

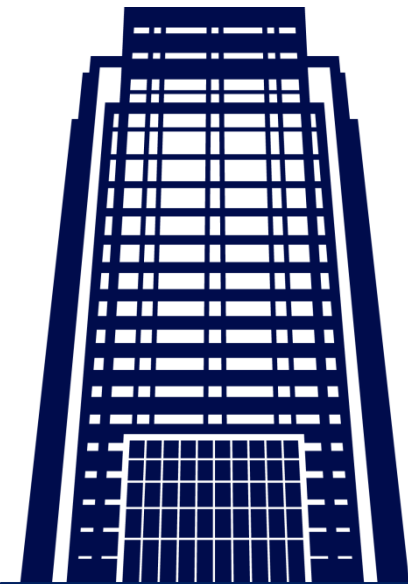
Japan Excellent, Inc.

Twenty-Third Period (ended December 2017)

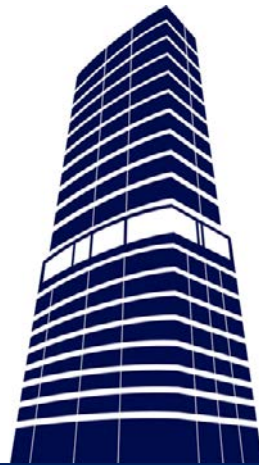
Presentation Materials

February 16, 2018

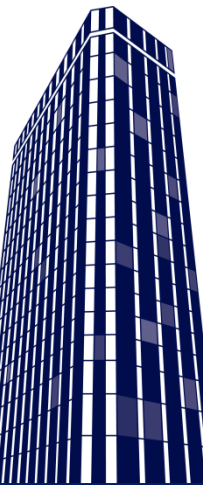
JEI



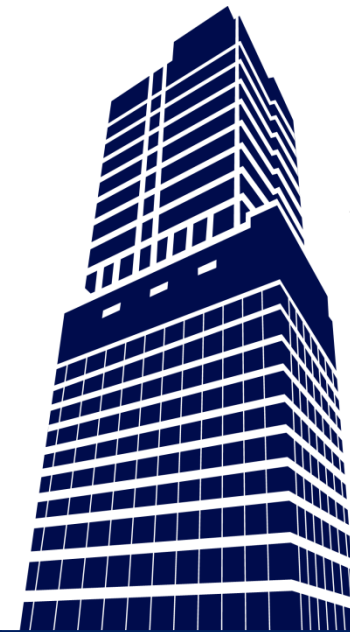
Nisseki Yokohama Bldg.



HAMARIKYU INTERCITY



Omori Bellport D



AKASAKA INTERCITY

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Continuous Quality Growth of Office REIT in Tokyo Metropolitan Area

Internal Growth

- Maintained high occupancy rates with the sponsors' cooperation
 - Average occupancy rate over the past 5 years: **98.5%**
- Continuous stable growth of rental revenue

Historical rental revenue (Unit: million yen)



External Growth

- Continuously acquired large-scale properties in central Tokyo with high specifications mainly by utilizing the sponsor pipeline
 - Percentage of properties acquired from the sponsor in the portfolio: **77.8%**
- Percentage of sponsor-related property acquisitions: **95.6%**

Financial Strategy

- Established a solid financial base supported by megabank sponsors
 - Ratings: **AA-** (JCR), **A+** (R&I), **A3** (Moody's)
 - Ratio of fixed interest rates **96.2%**
 - LTV **43.4%**

Sponsors

The Dai-ichi Building Co., Ltd.
SOHGO HOUSING CO., Ltd.

Leading companies in the PM industry

Core sponsor

NIPPON STEEL KOWA REAL ESTATE CO., LTD.

Major real estate developer closely-related with Mizuho Financial Group

Core sponsor

The Dai-ichi Life Insurance Company, Limited

One of the largest owners of office buildings in Japan

Sponsors

Mizuho Bank, Ltd.
Mizuho Trust & Banking Co., Ltd.

Megabank

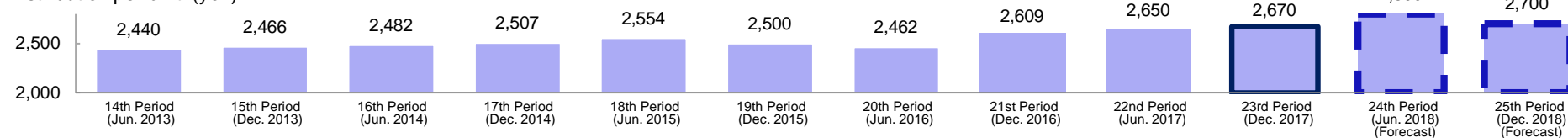
Established a quality portfolio with high growth potential and stability

Centering on office buildings and properties in central Tokyo*

Number of properties	Asset size	Ratio of investment in office buildings	Ratio of large-scale properties	Ratio of investment in the Tokyo metropolitan area	Ratio of investment in six central wards of Tokyo
29 properties	270 billion yen	92.9%	74.0%	87.6%	47.4%

Stable distribution records

Distribution per unit (yen)



I. Financial Results and Performance Forecasts

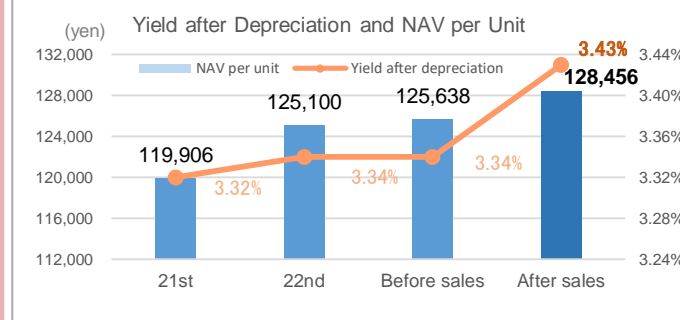


1. Highlights of the 23rd Period (Ended December 2017)

External Growth

- ◆ Acquired a joint ownership property from the sponsor
 - Kowa Nishi-Shimbashi Building (7.5 billion yen)
- ◆ Improved the yield of the portfolio through asset replacement (preceded with the sale of 2 properties)
 - Akasaka Garden City (22.5 billion yen)
 - No. 44 Kowa Building (1.89 billion yen)

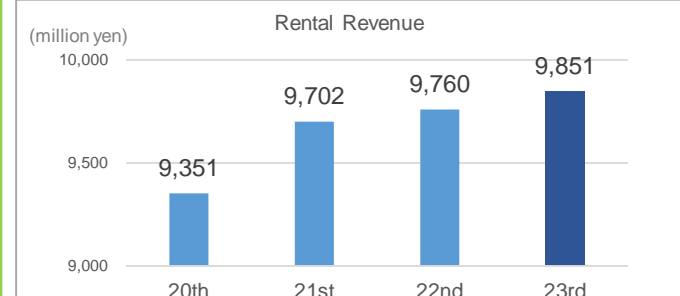
- Increase in profits through property acquisition
Profits from operations: **160** million yen
- Yield after depreciation*1 through preceding sales
Before sales After sales Amount of improvement
3.34% → 3.43% **+0.09pt**



Internal Growth

- ◆ Rental revenue continues to increase to record levels
- ◆ Upward rent revisions are steady
the rate of upward rent revisions is at a record high
- ◆ Maintaining high occupancy rates through the lease-up of Shiba 2-Chome Building with no vacancy period

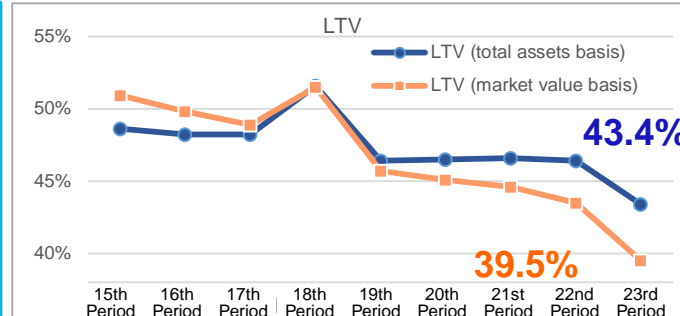
- Increase of rental revenue (existing properties*2)
113 million yen Change from FP22 **+1.3%**
- Increase rate of rental revenue (area basis) **40.9%**
Rate of upward rent revision **+9.3%**
- Period-end occupancy rate **99.1%**



Financial Strategy

- ◆ Improved financial stability by repayment of borrowings up on asset replacement (preceding sales)
- ◆ Continued to promote the extension of loans and reduction of financial costs through refinancing

- LTV (total assets basis) **43.4%**
-3.0pt from FP22
- Ratio of fixed interest rates **96.2%**
+14.9pt from FP22
- Average remaining period **4.4** years
+0.7yen from FP22



NAV
per unit

FP22: **125,100 yen** → **FP23: 131,899 yen**

from FP22 +6,799 yen (+5.4%)
Asset replacement factor +2,818 yen
Appraisal factor, etc. +3,981 yen

Distribution
per unit

FP22: **2,650 yen** → **FP23: 2,670 yen**

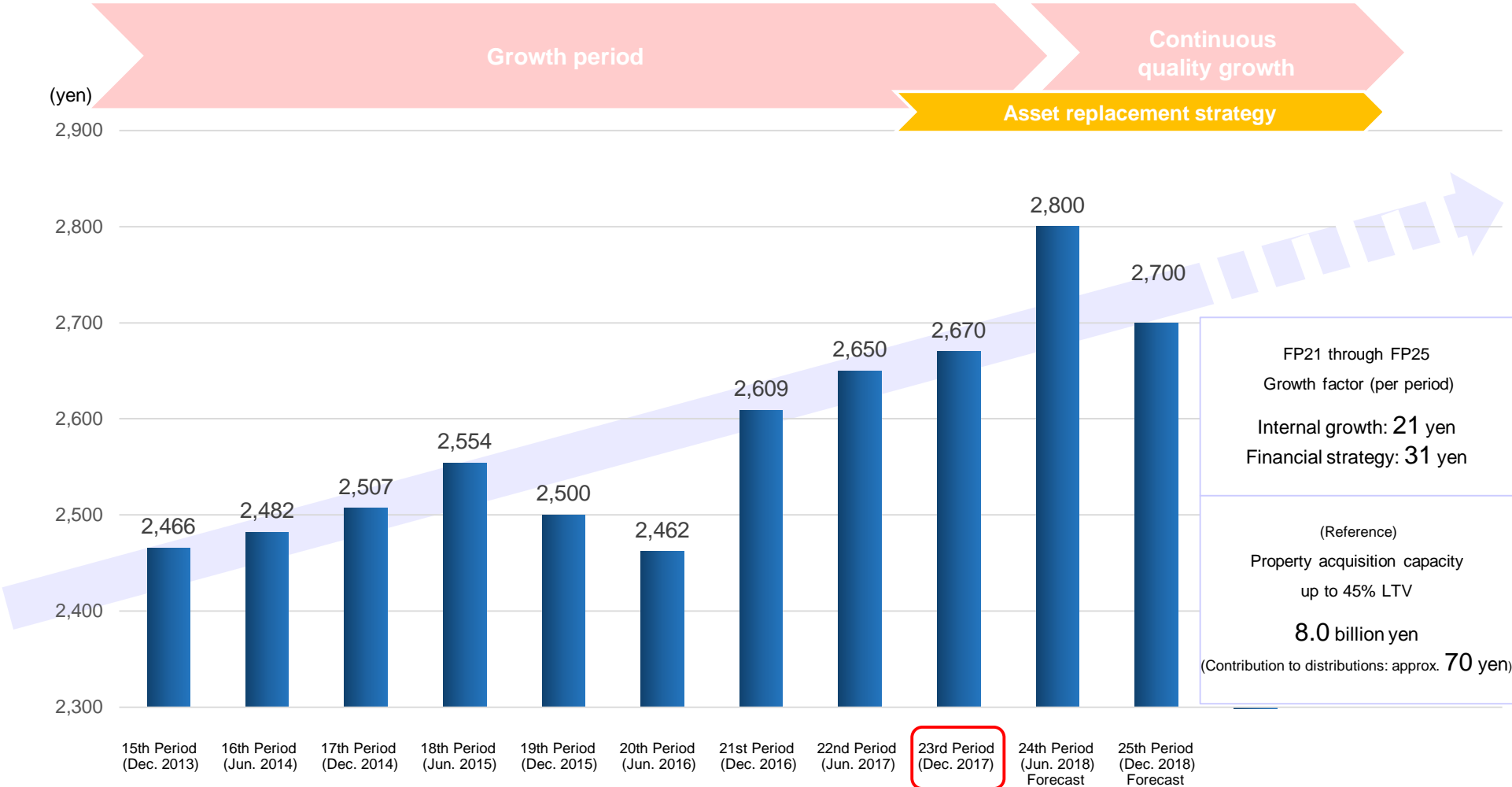
from FP22 +20 yen (+0.8%)
Change from forecast at beginning of period ±0 yen

*1 For details, please refer to the notes on page 13.

