss before income taxes +(Depreciation expenses and the amortization of deferred assets)-
(Gain or loss on sales and valuation of Specified Assets)
Furthermore, calculation of the term fee shall be based on the CF before deduction of the relevant term and incentive fees.

[Formula]*
For the portion of the CF that is not more than 2.5 billion yen, the amount equivalent to such portion is multiplied by 8.0%
For the portion of the CF that is more than 2.5 billion yen but not more than 4 billion yen, the amount equivalent to such portion is multiplied by 5.0%
For the portion of the CF that is more than 4 billion yen, the amount equivalent to such portion is multiplied by 3.0%

* Reduction in term-fee rates was agreed upon at the unitholders' meeting held on March 28, 2003. The new rates above apply from Sep. '03 Period.

Incentive fee

1. If (i) during the recent six (6) consecutive fiscal periods, including the relevant fiscal period, the CF per Unit for the fiscal period is equal to or larger than that of the previous fiscal period, and (ii) the CF per Unit for the relevant fiscal period with respect to when the incentive fee is calculated, increases from that in the previous fiscal period, the following formula applies:

[Formula]
(［CF per Unit as of the last day of the relevant fiscal period］ – ［CF per Unit as of the last day of the immediately preceding fiscal period］) x (Total number of outstanding Units as of the last day of the relevant fiscal period) x 30.0%

2. If, although the requirement in (1) (i) above is not satisfied, such CF per Unit exceeds the arithmetic average of the CF per Unit during the recent six consecutive fiscal periods and the requirement in (1) (ii) above is satisfied, the following formula applies:

[Formula]
(［CF per Unit as of the last day of the relevant fiscal period］ – ［Arithmetic average of the CF per Unit during the recent six fiscal periods, including the relevant fiscal period］) x (Total number of outstanding Units as of the last day of the relevant fiscal period) x 30.0%

CF per Unit shall be calculated by dividing the CF by the total number of outstanding Units as at the end of each fiscal period; provided, however, that if either of the below events come into force and the total number of outstanding Units increases or decreases during the recent six fiscal periods including the relevant fiscal period, in order to exclude the effects on CF per Unit by such increase or decrease in the number of Units, the figure of CF per Unit during the recent six consecutive fiscal periods shall be adjusted and calculated.

(i) Consolidation or Split of Units
(ii) Issuance of New Units upon Exercise of New Units Acquisition Rights concerning Allotment without Consideration for Unitholders
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 obtained by subtracting the number of Own Units held from the total number of outstanding Units as at the end of each fiscal period shall be deemed as the total number of outstanding Units as at the end of each fiscal period.
Calculation of the incentive fee shall be based on the CF before deduction of any incentive fee.

* The structure of the incentive fee was revised in accordance with a resolution passed at the unitholders' meeting held on February 19, 2014 and March 17, 2015.

Acquisition fee

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

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

Transfer fee

In the case of transfer of Real Estate Assets or other Specified Assets, an amount equivalent to the sales price multiplied by a rate no higher than 0.5%

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.

Asset Management Fees Paid to the Asset Management Company

(In millions of yen)

	Mar. '02 Period	Sep. '02 Period	Mar. '03 Period	→New Asset Management fee Rate (reduction) Sep. '03 Period	Mar. '04 Period	Sep. '04 Period	Mar. '05 Period	Sep. '05 Period	Mar. '06 Period	Sep. '06 Period	Mar. '07 Period	Sep. '07 Period	Mar. '08 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
Transfer Fee (*c)	0	0	0	0	0	0	0	0	0	20	154	8	0
Total AM Fee	1,038	470	617	484	518	576	941	573	1,046	707	741	741	2,960
Total Assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968	433,552	441,163	443,973	449,643	527,537
Amount of Acquisition Price during the Period	144,697	19,580	19,265	9,065	25,830	21,390	50,683	36,050	86,205	12,630	49,850	7,100	72,029
Amount of Transfer 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%
Transfer Fee／Amount of Transfer Price during the Period	–	–	–	–	–	–	–	–	–	0.29%	0.37%	0.50%	–
Total AM Fee/Total Assets	0.64%	0.25%	0.31%	0.23%	0.21%	0.22%	0.29%	0.16%	0.24%	0.16%	0.17%	0.16%	0.56%

	Sep. '08 Period	Mar. '09 Period	Sep. '09 Period	→New Asset Management Fee Rate (change of acquisition) Mar. '10 Period	Sep. '10 Period	Mar. '11 Period	Sep. '11 Period	Mar. '12 Period	Sep. '12 Period	Mar. '13 Period	Sep. '13 Period	Mar. '14 Period	Sep. '14 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
Transfer Fee (*c)	0	0	0	7	0	0	15	0	0	0	6	0	0
Total AM Fee	609	591	540	910	542	622	562	856	681	800	692	891	641
Total Assets	542,920	565,022	564,528	637,326	634,974	646,847	643,949	703,085	724,851	765,628	775,066	817,130	813,931
Amount of Acquisition Price during the Period	24,000	21,250	0	77,026	(*3)0	16,710	0	60,800	22,000	41,770	12,967	43,174	650
Amount of Transfer 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%
Transfer Fee／Amount of Transfer Price during the Period	–	–	–	0.50%	–	–	0.50%	–	–	–	0.50%	–	–
Total AM Fee/Total Assets	0.11%	0.10%	0.10%	0.14%	0.09%	0.10%	0.09%	0.12%	0.09%	0.10%	0.09%	0.11%	0.08%

