



**JEI**

Japan Excellent, Inc.

BIZCORE TSUKIJI

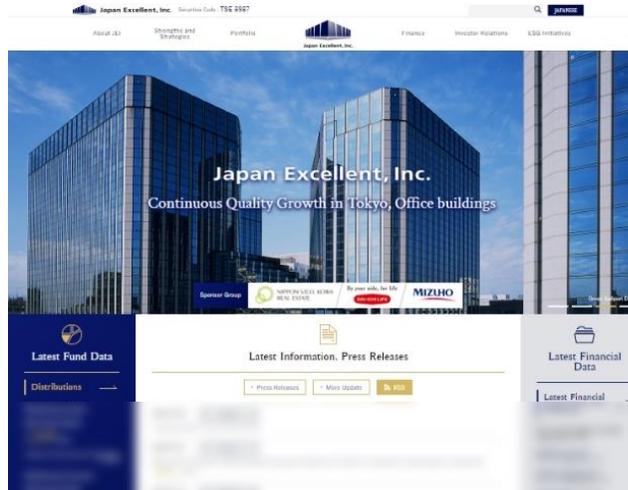


OSAKI BRIGHT TOWER



**Japan Excellent, Inc.**  
**Thirty-fourth Period (Ended June 2023)**  
**Presentation Materials**  
August 18, 2023

Please visit JEI's website below.



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

QR code



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# 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

<p><b>Nippon Steel Kowa Real Estate Co., Ltd.</b> (Investment ratio: 54%)</p> <p>Total of group: <b>64%</b></p>		<p>By your side, for life</p> <p><b>The Dai-ichi Life Insurance Company, Limited</b> (Investment ratio: 26%)</p> <p>Total of group: <b>36%</b></p>	
<p><b>Mizuho Bank, Ltd.</b></p>	<p><b>Mizuho Trust &amp; Banking Co., Ltd.</b></p>	<p><b>The Dai-ichi Building Co., Ltd.</b></p>	<p><b>Sohgo Housing Co., Ltd.</b></p>

\* 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: **78.6%**  
(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 34th Period: **96.5%**  
(Average occupancy rate over the past 5 years: 96.5%)
  - Rental revenue for the 34th Period: **9,274 million yen**
- Established a solid financial base supported by a megabank sponsor
  - Ratings: **AA-** (JCR)
  - Average remaining period of interest-bearing debt: **3.8 years**
  - LTV: **42.0%**

## 2. Portfolio\*

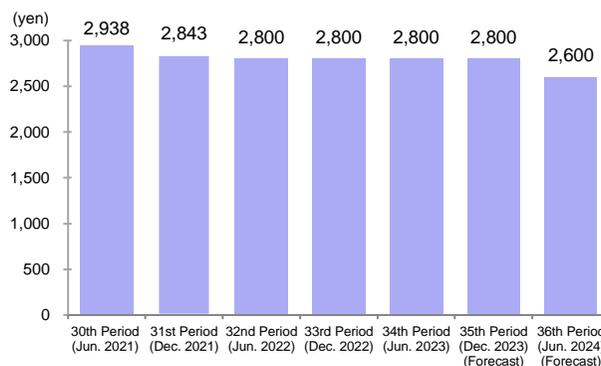
- High growth potential and stability mainly in the Tokyo metropolitan area

Number of properties: 35
Asset size: 265.4 billion yen
Ratio of investment in office buildings: 100.0%
Large-scale properties: 64.1%
Tokyo metropolitan area: 84.4%
6 central wards of Tokyo: 56.9%

\* Please refer to notes on p. 44 for definitions of the figures above.

## 3. Historical Distributions

- Operational stance aiming for stable distribution



## 4. ESG Initiatives

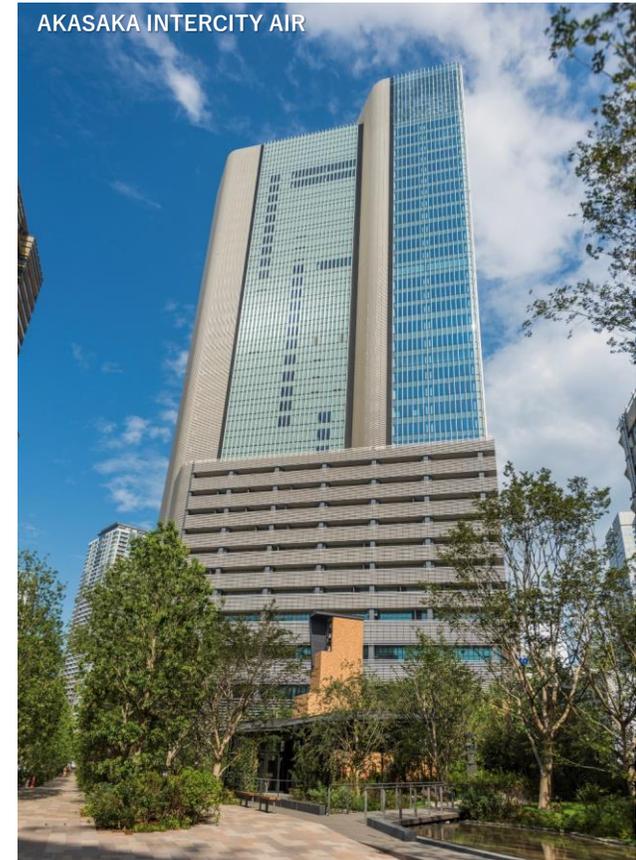
- Strongly promoting initiatives by positioning them as the most important issue

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

CO <sub>2</sub> emissions reduction targets: FY2030: -46% (vs FY2013) FY2050: Net zero
GRESB: Acquired the highest ratings of "Green Star" and "5 Star"
Included in MSCI Japan ESG Select Leaders Index
Green Building Certification: 88.8% (area basis)
CO <sub>2</sub> -free electricity rate: 64.0% (area basis)
Declared Support for the TCFD, disclosure of financial impact

# I. Key Points in Current Operations

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# 1. Main Actions in the 34th Period (Ended June 2023)

◆ Made two sets of replacement transactions aiming for qualitative improvements to the portfolio (improvement of building age, strengthening of area competitiveness, raising occupancy rate, processing unrealized loss, etc.), and utilized the gain on transfer for stabilization of distributions

Announced on June 29 and August 17, 2023

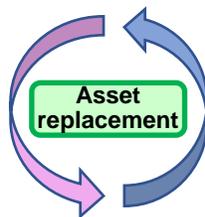
- Transfer of Kowa Kawasaki Nishiguchi Building to core sponsor (loss on transfer: approx. 2.7 billion yen)
- Transfer of JEI Kyobashi Building to third party, utilization of gain on transfer to offset loss on transfer and as source of funding for distributions, etc.
- Acquisition or scheduled acquisition of two relatively new properties (Tsukiji, Osaki) through sponsor pipeline

## Transfer

**Kowa Kawasaki Nishiguchi Building**  
Transfer price: approx. 16.1 billion yen  
Loss on transfer: approx. 2.7 billion yen



**JEI Kyobashi Building**  
Transfer price: 6.3 billion yen  
Gain on transfer: approx. 3.6 billion yen



## Acquisitions

**BIZCORE TSUKIJI**  
Acquisition price: 9.8 billion yen



**OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA**  
Acquisition price: 13.1 billion yen



## Purpose and effect

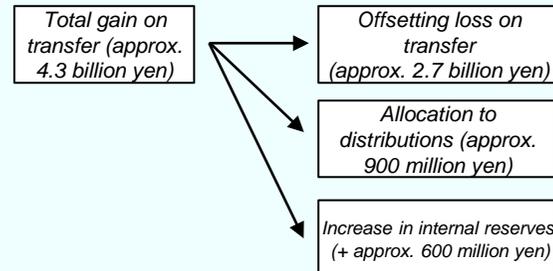
### Qualitative improvement of portfolio

- Disposal of properties with unrealized loss or that are unprofitable
- Increase in occupancy rate of portfolio
- Improvement in years since built and area competitiveness
- ★ Completed fundamental disposal of Kowa Kawasaki Nishiguchi Building, which was a pending problem

### Stabilization of distributions

- By utilizing gains on transfer, distributions for the 34th period (ended June 2023) and the 35th period (ending December 2023) were maintained at the forecast level (minimum target of 2,800 yen)
- Excess gain on transfer were allocated to increasing internal reserves and funding future distributions

[Reference: Uses of gains on transfer]  
(Total for 34th Period to 36th Period)

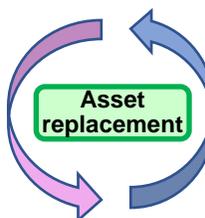


Announced on February 9, 2023

- Transfer of Pacific Square Sengoku to third party (gain on transfer: approx. 700 million yen)
- Acquisition of property in favorable location in close proximity to station in the Shin-Yokohama area where further development is expected

## Transfer

**Pacific Square Sengoku**  
Transfer price 2.3 billion yen  
Gain on transfer: approx. 700 million yen



## Acquisitions

**Shin-Yokohama Arena-dori Building**  
Transfer price: approx. 2.1 billion yen



## 2. 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 (Plan)	34th Period Results	35th Period Forecast	36th Period Forecast
Period-end contracted occupancy rate (%)	99.4	99.6	99.6	98.0	96.4	93.1	90.8	93.0	94.4	96.5	97.6	95.8
Tenant departure rate (%)	1.6	1.7	0.8	2.5	3.2	6.6	7.6	4.1	3.3	3.0	2.0	3.9

[Occupancy rate of Kowa Kawasaki Nishiguchi Building] (As of the end of 33rd Period)

Vacant area (A)	3,320 tsubo	Occupancy rate	56.0%
Vacant area of overall portfolio (B)	7,148 tsubo		
Percentage ((A) / (B))	46.4%		

Major tenant departure(s)

Disposal of Kowa Kawasaki Nishiguchi Building (asset replacement)

	31st Period (Ended December 2021)	32nd Period (Ended June 2022)	33rd Period (Ended December 2022)	34th Period (Ended June 2023)			35th Period (Ending December 2023)		36th Period (Ending June 2024)
	Results	Results	Results	22/8 F	23/2 F	Results	23/2 F	23/8 F	23/8 F
Operating revenue	10,666	11,065	10,699	10,819	10,859	13,823	10,980	10,785	10,822
(Net gain/loss on sale)	-	797	530	792	792	980	696	696	721
Net income	3,846	4,101	3,502	3,668	3,558	3,881	3,463	3,873	3,862
Reserve for Reduction Entry (Provision (-) and reversal (+) of reserve)	-	-356	+243	+76	+186	-136	+281	-128	-384
(Distribution equivalent)	-	(-266 yen)	(+182 yen)	(+57 yen)	(+139 yen)	(-101 yen)	(+210 yen)	(-96 yen)	(-287 yen)
Distributions per unit (yen)	2,843 yen	2,800 yen	2,800 yen	2,800 yen	2,800 yen	2,800 yen	2,800 yen	2,800 yen	2,600 yen
Net utilities expenses	-215	-360	-463	-422	-510	-468	-610	-437	-392

(Unit: million yen)

### Distribution policy

<<From Aug 2021>>

- In response to occupancy rate temporarily falling due to the impact of the departure of two major tenants, a minimum target of 2,800 yen was set based on the stance of stable operation of distributions

<<Announcement in this time>>

[34th Period, 35th Period]

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

[36th Period ~]

- In response to the elimination of the impact of the pending problem of departure of major tenants (transfer of Kowa Kawasaki Nishiguchi Building, progress in refilling Musashikosugi Tower Place), 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
- 2,600 yen will be planned in the 36th period, considering the recording of part of the gain on transfer of the JEI Kyobashi Building

### Actions executed/decided

	31st Period (Ended December 2021)	32nd Period (Ended June 2022)	33rd Period (Ended December 2022)	34th Period (Ended June 2023)	35th Period (Ending December 2023)	36th Period (Ending June 2024)
Property Acquisitions	Sapporo Otemachi Building (approx. 4.1 billion yen)	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)	BIZCORE TSUKIJI (9.8 billion yen)	OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA (13.1 billion yen)
Sale of Properties		Kowa Shirokanedai Building (gain on transfer: approx. 800 million yen)	Shintomicho Building (40%) (gain on transfer: approx. 500 million yen)	- 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)
Other		Decided on buyback of investment units	Decision to acquire additional investment units by core sponsor	Measures to address rising electricity prices		

Memo



## II. Financial Results of the 34th Period (Ended June 2023)

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# > 1. Overview of Financial Results of the 34th Period (Ended June 2023)

(unit: million yen)

	33rd Period Result A	34th Period Initial forecast B	34th Period Result C	34th Period Results Compared with previous period C-A	34th Period Results Comparison with initial forecast C-B
Operating revenue	10,699	10,859	13,823	+3,123	+2,964
Rental revenue	9,271	9,247	9,274	+3	+26
Gain on sales of real estate	530	792	3,683	+3,153	+2,891
Operating expenses	6,567	6,699	9,346	+2,778	+2,646
Expenses for rental operations	5,944	6,060	5,972	+27	-88
Loss on sales of real estate	-	-	2,703	+2,703	+2,703
Sales and administrative expenses	622	639	670	+47	+30
Operating income	4,132	4,159	4,477	+344	+318
Ordinary income	3,503	3,559	3,882	+379	+322
Net income	3,502	3,558	3,881	+379	+322
Reserve for Reduction Entry (Provision (-) and reversal (+) of reserve)	+243	+186	-136	-379	-322
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	93.0%	94.4%	96.5%	+3.5pt	+2.1pt

## ● Comparison with the Results for the 33rd Period (Ended Dec. 2022) (Impact on Distribution Resources)

<b>(1) Increase in operating revenue</b>	<b>+3,123 million yen</b>
- Increase in rental revenue	+3 million yen <small>(Property acquired (+34), property transferred (-46), existing properties (+15))</small>
- Decrease in other revenue (cancellation penalty, etc.)	-51 million yen
- Increase in gain on sales of real estate	+3,153 million yen
<b>(2) Increase in operating expenses</b>	<b>-2,778 million yen</b>
- Decrease in property management expenses	+55 million yen
- Increase in taxes	-59 million yen
- Loss on sales of real estate	-2,703 million yen
- Increase in sales and administrative expenses (asset management fees, etc.)	-47 million yen
<b>(3) Decrease in non-operating expenses</b>	<b>+34 million yen</b>
- Decrease in interest expense, absence of arrangement fee, etc.	
<b>(4) Increase in ordinary income and net income</b>	<b>+379 million yen</b>
<b>(5) Absence of reversal/provision of reserve for reduction entry</b>	<b>-379 million yen</b>
<b>(6) Total distributions</b>	<b>±0 million yen</b>

## ● Comparison with Initial Forecast (Impact on Distribution Resources)

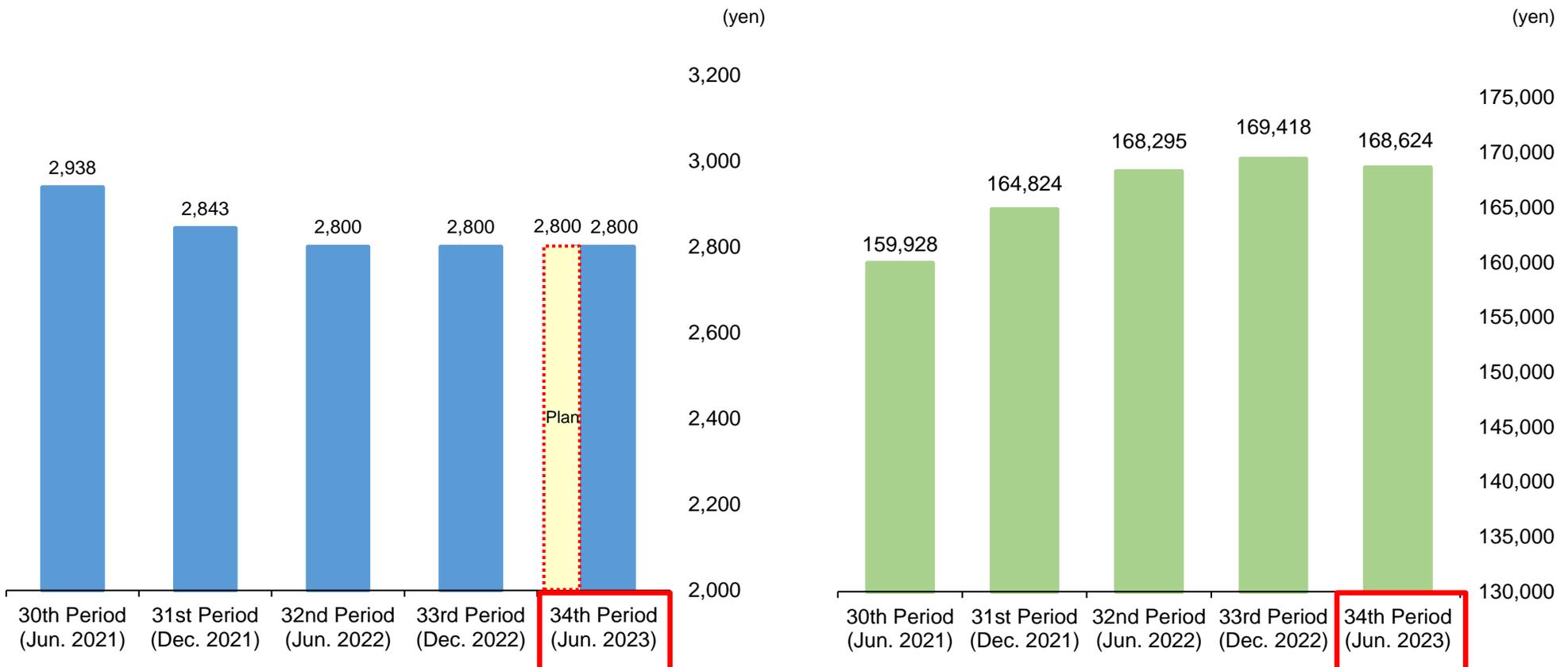
<b>(1) Increase in operating revenue</b>	<b>+2,964 million yen</b>
- Increase in rental revenue	+26 million yen
- Increase in other revenue (cancellation penalty, etc.)	+48 million yen
- Increase in gain on sales of real estate	+2,891 million yen
<b>(2) Increase in operating expenses</b>	<b>-2,646 million yen</b>
- Decrease in expenses for rental operations <small>(Decrease in utilities expenses +50 million yen, decrease in repairs and maintenance +40 million yen, etc.)</small>	+88 million yen
- Loss on sales of real estate	-2,703 million yen
<b>(3) Decrease in non-operating expenses</b>	<b>+4 million yen</b>
<b>(4) Increase in ordinary income and net income</b>	<b>+322 million yen</b>
<b>(5) Absence of reversal/provision of reserve for reduction entry</b>	<b>-322 million yen</b>
<b>(6) Total distributions</b>	<b>±0 million yen</b>

## > 2. Actual Results of Distributions per Unit and NAV for the 34th Period (Ended June 2023)

- ◆ The loss on transfer of Kowa Kawasaki Nishiguchi Building was offset by the gain on transfer of the JEI Kyobashi Building, and distributions per unit ended up as planned
- ◆ There was a slight decrease in NAV per unit due to cash flow factors (increases in utilities expenses, property/city tax, etc., decrease in rent levels)

■ Distributions per Unit

■ NAV per Unit



# 3. Highlights of the 34th Period (Ended June 2023)

## External Growth

### ◆ Asset replacement aimed at improving portfolio quality, increasing occupancy and increasing NAV

- Transfer of Kowa Kawasaki Nishiguchi Building to core sponsor (June 2023). The loss on transfer was offset by the gain on transfer of the JEI Kyobashi Building, and distributions were maintained for the 34th period, while the remainder was kept in internal reserve
- Acquisition of BIZCORE TSUKIJI (July 2023) and OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA (scheduled for April 2024) from core sponsor as replacement properties

### ◆ Property replacement with third party

- Securing an anticipated gain on transfer of approx. 700 million yen through the transfer of Pacific Square Sengoku, and securing NOI and improving quality (station strength and building age) through the acquisition of Shin-Yokohama Arena-dori Building

## Internal Growth

### ◆ Steady refilling and replacement of low occupancy property paid off, resulting in the period-end occupancy rate recovering to 96.5%, +2.1pt vs. plan

- Flexibly responded to negotiation of terms with highest priority on prevention of departures
- Implemented changes of terms for tenants as a response to rising electricity prices

## Financial Strategy

- Timing of refinancing was appropriately adjusted with consideration for the inflow and outflow of funds through property replacement. Financial costs from the 35th period onward will be reduced by repaying part of the loans due
- In addition to allocating the gain on transfer to maintaining distributions in the 34th period, the remainder will be kept in internal reserve and utilized for stabilization of distributions

## ESG

- Establishment of CO<sub>2</sub> emission reduction target (net zero by FY2050) (January 2023)
- Implementation and disclosure of quantitative financial analysis based on TCFD recommendations (February 2023)
- FY2022 CO<sub>2</sub> emission intensity 74.2% reduction (compared to FY2013)

- Asset size **265.4 billion yen** (change from FP33: -22.4 billion yen)  
In addition to the above, 5.23 billion yen from anonymous association equity interest (investment securities) in ARK Hills FRONT TOWER
- Qualitative improvement of portfolio
  - NOI yield after depreciation: 2 acquired properties 2.9% (2 transferred properties -0.1%)
  - Percentage within 5-minute walk from station: 96.1% (change from FP33: +7.2pt)
  - Percentage in area around Kawasaki Station: 5.5% (change from FP33: -7.2pt)
- Unrealized gain: **75.1 billion yen** (change from FP33: -1.2 billion yen)
- Percentage of unrealized gain: **30.3 %** (change from FP33: +1.8pt)

- Period-end occupancy rate **96.5 %** (Vs. plan: +2.1pt)
- Tenant departure rate **3.0 %** (Change from FP33: -1.1pt)
- Ratio of rent revised upward **7.4 %** (area basis) (Vs. plan: +1.6pt)
- Ratio of rent revised downward **12.0 %** (area basis) (Vs. plan: +9.9pt)
- Upward revision rate **4.2 %** (Vs. plan: +0.6pt)
- Downward revision rate **4.3 %** (Vs. plan: -2.4pt)

- Average remaining period of interest-bearing debt: **3.8 years** (change from FP33: -0.2 years)
- Average interest rate of interest-bearing debt: **0.71 %** (change from FP33: +0.02pt)
- LTV: **42.0 %** (change from FP33: -1.7pt)  
After acquisition of Tsukiji and Osaki **43.7 %** Property acquisition capacity approx. **17.0 billion yen** (LTV up to 47 %)
- Internal reserve: **701 million yen** (distribution equivalent: 524 yen)

- GRESB Real Estate Assessment (2022)  
Highest rating **Green Star** (8 consecutive years)  
**5 star** (3 consecutive years)
- MSCI ESG Rating **A rating** (component of MSCI Select Leaders Index)
- Percentage of properties with Green Building certification (area basis) **88.8%** (Change from FP33: -0.4pt)
- CO<sub>2</sub>-free electricity rate (area basis) **64.0%** (Change from FP33: -8.1pt)

## Distributions per unit (yen)

FP33: **2,800 yen**

FP34: **2,800 yen**

Change from FP33: **±0 yen**  
(**±0.0 %**)

Change from forecast at beginning of period **±0 yen**

## NAV per unit

FP33: **169,418 yen**

FP34: **168,624 yen**

Change from FP33: **-794 yen**  
(**-0.5%**)

### III. Performance Forecasts for the 35th Period (Ending December 2023) and 36th Period (Ending June 2024)

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# 1. Performance Forecasts for the 35th Period (Ending December 2023) and 36th Period (Ending June 2024)

## <Outlook of office market>

- In the leasing market, large floor spaces are gradually beginning to move since classification of Omicron as “Class 5.” However, considering the establishment of remote work and the possibility of further consolidation centered on large companies, there are concerns that the uncertainty surrounding the office sector will not be dispelled immediately.
- Amid uncertainty with the global economy, due to factors such as the fact that a full recovery in office demand is expected to take a little more time, and the increased supply of office floor space in 2023, the view continues to be that “the vacancy rate may increase from mid 6% to 7%, and newly concluded rents will be soft.”
- 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 attract demand as core offices.

