

BIZCORE TSUKIJI



OSAKI BRIGHT TOWER

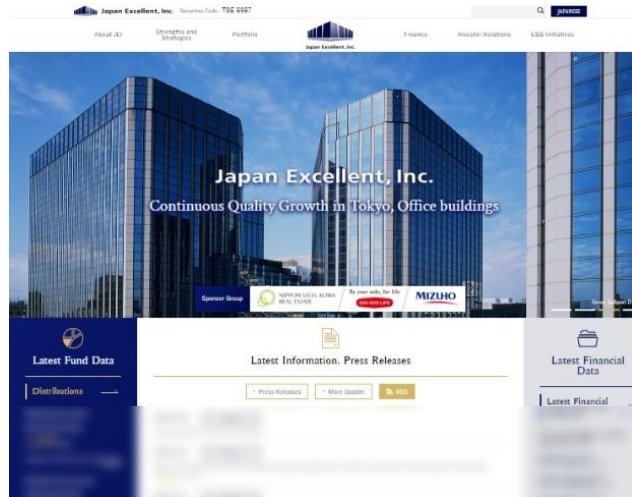


GRAND FRONT OSAKA



Japan Excellent, Inc.
Thirty-fifth Period (Ended December 2023)
Presentation Materials
February 20, 2024

Please visit JEI's website below.



<https://www.excellent-reit.co.jp/en/>

QR code



- This data was prepared for the purpose of providing information and is not intended for offering, soliciting, or selling investments in the specified product.
- Future forecasts are included in the contents of this data, but such descriptions do not guarantee future business results, financial conditions, or management results, etc. of Japan Excellent, Inc.
- Neither Japan Excellent, Inc. nor Japan Excellent Asset Management Co., Ltd. guarantee the accuracy or integrity of the information provided in this data, nor do they bear responsibility for updating the information listed in this data. Please note that the contents may be modified or repealed without any advance notice.
- Quoting, copying, and transferring all or a part of the contents of this data is prohibited without prior approval.


> Table of Contents

Introduction of JEI: Continuous Quality Growth of Office REIT in Tokyo Metropolitan Area	3		
<u>I. Key Points in Current Operations</u>			
1. Responses to Issues, Future Operation Policy	5		
2. Qualitative Improvement of Portfolio & Execution of Measures with Consideration for Cost of Capital and Capital Efficiency	6		
3. Occupancy Rate, Revenue and Expenses, and Distribution Policy	7		
<u>II. Financial Results of the 35th Period (Ended December 2023)</u>			
1. Overview of Financial Results of the 35th Period (Ended December 2023)	9		
2. Actual Results of Distributions per Unit and NAV for the 35th Period (Ended December 2023)	10		
3. Highlights of the 35th Period (Ended December 2023)	11		
<u>III. Performance Forecasts for the 36th Period (Ending June 2024) and 37th Period (Ending December 2024)</u>			
1. Assumptions for Performance Forecasts	13		
2. Overview of Performance Forecasts	14		
3. Forecast of Distributions per Unit	15		
<u>IV. Management Status and Policy</u>			
1. External Growth			
(1) Effect of Acquisitions and Transfers (Since 2020) and Approach to Future Replacement Strategy	17		
(2) Property Acquired in the 35th Period (Ended December 2023) «GRAND FRONT OSAKA»	18		
(3) Property Acquired in the 35th Period (Ended December 2023) «BIZCORE TSUKIJI»	19		
(4) BIZCORE Series Being Developed by the Core Sponsor (Nippon Steel Kowa Real Estate)	20		
(5) Properties to Be Acquired in the 36th Period (Ending June 2024) «OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA»	21		
(6) Properties Transferred in the 35th Period (Ended December 2023) to 38th Period (Ending June 2025)	22		
(7) Change in External Growth and Policies/Strategies	23		
(8) Major Development Cases and Portfolio of Sponsors and Overview of Transactions with JEI	24		
2. Internal Growth			
(1) Status of Rent 1) (Departure and Lease Up)		25	
(1) Status of Rent 2) (Rent Revision)		26	
(2) Status of Rent Gap		27	
(3) Construction Results		28	
(4) Facility Renewal for CO ₂ Emissions Reduction		29	
3. Financial Strategy			
(1) Performance of Financing Activities		30	
(2) Status of Financial Management		31	
<u>V. ESG Initiatives</u>			
(1) Initiatives in the 35th Period (Ended December 2023) 1)		33	
(1) Initiatives in the 35th Period (Ended December 2023) 2)		34	
[Reference] Status of JEI's ESG initiatives		35	
(2) Environmental Performance Data		36	

Introduction of JEI: Continuous Quality Growth of Office REIT in Tokyo Metropolitan Area







1. Sponsors

Japan Excellent, Inc.
Japan Excellent Asset Management Co., Ltd.



- Continuous expansion of the asset size through the provision of property acquisition opportunities
- Strengthening of profitability and enhancement of property competitiveness with strong property management and leasing capabilities
- Stable and flexible fund procurement

Core Sponsors

 Nippon Steel Kowa Real Estate Co., Ltd. (Investment ratio: 54%)		Total of group: 64%	 The Dai-ichi Life Insurance Company, Limited (Investment ratio: 26%)		Total of group: 36%
 Mizuho Bank, Ltd.	 Mizuho Trust & Banking Co., Ltd.	 The Dai-ichi Building Co., Ltd.		 Sohgo Housing Co., Ltd.	

* The investment ratio by each core sponsor shown above is the investment ratio in Japan Excellent Asset Management Co Ltd, which is the Asset Management Company

- ◆ Cooperative system with finance, insurance and developers as the core sponsors
- Continuously acquired large-scale properties in central Tokyo with high specifications mainly by utilizing the sponsor pipeline
 - Percentage of properties in the portfolio that were acquired from the sponsor: **80.5%**
(Acquisition price basis)
- Maintained a high occupancy rate by also gaining significant sponsor support on property operation and management
Continuous stable growth of rental revenue
 - Period-end occupancy rate for the 35th Period: **97.9%**
(Average occupancy rate over the past 5 years: **96.3%**)
 - Rental revenue for the 35th Period: **9,300 million yen**
- Established a solid financial base supported by a megabank sponsor
 - Ratings: **AA-** (JCR)
 - Average remaining period of interest-bearing debt: **4.1 years**
 - LTV: **43.6%**

2. Portfolio*

- High growth potential and stability mainly in the Tokyo metropolitan area

Number of properties: 35

Asset size: 281.9 billion yen

Ratio of investment in office buildings: 100.0%

Large-scale properties: 63.3%

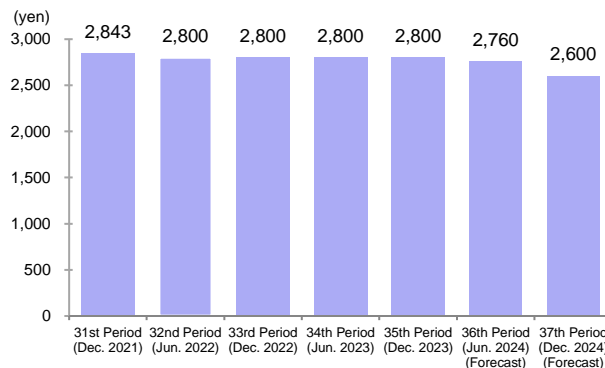
Tokyo metropolitan area: 82.3%

6 central wards of Tokyo: 57.1%

* Please refer to notes on p.42 for definitions of the figures above.

3. Historical Distributions

- Operational stance aiming for stable distribution



4. ESG Initiatives

- Strongly promoting initiatives by positioning them as the most important issue

- (1) Reduction of environmental burden
- (2) Cooperation/ collaboration with stakeholders

CO₂ emissions reduction targets: FY2030: -46% in (vs FY2013)
FY2050: Net zero

GRESB: Acquired the highest ratings of "Green Star" and "5 Star"

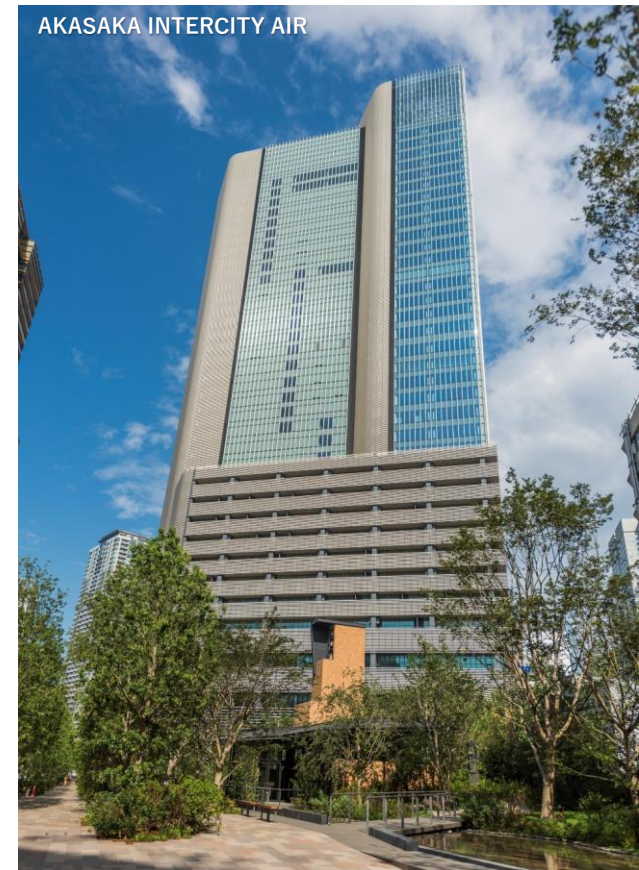
MSCI ESG Rating: Obtained A rating

Green Building Certification: 90.1% (area basis)

CO₂-free electricity rate: 67.3% (area basis)

Declared Support for the TCFD, disclosure of financial impact

I. Key Points in Current Operations



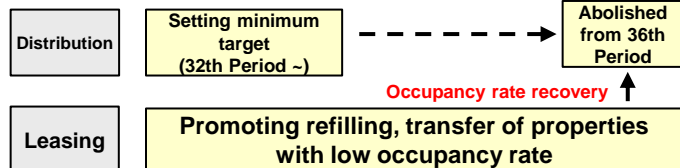
> 1. Responses to Issues, Future Operation Policy

<Responses to Issues>

- The problem of declining occupancy rate due to the departure of major tenants was generally resolved in the 34th period
 - With sponsor support, executed replacements including the Kowa Kawasaki Nishiguchi Building, which was a pending problem, realizing the following
 - (1) Recovery of portfolio occupancy rate
 - (2) Significant decrease in unrealized losses
 - (3) Reduced average building age and strengthened area competitiveness
- ⇒ After confirming the recovery of the occupancy rate, the minimum target for distributions has been abandoned from the 36th period, and dividends have been changed to be operated at a level based on the state of earnings in each period

	28th Period (Jun. 2020)	29th Period (Dec. 2020)	30th Period (Jun. 2021)	31st Period (Dec. 2021)	32nd Period (Jun. 2022)	33rd Period (Dec. 2022)	34th Period (Jun. 2023)
Period-end contracted occupancy rate (%)	99.6	98.0	96.4	93.1	90.8	93.0	96.5
Distributions per unit (yen)	2,960	3,000	2,938	2,843	2,800	2,800	2,800

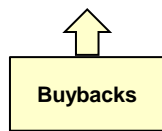
Responding to decline in occupancy rate



Qualitative improvement of portfolio

Transfer					
			Shirokanedai	Shintomicho (1)	Kawasaki Nishiguchi Shintomicho (2) Kyobashi (1)
Acquisitions	B JIMBOCHO	Sapporo Otemachi	ARK FRONT (TK investment)	B SHIBUYA	Shin-Yokohama

Growth strategy with consideration for cost of capital

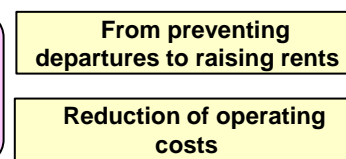


<Future Operation Policy>

- Due to the recovery in occupancy rates and changes in the external environment, operations will be focused on the following from the 35th Period
 - (1) Increase of actual earnings (basic earning capacity not including gains on sales)
 - Shifting focus from priority on occupancy and preventing departures to the direction of increasing rent
 - Revision and reduction of operating costs
 - (2) Strengthening and qualitative improvement of portfolio
 - (3) Promotion of growth strategy conscious of cost of capital

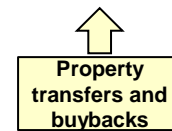
35th Period (Dec. 2023)	36th Period (Jun. 2024)	37th Period (Dec. 2024)	38th Period (Jun. 2025)
97.9	97.9	95.5	
2,800	2,760	2,600	

Increase of actual earnings



Shift of focus

Sengoku	Kyobashi (2)	Hongo (1)	Hongo (2)
B TSUKIJI GF OSAKA	OSAKI BT		



Ongoing promotion while being conscious of cost of capital

2. Qualitative Improvement of Portfolio & Execution of Measures with Consideration for Cost of Capital and Capital Efficiency

Buyback of investment units and repayment of loans using proceeds from transfer of property

- ◆ JEI Hongo Building was transferred at a price above the appraisal value based on aging construction (decline in future earning ability) and area competitiveness
- ◆ Cost of capital and capital efficiency improved due to intertwining transfer proceeds with funds for buyback of investment units and funds for repayment of loans

Transferred property (JEI Hongo Building)

- Concerns about a rise in capex burden in future due to the building being 33 years old
- Concerns about competitiveness as an office area in future
- Low profitability ⇒ 2.2% NOI yield after depreciation (3.3% portfolio average)
- Unrealized loss (-360 million yen)



Transfer

Transfer above period-end appraisal value

- Transfer price: 6.15 billion yen (> period-end appraisal value of 4.51 billion yen)
- Gain on transfer^{*1}: 1.28 billion yen
- Scheduled transfer dates: July 11, 2024 (40%), January 17, 2025 (60%)

Buyback of investment units ^(Note)	2.0 billion yen
Loan repayment	3.0 billion yen
Distribution equivalent	1.15 billion yen
(Total)	6.15 billion yen

Acquisition at NAV discount

Effect of the initiative

Enhancement of unitholder value

(1) Qualitative improvement of portfolio

- Elimination of concerns about building age, area competitiveness and profitability
- Processing of unrealized losses

(2) Securing of gain on transfer

- Securing financial strength supporting stable distribution policy

(3) Raising of distributions per unit

<Effect of buyback/cancellation of investment units (estimate)>^{*2}

- Vs. Forecast EPU for FY6/2024: + 38 yen [Estimate assumptions]

Total cost of buybacks	2,000 million yen
Average acquisition price	122,000 yen (January 31 closing price)
Total number of investment units acquired	16,393 units (1.2% of issued investment units)

(4) Improvement of NAV per unit

- Buyback and cancellation of investment units at NAV discount
- Property transfer above period-end appraisal value

(5) Reduction of financial cost due to loan repayment

(Note) Buyback of investment units is planned to be executed ahead of the acquisition using cash on hand

*1 These are reference figures calculated as the difference between transfer value and the book value as of December 31, 2023 and differ from the gain/loss on sale in accounting.

*2 The "Effect of buyback/cancellation of investment units (estimate)" is the current estimate calculated based on the "Estimate assumptions" above, and will vary depending on the actual total acquisition price and the total number of investment units to be acquired.

3. Occupancy Rate, Revenue and Expenses, and Distribution Policy

	26th Period	27th Period	28th Period	29th Period	30th Period	31st Period	32nd Period	33rd Period	34th Period	35th Period Results	36th Period (Forecast)	37th Period (Forecast)
Period-end contracted occupancy rate (%)	99.4	99.6	99.6	98.0	96.4	93.1	90.8	93.0	96.5	97.9	97.9	95.5
Tenant departure rate (%)	1.6	1.7	0.8	2.5	3.2	6.6	7.6	4.1	3.0	1.8	1.1	3.9

Potential departures taken into account

← Major tenant departure(s) → Disposal of Kowa Kawasaki Nishiguchi Building (asset replacement) ↑

	32nd Period (Ended June 2022)	33rd Period (Ended December 2022)	34th Period (Ended June 2023)	35th Period (Ended December 2023)			36th Period (Ending June 2024)			37th Period (Ending December 2024)
	Results	Results	Results	23/2 F	23/8 F	Results	23/8 F	23/12 F	24/2 F	24/2 F
Operating revenue	11,065	10,699	13,823	10,980	10,785	10,857	10,822		11,419	11,116
(Net gain/loss on sale)	797	530	980	696	696	697	721		721	450
Net income	4,101	3,502	3,881	3,463	3,873	4,049	3,862		4,101	3,823
Reserve for Reduction Entry (Provision (-) and reversal (+) of reserve)	-356	+243	-136	+281	-128	-304	-384		-410	-345
(Distribution equivalent)	(-266 yen)	(+182 yen)	(-101 yen)	(+210 yen)	(-96 yen)	(-227 yen)	(-287 yen)		(-307 yen)	(-258 yen)
Distributions per unit (yen)	2,800 yen	2,800 yen	2,800 yen	2,800 yen	2,800 yen	2,800 yen	2,600 yen	2,760 yen	2,760 yen*	2,600 yen*
Internal reserve balance DPU conversion (yen)				1,006 million yen (752 yen)				1,416 million yen (1,058 yen)		1,761 million yen (1,317 yen)

[Reason for revision]
 • Acquisition of GF OSAKA
 • Delay of departure of major customer

Distribution policy

[35th Period]

- Utilized the gain on transfer from property replacement to maintain distributions at 2,800 yen (minimum target for distributions) as forecast

[36th Period]

- In response to the elimination of the impact of the pending problem of departure of major tenants, policy will be changed from the 36th period to set the level of distributions considering the status of revenues and expenditures each period, and to aim for steady growth
- The forecast for the 36th period was revised upward to 2,760 yen mainly due to the full-period contribution from the property acquired in the 35th period (GRAND FRONT OSAKA) and the fact that the departure of a major tenant, which was conservatively assumed, will be postponed to the 37th period or later

[37th Period]

- Taking into account the income and expenditure situation during the fiscal period, including the full-period contribution from the newly acquired property and expected departure of a major tenant being delayed from the previous fiscal period, the gain on transfer of JEI Hongo Building will be used to pay 2,600 yen from the viewpoint of stable distribution management

Actions executed/decided

	32nd Period (Ended June 2022)	33rd Period (Ended December 2022)	34th Period (Ended June 2023)	35th Period (Ended December 2023)	36th Period (Ending June 2024)	37th Period (Ending December 2024)
Property Acquisitions	ARK Hills FRONT TOWER (49% equity interest in anonymous association: approx. 5.2 billion yen) and acquisition of its first right of refusal	BIZCORE SHIBUYA (approx. 6.6 billion yen)	Shin-Yokohama Arena-dori Building (approx. 2.1 billion yen)	<ul style="list-style-type: none"> BIZCORE TSUKUJI (9.8 billion yen) GRAND FRONT OSAKA (8.3 billion yen) 	OSAKI BRIGHT TOWER /OSAKI BRIGHT PLAZA (13.1 billion yen)	
Sale of Properties Ordinary	Kowa Shirokanedai Building (gain on transfer: approx. 800 million yen)	Shintomicho Building (40%) (gain on transfer: approx. 500 million yen)	<ul style="list-style-type: none"> Shintomicho Building (60%) (gain on transfer: approx. 800 million yen) Kowa Kawasaki Nishiguchi Building (loss on transfer: approx. -2.7 billion yen) JEI Kyobashi Building (80%) (gain on transfer: approx. 2.9 billion yen) 	Pacific Square Sengoku (gain on transfer: approx. 700 million yen)	JEI Kyobashi Building (20%) (gain on transfer: approx. 700 million yen)	JEI Hongo Building (40%) (gain on transfer: approx. 450 million yen)
Other	Buyback/cancellation of investment units (1st round)	Decision to acquire additional investment units by core sponsor	Measures to address rising electricity prices		Decided on buyback of investment units (2nd round)	

* The anticipated effect of buyback and cancellation of investment units is not included

II. Financial Results of the 35th Period (Ended December 2023)



1. Overview of Financial Results of the 35th Period (Ended December 2023)

(unit: million yen)

	34th Period Result A	35th Period Initial Forecast B	35th Period Result C	35th Period Results Compared with previous period C-A	35th Period Result Comparison with Initial Forecast C-B
Operating revenue	13,823	10,785	10,857	-2,966	+71
Rental revenue	9,274	9,234	9,300	+25	+66
Gain on sales of real estate	3,683	696	697	-2,986	+1
Operating expenses	9,346	6,316	6,191	-3,154	-125
Expenses for rental operations	5,972	5,694	5,561	-410	-133
Loss on sales of real estate	2,703	-	-	-2,703	-
Sales and administrative expenses	670	621	629	-40	+8
Operating income	4,477	4,468	4,665	+188	+197
Ordinary income	3,882	3,874	4,050	+168	+175
Net income	3,881	3,873	4,049	+168	+175
Reserve for Reduction Entry (Provision (-) and reversal (+) of reserve)	-136	-128	-304	-168	-175
Total distributions	3,745	3,745	3,745	0	0
Distributions per unit (yen)	2,800	2,800	2,800	0	0
Period-end occupancy rate	96.5%	97.6%	97.9%	+1.4pt	+0.3pt

● Comparison with the Results for the 34th Period (Ended Jun. 2023) (Impact on Distribution Resources)

(1) Decrease in operating revenue	-2,966 million yen
- Increase in rental revenue	+25 million yen
<small>(Property acquired (+297), property transferred (-447), existing properties (+175))</small>	
- Decrease in other revenue (restoration work revenue, etc.)	-19 million yen
- Decrease in gain on sales of real estate	-2,986 million yen
(2) Decrease in operating expenses	+3,154 million yen
- Decrease in property management expenses	+34 million yen
- Decrease in taxes	+76 million yen
- Absence of loss on sales of real estate	+2,703 million yen
- Decrease in sales and administrative expenses (non-deductible consumption tax, etc.)	+40 million yen
(3) Increase in non-operating expenses	-19 million yen
- Increase in arrangement fee, etc.	
(4) Increase in ordinary income and net income	+168 million yen
(5) Increase in provision of reserve for reduction entry	-168 million yen
(6) Total distributions	±0 million yen

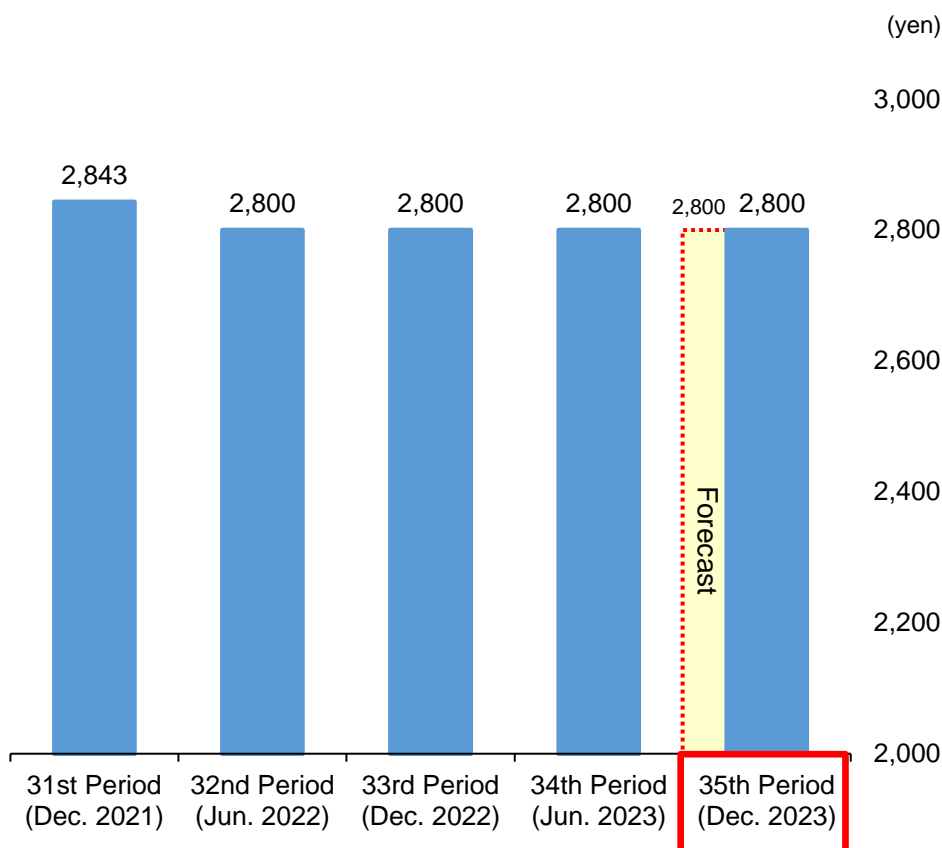
● Comparison with Previous Forecast (Impact on Distribution Resources)

(1) Increase in operating revenue	+71 million yen
- Increase in rental revenue	+66 million yen
- Increase in other revenue (renewal fees, etc.)	+11 million yen
(2) Decrease in operating expenses	+125 million yen
- Decrease in expenses for rental operations	+133 million yen
<small>(Increase in property management expenses: -39 million yen, decrease in utilities expenses: +90 million yen, decrease in repairs and maintenance: +86 million yen, etc.)</small>	
- Increase in sales and administrative expenses	-8 million yen
(3) Increase in non-operating expenses	-21 million yen
(4) Increase in ordinary income and net income	+175 million yen
(5) Increase in provision of reserve for reduction entry	-175 million yen
(6) Total distributions	±0 million yen

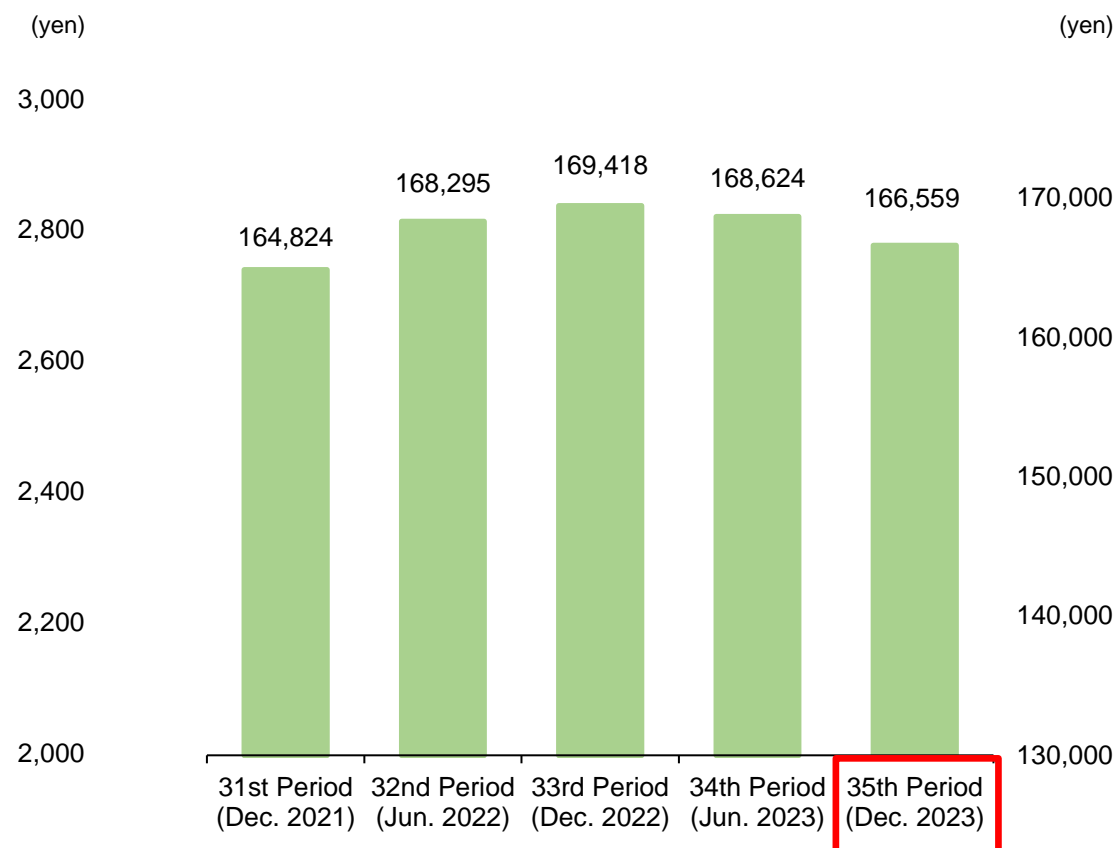
> 2. Actual Results of Distributions per Unit and NAV for the 35th Period (Ended December 2023)

- ◆ The gain on transfer from Pacific Square Sengoku was used to ensure distributions per unit were in line with forecasts
- ◆ NAV per unit decreased slightly due to a decrease in the appraisal value mainly due to a decrease in rent levels and an increase in Capex