	Mar. '15 Period	Sep. '15 Period	Mar. '16 Period	Sep. '16 Period	Average Sep. '03 Period～ Per Period	Per Year
Term Fee (*a)	647	687	697	707	529	1,059
Incentive Fee (*a)	124	238	235	256	133	267
Acquisition Fee (*b)	227	221	0	0	154	308
Transfer Fee (*c)	0	0	21	0	8	17
Total AM Fee	999	1,147	955	965	826	1,652
Total Assets	852,679	899,938	890,626	883,633	594,363(*2)	
Amount of Acquisition Price during the Period	45,459	44,263	0	175	28,928	57,857
Amount of Transfer Price during the Period	0	0	4,366	0	2,256	4,513
Term Fee／Total Assets	0.08%	0.08%	0.08%	0.08%	0.09%	0.18%
Incentive Fee／Total Assets	0.01%	0.03%	0.03%	0.03%	0.02%	0.04%
Acquisition Fee／Amount of Acquisition Price during the Period	0.50%	0.50%	–	0.50%	0.53%	0.53%
Transfer Fee／Amount of Transfer Price during the Period	–	–	0.50%	–	0.39%	0.39%
Total AM Fee/Total Assets	0.12%	0.13%	0.11%	0.11%	0.14%	0.28%

(*1) Accounting treatment of asset management fees

(*a) Expense (Administrative expenses)

(*b) Capitalized for asset

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

(*2) Total assets are a simple 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

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 2016 GRESB Real Estate Assessment, JRE was highly evaluated and acquired the best status, a "Green Star".

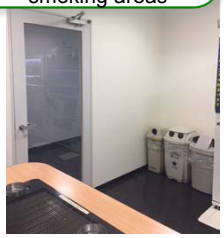
GRESB® REAL ESTATE

Environmental Measures · Disaster Prevention · Renovation to strengthen Portfolio Competiveness

- 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, Shibuya Cross Tower and MM Park)

Mitsubishi UFJ Trust
Built extra oil tank to activate the generator in case of emergency

Lit City
Renovation of smoking areas

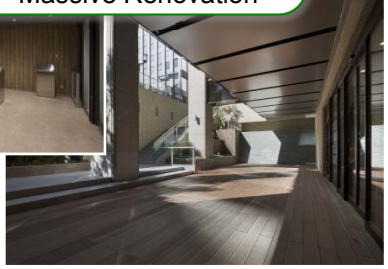


Jingumae MS
Newly built smoking areas

Ginza Sanwa
Renovation of common areas

Tosei Tenjin
Renovation of common areas

Nagoya Hirokoji
Massive Renovation



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

Harumi Front

The first property to be given 'Five Stars' (previously 'Platinum' rank) of the properties owned by J-REITs

Main reasons for 'Five Stars'

- Installed LED lighting and lighting control system utilizing daylight in common areas
- Excellent environmental performance by greening exterior walls, rooftop and flower beds in the site
- Ensure emergency power source operating for long hours
- Effective disaster prevention measures such as regional warehouses for emergency and vibration control system in building
- Install universal design toilets

Shinjuku East

Main reasons for 'Five Stars'

- Installed LED lighting, lighting control system and BEMS in common areas as well as environmental awareness such as reuse of rain water and reclaimed water
- Disaster prevention measures installing power-generating system with continuous operation of 72 hours and food and beverage stock
- Greening 40% of the site to restrain urban heat island that contributes to local community

DBJ Green Building 2016

Buildings that are given 'Four Stars' (previously 'Gold' rank)

MM Park | Osaki Front Tower | Harumi Center

Contribution to local community

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

『HAMASITE Summer Festival』of Shiodome

Aim for sustainable growth with environment and local community

Key Properties of JRE

（As of September 30, 2016）

Kitanomaru Square
（Chiyoda-ku, Tokyo）

- Acquisition Date　February 24, 2006
- Acquisition Price　¥81,555 million
- Area　Land: 5,821.03 ㎡
  Building: 57,279.20 ㎡
- 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 ㎡
  Building: 108,171.67 ㎡
  （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 ㎡
  Building: 45,458.90 ㎡
- Completion Date　February 2012

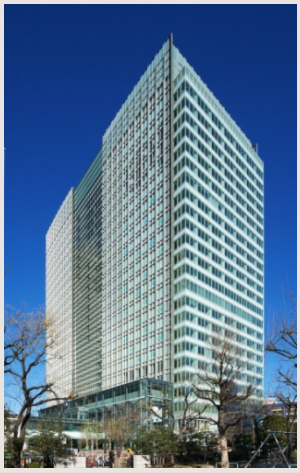
Tokyo Opera City Building
（Shinjuku-ku, Tokyo）

- Acquisition Date　September 13, 2005/March 24, 2010
- Acquisition Price　¥31,776 million
- Area　Land: 18,236.94 ㎡
  Building: 232,996.81 ㎡
  （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 ㎡
  Building: 97,489.16㎡
- Completion Date July 1993

Shiodome Building
(Minato-ku, Tokyo)



- Acquisition Date December 19, 2008/January 15,2010 /May 1, 2015
- Acquisition Price ¥85,950 million
- Area Land: 12,054.22 ㎡
  Building: 115,930.83 ㎡
  (Quasi-co-ownership: 45% of the trust beneficiary right)
- Completion Date December 2007

Shibuya Cross Tower
(Shibuya-ku, Tokyo)