## <Assumptions for performance forecasts>

### [External growth]

- Impact of the asset replacement announced this time has been factored in (Transfers of Kowa Kawasaki Nishiguchi Building and JEI Kyobashi Building, acquisitions of BIZCORE TSUKIJI and OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA)

### [Internal growth]

- As before, concerns have built up regarding departures, but the departure rate is expected to decline after peaking in the 32nd Period (7.6%). 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.
- Regarding contract renewal, like last period, we have factored in rent reduction adjustments in order to respond to rent reduction requests from tenants with rent gaps to prevent tenants from departing and are also promoting efforts to revise contracts with raised rents mainly at regional properties.
- While the impact of revisions of electricity prices from April 2023 have been factored into utilities expenses, gradually we are switching tenants billed with fixed unit prices for electricity prices to variable unit prices, and transferring the increase in base and metered charges for exclusive areas to tenants.

<Period-End Occupancy Rate / Departure Rate>

	32nd Period	33rd Period	34th Period	35th Period	36th Period
Period-end occupancy rate	90.8%	93.0%	96.5%	97.6%	95.8%
Tenant departure rate	7.6%	4.1%	3.0%	2.0%	3.9%

## <Distribution policy>

### [34th Period, 35th Period]

- Utilize the gain on transfer from property replacement to maintain distributions at 2,800 yen (minimum target) as stated in the performance forecasts

### [36th Period ~]

- In response to the elimination of the impact of the pending problem of departure of major customers, 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
- 2,600 yen will be planned in the 36th period, considering the recording of part of the gain on transfer of the JEI Kyobashi Building

## 2. Overview of Performance Forecasts for the 35th Period (Ending December 2023) and 36th Period (Ending June 2024)

	34th Period Result A	(Reference) 35th Period Initial Forecast	35th Period Forecast B	Comparison of Forecast for 35th Period with Previous Period B-A	36th Period Forecast C	Comparison of Forecast for 36th Period with Previous Period C-B
Operating revenue	13,823	10,980	10,785	-3,038	10,822	+37
Rental revenue	9,274	9,358	9,234	-40	9,292	+58
Gain on sales of real estate	3,683	696	696	-2,987	721	+25
Operating expenses	9,346	6,845	6,316	-3,029	6,358	+42
Expenses for rental operations	5,972	6,233	5,694	-277	5,729	+35
Loss on sales of real estate	2,703	-	-	-2,703	-	-
Sales and administrative expenses	670	611	621	-48	629	+7
Operating income	4,477	4,135	4,468	-8	4,463	-5
Ordinary income	3,882	3,464	3,874	-7	3,863	-11
Net income	3,881	3,463	3,873	-7	3,862	-11
Reserve for Reduction Entry (Provision (-) and reversal (+) of reserve)	-136	+281	-128	+7	-384	-256
Total distributions	3,745	3,745	3,745	0	3,477	-267
Distributions per unit (yen)	2,800	2,800	2,800	0	2,600	-200
Period-end occupancy rate	96.5%	95.5%	97.6%	+1.1pt	95.8%	-1.8pt

(unit: million yen)

**● Comparison of the Results for the 34th Period and Forecasts for the 35th Period (Impact on Distribution Resources)**

**(1) Decrease in operating revenue** -3,038 million yen

- Decrease in rental revenue -40 million yen  
(Property acquired (+266), property transferred (-447), existing properties (+141))
- Decrease in gain on sales of real estate -2,987 million yen
- Increase in revenue for utilities expenses +25 million yen

**(2) Decrease in operating expenses** +3,029 million yen

- Decrease in property management expenses +73 million yen
- Decrease in taxes +73 million yen
- Increase in repairs and maintenance -63 million yen
- Absence of loss on sales of real estate +2,703 million yen
- Decrease in depreciation +195 million yen
- Decrease in sales and administrative expenses +48 million yen

**(3) Decrease in non-operating expenses** +1 million yen

**(4) Decrease in ordinary income and net income** -7 million yen

**(5) Decrease in provision of reserve for reduction entry** +7 million yen

**(6) Total distributions** ±0 million yen

**● Comparison of Forecasts for the 35th Period and Forecasts for the 36th Period (Impact on Distribution Resources)**

**(1) Increase in operating revenue** +37 million yen

- Increase in rental revenue +58 million yen  
(Property acquired (+105), property transferred (-30), existing properties (-17))
- Increase in gain on sales of real estate +25 million yen
- Decrease in revenue for utilities expenses -52 million yen

**(2) Increase in operating expenses** -42 million yen

- Decrease in utilities expenses +97 million yen
- Increase in taxes -35 million yen
- Increase in depreciation -59 million yen

**(3) Increase in non-operating expenses** -6 million yen

**(4) Decrease in ordinary income and net income** -11 million yen

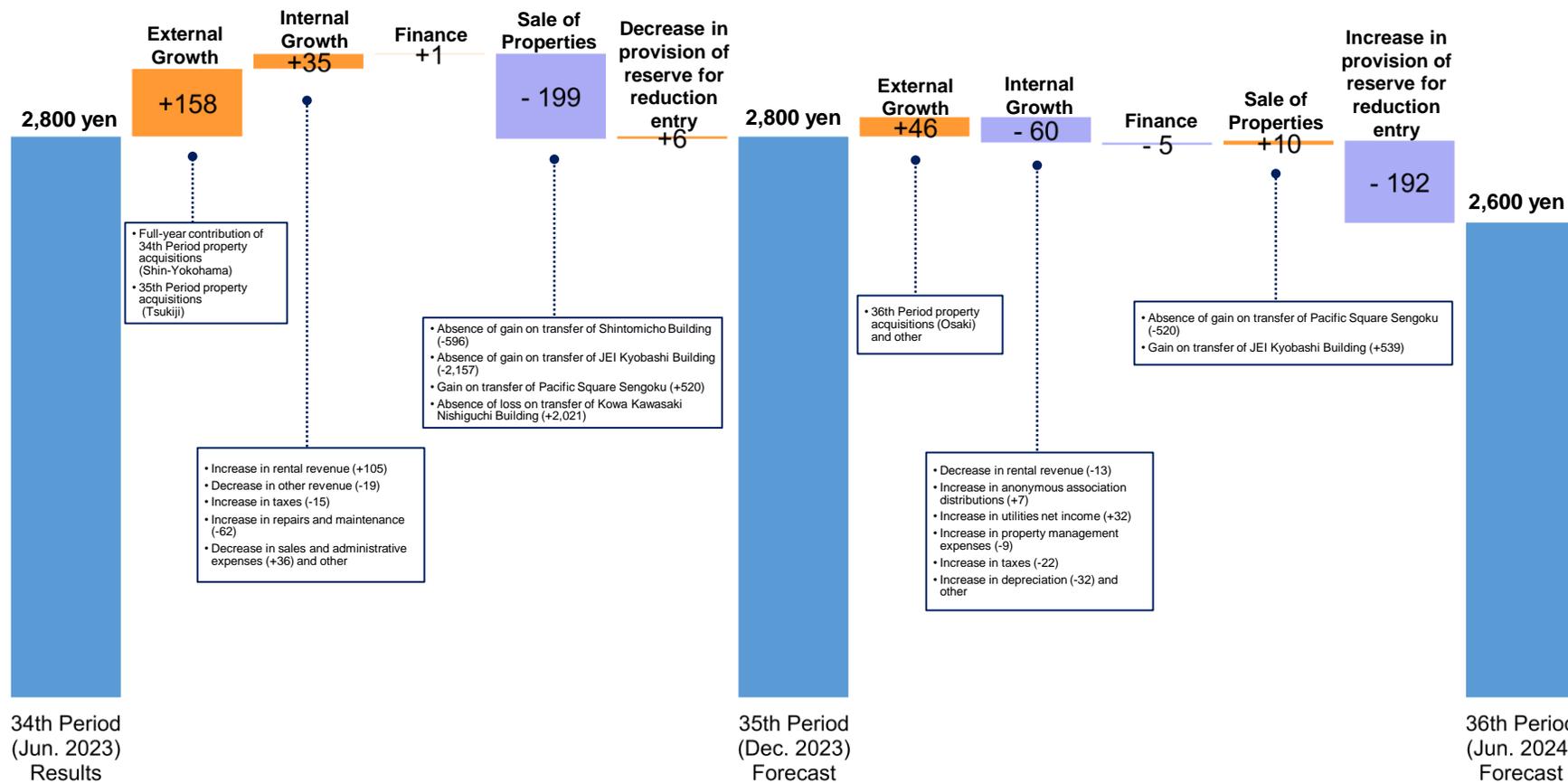
**(5) Increase in provision of reserve for reduction entry** -256 million yen

**(6) Total distributions** -267 million yen

### > 3. Forecast of Distributions per Unit

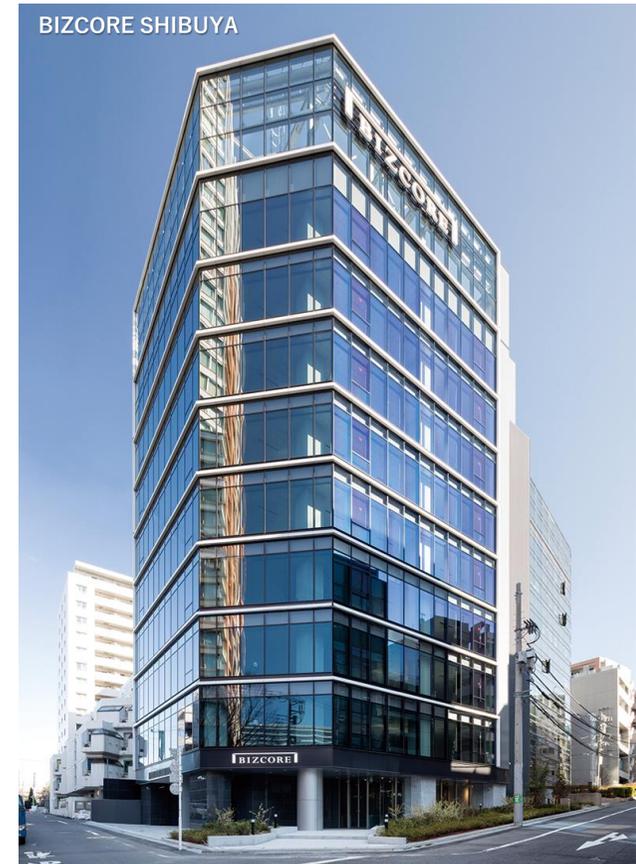
- ◆ In the 35th period, the absence of gain on transfer will be offset by external growth and internal growth, and 2,800 yen (minimum target) will be maintained as stated in the performance forecasts
- ◆ From the 36th period, as distributions are operated with consideration for revenue and expenditure of each period, distributions will be 2,600 yen considering the gain on transfer of the JEI Kyobashi Building

We aim for steady growth through external growth, recovery in occupancy rate and efforts to improve earnings



## IV. Management Status and Policy

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# > 1. External Growth (1) Look Back and Near-Term Plans

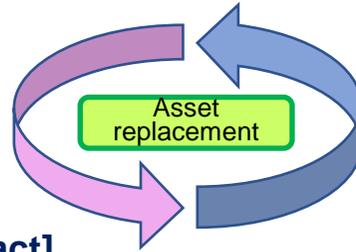
	32nd Period (FP6/2022)	33rd Period (FP12/2022)	34th Period (FP6/2023)	35th Period (FP12/2023)	36th Period ~ (FP6/2024 ~)		
<b>Acquisitions</b>		<b>BIZCORE SHIBUYA</b> Acquisition price 6.64 billion yen 	Shin-Yokohama Arena-dori Building Acquisition price 2.07 billion yen 	Announced Jun. 2023 <b>BIZCORE TSUKIJI</b> Acquisition price 9.8 billion yen  Properties under consideration 	Announced Aug. 2023 <b>OSAKI BRIGHT TOWER / OSAKI BRIGHT PLAZA</b> Acquisition price 13.1 billion yen  Properties under consideration 	Properties under consideration 	
	<b>ARK Hills FRONT TOWER</b> Equity interest in anonymous association (49%) Acquisition price 5.23 billion yen 						
<b>Transfer</b>	<b>Kowa Shirokanedai Building</b> Transfer price 5.4 billion yen 	<b>Shintomicho Building (33rd - 34th Period)</b> Transfer price 3.1 billion yen 	Announced Jun. 2023 <b>Kowa Kawasaki Nishiguchi Building</b> Transfer price 16.05 billion yen 	Announced Jun. 2023 <b>JEI Kyobashi Building (80%)</b> Transfer price 5.04 billion yen 	<b>Pacific Square Sengoku</b> Transfer price 2.3 billion yen 	Announced Jun. 2023 <b>JEI Kyobashi Building (20%)</b> Transfer price 1.26 billion yen 	Properties under consideration 
	<b>Total gain on transfer: approx. 3.7 billion yen</b>						
						Outlook for additional acquisitions (Acquired first right of refusal)	

# 1. External Growth

## (2) Overview and Effect of Property Replacement 1) in the 34th Period (Ended June 2023)

◆ Transferred Pacific Square Sengoku, which is located in a residential area and many years have passed since it was built to secure an expected gain on transfer of approx. 700 million yen, and acquired a property in a good location near the station in the Shin-Yokohama area expected to develop further as an office area as a replacement property

### Transfer: Pacific Square Sengoku



### [Impact]

- (1) Securing gain on sale (approx. 700 million yen)  
Creation of financial strength supporting stable distribution policy
- (2) Qualitative improvement of portfolio  
Area competitiveness, strength of closest station, improvement of years since built

### Acquisition: Shin-Yokohama Arena-dori Building



### Transferred Property / Overview of Transfer

Location	Honkomagome, Bunkyo Ward
Nearest station	1-minute walk from Sengoku Station on Toei Mita Line
Total floor area	4,017.44 m <sup>2</sup>
Completed	November 1992
Acquisition date	December 2011
Acquisition price	1,620 million yen
Transfer price	2,300 million yen
Appraisal value (As of June 30, 2023)	1,550 million yen
Book value (End of FP6/2023)	1,600 million yen
Gain/loss on transfer*1	696 million yen
Transfer date	July 3, 2023

	<b>Sengoku</b>
Area competitiveness	Mainly residences (Concerns about future potential as an office location)
Nearest station	Sengoku Station Subway 1-minute walk
Years since built	30



	<b>Shin-Yokohama</b>
	Around a major station (Concentration of offices/commercial and cultural facilities) Shin-Yokohama Station
	Subway/New Line 1-minute walk Shinkansen, JR Line 3-minute walk
	21

### Acquired Property / Overview of Acquisition

Location	Shin-Yokohama, Kohoku Ward, Yokohama City		
Nearest station	1-minute walk from Yokohama Municipal Subway/Sotetsu and Tokyu Shin Yokohama Line (opened in March 2023), 3-minute walk from Shinkansen/JR Yokohama Line Shin-Yokohama Station		
Structure	S, flat roof, 6 stories		
Total floor area	2,448.57 m <sup>2</sup>		
Standard floor area	Approx. 398 m <sup>2</sup> (Approx. 120 tsubo)		
Completed	October 2001		
Acquisition price	2,077 million yen		
Appraisal value (As of June 30, 2023)	2,170 million yen		
Acquisition date	March 31, 2023		
NOI yield*2	4.2%	NOI yield after depreciation*2	3.5%
Occupancy rate (End of FP6/2023)	100%		

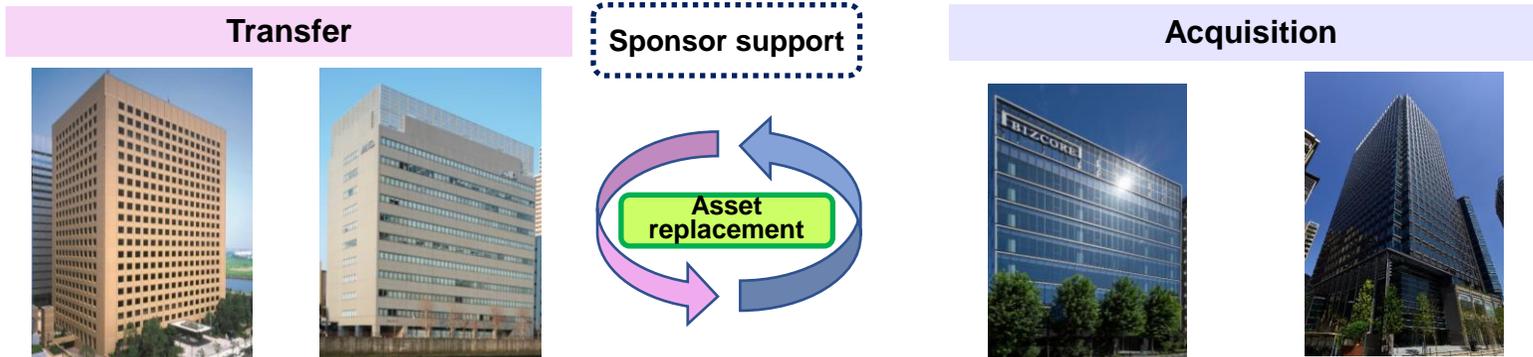
\*1 As book value is not confirmed, expected value is listed.

\*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.

# 1. External Growth

## (3) Overview of Property Replacement 2) in the 34th Period (Ended June 2023)

- ◆ Transfer The Kowa Kawasaki Nishiguchi Building (low occupancy rate; high unrealized loss) will be transferred to Nippon Steel Kowa Real Estate, the core sponsor. The loss on transfer will be offset by the part of gain on transfer of the JEI Kyobashi Building, and the distributions for the 34th fiscal period will be maintained at the forecast level (minimum target)
- ◆ As replacement properties, we acquired the relatively new BIZCORE TSUKIJI and plan to acquire OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA from Nippon Steel Kowa Real Estate



Property name	Kowa Kawasaki Nishiguchi Building	JEI Kyobashi Building
Location	Kawasaki City, Kanagawa	Osaka City, Osaka
Access	8-minute walk from Kawasaki Station	3-minute walk from Kyobashi Station
Years since built	35 years	36 years
Acquisition price	20,800 million yen	3,308 million yen
Planned transfer value <sup>*1</sup>	16,050 million yen	6,300 million yen
Book value <sup>*2</sup>	18,796 million yen	2,688 million yen
Gain/loss on transfer <sup>*3</sup>	-2,746 million yen	3,611 million yen
Appraisal value <sup>*4</sup>	16,000 million yen	4,000 million yen



Property name	BIZCORE TSUKIJI	OSAKI BRIGHT TOWER /OSAKI BRIGHT PLAZA
Location	Chuo Ward, Tokyo	Shinagawa Ward, Tokyo
Access	3-minute walk from Tsukiji Station	5-minute walk from Osaki Station
Years since built	4 years	8 years
Planned acquisition price <sup>*7</sup>	9,800 million yen	13,100 million yen

Appraisal value <sup>*8</sup>	10,200 million yen	13,500 million yen
Difference between planned acquisition price and appraisal value	400 million yen	400 million yen
Occupancy rate <sup>*9</sup>	100.0%	99.2%
NOI yield <sup>*10</sup>	3.6%	3.5%
NOI yield after depreciation <sup>*10</sup>	3.0%	2.8%
Scheduled acquisition date	July 4, 2023	April 26, 2024
Seller	Nippon Steel Kowa Real Estate	Nippon Steel Kowa Real Estate

Occupancy rate <sup>*5</sup>	58.4%	100.0%
NOI yield <sup>*6</sup>	0.7%	8.2%
NOI yield after depreciation <sup>*6</sup>	-1.0%	5.7%
Scheduled transfer date	June 30, 2023	(1) June 30, 2023 (80%) (2) January 22, 2024 (20%)
Transferee	Nippon Steel Kowa Real Estate	Not disclosed

<sup>\*1</sup> 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.  
<sup>\*2</sup> Figures as of December 31, 2022.  
<sup>\*3</sup> These are reference figures calculated as the difference between planned transfer value and the book value as of December 31, 2022 and differ from gain (loss) on transfer in accounting differ from the gain/loss on sale in accounting.  
<sup>\*4</sup> Figures as of June 1, 2023.  
<sup>\*5</sup> Figures as of May 31, 2023.  
<sup>\*6</sup> Results for the period ended December 2022.