*2 Impact of properties acquired and sold in the 23rd Period and free rent of Shiba 2-Chome Building are excluded.

2. Actual Results and Forecast of Distributions per Unit

- ◆ Distributions have been growing steadily through favorable internal growth and a strong financial strategy.
- ◆ JEI plans to continue the quality growth of distributions going forward.



3. Financial Results of the 23rd Period (Ended December 2017)

(1) Comparison with the Previous Period

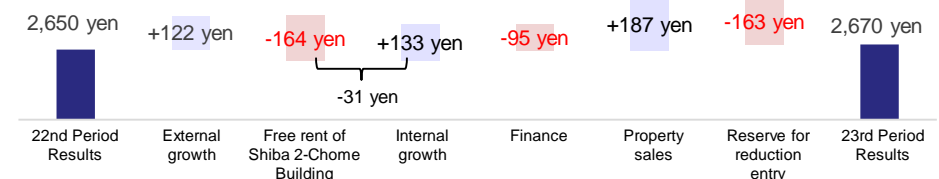
◆ DPU increased by 20 yen from the previous period as the contribution of newly acquired properties and internal growth of existing properties*1 helped cover the impact of the free rent at Shiba 2-Chome Building.

	22nd Period (Jun. 2017) Result	23rd Period (Dec. 2017) Result	Difference	(unit: million yen)	
Revenue	10,642	11,085	442		
Rental revenue	9,760	9,851	91		
Revenue for utilities expenses	758	857	99		
Other revenue	124	96	-27		
Gain on sale	-	279	279		
Operating expenses	6,488	6,565	76		
Expenses for rental operations	5,890	5,931	40		
Property management expenses	1,477	1,441	-35		
Utilities expenses	1,004	1,122	118		
Taxes	915	939	23		
Repairs and maintenance	271	202	-69		
Non-operating expenses for rental operations	254	252	-1		
(NOI)	6,719	6,847	128		
Depreciation	1,967	1,972	5		
Sales and administrative expenses	597	634	36		
Operating income	4,154	4,519	365		
Non-operating expenses	694	818	124		
Ordinary income	3,460	3,701	240		
Net income	3,459	3,700	240		
Provision and reversal of reserve for reduction entry	0	-214	-214		
Total distributions	3,460	3,486	26		
Distributions per unit (yen)	2,650	2,670	20		

Factors	Balance	DPU conversion (yen)	
■ External growth	160	122	
Increase in NOI of newly acquired properties	179		Kowa Nishi-Shimbashi Building: +162 Akasaka Garden City: +16
Increase in depreciation	-18		
■ Internal Growth (existing properties)	-40	-31	
Decrease in NOI	-16		
Decrease in rental revenue	-99		Free rent of Shiba 2-Chome Building: -215 Revenue increase for existing properties*1: +113 • Lease-ups and moving-outs of tenants: +36 • Rent revisions, etc.: +77
Decrease in utilities revenue/expenses	-24		
Decrease in other revenue	-26		
Decrease in property management expenses	63		Absence of previous period's leasing management fee, etc. for Shiba 2-Chome Building
Increase in taxes	-6		
Decrease in repairs and maintenance	72		
Decrease in non-operating expenses for rental operations	4		
Decrease in depreciation	12		
Increase in sales and administrative expenses	-36		Non-deductible consumption tax from property sales: -25
■ Finance	-124	-95	
Increase in interest expense	-21		
Increase in loan relating fees	-106		Interest rates, fees, etc. from property acquisitions
Decrease in other non-operating expenses	3		
■ Sale of Properties	244	187	
Decrease from NOI of sold properties	-34		
Gain on sale	279		
■ Provision of Reserve for reduction entry	-214	-163	
Total	26	20	

*1 Impact of properties acquired and sold in the 23rd Period and free rent of Shiba 2-Chome Building are excluded.

◆ Factors for Changes in Distribution



3. Financial Results of the 23rd Period (Ended December 2017)

(2) Comparison with the Forecast

◆ DPU was 2,670 yen as the initial forecast. Part of the gain on sale from the asset replacement (preceding sales) were retained as internal reserves.

	23rd Period (Dec. 2017) Forecast	23rd Period (Dec. 2017) Result	Difference
Revenue	10,827	11,085	257
Rental revenue	9,835	9,851	15
Revenue for utilities expenses	909	857	-51
Other revenue	82	96	14
Gain on sale	-	279	279
Operating expenses	6,553	6,565	12
Expenses for rental operations	5,966	5,931	-34
Property management expenses	1,429	1,441	12
Utilities expenses	1,128	1,122	-5
Taxes	921	939	17
Repairs and maintenance	257	202	-54
Non-operating expenses for rental operations	236	252	16
(NOI)	6,854	6,847	-6
Depreciation	1,993	1,972	-20
Sales and administrative expenses	587	634	46
Operating income	4,273	4,519	245
Non-operating expenses	787	818	31
Ordinary income	3,487	3,701	214
Net income	3,486	3,700	214
Provision and reversal of reserve for reduction entry	-	-214	214
Total distributions	3,486	3,486	0
Distributions per unit (yen)	2,670	2,670	0

(unit: million yen)

Factors	Balance	DPU conversion (yen)
■ External growth	13	10
Increase in NOI of newly acquired properties	3	
Decrease in depreciation	10	
■ Internal Growth (existing properties)	-16	-12
Increase in NOI	21	
Increase in rental revenue	47	
Decrease in utilities revenue/expenses	-47	
Increase in other revenue	13	
Increase in property management expenses	-18	
Decrease in repairs and maintenance	42	
Increase in non-operating expenses for rental operations	-15	
Decrease in depreciation	8	
Increase in sales and administrative expenses	-46	
■ Finance	-31	-24
Decrease in interest expense	1	
Increase in loan relating fees	-32	
■ Sale of Properties	248	190
Decrease from NOI of sold properties	-30	
Gain on sale	279	
■ Provision of Reserve for reduction entry	-214	-163
Total	0	0

Annotations:

- Progress of upward rent revision, etc. (points to 47)
- Decrease in tenants' overtime AC usage (due to weather conditions and decrease in overtime work) (points to -47)
- Non-deductible consumption tax upon property sales: -25 (points to -46)
- Expense from refund upon property sales: -31 (points to -32)

◆ Factors for Changes in Distribution



4. Performance Forecasts

(1) 24th Period (Ending June 2018)

- ◆ Revenue increased significantly due to upward rent revisions of existing properties*1 and the ending of free rents at Shiba 2-Chome Building.
- ◆ The impact of the asset replacement (preceding sales) was covered with internal growth, reduction of financial costs and reversal of internal reserves. DPU is as previously forecast.

	23rd Period (Dec. 2017) Result	24th Period (Jun. 2018) Forecast	Difference
Revenue	11,085	10,511	-573
Rental revenue	9,851	9,691	-160
Revenue for utilities expenses	857	739	-118
Other revenue	96	80	-15
Gain on sale	279	-	-279
Operating expenses	6,565	6,343	-222
Expenses for rental operations	5,931	5,760	-171
Property management expenses	1,441	1,454	13
Utilities expenses	1,122	987	-135
Taxes	939	916	-22
Repairs and maintenance	202	228	25
Non-operating expenses for rental operations	252	256	3
(NOI)	6,847	6,668	-178
Depreciation	1,972	1,917	-55
Sales and administrative expenses	634	583	-51
Operating income	4,519	4,168	-350
Non-operating expenses	818	669	-149
Ordinary income	3,701	3,500	-200
Net income	3,700	3,499	-200
Provision and reversal of reserve for reduction entry	-214	156	370
Total distributions	3,486	3,655	169
Distributions per unit (yen)	2,670	2,800	130

*1 Impact of properties acquired and sold in the 23rd Period and free rent of Shiba 2-Chome Building are excluded.

*2 Estimated amount of increase in fixed property and city planning tax: 54 million yen for the 29th Period (Ending December 2020) (compared with 23rd Period)

(unit: million yen)

Factors	Balance	DPU conversion (yen)
External growth	14	10
Increase in NOI of newly acquired properties	17	
Increase in depreciation	-2	
Internal Growth (existing properties)	208	159
Increase in NOI	162	
Increase in rental revenue	240	
Increase in utilities revenue/expenses	28	
Decrease in other revenue	-14	
Increase in property management expenses	-66	
Increase in taxes	-19	
Increase in repairs and maintenance	-26	
Decrease in non-operating expenses for rental operations	20	
Increase in depreciation	-5	
Decrease in sales and administrative expenses	51	
Finance	150	114
Decrease in interest expenses and fees	150	
Property Sales (previous period)	-573	-439
Decrease in NOI of sold properties	-358	
Decrease in depreciation	64	
Absence of gain on sale	-279	-213
Reserve for reduction entry	370	283
Absence of provision of reserve for reduction entry in FP23	214	163
Reversal in FP24	156	119
Total	169	130

Contribution from properties acquired in the previous period

Ending of free rent at Shiba 2-Chome Building: +215
 Revenue increase for existing properties*1: +25
 • Lease-ups and moving-outs of tenants: -25
 • Rent revisions, etc.: +50

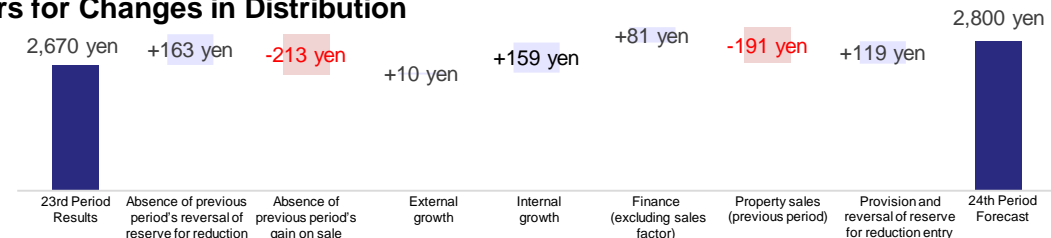
Leasing management fee upon renewal, etc.