■ Distributions per unit



■ NAV per unit



3. Highlights of the 35th Period (Ended December 2023)

External Growth

- ◆ Acquired BIZCORE TSUKIJI from the core sponsor (July 2023) and decided to acquire OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA (planned for April 2024) as replacement properties for Kowa Kawasaki Nishiguchi Building and JEI Kyobashi Building
⇒ (1) Fundamental disposal of Kowa Kawasaki Nishiguchi Building, (2) recovery of portfolio occupancy rate, (3) reduced average building age and strengthened area competitiveness
- ◆ Additional acquisition of GRAND FRONT OSAKA from core sponsor (December 2023)
⇒ (1) Qualitative improvement of portfolio, (2) growth of distributions
- ◆ Decided to transfer JEI Hongo Building, which is aging and presents concerns about a decline in future earning ability (February 2024) ⇒ (1) Qualitative improvement of portfolio, (2) securing an estimated 1.28 billion yen gain on transfer

Internal Growth

- ◆ Steady refilling paid off, and period-end occupancy rate increased above plan to 97.9%
- ◆ The tenant departure rate decreased for the third consecutive period and is generally at a normal level
- ◆ While upward revisions exceeded plans, downward revisions were halved from the previous period

Financial Strategy

- ◆ Decided on buyback of investment units (February 2024)
⇒ Total acquisition amount (maximum): 2.0 billion yen, acquisition period: February-May
- ◆ Plan for loan repayment (3.0 billion yen)
- ◆ Reduction of financial costs through utilization of long-term variable interest loans, etc.
- ◆ Realized loan longer loan duration and diversification of repayment dates through target deal for investment corporation bonds
- ◆ In addition to allocating the gain on property transfers to maintaining distributions in the 35th period, the remainder will be kept in internal reserve for stabilization of distributions

Improvement of cost of capital and capital efficiency

ESG

- ◆ The percentage of sustainable finance rose to 23.5% (top class for office J-REITs) due to execution of Green Loans (December 2023)
- ◆ Started consideration aimed at obtaining SBT certification

- ◆ **Asset size 281.9 billion yen** (change from FP34: +16.5 billion yen)
In addition to the above, 5.23 billion yen from anonymous association equity interest (investment securities) in ARK Hills FRONT TOWER
- ◆ **Status of portfolio**
· NOI yield after depreciation: 3.3% (change from FP33: +0.4pt)
· Percentage within 5-minute walk from station: 93.7% (change from Dec. 31, 2022: +4.0pt)
· Average building years: 21.9 years (change from Dec. 31, 2022: -1.1 years)
- ◆ **Unrealized gain (Dec. 31, 2023): 72.1 billion yen** (change from FP34: -3.0 billion yen)
- ◆ **Percentage of unrealized gain (same as above): 27.3 %** (change from FP34: -3.0pt)

- ◆ **Period-end occupancy rate: 97.9%** (change from FP34: +1.4pt, Vs. plan: +0.3pt)
- ◆ **Tenant departure rate: 1.8%** (change from FP34: -1.2pt)
- ◆ **Area subject to upward revision: 1,052 tsubo** (change from FP34: -244 tsubo, Vs. plan: +680 tsubo)
- ◆ **Area subject to downward revision: 1,138 tsubo** (change from FP34: -956 tsubo, Vs. plan: +127 tsubo)

- ◆ **Average remaining period of interest-bearing debt: 4.1 years** (change from FP34: +0.3 years)
- ◆ **Average interest rate of interest-bearing debt: 0.70%** (change from FP34: -0.01pt)
- ◆ **Ratio of fixed interest rate: 74.3%** (change from FP34: -11.4pt)
- ◆ **LTV: 43.6%** (change from FP34: +1.6pt)
After factoring in buyback and cancellation of investment units, acquisition of OSAKI and transfer of Hongo: **44.8%**
- ◆ **Property acquisition capacity (LTV up to 47%): approx. 11.0 billion yen**
- ◆ **Internal reserve: 1,006 million yen** (distribution equivalent: 752 yen)

- ◆ **GRESB Real Estate Assessment (2023)**
Highest rating **Green Star** (9 consecutive years)
5 star (4 consecutive years)
- ◆ **MSCI ESG Rating: A rating**
- ◆ **Percentage of properties with Green Building certification (area basis): 90.1%** (change from FP34: +1.3pt)
- ◆ **CO₂-free electricity rate (area basis): 67.3%** (change from FP34: +3.3pt)

Distributions per unit (yen)

FP34: 2,800 yen

FP35: 2,800 yen

Change from FP34: ±0 yen

(±0.0 %)

Change from forecast at beginning of period ±0 yen

NAV per unit

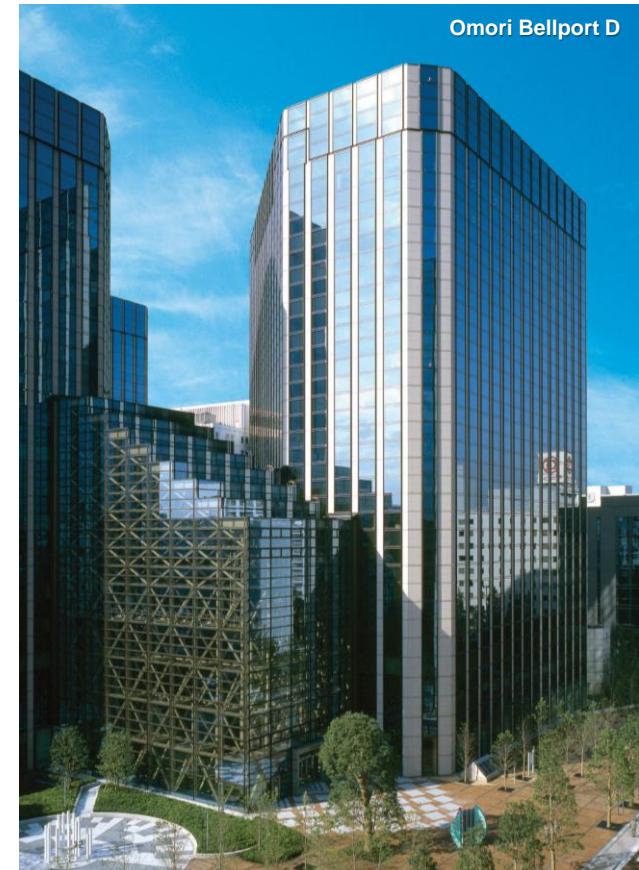
FP34: 168,624 yen

FP35: 166,559yen

Change from FP34: -2,065 yen

(-1.2%)

III. Performance Forecasts for the 36th Period (Ending June 2024) and 37th Period (Ending December 2024)



> 1. Assumptions for Performance Forecasts

<Outlook of office market (for the next year)>

- The large supply of office space in 2023 is being overcome without a rise in vacancy rates, mainly due to a recovery in demand (such as a review of office strategies and movements to restore floor space that was temporarily reduced after COVID-19).
- Although the supply of office space in 2024 will be lower than the historical average and demand for large-scale floor space is gradually recovering, movements of foreign tenants will continue to be slow, and in addition, taking into account the establishment of remote working and the possibility of further consolidation, especially among large corporations, office space will become increasingly erratic depending on the area and property characteristics.
- Based on the above, for the next one year, we have conservatively assumed that “the vacancy rate will be generally unchanged and newly concluded rents will bottom out.”
- Meanwhile, in response to the approach of “new work styles,” it is believed that polarization due to relative merits of conditions such as location, environmental performance and comfort will progress further, and that large buildings with superior conditions matching new office strategies will continue to attract demand as core offices.

<Framework of performance forecasts>

[External growth]

- Impact of the announced asset replacement has been factored in (Transfer of JEI Kyobashi Building and JEI Hongo Building, acquisition of OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA)

[Internal growth]

- Focus will shift from the previous approach of prioritizing occupancy to emphasizing earnings
- Departures have been taken into account in the income and expenditure plan including concerns as was the case last time. The tenant departure rate is expected to generally settle despite the departure of a major tenant forecast to be delayed from the 36th period having some impact. For refilling, downtime and free rent are set conservatively in consideration of the current leasing situation and the difficulty level and floor area of each property.
- With regard to contract renewals, while preparing for rent reduction requests from tenants with rent gaps, we will further promote efforts to increase rent, mainly in regional properties.

[Finance (interest rate forecast)]

- BOJ policy change (ending negative interest rates) in Apr-Jun 2024, long-term interest rates will rise moderately (10-year JGB to the low 1% range)

<Status of Period-End Occupancy Rate and Departure Rate>

	32nd Period	33rd Period	34th Period	35th Period	36th Period	37th Period
Period-end occupancy rate	90.8%	93.0%	96.5%	97.9%	97.9%	95.5%
Tenant departure rate	7.6%	4.1%	3.0%	1.8%	1.1%	3.9%

<Distribution policy>

[35th Period]

- Utilized the gain on transfer from property replacement to maintain distributions at 2,800 yen as forecast

[36th Period]

- Revised upward to 2,760 yen mainly due to the full-period contribution from GRAND FRONT OSAKA and the fact that the departure of a major tenant, which was conservatively assumed, will be postponed to the 37th period or later

[37th Period]

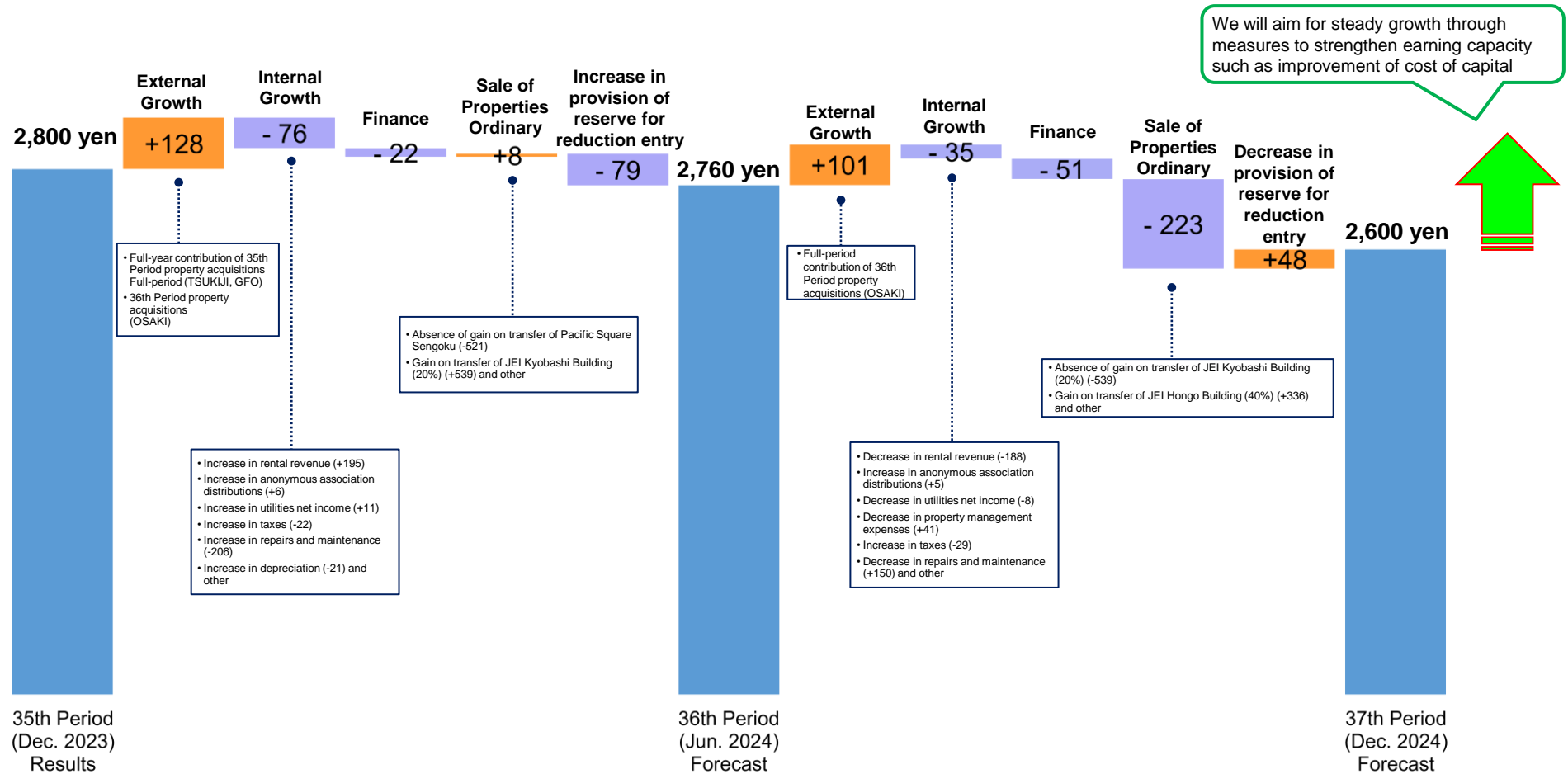
- Taking into account the income and expenditure situation during the fiscal period (the full-period contribution from the newly acquired property and expected departure of a major tenant being delayed from the previous fiscal period, etc.), the gain on transfer of JEI Hongo Building will be used to pay 2,600 yen from the viewpoint of stable distribution management

2. Overview of Performance Forecasts

	35th Period Results A	(Reference) 36th Period Initial Forecast	36th Period Forecast B	Comparison of Forecast for 36th Period with Previous Period B-A	37th Period Forecast C	Comparison of Forecast for 37th Period with Previous Period C-B	
							<p>● Comparison of the Results for the 35th Period and Forecasts for the 36th Period (Impact on Distribution Resources)</p> <p>(1) Increase in operating revenue +562 million yen</p> <ul style="list-style-type: none"> Increase in rental revenue +567 million yen (Property acquired (+337), property transferred (-31), existing properties (+261)) Increase in gain on sales of real estate +23 million yen Decrease in revenue for utilities expenses -27 million yen <p>(2) Increase in operating expenses -481 million yen</p> <ul style="list-style-type: none"> Increase in property management expenses -67 million yen Decrease in utilities expenses +37 million yen Increase in taxes -52 million yen Increase in repairs and maintenance -295 million yen Increase in depreciation -59 million yen <p>(3) Increase in non-operating expenses -29 million yen</p> <p>(4) Increase in ordinary income and net income +52 million yen</p> <p>(5) Increase in provision of reserve for reduction entry -105 million yen</p> <p>(6) Total distributions -53 million yen</p>
Operating revenue	10,857	10,822	11,419	+562	11,116	-303	<p>● Comparison of Forecasts for the 36th Period and Forecasts for the 37th Period (Impact on Distribution Resources)</p> <p>(1) Decrease in operating revenue -303 million yen</p> <ul style="list-style-type: none"> Decrease in rental revenue -122 million yen (Property acquired (+180), property transferred (-51), existing properties (-251)) Decrease in gain on sales of real estate -270 million yen Increase in revenue for utilities expenses +87 million yen <p>(2) Decrease in operating expenses +93 million yen</p> <ul style="list-style-type: none"> Increase in utilities expenses -98 million yen Increase in taxes -35 million yen Decrease in repairs and maintenance +202 million yen <p>(3) Increase in non-operating expenses -67 million yen</p> <p>(4) Decrease in ordinary income and net income -278 million yen</p> <p>(5) Decrease in provision of reserve for reduction entry +64 million yen</p> <p>(6) Total distributions -214 million yen</p>
Rental revenue	9,300	9,292	9,867	+567	9,744	-122	
Gain on sales of real estate	697	721	721	+23	450	-270	
Operating expenses	6,191	6,358	6,672	+481	6,579	-93	
Expenses for rental operations	5,561	5,729	6,051	+489	5,951	-99	
Sales and administrative expenses	629	629	621	-8	627	+6	
Operating income	4,665	4,463	4,747	+81	4,536	-210	
Ordinary income	4,050	3,863	4,102	+52	3,824	-278	
Net income	4,049	3,862	4,101	+52	3,823	-278	
Reserve for Reduction Entry (Provision (-) and reversal (+) of reserve)	-304	-384	-410	-105	-345	+64	
Total distributions	3,745	3,477	3,691	-53	3,477	-214	
Distributions per unit (yen)	2,800	2,600	2,760	-40	2,600	-160	
Period-end occupancy rate	97.9%	95.8%	97.9%	0.0pt	95.5%	-2.4pt	

3. Forecast of Distributions per Unit

- ◆ In the 36th period, the increase in expenses for rental operations such as repairs and maintenance will be offset by acquisitions of new properties and increases in rent revenue from existing properties
Distributions per unit will be 2,760 yen due to an increase in the provision of reserve for reduction entry
- ◆ In the 37th period, although there will be the full-period contribution of the properties acquired in the previous period and a decrease in repairs and maintenance, distributions per unit will be 2,600 yen due to a decrease in gain on transfer and a decrease in rent revenue caused by the departure of a major tenant



IV. Management Status and Policy



1. External Growth

(1) Effect of Acquisitions and Transfers (Since 2020) and Approach to Future Replacement Strategy

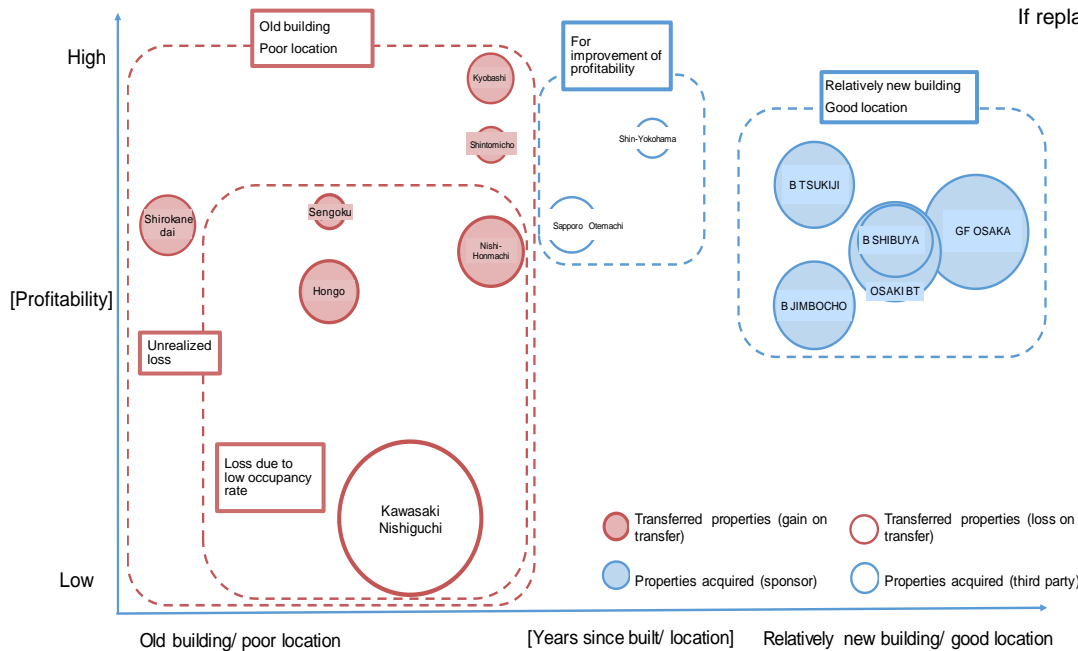
Effect of acquisitions and transfers

- Utilized qualitative improvement of portfolio and gain on transfer through acquisitions and transfers from 2020 onward to maintain minimum target for distributions and realize an increase in internal reserve
 - Improvement of profitability, avoidance of future risk, and improvement of portfolio occupancy rate through disposal of Kawasaki Nishiguchi
 - Strengthening of property competitiveness (location and specs)
 - Stable distribution policy utilizing gains on transfer and internal reserve
 - Processing of unrealized losses

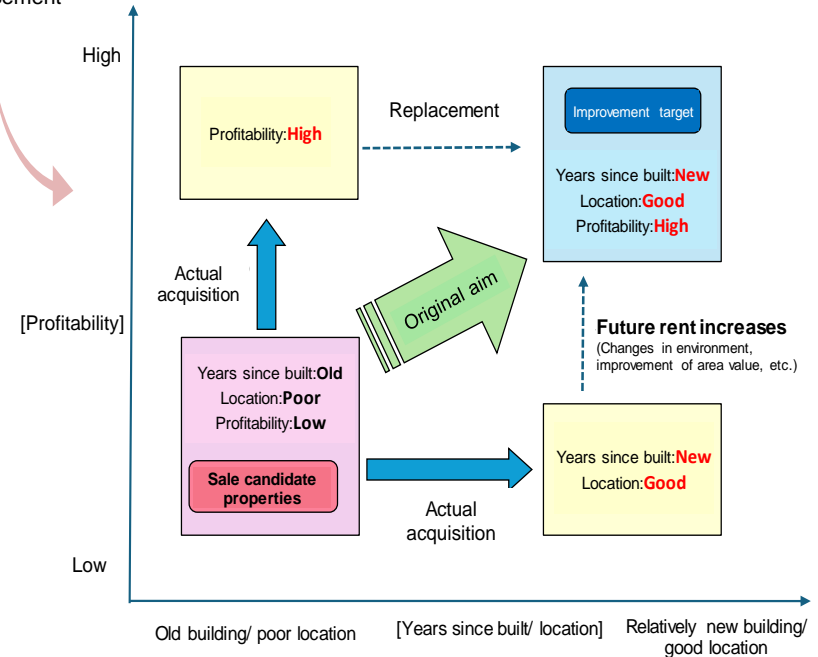
Approach to future portfolio replacement strategy

- Reviewed properties held from the perspective of improving portfolio quality and profitability, and listed sale candidates from the perspective of **“years since built, location suitability and profitability”**
- Examined methods of utilizing sale proceeds with comprehensive consideration for the possibility of acquisitions, property characteristics, financial conditions, and the unit price

Replacement OR Buyback of investment units OR Loan repayment



If replacement



Size of pie: Acquisition price
 Profitability: NOI yield after depreciation
 Years since built/ location: Scoring by JEAM

1. External Growth

(2) Property Acquired in the 35th Period (Ended December 2023) «GRAND FRONT OSAKA»

- ◆ Made an additional acquisition of the equivalent of a 2.30% co-ownership in a high-spec urban building complex directly connected to Osaka/Umeda Station from the core sponsor Nippon Steel Kowa Real Estate Co., Ltd.
- ◆ It is expected to be able to maintain high occupancy in future due to its excellent location, property characteristics and competitive rent levels

Announced additional acquisition on November 6, 2023

GRAND FRONT OSAKA



Located in the Umeda area, which has the largest train terminal in western Japan

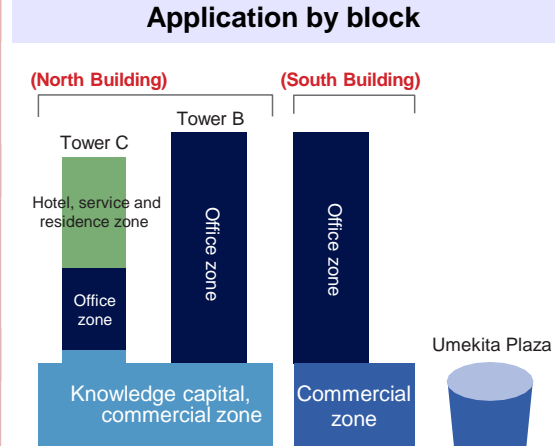
- Located in the Umeda area, which is centered around the largest train terminal in western Japan and where people and information are concentrated.
- Enjoys excellent accessibility with many key transport points nearby.

Comfortable and convenient office space

- Flexible layout is possible with a maximum floor area of 850.18 tsubo and ceiling height of 2,800 mm without pillars.
- Many common-use spaces such as a sky lobby exclusively for office users and a lounge exclusively for tenants are provided.

Structure ensuring safety

- Incorporates an advanced vibration-damping structure capable of securing safety even in emergencies



Location	Ofukacho, Kita Ward, Osaka City, Osaka		
Floors	South Building/ North Building: B3/38F Umekita Plaza: B2/2F		
Total floor area	Umekita Plaza: 10,226.10 m ² South Building: 181,371.39 m ² North Building: 290,030.59 m ²		
Completion date	February 2013 (Umekita Plaza/ North Building) March 2013 (South Building)		
Acquisition price	8,300 million yen		
Ownership to be acquired	Equivalent to 2.30% of co-ownership (Equivalent to 4.75% co-ownership combined with existing holding)		
Appraisal value	8,350 million yen (As of October 1, 2023)		
Acquisition date	December 8, 2023		
Seller	Nippon Steel Kowa Real Estate Co., Ltd.		
Appraisal NOI yield* (as of end of December 2023)	3.5%	NOI yield after depreciation*	3.1%
Occupancy rate	Umekita Plaza/South Building: 93.6% North Building: 97.6%		



* Appraisal NOI yield and NOI yield after depreciation are calculated using the direct reduction reduced yield on the appraisal report.

1. External Growth

(3) Property Acquired in the 35th Period (Ended December 2023) «BIZCORE TSUKIJI»

◆ Fourth acquisition in the BIZCORE series, medium-sized high grade office buildings developed by a core sponsor (Nippon Steel Kowa Real Estate)

Overview of Acquisition

Location	Tsukiji, Chuo Ward, Tokyo		
Structure	S, SRC, flat roof, 8 stories with 1 basement floor		
Total floor area	6,728.37 m ²		
Standard floor area	Approx. 661 m ² (Approx. 200 tsubo)		
Completed	July 2019		
Acquisition price	9,800 million yen		
Appraisal value	10,200 million yen (As of June 1, 2023)		
Acquisition date	July 4, 2023		
NOI yield	3.6%	NOI yield after depreciation*	3.0%
Occupancy rate	100% (as of end of December 2023)		

* NOI yield and NOI yield after depreciation are calculated based on the assumed balance for the first 5 years excluding special factors in the acquisition year.

Area expected to develop in future due to major redevelopment, etc.

Location with high visibility and easy access in all directions

- There are plans for major redevelopment of the former site of the Tsukiji market and the surrounding area
- Location with high visibility near the intersection of Shin-Ohashi-dori and Harumi-dori
- **3-minute walk from Tsukiji station on the Tokyo Metro Hibiya Line** and also accessible from 5 stations on 6 lines
- Highly convenient access: 5 minutes to Tokyo Station, 12 minutes to Shinagawa Station, 18 minutes to Shinjuku Station, etc.

Specs on par with the latest large office buildings

- **Ceiling height of 2,800 mm, approx. 200 tsubo per floor** and a bright, open, pillar-free space
- An exterior with a strong presence, an elegant entrance and a rooftop garden full of greenery

High business continuity in the event of a disaster

- Emergency stockpile warehouse on each floor, holding three days of water, food, etc.
- In the event of a disaster, **15 VA/m² is supplied to the exclusive areas for up to 36 hours** by the emergency power supply

Announced acquisition on June 29, 2023

BIZCORE TSUKIJI

BIZCORE



JEI's Role in the Core Sponsor's New Medium-Term Management Plan (5 years)

Nippon Steel Kowa Real Estate, a core sponsor, started a new medium-term management plan in April 2021

- Priority measures to further strengthen and expand the office development and leasing business
- Promotion of numerous development projects such as offices mainly in central Tokyo

Plan to complete and operate 10 or more BIZCORE series buildings within the plan's period

- From the viewpoint of maintaining and promoting brand development, we expect JEI, which is responsible for the exit strategy, to continue to acquire when the core sponsor transfers

Properties currently owned by the core sponsor are also in the pipeline

1. External Growth

(4) BIZCORE Series Being Developed by the Core Sponsor (Nippon Steel Kowa Real Estate)

◆ Completed construction for 6 properties starting with JIMBOCHO. Plan to complete and begin operations at 10 or more properties in 5 years from April 2021

Concept

Medium-sized high-grade office buildings with specifications on par with the latest large scale office buildings



Background and Superiority

- Approximately 90% of small and medium-sized offices in Tokyo are over 20 years old, and many buildings are only compliant to old earthquake resistance standards
- After the Great East Japan Earthquake, there is a growing tendency for businesses to emphasize seismic resistance, disaster prevention, and BCP
- Nippon Steel Kowa Real Estate will utilize the expertise cultivated in the development, management, and operation of office buildings in the heart of Tokyo, with around 80 buildings, to launch development of comfortable, high quality medium sized high grade office buildings
- Priority strategic areas include Kanda, Shimbashi, Toranomom, Akasaka, and other areas in the city center with a number of old buildings
- Providing remote monitoring and patrol management services in collaboration with large scale flagship buildings owned and managed by Nippon Steel Kowa Real Estate

Fundamental Specifications

Disaster Prevention and BCP

- Emergency stockpile warehouse exclusively for residents, holding three days of supplies
- 1.25x resistance versus new earthquake-resistance standards and earthquake resistant ceilings
- In the event of a disaster, emergency generators supply power to private spaces

Comfort

- Ceiling height of 2,800 mm and a bright, open, pillar-free space
- A comfortable environment adopting individual air conditioners, automatic dimming system, Low-E double pane glass, etc.