<sup>\*7</sup> Does not include consumption tax, local consumption tax or fees required for the acquisition.  
<sup>\*8</sup> The values for BIZCORE TSUKIJI are as of June 1, 2023, and the values for OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA are as of August 1, 2023.  
<sup>\*9</sup> Figures as of June 30, 2023.  
<sup>\*10</sup> 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.

# 1. External Growth (4) Effect of Property Replacement 2) in the 34th Period (Ended June 2023)

◆ This property replacement will result in qualitative improvement of the portfolio, improvement of occupancy rate, stabilization of distributions and increase in NAV

## (1) Qualitative improvement of portfolio

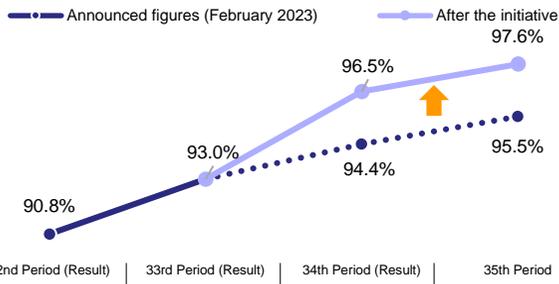
NOI yield after depreciation	2 transferred properties -0.1%*1	→	Properties (planned to be) acquired 2.9%*2
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\*1 Results for the fiscal period ended December 2022.  
\*2 Calculated based on the assumed balance for the first 5 years excluding special factors in the acquisition year.

	End of 33rd Period	→	After initiative*3
Average building years	23.0 years		21.9 years
Percentage within 5-minute walk from station	88.9%		96.1%
Ratio of top 5 properties	40.0%		37.8%
Percentage in area around Kawasaki Station	12.7%		5.5%

\*3 Figures after initiative are when the acquisition of OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA is completed.  
\*4 The above figures are calculated based on the acquisition price.

## (2) Improvement of portfolio occupancy rate



End of Dec. 2021                      End of Dec. 2022                      End of Dec. 2023

## (3) Stabilization of distributions, increase in NAV

- By utilizing gains on transfer, distributions for the 34th period (ended June 2023) and the 35th period (ending December 2023) were maintained at the forecast level (minimum target of 2,800 yen)
- Excess gain on transfer were allocated to increasing internal reserves and funding future distributions

Increase in NAV per unit due to the initiative                      +2,347 yen

## Transfer

- **Kowa Kawasaki Nishiguchi Building**  
(Acquisition price 20.8 billion yen)
- Delay in recovery of occupancy rate after departure of major tenant (Prolonged deterioration of supply and demand in the area around Kawasaki Station)
- Decline in property revenues and expenses
- Rise in capex burden in future
- Large unrealized loss (approx. -2.8 billion yen)

- **JEI Kyobashi Building**  
(Acquisition price 3.31 billion yen)
- Concern about decline in status of Kyobashi area (Increased office supply in central Osaka)
- Rise in capex burden in future
- Request to purchase at a price significantly higher than the appraisal value

**Transfer to core sponsor**  
(Loss on transfer: -2.74 billion yen)

Part of the gain on transfer offset the loss on transfer, and the remainder is kept as an internal reserve (To be allocated for funding future distributions)

Adhere to the 2,800 yen minimum target for distributions for 34th Period!!

**Transfer to third party**  
(Gain on transfer: approx. 3.61 billion yen)

Recorded across two periods (34th and 36th)

(\*) Gain/loss on transfer are reference figures calculated as the difference between planned transfer value and the book value as of December 31, 2022 and differ from gain (loss) on transfer in accounting.

Sponsor support

Asset replacement

## Acquisition

- **BIZCORE TSUKIJI**  
(Acquisition price 9.8 billion yen)

**Acquisition from core sponsor**

- Low building age (4 years)
- 100% occupancy rate (June 30, 2023)
- Located in central Tokyo
- 3-minute walk from station

- **OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA**  
(Scheduled acquisition price: 13.1 billion yen)

**Acquisition from core sponsor**

- Low building age (8 years)
- 99.2% occupancy rate (June 30, 2023)
- Located in central Tokyo
- 5-minute walk from station

## Occupancy rate of Kowa Kawasaki Nishiguchi Building

- The occupancy rate plan as of December 2022 is as follows.
- There are also concerns that the pace of recovery may be delayed further depending on the leasing environment.

	FP12/2022 (Result)	FP6/2023 (Plan)	FP12/2023 (Plan)	FP6/2024 (Plan)
Period-end occupancy rate	56%	63%	74%	87%

## Value of work performed on 2 transferred properties (for the next 10 years)

- A large amount of capex is expected to be required for renewal of power supply and air conditioning equipment.

(millions of yen)

	2023	2024	2025	2026	2027 onwards
Kawasaki Nishiguchi	170	154	102	99	1,926
Kyobashi	25	32	249	275	345

(\*) Planned values as of December 2022.

# 1. External Growth

## (5) Property Acquired in the 35th Period (Ending 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 <sup>2</sup>		
Standard floor area	Approx. 661 m <sup>2</sup> (Approx. 200 tsubo)		
Completed	July 2019 (4 years)		
Acquisition price	9,800 million yen		
Appraisal value	10,200 million yen		
Acquisition date	July 4, 2023		
NOI yield*	3.6%	NOI yield after depreciation*	3.0%
Occupancy rate	100.0% (as of the end of June 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/m<sup>2</sup> is supplied to the exclusive areas for up to 36 hours** by the emergency power supply



### 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

## (6) 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, Toranomon, 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

• In addition to JIMBOCHO, AKASAKA-MITSUKE, TSUKIJI, SHIBUYA, KANDA-SUDACHO and HIGASHI-KANDA, **planning the complete and begin operations at 10 or more buildings over 5 years from April 2021**

Acquired

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

BIZCORE KANDA-SUDACHO			BIZCORE HIGASHI-KANDA			(Tentative name) BIZCORE SOTOKANDA Project		
	Construction completion	Sep. 2021		Construction completion	Nov. 2022		Construction completion	Jan. 2024 (scheduled)
	Access	1-minute walk from Toei Subway Iwamotocho Station, others		Access	5-minute walk from Toei Subway Iwamotocho Station, others		Access	7-minute walk from Tokyo Metro Ochanomizu Station, others
	Total floor area	1,988.55 m <sup>2</sup>		Total floor area	2,777.49 m <sup>2</sup>		Total floor area	3,543.18 m <sup>2</sup>
	Standard floor size	Approx. 159 m <sup>2</sup> (Approx. 48 tsubo)		Standard floor size	Approx. 251 m <sup>2</sup> (Approx. 76 tsubo)		Standard floor size	Approx. 388 m <sup>2</sup> (Approx. 117 tsubo)

➔ Plan to complete and begin operations in sequence

# 1. External Growth (7) 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

## Overview of Acquisition

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 <sup>2</sup>		
	BRIGHT PLAZA: 4,084.84 m <sup>2</sup>		
Standard floor area	BRIGHT TOWER: Approx. 1,946 m <sup>2</sup> (Approx. 589 tsubo)		
Completed	April 2015 (8 years)		
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	13,500 million yen		
Scheduled acquisition date	April 26, 2024		
NOI yield*	3.5%	NOI yield after depreciation*	2.8%
Occupancy rate	99.2% (as of the end of June 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.

### 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, Saikyō 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/m<sup>2</sup> and outlet capacity of 60 VA/m<sup>2</sup> (can be increased to 100 VA/m<sup>2</sup>)
- Cafe, restaurants and a clinic on 1F and 2F, with excellent range of shops and restaurants in the area

## OSAKI BRIGHT TOWER



## OSAKI BRIGHT PLAZA



# > 1. External Growth (8) 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**

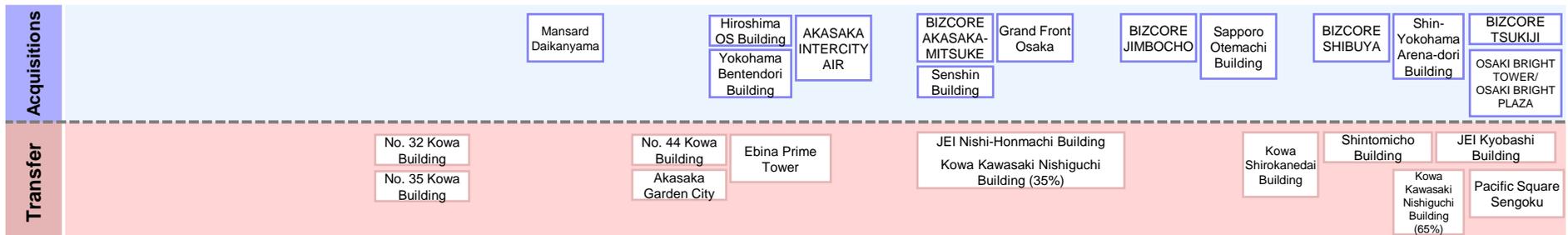
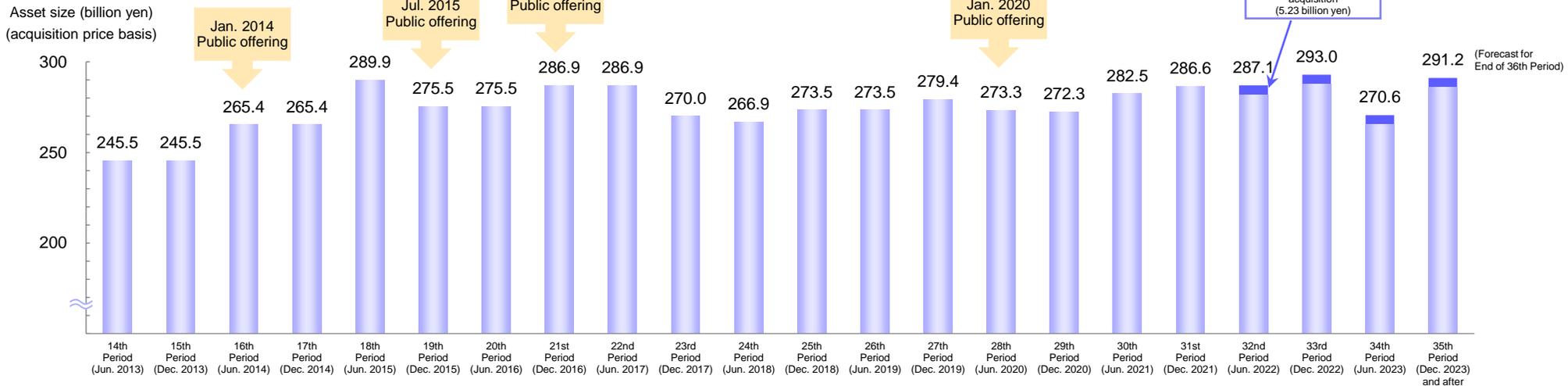
### [Result] (14th - 34th Period)

- ◆ Acquisition: **25** properties, **143.6** billion yen  
Acquisition from sponsor: **61.8%**
- ◆ Transfer: **10** properties, **95.2** 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



# 1. External Growth

## (9) 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
 AKASAKA INTERCITY Completed 2005	 AKASAKA INTERCITY AIR Completed 2017	 GRAND FRONT OSAKA Completed 2013	 ARK HILLS FRONT TOWER Completed 2011	<b>BIZCORE</b> 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
					 (Tentative name) BIZCORE SOTOKANDA Project Scheduled for completion in January 2024

Acquisition of first right of refusal

 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

2007: Acquired 25%  
2013: Acquired 24%

2018: Acquired 2.9%

2020: Acquired 2.45%

2022: Equity interest in anonymous association 49% acquisition

2019: Acquired 100%

2021: Acquired 83.2%

2022: Acquired 100%

2023: Acquired 100%

2011: Acquired 40%  
2014: Acquired 60%

2013: Acquired 27%  
2017: Acquired 52%

2016: Acquired 100%

2024: Acquired 10%



 JEI Hiroshima Hachobori Building Completed 1999	 Hiroshima Dai-ichi Seimei OS Building Completed 1989	 Yokohama Bentendori Dai-ichi Seimei Building Completed 1986
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 BIZCORE AKASAKA-MITSUKE Completed 2019	 BIZCORE JIMBOCHO Completed 2017	 BIZCORE SHIBUYA Completed 2020	 BIZCORE TSUKIJI Completed 2019
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 HAMARIKYU INTERCITY Completed 2011	 Kowa Nishi-Shimbashi Building Completed 1996	 Mansard Daikanyama Completed 2009	 OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA Completed 2015
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Transfer to sponsor << Asset Recycling >>

By your side, for life  
**DAI-ICHI LIFE**



Art Village Osaki

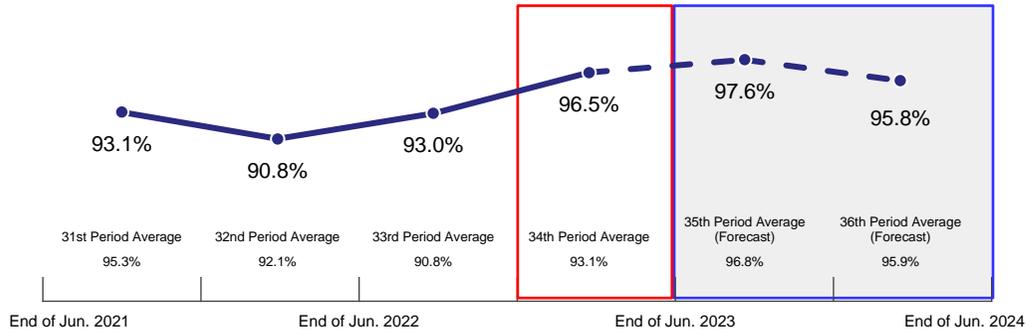


MEGURO CENTRAL SQUARE & Brillia Towers Meguro

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

◆ The occupancy rate recovered after bottoming out in the 32nd period. Recovered to 96.5%, exceeding the plan for FP34 (94.4%), due to transfer of Kowa Kawasaki Nishiguchi Building, etc.

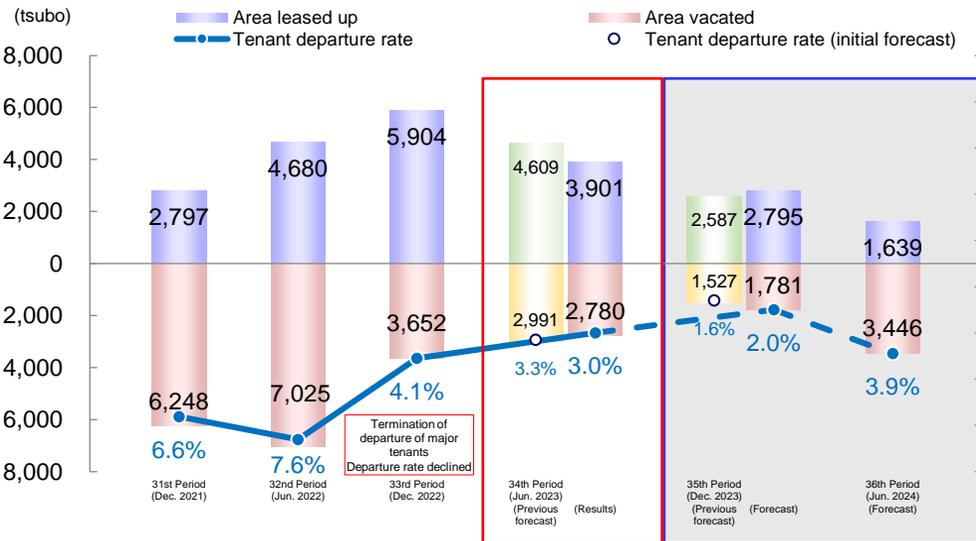
### Historical Period End Occupancy Rate



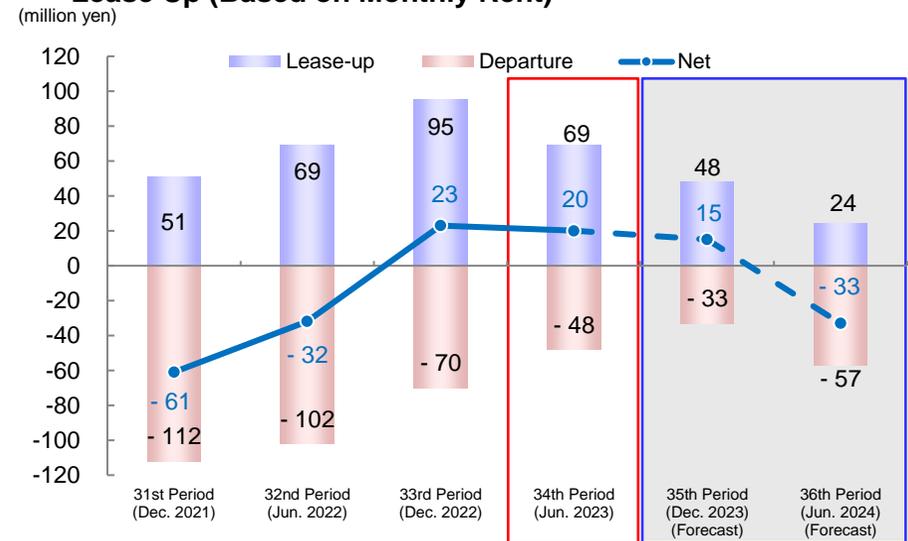
### <Policy on leasing activities>

- Continued focus on “early refilling of vacated floors” and “flexible rent negotiations” based on the leasing environment awareness.
- Focus on early refilling of vacated floors by cooperating with sponsors and setting flexible conditions taking into account the level of difficulty by property
- With regard to rent renewal, the top priority should be placed on preventing departures and flexible responses to requests for rent reduction. Initiatives for upward rent revision mainly at 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.

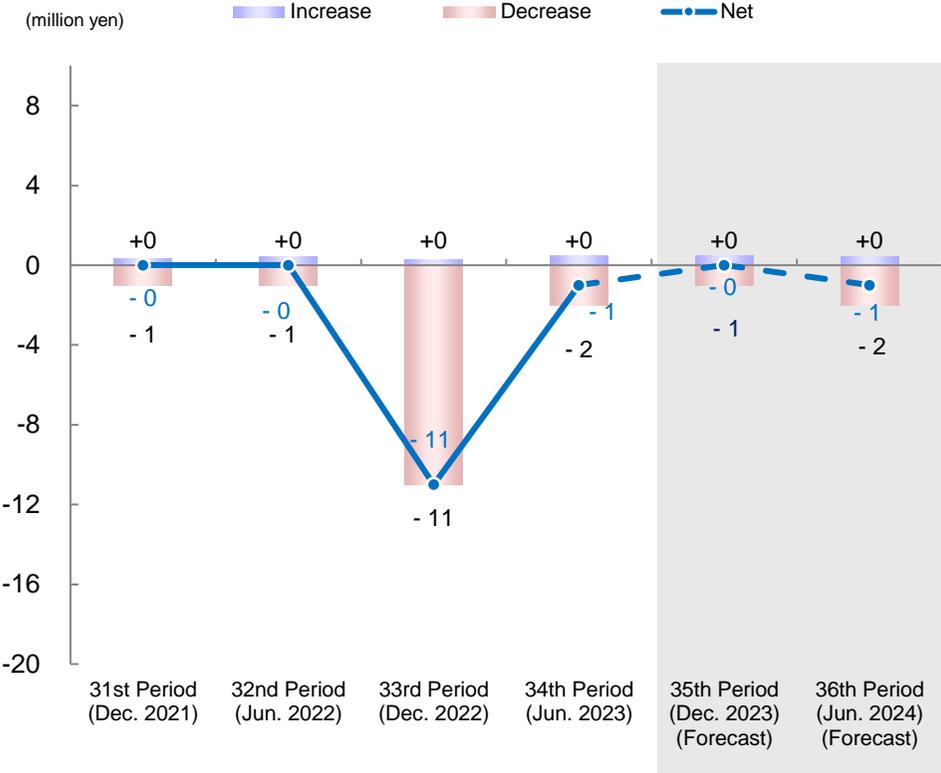
## 2. Internal Growth (1) Status of Rent 2) (Rent Revision)

◆ Flexible response to negotiation of terms with priority on prevention of departures and inducing floor space expansion. Changes in monthly rent recovered to about plus/minus zero

■ Change in Area Subject to Revision



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



	31st Period (Dec. 2021)	32nd Period (Jun. 2022)	33rd Period (Dec. 2022)	34th Period (Jun. 2023)	35th Period (Dec. 2023) (Forecast)	36th Period (Jun. 2024) (Forecast)
Percentage of increased rent	4.2%	3.7%	1.6%	7.4%	2.7%	2.5%
Percentage of decreased rent	6.4%	2.6%	51.0%	12.0%	5.5%	0.7%
Percentage of unchanged rent	89.4%	93.7%	47.4%	80.6%	91.9%	96.8%

	31st Period (Dec. 2021)	32nd Period (Jun. 2022)	33rd Period (Dec. 2022)	34th Period (Jun. 2023)	35th Period (Dec. 2023) (Forecast)	36th Period (Jun. 2024) (Forecast)
Upward revision rate	4.6%	2.8%	10.1%	4.2%	7.2%	3.0%
Downward revision rate	5.7%	7.7%	7.1%	4.3%	5.2%	2.6%
Rent revision rate*2	-0.3%	-0.2%	-3.7%	-0.4%	-0.2%	-0.5%

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

\*2 Figures are average rent revision rate including contract renewal at the same rent and downward revision.