Revaluation of fixed property and city planning tax*2: -9

Reduction of interest by refinancing: +28
 Reduction in loans upon sales: +44
 Absence of various expenses in previous period, etc.: +76

Sales factor: -250 (DPU: 191 yen)

◆ Factors for Changes in Distribution



4. Performance Forecasts

(2) 25th Period (Ending December 2018)

◆ Trend of upward rent revision and decrease in interest to continue.

	24th Period (Jun. 2018) Forecast	25th Period (Dec. 2018) Forecast	Difference
Revenue	10,511	10,595	84
Rental revenue	9,691	9,691	0
Revenue for utilities expenses	739	831	91
Other revenue	80	73	-7
Gain on sale	-	-	-
Operating expenses	6,343	6,415	72
Expenses for rental operations	5,760	5,828	68
Property management expenses	1,454	1,362	-91
Utilities expenses	987	1,111	124
Taxes	916	934	17
Repairs and maintenance	228	246	17
Non-operating expenses for rental operations	256	239	-16
(NOI)	6,668	6,701	32
Depreciation	1,917	1,933	16
Sales and administrative expenses	583	587	4
Operating income	4,168	4,179	11
Non-operating expenses	669	653	-15
Ordinary income	3,500	3,526	26
Net income	3,499	3,525	26
Provision and reversal of reserve for reduction entry	156	-	-156
Total distributions	3,655	3,525	-130
Distributions per unit (yen)	2,800	2,700	-100

(unit: million yen)

Factors	Balance	DPU conversion (yen)
Internal Growth (existing properties)	11	8
Increase in NOI	32	
Increase in rental revenue	0	
Decrease in utilities revenue/expenses	-33	
Decrease in other revenue	-7	
Decrease in property management expenses	91	
Increase in taxes	-17	
Increase in repairs and maintenance	-17	
Decrease in non-operating expenses for rental operations	16	
Increase in depreciation	-16	
Increase in sales and administrative expenses	-4	
Finance	15	11
Increase in interest expense	17	
Increase in loan relating fees	2	
Decrease in other non-operating expenses	-4	
Reserve for reduction entry	-156	-119
Total	-130	-100

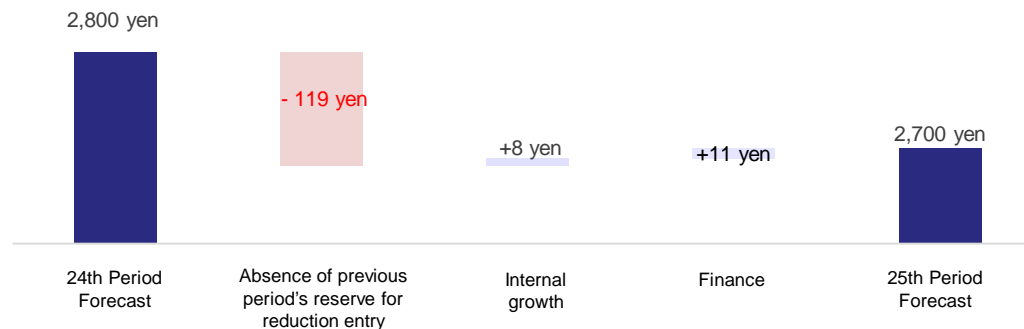
• Lease-ups and moving-outs of tenants: -25
• Rent revisions, etc.: +25

Absence of previous period's leasing management fee upon renewal, etc.

Reduction of interest costs by refinancing

Absence of previous period's reversal of reserve for reduction entry(156)

◆ Factors for Changes in Distribution



Memo

II. Management Status and Policy



1. External Growth

(1) Overview of Asset Replacement (Preceding Sales) and Acquisition of Assets

- ◆ Sold Akasaka Garden City with low profitability and unrealized loss as the first part of the asset replacement
- ◆ Realized increase in portfolio profitability, improvement of NAV with the increase of unrealized gain, and decrease in LTV level

Asset Replacement (Preceding Sales) (December 2017)

■ Overview of Sales

	(million yen)		
	Akasaka Garden City	No. 44 Kowa Building	Total
Sale price	22,500	1,890	24,390
Gain/loss on sale	-608	887	279
Unrealized profit/loss at end of FP22	-4,565	742	-3,823
Built	January 2006	July 1984	-
Total floor area	46,776.76 m ²	3,359.55 m ²	-
Buyer	Not disclosed	Nippon Steel Kowa Real Estate Co., Ltd.	-

Acquisition of Assets (August 2017)

	(million yen)		
	Kowa Nishi-Shimbashi Building	Akasaka Garden City	Total
Acquisition interest	Co-ownership interest: 52.2% (27.1% → 79.3%)	Co-ownership interest: 1.75% (31.08% → 32.83%)	-
Acquisition price	7,500	869	8,369
Appraisal value	7,820	1,040	8,860
Unrealized profit ²	320	171	491
Construction completion date	July 1996	January 2006	-
Total floor area	19,418.17 m ²	46,776.76 m ²	-

■ Improvement of Indices from Sales*1

	Before sale	After sale	Difference
NOI yield	4.70%	4.87%	+0.17pt
Yield after depreciation	3.34%	3.43%	+0.09pt
NAV per unit	125,638 yen	128,456 yen	2,818 yen
LTV (total assets basis)	47.9%	43.5%	-4.5pt
LTV (market value basis)	43.5%	39.5%	-4.0pt

*1 Calculation methods are as follows:

NOI yield and yield after depreciation

Before sale: Weighted average of the actual yield (annualized) of owned properties in the 22nd Period and the assumed yield at the time of acquisition of the properties additionally acquired in the 23rd Period.

After sale: The figures for before sale, excluding the figures for Akasaka Garden City and No. 44 Kowa Building (the "Two Properties").

NAV per unit

Before sale: NAV per unit as at the end of the 22nd Period, plus the "amount of difference between appraisal value and book value" (divided by the number of investment units outstanding) at the time of acquisition of the properties additionally acquired in the 23rd Period.

After sale: The figures for before sale, minus the "amount of difference between appraisal value and book value" (divided by the number of investment units outstanding) for the Two Properties.

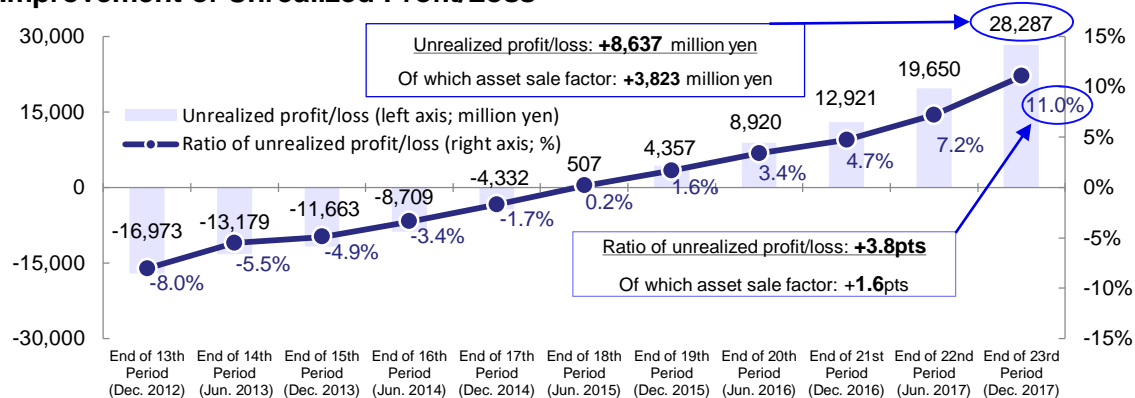
LTV (total assets basis)

Before sale: LTV (total assets basis) as at the end of the 22nd Period, reflecting the amount of increase in assets and interest-bearing debt due to acquisition of the properties additionally acquired in the 23rd Period.

After sale: The figures for before sale, reflecting the expected amount of decrease in assets and interest-bearing debt due to transfer of the Two Properties.

*2 Difference between the appraisal value as of the acquisition and the acquisition price is indicated.

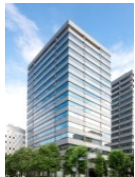
■ Improvement of Unrealized Profit/Loss



1. External Growth

(2) Major Development Cases and Portfolio of Sponsor

Kowa Nishi-Shimbashi Building AKASAKA INTERCITY



2013: Acquired 27%
2017: Acquired 52%

2007: Acquired 24%
2013: Acquired 25%

Mansard Daikanyama HAMARIKYU INTERCITY



2016:
Acquired 100%

2011: Acquired 40%
2014: Acquired 60%

BIZCORE AKASAKA-MITSUKE
Completion Mar. 2019(Planned)



Reconstruction project of
Nittetsu Nihonbashi Building
Completion Mar. 2019(Planned)



Nippon Steel
Kowa
Real Estate
Office

BIZCORE Series
· Developments underway in Tsukiji,
Shibuya and Kanda as well

BIZCORE JIMBOCHO
Completed Nov. 2017



AKASAKA INTERCITY AIR
Completed Aug. 2017



Mansard
Daikanyama
2009



HAMARIKYU
INTERCITY
2011



NAGOYA
INTERCITY
2008



AKASAKA
INTERCITY
2005



SHINAGAWA
INTERCITY
1998



Kowa Nishi-Shimbashi
Building
1997



Kowa Nakamachidori Building
(retail)



KARA BLANC
(residential)



Shibaura Renasite
(Mixed-use development property
composed of university,
office and hotel)



Art Village Osaki



LOGIFRONT Koshigaya I (logistics)
Completion Feb. 2019(Planned)



Nippon Steel Kowa
Real Estate

Mixed-use development
composed of retail and
residential etc.

一生のパートナー

第一生命

Operating approx. 280
investment real estate,
primarily office buildings,
across Japan

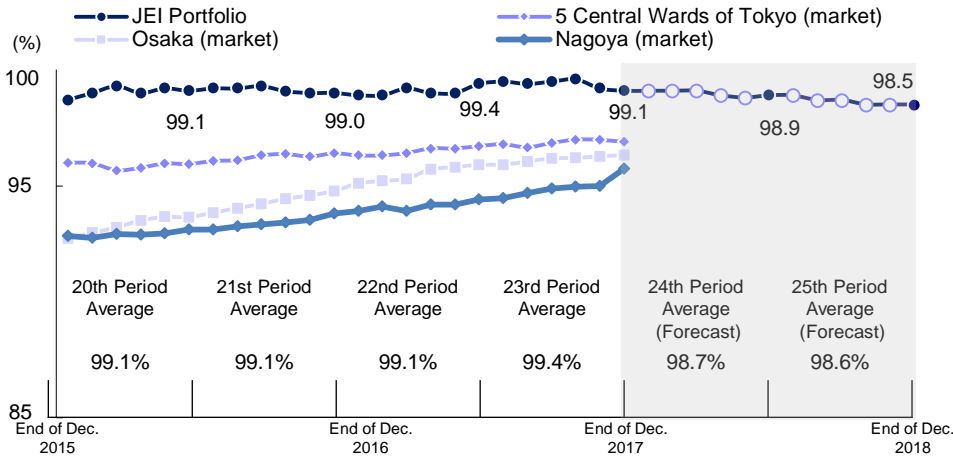


MEGURO CENTRAL SQUARE
and Brillia Towers Meguro

2. Internal Growth

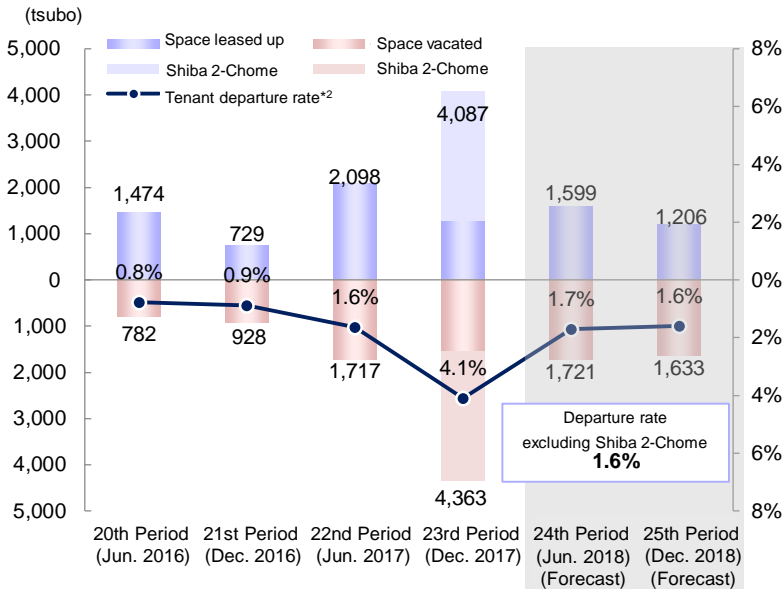
(1) Status of Rent ① (Departure and Lease-up)

Historical occupancy rate



Source: Prepared based on materials provided by Miki Shoji

Tenant Departure Rate and Spaces Leased Up and Vacated^(*)



*1 Figures for spaces leased up and vacated as well as increase/decrease of rent for the 23rd Period include Shiba 2-Chome Building. Starting with this period, figures for residential properties have been removed in the results of "Increase/Decrease of Rent Due to Departure and Lease-up (based on monthly rent)."