Security

- Multi-layered security system from the main entrance to each floor

Future Development

- Plan to complete and begin operations at 10 or more properties in 5 years from April 2021, and this is progressing smoothly

Acquired



	BIZCORE JIMBOCHO	BIZCORE AKASAKA-MITSUKE	BIZCORE TSUKIJI	BIZCORE SHIBUYA
Construction completion	Nov. 2017	Mar. 2019	Jul. 2019	Jan. 2020
Access	4-minute walk from Tokyo Metro Jimbocho Station, others	Directly connected to Tokyo Metro Akasaka Mitsuke Station, others	3-minute walk from Tokyo Metro Tsukiji Station	4-minute walk from JR and others Shibuya Station, others
Total floor area	8,217.64 m ²	3,515.63 m ²	6,728.37 m ²	3,835.11 m ²
Standard floor size	Approx. 890 m ² (Approx. 270 tsubo)	Approx. 265 m ² (Approx. 80 tsubo)	Approx. 661 m ² (Approx. 200 tsubo)	Approx. 349 m ² (Approx. 105 tsubo)



	BIZCORE KANDA-SUDACHO	BIZCORE HIGASHI-KANDA	BIZCORE OCHANOMIZU	(Tentative name) BIZCORE NISHI-SHIMBASHI Project
Construction completion	Sep. 2021	Nov. 2022	Jan. 2024	Feb. 2025 (scheduled)
Access	1-minute walk from Toei Subway Iwamotocho Station, others	5-minute walk from Toei Subway Iwamotocho Station, others	7-minute walk from Tokyo Metro Ochanomizu Station, others	6-minute walk from Tokyo Metro Toranomom Station
Total floor area	1,988.55 m ²	2,773.02 m ²	3,536.65 m ²	5,565.71 m ²
Standard floor size	Approx. 159 m ² (Approx. 48 tsubo)	Approx. 251 m ² (Approx. 76 tsubo)	Approx. 385 m ² (Approx. 117 tsubo)	Approx. 366 m ² (Approx. 111 tsubo)

Plan to complete and begin operations in sequence

1. External Growth (5) Properties to Be Acquired in the 36th Period (Ending June 2024) «OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA»

◆ There are plans to acquire OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA which are relatively new large properties from the core sponsor (Nippon Steel Kowa Real Estate) in April 2024

■ Acquired Properties / Overview of Acquisitions

Location	Kita-Shinagawa, Shinagawa Ward, Tokyo		
Structure	BRIGHT TOWER: S, SRC, RC flat roof, 31 stories with 2 basement floors		
	BRIGHT PLAZA: S flat roof, 2 stories		
Total floor area	BRIGHT TOWER: 89,234.27 m ² BRIGHT PLAZA: 4,084.84 m ²		
Standard floor area	BRIGHT TOWER: Approx. 1,946 m ² (Approx. 589 tsubo)		
Completed	April 2015		
Acquisition price	13,100 million yen		
Ownership to be acquired	BRIGHT TOWER: Equivalent to approx. 10% of overall co-ownership		
	BRIGHT PLAZA: Equivalent to 8% of co-ownership		
Appraisal value ^{*1}	13,500 million yen (As of August 1, 2023)		
Scheduled acquisition date	April 26, 2024		
NOI yield ^{*2}	3.5%	NOI yield after depreciation ^{*2}	2.8%
Occupancy rate	99.2% (as of end of December 2023)		

*1 The ongoing appraisal as of December 31, 2023 was the same amount at 13,500 million yen.

*2 NOI yield and NOI yield after depreciation are calculated based on the assumed balance for the first 5 years excluding special factors in the acquisition year.

Location with easy access in all directions

- Located in "Park City Osaki," which was rezoned through a redevelopment project
- **5-minute walk from Osaki Station** on JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line and Tokyo Waterfront Area Rapid Transit Rinkai Line
- Highly convenient access: 2 minutes to Shinagawa Station, 9 minutes to Shinjuku Station, 13 minutes to Tokyo Station, etc.

Comfortable and convenient office space

- **Ceiling height of 2,800 mm, approx. 589 tsubo per floor** and a bright, open, pillar-free space
- Floor load of 500 kg/m² and outlet capacity of 60 VA/m² (can be increased to 100 VA/m²)
- Cafe, restaurants and a clinic on 1F and 2F, with excellent range of shops and restaurants in the area

Announced acquisition
on August 17, 2023

OSAKI BRIGHT TOWER



Announced acquisition
on August 17, 2023

OSAKI BRIGHT PLAZA



1. External Growth

(6) Properties Transferred in the 35th Period (Ended December 2023) to 38th Period (Ending June 2025)

- ◆ There are plans to transfer 3 properties with concerns about future profitability due to the number of years since built and a decline in area competitiveness
- ◆ The gain on transfer will provide the source of funds for stabilization of distributions, in addition to the transfer proceeds being utilized for the acquisition of new properties, buyback of investment units and loan repayment, etc.

■ Transferred Properties / Overview of Transfers

	Transfer announced on February 10, 2023	Transfer announced on June 29, 2023	Transfer announced on February 19, 2024
Property name	Pacific Square Sengoku	JEI Kyobashi Building	JEI Hongo Building
Photo of property			
Location	Honkomagome, Bunkyo Ward, Tokyo	Miyakojima Ward, Osaka City, Osaka	Hongo, Bunkyo Ward, Tokyo
Access	1-minute walk from Sengoku Station on Toei Mita Line	3-minute walk from JR, Keihan and Osaka Metro Kyobashi Station	2-minute walk from Tokyo Metro Marunouchi Line and Toei Oedo Line Hongo-sancho Station
Total floor area	4,017.44 m ²	10,021.32 m ²	5,877.11 m ²
Completed	November 1992	April 1987	February 1991
Acquisition price	1,620 million yen	3,308 million yen	5,400 million yen
Planned transfer value ^{*1}	2,300 million yen	6,300 million yen	6,150 million yen
Book value	1,598 million yen (As of July 3, 2023)	2,688 million yen (As of December 31, 2022)	4,869 million yen (As of December 31, 2023)
Gain on transfer ^{*2}	697 million yen	3,611 million yen	1,280 million yen
Period-end appraisal value	1,550 million yen (As of June 30, 2023)	4,000 million yen (As of June 1, 2023)	4,510 million yen (As of December 31, 2023)
Scheduled transfer date	July 3, 2023	(1) June 30, 2023 (80%) (2) January 22, 2024 (20%)	(1) July 11, 2024 (40%) (2) January 17, 2025 (60%)
Reason for transfer	Years since built, suitability of area, unrealized loss	Years since built, suitability of area	Years since built, suitability of area, unrealized loss

*1 Does not include fees related to the transfer, the JEI share of the real estate tax and city planning tax, the consumption tax or the local consumption tax.

*2 These are reference figures calculated as the difference between the planned transfer price of JEI Kyobashi Building and the book value as of December 31, 2022 and the difference between the planned transfer price of JEI Hongo Building and the book value as of December 31, 2023, and differ from the gain or loss on transfer for accounting purposes.

> 1. External Growth (7) Change in External Growth and Policies/Strategies

■ Policy and Strategies of External Growth

[Policy] Plan to expand asset size over the medium to long term, while improving the portfolio through new acquisitions and replacement with an aim to realize stable growth of DPU and NAV

[Result] (14th-35th Period)

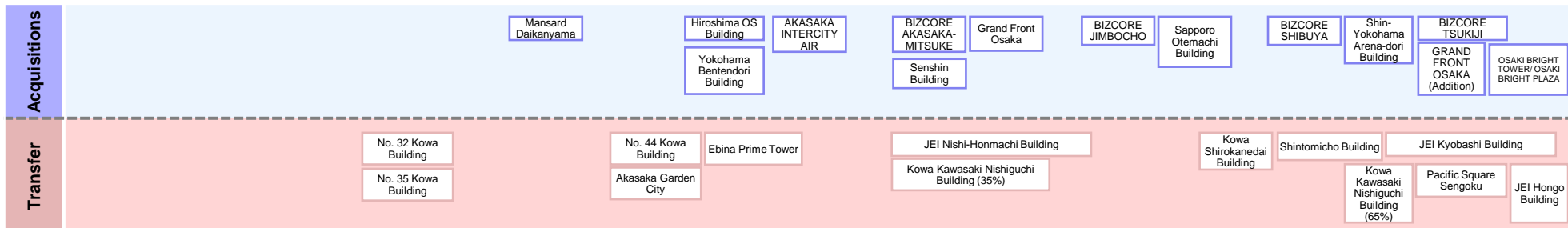
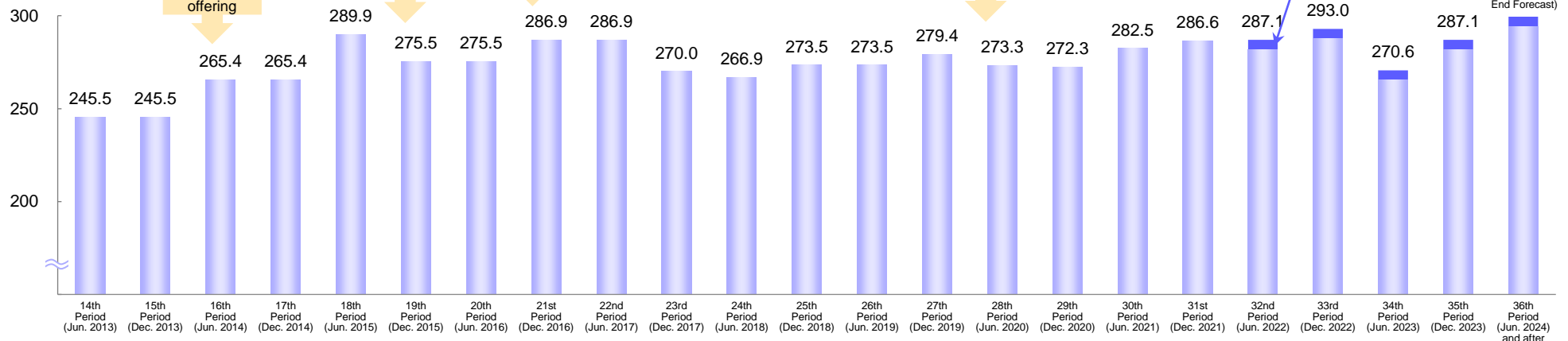
- ◆ Acquisition: **26** properties, **161.7** billion yen
Acquisition from sponsor: **66.1%**
- ◆ Transfer: **11** properties, **96.8** billion yen

[Future strategies]

- ◆ Also promote the acquisition of third-party properties in regional core cities while focusing mainly on continuous supply of pipelines in conjunction with the mid-term plan of core sponsors
- ◆ Efforts for continuous portfolio improvement through replacement

■ Change in External Growth

Asset size (billion yen)
(acquisition price basis)



1. External Growth

(8) Major Development Cases and Portfolio of Sponsors and Overview of Transactions with JEI








Candidate properties for acquisition to be considered in the future (Linkage with medium-term plan of sponsors)

 SHINAGAWA INTERCITY Completed 1998	 NAGOYA INTERCITY Completed 2008	 Shibaura Rune Site Tower Completed 2009	 Nittetsu Nihonbashi Building Completed 2019	 Toranomon 2-Chome Redevelopment Scheduled for completion in February 2025	 YOKOHAMA SYMPHOSTAGE Scheduled for completion in March 2024
---	---	---	---	---	---

 No. 28 Kowa Building 2012 100% Transfer	 No. 32 Kowa Building 2015 100% Transfer	 No. 35 Kowa Building 2015 100% Transfer	 No. 44 Kowa Building 2017 100% Transfer	 Kowa Shirokanedai Building 2022 100% Transfer	 Kowa Kawasaki Nishiguchi Building 2023 65% Transfer
---	---	---	---	---	---

Transfer to sponsor << Asset Recycling >>

 AKASAKA INTERCITY Completed 2005	 AKASAKA INTERCITY AIR Completed 2017	 Grand Front Osaka Completed 2013	 ARK Hills FRONT TOWER Completed 2011	 OSAKI BRIGHT TOWER/ OSAKI BRIGHT PLAZA Completed 2015
---	--	--	---	--

Acquisition of first right of refusal

BIZCORE Planning completion of construction of 10 or more buildings over the five years from April 2021

 BIZCORE KANDA-SUDACHO Completed 2021	 BIZCORE HIGASHI-KANDA Completed 2022	 BIZCORE OCHANOMIZU Completed 2024	 (Tentative name) BIZCORE NISHI-SHIMBASHI Project Scheduled for completion in February 2025
--	--	---	--

2007: Acquired 25%
2013: Acquired 24%

2011: Acquired 40%
2014: Acquired 60%

2013: Acquired 27%
2017: Acquired 52%

2016 Acquired 100%

2018 Acquired 2.9%

2020 Acquired 2.45%
2023 Acquired 2.3%

2022 Equity interest in anonymous association
49% acquisition

2024: Acquired 10% (planned)




2019: Acquired 100%

2021: Acquired 83.2%

2022: Acquired 100%

2023: Acquired 100%

 HAMARIKYU INTERCITY Completed 2011	 Kowa Nishi-Shimbashi Building Completed 1996	 Mansard Daikanyama Completed 2009
---	---	--

2012: Acquired 100%	2018: Acquired 100%	2018: Acquired 100%
 JEI Hiroshima Hacchoori Building Completed 1999	 Hiroshima Dai-ichi Seimei OS Building Completed 1989	 Yokohama Bentendori Dai-ichi Seimei Building Completed 1986

 BIZCORE AKASAKA-MITSUKE Completed 2019	 BIZCORE JIMBOCHO Completed 2017	 BIZCORE SHIBUYA Completed 2020	 BIZCORE TSUKIJI Completed 2019
---	--	---	---



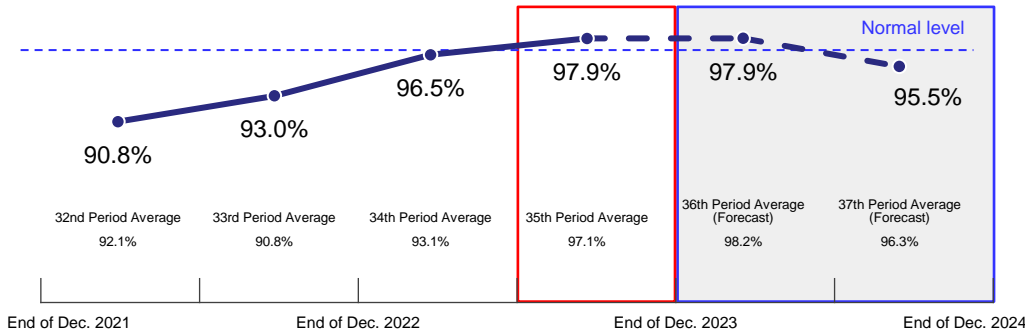
By your side, for life



2. Internal Growth (1) Status of Rent 1) (Departure and Lease Up)

- ◆ The occupancy rate has increased for three consecutive periods after bottoming out in the 32nd period, and exceeded the planned level (97.6%) at the end of the 35th period
- ◆ When potential departures taken into account, this is expected to briefly decline in the 37th period

Historical Period End Occupancy Rate

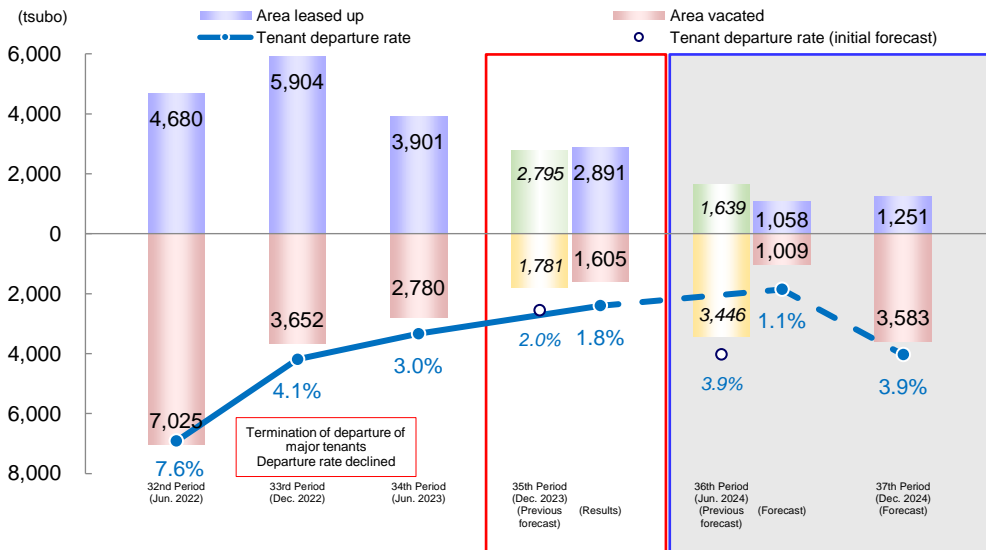


<Policy on leasing activities>

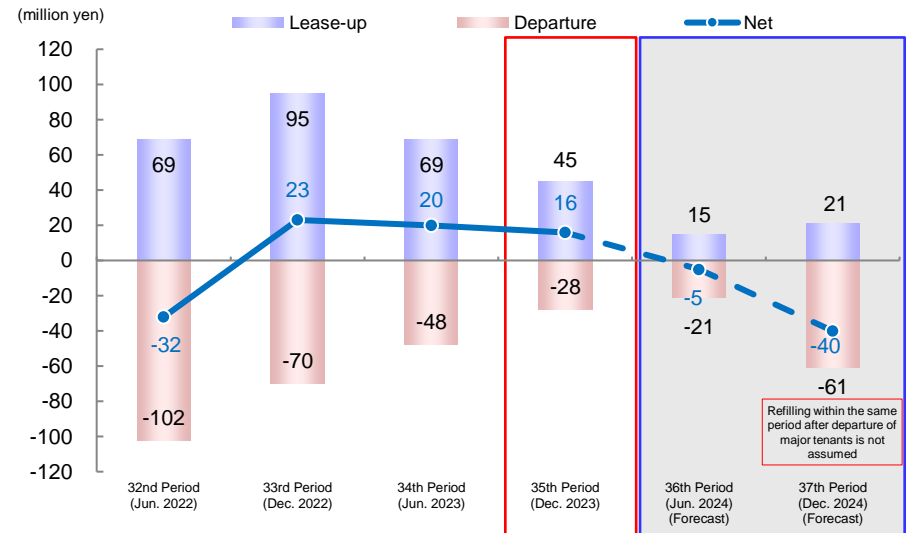
- Focus will shift from the previous approach of prioritizing occupancy to emphasizing earnings due to the portfolio occupancy rate generally recovering to normal levels and the leasing market bottoming out

- With regard to refilling vacated floors, more emphasis will be placed on profitability with consideration for the difficulty level, etc. due to the area or property
- For rent renewal, we will further engage in upward revisions centered on properties with a negative gap and regional properties

Tenant Departure Rate and Area Leased Up and Vacated*



Increase/Decrease in Rent Due to Departure and Lease Up (Based on Monthly Rent)*

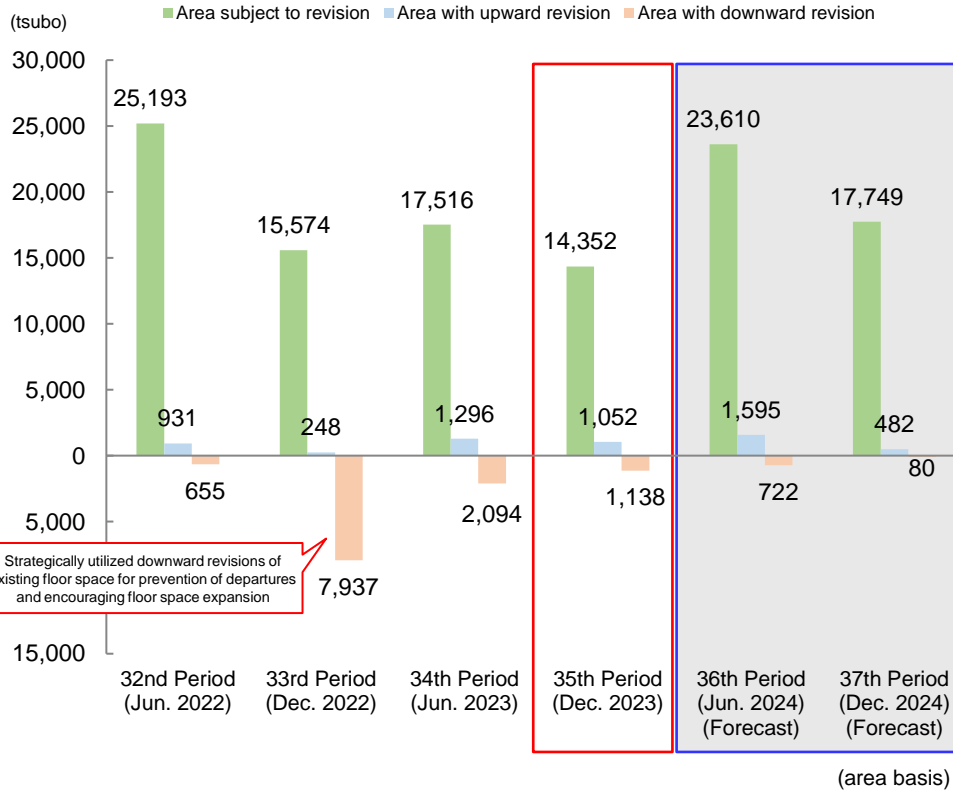


* "Tenant Departure Rate" is calculated for the entire JEI portfolio as area vacated by tenants over the period as a percentage of total leased area as of the end of the previous period. In the case of additional acquisition during the period, tenant departure rate is calculated as area vacated by tenants over the period as a percentage of the sum of total leased area as of the end of the previous period and leased area of the additionally acquired property. In the case of a transfer of a property during the period, leased area of the transferred property is not subtracted from the total leased area as of the end of the previous period and thus the original formula (area vacated by tenants over the period as a percentage of total leased area as of the end of the previous period) applies. Figures do not include data for GRAND FRONT OSAKA and residences.

2. Internal Growth (1) Status of Rent 2) (Rent Revision)

◆ Downward revisions due to prevention of departures have significantly decreased. Changes in monthly rent due to rent revisions recovered to about plus/minus zero

■ Change in Area Subject to Revision



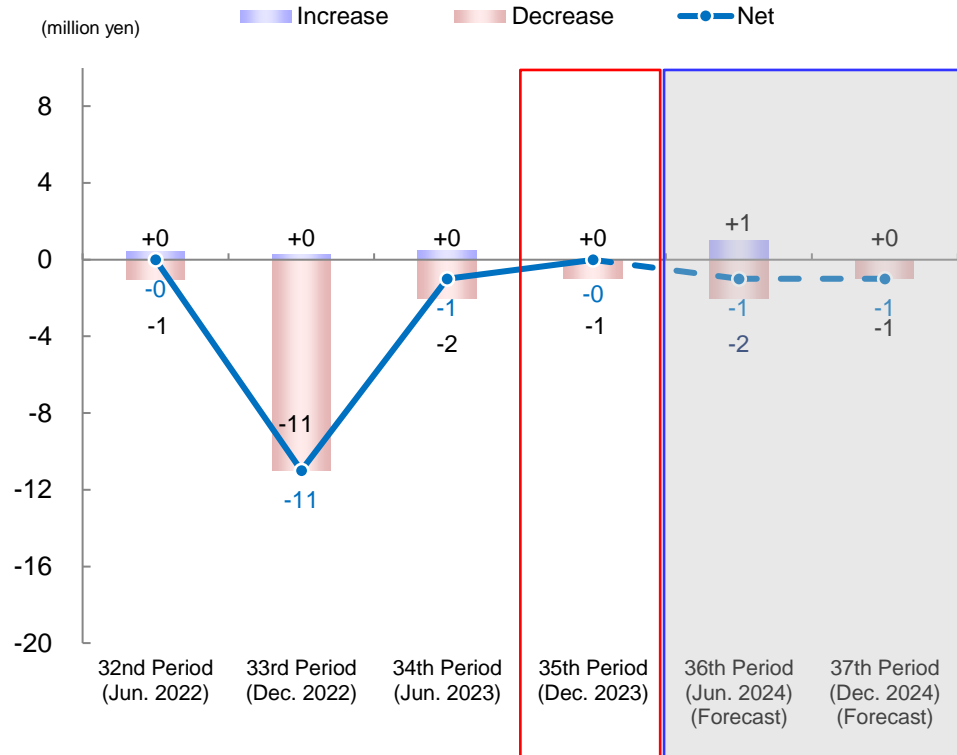
Strategically utilized downward revisions of existing floor space for prevention of departures and encouraging floor space expansion

Percentage of increased rent	3.7%	1.6%	7.4%	7.3%	6.8%	2.7%
Percentage of decreased rent	2.6%	51.0%	12.0%	7.9%	3.1%	0.5%
Percentage of unchanged rent	93.7%	47.4%	80.6%	84.7%	90.2%	96.8%

*1 Figures do not include data for AKASAKA INTERCITY AIR, GRAND FRONT OSAKA and residences.

*2 The area with upward/downward rent revisions for the 36th and 37th Periods is the figure only for the sections for which an agreement was reached as of December 31, 2023.

■ Increase/Decrease in Rent Due to Rent Revision (Based on Monthly Rent)



Upward revision rate	2.8%	10.1%	4.2%	5.8%	3.7%	6.1%
Downward revision rate	7.7%	7.1%	4.3%	5.3%	3.1%	3.3%
Rent revision rate ^{*4}	-0.2%	-3.7%	-0.4%	-0.1%	-0.5%	-0.5%

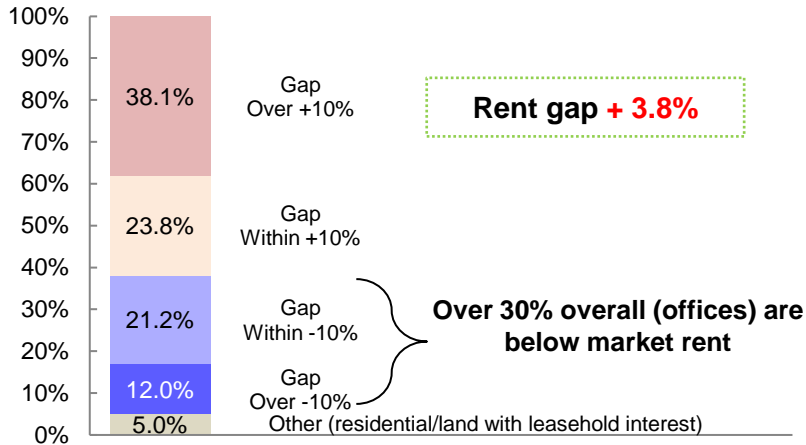
*3 Rent reductions for a limited period due to the impact of the COVID-19 pandemic are excluded.

*4 Figures are average rent revision rate including contract renewal at the same rent and downward revision.

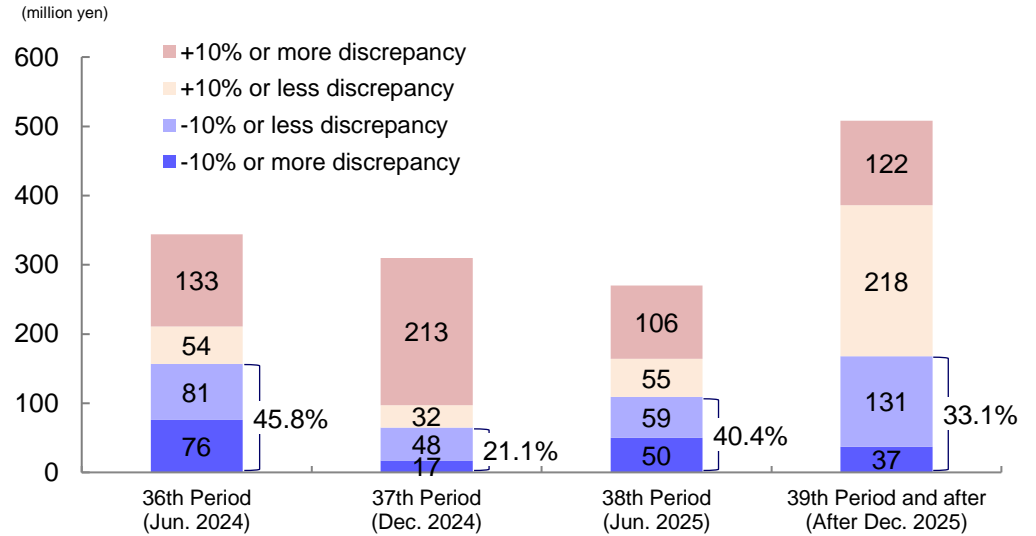
> 2. Internal Growth (2) Status of Rent Gap

◆ Due to decrease in market rents, rent gap was +3.8%*1

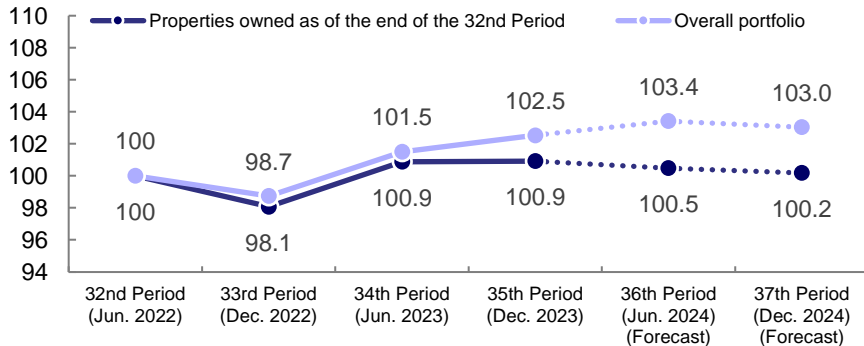
■ Status of Rent Gap (as of the End of the 35th Period)^{*2}



■ Monthly Rent by Renewal Period ^{*2 *3}



■ Historical Rent Levels ^{*2 *3 *4}



- ◆ Rent gap changed by +0.5% from the previous period to +3.8% due to a decrease in market rents
- ◆ Strived for upward rent revision mainly at regional properties for those with negative rent gaps

*1 Calculated based on new rent level assessed by CBRE.