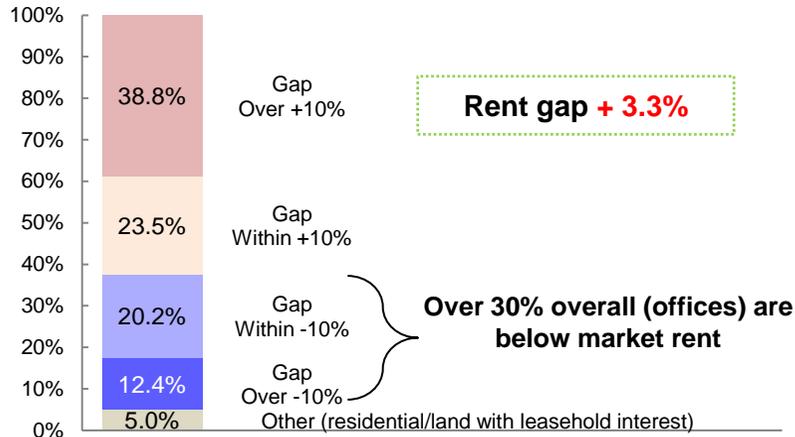
\*3 Rent reductions for a limited period due to the impact of the COVID-19 pandemic are excluded.

\*4 The area with upward/downward rent revisions for the 35th and 36th Periods is the figure only for the sections for which an agreement was reached as of June 30, 2023.

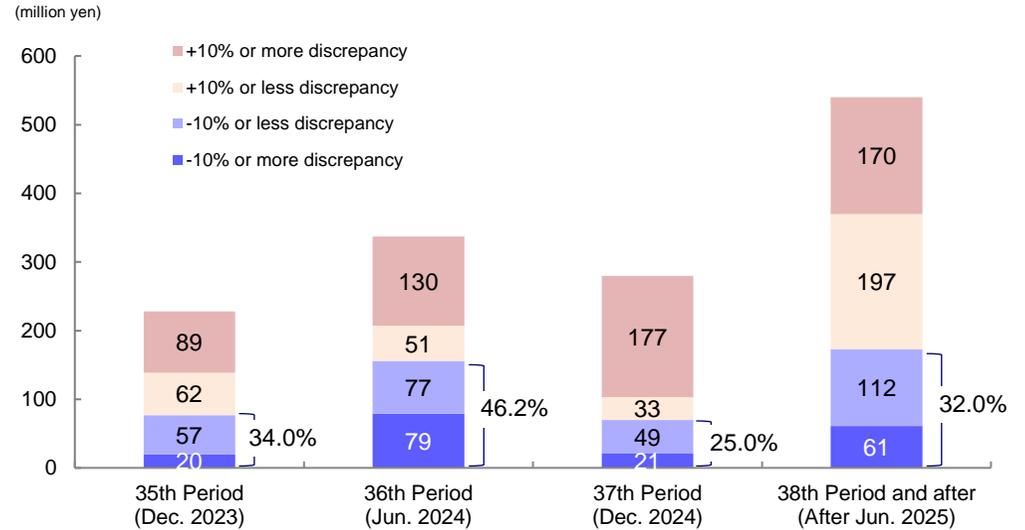
## 2. Internal Growth (2) Status of Rent Gap

◆ Due to decrease in market rents, rent gap was +3.3%\*1

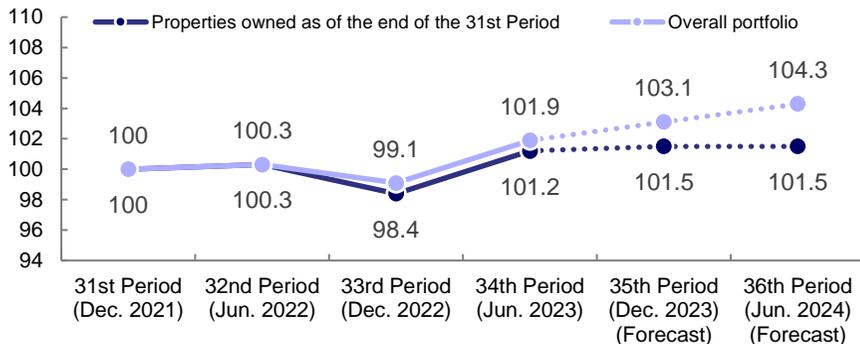
### ■ Status of Rent Gap (as of the End of the 34th Period)\*2



### ■ Monthly Rent by Renewal Period\*2 \*3



### ■ Historical Rent Levels \*2 \*3 \*4



- ◆ Rent gap changed from +1.3% in the previous period to +3.3% due to decrease in market rents
- ◆ Strived for upward rent revision mainly at regional properties for those with negative rent gaps
- ◆ Average rent levels increased due to property replacement

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

\*2 Calculated by excluding GRAND FRONT OSAKA.

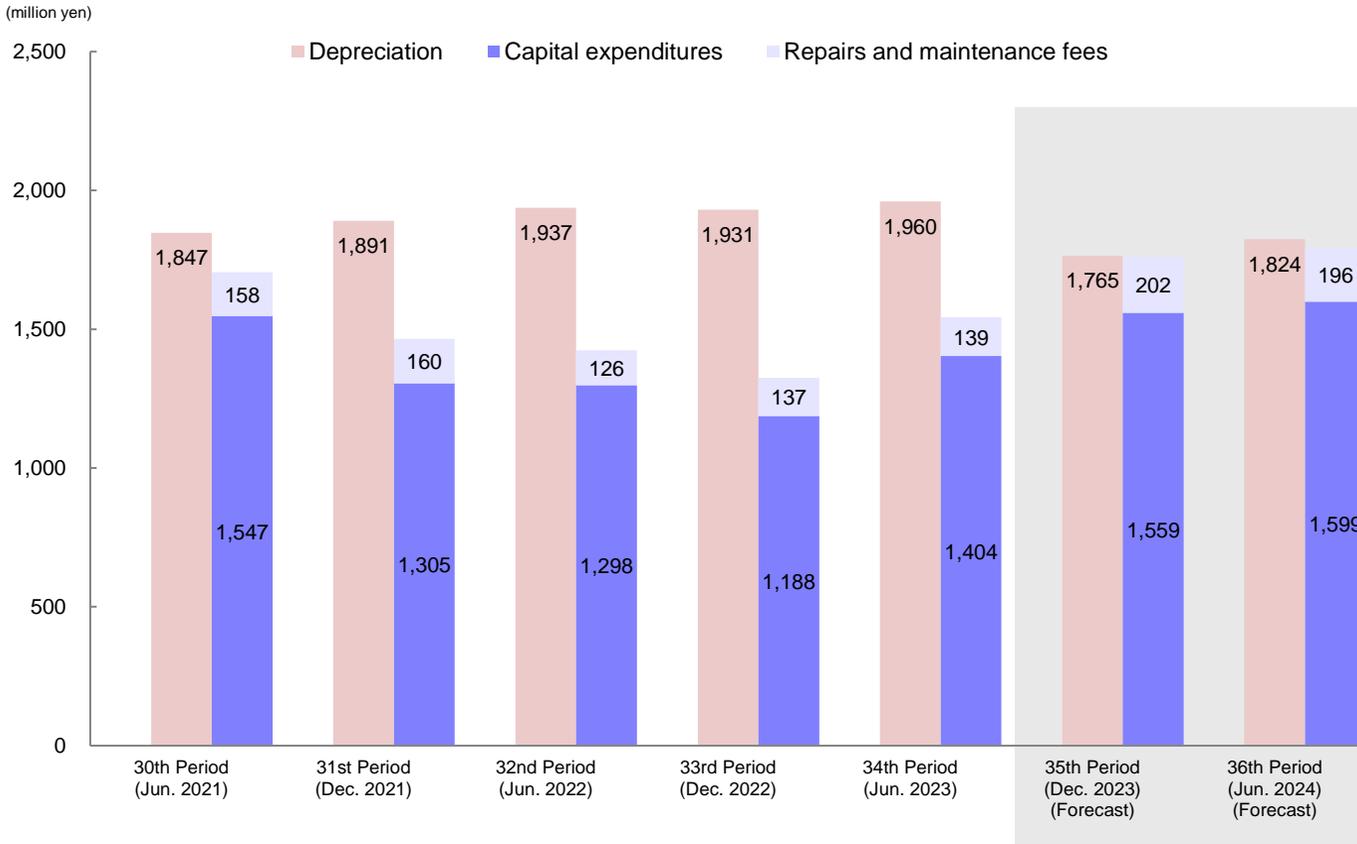
\*3 Calculated by excluding residences.

\*4 Indexed with the average unit rent at the end of the 31st Period set as 100. The average unit rent is the weighted average by leased office area. Properties owned at the end of the 31st Period are properties continuously owned since the end of the 31st Period among those owned at the end of the 34th 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



#### Large-scale renovations due to aging (planned) (35th Period, 36th Period)

[Kowa Kawasaki Higashiguchi Building]	
Renovation of elevator	492 million yen
[Musashikosugi Tower Place]	
Renovation of elevator	258 million yen
[NHK Nagoya Housou-Center Building]	
Renewal of elevator	154 million yen
Renewal of emergency power generation facilities	84 million yen
[Nisseki Yokohama Building]	
Repair of exterior walls	93 million yen
[Senshin Building]	
Repair of exterior wall tiles, etc.	74 million yen
[Omori Bellport D]	
Renewal of cooling tower	63 million yen
[Core City Tachikawa]	
Implementation of LED lighting in the exclusive areas	60 million yen

## > 2. Internal Growth (4) Facility Renewal for CO<sub>2</sub> Emissions Reduction

### ◆ Systematic facility renewal for assets under management with the goals of CO<sub>2</sub> 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 CO<sub>2</sub> emissions and suppressing ozone depletion



#### ■ AKASAKA INTERCITY

Reduction of CO<sub>2</sub> 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 CO<sub>2</sub> 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 June 2024



### 3. Financial Strategy (1) Performance of Financing Activities

- ◆ Appropriately adjusted the timing of refinancing with consideration for the inflow and outflow of funds through property replacement, and reduced financial costs by partially repaying loans
- ◆ Realized loan longer loan duration and diversification of repayment dates through timely target deal for investment corporation bonds
- ◆ Sustainable finance\*1 ratio is top among office J-REITs

#### Repayments and Financing in the 34th Period (Ended June 2023)

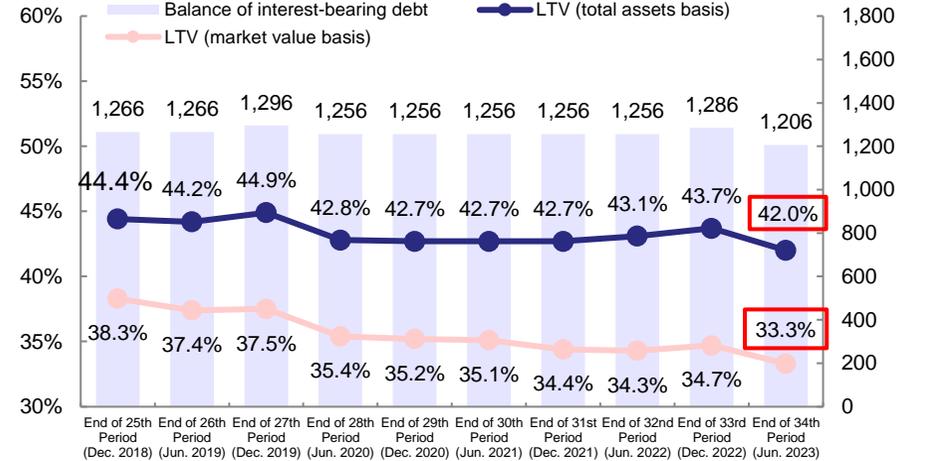
##### Repayment of loan (June 30, 2023)



##### Redemption and issuance of investment corporation bonds (March 30, 2023)

Before refinancing			After refinancing				Comment
Amount	Period	Interest rate	Amount	Period	Interest rate	Execution date	
2.0 billion yen	5 years	0.24%	2.0 billion yen	9 years	0.95%	3/30	Longer loan duration Diversification of repayment dates

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

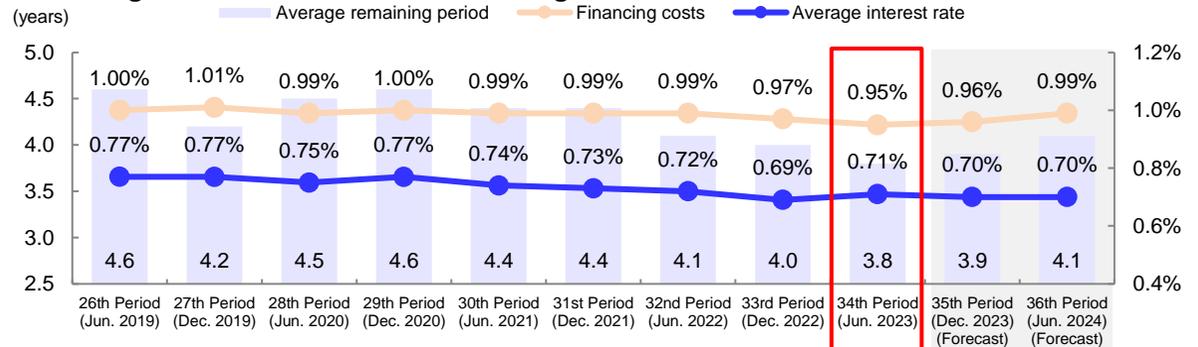


#### <Reference> Pioneering Sustainable Finance Initiatives

##### The ratio of sustainable finance to interest-bearing debt (22.6% as of June 30, 2023) is top 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

#### Historical Average Remaining Period of Interest-Bearing Debt, Financing Costs\*2, and Average Interest Rate of Interest-Bearing Debt



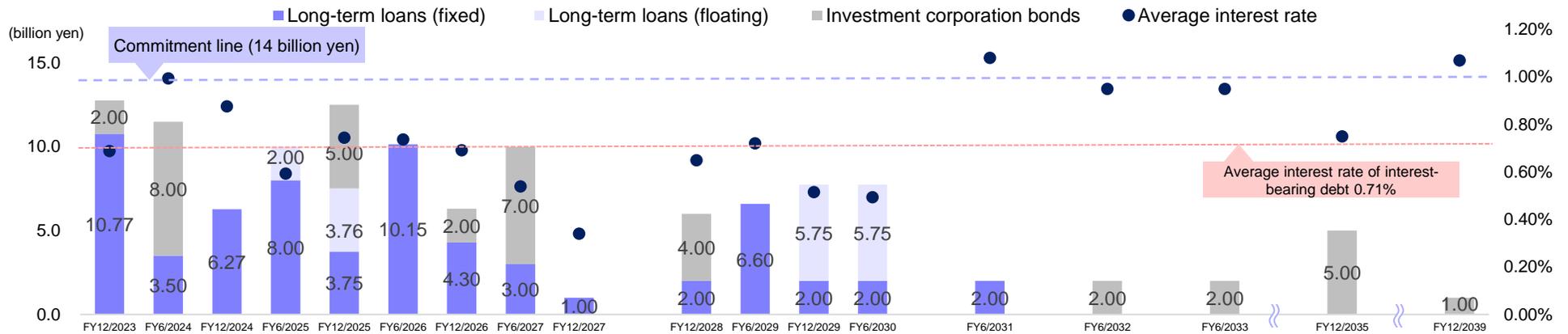
\*1 General term for sustainability finance and green finance.

\*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

◆ Reduction of financial costs while paying attention to diversified fixed interest rate ratios, remaining periods and repayment dates

■ Repayment Amount in Each Period and Average Interest Rate of Interest-Bearing Debt (As of the End of the 34th Period)



### ■ Historical Major Financial Data

	30th Period End (Jun. 2021)	31st Period End (Dec. 2021)	32nd Period End (Jun. 2022)	33rd Period End (Dec. 2022)	34th Period End (Jun. 2023)	Compared with previous period
Balance of interest-bearing debt	125.6 billion yen	125.6 billion yen	125.6 billion yen	128.6 billion yen	120.6 billion yen	-8.0 billion yen
LTV (total assets basis)	42.7%	42.7%	43.1%	43.7%	42.0%	-1.7pt
LTV (market value basis)	35.1%	34.4%	34.3%	34.7%	33.3%	-1.4pt
Average remaining period of interest-bearing debt	4.4 years	4.4 years	4.1 years	4.0 years	3.8 years	-0.2 years
Financial costs	0.99%	0.99%	0.99%	0.97%	0.95%	-0.02pt
Average interest rate of interest-bearing debt	0.74%	0.73%	0.72%	0.69%	0.71%	+0.02pt
Ratio of fixed interest rate	95.4%	90.8%	90.8%	84.2%	85.7%	+1.5pt

### ■ Status of Ratings

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

Memo



## V. ESG Initiatives

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## > ESG Related (1) Initiatives in the 34th Period (Ended June 2023)

	Initiative	Comment
Environment	(1) Reduce CO <sub>2</sub> emissions through shift in electricity source (January 2023 – June 2023)	<ul style="list-style-type: none"> <li>• <b>FY2022 CO<sub>2</sub> emission intensity: 74.2% reduction (compared to FY2013)</b></li> <li>• Reduced CO<sub>2</sub> emissions from electricity use to zero at 23 properties</li> <li>• [Switching ratio to CO<sub>2</sub>-free electricity] Based on area: 64.0%, Based on the number of properties: 67.6%</li> </ul>
	(2) Additional acquisition of Green Building Certification (February 2023)	<ul style="list-style-type: none"> <li>• Acquired with BIZCORE SHIBUYA</li> <li>• 26 properties certified (88.8% on area basis)</li> </ul>
	(3) <b>Establishment of FY2050 CO<sub>2</sub> emission reduction targets</b> (January 2023)	<ul style="list-style-type: none"> <li>• <b>Net zero</b> CO<sub>2</sub> emissions by FY2050</li> </ul>
	(4) <b>Quantitative analysis and disclosure of financial impact of climate change</b> (February 2023)	<ul style="list-style-type: none"> <li>• Implemented and disclosed quantitative analysis following qualitative scenario analysis</li> </ul>
Social	(5) Formulation of Human Rights Policy (January 2023)	<ul style="list-style-type: none"> <li>• Formulated basic policy on respect for human rights</li> </ul>
	(6) Food Donations (April 2023)	<ul style="list-style-type: none"> <li>• Donating emergency food stockpile to NPOs as a measure against hunger and poverty</li> </ul>
Governance	(7) <b>Completed acquisition of additional investment units by core sponsor</b> (January 2023)	<ul style="list-style-type: none"> <li>• Additional acquisition of investment units by Nippon Steel Kowa Real Estate, which is the core sponsor</li> </ul>

# > [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**



## ◆ CO<sub>2</sub> emissions reduction target

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

Long-term target (FY2050) **Net zero**



## External Assessment

◆ GRESB Real Estate Assessment (2022)  
“Green Star” Eighth consecutive years  
“GRESB Rating” Highest “5 star” third consecutive year

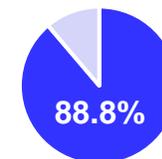


◆ MSCI ESG Rating: **Class A**  
Component of **MSCI Japan ESG Select Leaders Index**



## Property

◆ Green Building Certification  
26 properties  
**88.8%** (area basis)



◆ Promoting switch to CO<sub>2</sub>-free electricity  
**23 out of 34 properties**  
**64.0%** (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

⇒ **22.6% ratio of sustainable finance** (as of June 30, 2023)

# ESG Related (2) Environmental Performance Data

◆ Promote initiatives to achieve reduction targets for CO<sub>2</sub> emissions, energy consumption and water consumption

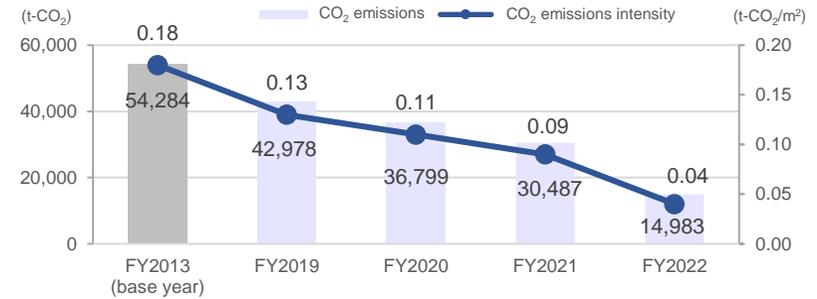
## CO<sub>2</sub> emissions

Reduction target

Reduce CO<sub>2</sub> 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 <sub>2</sub> )	54,284	42,978	36,799	30,487	14,983
Intensity (t-CO <sub>2</sub> /m <sup>2</sup> )	0.18	0.13	0.11	0.09	0.04
Intensity reduction rate (%)	—	-30.7%	-38.2%	-49.3%	<b>-74.2%</b>