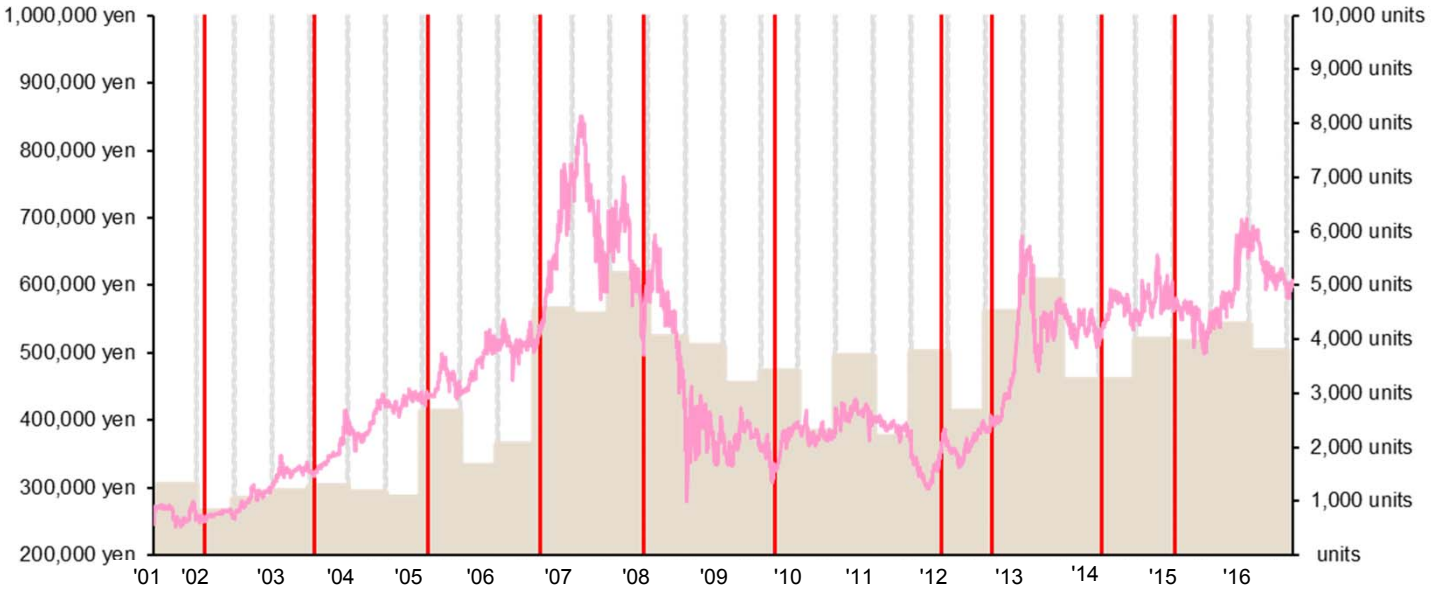
- Acquisition Date November 30, 2001
- Acquisition Price ¥34,600 million
- Area Land: 5,153.45 ㎡
  Building: 61,862.33 ㎡
- Completion Date April 1976

MM Park Building
(Yokohama City, Kanagawa Prefecture)

- Acquisition Date March 24, 2008
- Acquisition Price ¥37,400 million
- Area Land: 6,825.77 ㎡
  Building: 49,037.51 ㎡
- Completion Date December 2007

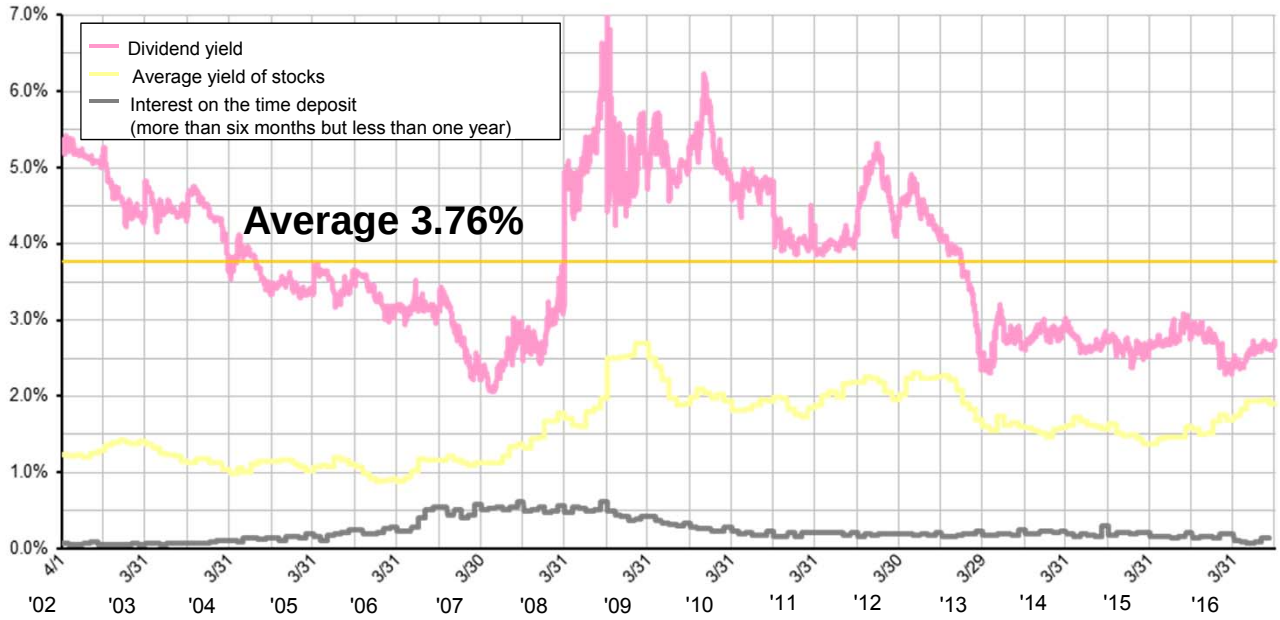
Unit Price Performance ① (After IPO)

◆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 are all noted after the split.
* Trading volume shows average volume during each fiscal period.