*2 Calculated by excluding GRAND FRONT OSAKA.

*3 Calculated by excluding residences.

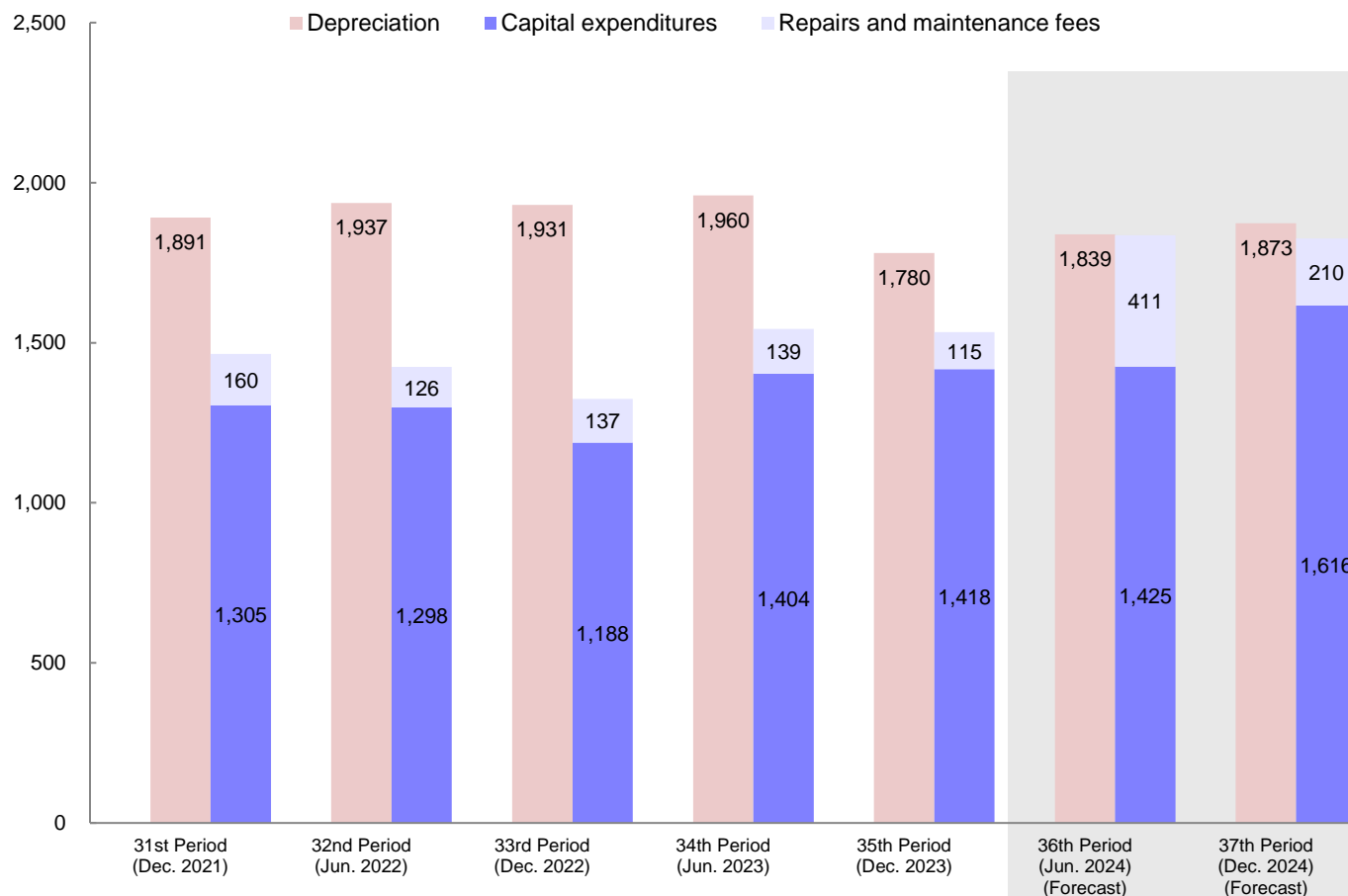
*4 Indexed with the average unit rent at the end of the 32nd Period set as 100. The average unit rent is the weighted average by leased office area. Properties owned at the end of the 32nd Period are properties continuously owned since the end of the 32nd Period among those owned at the end of the 35th Period.

> 2. Internal Growth (3) Construction Results

- ◆ Maintained and improved the value of assets by systematically conducting repairs and renewal upon discerning operation status and competitiveness for each property from a medium-to long-term perspective
- ◆ Also systematically conducting large-scale renovations due to aging

■ History of Capital Expenditures, Repairs and Maintenance Fees, and Depreciation

(million yen)



Large-scale renovations due to aging (planned) (36th Period, 37th Period)

- [Kowa Kawasaki Higashiguchi Building]
 - Renewal of elevator 152 million yen
 - Replacement of high-voltage power-receiving and transforming facilities 77 million yen
- [AKASAKA INTERCITY]
 - Renewal of air conditioning control 132 million yen
- [Musashikosugi Tower Place]
 - Renewal of elevator 103 million yen
- [JEI Hiroshima Hacchobori Building]
 - Renewal of air conditioning 96 million yen
- [NHK Nagoya Housou-Center Building]
 - Renewal of emergency power generation facilities 84 million yen
 - Renewal of elevator 77 million yen
- [HAMARIKYU INTERCITY]
 - Implementation of LED lighting in the exclusive areas 65 million yen
- [Core City Tachikawa]
 - Implementation of LED lighting in the exclusive areas 60 million yen

> 2. Internal Growth (4) Facility Renewal for CO₂ Emissions Reduction

◆ Systematic facility renewal for assets under management with the goals of CO₂ emissions reduction and achievement of the Sustainable Development Goals (SDGs)

- Contributing to Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all, and Goal 13: Take urgent action to combat climate change and its impacts, by reducing CO₂ emissions and suppressing ozone depletion



■ AKASAKA INTERCITY

Reduction of CO₂ emissions by converting fluorescent lighting in exclusive areas and common area corridors to LEDs

Planned budget: 485 million yen
Construction period: January 2023 to December 2028



■ Kowa Nishi-Shimbashi Building

Reduction of CO₂ emissions by converting fluorescent lighting in exclusive areas to LEDs

Planned budget: 194 million yen
Construction period: January 2023 to December 2026



■ JEI Hiroshima Hacchobori Building

Upgrading air conditioning equipment using the R22 refrigerant, which is regulated as an ozone-depleting substance, to environmentally friendly equipment

Planned budget: 460 million yen
Construction period: April 2021 to July 2024



3. Financial Strategy (1) Performance of Financing Activities

- ◆ In refinancing of long-term loans, we will reduce financial costs through the utilization of variable interest rates and also diversification of repayment dates
- ◆ Amid a difficult environment for the issuance of investment corporation bonds, we procured long-term/ fixed-rate funds at a lower rate than bank loans through timely targeted deals
- ◆ Further increased the sustainable finance ratio*1 by procuring some of the funds for the additional acquisition of GRAND FRONT OSAKA through Green Loans

Repayments and Financing in the 35th Period (Ended December 2023)

Refinancing of long-term loans (November 30, 2023)

Before refinancing			After refinancing			Comment
Amount (100 million yen)	Period	Interest rate	Amount (100 million yen)	Period	Interest rate	
52.7	8.0 years	0.84375%	19.8	8.0 years	3-month TIBOR +0.41%	Reduced financing costs through diversification of repayment dates and utilization of variable interest rates
			39	7.0 years	3-month TIBOR +0.38%	
55	6.0 years	0.64801%	36.4	6.0 years	3-month TIBOR +0.36%	
			12.5	4.0 years	3-month TIBOR +0.32%	

Refinancing of investment corporation bonds (December 19, 2023)

20	7.0 years	0.39%	20	10.0 years	1.329%	Longer loan duration Diversification of repayment dates
----	-----------	-------	----	------------	--------	--

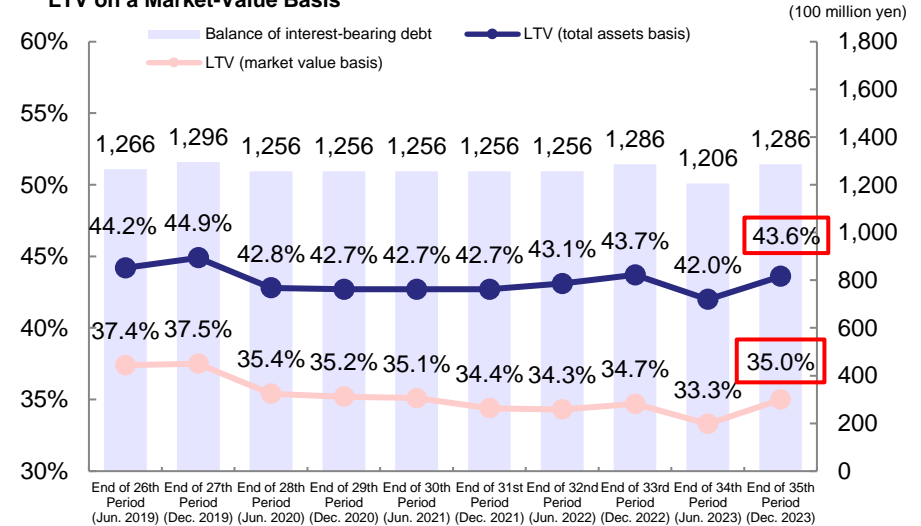
New loans (December 7, 2023)

Funds for additional acquisition of GRAND FRONT OSAKA

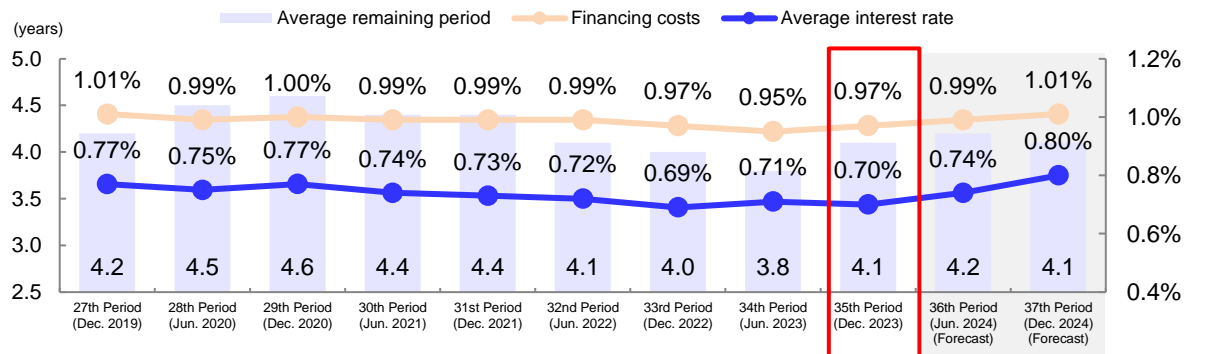
New

50	1.0 year	1-month TIBOR +0.2%	Borrowing at low interest rate
30	10.0 years	1.300%	Green Loans

Historical Balance of Interest-Bearing Debt, LTV on a Total-Assets Basis, and LTV on a Market-Value Basis



Historical Average Remaining Period of Interest-Bearing Debt, Financing Costs², and Average Interest Rate of Interest-Bearing Debt



<Reference> Pioneering Sustainable Finance Initiatives

◆ The ratio of sustainable finance to interest-bearing debt (23.5% as of December 31, 2023) ranks top-class among office J-REITs

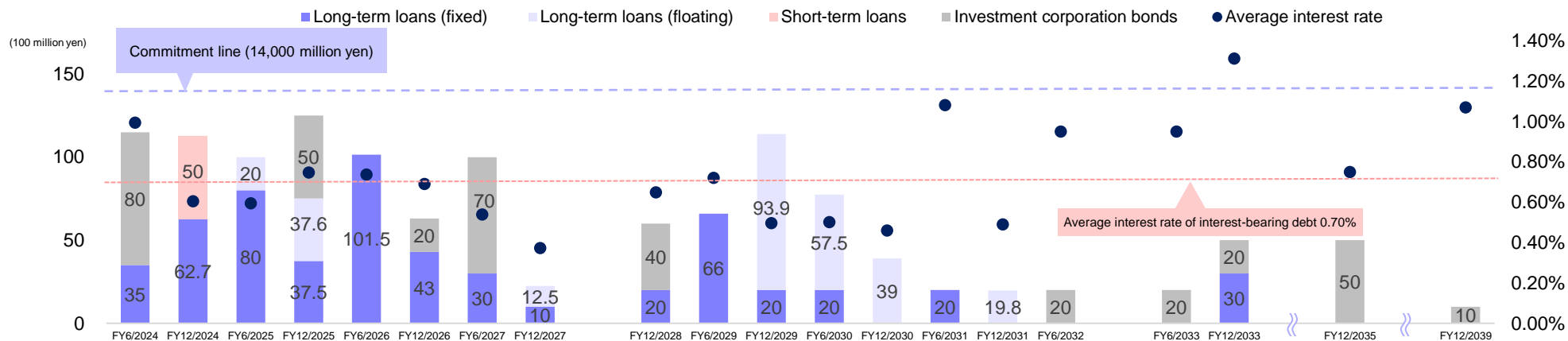
Green Bonds	Aug. 2018	First for an office J-REIT
Green Loans	Sep. 2018	First for a J-REIT
Sustainability Loans	Sep. 2020	First for a J-REIT
Green Syndicated Loans	Nov, Dec 2021	First for an office J-REIT

*1 General term for sustainability finance and green finance. *2 Financing costs: (Interest expense + loan-related fees + interest expense on investment corporation bonds + amortization of investment corporation bond issuance costs) / average remaining interest-bearing debt in the current and previous periods from the 30th Period

3. Financial Strategy (2) Status of Financial Management

◆ Operation conscious of financial stability through diversification of procurement methods and repayment dates, and securing commitment lines

■ Repayment Amount in Each Period and Average Interest Rate of Interest-Bearing Debt (As of the End of the 35th Period)



■ Historical Major Financial Data

	31st Period End (Dec. 2021)	32nd Period End (Jun. 2022)	33rd Period End (Dec. 2022)	34th Period End (Jun. 2023)	35th Period End (Dec. 2023)	Compared with previous period
Balance of interest-bearing debt	125.6 billion yen	125.6 billion yen	128.6 billion yen	120.6 billion yen	128.6 billion yen	+8.0 billion yen
LTV (total assets basis)	42.7%	43.1%	43.7%	42.0%	43.6%	+1.6pt
LTV (market value basis)	34.4%	34.3%	34.7%	33.3%	35.0%	+1.7pt
Average remaining period of interest-bearing debt	4.4 years	4.1 years	4.0 years	3.8 years	4.1 years	+0.3 years
Financial costs	0.99%	0.99%	0.97%	0.95%	0.97%	+0.02pt
Average interest rate of interest-bearing debt	0.73%	0.72%	0.69%	0.71%	0.70%	-0.01pt
Ratio of fixed interest rate	90.8%	90.8%	84.2%	85.7%	74.3%	-11.4pt

■ Status of Ratings

Rating agency	Rating (outlook)
Japan Credit Rating Agency (JCR)	Long-term issuer rating AA- (stable)

V. ESG Initiatives



> ESG Related (1) Initiatives in the 35th Period (Ended December 2023) 1)

- ◆ Japan Excellent, Inc. (“JEI”) and Japan Excellent Asset Management Co., Ltd. (JEAM) aim to realize a sustainable society under corporate social responsibility, and focus on the reduction of environmental burden and cooperation/collaboration with stakeholders
- ◆ In addition, we have positioned ESG initiatives as the most important issue in management and plan to implement them in a forward-looking manner to deepen our initiatives

◆ Environment

(1) Reduce CO₂ emissions through shift in electricity source

- Newly **switched to CO₂-free electric power at Daiba Garden City Building (October 2023)**

Properties switched to CO₂-free electricity **totaled 23 properties**

67.3% of total by floor area or **67.6%** of total by number of properties

(as of end of December 2023)

- **FY2022 CO₂ emission intensity: 74.2% reduction (compared to FY2013)**

Type of electricity	Property name
RE 100 compatible electric power (17 properties)	SE Sapporo Building, Omori Bellport D, JEI Naha Building, NHK Nagoya Housou-Center Building, AKASAKA INTERCITY AIR, AKASAKA INTERCITY, Mansard Daikanyama, Kow a Nishi-Shimbashi Building, Kow a Kawasaki Higashiguchi Building, JEI Hongo Building, HAMARIKYU INTERCITY, Core City Tachikawa, Kawasaki Nisshincho Building, GRAND FRONT OSAKA (Umekita Plaza / South Building), GRAND FRONT OSAKA (North Building), BIZCORE JIMBOCHO, Daiba Garden City Building
CO ₂ -free electric power (6 properties)	Shiba 2-Chome Building, Daiwa Minami-morimachi Building, JEI Hiroshima Hacchobori Building, JEI Kyobashi Building, Aoba-dori Plaza, Yokohama Bentendori Dai-ichi Seimei Building

(2) Additional acquisition of Green Building Certification (July 2023, December 2023)

- **Five properties newly acquired Green Building Certification**

The percentage of certified properties (area basis) increased from 88.8% at the end of June 2023 to **90.1%** at the end of December 2023, and the percentage increased from 74.3% (26 properties) to **77.1%** (27 properties) based on the number of properties

<Property that acquired additional certification in the current period> (All properties acquired CASBEE S Rank)

BIZCORE TSUKIJI, Nisseki Yokohama Building, Kowa Kawasaki Higashiguchi Building, Mansard Daikanyama, Musashikosugi Tower Place

■ Status of Acquisition of Certification

	Number of properties	Coverage rate	Leasable area (m ²)	
			Leasable area (m ²)	Coverage rate
DBJ Green Building	16	45.7%	204,545.41	65.6%
CASBEE for Real Estate/Building	17	48.6%	185,708.58	59.6%
CASBEE Wellness Office Certification	1	2.9%	2,580.24	0.8%
Office Taking Excellent Specific Global Warming Countermeasures	1	2.9%	2,580.24	0.8%
Total number of properties that acquired certification	27	77.1%	280,850.00	90.1%

> ESG Related (1) Initiatives in the 35th Period (Ended December 2023) 2)

(3) Formulation of new environmental KPI (October 2023)

- The percentage of acquisition of Green Building Certification among properties held (on an area basis) was established as a new environmental KPI

Target (KPI):

Maintain 90% or higher acquisition of Green Building Certification among properties held

■ Environmental KPIs

	Target
CO ₂ emissions intensity	<ul style="list-style-type: none"> • Reduce CO₂ emissions intensity by 46% in FY2030 compared with FY2013 • FY2050 Net zero
Energy consumption intensity	Reduce the average intensity by 1% from the previous year each year, and by at least 5% from FY2020 to FY2024 compared with that from FY2015 to FY2019
Water consumption intensity	
Percentage of acquisition of Green Building Certification	Maintain 90% or higher (area basis)

(4) Consideration aimed at obtaining SBT certification

- Consideration aimed at setting CO₂ emission reduction targets based on scientific evidence consistent with the levels set by the Paris Agreement, and obtaining SBT certification*, an international climate change initiative

* SBT certification is an international initiative jointly managed by CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF), called the Science Based Targets initiative (SBTi), setting targets to reduce GHG emissions based on scientific evidence. SBTs require being consistent with the levels set by the Paris Agreement (which aims to limit global temperature increase to well below 2°C or 1.5°C above pre-industrial levels).

◆ Sustainable Finance

(5) Borrowing through Green Loans (December 2023)

- Execution of borrowing (3 billion yen) through Green Loans based on the Green Finance Framework
- The percentage of sustainable finance (23.5% as of December 31, 2023) is top class for office J-REITs

■ Status of sustainable finance

	Loan amount (million yen)
Green Bonds	9,000
Green Loans	19,260
Sustainability Loans	2,000
Total	30,260

> [Reference] Status of JEI's ESG initiatives

Policy/Implementation

PRI Signing the Principles for Responsible Investment (PRI)



TCFD Declared support for the Task Force on Climate-related Financial Disclosures recommendations



Signed **the Principles for Financial Action for the 21st Century**



◆ CO₂ emissions reduction targets

Medium-term target (FY2030) -46%
(Intensity basis; vs FY2013)

Long-term target (FY2050) Net zero



External Assessment

◆ GRESB Real Estate Assessment (2023)

◆ MSCI ESG Rating: **Class A**

“Green Star” for ninth consecutive year
“5 star” for fourth consecutive year
Awarded “No. 1” in the Japan, Office and Listed category for the second consecutive year

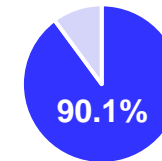


Property

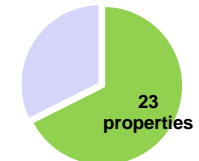
◆ Green Building Certification

◆ Promoting switch to CO₂-free electricity

27 properties
90.1% (area basis)



23 out of 34 properties
67.3% (area basis)



Finance

◆ Sustainability Finance Framework

Acquired “**SU1 (F)**”, the **highest overall evaluation** from Japan Credit Rating Agency, Ltd. (JCR)



◆ Green Finance Framework

Expanded use of funds to cover repair costs
Obtained a second-party opinion from Sustainalytics, an ESG rating agency.



◆ Intensive initiatives in sustainable finance

Green Bonds	Aug. 2018	First for an office J-REIT
Green Loans	Sep. 2018	First for a J-REIT
Sustainability Loans	Sep. 2020	First for a J-REIT
Green Syndicated Loans	Nov, Dec 2021	First for an office J-REIT

⇒ **23.5% ratio of sustainable finance (as of December 31, 2023)**

ESG Related (2) Environmental Performance Data

Promote initiatives to achieve reduction targets for CO₂ emissions, energy consumption and water consumption

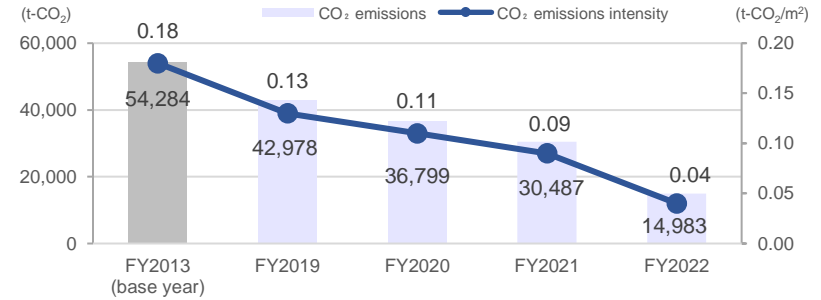
CO₂ emissions

Reduction target

Reduce CO₂ emissions intensity **by 46%** in FY2030 compared with FY2013
Net zero by FY2050

Results

	FY2013 (Base year)	FY2019	FY2020	FY2021	FY2022
Total amount (t-CO ₂)	54,284	42,978	36,799	30,487	14,983
Intensity (t-CO ₂ /m ²)	0.18	0.13	0.11	0.09	0.04
Intensity reduction rate (%)	—	-30.7%	-38.2%	-49.3%	-74.2%



Energy Consumption

Annual reduction target

Reduce energy consumption intensity **by 1%** in each fiscal year compared with the previous fiscal year

Results

	FY2019	FY2020	FY2021	FY2022
Total amount (MWh)	122,695	109,293	110,536	103,609
Intensity (kWh/m ²)	357.7	332.7	344.6	335.2
Intensity reduction rate (comparison with previous fiscal year) (%)	—	-7.0%	3.6%	-2.7%

5-year average reduction target

Reduce the average intensity from FY2020 to FY2024 **by at least 5%** compared with that from FY2015 to FY2019

Results

	5-year average (FY2015 - FY2019)	3-year average (FY2020 - FY2022)
Average intensity (kWh/m ²)	356.2	337.5
Intensity reduction rate (%)	—	-5.3%

Water Consumption

Annual reduction target

Reduce energy consumption intensity **by 1%** in each fiscal year compared with the previous fiscal year

Results

	FY2019	FY2020	FY2021	FY2022
Total amount (1,000 m ³)	395	289	267	281
Intensity (m ³ /m ²)	1.15	0.88	0.83	0.90
Intensity reduction rate (comparison with previous fiscal year) (%)	—	-23.5%	-5.1%	8.9%

5-year average reduction target

Reduce the average intensity from FY2020 to FY2024 **by at least 5%** compared with that from FY2015 to FY2019

Results

	5-year average (FY2015 - FY2019)	3-year average (FY2020 - FY2022)
Average intensity (m ³ /m ²)	1.23	0.87
Intensity reduction rate (%)	—	-28.6%

(Note) Received third-party guarantee from Ernst & Young ShinNihon LLC for CO₂ emissions, energy consumption and water consumption.

Memo



Reference Materials – Features of Japan Excellent Inc.

Nisseki Yokohama Building



> Table of Contents

Reference Materials – Features of Japan Excellent Inc.

1. Sponsors	40
2. Track Record	41
3. Portfolio Characteristics	42
4. Tenant Characteristics	43
5. ESG Initiatives	
(1) Policy/Promotion System	44
(2) Environment 1)	45
(2) Environment 2) (TCFD-related)	46
(3) Social 1)	47
(3) Social 2)	48
(4) Governance	49
(5) External Assessment	50
6. Unit Price and Tokyo Stock Exchange REIT Index	51
7. Management Structure	52

Reference Materials – Appendix

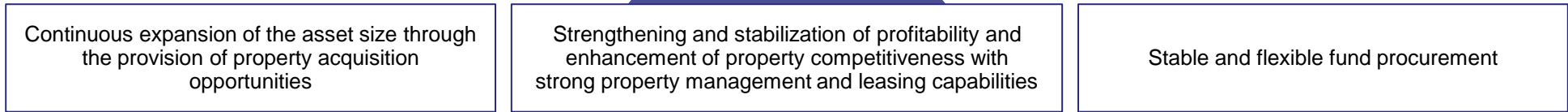
Financial Results of the 35th Period (Ended December 2023)	
(1) Comparison with the Previous Period	55
(2) Comparison with the Forecast	56
Performance Forecasts	
(1) 36th Fiscal Period (Ending June 2024)	57
(2) 37th Fiscal Period (Ending December 2024)	58
Environmental Awareness	59
Revenue and Expenses by Property	60
Overview of Period-End Appraisals	61
Period-End Appraisal Value	62
Historical Record in Works	63
Statement of Income and Retained Earnings	64
Balance Sheet	65
Statements of Cash Flow and Profit Distribution	66
Financial Indicators	67
Status of Interest-Bearing Debt	68
Unitholders	69
Portfolio Map	70
Portfolio Overview (1) – (4)	71

> 1. Sponsors

Sponsor companies with strong capabilities in property supply, management, and leasing
 Robust property pipeline supported by excellent sponsors



Japan Excellent, Inc.
Japan Excellent Asset Management Co., Ltd.



Core Sponsors



Nippon Steel Kowa Real Estate Co., Ltd.

Established through the integration of Nippon Steel City Produce and Kowa Real Estate, a real estate company with balanced business operation centering on its office building business and its residential business, including logistics facilities, upscale rental housing, and hotels.

Property

Brokerage

Personnel

Management

By your side, for life



The Dai-ichi Life Insurance Company, Limited

One of Japan's top-class life insurance companies. As of March 31, 2023, manages 284 office buildings and other investment properties nationwide.

Property

Loans

Personnel



Mizuho Bank, Ltd.

Loans

Personnel



Mizuho Trust & Banking Co., Ltd.

Loans

Brokerage

Personnel



The Dai-ichi Building Co., Ltd.

Brokerage

Personnel

Management



Sohgo Housing Co., Ltd.