## 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 <sup>2</sup> )	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 <sup>2</sup> )	356.2	337.5
Intensity reduction rate (%)	—	<b>-5.3%</b>

## 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 <sup>3</sup> )	395	289	267	281
Intensity (m <sup>3</sup> /m <sup>2</sup> )	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 <sup>3</sup> /m <sup>2</sup> )	1.23	0.87
Intensity reduction rate (%)	—	<b>-28.6%</b>

# > ESG Related (3) Initiatives in the 34th Period (Individual Measures (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 recognize ESG initiatives as the most important issue in management and plan to implement them in a forward-looking manner to deepen our initiatives

## (1) Reduce CO<sub>2</sub> emissions through shift in electricity source (January 2023 - June 2023)

- ◆ Properties switched to CO<sub>2</sub>-free electricity totaled 23 properties

64.0% of total by floor area or 67.6% of total by number of properties (as of end of June 2023)

Type of electricity	Property name
RE100 compatible electric power (16 properties)	SE Sapporo Building, Omori Bellport D, JEI Naha Building NHK Nagoya Housou-Center Building, AKASAKA INTERCITY AIR, AKASAKA INTERCITY, Mansard Daikanyama, Kowa Nishi-Shimbashi Building, Kowa 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
CO <sub>2</sub> -free electric power (7 properties)	Shiba 2-Chome Building, Daiwa Minami-morimachi Building, JEI Hiroshima Hacchobori Building, JEI Kyobashi Building, Aoba-dori Plaza, Pacific Square Sengoku, Yokohama Bentendori Dai-ichi Seimei Building

Through this initiative, we contribute to Goals 7 and 13 of the SDGs: “Ensure access to affordable, reliable, sustainable and modern energy for all” and “Take urgent action to combat climate change and its impacts”

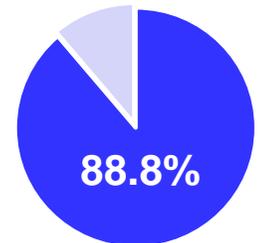


## (2) Additional acquisition of Green Building Certification (February 2023)

- ◆ One property newly acquired Green Building Certification

The percentage of certified properties (area basis) decreased from **89.2%** at the end of December 2022 to **88.8%** at the end of June 2023, and the percentage increased from 72.2% (26 properties) to **74.3 % (26 properties)** based on the number of properties

Percentage of certification



(Property that acquired additional certification in the current period)

“BIZCORE SHIBUYA” CASBEE (S Rank)

## (3) Established FY2050 CO<sub>2</sub> emissions reduction target (January 2023)

- ◆ Net zero CO<sub>2</sub> emissions by FY2050

## > ESG Related (3) Initiatives in the 34th Period (Individual Measures (2))

### (4) Quantitative analysis and disclosure of financial impact of climate change (February 2023)

- ◆ Following qualitative scenario analysis, sought to further enhance climate change responses and expand disclosure by implementing quantitative analysis and disclosure of transition risks and opportunities and financial impact of physical risks brought about by climate change

### (6) Food Donations (April 2023)

- ◆ Donated emergency food stockpile to NPO Mottainai Japan, which provides food and daily necessities to people in need and welfare facilities such as those for foster care, mother and child support, and persons with disabilities

### (5) Formulation of Human Rights Policy (January 2023)

- ◆ JEAM formulated Human Rights Policy for advocating and respecting international norms on the elimination of discrimination and the prevention of harassment to fulfill the responsibility to respect the human rights of all people related to its business activities

### (7) Completed acquisition of additional investment units by core sponsor (January 2023)

- ◆ Intended to align the interests of unit holders and the core sponsors, and achieve medium- to long-term growth of JEI
- ◆ The two core sponsors hold 11.6% of investment units (as of end of June 2023)

# Reference Materials – Features of Japan Excellent Inc.

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Nisseki Yokohama Building



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# > 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.



Continuous expansion of the asset size through the provision of property acquisition opportunities	Strengthening and stabilization 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

### 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

DAI-ICHI 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.

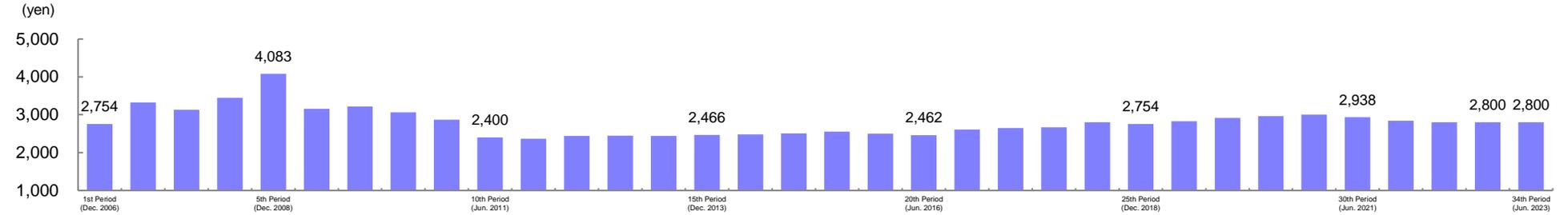
Personnel

Management

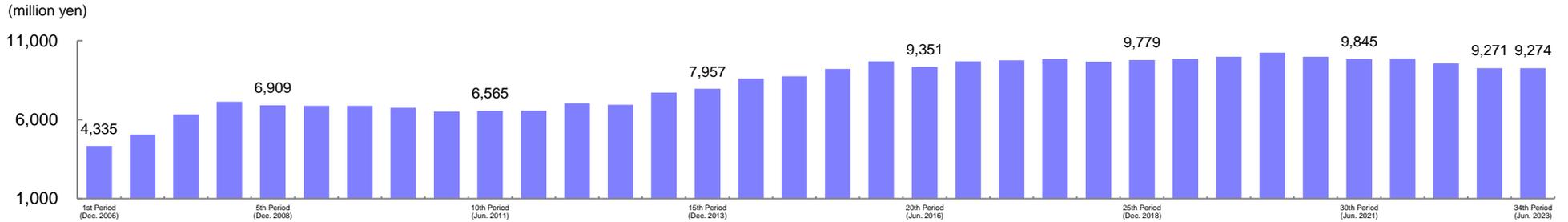
Achievements : **Property** Supply of properties **Loans** Loans **Brokerage** Brokerage for third-party properties **Personnel** Supply of personnel **Management** Management of JEI's properties

## > 2. Track Record

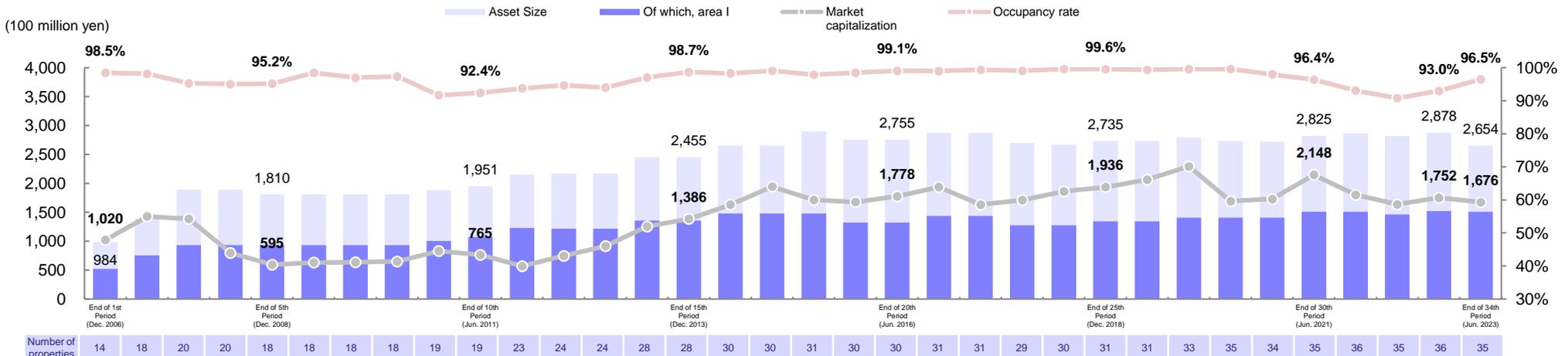
### Distributions per Unit\*1



### 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)

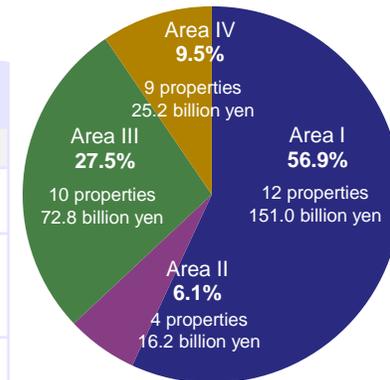
Usage <sup>*1</sup>	Investment ratio in portfolio <sup>*2</sup>
Office buildings	90% or more
Other	10% or less



## Investment area

(Investment Policy)

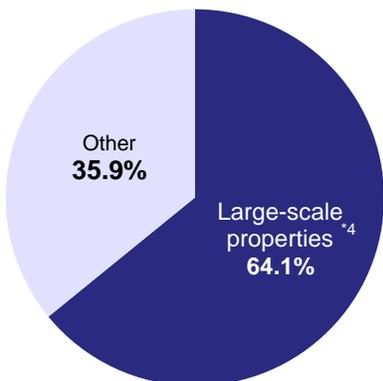
Target investment areas		Investment ratio in portfolio <sup>*2</sup>
<b>Core areas</b>		<b>80% or more</b>
■ Area I	6 central wards of Tokyo (Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya)	50% or more of the core areas
■ Area II	Central Osaka City (Umeda, Dojima, Nakanoshima, Yodoyabashi, Honmachi, 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<sup>\*3</sup>  
84.4%

## Property Size

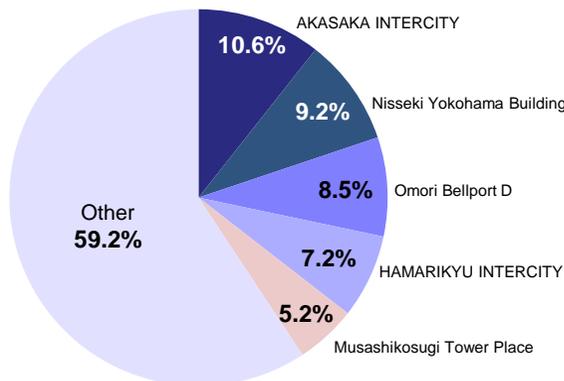
(acquisition price basis)



Consisting mainly of large properties

## Top 5 Properties

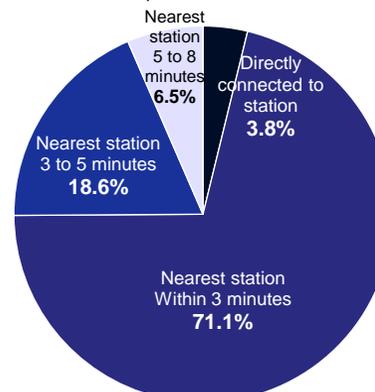
(acquisition price basis)



Ratio of top 5 properties  
40.8%

## Walking Distance from Closest Station

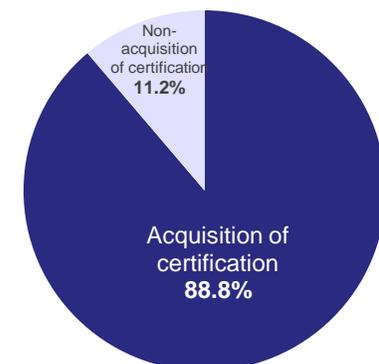
(based on leasable area)



Approximately 75% are directly connected to or located within a 3-minute walk of the closest station  
Approximately 94% are located within a 5-minute walk of the closest station

## Green Building Certification

(area basis)<sup>\*5</sup>



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.

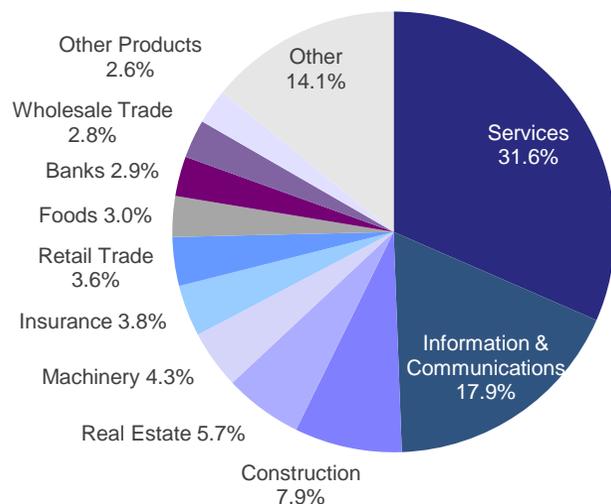
\*3 "Tokyo metropolitan area" indicates Tokyo and its surrounding areas (Kanagawa, Saitama and Chiba prefectures) (Area I and Area III).

\*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. 52 for definitions of the figures above. \*6 The figures above are figures as of June 30, 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 34th Period.

### ■ Top 10 End Tenants

End tenant name	Property name	Total area leased (m <sup>2</sup> )	Floor area ratio	
Toshiba Information System (Japan) Corp.	Kowa Kawasaki Higashiguchi Building	18,612.72	6.3%	
Hitachi Real Estate Partners, Ltd.	Omori Bellport D	11,654.01	3.9%	
	JEI Hiroshima Hacchobori Building			
	SE Sapporo Building			
	Yokohama Bentendori Dai-ichi Seimei Building			
Aoba-dori Plaza	Haseko Corporation	Shiba 2-Chome Building	9,284.18	3.1%
		*3	*3	8,372.71
*3	*3	6,572.84	2.2%	
*3	*3	6,539.19	2.2%	
*3	Nisseki Yokohama Building	6,454.68	2.2%	
Hitachi Zosen Corporation	Omori Bellport D	5,383.97	1.8%	
*3	Nisseki Yokohama Building	3,672.31	1.2%	
*3	Nisseki Yokohama Building	3,543.27	1.2%	
Total of top 10 end tenants		80,089.88	27.1%	
Total of portfolio overall		296,029.75	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 34th 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	7	JEI Hongo Building	4	JEI Hiroshima Hacchobori Building	43
Shiba 2-Chome Building	2	BIZCORE JIMBOCHO	8	Kawasaki Nisshincho Building	30	SE Sapporo Building	43
JEI Hamamatsucho Building	5	BIZCORE SHIBUYA	7	JEI Ryogoku Building	18	Aoba-dori Plaza	47
AKASAKA INTERCITY	17	NHK Nagoya Housou-Center Building	41	Pacific Square Sengoku	10	Daiwa Minami-morimachi Building	10
Daiba Garden City Building	3	Osaka Kogin Building (Land with Leasehold Interest)	1	Core City Tachikawa	25	JEI Naha Building	18
HAMARIKYU INTERCITY	12	GRAND FRONT OSAKA (Umekita Plaza / South Building)	2	Nisseki Yokohama Building	45	Hiroshima Dai-ichi Seimei OS Building	29
Kowa Nishi-Shimbashi Building	5	GRAND FRONT OSAKA (North Building)	5	Yokohama Bentendori Dai-ichi Seimei Building	13	Senshin Building	15
Mansard Daikanyama	10	Musashikosugi Tower Place	49	Shin-Yokohama Arena-dori Building	12	Sapporo Otemachi Building	26
AKASAKA INTERCITY AIR	1	Kowa Kawasaki Higashiguchi Building	1	JEI Kyobashi Building	22	Total	611

\*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 34th 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 CO<sub>2</sub> Emissions

JEI will contribute to energy-saving and reduction of CO<sub>2</sub> 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.

### ■ Target

- ◆ 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.

### ■ Concrete Initiatives

- ◆ JEI regularly collects data on energy consumption, CO<sub>2</sub> emissions, water consumption and amount of waste and continuously monitors them.

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

- ◆ At 23 properties, it has been decided that renewable energy-derived electricity and CO<sub>2</sub>-free electricity will comprise 100% of electricity in use.

- ◆ 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 conducts a survey of 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.

- ◆ 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

## > 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 CO<sub>2</sub> emissions by further expanding the use of renewable energy and CO<sub>2</sub>-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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 June 30, 2023)

**Their interests are aligned with that of unit holders.**

### ■ 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.



NIPPON STEEL KOWA  
REAL ESTATE

By your side, for life

DAI-ICHI LIFE

### ■ Management Fee Structure

Management fees linked to revenue are introduced.

	Calculation method
Asset Management Fee I	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) Fee rates: <ul style="list-style-type: none"> <li>• 0.25% (Assets under management: Portion up to ¥100 billion)</li> <li>• 0.15% (Assets under management: Portion over ¥100 billion up to ¥200 billion)</li> <li>• 0.05% (Assets under management: Portion over ¥200 billion)</li> </ul>
Asset Management Fee II	(The amount of ordinary income before deducting Management Fee II + the amount of depreciation) x 4.0%

### ■ JEI's Board of Directors

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



2 Supervisory Directors  
(Outside directors)

Experts in various areas (attorneys and certified public accountants) 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<sup>\*1</sup>



G R E S B  
★★★★★ 2022

Received **“Green Star”** for the eighth consecutive year in GRESB Real Estate Assessment conducted in 2022.

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

## ■ MSCI ESG Rating



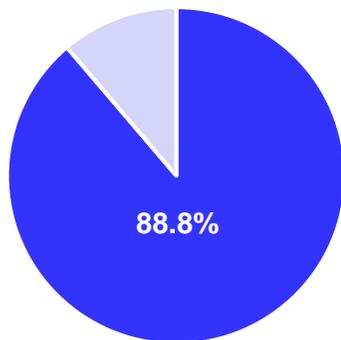
CCC B BB BBB **A** AA AAA

Acquired rating of A Class in MSCI ESG Rating  
Component of MSCI Japan ESG Select Leaders Index

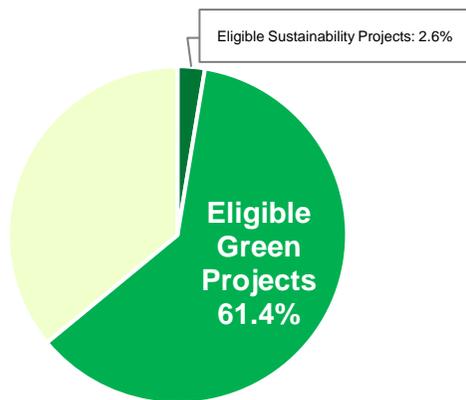
## ■ Green Building Certification

### ◆ Green Building Certification<sup>\*2</sup>

26 properties certified  
(88.8% on area basis)



### ◆ Eligible Green Projects and Eligible Sustainability Projects<sup>\*3</sup>



### ◆ BELS Evaluation<sup>\*4</sup>



BIZCORE JIMBOCHO earns four stars  
(December 2022)



BIZCORE AKASAKA-MITSUKE earned three stars  
(May 2022)



Nisseki Yokohama Building earned two stars  
(April 2020)

### ◆ CASBEE Wellness Office Certification<sup>\*5</sup>



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

### ◆ Office Taking Excellent Specific Global Warming Countermeasures<sup>\*6</sup>

AKASAKA INTERCITY AIR certified as Top-Level Office

<sup>\*1</sup> “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.

<sup>\*2</sup> “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 June 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 Building Environment and Energy Conservation.