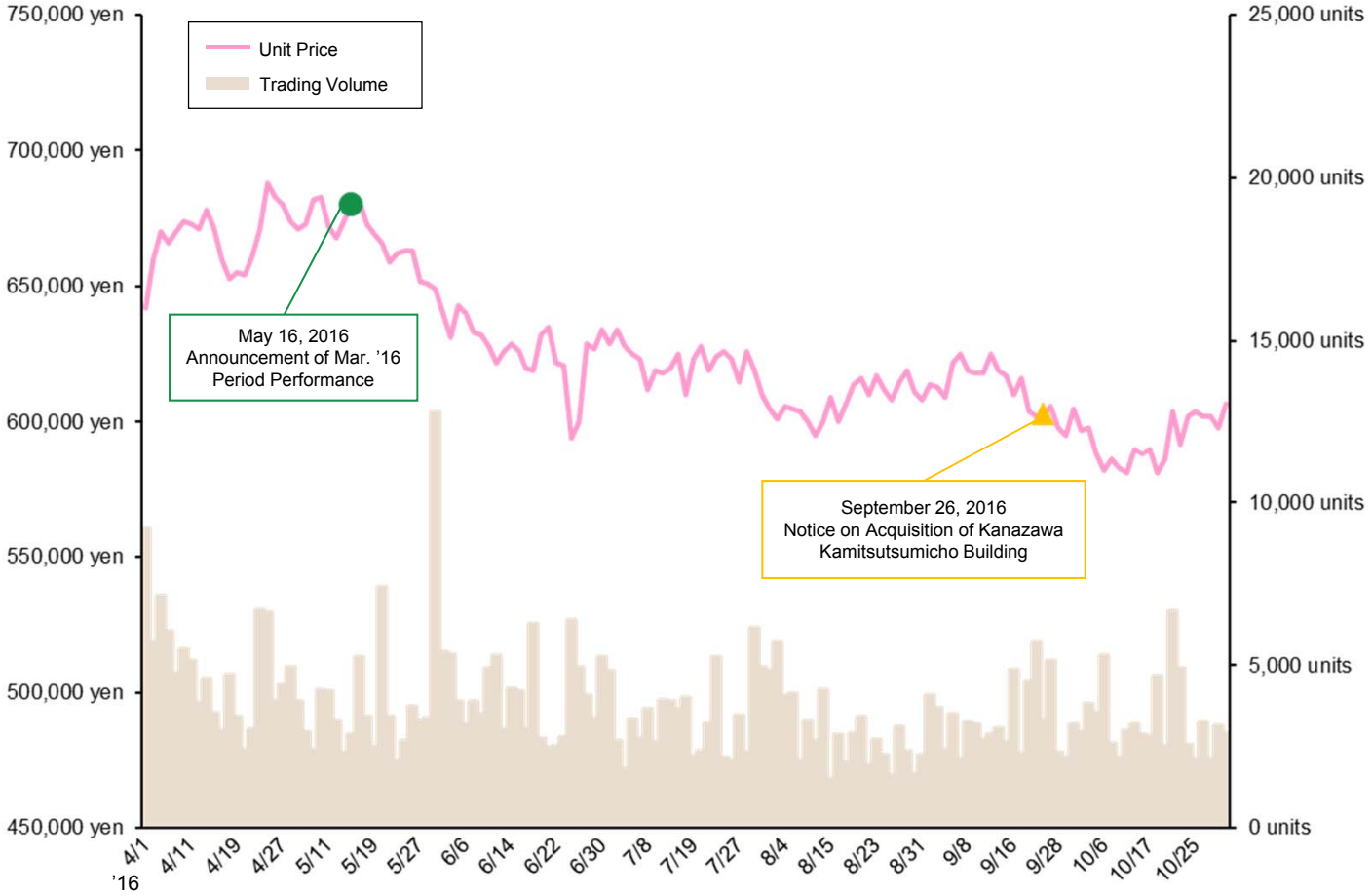
◆Historical Dividend Yield of JRE Unit



* The Dividend yield is calculated by dividing annualized actual dividend by unit price (daily closing price from April 1, 2002 to September 30, 2016).
* 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, 2016.
* Interest on the time deposit (more than six months but less than one year) is on a monthly basis as of August 2016.
* Gray lines show ex-dividend dates.
* Source: Bank of Japan, Tokyo Stock Exchange

Unit Price Performance ②（From Sep. ’16 Period to Date）

As of October 31, 2016



* Circles (●) show announcements of JRE’s events.

* Triangles (▲) show announcements of acquisition and transfer.