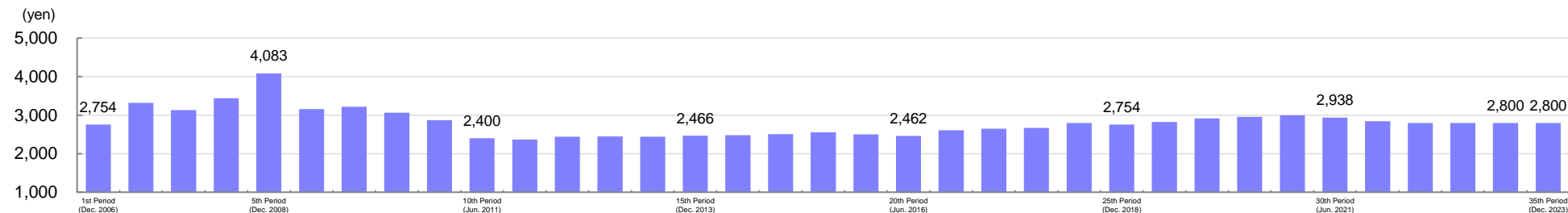
Personnel

Management

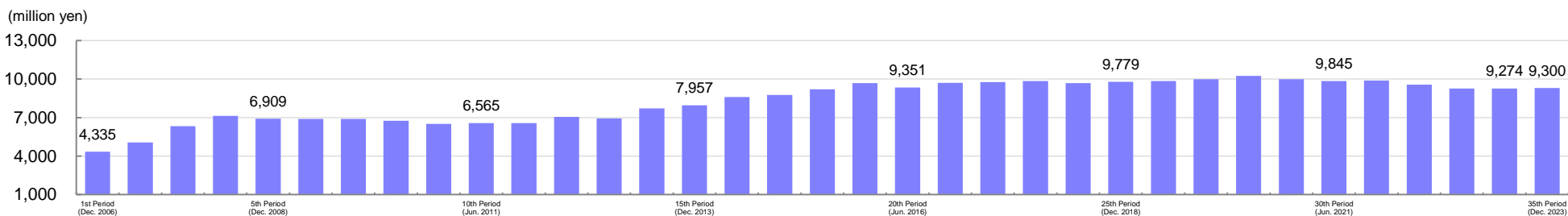
Achievements : **Property** Supply of properties **Loans** Loans **Brokerage** Brokerage for third-party properties **Personnel** Supply of personnel **Management** Management of JEI's properties

> 2. Track Record

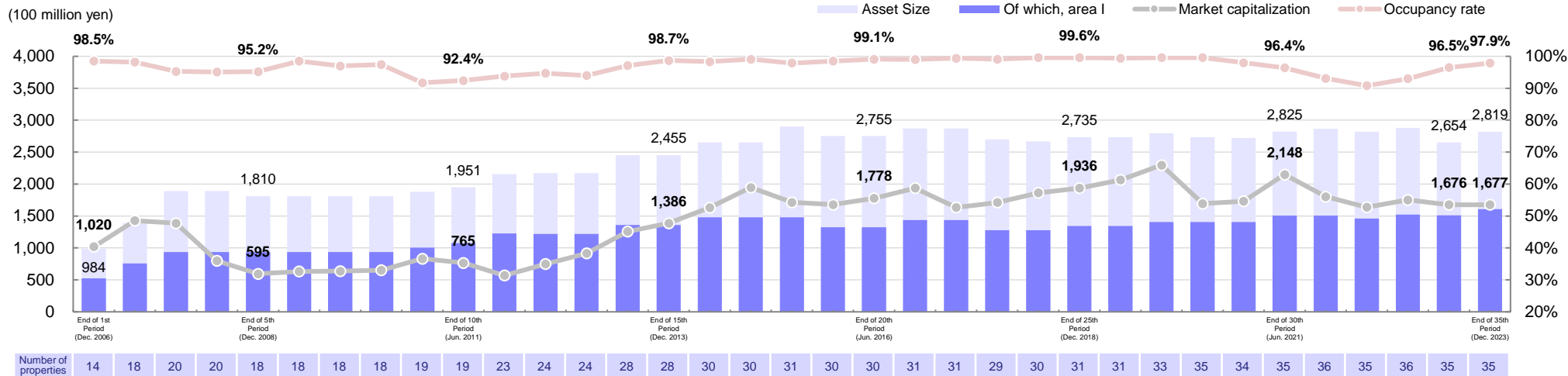
■ Distributions per Unit*1



■ Rental revenue



■ Historical Asset Size, Market Capitalization*2 and Occupancy Rate



*1 JEI Implemented a 5-for-1 split of its investment units on January 1, 2014. Considering said split, distributions per unit from even before the 15th period are divided by 5. Figures are rounded down to the nearest whole number.

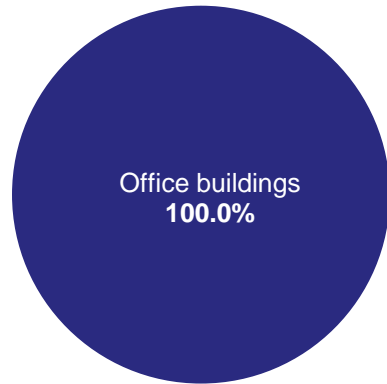
*2 Market capitalization indicates the market capitalization as of the end of each fiscal period.

> 3. Portfolio Characteristics

■ Usage

(Investment Policy)

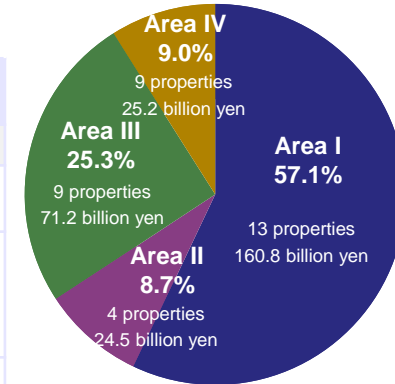
Usage ^{*1}	Investment ratio in portfolio ^{*2}
Office buildings	90% or more
Other	10% or less



■ Investment area

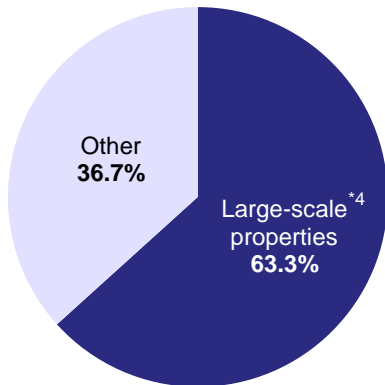
(Investment Policy)

Target investment areas	Investment ratio in portfolio ^{*2}												
Core areas													
<table border="1"> <tr> <td>■ Area I</td> <td>6 central wards of Tokyo (Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya)</td> <td>50% or more of the core areas</td> </tr> <tr> <td>■ Area II</td> <td>Central Osaka City (Umeda, Dojima, Nakanoshima, Yodoyabashi, Honmachi, etc.) Central Nagoya City (Meieki, Fushimi, Sakae, etc.) Central Fukuoka City (Tenjin, Hakata-ekimae, etc.)</td> <td>50% or less of the core areas</td> </tr> <tr> <td>■ Area III</td> <td>Tokyo other than Area I, and its vicinity (Kanagawa, Saitama, and Chiba prefectures)</td> <td>50% or less of the core areas</td> </tr> <tr> <td>■ Area IV</td> <td>Areas in Osaka, Nagoya and Fukuoka other than Area II and other government designated cities</td> <td>20% or less</td> </tr> </table>	■ Area I	6 central wards of Tokyo (Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya)	50% or more of the core areas	■ Area II	Central Osaka City (Umeda, Dojima, Nakanoshima, Yodoyabashi, Honmachi, etc.) Central Nagoya City (Meieki, Fushimi, Sakae, etc.) Central Fukuoka City (Tenjin, Hakata-ekimae, etc.)	50% or less of the core areas	■ Area III	Tokyo other than Area I, and its vicinity (Kanagawa, Saitama, and Chiba prefectures)	50% or less of the core areas	■ Area IV	Areas in Osaka, Nagoya and Fukuoka other than Area II and other government designated cities	20% or less	
■ Area I	6 central wards of Tokyo (Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya)	50% or more of the core areas											
■ Area II	Central Osaka City (Umeda, Dojima, Nakanoshima, Yodoyabashi, Honmachi, etc.) Central Nagoya City (Meieki, Fushimi, Sakae, etc.) Central Fukuoka City (Tenjin, Hakata-ekimae, etc.)	50% or less of the core areas											
■ Area III	Tokyo other than Area I, and its vicinity (Kanagawa, Saitama, and Chiba prefectures)	50% or less of the core areas											
■ Area IV	Areas in Osaka, Nagoya and Fukuoka other than Area II and other government designated cities	20% or less											



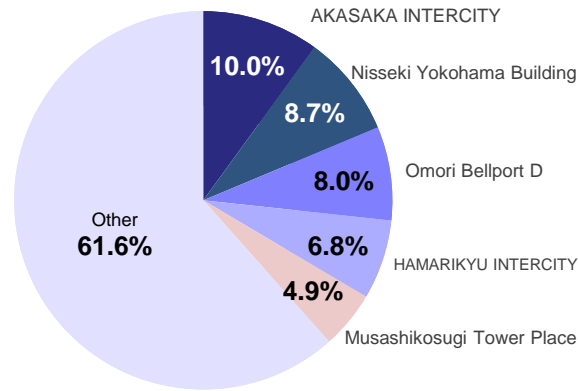
Ratio of investment in the Tokyo metropolitan area^{*3}
82.3%

■ Property Size (acquisition price basis)



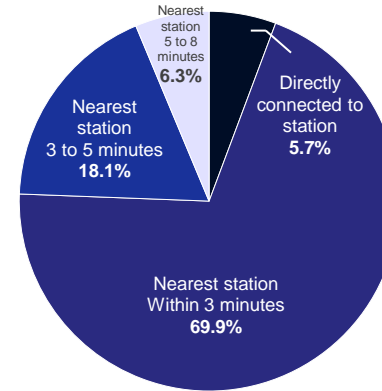
Consisting mainly of large properties

■ Top 5 Properties (acquisition price basis)



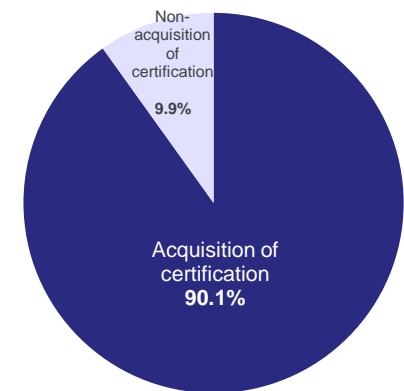
Ratio of top 5 properties
38.4%

■ Walking Distance from Closest Station (based on leasable area)



Approximately 75.6% are directly connected to or located within a 3-minute walk of the closest station
 Approximately 93.7% are located within a 5-minute walk of the closest station

■ Green Building Certification (area basis)^{*5}



Steadily conducted initiatives for BCP and environmental certification

*1 Usage is determined based on the majority share of leasable area for each asset related to real estate. The total acquisition cost of the concerned asset related to real estate is incorporated into the acquisition price by said usage.

*2 This refers to the ratio of total acquisition cost of the asset related to real estate for each usage or area against the total acquisition cost of the overall portfolio.

*3 "Tokyo metropolitan area" indicates Tokyo and its surrounding areas (Kanagawa, Saitama and Chiba prefectures) (Area I and Area III).

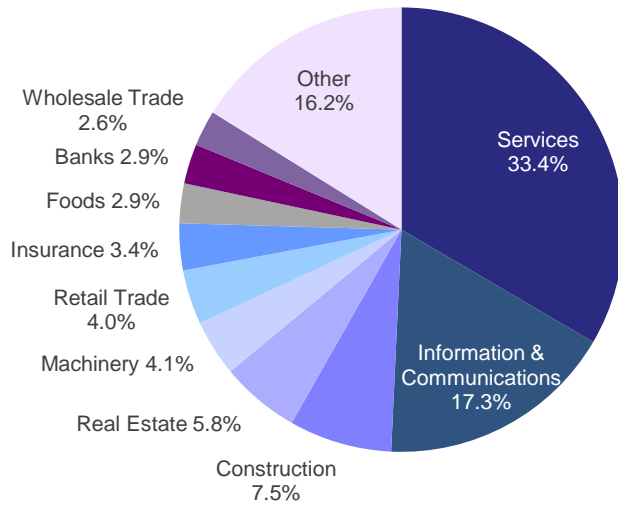
*4 Properties with total floor area of 10,000 tsubo or more for the 23 wards of Tokyo, and of 4,000 tsubo or more for areas other than the 23 wards of Tokyo.

*5 Please refer to notes on p. 50 for definitions of the figures above.

*6 The figures above are figures as of December 31, 2023.

4. Tenant Characteristics

■ Type of Industry of Tenants



*1 JEAM categorized and created the above industry category according to "TOPIX 33 Sector Indices."
 *2 Ratio stated above is rounded to the first decimal place based on leasable area as of the end of the 35th Period.

■ Top 10 End Tenants

End tenant name	Property name	Total area leased (m ²)	Floor area ratio	
Toshiba Information System (Japan) Corp.	Kowa Kawasaki Higashiguchi Building	18,612.72	6.0%	
Hitachi Real Estate Partners, Ltd.	Omori Bellport D	11,654.01	3.8%	
	JEI Hiroshima Hacchobori Building			
	SE Sapporo Building			
	Yokohama Bentendori Dai-ichi Seimei Building			
Aoba-dori Plaza		9,284.18	3.0%	
	Haseko Corporation			Shiba 2-Chome Building
	*3			*3
*3	*3	7,286.83	2.4%	
*3	*3	6,572.84	2.1%	
*3	*3	6,539.19	2.1%	
Hitachi Zosen Corporation	Omori Bellport D	5,383.97	1.7%	
*3	Nisseki Yokohama Building	4,916.10	1.6%	
J-POWER Business Service Corporation	BIZCORE TSUKIJI	4,829.68	1.6%	
*3	Nisseki Yokohama Building	3,672.31	1.2%	
Total of top 10 end tenants		78,751.83	25.5%	
Total of portfolio overall		308,423.98	100.0%	

*3 End tenant names and property names are not disclosed as we have not obtained consent, etc. from end tenants.
 *4 The figures above are as of the end of the 35th Period.

■ Number of End Tenants

Building Name	Number of End Tenants	Building Name	Number of End Tenants	Building name	Number of End Tenants	Building name	Number of End Tenants
Omori Bellport D	25	BIZCORE AKASAKA-MITSUKE	8	Kowa Kawasaki Higashiguchi Building	1	JEI Hiroshima Hacchobori Building	45
Shiba 2-Chome Building	2	BIZCORE JIMBOCHO	8	JEI Hongo Building	4	SE Sapporo Building	43
JEI Hamamatsucho Building	5	BIZCORE SHIBUYA	7	Kawasaki Nissshincho Building	35	Aoba-dori Plaza	47
AKASAKA INTERCITY	17	BIZCORE TSUKIJI	1	JEI Ryogoku Building	17	Daiwa Minami-morimachi Building	10
Daiba Garden City Building	4	NHK Nagoya Housou-Center Building	43	Core City Tachikawa	25	JEI Naha Building	18
HAMARIKYU INTERCITY	12	Osaka Kogin Building (Land with Leasehold Interest)	1	Nisseki Yokohama Building	49	Hiroshima Dai-ichi Seimei OS Building	29
Kowa Nishi-Shimbashi Building	5	GRAND FRONT OSAKA (Umekita Plaza / South Building)	2	Yokohama Bentendori Dai-ichi Seimei Building	13	Senshin Building	17
Mansard Daikanyama	10	GRAND FRONT OSAKA (North Building)	5	Shin-Yokohama Arena-dori Building	12	Sapporo Otemachi Building	28
AKASAKA INTERCITY AIR	1	Musashikosugi Tower Place	51	JEI Kyobashi Building	22	Total	622

*5 In principle, the "Number of end tenants" column indicates the number of end tenants. In cases where a single tenant leases multiple rooms, it is calculated as one tenant for the same property, or as one tenant for each property in the case of multiple properties. However, for (1) the residential portion of Shiba 2-Chome Building and HAMARIKYU INTERCITY, the number of tenants is counted as "1," considering the master lease company as the tenant, since the importance of each end tenant is low, and (2) the properties in which real estate is co-owned or trust beneficiary rights are quasi-co-owned, and in which the percentage of JEI's ownership or quasi-co-ownership is low (AKASAKA INTERCITY AIR, GRAND FRONT OSAKA (Umekita Plaza, South Building) and GRAND FRONT OSAKA (North Building)) are considering the master lease company as a tenant count and the number of master lease companies of the property is counted since the importance of each tenant is low. In addition, the number of tenants for (3) Osaka Kogin Building (land with leasehold interest) is counted as "1" based on the lease agreement for the leased land.

*6 The figures above are as of the end of the 35th Period.

> 5. ESG Initiatives (1) Policy/Promotion System

● Sustainability Policy

Japan Excellent, Inc. (“JEI”) and Japan Excellent Asset Management Co., Ltd. will work to reduce the environmental burden and cooperate/collaborate with stakeholders to achieve a sustainable society under their corporate social responsibility, while recognizing the importance of consideration for environmental, social, and governance (ESG) issues in the real estate investment management business.

■ Reduction of Environmental Burden

◆ Energy-Saving and Reduction of CO₂ Emissions

JEI will contribute to energy-saving and reduction of CO₂ emissions by improving operations to increase energy efficiency, promoting introduction of energy-saving equipment, etc. at properties under management.

◆ Effective Utilization of Resources

JEI will work to contribute to the realization of a recycling-oriented society through initiatives for saving water and promotion of the 3Rs (reduce, reuse, recycle) for reducing waste.

■ Cooperation/ Collaboration with Stakeholders

◆ Education/ Enlightenment of Employees

JEI will work to cultivate environmentally conscious employees through education/enlightenment activities such as ESG training in order to promote initiatives for sustainability.

◆ Collaboration with Outside Parties

JEI will work to facilitate exchange with local communities while working on reduction of environmental burden by collaborating with tenants and property management companies.

◆ Information Disclosure

JEI will proactively disclose information on its sustainability policy and the status of such initiatives to unitholders, tenants, business partners and other related parties.

● Signing of PRI

Japan Excellent Asset Management signed the PRI in June 2020, signaling its agreement with the concept of integrating ESG factors into investment decision-making processes in pursuit of enhancement of the long-term investment performance of beneficiaries and better fulfillment of fiduciary responsibilities.

● Declared Support for the TCFD

Japan Excellent Asset Management declared in June 2021 its support for the Task Force on Climate-Related Financial Information Disclosures (TCFD), established to consider how to disclose climate-related information and how financial institutions should address the issue.

We conducted and disclosed qualitative scenario analysis in January 2022, and quantitative analysis of the financial impact in February 2023

● Signed the Principles for Financial Action for the 21st Century

Japan Excellent Asset Management signed in June 2021 the Principles for Financial Action for the 21st Century, a set of principles for financial action toward building a sustainable society and behavioral guidelines for financial institutions seeking to take necessary responsibility and play necessary roles in forming a sustainable society.

● Promotion System

■ Sustainability Committee

JEI has set up a sustainability committee consisting of key members including the president and division managers, establishing an in-house system for setting goals and monitoring the progress for each quarter.

■ Establishment of Sustainability Promotion Office (April 2022)

The Sustainability Promotion Office will lead the company-wide cross-sectional management of sustainability activities to further promote initiatives.

> 5. ESG Initiatives (2) Environment 1)

■ Basic View

- ◆ JEI believes that capturing opportunities and possibilities in green buildings with high environmental performance such as energy/water efficiency and promotion of waste reduction will be of medium- to long-term benefit for JEI.

■ Targets (Environmental KPIs)

- ◆ Our targets are to reduce CO₂ emissions intensity by 46% in FY2030 compared to FY2013, to achieve net zero by FY2050 and to reduce energy consumption intensity and water consumption intensity by 1% in each fiscal year compared to the previous fiscal year, and over the medium to long term, to reduce the average intensity from FY2020 to FY2024 by at least 5% compared to the average intensity from FY2015 to FY2019.
- ◆ We aim to maintain a Green Building Certification rate of 90% or higher.

■ Concrete Initiatives

- ◆ JEI regularly collects data on energy consumption, CO₂ emissions, water consumption and amount of waste and continuously monitors them.

- ◆ Grey water and rainwater are used for non-potable purposes at 7 properties.

- ◆ We use 100% RE 100 compatible electric power or CO₂-free electric power in 23 properties.

- ◆ In order to expand the investor base that is actively involved in ESG investment, we are taking a leading role in the procurement of sustainability finance and green finance for the acquisition of sustainability- and green-eligible assets and for the financing of renovation work that contributes to environmental improvement.

<Sustainability Finance>

JEI acquired SU1 (F), the highest overall evaluation, for its Sustainability Finance Framework from Japan Credit Rating Agency, Ltd. (JCR)



First for a J-REIT

<Green Finance>

JEI has obtained a second-party opinion on its Green Finance Framework from Sustainalytics, an ESG rating agency.



Issuance of the first green bond by an office J-REIT

- ◆ At the timing of replacing lighting in common areas, normal lighting is upgraded to LED to reduce energy consumption after confirming the energy reduction effect.

- ◆ When selecting property management companies, JEI monitors company's initiatives concerning sustainability and asks for adherence in property management after explaining its Sustainability Policy, etc. Furthermore, their compliance with the policy is monitored through an annual survey.

› 5. ESG Initiatives (2) Environment 2) (TCFD-related)

We promote analysis, disclosure and response to climate change risks based on TCFD recommendations

■ Governance

- ◆ JEAM has established the sustainability committee, chaired by the President and CEO and composed of key members including division managers, in order to systematically promote sustainability initiatives.

At the Sustainability Committee, matters related to identification, assessment and management of climate-related risks and opportunities, progress in adaptation and mitigation efforts, and the setting of indicators and targets are reported to the Chief Executive Officer on a regular basis. The Chief Executive Officer makes final decisions after the participants in the Sustainability Committee deliberate and examine each agenda item.

■ Strategy

- ◆ Qualitative analysis of climate change risks to identify risks and opportunities and assess their financial impact on the business. Consider future countermeasures for each risk and opportunity.

In the future, we will focus on improving the resilience of our business by taking environmental and energy-saving measures and improving the efficiency of energy use in the buildings we own, reducing CO₂ emissions by further expanding the use of renewable energy and CO₂-free electricity, and conducting risk assessments through the use of hazard maps, etc. In addition, the results of these scenario analyses will be reviewed to reflect them in the management and financial plans of JEI in the future.

■ Risk

- ◆ Annual review of the identification and assessment of climate-related risks is conducted at the sustainability committee. In identifying risks, the time horizon, confidence and impact of risks are assessed for each risk and scenario to the extent possible.

Prioritize risk management actions for identified climate-related risks based on the results of the review of the level of confidence and impact and develop and implement countermeasure plans for high-priority risks and opportunities that are important to business and financial planning.

- ◆ In order to enhance climate change responses based on TCFD recommendations, add climate change-related items and indicators to risk management framework, and report to JEAM Board of Directors

■ Indicators and Targets

- ◆ JEI has set a target to reduce CO₂ emissions intensity by 46% in FY2030 compared with FY2013, to achieve net zero by FY2050 and to reduce energy consumption intensity and water consumption intensity by 1% in each fiscal year compared with the previous fiscal year, and in the medium to long term to reduce the average intensity from FY2020 to FY2024 by at least 5% compared with the average intensity from FY2015 to FY2019.

> 5. ESG Initiatives (3) Social 1)

■ Basic View

- ◆ JEI views its tenants, property managers, communities where its properties stand, society as whole, and employees at JEAM as its important stakeholders.

■ Concrete Initiatives

Safety and Security of Tenants

Introduction of an earthquake damage assessment system (AKASAKA INTERCITY, Kowa Nishi-Shimbashi Building)
 Installation of emergency cabinets inside elevators
 Storage of portable toilets, lanterns, etc. for tenants in case of emergencies
 Installation of emergency power generation facilities

Survey on Tenant Satisfaction

We conduct satisfaction surveys of tenants and office workers on a regular basis and utilize the survey results to improve property operation and management in order to increase tenant satisfaction.

Implementation of Disaster Drills

We hold regular disaster drills at buildings to ensure the safety of users, business continuity for tenants, and to educate the public about disaster prevention.

Respect for Human Rights

In our Code of Conduct, we stipulate respect for human rights, prohibition of discrimination, prohibition of harassment and such. Believing that respect for human rights, non-discrimination, and a work environment where diverse human resources can play an active role with an emphasis on diversity will lead to sustainable growth and contribution to society, we are working on initiatives such as addressing human rights issues in our internal training programs.

Supporting the Advancement of Female Employees

JEAM aims to create a working environment where each employee can utilize their personality and skills to the maximum extent and strives to develop a satisfying working environment for female employees by introducing a childcare leave system as well as allowing them to work flexibly for a short time and to proactively take paid holidays.

Rank-Based Employee Training Program

From the perspective of medium- to long-term employee development, JEAM systematically establishes training programs for each job grade and job title, tailored to the level of ability required, and develops their careers in accordance with job ranks and future management executives

Employee Stock Ownership Plan

JEAM has introduced an Employee Stock Ownership Plan for the purpose of enhancing JEI's unitholder value over the medium to long term through promotion of alignment of interest between unitholders of the JEI and employees of JEAM and promoting the welfare of employees of JEAM.

Employee Grievance Reporting / Escalation Procedures

JEAM has grievance adjustment process where anonymity is thoroughly secured.

For example, reporting on sexual harassing is handled by the compliance officer, the head of operation and planning division, and an external law office, and is well known within the company. All employees including even those who are not actually involved are allowed to report incidents, and in cases where reports are substantiated, such is reported to the CEO.

Annual Survey on Employee Satisfaction

Once a year, JEAM conducts satisfaction surveys for all employees to monitor their satisfaction. The results of the surveys are utilized as feedback for senior management and the heads of each department, and action plans for those requiring improvement are designed and implemented.

> 5. ESG Initiatives (3) Social 2)

■ Concrete Initiatives

Eco-cap Campaign

JEAM carries out an activity to collect plastic bottle caps and give them to the NPO “Cap Bank Promotion Network.” While promoting recycling of caps and reduction of CO₂ emissions, they also send vaccines to children in developing countries using the proceeds from the recycling of caps.

Contribution to Local Communities

JEI supports the activities of communities by periodically holding concerts in the common spaces of office buildings and providing space for various events.

“Be My Flower Valentine -Shared Garden of Wind and Green-”



AKASAKA INTERCITY AIR

United Nations refugee support campaign



Omori Bellport

Concerts



NHK Nagoya Housou-Center Building

Donating Emergency Food Stockpile to Foodbanks

JEAM donates emergency-use food supplies that are no longer needed due to replacement to certified NPO Mottainai Japan, which provides food to welfare facilities and people in need such as those in foster care, mother and child support, support for persons with disabilities.



Contribute to Local Communities and the Environment Through the Installation of Electric Micromobility Sharing Services at Owned Properties.

A part of the property site owned by JEI is provided as a shared service base for electric kickboards in consideration of safety, contributing to the efficiency of short-distance travel for tenants and local residents when commuting or moving around on business, as well as to the improvement of the familiarity of local residents with the properties owned by JEI.

Electric kickboards are said to emit only about 1/40 of the CO₂ of automobiles and are eco-friendly. In the event of a disaster, they can be used as an emergency means of transportation when public transportation is suspended.

Electric kickboard



> 5. ESG Initiatives (4) Governance

■ Same-Boat Investment by the Sponsors

The two core sponsors hold 11.6% of JEI's investment units (as of December 31, 2023)

Their interests are aligned with that of unitholders.

■ Preventing Conflict of Interest from Sponsor Formation

A management structure unaffected by a specified sponsor due to mutual supervision of the two core sponsors has been established.



By your side, for life

DAI-ICHI LIFE

■ Management Fee Structure

Management fees linked to revenue are introduced.

	Calculation method
Asset Management Fee I	<p>The amount of JEI's assets under management (every 3 months) multiplied by the following fee rates x (the actual number of days within the relevant calculation period / 365)</p> <p>Fee rates:</p> <ul style="list-style-type: none"> • 0.25% (Assets under management: Portion up to ¥100 billion) • 0.15% (Assets under management: Portion over ¥100 billion up to ¥200 billion) • 0.05% (Assets under management: Portion over ¥200 billion)
Asset Management Fee II	<p>(The amount of ordinary income before deducting Management Fee II + the amount of depreciation) x 4.0%</p>

■ JEI's Board of Directors

1 Executive Director
(Also serving as president of the asset management company)



3 Supervisory Directors
(Outside directors)

Experts in various areas (attorneys, certified public accountants and licensed real estate appraisers) are appointed as Supervisory Directors, and provide supervision of the state of execution of business by the Executive Director from an expert viewpoint.

■ Decision Making System Requiring Attendance of Compliance Officer (CO) and Outside Experts

Attendance and consensus of compliance officer and outside experts are required for resolution of proposals

Compliance Committee

Involved in decision-making for transactions with related parties of JEI

Attendance of compliance officer is required for resolution of proposals

Investment Committee

Involved in decision-making for asset management, investment and financial matters of JEI

5. ESG Initiatives (5) External Assessment

■ GRESB Real Estate Assessment*1



G R E S B
★★★★★ 2023

Received “Green Star” for the ninth consecutive year in GRESB Real Estate Assessment conducted in 2023.