◆ Occupancy rate was at the 99% level at the end of the period.

The large vacancy (Shiba 2-Chome Building) was leased up without a vacancy period.

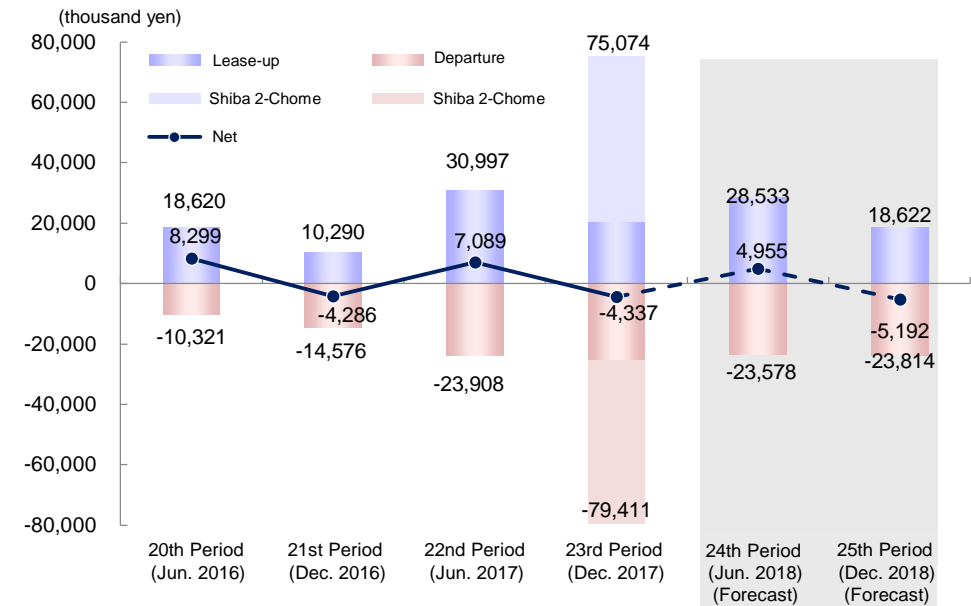
Rest of the tenant departure rate was at a low level of around 1%.

◆ Increase/decrease of monthly rent due to lease-up and moving-out by tenants remained to be stable

Reasons for Moving In

Reason for moving in/ floor expansion	Floor expansion within same building	Establishment of new base	Expansionary relocation	Grading up of building	Relocation for consolidation	Other	Total
Number of cases	7	6	4	1	1	4	23
Percentage	30%	26%	17%	4%	4%	17%	100%

Increase/Decrease of Rent Due to Departure and Lease-up (based on monthly rent)^(*)



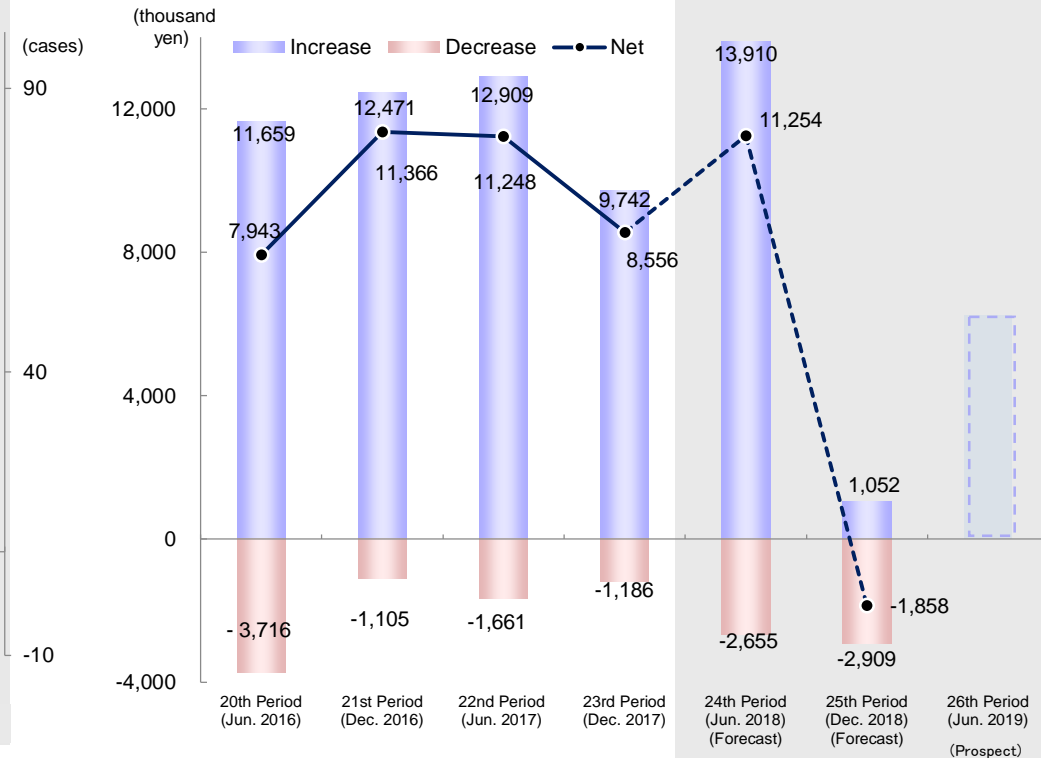
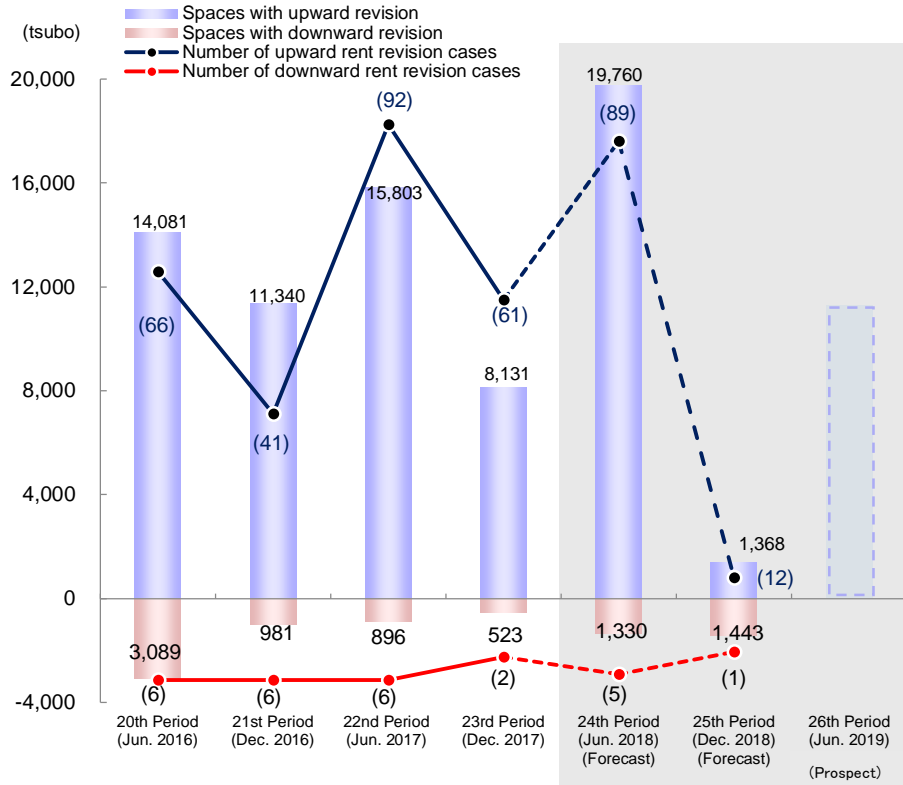
*2 Figures are calculated for the entire JEI portfolio as space vacated by tenants over the period as a percentage of total leased space as of the end of the previous period. In the case of additional acquisition during the period, tenant departure rate is calculated as space vacated by tenants over the period as a percentage of the sum of total leased space as of the end of the previous period and leased space of the additionally acquired property. In the case of a sale of a property during the period, leased space of the sold property is not subtracted from the total leased space as of the end of the previous period and thus the original formula (space vacated by tenants over the period as a percentage of total leased space as of the end of the previous period) applies.

2. Internal Growth

(1) Status of Rent ② (Rent revision)

- ◆ Rent was revised for 40.9% of the area subject to revision or 47.7% of cases and the average upward revision rate increased by 9.3%.
- ◆ The trend of upward rent revision is expected to continue into the 24th Period (ending June 2018) and after.

Number of Rent Revision Cases and Among Spaces Up for Revision*1 ■ Increase/Decrease in Rent Due to Rent Revisions (based on monthly rent)*2



Ratio of area with upward rent revision (cases)	50.1%	46.2%	63.6%	40.9%	49.9%	11.0%
	(44.0%)	(41.8%)	(52.9%)	(47.7%)	(42.4%)	(13.2%)
Area subject to rent revision (cases)	28,098	24,526	24,836	19,875	39,592	12,479
	tsubos	tsubos	tsubos	tsubos	tsubos	tsubos
	(150)	(98)	(174)	(128)	(210)	(91)

Upward revision rate	7.3%	7.1%	6.1%	9.3%	5.0%	7.6%
Downward revision rate	5.6%	5.7%	8.3%	10.8%	10.4%	10.0%
Rent revision rate*2	2.0%	2.9%	2.9%	2.9%	2.0%	-1.0%

*1 The figures do not include the data of fixed rent master lease agreements

Figures excluding those of residence are indicated for ratio of area with upward rent revision (cases) and area subject to rent revision (cases) from the 23rd Period.