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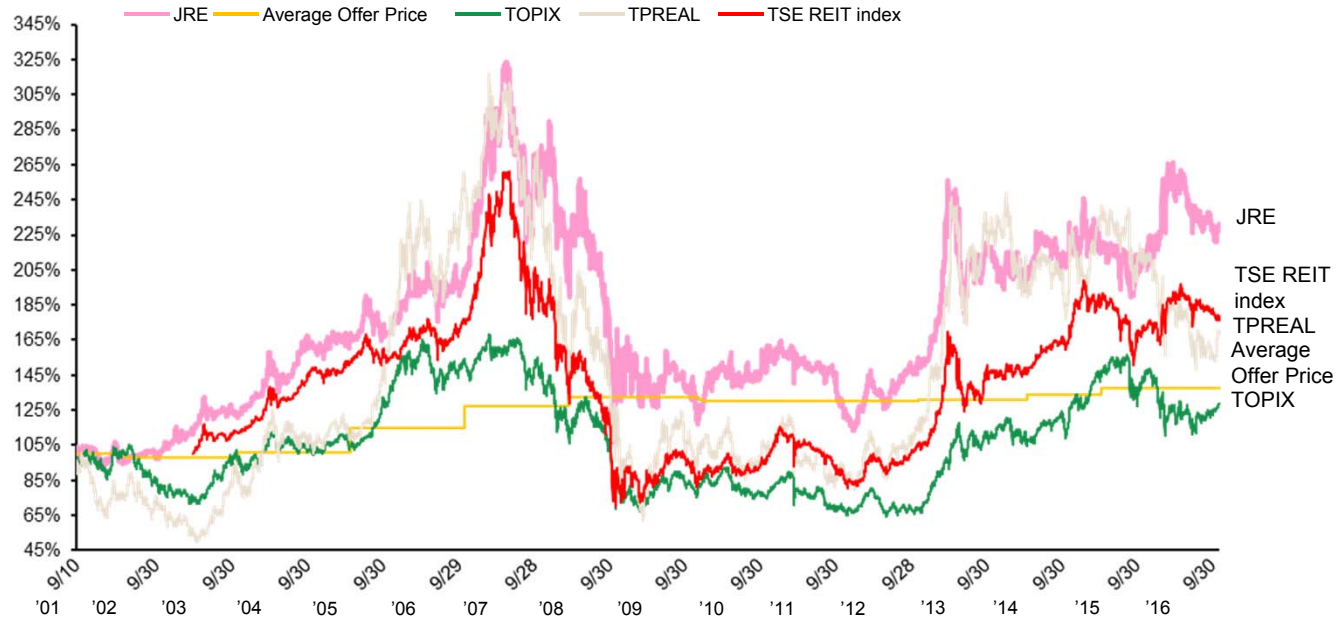
Unit Price Performance ③（Relative to Major Indices）

◆Unit Price Performance （As of October 31, 2016）



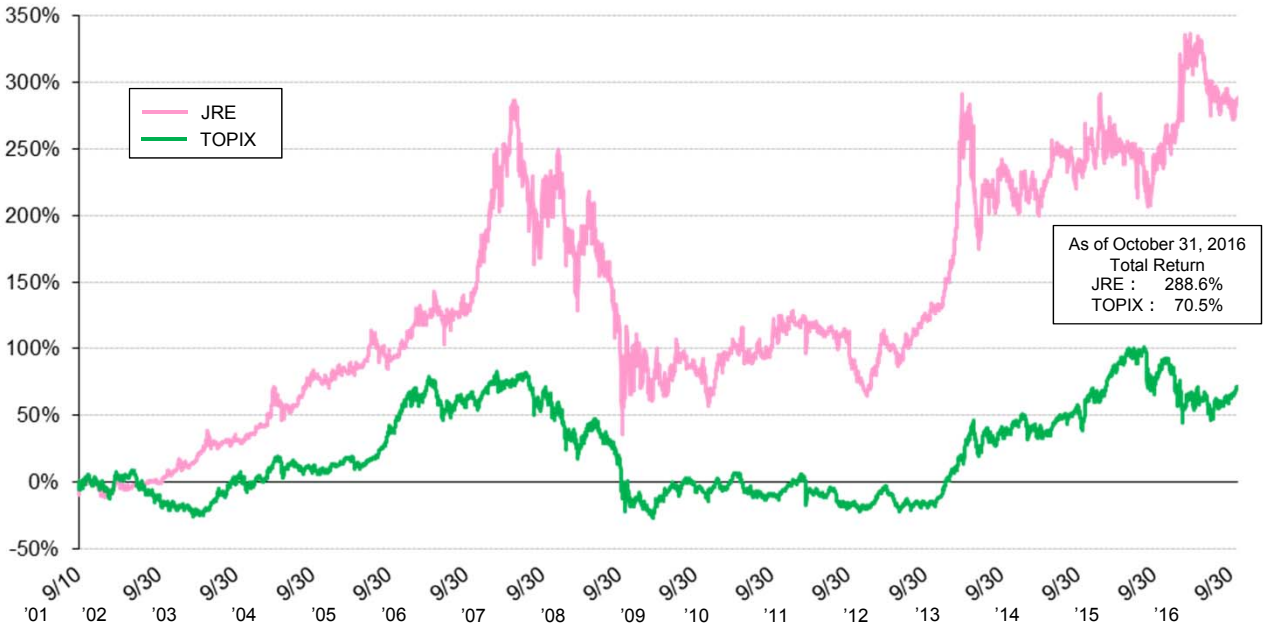
* Stock performance is measured based on the offer price of 262,500 yen（after the split）for JRE and the closing prices of 1,080.83 for TOPIX and 770.21 for TPREAL on September 7, 2001. The TSE REIT index is a ratio against the closing price on March 31, 2003.