Received “5 Star” in “GRESB Rating,” a five-grade evaluation system based on comprehensive scores, for the fourth consecutive year.

Awarded “No. 1” in the Japan, Office and Listed category for the second consecutive year.

■ MSCI ESG Rating

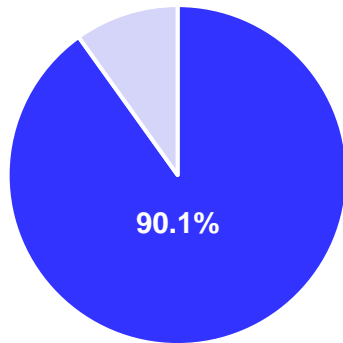


Acquired rating of A Class in MSCI ESG Rating

■ Green Building Certification

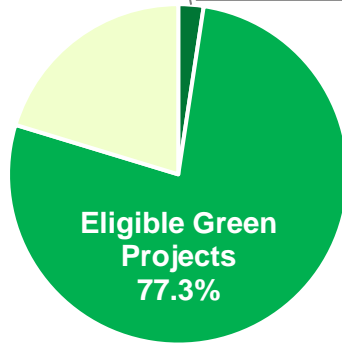
◆ Green Building Certification*2

27 properties certified
(90.1% on area basis)



◆ Eligible Green Projects and Eligible Sustainability Projects*3

Eligible Sustainability Projects: 2.4%



◆ BELS Evaluation*4



BIZCORE JIMBOCHO earned four stars (December 2022)



BIZCORE AKASAKA-MITSUKE earned three stars (May 2022)



Nisseki Yokohama Building earned two stars (April 2020)

◆ CASBEE Wellness Office Certification*5



AKASAKA INTERCITY AIR has received Rank S to be the first certified property

◆ Office Taking Excellent Specific Global Warming Countermeasures*6

AKASAKA INTERCITY AIR certified as Top-Level Office

*1 "Global Real Estate Sustainability Benchmark (GRESB)" is a benchmark established by European pension fund groups to measure real estate companies and management institutions' consideration to sustainability and is used in cases such as when major European and Asian institutional investors select investment targets.
 "Green Star" is given when a high evaluation with a score exceeding 50% is made in the two-evaluation axis ("Management & Policy" and "Implementation & Measurement"). "GRESB Rating" is a rating of the overall score according to the global ranking and "5 Star" is given to the top 20% of the participants.

*2 "Green Building Certification" is a general term for "DBJ Green Building Certification System" and "CASBEE for real estate/building". The figure in the pie chart indicates the percentage of certified properties based on leasable area. (as of end of December 2023)
 "DBJ Green Building Certification System" is a system established by Development Bank of Japan Inc. and is designed to promote real estate properties that demonstrate environmentally friendly building features, security measures, disaster prevention measures, and take into account societal demands from various stakeholders surrounding the properties.
 "CASBEE for real estate/building" is a system for appropriately identifying and evaluating properties with high environmental value that have high environmental performance and are well managed and is certified by Institute for Built Environment and Carbon Neutral for SDGs.

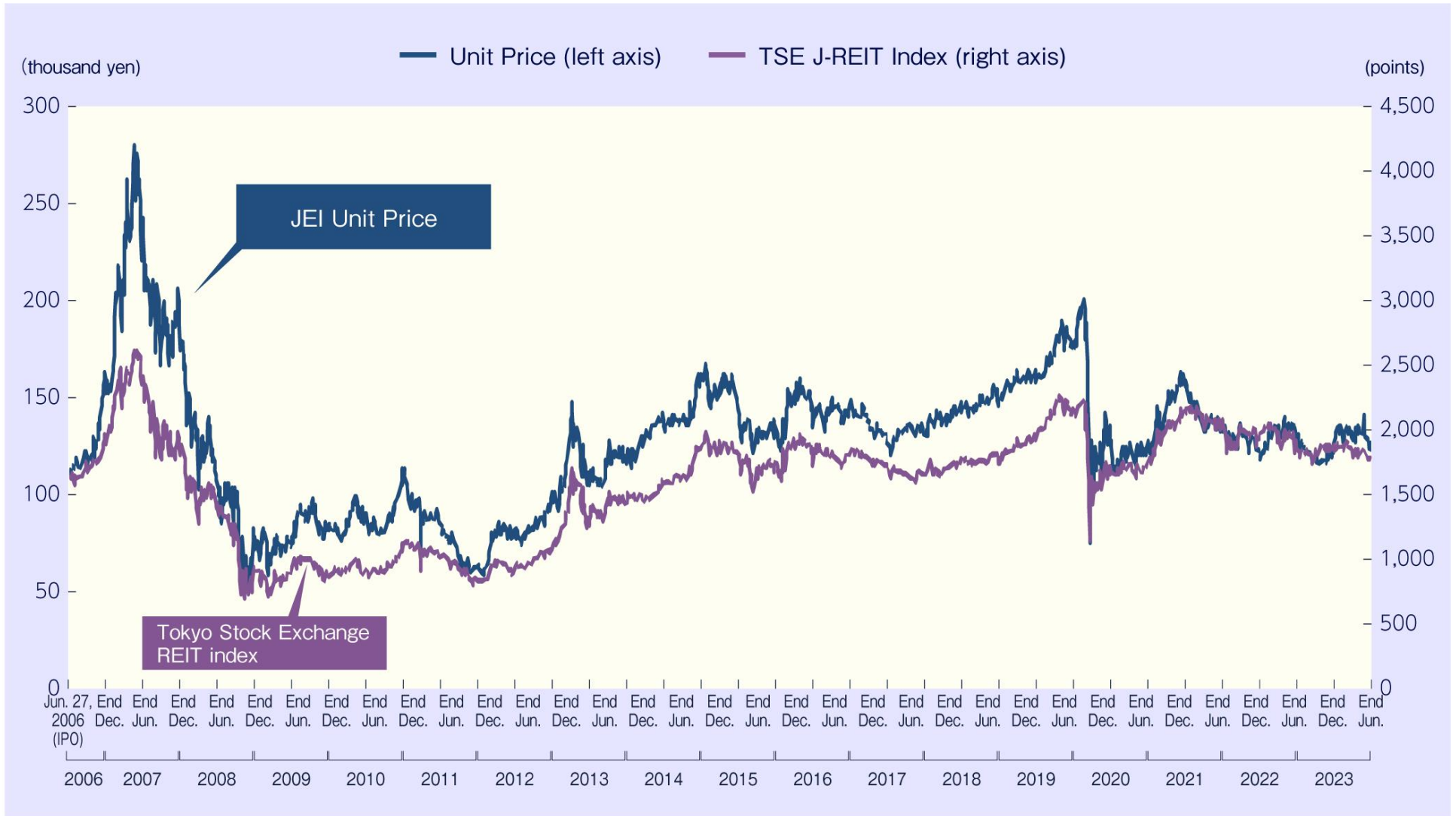
*3 "Eligible Green Projects" are assets that have received one of the following certifications within the previous 3 years as of the payment date upon issuance of green bonds or are scheduled to receive such, and those selected at the sustainability committee of JEAM: (1) DBJ Green Building Certification: 5, 4, or 3 stars; (2) CASBEE for Real Estate: S, A, or B+ rank.
 "Eligible Sustainability Projects" are assets that have received one of the above (1) or (2) within the previous 3 years of the payment date upon issuance of green bonds or are scheduled to receive such, and those selected by the sustainability committee JEAM. The figure in the pie chart indicates the percentage of eligible projects based on book value for the end of the December 2023.

*4 "Building-Housing Energy-efficiency Labeling System (BELS)" is a system started for the purpose of accurately evaluating and labelling energy conservation functions of non-residential buildings in response to the establishment of the Assessment Guideline of Indication of Energy Saving Capabilities of Non-residential Buildings (2013) in October 2013 by the Ministry of Land, Infrastructure, Transport and Tourism. The evaluations are conducted by a third-party organization based on the guidelines, and certifications are based on a five-scale system of one to five stars (★ to ★★★★★).

*5 "CASBEE Wellness Office" is a tool launched in spring 2019 by Institute for Built Environment and Carbon Neutral for SDGs to evaluate building specifications, performance, and initiatives that support the maintenance and enhancement of building users' health and comfort.

*6 The Tokyo Metropolitan Government certifies offices with particularly advanced global warming countermeasures as "Office Taking Excellent Specific Global Warming Countermeasures."

> 6. Unit Price and Tokyo Stock Exchange REIT Index



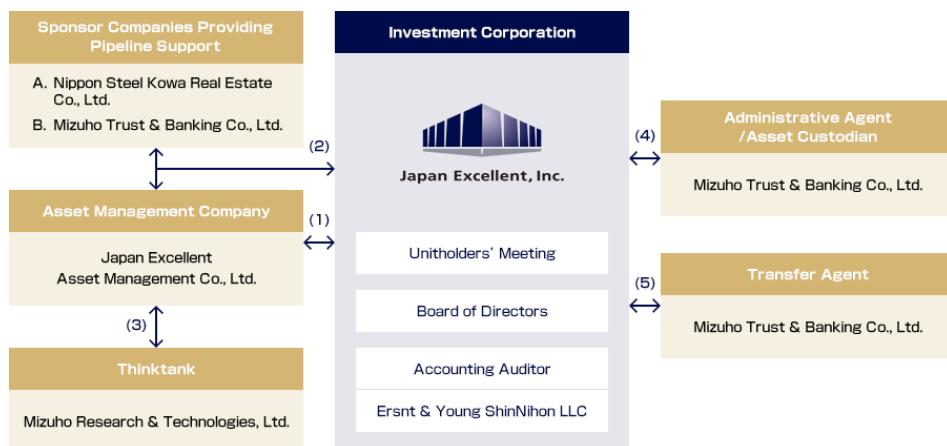
*1 Unit prices for December 25, 2013, and earlier are divided by 5.

> 7. Management Structure

■ Overview of JEI

Name	Japan Excellent, Inc.
Location	1-15-9 Minamiaoyama, Minato Ward, Tokyo
Securities Code	8987
Date Listed	June 27, 2006
Executive Director	Shuichiro Kayama
Supervisory Directors	Eiji Takagi Osamu Hirakawa Hiroaki Komatsu

■ Organization of JEI



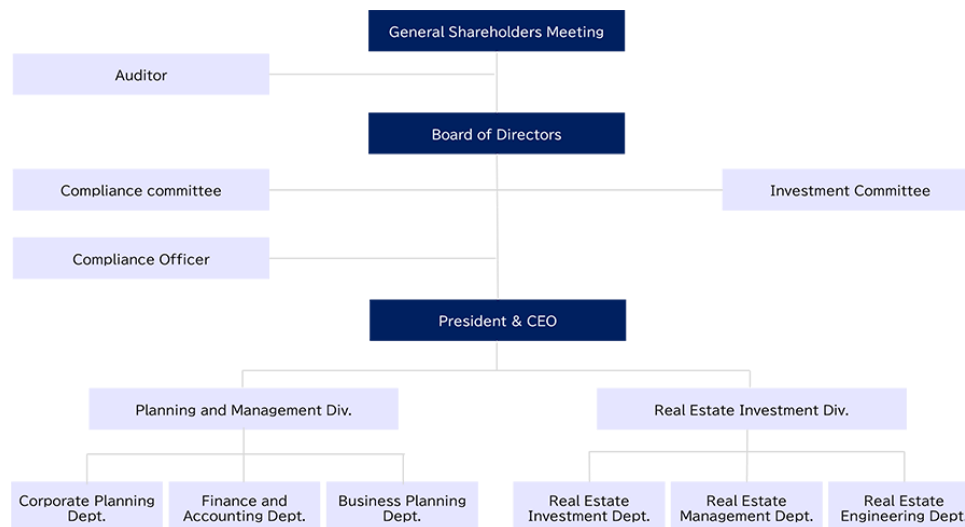
- (1) Asset Management agreement
- (2) A. Pipeline support agreement with NIPPON STEEL KOWA REAL ESTATE
B. Pipeline support agreement with Mizuho Trust & Banking
- (3) Agreement to provide market and other information
- (4) Agreement to entrust administrative duties and asset custody
- (5) Agreement to entrust administration of unitholders' register

■ Overview of JEAM

Name	Japan Excellent Asset Management Co., Ltd.	
Headquarters	1-15-9 Minamiaoyama, Minato Ward, Tokyo	
Established	April 14, 2005	
Capital	450 million yen	
President & CEO	Shuichiro Kayama	
Shareholders*	Nippon Steel Kowa Real Estate Co., Ltd.	54.0%
	The Dai-ichi Life Insurance Company, Limited	26.0%
	The Dai-ichi Building Co., Ltd.	5.0%
	Sohgo Housing Co., Ltd.	5.0%
	Mizuho Bank, Ltd.	5.0%
	Mizuho Trust & Banking Co., Ltd.	5.0%
Business Operations	Financial Instrument Dealer	

* The percentage figure indicates the number of shares held as a percentage of the number of total outstanding shares.

■ Outline and Organization of JEAM



Memo



Reference Materials – Appendix



Financial Results of the 35th Period (Ended December 2023) (1) Comparison with the Previous Period

◆ Secured 2,800 yen in distributions as forecast and also increased the reserve for reduction entry mainly due to an increase in rent revenue through property acquisitions and recovery of occupancy and improvement of utilities revenue/expenses

	34th Period Jun. 2023 Result	35th Period Dec. 2023 Result	Difference
Operating revenue	13,823	10,857	-2,966
Rental revenue	9,274	9,300	25
Revenue for utilities expenses	681	697	16
Other revenue	124	104	-19
Distribution to Anonymous Association	60	57	-2
Gain on sales of real estate, etc.	3,683	697	-2,986
Operating expenses	9,346	6,191	-3,154
Expenses for rental operations	5,972	5,561	-410
Property management expenses	1,525	1,490	-34
Utilities expenses	1,149	1,053	-95
Taxes	1,036	960	-76
Repairs and maintenance	139	115	-23
Other expenses for rental operations	161	159	-1
(NOI)	6,067	6,321	253
Depreciation	1,960	1,780	-180
Loss on sales of real estate, etc.	2,703	0	-2,703
Sales and administrative expenses	670	629	-40
Operating income	4,477	4,665	188
Non-operating expenses	595	615	19
Ordinary income	3,882	4,050	168
Net income	3,881	4,049	168
Provision (-) and reversal (+) of reserve for reduction entry	-136	-304	-168
Total distributions	3,745	3,745	0
Distributions per unit (yen)	2,800	2,800	0
FFO	4,861	5,132	271

Factors	(Unit: million yen)		Main causes for change
	Balance	DPU conversion (yen)	
■ External Growth (Newly Acquired Properties)	238	178 yen	
Increase in profit after depreciation of properties acquired in the 34th Period	35		Shin-Yokohama Arena-dori Building
Increase in profit after depreciation of properties acquired in the 35th Period	203		BIZCORE TSUKUJI: 182 GRAND FRONT OSAKA: 20
■ Internal Growth (Existing Properties)	215	161 yen	
Increase in rental revenue	175		Departure and lease-up: 177 (Lease-up: 381, Departure: -204) Rent revisions: -1 (Increase: 6, Decrease: -7), Other -1
Decrease in distribution to Anonymous Association	-2		
Increase in utilities revenue/expenses	77		
Decrease in other revenue	-17		Absence of BIZCORE SHIBUYA restoration work revenue: -10 Absence of refund of Core City Tachikawa association surplus: -9
Increase in expenses for rental operations	-57		
Increase in property management expenses	-33		Absence of AKASAKA INTERCITY refund of district heating and cooling rent: -13 Increase in LM fees Nisseki Yokohama Building: -6 BIZCORE AKASAKA-MITSUKE: -5 Increase in Musashikosugi Tower Place brokerage fees: -6
Increase in taxes	-18		
Decrease in repairs and maintenance	3		
Increase in depreciation	-6		
Increase in other expenses for rental operations	-2		
Decrease in sales and administrative expenses	40		Decrease in non-deductible consumption tax: 23 Decrease in property inspection costs: 21
■ Finance	-19	-15 yen	
Decrease in interest expense	11		Arrangement fee
Increase in loan-related fees	-31		
■ Transfer	-265	-199 yen	
Decrease in gain on sale	-2,986		Absence of gain on sale of Shintomicho Building (60%): -797 Absence of gain on sale of JEI Kyobashi Building (80%): -2,885 Gain on sale of Pacific Square Sengoku: 697
Decrease in loss on sale	2,703		
Increase in profit after depreciation of properties transferred in the 34th Period	50		Absence of loss on sale of Kowa Kawasaki Nishiguchi Building
Decrease in profit after depreciation of properties transferred in the 35th Period	-32		
■ Reserve for Reduction Entry	-168	-126 yen	
Increase in provision of reserve for reduction entry	-168		Kowa Kawasaki Nishiguchi Building: 120 JEI Kyobashi Building (80%): -69
Total	0	0 yen	Pacific Square Sengoku

Financial Results of the 35th Period (Ended December 2023) (2) Comparison with the Forecast

◆ Secured forecast level of distributions and increased the reserve for reduction entry due to improvement of utilities revenue/expenses, a decrease in repair expenses and the impact of the acquisition of GRAND FRONT OSAKA

	35th Period	35th Period	Difference
	Dec. 2023 Forecast	Dec. 2023 Result	
Operating revenue	10,785	10,857	71
Rental revenue	9,234	9,300	66
Revenue for utilities expenses	706	697	-9
Other revenue	93	104	11
Distribution to Anonymous Association	55	57	2
Gain on sales of real estate, etc.	696	697	1
Operating expenses	6,316	6,191	-125
Expenses for rental operations	5,694	5,561	-133
Property management expenses	1,451	1,490	39
Utilities expenses	1,144	1,053	-90
Taxes	963	960	-2
Repairs and maintenance	202	115	-86
Other expenses for rental operations	168	159	-8
(NOI)	6,104	6,321	216
Depreciation	1,765	1,780	15
Loss on sales of real estate, etc.	0	0	0
Sales and administrative expenses	621	629	8
Operating income	4,468	4,665	197
Non-operating expenses	594	615	21
Ordinary income	3,874	4,050	175
Net income	3,873	4,049	175
Provision (-) and reversal (+) of reserve for reduction entry	-128	-304	-175
Total distributions	3,745	3,745	0
Distributions per unit (yen)	2,800	2,800	0

FFO	4,943	5,132	189
-----	-------	-------	-----

Factors	(Unit: million yen)		Main causes for change
	Balance	DPU conversion (yen)	
■ External Growth (Newly Acquired Properties)	26	20 yen	
Increase in profit after depreciation of assets acquired in the 34th Period	2		Shin-Yokohama Arena-dori Building
Increase in profit after depreciation of properties acquired in the 35th Period	24		BIZCORE TSUKIJI: 3 GRAND FRONT OSAKA: 20
■ Internal Growth (Existing Properties)	168	126 yen	
Increase in rental revenue	33		Departure and lease-up: 10 (postponement of anticipated departure: 10) Rent revisions: 5 (Rise in increases: 3, fall in decreases: 2) Other: 18
Increase in anonymous association distributions	2		
Increase in utilities revenue/expenses	80		
Increase in other revenue	8		
Decrease in expenses for rental operations	52		
Increase in property management expenses	-35		
Decrease in taxes	2		
Decrease in repairs and maintenance	87		Fall in unplanned construction work
Increase in depreciation	-11		
Decrease in other expenses for rental operations	10		
Increase in sales and administrative expenses	-8		
■ Finance	-21	-16 yen	
Increase in interest expense	-7		
Increase in loan-related fees	-12		
■ Transfer of Properties	1	1 yen	
Increase in gain on sale	1		Pacific Square Sengoku
■ Reserve for Reduction Entry	-175	-131 yen	
Increase in provision of reserve for reduction entry	-175		
Total	0	0 yen	

> Performance Forecasts (1) 36th Fiscal Period (Ending June 2024)

- ◆ From the 36th period, a policy will be adopted to set the level of distributions considering the status of revenues and expenditures each period, and to aim for steady growth
- ◆ In the 36th period, the increase in expenses for rental operations such as repairs and maintenance will be offset by the acquisition of new properties and rent revenue increases, and distributions per unit will be 2,760 yen due to an increase in the provision of reserve for reduction entry

	35th Period	36th Period	Difference
	Dec. 2023 Result	Jun. 2024 Forecast	
Operating revenue	10,857	11,419	562
Rental revenue	9,300	9,867	567
Revenue for utilities expenses	697	670	-27
Other revenue	104	94	-10
Distribution to Anonymous Association	57	66	8
Gain on sales of real estate, etc.	697	721	23
Operating expenses	6,191	6,672	481
Expenses for rental operations	5,561	6,051	489
Property management expenses	1,490	1,558	67
Utilities expenses	1,053	1,016	-37
Taxes	960	1,013	52
Repairs and maintenance	115	411	295
Other expenses for rental operations	159	211	51
(NOI)	6,321	6,421	100
Depreciation	1,780	1,839	59
Loss on sales of real estate, etc.	0	0	0
Sales and administrative expenses	629	621	-8
Operating income	4,665	4,747	81
Non-operating expenses	615	644	29
Ordinary income	4,050	4,102	52
Net income	4,049	4,101	52
Provision (-) and reversal (+) of reserve for reduction entry	-304	-410	-105
Total distributions	3,745	3,691	-53
Distributions per unit (yen)	2,800	2,760	-40
FFO	5,132	5,220	87

Factors	(Unit: million yen)		Main causes for change
	Balance	DPU conversion (yen)	
■ External Growth (Newly Acquired Properties)	171	128 yen	
Increase in profit after depreciation of properties acquired in the 35th Period	106		BIZCORE TSUKUJI: -12 (increase in taxes, etc.) Full-period contribution of GRAND FRONT OSAKA: 119
Increase in profit after depreciation of properties acquired in the 36th Period	64		
■ Internal Growth (Existing Properties)	-101	-76 yen	
Increase in rental revenue	261		OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA
Increase in anonymous association distributions	8		Departure and lease-up: 243 (Lease-up: 335, Departure: -92) Rent revisions: -7 (Increase: 5, Decrease: -12) Other: 25
Increase in utilities revenue/expenses	14		
Decrease in other revenue	-17		
Increase in expenses for rental operations	-376		
Increase in property management expenses	-14		
Increase in taxes	-29		
Increase in repairs and maintenance	-276		Kowa Kawasaki Higashiguchi Building exterior paintwork, etc.: -64 Nisseki Yokohama Building paint repairs, flooring tile repairs, etc.: -64
Increase in depreciation	-28		
Increase in other expenses for rental operations	-27		
Decrease in sales and administrative expenses	8		
■ Finance	-29	-22 yen	
Increase in interest expense	-32		Increase in borrowing associated with OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA
Decrease in loan-related fees	7		
Increase in other financial expenses	-4		
■ Transfer	10	8 yen	
Increase in gain on sale	23		Absence of gain on sale of Pacific Square Sengoku: -697 JEI Kyobashi Building (20%): 721
Increase in profit after depreciation of properties transferred in the 35th Period	5		Pacific Square Sengoku
Decrease in profit after depreciation of properties transferred in the 36th Period	-18		JEI Kyobashi Building (20%)
■ Reserve for Reduction Entry	-105	-79 yen	
Increase in provision of reserve for reduction entry	-105		
Total	-53	-40 yen	

> Performance Forecasts (2) 37th Fiscal Period (Ending December 2024)

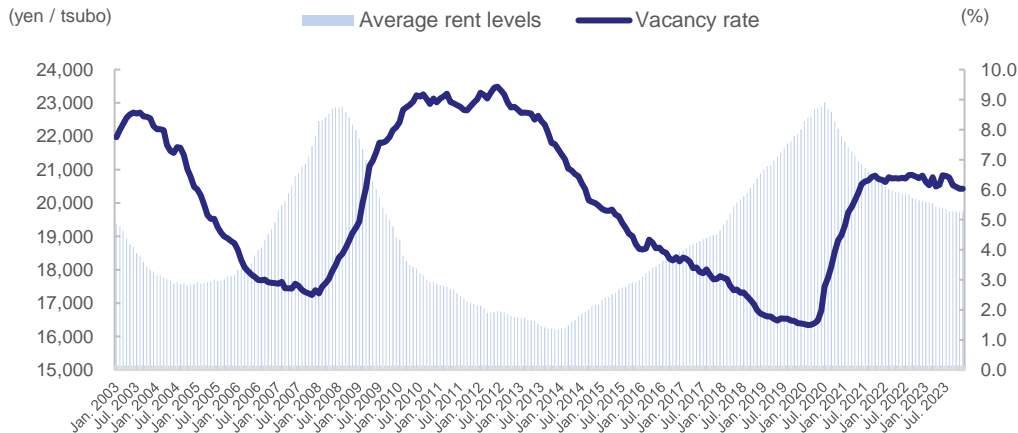
- ◆ Although there will be the full-period contribution of properties acquired in the previous period and a decrease in repairs and maintenance, distributions per unit will be 2,600 yen due to a decrease in gain on sale and a decrease in rent revenue caused by the departure of a major tenant

	36th Period	37th Period	Difference
	Jun. 2024	Dec. 2024	
	Forecast	Forecast	
Operating revenue	11,419	11,116	-303
Rental revenue	9,867	9,744	-122
Revenue for utilities expenses	670	758	87
Other revenue	94	89	-4
Distribution to Anonymous Association	66	73	6
Gain on sales of real estate, etc.	721	450	-270
Operating expenses	6,672	6,579	-93
Expenses for rental operations	6,051	5,951	-99
Property management expenses	1,558	1,518	-39
Utilities expenses	1,016	1,115	98
Taxes	1,013	1,049	35
Repairs and maintenance	411	209	-202
Other expenses for rental operations	211	185	-26
(NOI)	6,421	6,514	93
Depreciation	1,839	1,873	33
Sales and administrative expenses	621	627	6
Operating income	4,747	4,536	-210
Non-operating expenses	644	712	67
Ordinary income	4,102	3,824	-278
Net income	4,101	3,823	-278
Provision (-) and reversal (+) of reserve for reduction entry	-410	-345	64
Total distributions	3,691	3,477	-214
Distributions per unit (yen)	2,760	2,600	-160
FFO	5,220	5,246	25

Factors	(Unit: million yen)		Main causes for change
	Balance	DPU conversion (yen)	
■ External Growth	134	101 yen	
Increase in profit after depreciation of properties acquired in the 36th Period	134		Full-period contribution of OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA
■ Internal Growth (Existing Properties)	-46	-35 yen	
Decrease in rental revenue	-251		Departure and lease-up: -213 (Lease-up: 100, Departure: -313) Rent revisions: -13 (Increase: 6, Decrease: -20) Other: -25
Increase in anonymous association distributions	6		
Decrease in utilities revenue/expenses	-11		
Decrease in other revenue	-6		Kowa Kawasaki Higashiguchi Building Absence of leasing fees (renewals): -30
Decrease in expenses for rental operations	222		
Decrease in property management expenses	55		
Increase in taxes	-39		Impact of acquisitions in the 35th Period (BIZCORE TSUKUJI, GRAND FRONT OSAKA): -27
Decrease in repairs and maintenance	200		Absence of Kowa Kawasaki Higashiguchi Building exterior paintwork, etc.: 59 Absence of Nisseki Yokohama Building paint repairs, flooring tile repairs, etc.: 46
Increase in depreciation	-21		
Decrease in other expenses for rental operations	26		
Increase in sales and administrative expenses	-6		
■ Finance	-67	-51 yen	
Increase in interest expense	-54		Increase in borrowing associated with OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA
Increase in loan-related fees	-12		
Increase in other financial expenses	-1		
■ Transfer of Properties	-298	-223 yen	
Decrease in gain on sale	-270		Absence of gain on sale of JEI Kyobashi Building (20%): -721 Gain on sale of JEI Hongo Building (40%): 450
Decrease in profit after depreciation of properties transferred in the 37th Period	-27		
■ Reserve for Reduction Entry	64	48 yen	
Decrease in provision of reserve for reduction entry	64		JEI Hongo Building (40%)
Total	-214	-160 yen	

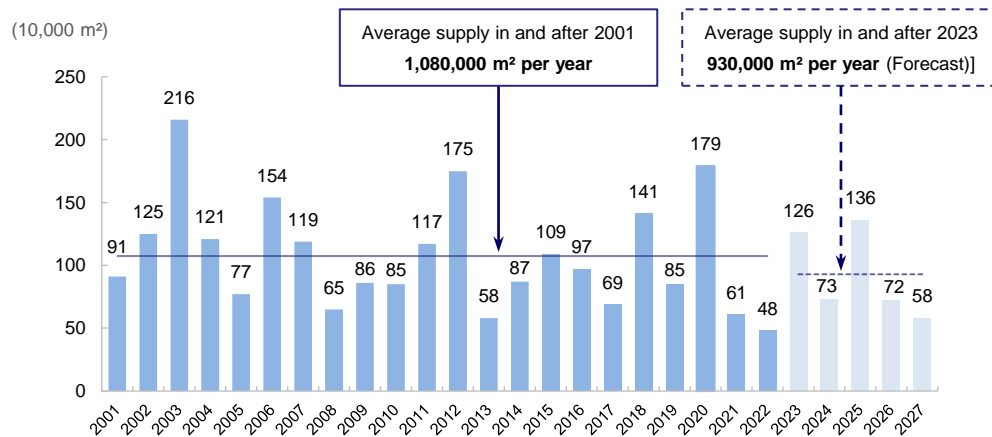
Environmental Awareness

Historical Rent Levels and Vacancy Rate in 5 Central Wards of Tokyo



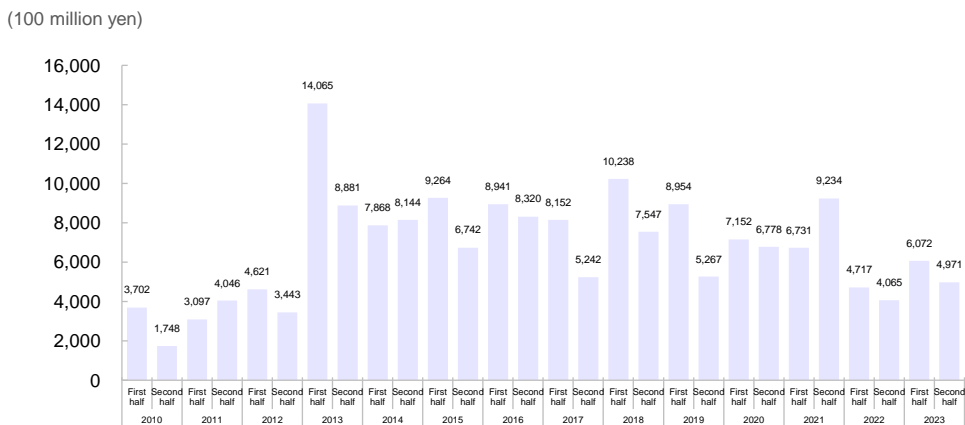
Source: Miki Shoji Co., Ltd.