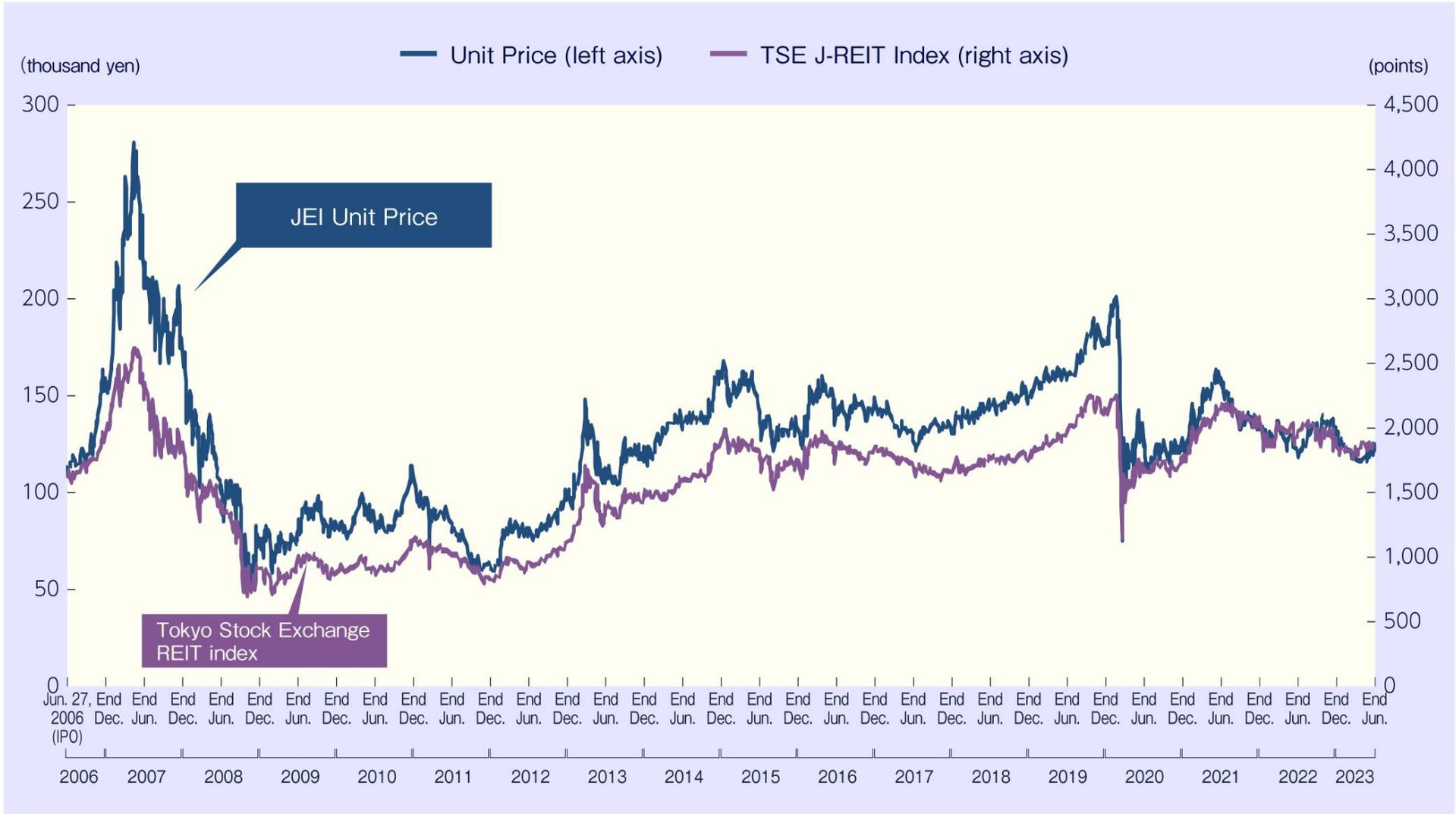
<sup>\*3</sup> “Eligible Green Projects” are assets that have received one of the following certifications within the previous 3 years as of the payment date upon issuance of green bonds or are scheduled to receive such, and those selected at the sustainability committee of JEAM: (1) DBJ Green Building 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 June 2023.

<sup>\*4</sup> “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 ★★★★★).

<sup>\*5</sup> “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.

<sup>\*6</sup> 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



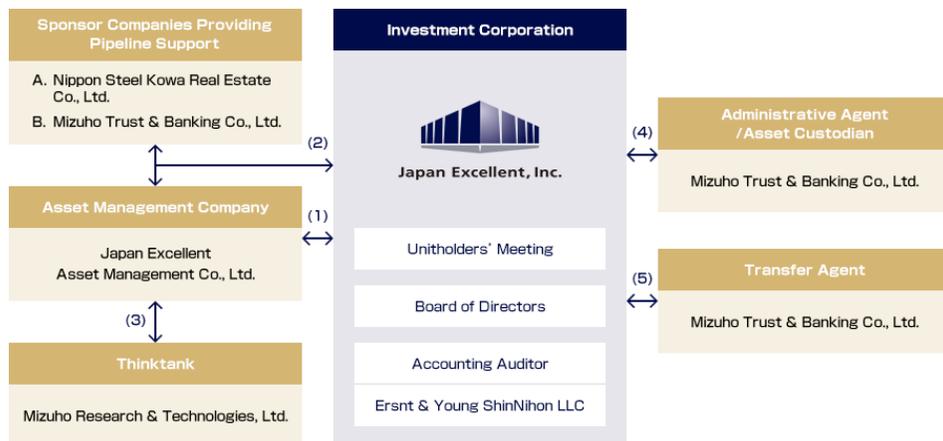
\*1 Unit prices for December 25, 2013, and earlier are divided by 5.

# > 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

## ■ Organization of JEI



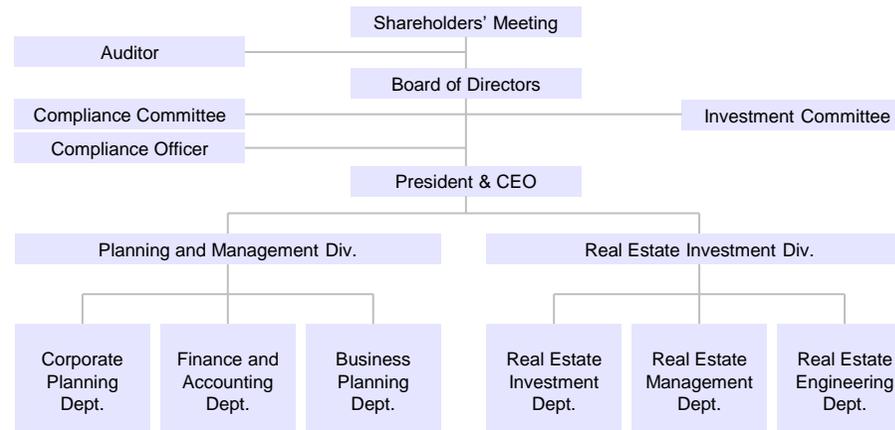
- (1) Asset Management agreement
- (2) A. Pipeline support agreement with NIPPON STEEL KOWA REAL ESTATE  
B. Pipeline support agreement with Mizuho Trust & Banking
- (3) Agreement to provide market and other information
- (4) Agreement to entrust administrative duties and asset custody
- (5) Agreement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

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# Financial Results of the 34th Period (Ended June 2023) (1) Comparison with the Previous Period

◆ The gains on sale from property replacement were utilized to maintain distributions at 2,800 yen as stated in the performance forecasts

	33rd Period	34th Period	Difference
	Dec. 2022 Result	Jun. 2023 Result	
Operating revenue	10,699	13,823	3,123
Rental revenue	9,271	9,274	3
Revenue for utilities expenses	693	681	-12
Other revenue	176	124	-51
Distribution to Anonymous Association	28	60	32
Gain on sales of real estate, etc.	530	3,683	3,153
Operating expenses	6,567	9,346	2,778
Expenses for rental operations	5,944	5,972	27
Property management expenses	1,580	1,525	-55
Utilities expenses	1,156	1,149	-7
Taxes	976	1,036	59
Repairs and maintenance	137	139	1
Other expenses for rental operations	160	161	0
(NOI)	6,128	6,067	-60
Depreciation	1,931	1,960	28
Loss on sales of real estate, etc.	0	2,703	2,703
Sales and administrative expenses	622	670	47
Operating income	4,132	4,477	344
Non-operating expenses	629	595	-34
Ordinary income	3,503	3,882	379
Net income	3,502	3,881	379
Provision (-) and reversal (+) of reserve for reduction entry	+243	-136	-379
Total distributions	3,745	3,745	0
Distributions per unit (yen)	2,800	2,800	0
FFO	4,903	4,861	-41

(Unit: million yen)

Factors	Balance	DPU conversion (yen)	Main causes for change
■External Growth (Newly Acquired Properties)	14	11 yen	
Increase in property acquired (distribution to Anonymous Association) in the 32nd period	32		ARK Hills FRONT TOWER
Decrease in profit after depreciation of properties acquired in the 33rd Period	-29		Absence of BIZCORE SHIBUYA cancellation penalty
Increase in profit after depreciation of properties acquired in the 34th Period	12		Shin-Yokohama Arena-dori Building
■Internal Growth (Existing Properties)	-70	-53 yen	
Increase in rental revenue	15		Departure and lease-up: 46 (Lease-up: 338, departure: -292) Rent revisions: -34 (Increase: 5, Decrease: -39) Other: 3
Increase in utilities revenue/expenses	7		
Decrease in other revenue	-23		
Increase in expenses for rental operations	-23		Absence of Omori cancellation penalty: -19
Decrease in property management expenses	27		Absence of leasing fees (new, renewals): 37
Increase in taxes	-26		
Decrease in repairs and maintenance	3		
Increase in depreciation	-27		Non-deductible consumption tax: -25 Asset Management Fee II: -16
Increase in sales and administrative expenses	-47		Absence of arrangement fee
■Finance	34	26 yen	
Decrease in interest expense	17		
Decrease in loan-related fees	21		Absence of gain on sale of Shintomicho Building (40%): -530 Gain on sale of Shintomicho Building (60%): 797 Gain on sale of JEI Kyobashi Building (80%): 2,885
Increase in other financial expenses	-4		
■Transfer	401	300 yen	
Increase in gain on sale	3,153		Kowa Kawasaki Nishiguchi Building
Increase in loss on sale	-2,703		Shintomicho Building (40%)
Decrease in profit after depreciation of properties transferred in the 33rd Period	-1		
Decrease in profit after depreciation of properties transferred in the 34th Period	-46		Shintomicho Building (60%): -22 Kowa Kawasaki Nishiguchi Building: -17 JEI Kyobashi Building (80%): -6
■Reserve for Reduction Entry	-379	-283 yen	
Absence of reversal/increase in provision of reserve for reduction entry	-379		
Total	0	0	

# Financial Results of the 34th Period (Ended June 2023) (2) Comparison with the Forecast

◆ Distributions were maintained at the forecast level and reserve for reduction entry was increased through gains on sales associated with replacement and internal growth

	34th Period	34th Period	Difference
	Jun. 2023 Initial forecast	Jun. 2023 Result	
Operating revenue	10,859	13,823	2,964
Rental revenue	9,247	9,274	26
Revenue for utilities expenses	690	681	-9
Other revenue	75	124	48
Distribution to Anonymous Association	52	60	7
Gain on sales of real estate, etc.	792	3,683	2,891
Operating expenses	6,699	9,346	2,646
Expenses for rental operations	6,060	5,972	-88
Property management expenses	1,548	1,525	-23
Utilities expenses	1,200	1,149	-50
Taxes	997	1,036	39
Repairs and maintenance	179	139	-40
Other expenses for rental operations	180	161	-18
(NOI)	5,909	6,067	158
Depreciation	1,955	1,960	4
Loss on sales of real estate, etc.	0	2,703	2,703
Sales and administrative expenses	639	670	30
Operating income	4,159	4,477	318
Non-operating expenses	600	595	-4
Ordinary income	3,559	3,882	322
Net income	3,558	3,881	322
Provision (-) and reversal (+) of reserve for reduction entry	+186	-136	-322
Total distributions	3,745	3,745	0
Distributions per unit (yen)	2,800	2,800	0
FFO	4,721	4,861	139

(Unit: million yen)

Factors	Balance	DPU conversion (yen)	Main causes for change
■External Growth (Newly Acquired Properties)	20	15 yen	
Increase in property acquired (distribution to Anonymous Association) in the 32nd period	7		ARK Hills FRONT TOWER
Increase in profit after depreciation of assets acquired in the 33rd Period	13		BIZCORE SHIBUYA restoration work revenue
■Internal Growth (Existing Properties)	137	103 yen	
Increase in rental revenue	30		Departure and lease-up: -8 (Lease-up: -6, Departure: -2) Rent revision: 11 Other: 27
Increase in utilities revenue/expenses	41		
Increase in other revenue	36		AKASAKA AIR and Nisseki Yokohama conference room usage fees: 13 Sky House Hamarikyu renewal fee: 4
Decrease in expenses for rental operations	60		
Decrease in property management expenses	15		
Increase in taxes	-11		
Decrease in repairs and maintenance	40		
Increase in depreciation	-2		
Decrease in other expenses for rental operations	18		
Increase in sales and administrative expenses	-30		
■Finance	4	3 yen	Non-deductible consumption tax: -26 Asset Management Fee II: -13
Increase in interest expense	-5		
Decrease in loan-related fees	9		
■Sale of Properties Ordinary	160	120 yen	
Increase in gain on sale	2,891		Gain on sale of Shintomicho Building (60%): 5 Gain on sale of JEI Kyobashi Building: 2,885
Increase in loss on sale	-2,703		Loss on sale of Kowa Kawasaki Nishiguchi Building
Decrease in profit after depreciation of properties transferred in the 34th Period	-27		
■Reserve for Reduction Entry	-322	-241 yen	
Absence of reversal/increase in provision of reserve for reduction entry	-322		Shintomicho Building (60%): -4 Kowa Kawasaki Nishiguchi Building: -19 JEI Kyobashi Building (80%): -3
Total	0	0	

# > Performance Forecasts (1) 35th Fiscal Period (Ending December 2023)

◆ Reserve for reduction entry was increased and distributions per unit were maintained at 2,800 yen through acquisitions of new properties, increases in rental revenue, and the gain on sale of Pacific Square Sengoku

	34th Period	35th Period	Difference
	Jun. 2023 Result	Dec. 2023 Forecast	
Operating revenue	13,823	10,785	-3,038
Rental revenue	9,274	9,234	-40
Revenue for utilities expenses	681	706	25
Other revenue	124	93	-31
Distribution to Anonymous Association	60	55	-5
Gain on sales of real estate, etc.	3,683	696	-2,987
Operating expenses	9,346	6,316	-3,029
Expenses for rental operations	5,972	5,694	-277
Property management expenses	1,525	1,451	-73
Utilities expenses	1,149	1,144	-4
Taxes	1,036	963	-73
Repairs and maintenance	139	202	63
Other expenses for rental operations	161	168	6
(NOI)	6,067	6,104	36
Depreciation	1,960	1,765	-195
Loss on sales of real estate, etc.	2,703	0	-2,703
Sales and administrative expenses	670	621	-48
Operating income	4,477	4,468	-8
Non-operating expenses	595	594	-1
Ordinary income	3,882	3,874	-7
Net income	3,881	3,873	-7
Provision (-) and reversal (+) of reserve for reduction entry	-136	-128	7
Total distributions	3,745	3,745	0
Distributions per unit (yen)	2,800	2,800	0
FFO	4,861	4,943	81

(Unit: million yen)

Factors	Balance	DPU conversion (yen)	Main causes for change
■External Growth (Newly Acquired Properties)	211	158 yen	
Increase in profit after depreciation of properties acquired in the 34th Period	33		Full-year contribution of Shin-Yokohama Arena-dori building
Increase in profit after depreciation of properties acquired in the 35th Period	178		BIZCORE TSUKUI
■Internal Growth (Existing Properties)	46	35 yen	
Increase in rental revenue	141		Departure and lease-up: 167 (Lease-up: 381, departure: -214) Rent revisions: -4 (Increase: 4, Decrease: -8) Other: -22
Decrease in anonymous association distributions	-5		
Decrease in utilities revenue/expenses	-2		
Decrease in other revenue	-25		Absence of BIZCORE SHIBUYA restoration work revenue: -10 Absence of refund of Core City Tachikawa association surplus: -9
Increase in expenses for rental operations	-110		
Decrease in property management expenses	1		
Increase in taxes	-20		
Increase in repairs and maintenance	-83		
Decrease in depreciation	5		
Increase in other expenses for rental operations	-12		
Decrease in sales and administrative expenses	48		Property inspection costs: 22 Non-deductible consumption tax: 22
■Finance	1	1 yen	
Decrease in interest expense	18		Arrangement fee
Increase in loan-related fees	-18		
Decrease in other financial expenses	1		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: 696
■Transfer	-266	-199 yen	
Decrease in gain on sale	-2,987		Absence of loss on sale of Kowa Kawasaki Nishiguchi Building
Decrease in loss on sale	2,703		
Decrease in loss after depreciation of properties transferred in the 34th Period	50		
Decrease in profit after depreciation of properties transferred in the 35th Period	-32		Kowa Kawasaki Nishiguchi Building: 120 JEI Kyobashi Building (80%): -69
■Reserve for Reduction Entry	7	6 yen	
Decrease in provision of reserve for reduction entry	7		Pacific Square Sengoku
Total	0	0	

## > Performance Forecasts (2) 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, although the increase in expenses for rental operations will be offset by the acquisition of new properties, distributions per unit will be 2,600 yen due to an increase in the provision of reserve for reduction entry

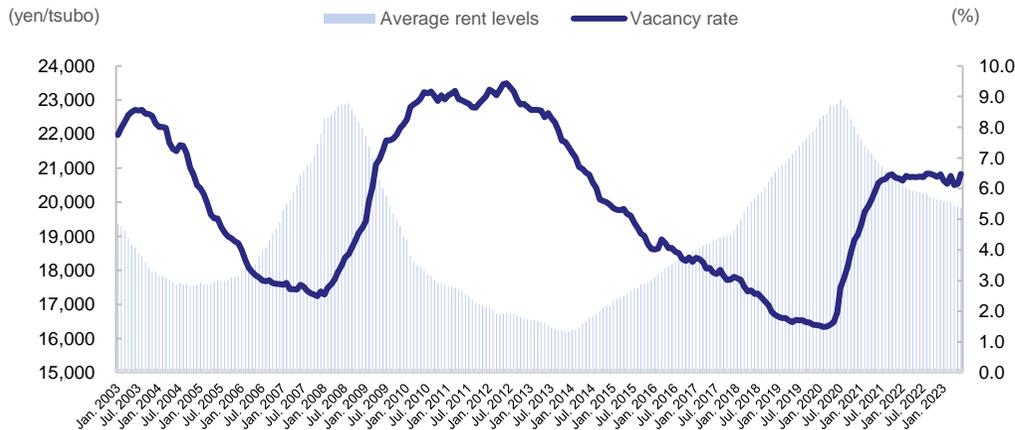
	35th Period	36th Period	Difference
	Dec. 2023 Forecast	Jun. 2024 Forecast	
Operating revenue	10,785	10,822	37
Rental revenue	9,234	9,292	58
Revenue for utilities expenses	706	654	-52
Other revenue	93	89	-3
Anonymous association distributions	55	65	9
Gain on sales of real estate, etc.	696	721	25
Operating expenses	6,316	6,358	42
Expenses for rental operations	5,694	5,729	35
Property management expenses	1,451	1,473	21
Utilities expenses	1,144	1,046	-97
Taxes	963	998	35
Repairs and maintenance	202	196	-5
Other expenses for rental operations	168	190	22
(NOI)	6,104	6,130	26
Depreciation	1,765	1,824	59
Sales and administrative expenses	621	629	7
Operating income	4,468	4,463	-5
Non-operating expenses	594	600	6
Ordinary income	3,874	3,863	-11
Net income	3,873	3,862	-11
Provision (-) and reversal (+) of reserve for reduction entry	-128	-384	-256
Total distributions	3,745	3,477	-267
Distributions per unit (yen)	2,800	2,600	-200
FFO	4,943	4,965	22

(Unit: million yen)

Factors	Balance	DPU conversion (yen)	Main causes for change
■External Growth	61	46 yen	
Decrease in profit after depreciation of properties acquired in the 35th Period	-5		Full-year contribution and occurrence of taxes of BIZCORE TSUKUJI
Increase in profit after depreciation of properties acquired in the 36th Period	67		OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA
■Internal Growth (Existing Properties)	-79	-60 yen	
Decrease in rental revenue	-17		Departure and lease-up: -35 (Lease-up: 295, Departure: -330) Rent revisions: -5 (Increase: 2, Decrease: -7) Other: 23
Increase in distribution to Anonymous Association	9		
Increase in utilities revenue/expenses	43		
Decrease in other revenue	-3		
Increase in expenses for rental operations	-104		
Increase in property management expenses	-12		
Increase in taxes	-30		
Decrease in repairs and maintenance	3		
Increase in depreciation	-43		
Increase in other expenses for rental operations	-21		
Increase in sales and administrative expenses	-7		
■Finance	-6	-5 yen	
Decrease in interest expense	1		
Increase in loan-related fees	-3		
Increase in other financial expenses	-4		
■Sale of Properties Ordinary	13	10 yen	
Increase in gain on sale	25		Absence of gain on sale of Pacific Square Sengoku: -696 Gain on sale of JEI Kyobashi Building (20%): 721
Decrease in loss 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	-17		JEI Kyobashi Building (20%)
■Reserve for Reduction Entry	-256	-192 yen	
Increase in provision of reserve for reduction entry	-256		
Total	-267	-200 yen	

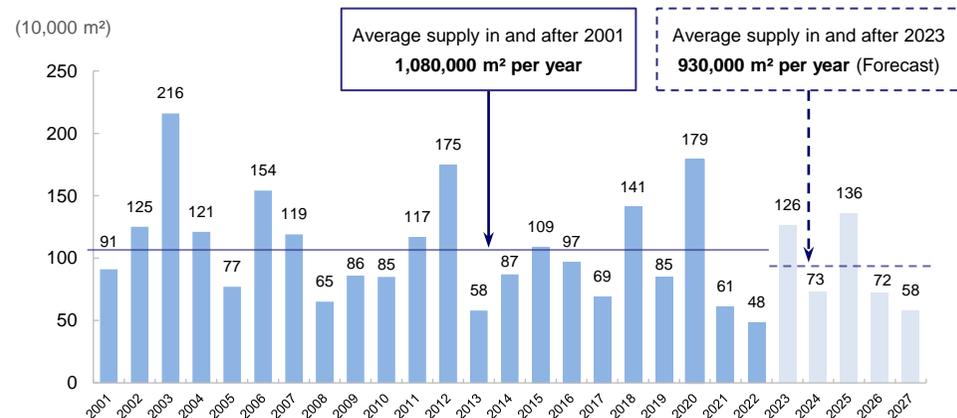
# Environmental Awareness

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



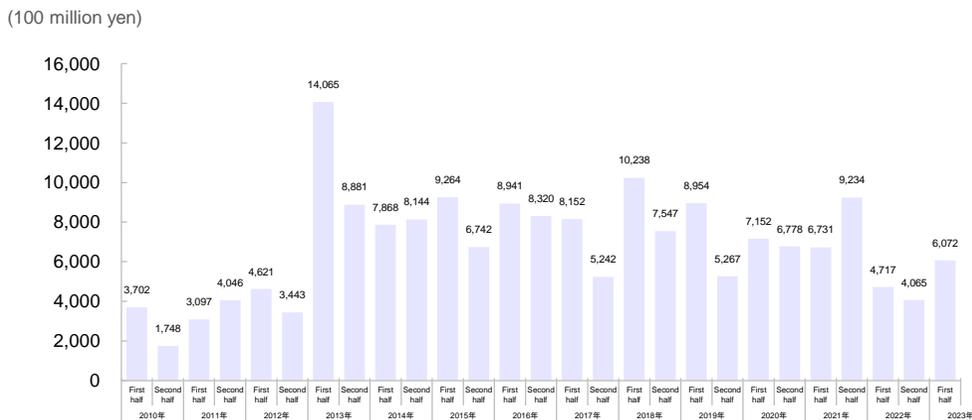
Source: Miki Shoji Co., Ltd.