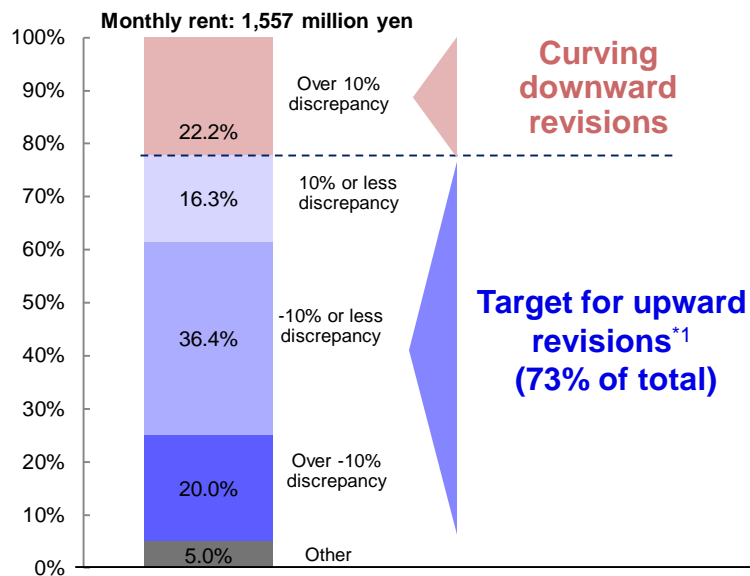
*2 Figures excluding those of residence are indicated for rent revision rate for the 23rd Period.

*3 Figures are average rent revision rate including contract renewal at the same rent

2. Internal Growth

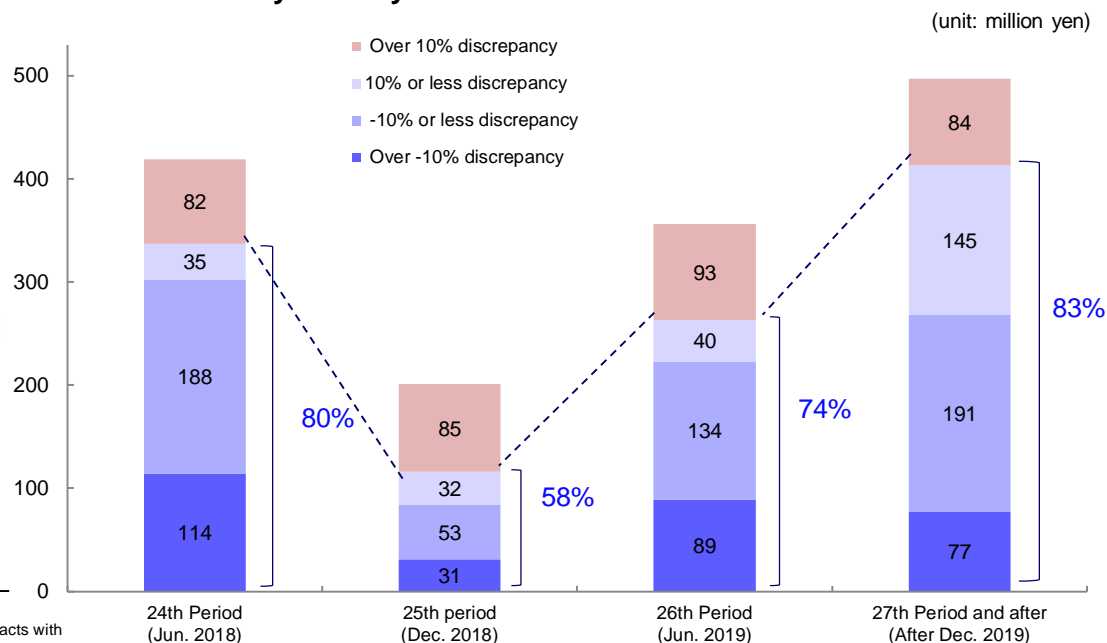
(2) Status of Rent Gap and Historical Unit Rent Levels

■ Status of Rent Gap

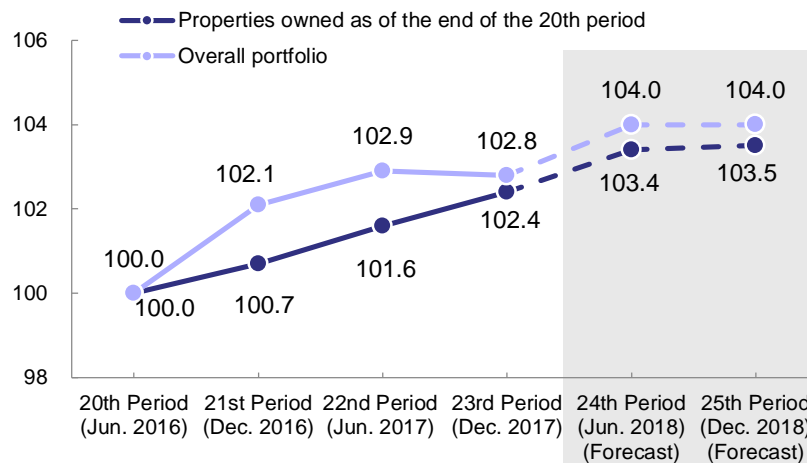


*1 Target tenants for upward rent revisions refers to contracts with rent below market rent and contracts with rent gap of 10% or less discrepancy.

■ Monthly Rent by Renewal Period



■ Historical Rent Levels*2



- ◆ The rent gap was at -2.7%. There is still room for upward revisions.
- ◆ Target tenants for upward revision accounts for 60% to 80% among those for rent renewal in and after the 24th Period. Internal growth is expected to continue.

*2 Indexed with the average unit rent at the end of the 20th period set as 100. The average unit rent is weighted average by leased office space
Properties owned at the end of the 20th Period are properties continuously owned from the end of the 20th Period among those owned at the end of the 23rd Period.

2. Internal Growth

(2) Value-Added Renovations

◆ Value-added renovations are progressing steadily.
 The ratio of increase of rent revenue at renovated properties is at +2.4%, higher than that of existing properties

Recent Major Value-Added Renovations

Property name	Investment amount	Completion of renovation ^{*1}	Main areas renovated	Rate increase of rent revenue ^{*2}
JEI Kyobashi Building	35 million yen	21st Period	Restrooms and hallways	3%
JEI Naha Building	53 million yen	21st Period	Restrooms, hallways and elevator hall	3%
JEI Nishi-honmachi Building	25 million yen	21st Period	Inside of 1F rental room	3%
SE Sapporo Building	177 million yen	22nd Period	Restrooms, hallways and elevator hall	4%
Kowa Kawasaki Nishiguchi Building	378 million yen	23rd Period	Restrooms, hallways, elevator hall and entrance	2%
Total/average	668 million yen	-	-	2.4%

Average of all properties ^{*3}	1.3%
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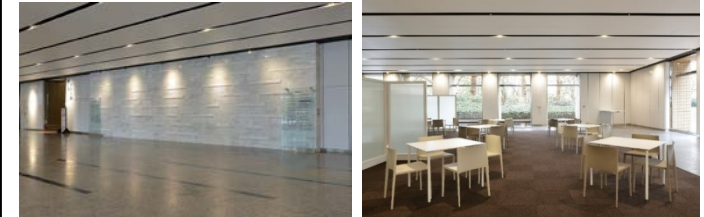
NHK Nagoya Housou-Center Building ^{*4}	253 million yen	26th Period (Jun. 2019)	Restrooms and office pantries	-
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^{*1} The period when the main section has been completed is indicated.
^{*2} The per-period rate of increase of rental revenue from that at each property's completion period to the forecast for the 24th Period is indicated.
^{*3} The rate of increase of rent revenue compared to the previous period is indicated (excluding properties acquired and sold in the 23rd Period and the impact of free rent at Shiba 2-Chome Building).
^{*4} Investment amount and completion of renovation is as is currently planned.

Example of Value-Added Renovation Completed in the 23rd Period (Kowa Kawasaki Nishiguchi Building)

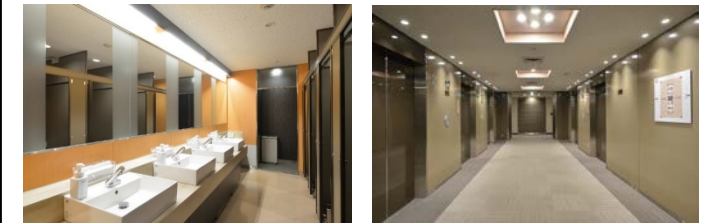
1F entrance

Established a new meeting lounge



Restrooms, hallways

- Renewed washstand, installed motion sensor and converted to LED lighting



- Maintaining/improving future profitability
- Reducing costs through LED lighting conversion

3. Financial Strategy

(1) Performance of Financing Activities

◆ Reduced LTV level, increased ratio of fixed interest rates and extended average remaining period with the asset replacement (preceding sales)

■ Performance of Fund Procurement, Refinancing, etc. in the 23rd period

○ **New loans** (August 2017) alongside acquisitions
(Additional acquisition of Kowa Nishi-Shimbashi Building, etc.)

Loan (new) *		
Amount	Term	Interest rate
8.6 billion yen	7.8 years	0.77%

Effect

▶ Extension

○ **Refinancing** (November 2017)

Loan (before refinancing)			Loan (after refinancing)			Difference	
Amount	Term	Interest rate	Amount	Term	Interest rate	Term	Interest rate
12.0 billion yen	5.9 years	1.41%	10.0 billion yen	6.1 years	0.63%	+0.2 years	-0.78%
			2.0 billion yen	1.0 years	0.24%	▶ Repaid in December 2017	

▶ Extension

▶ Reduction of financial costs

○ **Repaid** floating loan (December 2017) with the sale (Akasaka Garden City, etc.)

Loan (repayment)		
Amount	Term	Interest rate
22.0 billion yen	2.7 years	0.27%

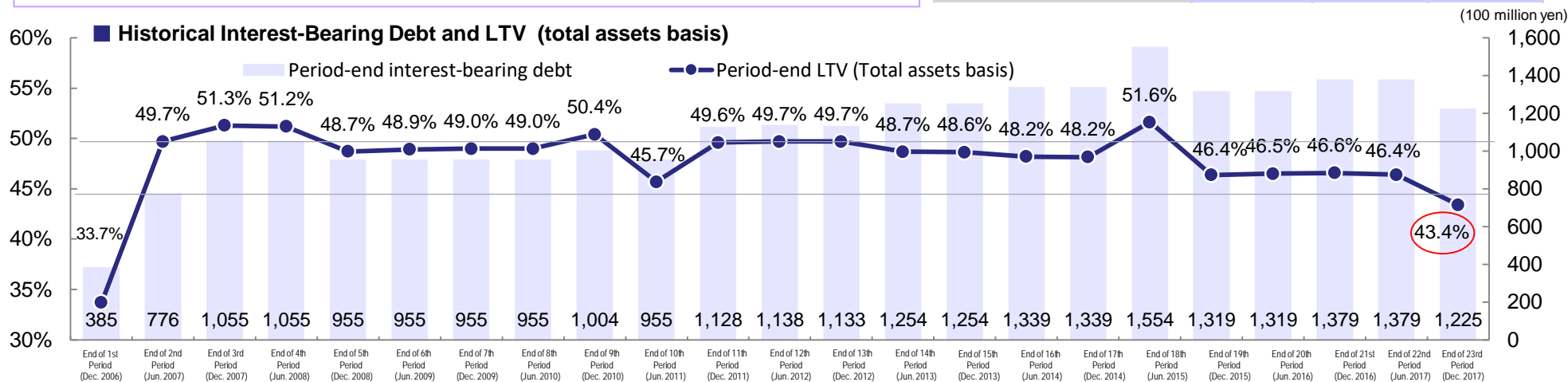
▶ Reduction of LTV

▶ Increase of ratio of fixed interest rates

■ Change in Major Financial Data

	22nd end (Jun. 2017)	23rd end (Dec. 2017)	Difference
LTV (total assets basis)	46.4%	43.4%	-3.0pt
LTV (market value basis)	43.5%	39.5%	-4.0pt
Ratio of fixed interest rate	81.3%	96.2%	+14.9pt
Average remaining period of interest-bearing debt	3.7 years	4.4 years	+0.7 years
Financial costs	1.02%	1.12%	+0.10pt
Period end average interest rate of interest-bearing debt	0.82%	0.85%	+0.03pt
Period end balance of interest-bearing debt	137.9 billion yen	122.5 billion yen	-15.4 billion yen