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

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

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

◆Total Return Performance （As of October 31, 2016）



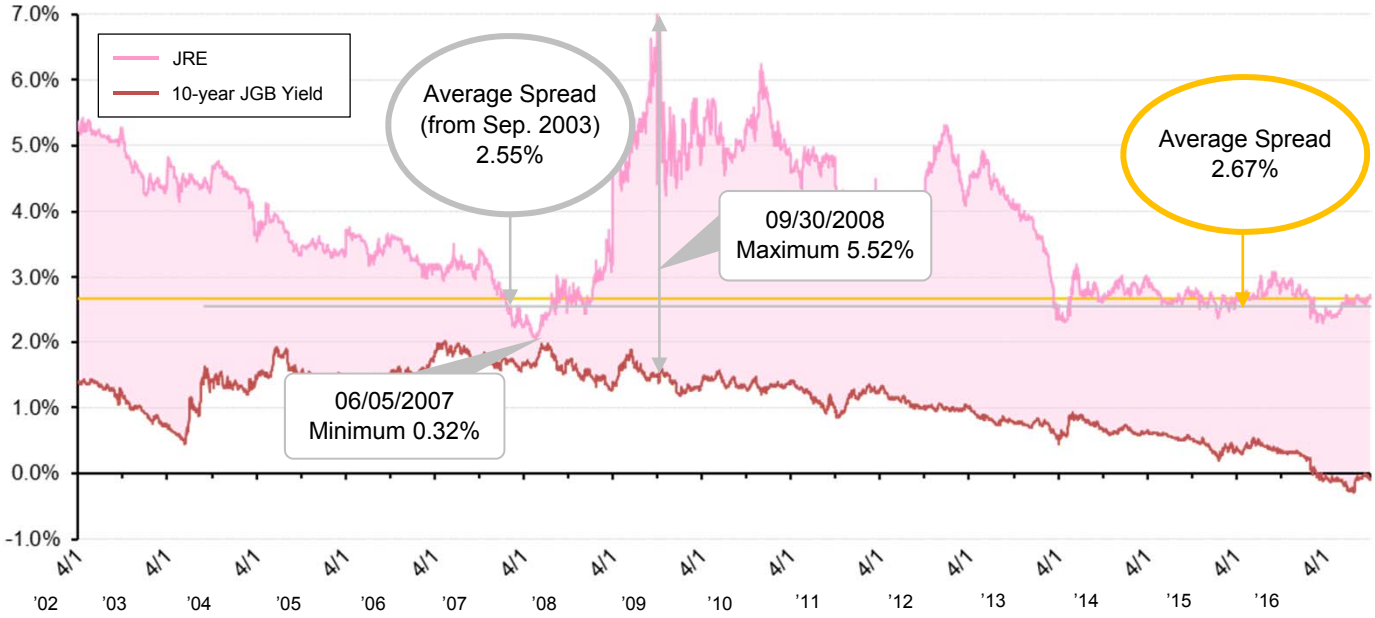
* Total return is the rate of return on investment in JRE from September 10, 2001 to the end of each holding period. Total return consists of capital gains and income gains under the assumption of reinvestment of dividends.
Total return ＝((the number of units acquired by reinvestment of dividends+1)×(the last closing price/the closing price on September 10, 2001)-1)×100

* Total return is calculated from September 10, 2001 to October 31, 2016 on a daily basis.

* Source：Bloomberg.

Yield Spread Comparison

◆JRE Dividend Yield Spread against JGB
（As of September 30, 2016）



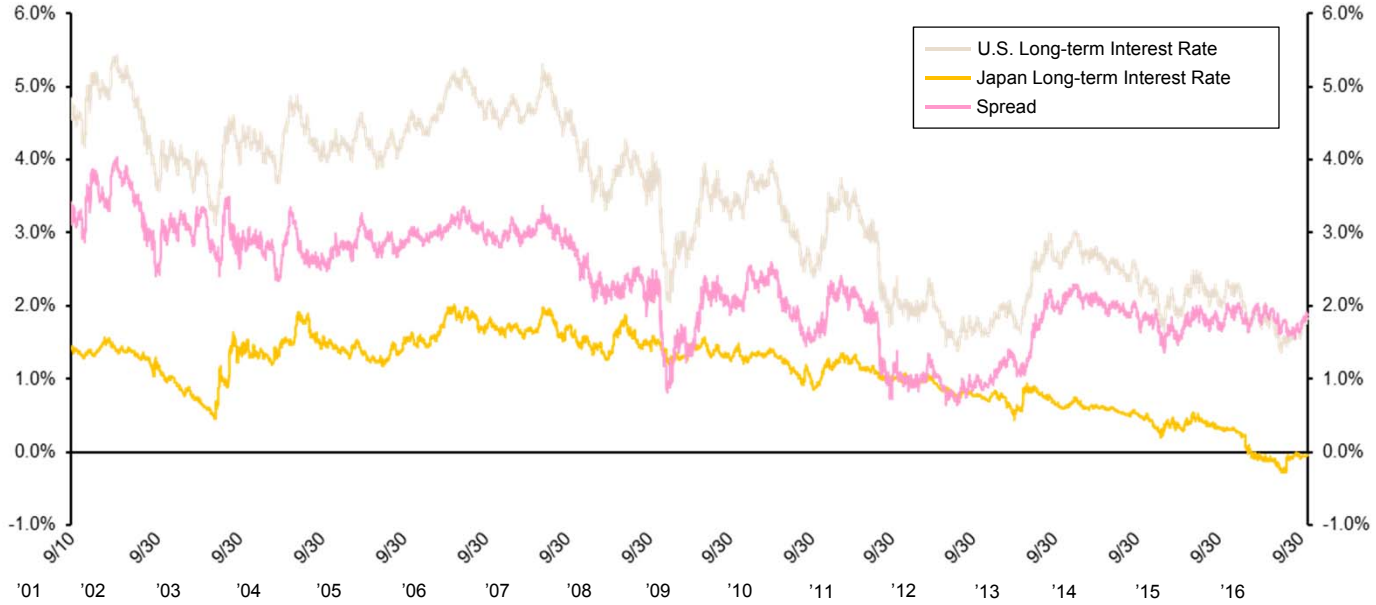
* Source: Bloomberg （Dividend yield is based on the actual performance）