Historical New Large-Scale Office Supply Volume in 23 Wards of Tokyo



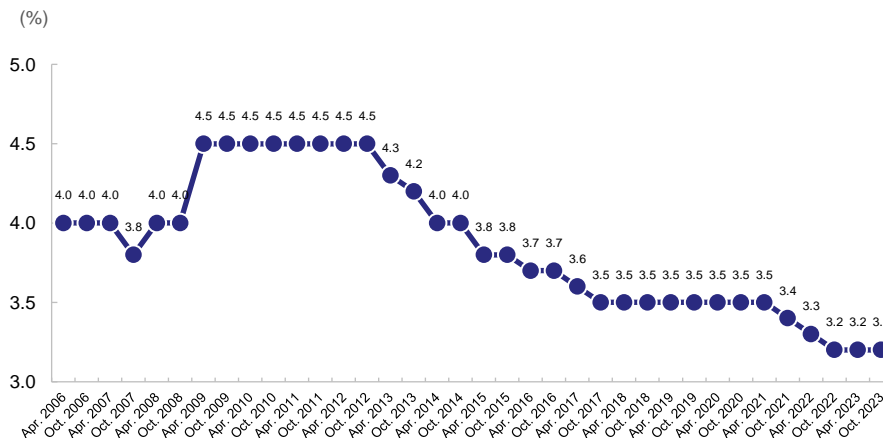
Source: Mori Building Co., Ltd.

Historical Actual Real Estate Acquisitions by J-REITs



Source: The Association for Real Estate Securitization

Historical Expected Cap Rate for Class A Buildings (Marunouchi and Otemachi Areas in Tokyo)



Source: Japan Real Estate Institute

Revenue and Expenses by Property

(Unit: million yen)

	Area I												Area II				Area III										Area IV										Total	
	I-1	I-2	I-3	I-8	I-10	I-12	I-14	I-15	I-16	I-17	I-18	I-19	I-20	II-1	II-3	II-4	II-5	III-1	III-2	III-3	III-5	III-7	III-10	III-11	III-12	III-13	III-14	IV-2	IV-3	IV-4	IV-5	IV-6	IV-7	IV-8	IV-9	IV-10		
	Omori	Shiba 2-Chrome	Hamamatsudcho	AKASAKA INTERCITY	Daiiba Garden City	HAMARIKYU INTERCITY	Kowa Nishi-Shimbashi	Mansard Dakanayama	AKASAKA INTERCITY AIR	AKASAKA-MITSUKE	BIZCORE JIMBOCHO	BIZCORE SHIBUYA	BIZCORE TSUKUI	NHK Nagoya	Osaka Keihin Building (Ludo with Umeda-cho / Honcho)	Grand Front Osaka (Umekita Plaza / South Building)	(North Building)	Musashi Kosugi	Kawasaki Higashiguchi	Hongo	Kawasaki Nishin-cho	Ryogoku	Sengoku	Core City Tachikawa	Nisseki Yokohama	Yokohama Bentendori	Shin-Yokohama Aenad-ori	Kyobashi	Hiroshima Hatchobori	SE Sapporo	Aoba-dori Plaza	Miami-morimachi	Naha	Hiroshima OS	Serahi Building	Sapporo Otemachi		
Revenue from operations	870	378	159	561	337	769	-	280	-	118	-	148	-	367	98	-	-	739	-	-	203	116	0	320	1,187	42	69	38	149	450	181	193	90	147	45	136	10,102	
Rental revenue	813	378	148	527	300	711	-	259	-	115	-	142	-	-	98	-	-	662	-	-	190	106	0	312	1,091	39	59	34	136	350	167	175	75	138	41	123	9,300	
Other rental revenue	57	0	11	34	37	57	-	21	-	3	-	5	-	-	-	-	-	77	-	-	13	10	0	7	95	3	10	4	13	100	14	18	14	9	4	12	801	
Expenses from operations	487	147	101	291	217	439	-	138	-	55	-	58	-	249	58	-	-	416	-	-	134	74	6	142	782	26	21	19	95	246	102	83	56	78	26	69	5,561	
Property management expenses	142	58	20	92	54	126	-	27	-	17	-	19	-	65	-	-	-	116	-	-	72	21	0	30	174	7	7	3	20	33	35	23	12	19	5	17	1,490	
Utilities expenses	98	0	9	56	40	73	-	26	-	5	-	7	-	33	-	-	-	82	-	-	-	10	0	42	218	4	6	4	14	96	14	13	8	16	5	17	1,053	
Taxes	82	31	19	39	37	52	-	34	-	18	-	11	-	24	58	-	-	74	-	-	17	8	3	21	126	4	-	2	19	26	20	14	5	13	4	12	960	
Insurance	1	0	0	0	0	1	-	0	-	0	-	0	-	0	-	-	-	1	-	-	0	0	0	1	3	0	0	0	0	0	0	0	0	0	0	0	0	20
Repairs and maintenance	7	1	1	6	1	19	-	3	-	0	-	0	-	2	-	-	-	9	-	-	0	0	-	5	3	1	1	2	4	5	1	8	3	3	3	0	115	
Other expenses for rental operation	14	0	16	2	1	8	-	0	-	1	-	0	-	35	0	-	-	2	-	-	0	1	0	0	3	0	0	0	0	1	0	4	0	0	0	0	139	
Depreciation	140	55	33	92	81	155	36	43	18	13	29	19	27	87	-	-	-	130	126	29	41	32	1	40	253	6	6	6	37	84	28	22	21	23	7	20	1,780	
Profit (loss) from operations	382	231	57	270	119	330	206	142	72	63	102	89	182	118	39	82	73	322	186	58	69	41	-5	177	405	16	47	19	53	204	79	109	34	69	19	66	4,540	
NOI	523	286	91	363	201	485	243	186	90	76	131	108	209	206	39	93	87	453	312	88	111	74	-3	217	658	22	53	26	90	288	108	132	55	92	27	86	6,321	
NOI (annualized)	1,037	568	181	720	399	963	482	370	180	151	260	215	422	408	79	185	172	898	619	174	220	147	-659	432	1,306	45	106	51	179	571	214	262	110	184	54	171	11,894	
Days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	2	184	184	184	184	184	184	184	184	184	184	184	184	184	184
Acquisition price	22,552	9,450	8,350	28,146	11,000	19,080	11,431	11,420	6,590	6,200	10,200	6,640	9,800	5,610	1,770	9,518	7,632	13,890	10,976	5,400	4,725	2,550	1,620	6,500	24,500	640	2,077	661	2,760	5,500	2,120	4,410	1,380	2,780	1,580	4,069	283,529	

NOI yield

35th Period	4.6%	6.0%	2.2%	2.6%	3.6%	5.1%	4.2%	3.2%	2.7%	2.4%	2.5%	3.2%	4.3%	7.3%	4.5%	3.4%	3.9%	6.5%	5.6%	3.2%	4.7%	5.8%	-40.7%	6.7%	5.3%	7.1%	5.1%	7.8%	6.5%	10.4%	10.1%	5.9%	8.0%	6.6%	3.4%	4.2%	4.57%
34th Period	4.1%	6.2%	1.3%	2.4%	3.7%	4.9%	4.4%	2.3%	2.8%	3.0%	2.8%	3.4%	-	7.2%	4.8%	3.1%	3.2%	6.0%	5.5%	3.9%	4.7%	5.5%	4.9%	7.1%	5.7%	7.3%	3.1%	7.8%	6.6%	10.4%	10.2%	6.1%	8.1%	6.9%	4.2%	4.1%	4.25%
Difference (pt)	0.5	-0.2	0.9	0.2	-0.1	0.2	-0.2	0.9	-0.1	-0.6	-0.3	-0.2	-	0.1	-0.3	0.3	0.7	0.5	0.1	-0.7	0.0	0.3	-45.6	-0.4	-0.4	-0.2	2.0	0.0	-0.1	0.0	-0.1	-0.2	-0.1	-0.3	-0.8	0.1	0.32

NOI yield after depreciation

35th Period	3.4%	4.9%	1.4%	1.9%	2.2%	3.4%	3.6%	2.5%	2.2%	2.0%	2.0%	2.7%	3.8%	4.2%	4.5%	3.0%	3.3%	4.6%	3.4%	2.2%	2.9%	3.2%	-62.9%	5.4%	3.3%	5.0%	4.5%	5.8%	3.8%	7.4%	7.5%	4.9%	4.9%	4.9%	2.5%	3.2%	3.28%
34th Period	2.8%	5.0%	0.4%	1.7%	2.1%	3.3%	3.8%	1.6%	2.2%	2.6%	2.2%	2.8%	-	4.1%	4.8%	2.8%	2.6%	4.2%	3.3%	2.6%	2.8%	2.8%	3.4%	5.9%	3.6%	5.6%	2.3%	5.4%	4.1%	7.4%	7.6%	5.1%	5.1%	5.3%	3.4%	3.2%	2.88%
Difference (pt)	0.6	-0.1	1.0	0.2	0.1	0.1	-0.2	0.9	0.0	-0.6	-0.2	-0.1	-	0.1	-0.3	0.2	0.7	0.4	0.1	-0.4	0.1	0.4	-66.3	-0.5	-0.3	-0.6	2.2	0.4	-0.3	0.0	-0.1	-0.2	-0.2	-0.4	-0.9	0.0	0.40

*1 Figures under one million yen are rounded down.

*2 Ratios are rounded to the first decimal place.

*3 The NOI yield of each property is expressed as an annualized value (NOI yield = annualized NOI / acquisition price).

*4 Details of revenues and expenses are not disclosed for the Kowa Nishi-Shimbashi, BIZCORE TSUKUI, Kawasaki-Higashiguchi and Hongo buildings because the consent of the end tenants has not been obtained.

*5 Details of revenues and expenses are not disclosed for AKASAKA INTERCITY AIR, BIZCORE JIMBOCHO, and GRAND FRONT OSAKA (Umekita Plaza, South Building / North Building) because the consent of the co-owners has not been obtained.

*6 Details of real estate rental revenues are not disclosed for NHK Nagoya as consent from the co-operators has not been obtained.

Breakdown by area

(Unit: million yen)

	Area I Total	Area II Total	Area III Total	Area IV Total
NOI	2,998	426	1,988	907
Acquisition price	160,859	24,531	72,878	25,260
35th Period NOI yield	3.7%	4.9%	5.5%	7.1%
34th Period NOI yield	3.5%	4.7%	4.5%	7.3%
Difference (pt)	0.2	0.2	1.0	-0.2

Overview of Period-End Appraisals

Summary of Period-End Appraisal Value

	34th Period (Jun. 2023)	35th Period (Dec. 2023)	Difference
Number of properties	35 properties	35 properties	0 properties
Period-end appraisal value	323,343 million yen	336,511 million yen	13,168 million yen
Book value	248,146 million yen	264,379 million yen	16,233 million yen
Unrealized gain/loss	75,196 million yen	72,131 million yen	-3,065 million yen
Ratio of unrealized gain/loss ^{*1}	30.3%	27.3%	-3.0pt

*1 "Ratio of unrealized gain/loss" is calculated by dividing unrealized gain/loss at the end of each fiscal period by book value.

Number of Properties with Increase/Decrease in Appraisal Value^{*2}

	34th Period (Jun. 2023)	35th Period (Dec. 2023)
Increase	8 properties	12 properties
Unchanged	7 properties	10 properties
Decrease	19 properties	12 properties

*2 Increase/decrease breakdowns are shown in comparison with the previous fiscal period for each period.

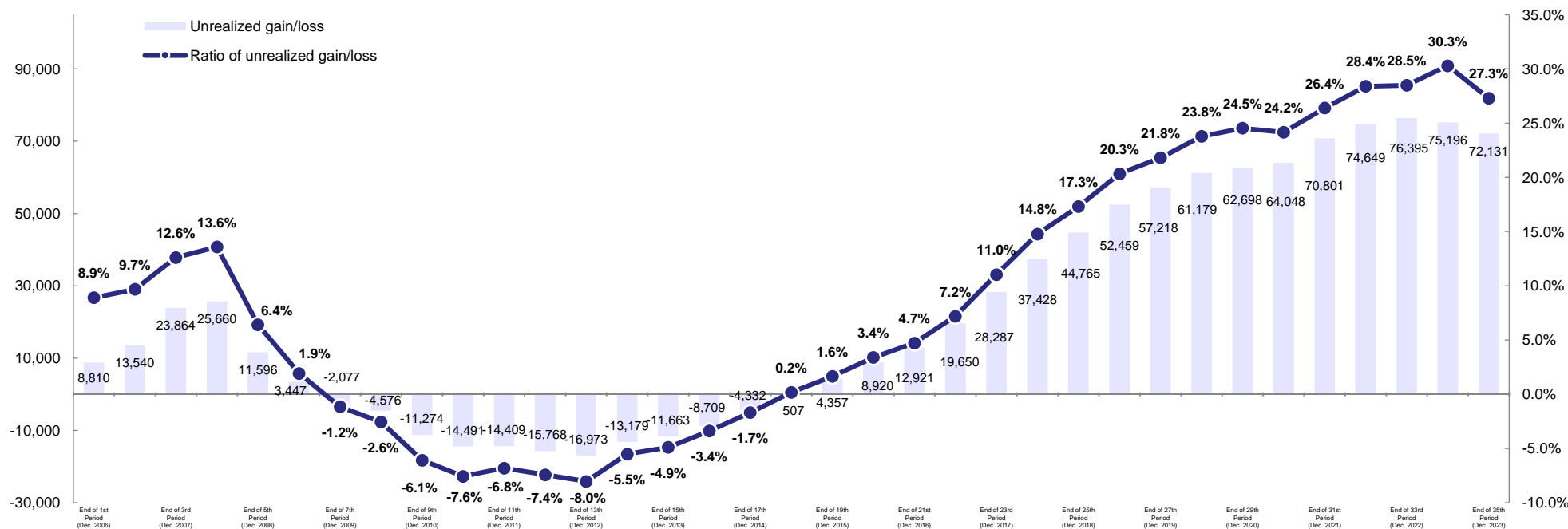
*3 As to the cap rate for Shiba 2-Chome Building, comparison is made only for the office portion.

Status of Cap Rate^{*2*3}

	34th Period (Jun. 2023)	35th Period (Dec. 2023)
Decline	15 properties	7 properties
Unchanged	18 properties	27 properties
Rise	1 property	0 properties

Historical Unrealized Gain/Loss and Ratio of Unrealized Gain/Loss

(million yen)



Period-End Appraisal Value

Property Number	Area	Name	Acquisition Price	Period-End Appraisal Value		Difference ((2)-(1))		35th Period End Book Value (3)	Difference ((2)-(3))		Direct Reduction Reduced Yield		Difference ((5)-(4)) pt	Appraisal Organization	(Unit: million yen)		
				End of FP34 (1)	End of FP35 (2)		%			%	End of FP34 (4)	End of FP35 (5)					
I-1	I	Omori Bellport D	22,552	25,600	25,700	100	0.4%	20,340	5,359	26.4%		3.7%	3.7%	0.0	Chuo Real Estate Appraisal Co., Ltd.		
I-2		Shiba 2-Chome Building	9,450	13,800	13,700	-100	-0.7%	8,968	4,731	52.8%	Office Residence	3.4%	Office Residence	3.4%	Office Residence	0.0	Japan Real Estate Institute
I-3		JEI Hamamatsucho Building	8,350	9,450	9,450	0	0.0%	7,915	1,534	19.4%		3.2%	3.2%	0.0	Japan Real Estate Institute		
I-8		AKASAKA INTERCITY	28,146	30,700	30,700	0	0.0%	26,363	4,336	16.4%		2.7%	2.7%	0.0	Japan Real Estate Institute		
I-10		Daiba Garden City Building	11,000	10,100	9,660	-440	-4.4%	9,011	648	7.2%		3.9%	3.9%	0.0	Chuo Real Estate Appraisal Co., Ltd.		
I-12		HAMARIKYU INTERCITY	19,080	28,600	28,700	100	0.3%	16,360	12,339	75.4%		3.0%	3.0%	0.0	Japan Real Estate Institute		
I-14		Kowa Nishi-Shimbashi Building	11,431	12,600	12,500	-100	-0.8%	10,959	1,540	14.1%		2.9%	2.9%	0.0	Japan Real Estate Institute		
I-15		Mansard Daikanyama	11,420	13,500	13,500	0	0.0%	11,058	2,441	22.1%		2.8%	2.8%	0.0	Japan Real Estate Institute		
I-16		AKASAKA INTERCITY AIR	6,590	8,250	8,260	10	0.1%	6,411	1,848	28.8%		2.6%	2.6%	0.0	Japan Real Estate Institute		
I-17		BIZCORE AKASAKA-MITSUKE	6,200	6,360	6,200	-160	-2.5%	6,111	88	1.4%		3.0%	3.0%	0.0	Japan Real Estate Institute		
I-18		BIZCORE JIMBOCHO	10,200	9,870	9,900	30	0.3%	9,913	-13	-0.1%		3.3%	3.3%	0.0	The Tanizawa Sogo Appraisal Co., Ltd.		
I-19		BIZCORE SHIBUYA	6,640	6,950	6,950	0	0.0%	6,624	325	4.9%		3.1%	3.1%	0.0	The Tanizawa Sogo Appraisal Co., Ltd.		
I-20		BIZCORE TSUKIJI	9,800	10,200	10,200	0	0.0%	9,808	391	4.0%		3.4%	3.4%	0.0	Japan Real Estate Institute		
II-1		II	NHK Nagoya Housou-Center Building	5,610	6,310	6,320	10	0.2%	5,325	994	18.7%		3.9%	3.9%	0.0	Japan Real Estate Institute	
II-3			Osaka Kogin Building (Land with Leasehold Interest)	1,770	2,840	2,840	0	0.0%	1,865	974	52.3%		2.8%	2.8%	0.0	Japan Real Estate Institute	
II-4			GRAND FRONT OSAKA (Umekita Plaza/ South Building) ³	9,518	9,690	9,740	50	0.5%	9,592	147	1.5%		3.4%	3.3%	-0.1	Japan Valuers Co., Ltd.	
II-5			GRAND FRONT OSAKA (North Building) ³	7,632	7,430	7,550	120	1.6%	7,623	-73	-1.0%		3.5%	3.4%	-0.1	Japan Valuers Co., Ltd.	
III-1			III	Musashikosugi Tower Place	13,890	22,200	22,200	0	0.0%	12,264	9,935	81.0%		3.8%	3.8%	0.0	Japan Real Estate Institute
III-2		Kowa Kawasaki Higashiguchi Building		10,976	10,400	9,710	-690	-6.6%	10,856	-1,146	-10.6%		4.7%	4.7%	0.0	Japan Valuers Co., Ltd.	
III-3		JEI Hongo Building		5,400	4,580	4,510	-70	-1.5%	4,869	-359	-7.4%		4.1%	4.1%	0.0	Japan Valuers Co., Ltd.	
III-5	Kawasaki Nishincho Building	4,725		4,710	4,250	-460	-9.8%	4,249	0	0.0%		4.8%	4.8%	0.0	Japan Valuers Co., Ltd.		
III-7	JEI Ryogoku Building	2,550		2,760	2,760	0	0.0%	2,466	293	11.9%		4.1%	4.1%	0.0	Chuo Real Estate Appraisal Co., Ltd.		
III-11	Core City Tachikawa	6,500		9,940	10,200	260	2.6%	5,895	4,304	73.0%		3.9%	3.8%	-0.1	Japan Real Estate Institute		
III-12	Nisseki Yokohama Building	24,500		33,500	30,000	-3,500	-10.4%	21,540	8,459	39.3%		3.4%	3.4%	0.0	Japan Real Estate Institute		
III-13	Yokohama Bentendori Dai-ichi Seimei Building	640		734	733	-1	-0.1%	748	-15	-2.1%		4.1%	4.1%	0.0	Japan Real Estate Institute		
III-14	Shin-Yokohama Arena-dori Building	2,077		2,170	2,170	0	0.0%	2,083	86	4.1%		3.5%	3.5%	0.0	Japan Real Estate Institute		
IV-3	IV	JEI Hiroshima Hacchohori Building		2,760	4,210	4,310	100	2.4%	2,877	1,432	49.8%		4.2%	4.1%	-0.1	Japan Real Estate Institute	
IV-4		SE Sapporo Building	5,500	10,400	11,200	800	7.7%	4,994	6,205	124.3%		4.4%	4.3%	-0.1	Chuo Real Estate Appraisal Co., Ltd.		
IV-5		Aoba-dori Plaza	2,120	4,530	4,520	-10	-0.2%	2,297	2,222	96.7%		4.1%	4.1%	0.0	Japan Real Estate Institute		
IV-6		Daiwa Minami-morimachi Building	4,410	5,340	5,340	0	0.0%	4,227	1,112	26.3%		4.5%	4.5%	0.0	DAIWA REAL ESTATE APPRAISAL Corporation		
IV-7		JEI Naha Building	1,380	2,050	2,090	40	2.0%	1,651	438	26.6%		4.7%	4.6%	-0.1	Japan Real Estate Institute		
IV-8		Hiroshima Dai-ichi Seimei OS Building	2,780	3,550	3,650	100	2.8%	2,755	894	32.4%		4.2%	4.1%	-0.1	Japan Real Estate Institute		
IV-9		Senshin Building	1,580	1,670	1,650	-20	-1.2%	1,661	-11	-0.7%		4.2%	4.2%	0.0	The Tanizawa Sogo Appraisal Co., Ltd.		
IV-10		Sapporo Otemachi Building	4,069	4,564	4,564	0	0.0%	4,157	406	9.8%		3.8%	3.8%	0.0	Japan Real Estate Institute		
		Total	281,247	339,558	335,727	-3,831	-1.1%	263,854	71,872	27.2%		3.5%	3.5%	-0.0	-		
IV-2		JEI Kyobashi Building	661	785	784	-1	-0.1%	525	258	49.2%		5.1%	5.1%	0.0	DAIWA REAL ESTATE APPRAISAL Corporation		
		Total	281,909	340,343	336,511	-3,832	-1.1%	264,379	72,131	27.3%		3.5%	3.5%	-0.0	-		
		Area I Total	160,859	185,980	185,420	-560	-0.3%	149,847	35,572	23.7%		3.2%	3.2%	-0.0	-		
		Area II Total	24,531	26,270	26,450	180	0.7%	24,407	2,042	8.4%		3.5%	3.4%	-0.1	-		
		Area III Total	71,258	90,994	86,533	-4,461	-4.9%	64,975	21,557	33.2%		3.9%	3.9%	-0.0	-		
		Area IV Total	25,260	37,099	38,108	1,009	2.7%	25,149	12,958	51.5%		4.3%	4.2%	-0.1	-		
		Total	281,909	340,343	336,511	-3,832	-1.1%	264,379	72,131	27.3%		3.5%	3.5%	-0.0	-		

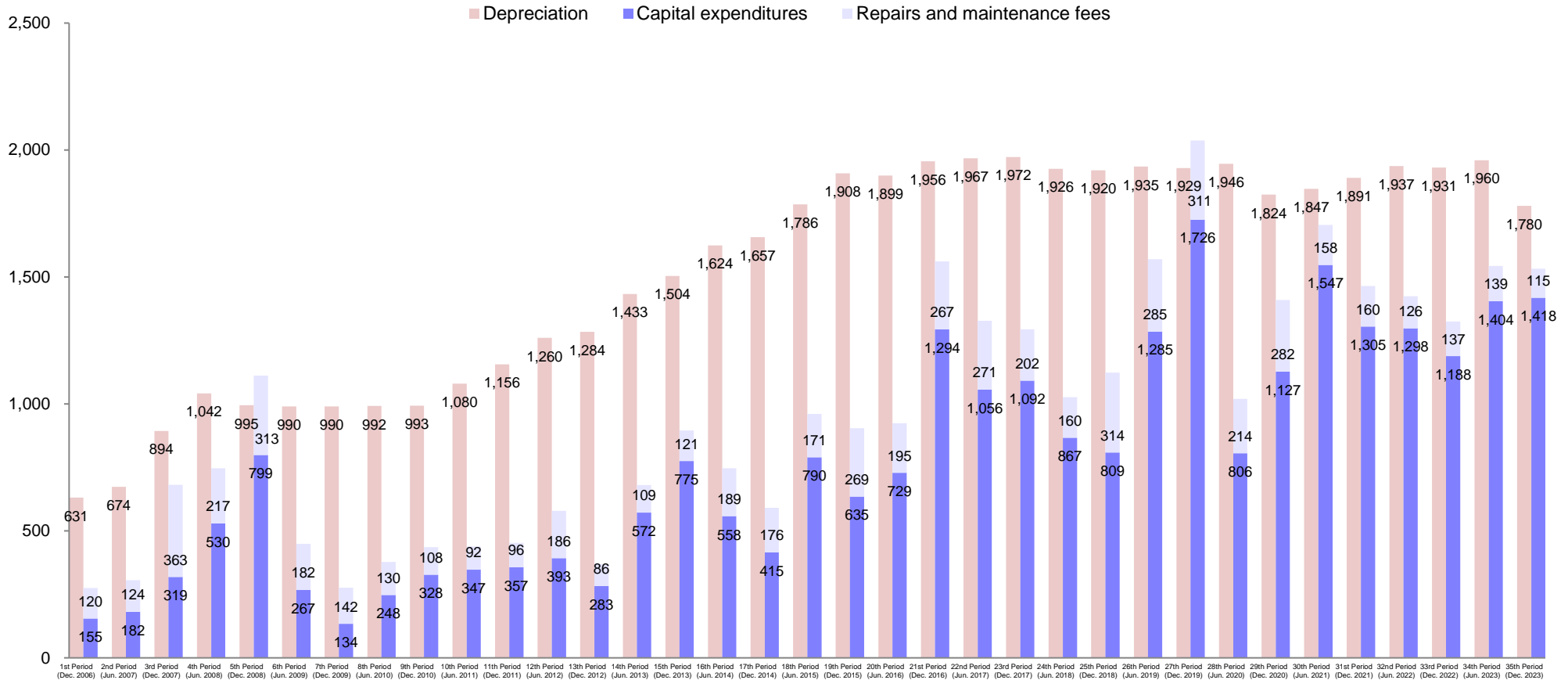
*1 "Appraisal value" includes the appraisal value described in the real estate appraisal reports made by real estate appraisers as of the end of the 34th Period and 35th Period based on Japan Excellent's rules and the regulations stipulated by the Investment Trusts Association, Japan.

*2 For properties acquired in the 35th Period, the appraisal value at the time of acquisition of properties is indicated in the column for the end of the 34th Period end appraisal value. *3 For GRAND FRONT OSAKA for which an additional acquisition was made in the 35th Period, the appraisal value at the time of additional acquisition has been added to the 34th Period-end appraisal value.