■ Historical Interest-Bearing Debt and LTV (total assets basis)



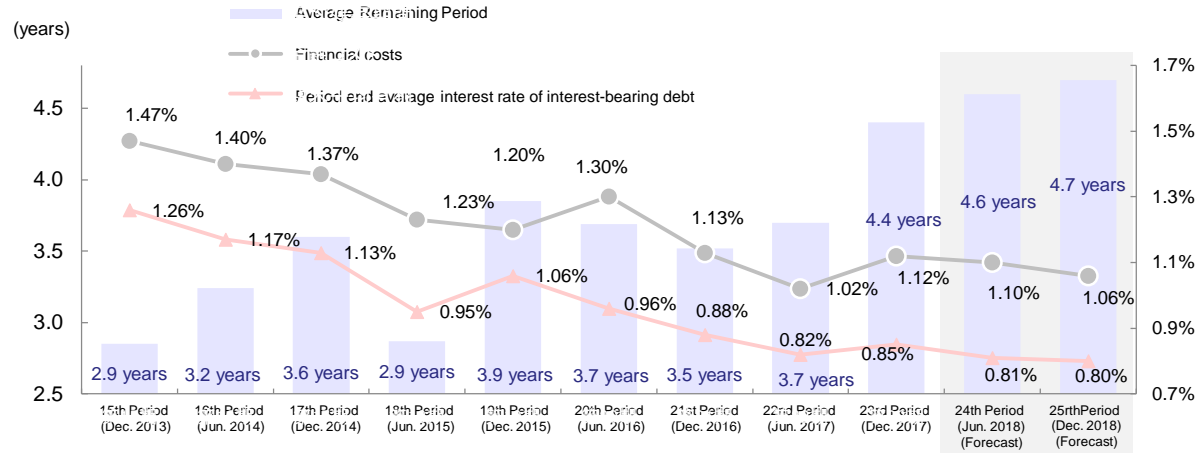
*Regarding the borrowing period and interest rate in the table, 7.7 billion yen out of 8.6 billion yen is for after the refinancing of long-term loans on September 29, 2017

3. Financial Strategy

(2) Status of Financial Management

◆ Financial cost is expected to continue declining

Historical Average Remaining Period of Interest-Bearing Debt and Financial Costs*



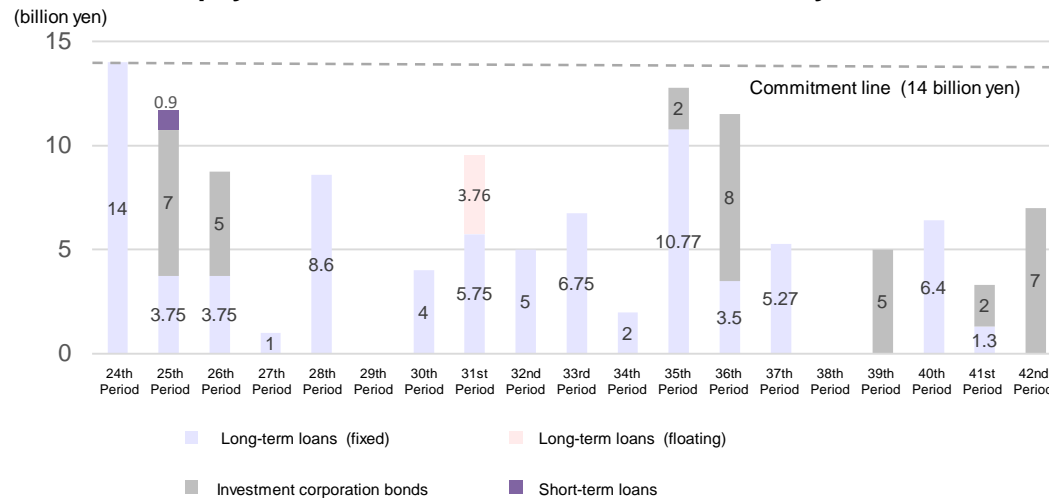
* "Financial costs" = (Interest expense + loan-related fees + interest expense on investment corporation bonds + amortization of investment corporation bond issuance costs) ÷ average remaining interest-bearing debt during the period.

	24th Period	25th Period
Repayment and redemption amount	14.0 billion yen	11.6 billion yen
Average borrowing interest rate	1.0%	0.7%



Effect of reduction of interest rate if refinancing was made with an average interest rate of 0.6% which was the actual results for refinancing in the 23rd Period
34 million yen per period; 26 yen per unit

Status of Repayment Amount in Each Period and Maturity Date Diversification



Rating

Rating agency	Rating (outlook)
Japan Credit Rating Agency (JCR)	Long-term issuer rating: AA- (stable)
Rating and Investment Information (R&I)	Issuer rating: A+ (stable)
Moody's Japan	Issuer rating: A3 (stable)

Memo

III. Features of Japan Excellent Inc.



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.

Provision of property acquisition opportunities that will enable continuous expansion of the asset size

Stabilization of revenue and enhancement of property competitiveness with strong property management and leasing capabilities

Core Sponsors



Nippon Steel Kowa Real Estate Co., Ltd.

Established through the integration of Nippon Steel City Produce and Kowa Real Estate, a real estate company with balanced operation of its office building business centering on central Tokyo and its residential business.

Property

Brokerage

Personnel

Management

By your side, for life **The Dai-ichi Life Insurance Company, Limited**



One of Japan's top class life insurance companies. As of March 31, 2017, manages 282 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



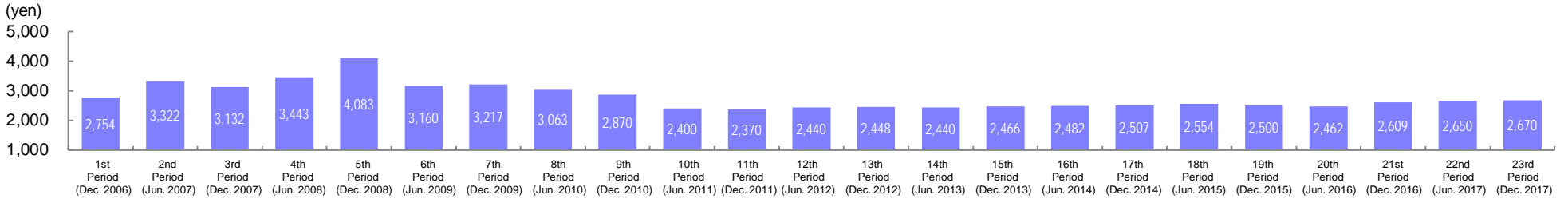
Sohgo Housing Co., Ltd.

Management

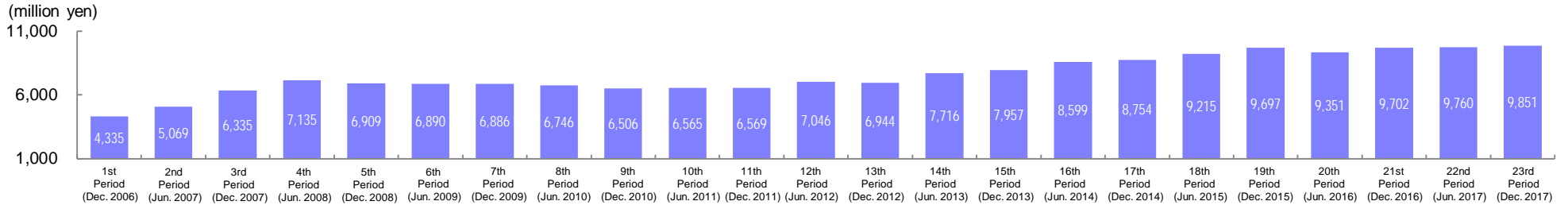
Achievements : **Property** Supply of properties **Loans** Loans **Brokerage** Brokerage for third-party properties **Personnel** Supply of personnel **Management** Management of JEI's properties

2. Track Record

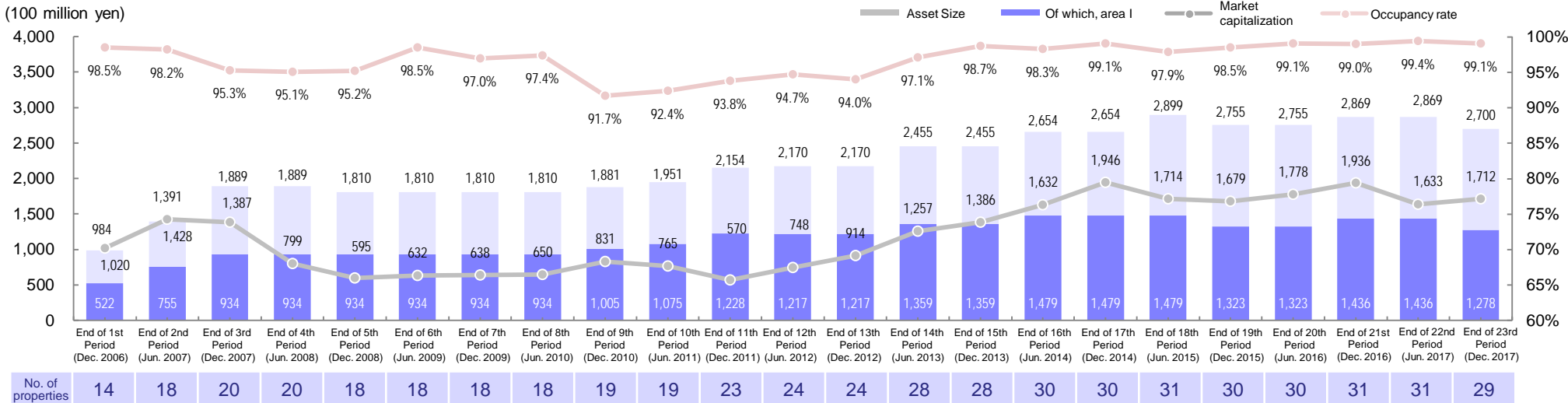
Historical Distributions per Unit*1



Historical 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.

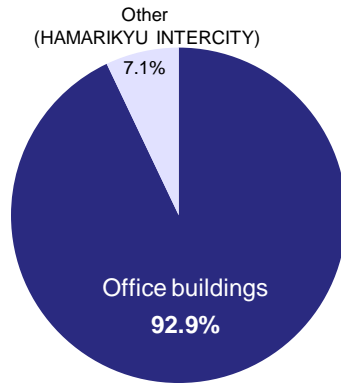
*2 Market capitalization indicates the market capitalization as of the end of each fiscal period.