◆TSE REIT Dividend Yield Spread against JGB
（As of September 30, 2016）

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

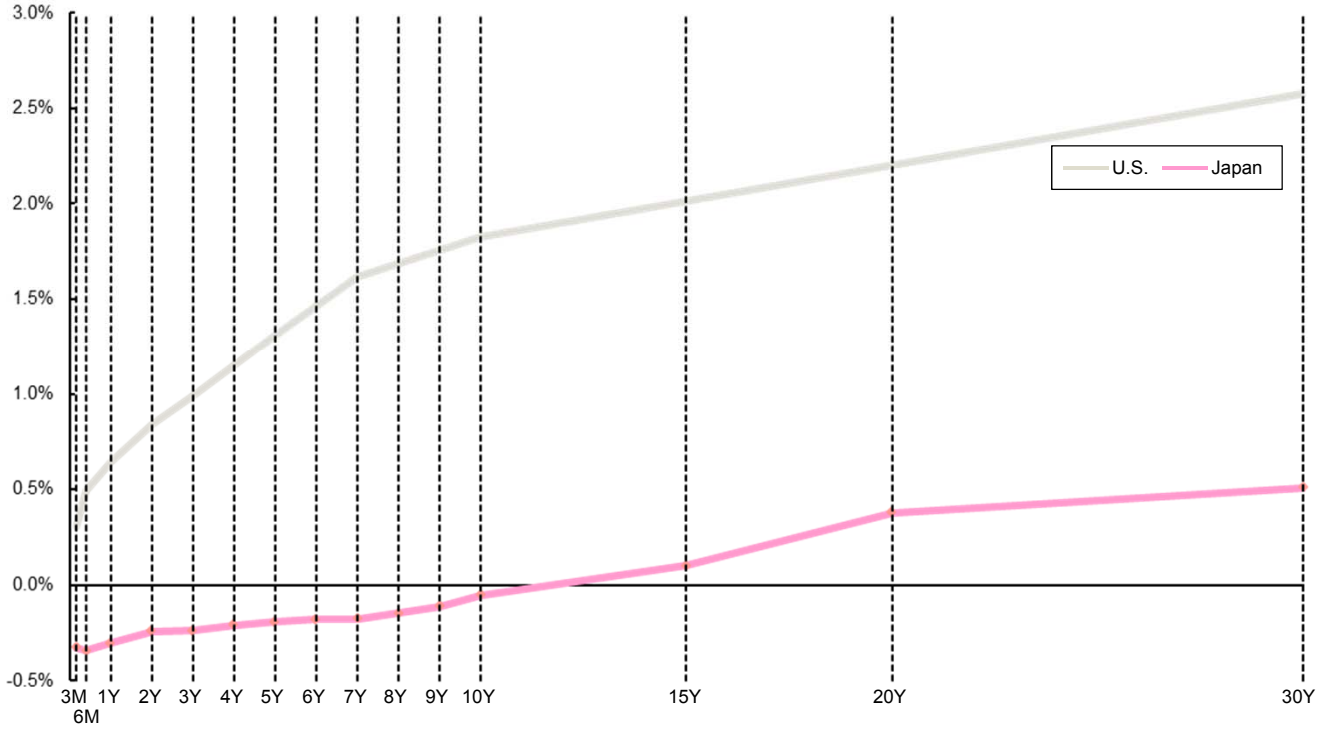
Interest Rate Comparison of Japan and U.S.