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



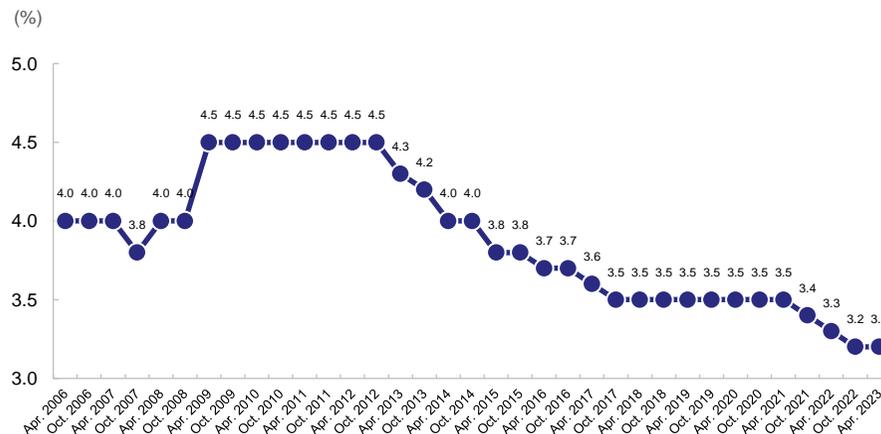
Source: Mori Building Co., Ltd.

## 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-13	I-14	I-15	I-16	I-17	I-18	I-19	II-1	II-3	II-4	II-5	III-1	III-2	III-3	III-5	III-7	III-9	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	Suba 2-Chome	Hamaatadcho	AKASAKA INTERCITY	Daiha Garden City	HAMAOKU INTERCITY	Shinmicho Building	Kowa Nishi-Shimbashi	Daiyayama	Mansard	AKASAKA INTERCITY AIR	AKASAKA-MITSUKE	BIZCORE AKASAKA-JIMBOCHO	BIZCORE JIMBOCHO	BIZCORE SHIBUYA	NHK Nagoya	Osaka Kojin Building (Land with Leasehold)	Grand Front Osaka (Umeita Plaza / South Building)	(North Building)	Musashi Kosugi	Higashiguchi	Kawasaki	Hongo	Nishin-dto	Kawasaki Ryogoku	Nishi-guchi	Sengoku	Core City / Tachikawa	Nisseki Yokohama	Yokohama Benten-dori	Shin-Yokohama Aera-dori	Kiyasashi	Hiroshima Heicho-dori	SE Sapporo	Aoba-dori Plaza	Daiba Minami-morimachi	Naha		Hiroshima OS	Senshin Building
Revenue from operations	810	377	123	517	330	747	6	-	229	-	130	-	146	373	98	-	-	-	698	-	-	186	116	274	62	330	1,218	42	24	187	146	438	188	192	86	147	48	135	10,079	
Rental revenue	756	377	113	492	301	697	5	-	210	-	126	-	130	-	98	-	-	-	639	-	-	181	106	249	56	310	1,111	39	21	170	133	345	166	174	76	139	40	120	9,274	
Other rental revenue	54	0	9	24	29	49	0	-	18	-	4	-	15	-	-	-	-	-	58	-	-	5	10	24	5	20	106	3	3	17	12	93	22	18	10	7	7	14	805	
Expenses from operations	495	142	105	274	215	435	5	-	140	-	51	-	53	259	56	-	-	-	408	-	-	120	80	394	34	140	783	24	12	100	89	235	109	81	51	74	21	70	5,972	
Property management expenses	141	52	22	83	47	132	0	-	33	-	13	-	17	68	-	-	-	-	112	-	-	58	20	76	5	30	165	7	3	16	19	33	36	23	8	18	4	13	1,525	
Utilities expenses	106	-	10	52	37	69	1	-	25	-	5	-	7	42	-	-	-	-	90	-	-	-	13	48	6	42	221	5	3	20	16	90	20	14	7	14	4	22	1,149	
Taxes	81	31	19	39	38	53	1	-	33	-	18	-	6	24	55	-	-	-	72	-	-	17	8	75	6	21	123	4	-	17	19	25	19	14	5	13	4	12	1,036	
Insurance	1	0	0	0	0	1	0	-	0	-	0	-	0	0	-	-	-	-	1	-	-	0	0	1	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	21
Repairs and maintenance	5	2	0	4	3	16	0	-	3	-	0	-	1	3	-	-	-	-	3	-	-	-	5	15	2	2	9	1	0	3	0	1	3	6	5	3	1	3	139	
Other expenses for rental operation	14	0	15	2	1	6	1	-	0	-	0	-	1	33	1	-	-	-	1	-	-	0	0	0	1	1	2	0	0	1	0	1	0	0	4	0	0	0	0	139
Depreciation	144	53	37	91	86	155	1	34	43	18	13	28	19	85	-	-	-	-	126	122	32	43	33	176	11	39	257	5	4	39	33	82	27	21	20	23	6	17	1,960	
Profit (loss) from operations	314	235	17	242	115	311	0	212	88	72	78	111	92	114	41	66	50	289	179	70	65	35	-120	27	190	434	17	12	87	56	202	79	111	35	72	26	64	4,107		
NOI	459	289	55	334	201	466	1	247	132	91	91	139	111	199	41	76	62	415	301	103	109	69	55	38	230	692	23	16	127	89	284	107	133	55	95	33	82	6,067		
NOI (annualized)	927	583	111	674	406	941	19	499	266	183	185	282	224	402	84	153	126	838	608	208	219	139	113	78	464	1,395	46	64	256	181	574	216	268	111	192	66	165	12,285		
Days	181	181	181	181	181	181	25	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	180	181	181	181	181	92	181	181	181	181	181	181	181	181	181	181	181
Acquisition price	22,552	9,450	8,350	28,146	11,000	19,080	1,050	11,431	11,420	6,590	6,200	10,200	6,640	5,610	1,770	4,868	3,982	13,890	10,976	5,400	4,725	2,550	20,800	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	287,279		

## NOI yield

34th Period	4.1%	6.2%	1.3%	2.4%	3.7%	4.9%	1.9%	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%	0.5%	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%
33rd Period	3.8%	6.3%	4.3%	2.2%	3.4%	4.7%	5.8%	4.1%	2.1%	3.3%	2.9%	2.6%	5.0%	6.9%	4.5%	3.7%	3.8%	5.4%	5.7%	3.8%	4.1%	6.5%	0.7%	5.0%	6.5%	5.4%	7.1%	-	8.2%	5.0%	10.9%	9.8%	6.0%	7.9%	6.5%	4.2%	4.1%	4.24%
Difference (pt)	0.3	-0.1	-3.0	0.2	0.3	0.2	-3.9	0.3	0.2	-0.5	0.1	0.2	-1.6	0.3	0.3	-0.6	-0.6	0.6	-0.2	0.1	0.6	-1.0	-0.2	-0.1	0.6	0.3	0.2	-	-0.4	1.6	-0.5	0.4	0.1	0.2	0.4	0.0	0.0	0.01

## NOI yield after depreciation

34th Period	2.8%	5.0%	0.4%	1.7%	2.1%	3.3%	0.2%	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%	-1.2%	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%
33rd Period	2.6%	5.2%	3.4%	1.6%	1.9%	3.1%	4.4%	3.5%	1.3%	2.8%	2.5%	2.0%	4.4%	3.9%	4.5%	3.4%	3.2%	3.6%	3.5%	2.6%	2.3%	4.0%	-1.0%	3.6%	5.3%	3.3%	5.6%	-	5.7%	2.8%	8.0%	7.4%	5.2%	5.3%	4.9%	3.3%	3.3%	2.90%
Difference (pt)	0.2	-0.2	-3.0	0.1	0.2	0.2	-4.2	0.3	0.3	-0.6	0.1	0.2	-1.6	0.2	0.3	-0.6	-0.6	0.6	-0.2	0.0	0.5	-1.2	-0.2	-0.2	0.6	0.3	0.0	-	-0.3	1.3	-0.6	0.2	-0.1	-0.2	0.4	0.1	-0.1	-0.02

\*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, 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 (Umeita 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	2,622	380	2,056	1,008
Acquisition price	152,109	16,231	93,678	25,260
34th Period NOI yield	3.5%	4.7%	4.5%	7.3%
33rd Period NOI yield	3.6%	4.9%	4.3%	7.2%
Difference (pt)	-0.1	-0.2	0.2	0.1

# Overview of Period-End Appraisals

## Summary of Period-End Appraisal Value

	33rd Period (Dec. 2022)	34th Period (Jun. 2023)	Difference
Number of properties	36 properties	35 properties	-1 property
Period-end appraisal value	344,863 million yen	323,343 million yen	-21,520 million yen
Book value	268,467 million yen	248,146 million yen	-20,321 million yen
Unrealized gain/loss	76,395 million yen	75,196 million yen	-1,198 million yen
Ratio of unrealized gain/loss <sup>*1</sup>	28.5%	30.3%	1.8pt

\*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<sup>\*2</sup>

	33rd Period (Dec. 2022)	34th Period (Jun. 2023)
Increase	17 properties	8 properties
Unchanged	11 properties	7 properties
Decrease	7 properties	19 properties

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

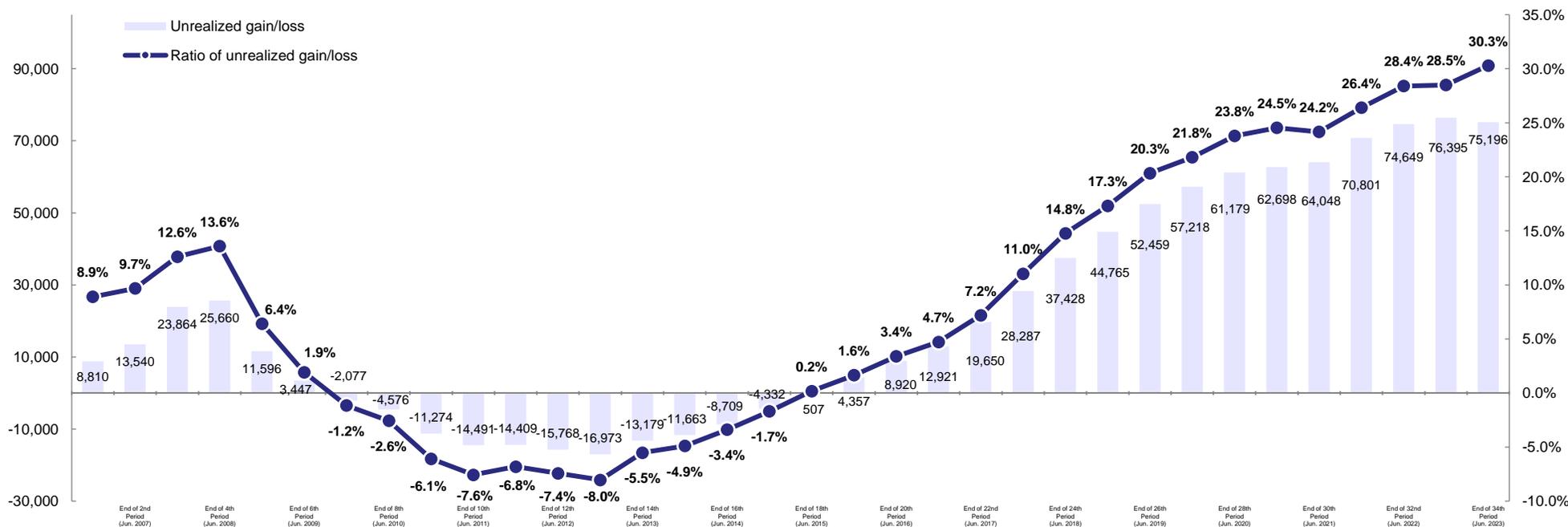
\*3 As to the cap rate for Shiba 2-Chome Building, comparison is made only for the office portion.

## Status of Cap Rate<sup>\*2\*3</sup>

	33rd Period (Dec. 2022)	34th Period (Jun. 2023)
Decline	21 properties	15 properties
Unchanged	14 properties	18 properties
Rise	0 properties	1 property

## 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))		34th Period End Book value (3)	Difference ((2)-(3))		(Unit: million yen)				Appraisal Organization		
				End of FP33 (1)	End of FP34 (2)		%			%	Direct reduction reduced yield		Difference ((5)-(4))				
											End of FP33 (4)	End of FP34 (5)	pt				
I-1	I	Omori Bellport D	22,552	25,700	25,600	-100	-0.4%	20,371	5,228	25.7%					Chuo Real Estate Appraisal Co., Ltd.		
I-2		Shiba 2-Chome Building	9,450	14,100	13,800	-300	-2.1%	9,017	4,782	53.0%	Office Residence	3.8%	Office Residence	3.7%	Office Residence	0.0	Japan Real Estate Institute
I-3		JEI Hamamatsucho Building	8,350	9,450	9,450	0	0.0%	7,934	1,515	19.1%					Japan Real Estate Institute		
I-8		AKASAKA INTERCITY	28,146	30,800	30,700	-100	-0.3%	26,426	4,273	16.2%					Japan Real Estate Institute		
I-10		Daiba Garden City Building	11,000	10,100	10,100	0	0.0%	9,087	1,012	11.1%					Chuo Real Estate Appraisal Co., Ltd.		
I-12		HAMARIKYU INTERCITY	19,080	28,500	28,600	100	0.4%	16,498	12,101	73.3%					Japan Real Estate Institute		
I-14		Kowa Nishi-Shimbashi Building	11,431	13,700	12,600	-1,100	-8.0%	10,946	1,653	15.1%					Japan Real Estate Institute		
I-15		Mansard Daikanyama	11,420	13,800	13,500	-300	-2.2%	11,067	2,432	22.0%					Japan Real Estate Institute		
I-16		AKASAKA INTERCITY AIR	6,590	8,170	8,250	80	1.0%	6,429	1,820	28.3%					Japan Real Estate Institute		
I-17		BIZCORE AKASAKA-MITSUKE	6,200	6,680	6,360	-320	-4.8%	6,124	235	3.8%					Japan Real Estate Institute		
I-18		BIZCORE JIMBOCHO	10,200	10,300	9,870	-430	-4.2%	9,940	-70	-0.7%					The Tanizawa Sogo Appraisal Co., Ltd.		
I-19		BIZCORE SHIBUYA	6,640	6,950	6,950	0	0.0%	6,643	306	4.6%					The Tanizawa Sogo Appraisal Co., Ltd.		
II-1		II	NHK Nagoya Housou-Center Building	5,610	6,250	6,310	60	1.0%	5,336	973	18.2%					Japan Real Estate Institute	
II-3			Osaka Kogin Building (land with Leasehold Interest)	1,770	2,750	2,840	90	3.3%	1,865	974	52.3%					Japan Real Estate Institute	
II-4			GRAND FRONT OSAKA (Umekita Plaza/ South Building)	4,868	5,050	5,000	-50	-1.0%	4,904	95	1.9%					Japan Valuers Co., Ltd.	
II-5			GRAND FRONT OSAKA (North Building)	3,982	3,820	3,770	-50	-1.3%	3,977	-207	-5.2%					Japan Valuers Co., Ltd.	
III-1			III	Musashikosugi Tower Place	13,890	22,700	22,200	-500	-2.2%	12,160	10,039	82.6%					Japan Real Estate Institute
III-2		Kowa Kawasaki Higashiguchi Building		10,976	10,500	10,400	-100	-1.0%	10,667	-267	-2.5%					Japan Valuers Co., Ltd.	
III-3		JEI Hongo Building		5,400	4,620	4,580	-40	-0.9%	4,893	-313	-6.4%					Japan Valuers Co., Ltd.	
III-5	Kawasaki Nissincho Building	4,725		4,740	4,710	-30	-0.6%	4,207	502	11.9%					Japan Valuers Co., Ltd.		
III-7	JEI Ryogoku Building	2,550		2,720	2,760	40	1.5%	2,489	270	10.8%					Chuo Real Estate Appraisal Co., Ltd.		
III-10	Pacific Square Sengoku	1,620		1,550	1,550	0	0.0%	1,600	-50	-3.2%					Chuo Real Estate Appraisal Co., Ltd.		
III-11	Core City Tachikawa	6,500		9,940	9,940	0	0.0%	5,900	4,039	68.5%					Japan Real Estate Institute		
III-12	Nisseki Yokohama Building	24,500		33,500	33,500	0	0.0%	21,721	11,778	54.2%					Japan Real Estate Institute		
III-13	Yokohama Bentendori Dai-ichi Seimei Building	640		719	734	15	2.1%	732	1	0.2%					Japan Real Estate Institute		
III-14	Shin-Yokohama Arena-dori Building	2,077		2,140	2,170	30	1.4%	2,089	80	3.8%					Japan Real Estate Institute		
IV-3	IV	JEI Hiroshima Hacchobori Building		2,760	4,230	4,210	-20	-0.5%	2,852	1,357	47.6%					Japan Real Estate Institute	
IV-4		SE Sapporo Building		5,500	10,200	10,400	200	2.0%	5,025	5,374	106.9%					Chuo Real Estate Appraisal Co., Ltd.	
IV-5		Aoba-dori Plaza		2,120	4,770	4,530	-240	-5.0%	2,261	2,268	100.3%					Japan Real Estate Institute	
IV-6		Daiwa Minami-morimachi Building		4,410	5,320	5,340	20	0.4%	4,228	1,111	26.3%					DAIWA REAL ESTATE APPRAISAL Corporation	
IV-7		JEI Naha Building	1,380	2,110	2,050	-60	-2.8%	1,644	405	24.7%					Japan Real Estate Institute		
IV-8		Hiroshima Dai-ichi Seimei OS Building	2,780	3,580	3,550	-30	-0.8%	2,772	777	28.1%					Japan Real Estate Institute		
IV-9		Senshin Building	1,580	1,690	1,670	-20	-1.2%	1,662	7	0.4%					The Tanizawa Sogo Appraisal Co., Ltd.		
IV-10		Sapporo Otemachi Building	4,069	4,564	4,564	0	0.0%	4,130	433	10.5%					Japan Real Estate Institute		
			<b>Total</b>	<b>264,767</b>	<b>325,713</b>	<b>322,558</b>	<b>-3,155</b>	<b>-1.0%</b>	<b>247,614</b>	<b>74,943</b>	<b>30.3%</b>					-	
IV-2		JEI Kyobashi Building	661	802	785	-17	-2.1%	531	253	47.7%					DAIWA REAL ESTATE APPRAISAL Corporation		
		<b>Total</b>	<b>265,429</b>	<b>326,515</b>	<b>323,343</b>	<b>-3,172</b>	<b>-1.0%</b>	<b>248,146</b>	<b>75,196</b>	<b>30.3%</b>					-		
	<b>Area I total</b>		151,059	178,250	175,780	-2,470	-1.4%	140,489	35,290	25.1%					-		
	<b>Area II Total</b>		16,231	17,870	17,920	50	0.3%	16,083	1,836	11.4%					-		
	<b>Area III Total</b>		72,878	93,129	92,544	-585	-0.6%	66,463	26,080	39.2%					-		
	<b>Area IV Total</b>		25,260	37,266	37,099	-167	-0.4%	25,109	11,989	47.7%					-		
	<b>Total</b>		<b>265,429</b>	<b>326,515</b>	<b>323,343</b>	<b>-3,172</b>	<b>-1.0%</b>	<b>248,146</b>	<b>75,196</b>	<b>30.3%</b>					-		

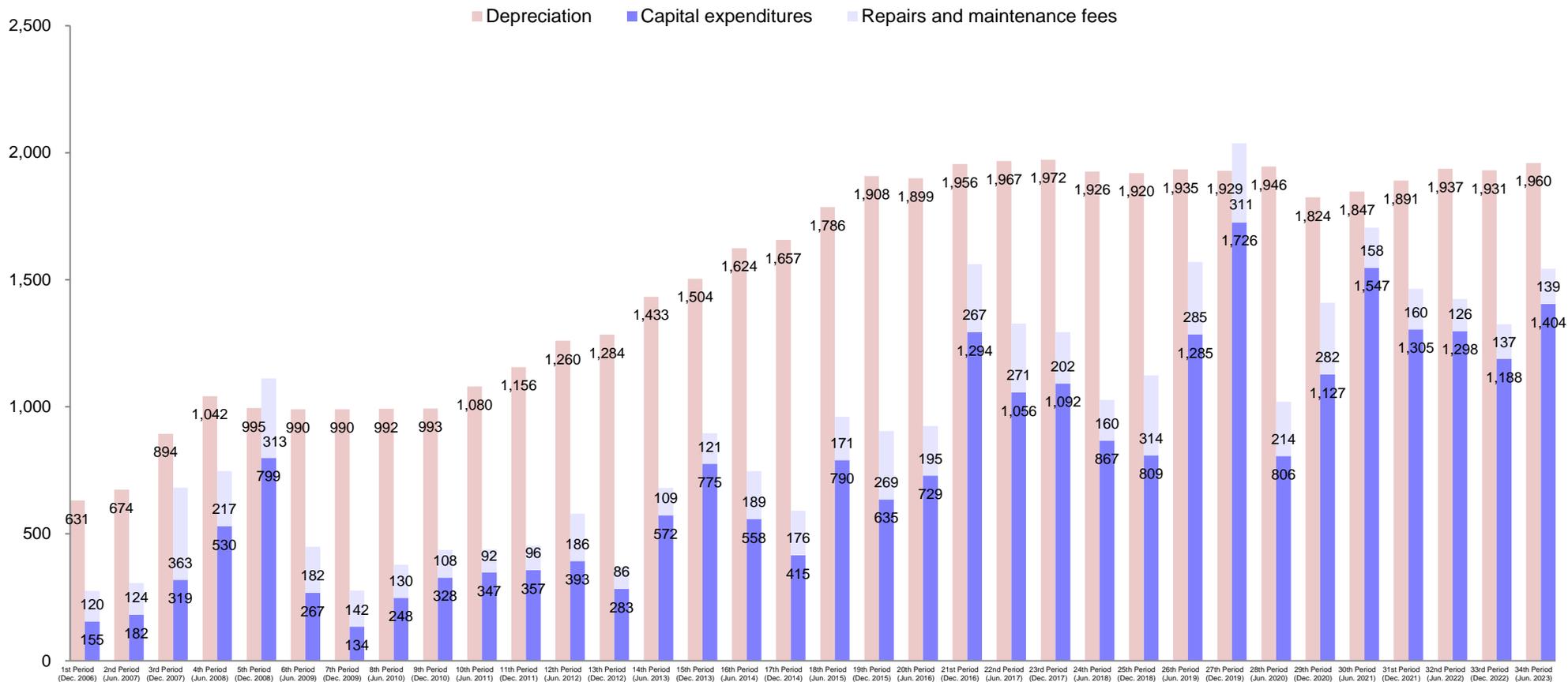
\*1 "Appraisal value" includes the appraisal value described in the real estate appraisal reports made by real estate appraisers as of the end of the 33rd Period and 34th Period based on Japan Excellent's rules and the regulations stipulated by the Investment Trusts Association, Japan.