3. Portfolio (1)

Usage

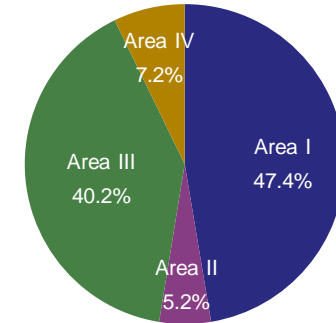
(Investment Policy)

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



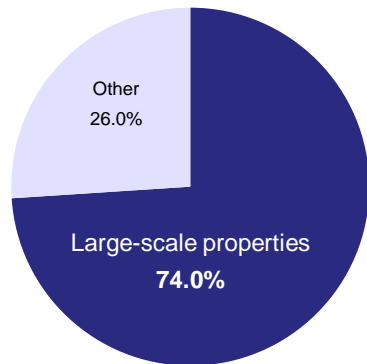
Area

Area	Area I	Area II	Area III	Area IV
Total acquisition price	127.8 billion yen	14.0 billion yen	108.6 billion yen	19.4 billion yen
Number of properties	10 properties	3 properties	10 properties	6 properties

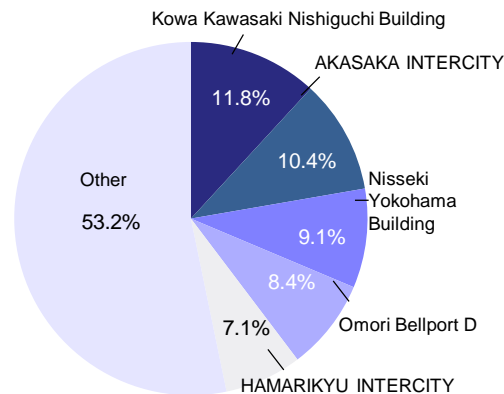


Ratio of investment in the Tokyo^{*4} metropolitan area
87.6%

Large-Scale Properties^{*3}



Top 5 Properties



Ratio of top 5 properties
46.8%

(Investment Policy)

Target investment areas		Investment ratio in portfolio ^{*2}
Core areas		80% or more
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 (Umeda, Dojima, Nakanoshima, Yodoyabashi, Honmachi, etc.) Central Nagoya (Meieki, Fushimi, Sakae, etc.) Central Fukuoka (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

*1 Usage is determined based on the majority share of leasable space 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.

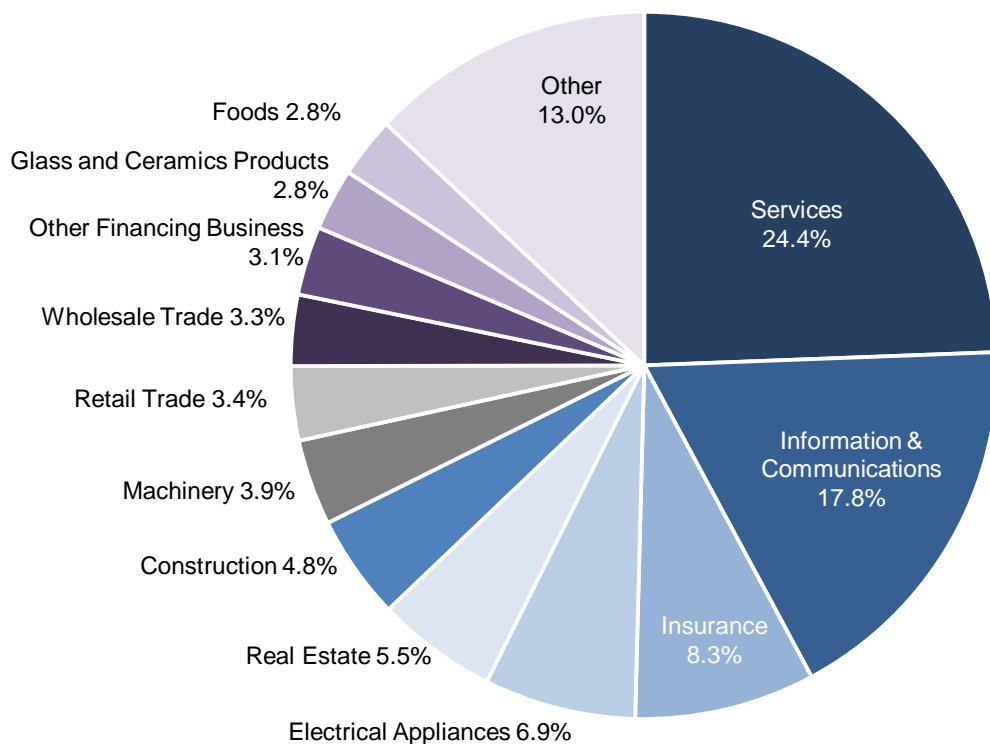
*3 "Large-scale properties" refers to properties with total floor area of 10,000 tsubos or more for the 23 wards of Tokyo, and of 4,000 tsubos or more for areas other than the 23 wards of Tokyo.

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

*5 The above figures are the figures as of the end of the 23rd Period and the ratio is rounded to the first decimal place based on the acquisition price.

3. Portfolio (2)

■ Type of Industry of Tenants*1



■ Top 10 Tenants

End tenant name	Property Name	Total space leased (m ²)	Floor area ratio (%)
National Mutual Insurance Federation of Agricultural Cooperatives	Kowa Kawasaki Nishiguchi Building	20,549.29	5.8
Toshiba Information System (Japan) Corp.	Kowa Kawasaki Higashiguchi Building	18,612.72	5.3
Hitachi Urban Investment, Ltd.	Omori Bellport D Ebina Prime Tower JEI Hiroshima Hacchobori Building SE Sapporo Building	10,118.99	2.9
Haseko Corporation	Shiba 2-Chome Building	9,284.18	2.6
*3	*3	8,968.71	2.5
*3	Daiba Garden City Building	7,286.83	2.1
*3	*3	6,572.84	1.9
Hitachi Zosen Corporation	Omori Bellport D	5,383.97	1.5
JACCS CO., LTD.	Ebina Prime Tower	5,183.63	1.5
U CO-OP	Nisseki Yokohama Building	4,615.74	1.3
Total of top 10 end tenants		96,576.90	27.3
Total of portfolio overall		353,651.44	100.0

*1 Asset management company categorized and created above industry category along with "TOPIX 33 Sector Indices."

*2 Ratio stated above is rounded to the first decimal place based on leased space as of the end of the 23rd Period.

*3 End tenant names are not disclosed as we have not obtained consent, etc. from tenants.

*4 The figures above are as of the end of the 23rd Period.

GRESB Real Estate Assessment



- ◆ Received “**Green Star**,” the highest rating in the Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment, conducted in 2017, for three consecutive years
- ◆ Also received the highest rating of “**5-Star**” for **two consecutive years** in “GRESB Rating,” a five-grade evaluation system based on comprehensive scores

- “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.

Environment

Environmental initiatives

Obtained environmental certification and evaluation

DBJ Green Building Certification

- ◆ Development Bank of Japan Inc. selects and certifies buildings for the purpose of promoting 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 with the best environmental & social awareness

Properties with exceptionally high environmental & social awareness

Properties with excellent environmental & social awareness

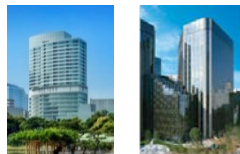
Real estate properties with high environmental and social awareness



AKASAKA INTERCITY*



Nisseki Yokohama Building



HAMARIKYU Omori Bellport D INTERCITY



Kowa Kawasaki Nishiguchi Building

Office Implementing Excellent Specific Global Warming Countermeasures

Semi-Top-Level Office



AKASAKA INTERCITY

- ◆ The Tokyo metropolitan government certifies offices with particularly advanced global warming countermeasures as “Office Taking Excellent Specific Global Warming Countermeasures”
- ◆ Total emission reduction obligation ratio of specified green-house gas was reduced by 3/4 for a “Semi-Top-Level Office.”

CASBEE for Market Promotion Certification



Kowa Nishi-Shimbashi Building



Rank A

- ◆ A system established under the leadership of the Ministry of Land, Infrastructure, Transport and Tourism to appropriately identify and evaluate properties with high environmental value that have high environmental performance and are well managed.

* Nippon Steel Kowa Real Estate Co., Ltd., the co-owner of the property, has received the certification.

Reduction of Environmental Burden and System of Promotion

Aiming to save energy and reduce CO₂ emissions by promoting the introduction of facilities contributing to energy saving in real estate under management.

◆ Introduction of energy saving facilities

Shiba 2-Chome Building



Conversion to LED lighting at common space and exclusive space on some floors



SE Sapporo Building



Conversion to LED lighting at common space



◆ Sustainability promotion system of the asset management company

- Continuously monitoring the status by periodically monitoring the amount of used energy, CO₂ emission, used water and waste.
- Establishing a sustainability committee composed of main members including the executive director and establishing an in-house system for setting targets and periodically monitoring the status of efforts to systematically promote sustainability efforts.

Social

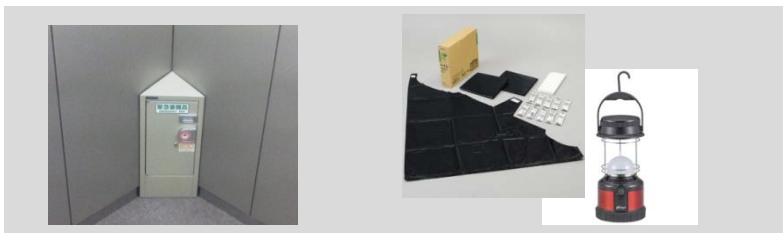
Social Initiatives

Partnership and collaboration with stakeholders

Striving to reduce environmental burdens and promote interaction with local communities by partnering with tenants and property management companies.

Tenants

- We are advancing initiatives for the safety and security of tenants and visitors (Examples of initiatives)
 - ◇ Introduction of an earthquake damage assessment system (AKASAKA INTERCITY and Kowa Nishi-Shimbashi Building)
 - ◇ Establishment of emergency cabinets inside elevators
 - ◇ Storage of portable toilets, lanterns, etc. to provide to tenants in case of emergencies



Local Communities

- We periodically hold concerts in the common spaces of office buildings and support the activities of communities by helping to hold various events.

[Yoga classes]



Omori Bellport D

[Concerts]



AKASAKA INTERCITY



NHK Nagoya Housou-Center Building

Governance

Governance Initiatives

Established Structure to Prevent Conflicts of Interests from Sponsor Formation



新日鉄興和不動産

Nippon Steel Kowa Real Estate

一生涯のパートナー



The Dai-ichi Life Insurance

- ◆ Management structure which will not be affected by a specified sponsor due to mutual supervision of the two core sponsors
- ◆ The two core sponsors own 7.1% of JEI's investment units and the interest of unitholders and that of sponsors match (as of December 31, 2017)