◆Long-term Interest Rate Comparison of Japan and U.S. （As of October 31, 2016）



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

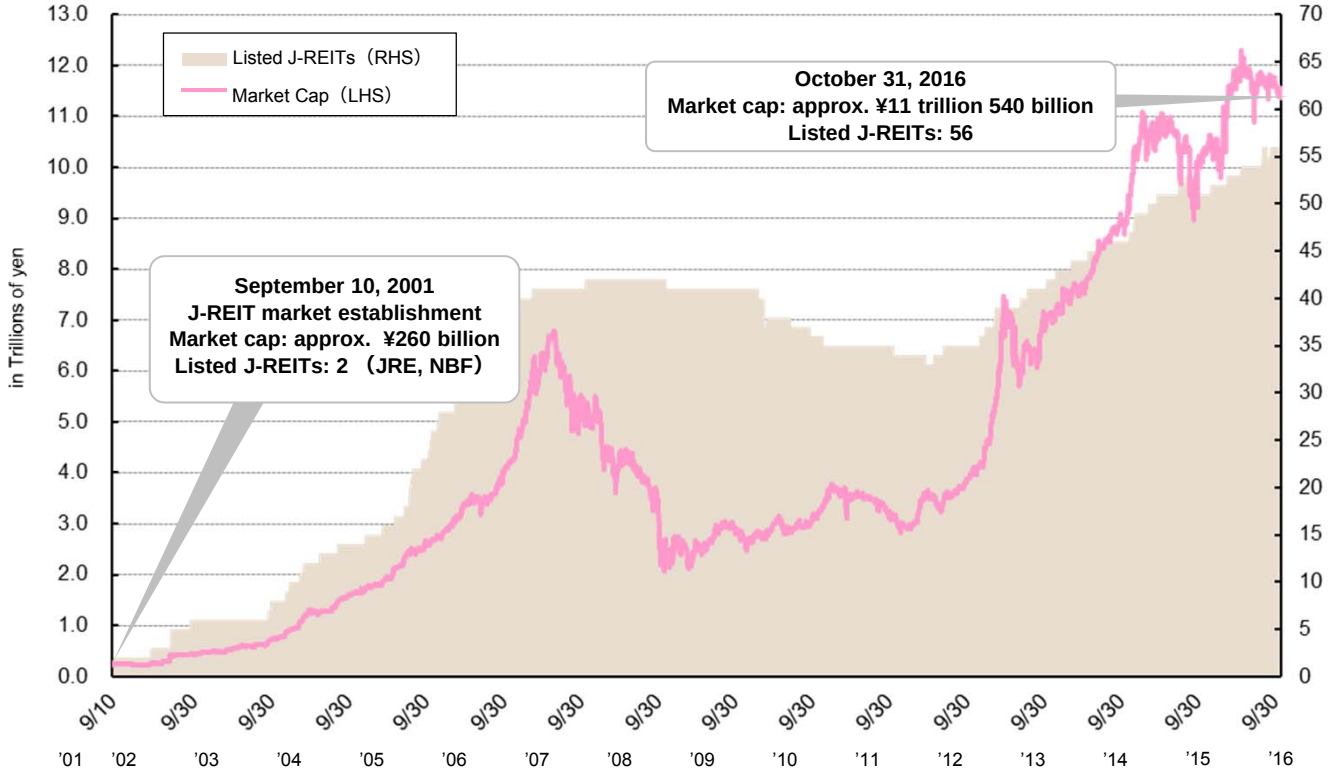
◆Yield Curve Comparison of Japan and U.S. （As of October 31, 2016）



* Source: Bloomberg

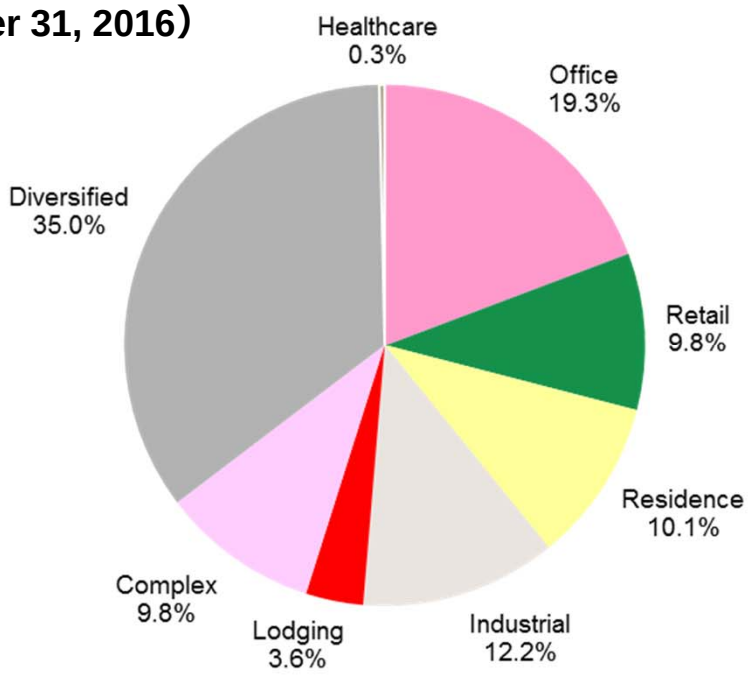
J-REIT Market

◆J-REIT Market Capitalization and the Number of Listed J-REITs （As of October 31, 2016）



* Source: Bloomberg.

◆Sector Breakdown by Market Capitalization （As of October 31, 2016）



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

* “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.

MEMO

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.

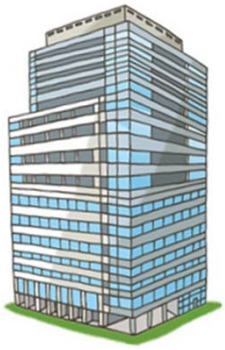
These forecasts are based on the assumptions, judgment, and data currently available from Japan Real Estate Asset Management (J-Rea) and JRE. These data may contain known and unknown risks, uncertainty, and other factors not accounted for. The forecasts herein may be affected by known and unknown risks, 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.

Disclaimer concerning Translation

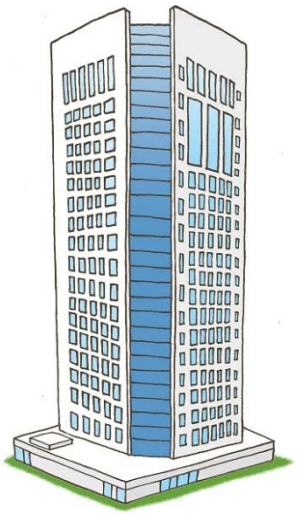
This report was prepared in English solely for the convenience of readers outside Japan. No assurance or warranties are given for the completeness or accuracy of the English translation. The original Japanese documents shall take precedence in the event of any discrepancies arising from the translations or interpretations contained in this report.



Kitanomaru Square

Shiodome Building

Akasaka Park Building



Tokyo Opera City Building

JRe
INVESTMENT CORPORATION