\*2 For properties acquired in the 34th Period, the appraisal value at the time of acquisition of properties is indicated in the column for the end of the 33rd Period end appraisal value.

# Historical Record in Works

## History of Costs for Construction and Depreciation

(million yen)



## Capital Expenditures / Depreciation

24.6%	27.0%	35.7%	50.9%	80.3%	27.0%	13.5%	25.0%	33.0%	32.1%	30.9%	31.2%	22.0%	39.9%	51.5%	34.4%	25.0%	44.2%	33.3%	38.4%	66.2%	53.7%	55.4%	45.0%	42.1%	66.4%	89.5%	41.4%	61.8%	83.8%	69.0%	67.0%	61.5%	71.6%
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## Statement of Income and Retained Earnings

(Unit: million yen)

	33rd Period (Dec. 2022)	Percentage (%)	34th Period (Jun. 2023)	Percentage (%)	Compared with previous period	
					Difference	(%)
<b>1. Operating revenue (A)</b>	10,699	100.0	13,823	100.0	3,123	29.2
Rental revenue	9,271		9,274		3	
Other rental revenue	869		805		-64	
Total rental revenue (a)	10,141	94.8	10,079	72.9	-61	-0.6
Gain on sales of real estate, etc.	530		3,683		3,153	
Anonymous association distributions	28		60		32	
<b>2. Operating expenses (B)</b>	6,567	61.4	9,346	67.6	2,778	42.3
Property management expenses	1,580		1,525		-55	
Utilities expenses	1,156		1,149		-7	
Taxes	976		1,036		59	
Insurance	22		21		-0	
Repairs and maintenance	137		139		1	
Other expenses for rental operation	138		139		1	
Depreciation	1,931		1,960		28	
Total operating expenses (b)	5,944	55.6	5,972	43.2	27	0.5
Profits from operation (a)-(b)	4,196	39.2	4,107	29.7	-89	-2.1
Loss on sales of real estate, etc.	-		2,703		2,703	
Asset management fees	444		458		14	
Other operating expenses	177		211		33	
<b>3. Operating income (A)-(B)</b>	4,132	38.6	4,477	32.4	344	8.3
<b>4. Non-operating income</b>	0	0.0	0	0.0	0	85.3
<b>5. Non-operating expenses</b>	629	5.9	595	4.3	-34	-5.4
Interest expense	309		291		-18	
Loan relating fees	155		133		-21	
Interest expense on investment corporation bonds	151		153		1	
Amortization of investment corporation bond issuance costs	12		12		0	
Other	0		4		4	
<b>6. Ordinary income</b>	3,503	32.7	3,882	28.1	379	10.8
<b>7. Net income before taxes</b>	3,503	32.7	3,882	28.1	379	10.8
<b>8. Income taxes - current</b>	0		0		-0	
<b>9. Net income</b>	3,502	32.7	3,881	28.1	379	10.8
<b>10. Retained earnings brought forward</b>	-		-		-	
<b>11. Unappropriated retained earnings</b>	3,502		3,881		379	

\* 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						
	33rd Period (Dec. 2022)		34th Period (Jun. 2023)		Difference		33rd Period (Dec. 2022)		34th Period (Jun. 2023)		Difference
(Assets)		Composition (%)		Composition (%)		(Liabilities)		Composition (%)		Composition (%)	
<b>I. Current assets</b>	18,662	6.3	31,538	11.0	12,876	<b>I. Current liabilities</b>	24,767	8.4	27,159	9.5	2,391
Cash and deposits	6,392		20,308		13,916	Operating accounts payable	1,356		1,338		-18
Cash and deposits in trust	11,447		10,436		-1,011	Short-term loans	3,000		-		-3,000
Operating accounts receivable	423		336		-86	Investment corporation bonds due within a year	4,000		10,000		6,000
Other	398		457		58	Long-term loans due within a year	15,770		14,270		-1,500
						Other accounts payable	439		486		47
<b>II. Fixed assets</b>	275,762	93.6	255,388	89.0	-20,374	Accrued consumption taxes	-		841		841
1. Property and equipment	259,278	88.0	238,961	83.2	-20,316	Other	201		222		20
Real Estate	16,144		16,216		72	<b>II. Long-term liabilities</b>	119,554	40.6	109,532	38.2	-10,022
Real Estate in trust	243,041		222,672		-20,369	Investment corporation bonds	34,000		28,000		-6,000
Construction in progress	93		73		-19	Long-term loans	71,830		68,330		-3,500
2. Intangible assets	9,192	3.1	9,186	3.2	-5	Security deposits from tenants	1,239		1,208		-30
Leasehold rights	1,721		1,721		-	Security deposits from tenants in trust	12,484		11,993		-491
Leasehold rights in trust	7,382		7,382		-	<b>Total liabilities</b>	144,322	49.0	136,691	47.6	-7,630
Other	88		82		-5	<b>(Net assets)</b>					
3. Investments and other assets	7,292	2.5	7,240	2.5	-51	<b>I. Unitholders' equity</b>	150,218	51.0	150,354	52.4	136
Leasehold and security deposits	19		19		-	1. Unitholders' capital	145,907	49.5	145,907	50.8	-
Long-term prepaid expenses	847		738		-108	2. Retained earnings	4,310		4,446		136
Other	6,426		6,483		57	Voluntary retained earnings (Reserve for reduction entry)	808	0.3	565	0.2	-243
<b>III. Deferred assets</b>	115	0.0	118	0.0	2	Unappropriated retained earnings	3,502	1.2	3,881	1.4	379
Investment corporation bond issuance costs	115		118		2	<b>Total net assets</b>	150,218	51.0	150,354	52.4	136
<b>Total assets</b>	294,540	100.0	287,045	100.0	-7,494	<b>Total liabilities and net assets</b>	294,540	100.0	287,045	100.0	-7,494

\* 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)

34th Period (Jun. 2023)	
Classification	Amount
<b>I. Cash flow from operating activities</b>	<b>28,546</b>
Net income before taxes	3,882
Depreciation	1,961
Decrease due to sale of fixed assets	21,839
Other	863
<b>II. Cash flow from investing activities</b>	<b>-3,880</b>
Proceeds from repayments of investment securities	63
Purchase of fixed assets	-3,422
Net payments for security deposits	-522
<b>III. Cash flow from financing activities</b>	<b>-11,761</b>
Repayment of short-term loans	-3,000
Repayment of long-term loans	-5,000
Proceeds from issuance of investment corporation bonds	1,984
Redemption of investment corporation bonds	-2,000
Distributions to unitholders	-3,745
<b>IV. Net increase / decrease in cash and cash equivalents</b>	<b>12,904</b>
<b>V. Cash and cash equivalents at beginning of period</b>	<b>17,839</b>
<b>VI. Cash and cash equivalents at end of period</b>	<b>30,744</b>

\* Figures under one million yen are rounded down.

## ■ Statement of Profit Distribution

(Unit: yen)

34th Period (Jun. 2023)	
Classification	Amount
Unappropriated retained earnings	3,881,374,641
Provision of reserve for reduction entry	136,100,241
Distributions	3,745,274,400
(Distributions per investment unit)	(2,800)
Earnings carried over to next period	-
<b>Total number of outstanding investment units at the end of period</b>	<b>1,337,598</b>

## > Financial Indicators

Financial indicators	Unit	29th Period (Dec. 2020)	30th Period (Jun. 2021)	31st Period (Dec. 2021)	32nd Period (Jun. 2022)	33rd Period (Dec. 2022)	34th Period (Jun. 2023)	Calculation method
EBITDA (Earnings before interest, tax and depreciation and amortization)	MN yen	6,592	6,301	6,209	6,492	5,897	6,288	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	7,066	7,059	6,994	6,504	6,128	6,067	Rental revenue - rental expenses + Depreciation and amortization
FFO (Funds from operation)	MN yen	5,800	5,823	5,737	5,241	4,903	4,861	Net income + Depreciation and amortization - Net profit from sale of real estate + Impairment loss
FFO per unit	yen	4,287	4,303	4,240	3,918	3,665	3,634	FFO / Total number of outstanding investment units at the end of period
AFFO (Adjusted funds from operation)	MN yen	4,672	4,275	4,431	3,942	3,714	3,457	FFO - Capital expenditures
AFFO payout ratio	%	86.9	93.0	86.8	95.0	100.8	108.3	(Total cash distribution amount / AFFO) x 100
NAV (Net asset value)	MN yen	215,116	216,383	223,007	225,111	226,613	225,551	Period end total assets - Period end total liabilities + Real estate valuation gain/loss
NAV per unit	yen	158,992	159,928	164,824	168,295	169,418	168,624	NAV / Total number of outstanding investment units at the end of period
DSCR (Debt service coverage ratio)	times	13.9	13.2	13.2	14.4	12.8	14.1	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	%	1.5	1.4	1.3	1.4	1.2	1.3	Ordinary income / [(Period beginning total assets + period end total assets) / 2] x 100
(Reference) Annualized with following formula	%	(2.9)	(2.7)	(2.6)	(2.8)	(2.4)	(2.7)	Above x (365 days / Number of operating days)
ROE	%	2.8	2.6	2.5	2.7	2.3	2.6	Net income / [(Period beginning net assets + period end net assets) / 2] x 100
(Reference) Annualized with following formula	%	(5.6)	(5.3)	(5.0)	(5.5)	(4.6)	(5.2)	Above x (365 days / Number of operating days)
Equity to Total Assets	%	51.8	51.8	51.8	51.6	51.0	52.4	(Period end net assets / Period end total assets) x 100
LTV (period-end total asset basis)	%	42.7	42.7	42.7	43.1	43.7	42.0	(Period end interest-bearing debt / Period end total assets) x 100
LTV (period-end valuation gain/loss basis)	%	35.2	35.1	34.4	34.3	34.7	33.3	(Period-end interest-bearing debt / (Period-end total assets + Real estate valuation gain/loss)) x 100
BPS (Book value per unit)	yen	112,652	112,590	112,495	112,486	112,304	112,406	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 34th Period)

Lender	Balance (million yen)	As a percentage of all borrowings
Mizuho Bank, Ltd.	17,785	21.5%
MUFG Bank, Ltd.	13,005	15.7%
Development Bank of Japan Inc.	10,800	13.1%
Sumitomo Mitsui Banking Corporation	8,270	10.0%
Mizuho Trust & Banking Co., Ltd.	7,807	9.5%
The Norinchukin Bank	7,412	9.0%
Resona Bank, Ltd.	3,400	4.1%
The Dai-ichi Life Insurance Company, Limited	3,000	3.6%
Sompo Japan Insurance Inc.	2,500	3.0%
Aozora Bank, Ltd.	2,500	3.0%
Sumitomo Mitsui Trust Bank, Limited	1,620	2.0%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,500	1.8%
The Bank of Fukuoka, Ltd.	1,000	1.2%
Shinkin Central Bank	1,000	1.2%
Nippon Life Insurance Company	1,000	1.2%
Loan Total	82,600	100.0%

\* Shaded areas refer to sponsor companies.

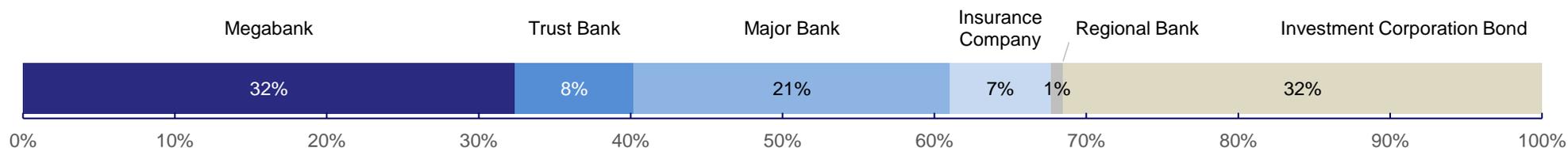
## ■ Status of Investment Corporation Bonds (As of the End of 34th Period)

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
10th Series Unsecured Investment Corporation Bond	December 20, 2023	2,000	0.39%	7 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
Investment Corporation Bond Total		38,000		

## ■ Status of Commitment Line (As of the End of 34th 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 33rd Period (Dec. 2022)		End of 34th Period (Jun. 2023)		
	Number of units	Composition	Number of units	Composition	
Financial Institutions (Including Securities Companies)	952,738	71.2%	888,783	66.4%	-4.8pt
Other Domestic Companies	118,565	8.9%	183,716	13.7%	4.8pt
Foreign Companies, etc.	204,049	15.3%	193,190	14.4%	-0.9pt
Individuals	62,246	4.7%	71,909	5.4%	0.7pt
<b>Total</b>	<b>1,337,598</b>	<b>100.0%</b>	<b>1,337,598</b>	<b>100.0%</b>	-

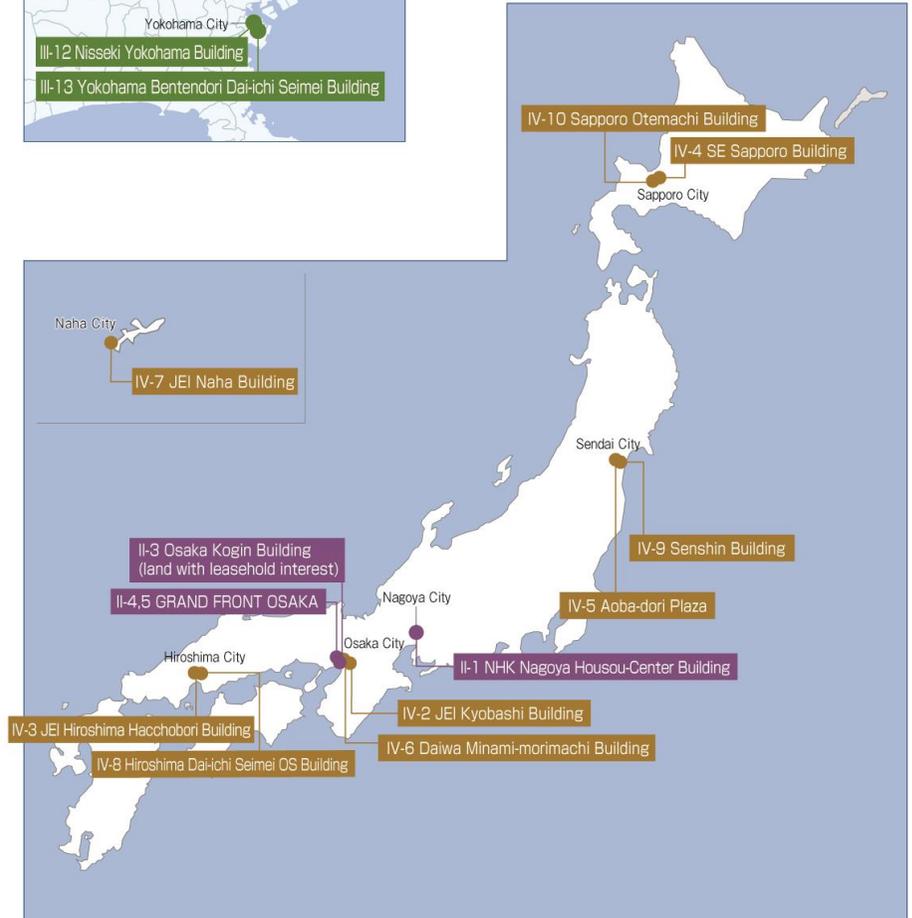
Investor	Investor				Composition difference
	End of 33rd Period (Dec. 2022)		End of 34th Period (Jun. 2023)		
	Number of people	Composition	Number of people	Composition	
	152	2.1%	143	1.9%	-0.2pt
	171	2.4%	177	2.3%	-0.1pt
	210	2.9%	224	2.9%	-
	6,660	92.6%	7,166	92.9%	0.3pt
	<b>7,193</b>	<b>100.0%</b>	<b>7,710</b>	<b>100.0%</b>	-

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)	386,731	28.9%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	209,166	15.6%
3	Nippon Steel Kowa Real Estate Co., Ltd.	134,427	10.0%
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	60,936	4.6%
5	The Dai-ichi Life Insurance Company, Limited	20,660	1.5%
6	STATE STREET BANK WEST CLIENT - TREATY 505234	20,633	1.5%
7	Mizuho Securities Co., Ltd.	15,889	1.2%
8	The Shinkumi Federation Bank	14,409	1.1%
9	JP MORGAN CHASE BANK 385771	14,014	1.0%
10	STATE STREET BANK AND TRUST COMPANY 505103	11,060	0.8%
	<b>Total</b>	<b>887,925</b>	<b>66.4%</b>

\*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 <sup>2</sup> )	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 (%)	8.5	3.6	3.1	10.6	4.1	7.2	4.3	4.3	2.5
Period-end occupancy rate (%)	100.0	100.0	61.2	95.6	91.0	98.1	100.0	97.4	81.5
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	★★	★★★★★

\*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 June 30, 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.

## 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 <sup>2</sup> )	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	February 2020	February 2020
Acquisition price (MN yen)	6,200	10,200	6,640	9,800	13,100	5,610	1,770	4,868	3,982
Investment ratio (%)	2.3	3.8	2.5	-	-	2.1	0.7	1.8	1.5
Period-end occupancy rate (%)	88.9	100.0	100.0	(100.0)	(99.2)	96.5	100.0	94.0	98.1
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 June 30, 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-10	III-11	III-12	III-13	III-14
Type	Office	Office	Office	Office	Office	Office	Office	Office	Office	Office
Name	Musashikosugi Tower Place	Kowa Kawasaki Higashiguchi Building	JEI Hongo Building	Kawasaki Nisshincho Building	JEI Ryogoku Building	Pacific Square Sengoku	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	Honkomagome, Bunkyo 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 <sup>2</sup> )	53,711.13	31,009.62	5,877.11	22,141.60	5,820.56	4,017.44	19,099.27	72,116.65	2,934.55	2,448.57
Completion date	July 1995	April 1988	February 1991	April 1992	August 1996	November 1992	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	December 2011	February 2013	April 2015	June 2018	March 2023
Acquisition price (MN yen)	13,890	10,976	5,400	4,725	2,550	1,620	6,500	24,500	640	2,077
Investment ratio (%)	5.2	4.1	2.0	1.8	1.0	0.6	2.4	9.2	0.2	0.8
Period-end occupancy rate (%)	92.3	100.0	100.0	91.6	100.0	100.0	100.0	98.4	100.0	100.0
PML (%)	4.2	4.0	6.8	5.5	6.8	5.2	2.6	1.4	8.3	8.2
Green Building Certification DBJ ★★★★★~★ CASBEE S, A, B+, B	★★★	★★	★★	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 June 30, 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 <sup>2</sup> )	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	2.1	0.8	1.7	0.5	1.0	0.6	1.5	-
Period-end occupancy rate (%)	100.0	93.4	100.0	96.3	100.0	100.0	100.0	76.8	97.4	100.0
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 June 30, 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.

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