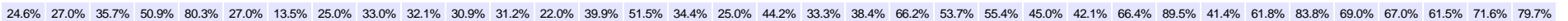
Historical Record in Works

History of Costs for Construction and Depreciation

(million yen)



Capital Expenditures / Depreciation



Statement of Income and Retained Earnings

(Unit: million yen)

	34th Period (Jun. 2023)	Percentage (%)	35th Period (Dec. 2023)	Percentage (%)	Compared with previous period	
					Difference	(%)
1. Operating revenue (A)	13,823	100.0	10,857	100.0	-2,966	-21.5
Rental revenue	9,274		9,300		25	
Other rental revenue	805		801		-3	
Total rental revenue (a)	10,079	72.9	10,102	93.0	22	0.2
Gain on sales of real estate, etc.	3,683		697		-2,986	
Anonymous association distributions	60		57		-2	
2. Operating expenses (B)	9,346	67.6	6,191	57.0	-3,154	-33.8
Property management expenses	1,525		1,490		-34	
Utilities expenses	1,149		1,053		-95	
Taxes	1,036		960		-76	
Insurance	21		20		-0	
Repairs and maintenance	139		115		-23	
Other expenses for rental operation	139		139		-0	
Depreciation	1,960		1,780		-180	
Total operating expenses (b)	5,972	43.2	5,561	51.2	-410	-6.9
Profits from operation (a)-(b)	4,107	29.7	4,540	41.8	433	10.5
Loss on sales of real estate, etc.	2,703		-		-2,703	
Asset management fees	458		457		-1	
Other operating expenses	211		172		-39	
3. Operating income (A)-(B)	4,477	32.4	4,665	43.0	188	4.2
4. Non-operating income	0	0.0	0	0.0	0	4.5
5. Non-operating expenses	595	4.3	615	5.7	19	3.3
Interest expense	291		274		-17	
Loan relating fees	133		164		31	
Interest expense on investment corporation bonds	153		159		6	
Amortization of investment corporation bond issuance costs	12		12		-0	
Other	4		4		0	
6. Ordinary income	3,882	28.1	4,050	37.3	168	4.3
7. Net income before taxes	3,882	28.1	4,050	37.3	168	4.3
8. Income taxes - current	0		0		0	
9. Net income	3,881	28.1	4,049	37.3	168	4.3
10. Retained earnings brought forward	-		-		-	
11. Unappropriated retained earnings	3,881		4,049		168	

* Figures under one million yen are rounded down. Ratios are rounded to the first decimal place.

Balance Sheet

(Unit: million yen)

Assets					Liabilities and Unitholders' Equity						
	34th Period (Jun. 2023)		35th Period (Dec. 2023)		Difference		34th Period (Jun. 2023)		35th Period (Dec. 2023)		Difference
(Assets)		Composition (%)		Composition (%)		(Liabilities)		Composition (%)		Composition (%)	
I. Current assets	31,538	11.0	22,796	7.7	-8,742	I. Current liabilities	27,159	9.5	24,760	8.4	-2,398
Cash and deposits	20,308		10,466		-9,841	Operating accounts payable	1,338		1,261		-76
Cash and deposits in trust	10,436		11,082		645	Short-term loans	-		5,000		5,000
Operating accounts receivable	336		355		19	Investment corporation bonds due within a year	10,000		8,000		-2,000
Other	457		892		434	Long-term loans due within a year	14,270		9,770		-4,500
II. Fixed assets	255,388	89.0	271,905	92.2	16,517	Other accounts payable	486		464		-21
1. Property and equipment	238,961	83.2	255,192	86.6	16,230	Accrued consumption taxes	841		-		-841
Real Estate	16,216		16,204		-12	Other	222		264		41
Real Estate in trust	222,672		238,871		16,199	II. Long-term liabilities	109,532	38.2	119,404	40.5	9,871
Construction in progress	73		116		43	Investment Corporation Bond	28,000		30,000		2,000
2. Intangible assets	9,186	3.2	9,187	3.1	1	Long-term loans	68,330		75,830		7,500
Leasehold rights	1,721		1,721		-	Security deposits from tenants	1,208		1,221		13
Leasehold rights in trust	7,382		7,382		-	Security deposits from tenants in trust	11,993		12,352		358
Other	82		84		1	Total liabilities	136,691	47.6	144,164	48.9	7,473
3. Investments and other assets	7,240	2.5	7,525	2.6	284	(Net assets)					
Leasehold and security deposits	19		19		0	I. Unitholders' equity	150,354	52.4	150,659	51.1	304
Long-term prepaid expenses	738		932		193	1. Unitholders' capital	145,907	50.8	145,907	49.5	-
Other	6,483		6,573		90	2. Retained earnings	4,446		4,751		304
III. Deferred assets	118	0.0	121	0.0	3	Voluntary retained earnings (Reserve for reduction entry)	565	0.2	701	0.2	136
Investment corporation bond issuance costs	118		121		3	Unappropriated retained earnings	3,881	1.4	4,049	1.4	168
Total assets	287,045	100.0	294,823	100.0	7,778	Total net assets	150,354	52.4	150,659	51.1	304
						Total liabilities and net assets	287,045	100.0	294,823	100.0	7,778

* Figures under one million yen are rounded down. Ratios are rounded to the first decimal place.

> Statements of Cash Flow and Profit Distribution

■ Cash Flow Statement

(Unit: million yen)

35th Period (Dec. 2023)	
Classification	Amount
I. Cash flow from operating activities	5,541
Net income before taxes	4,050
Depreciation	1,781
Decrease due to sale of fixed assets	1,598
Other	-1,889
II. Cash flow from investing activities	-18,976
Purchase of fixed assets	-19,325
Net payments for security deposits	373
Other	-24
III. Cash flow from financing activities	4,239
Proceeds from short-term loans	5,000
Proceeds from long-term loans	13,770
Repayment of long-term loans	-10,770
Proceeds from issuance of investment corporation bonds	1,984
Redemption of investment corporation bonds	-2,000
Distributions to unitholders	-3,744
IV. Net increase / decrease in cash and cash equivalents	-9,195
V. Cash and cash equivalents at beginning of period	30,744
VI. Cash and cash equivalents at end of period	21,548

* Figures under one million yen are rounded down.

■ Statement of Profit Distribution

(Unit: yen)

35th Period (Dec. 2023)	
Classification	Amount
Unappropriated retained earnings	4,049,775,243
Provision of reserve for reduction entry	304,500,843
Distributions	3,745,274,400
(Distributions per investment unit)	(2,800)
Earnings carried over to next period	-
Total number of outstanding investment units at the end of period	1,337,598

> Financial Indicators

Financial indicators	Unit	30th Period (Jun. 2021)	31st Period (Dec. 2021)	32nd Period (Jun. 2022)	33rd Period (Dec. 2022)	34th Period (Jun. 2023)	35th Period (Dec. 2023)	Calculation method
EBITDA (Earnings before interest, tax and depreciation and amortization)	MN yen	6,301	6,209	6,492	5,897	6,288	6,265	Income before income taxes + (Interest expense + Interest expense on investment corporation bonds) + Depreciation and amortization (including depreciation other than the expenses for rental operations)
NOI (Net operating income)	MN yen	7,059	6,994	6,504	6,128	6,067	6,321	Rental revenue - Rental expenses + Depreciation and amortization
FFO (Funds from operation)	MN yen	5,823	5,737	5,241	4,903	4,861	5,132	Net income + Depreciation and amortization - Net profit from sale of real estate + Impairment loss
FFO per unit	yen	4,303	4,240	3,918	3,665	3,634	3,837	FFO / Total number of outstanding investment units at the end of period
AFFO (Adjusted funds from operation)	MN yen	4,275	4,431	3,942	3,714	3,457	3,714	FFO - Capital expenditures
AFFO payout ratio	%	93.0	86.8	95.0	100.8	108.3	100.8	(Total cash distribution amount / AFFO) x 100
NAV (Net asset value)	MN yen	216,383	223,007	225,111	226,613	225,551	222,790	Period end total assets - Period end total liabilities + Real estate valuation gain/loss
NAV per unit	yen	159,928	164,824	168,295	169,418	168,624	166,559	NAV / Total number of outstanding investment units at the end of period
DSCR (Debt service coverage ratio)	times	13.2	13.2	14.4	12.8	14.1	14.5	Cash flow before interest / (Interest expense + Interest expense on investment corporation bonds) (Note) Cash flow before interest = Net income before interest and taxes + Depreciation and amortization (including depreciation other than the expenses for rental operations)
ROA	%	1.4	1.3	1.4	1.2	1.3	1.4	Ordinary income / [(Period beginning total assets + Period end total assets) / 2] x 100
(Reference) Annualized with following formula	%	(2.7)	(2.6)	(2.8)	(2.4)	(2.7)	(2.8)	Above x (365 days / Number of operating days)
ROE	%	2.6	2.5	2.7	2.3	2.6	2.7	Net income / [(Period beginning net assets + Period end net assets) / 2] x 100
(Reference) Annualized with following formula	%	(5.3)	(5.0)	(5.5)	(4.6)	(5.2)	(5.3)	Above x (365 days / Number of operating days)
Equity to Total Assets	%	51.8	51.8	51.6	51.0	52.4	51.1	(Period end net assets / Period end total assets) x 100
LTV (period-end total asset basis)	%	42.7	42.7	43.1	43.7	42.0	43.6	(Period end interest-bearing debt / Period end total assets) x 100
LTV (period-end valuation gain/loss basis)	%	35.1	34.4	34.3	34.7	33.3	35.0	(Period-end interest-bearing debt / (Period-end total assets + Real estate valuation gain/loss)) x 100
BPS (Book value per unit)	yen	112,590	112,495	112,486	112,304	112,406	112,634	Period end net assets / Total number of outstanding investment units at the end of period

* Figures under "Unit" are rounded down. Ratios are rounded to the first decimal place.

> Status of Interest-Bearing Debt

■ Balance of Interest-Bearing Debt (As of the End of 35th Period)

Lender	Balance (million yen)	As a percentage of all borrowings
Mizuho Bank, Ltd.	22,785	25.1%
MUFG Bank, Ltd.	13,005	14.4%
Development Bank of Japan Inc.	10,800	11.9%
Sumitomo Mitsui Banking Corporation	8,270	9.1%
Mizuho Trust & Banking Co., Ltd.	7,807	8.6%
The Norinchukin Bank	7,412	8.2%
The Dai-ichi Life Insurance Company, Limited	6,000	6.6%
Resona Bank, Limited	3,400	3.8%
Sompo Japan Insurance Inc.	2,500	2.8%
Aozora Bank, Ltd.	2,500	2.8%
Sumitomo Mitsui Trust Bank, Limited	1,620	1.8%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,500	1.7%
The Bank of Fukuoka, Ltd.	1,000	1.1%
Shinkin Central Bank	1,000	1.1%
Nippon Life Insurance Company	1,000	1.1%
Loan Total	90,600	100.0%

* Shaded areas refer to sponsor companies.

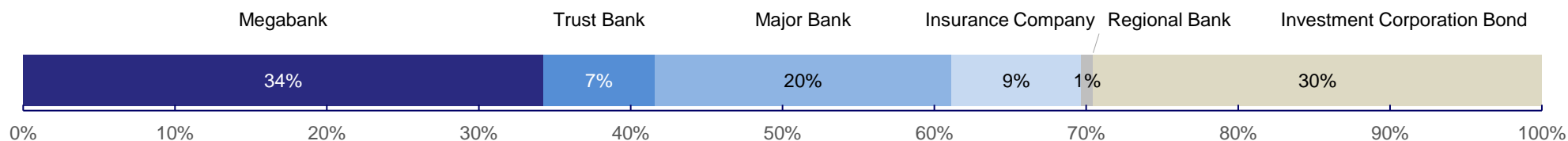
■ Status of Investment Corporation Bonds (As of the End of 35th Period)

Investment corporation bond	Maturity date	Balance (million yen)	Interest rate	Period
7th Series Unsecured Investment Corporation Bond	March 11, 2024	8,000	1.13%	10 years
8th Series Unsecured Investment Corporation Bond	September 9, 2025	5,000	1.03%	10 years
9th Series Unsecured Investment Corporation Bond	October 27, 2026	2,000	0.45%	10 years
11th Series Unsecured Investment Corporation Bond	April 23, 2027	7,000	0.65%	10 years
13th Series Unsecured Investment Corporation Bond	April 20, 2033	2,000	0.95%	15 years
14th Series Unsecured Investment Corporation Bond (JEI Green Bond)	August 10, 2028	4,000	0.63%	10 years
15th Series Unsecured Investment Corporation Bond	September 9, 2039	1,000	1.07%	20 years
16th Series Unsecured Investment Corporation Bond (2nd JEI Green Bond)	October 29, 2035	5,000	0.75%	15 years
17th Series Unsecured Investment Corporation Bond	March 30, 2032	2,000	0.95%	9 years
18th Series Unsecured Investment Corporation Bond	December 19, 2033	2,000	1.329%	10 years
Investment Corporation Bond Total		38,000		

■ Status of Commitment Line (As of the End of 35th Period)

Lender	Established amount (million yen)	Term
Mizuho Bank, Ltd.	6,000	From February 1, 2023 to January 31, 2024
MUFG Bank, Ltd.	5,000	
Sumitomo Mitsui Banking Corporation	3,000	
Commitment Line Total	14,000	

■ Types of Lenders for Interest-Bearing Debt



> Unitholders

Owner Classification	Investment Units				Composition difference
	End of 34th Period (Jun. 2023)		End of 35th Period (Dec. 2023)		
	Number of units	Composition	Number of units	Composition	
Financial Institutions (Including Securities Companies)	888,783	66.4%	875,546	65.5%	-0.9pt
Other Domestic Companies	183,716	13.7%	177,010	13.2%	-0.5pt
Foreign Companies, etc.	193,190	14.4%	220,999	16.5%	2.1pt
Individuals	71,909	5.4%	64,043	4.8%	-0.6pt
Total	1,337,598	100.0%	1,337,598	100.0%	-

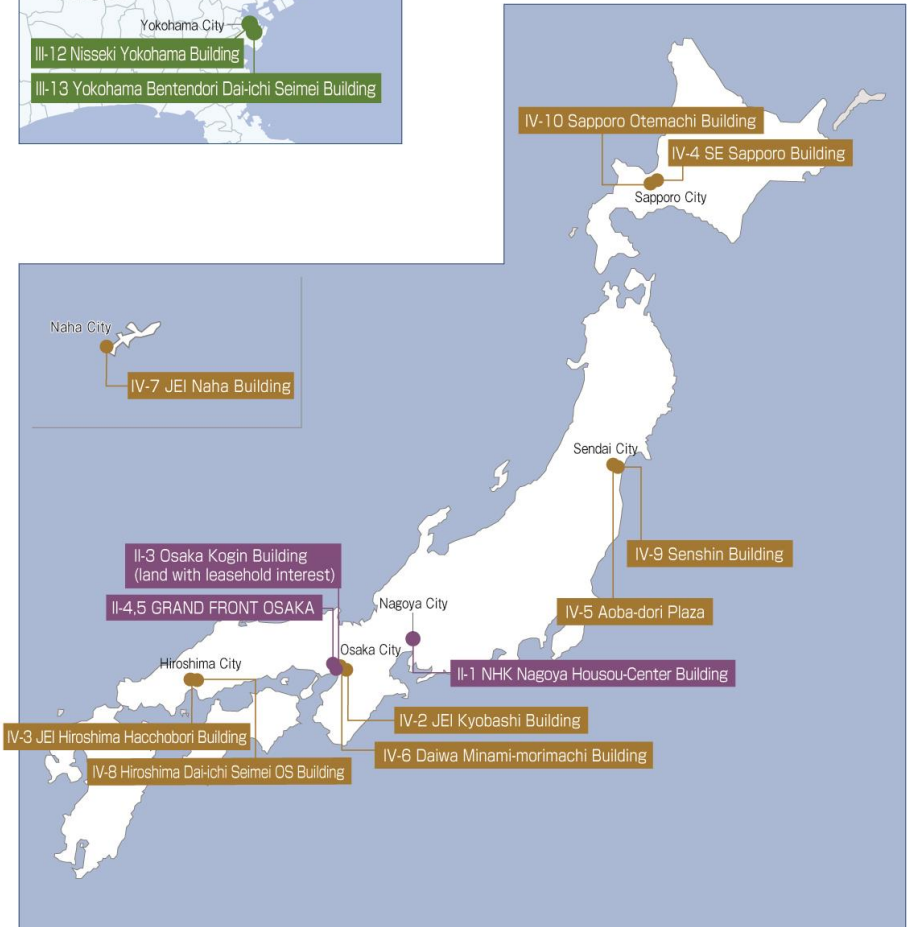
Unitholders				
End of 34th Period (Jun. 2023)		End of 35th Period (Dec. 2023)		Composition difference
Number of people	Composition	Number of people	Composition	
143	1.9%	141	2.0%	0.1pt
177	2.3%	164	2.3%	-
224	2.9%	222	3.1%	0.2pt
7,166	92.9%	6,640	92.6%	-0.3pt
7,710	100.0%	7,167	100.0%	-

Ratio of investment units held by the 2 core sponsor companies: 11.6%

Rank	Name	Units	Composition ratio (%)
1	Custody Bank of Japan, Ltd. (Trust Account)	396,722	29.7%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	206,181	15.4%
3	Nippon Steel Kowa Real Estate Co., Ltd.	134,427	10.0%
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	58,584	4.4%
5	The Dai-ichi Life Insurance Company, Limited	20,660	1.5%
6	STATE STREET BANK WEST CLIENT - TREATY 505234	20,613	1.5%
7	JP MORGAN CHASE BANK 385781	14,832	1.1%
8	JP MORGAN CHASE BANK 385771	14,088	1.1%
9	SSBTC CLIENT OMNIBUS ACCOUNT	12,085	0.9%
10	STATE STREET BANK AND TRUST COMPANY 505103	10,221	0.8%
Total		888,413	66.4%

*1 Ratios are rounded to the first decimal place. *2 Shaded area in the above top 10 unitholders' list indicates sponsors.

Portfolio Map



Portfolio Overview (1)

Property Number	I-1	I-2	I-3	I-8	I-10	I-12	I-14	I-15	I-16
Type	Office	Office	Office	Office	Office	Office	Office	Office	Office
Name	Omori Bellport D	Shiba 2-Chome Building	JEI Hamamatsucho Building	AKASAKA INTERCITY	Daiba Garden City Building	HAMARIKYU INTERCITY	Kowa Nishi-Shimbashi Building	Mansard Daikanyama	AKASAKA INTERCITY AIR
									
Location	Minami-Oi, Shinagawa Ward, Tokyo	Shiba, Minato Ward, Tokyo	Hamamatsucho, Minato Ward, Tokyo	Akasaka, Minato Ward, Tokyo	Daiba, Minato Ward, Tokyo	Kaigan, Minato Ward, Tokyo	Nishishimbashi, Minato Ward, Tokyo	Sarugakucho, Shibuya Ward, Tokyo	Akasaka, Minato Ward, Tokyo
Total floor area (m ²)	155,778.75	19,518.15	8,327.53	73,061.33	33,283.49	35,555.87	19,418.17	8,402.51	176,536.75
Completion date	September 1996	March 1994	December 1991	January 2005	December 2007	March 2011	July 1996	December 2009	August 2017
Acquisition date	June 2006	June 2006	June 2006	(1) October 2007 (2) February 2013	February 2011	(1) December 2011 (2) February 2014	(1) March 2013 (2) August 2017	July 2016	July 2018
Acquisition price (MN yen)	22,552	9,450	8,350	28,146	11,000	19,080	11,431	11,420	6,590
Investment ratio (%)	8.0	3.4	3.0	10.0	3.9	6.8	4.1	4.1	2.3
Period-end occupancy rate (%)	100.0	100.0	61.2	98.3	91.0	98.8	100.0	97.4	92.0
PML (%)	4.5	5.8	7.9	1.8	6.3	0.2	4.7	5.3	1.9
Green Building Certification DBJ ★★★★★~★ CASBEE S, A, B+, B	★★★	★★★	A	★★★★ / A	S	Residential portion: ★★★★★ Office portion: ★★★★★	★ / A	★★ / S	★★★★★

*1 "Completion date" is as of the time of initial construction described in the register.

*2 "Acquisition price" is the price recorded in sales agreements (excluding consumption tax for each property). Figures are rounded down to the nearest million yen.

*3 "Investment ratio" shows a ratio of the acquisition price for each property to total acquisition price as of December 31, 2023 (excluding Ark Hills FRONT TOWER (equity interest in anonymous association)) and is rounded to the first decimal place.

*4 "PML" is the earthquake PML calculated by Sompo Risk Management Inc.

Portfolio Overview (2)

Property Number	I-17	I-18	I-19	I-20	I-21	II-1	II-3	II-4	II-5
Type	Office	Office	Office	Office	Office	Office	Office	Office	Office
Name	BIZCORE AKASAKA-MITSUKE	BIZCORE JIMBOCHO	BIZCORE SHIBUYA	BIZCORE TSUKIJI	OSAKI BRIGHT TOWER / OSAKI BRIGHT PLAZA	NHK Nagoya Housou-Center Building	Osaka Kogin Building (Land with Leasehold Interest)	GRAND FRONT OSAKA (Umekita Plaza / South Building)	GRAND FRONT OSAKA (North Building)
									
Location	Akasaka, Minato Ward, Tokyo	Kanda-ogawamachi, Chiyoda Ward, Tokyo	Shibuya, Shibuya Ward, Tokyo	Tsukiji, Chuo Ward, Tokyo	Kita-Shinagawa, Shinagawa Ward, Tokyo	Higashi Ward, Nagoya City, Aichi	Chuo Ward, Osaka City, Osaka	Kita Ward, Osaka City, Osaka	Kita Ward, Osaka City, Osaka
Total floor area (m ²)	3,515.63	8,217.64	3,835.11	6,728.37	89,234.27 (BRIGHT TOWER) 4,084.84 (BRIGHT PLAZA)	80,809.95	3,158.45 (site area for land)	181,371.39 (South Building) 10,226.10 (Umekita Plaza)	290,030.59
Completion date	March 2019	November 2017	January 2020	July 2019	April 2015	July 1991	-	March 2013 (South Building) February 2013 (Umekita Plaza)	February 2013
Acquisition date	October 2019	June 2021	August 2022	July 2023	April 2024 (scheduled)	(1) June 2006 (2) March 2014	February 2013	(1) February 2020 (South Building) (2) December 2023 (Umekita Plaza)	(1) February 2020 (2) December 2023
Acquisition price (MN yen)	6,200	10,200	6,640	9,800	13,100	5,610	1,770	9,518	7,632
Investment ratio (%)	2.2	3.6	2.4	3.5	-	2.0	0.6	3.4	2.7
Period-end occupancy rate (%)	100.0	100.0	100.0	100.0	(99.4)	96.8	100.0	93.6	97.6
PML (%)	5.7	7.0	5.4	5.0	1.7	4.0	-	3.2	3.2
Green Building Certification DBJ ★★★★★~★ CASBEE S, A, B+, B	S	★★★	S	S	-	★★★	-	South Building S Umekita Plaza A	S

*1 "Completion date" is as of the time of initial construction described in the register.

*2 "Acquisition price" is the price recorded in sales agreements (excluding consumption tax for each property). Figures are rounded down to the nearest million yen.

However, for Osaka Kogin Building (land with leasehold interest), the acquisition price is calculated as the land purchase price specified in the relevant trust beneficiary interest transfer agreement subject to conditions precedent minus the amount equivalent to the key money pertaining to the leasehold interest in land, which will be received from the lessee of the land.

*3 "Investment ratio" shows a ratio of the acquisition price for each property to total acquisition price as of December 31, 2023 (excluding Ark Hills FRONT TOWER (equity interest in anonymous association)) and is rounded to the first decimal place.

*4 "PML" is the earthquake PML calculated by Sampo Risk Management Inc.

*5 OSAKI BRIGHT TOWER / OSAKI BRIGHT PLAZA (I-21) are scheduled to be acquired in April 2024.

Portfolio Overview (3)

Property Number	III-1	III-2	III-3	III-5	III-7	III-11	III-12	III-13	III-14
Type	Office	Office	Office	Office	Office	Office	Office	Office	Office
Name	Musashikosugi Tower Place	Kowa Kawasaki Higashiguchi Building	JEI Hongo Building	Kawasaki Nissincho Building	JEI Ryogoku Building	Core City Tachikawa	Nisseki Yokohama Building	Yokohama Bentendori Dai-ichi Seimei Building	Shin-Yokohama Arena-dori Building
									
Location	Nakahara Ward, Kawasaki City, Kanagawa	Kawasaki Ward, Kawasaki City, Kanagawa	Hongo, Bunkyo Ward, Tokyo	Kawasaki Ward, Kawasaki City, Kanagawa	Ryogoku, Sumida Ward, Tokyo	Akebonocho, Tachikawa City, Tokyo	Naka Ward, Yokohama City, Kanagawa	Naka Ward, Yokohama City, Kanagawa	Kohoku Ward, Yokohama City, Kanagawa
Total floor area (m ²)	53,711.13	31,009.62	5,877.11	22,141.60	5,820.56	19,099.27	72,116.65	2,934.55	2,448.57
Completion date	July 1995	April 1988	February 1991	April 1992	August 1996	December 1994	May 1997	December 1986	October 2001
Acquisition date	June 2006	June 2006	June 2006	(1) June 2006 (2) November 2006 (3) October 2008 (4) April 2013	June 2006	February 2013	April 2015	June 2018	March 2023
Acquisition price (MN yen)	13,890	10,976	5,400	4,725	2,550	6,500	24,500	640	2,077
Investment ratio (%)	4.9	3.9	1.9	1.7	0.9	2.3	8.7	0.2	0.7
Period-end occupancy rate (%)	100.0	100.0	100.0	94.4	100.0	100.0	99.8	100.0	100.0
PML (%)	4.2	4.0	6.8	5.5	6.8	2.6	1.4	8.3	8.2
Green Building Certification DBJ ★★★★★~★ CASBEE S, A, B+, B	★★★ / S	★★ / S	★★	S	-	S	★★★ / S	-	-

*1 "Completion date" is as of the time of initial construction described in the register.

*2 "Acquisition price" is the price recorded in sales agreements (excluding consumption tax for each property). Figures are rounded down to the nearest million yen.

*3 "Investment ratio" shows a ratio of the acquisition price for each property to total acquisition price as of December 31, 2023 (excluding Ark Hills FRONT TOWER (equity interest in anonymous association)) and is rounded to the first decimal place.

*4 "PML" is the earthquake PML calculated by Sompo Risk Management Inc.

Portfolio Overview (4)

Property Number	IV-2	IV-3	IV-4	IV-5	IV-6	IV-7	IV-8	IV-9	IV-10	Investment securities
Type	Office	Office	Office	Office	Office	Office	Office	Office	Office	Office
Name	JEI Kyobashi Building	JEI Hiroshima Hacchobori Building	SE Sapporo Building	Aoba-dori Plaza	Daiwa Minami-morimachi Building	JEI Naha Building	Hiroshima Dai-ichi Seimei OS Building	Senshin Building	Sapporo Otemachi Building	ARK Hills FRONT TOWER (Equity interest in anonymous association)
										
Location	Miyakojima Ward, Osaka City, Osaka	Naka Ward, Hiroshima City, Hiroshima	Kita Ward, Sapporo City, Hokkaido	Aoba Ward, Sendai City, Miyagi	Kita Ward, Osaka City, Osaka	Kumoji, Naha City, Okinawa	Minami Ward, Hiroshima City, Hiroshima	Aoba Ward, Sendai City, Miyagi	Chuo Ward, Sapporo City, Hokkaido	Akasaka, Minato Ward, Tokyo
Total floor area (m ²)	10,021.32	9,919.93	23,644.22	22,737.38	12,759.65	4,371.94	10,696.54	2,766.22	9,792.75	24,207.77
Completion date	April 1987	February 1999	March 1989	July 1996	January 1990	June 1990	March 1989	October 1984	April 1984	January 2011
Acquisition date	September 2011	May 2012	March 2013	February 2014	February 2014	December 2015	June 2018	November 2019	December 2021	May 2022
Acquisition price (MN yen)	661	2,760	5,500	2,120	4,410	1,380	2,780	1,580	4,069	5,230
Investment ratio (%)	0.2	1.0	2.0	0.8	1.6	0.5	1.0	0.6	1.4	-
Period-end occupancy rate (%)	100.0	100.0	100.0	96.3	100.0	100.0	98.7	88.0	100.0	94.4
PML (%)	2.7	0.8	0.2	0.1	3.2	5.3	0.9	1.7	1.9	1.8
Green Building Certification DBJ ★★★★★~★ CASBEE S, A, B+, B	A	★	A	-	-	-	★	-	-	-

*1 "Completion date" is as of the time of initial construction described in the register.

*2 "Acquisition price" is the price recorded in sales agreements (excluding consumption tax for each property). Figures are rounded down to the nearest million yen.

*3 "Investment ratio" shows a ratio of the acquisition price for each property to total acquisition price as of December 31, 2023 (excluding Ark Hills FRONT TOWER (equity interest in anonymous association)) and is rounded to the first decimal place.

*4 "PML" is the earthquake PML calculated by Sompo Risk Management Inc.