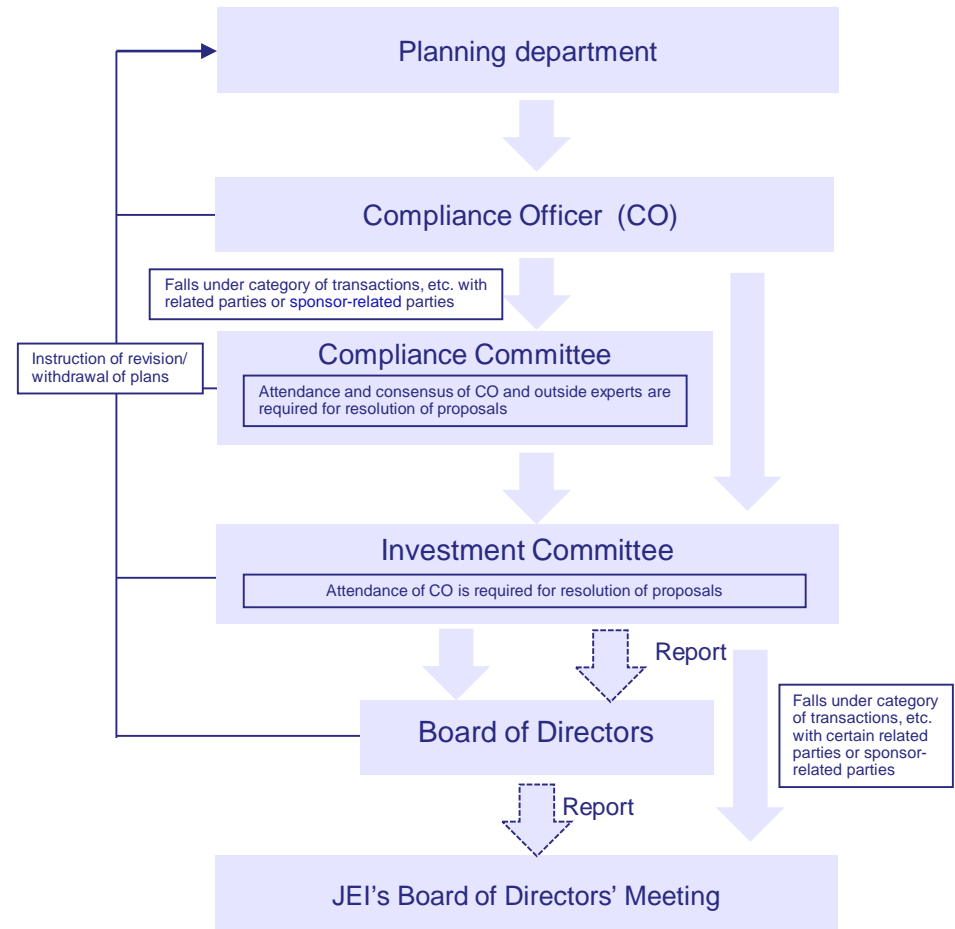
Management Fee Structure

- ◆ In addition to management fees linked to the size of managed assets, management fees linked to revenue are also introduced
- ◆ A fee for property acquisitions/sales is not adopted

	Calculation method								
Asset management fees I	<p>The amount of JEI's assets under management (every 3 months) multiplied by the following fee rates x (the actual number of days within the relevant calculation period ÷ 365)</p> <table border="1"> <thead> <tr> <th>Assets under management</th> <th>Fee rates</th> </tr> </thead> <tbody> <tr> <td>Portion up to ¥100 billion</td> <td>0.25%</td> </tr> <tr> <td>Portion over ¥100 billion up to ¥200 billion</td> <td>0.15%</td> </tr> <tr> <td>Portion over ¥200 billion</td> <td>0.05%</td> </tr> </tbody> </table>	Assets under management	Fee rates	Portion up to ¥100 billion	0.25%	Portion over ¥100 billion up to ¥200 billion	0.15%	Portion over ¥200 billion	0.05%
Assets under management	Fee rates								
Portion up to ¥100 billion	0.25%								
Portion over ¥100 billion up to ¥200 billion	0.15%								
Portion over ¥200 billion	0.05%								
Asset management fees II	(The amount of ordinary income before deducting Management Fee II + the amount of depreciation) x 4.0%								

Flow of Decision-Making

The asset management company has an established governance system in which a compliance committee which includes outside experts deliberates on conflict of interest and other legal matters and such in the decision-making process concerning certain transactions between JEI and affiliates of the sponsors.



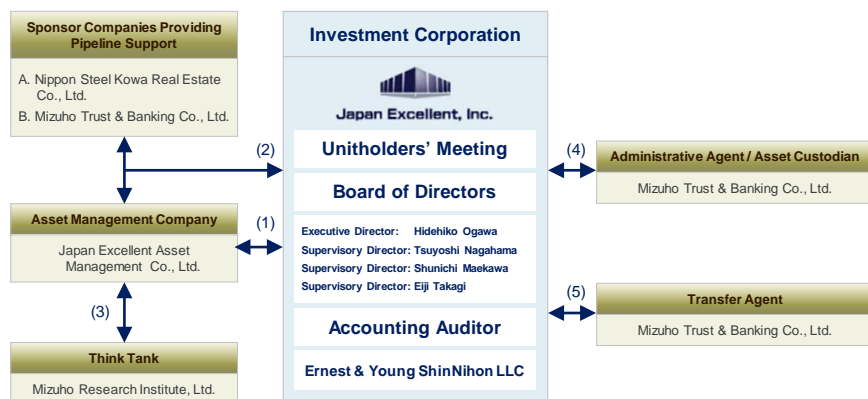
5. Structure of JEI / Overview of Japan Excellent Asset Management Co., Ltd.

Unit Price and Tokyo Stock Exchange REIT Index



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

Organization of JEI



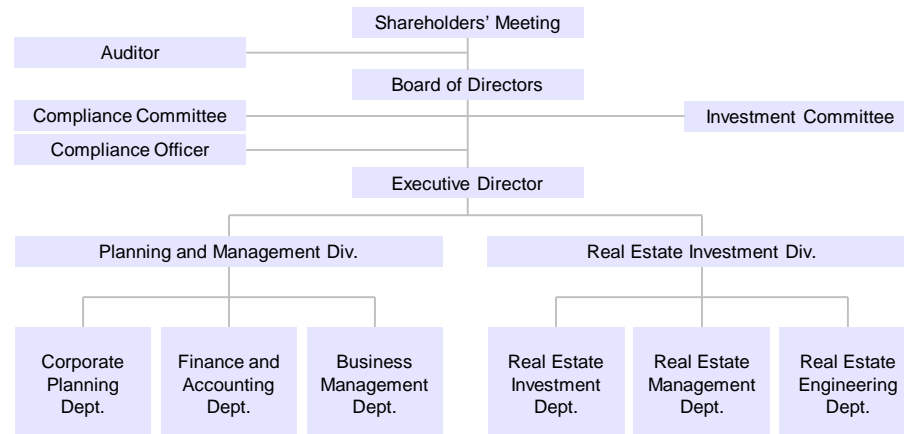
- (1) Asset Management agreement
- (2) A. Pipeline support agreement with NIPPON STEEL KOWA REAL ESTATE
B. Pipeline support agreement with Mizuho Trust & Banking
- (3) Agreement with Mizuho Research Institute to provide market and other information
- (4) Agreement to entrust administrative duties and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

Overview of Japan Excellent Asset Management

Headquarters	1-15-9 Minamiaoyama, Minato Ward, Tokyo	
Established	April 14, 2005	
Capital	450 million yen	
Shareholders*2	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	

*2 Percentages in the above table are percentages of total outstanding shares.

Outline and Organization of JEAM

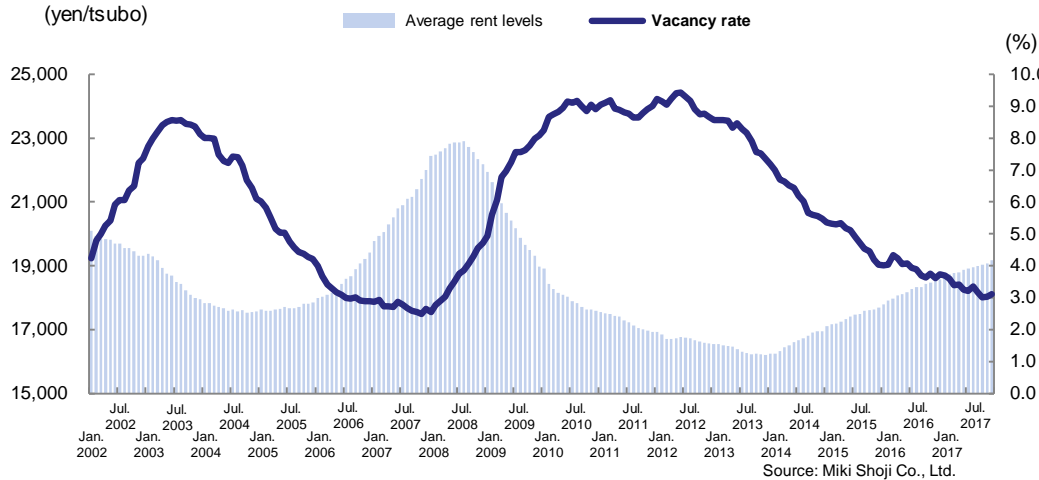


Reference Materials

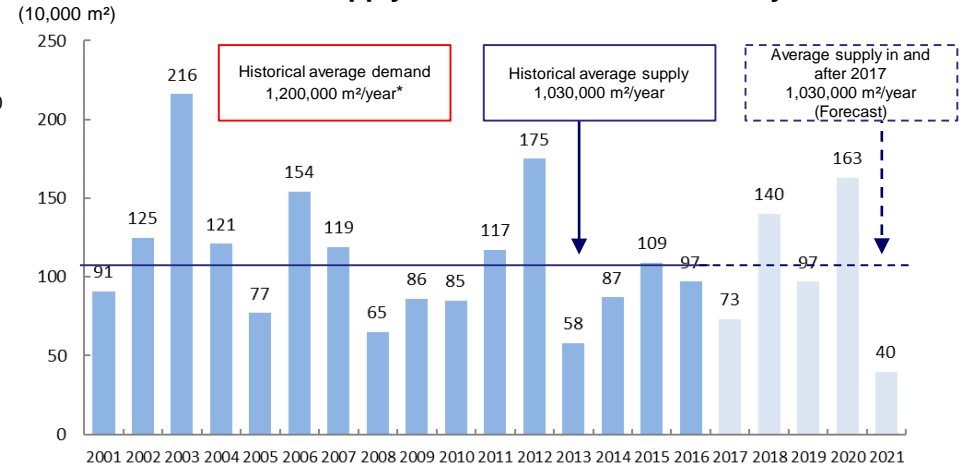


- ◆ Improvement trend in vacancy rate continues and rent level is rising gradually
- ◆ Real estate transaction prices remain in the high price range

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



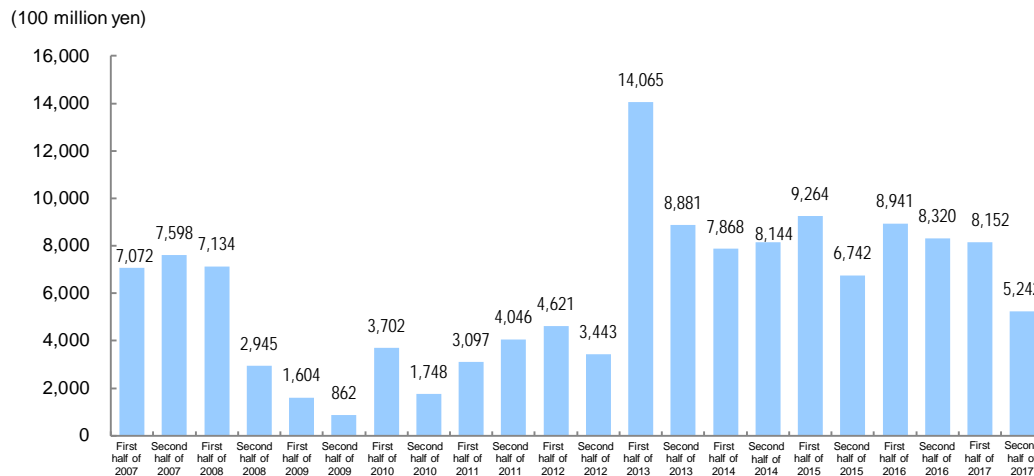
Historical New Office Supply Volume in 23 Wards of Tokyo



* Annual average of net absorption (area offered as of the beginning of each fiscal period-area offered as of the end of each fiscal period + area of newly completed buildings in each fiscal period) in 2013 to 2017.

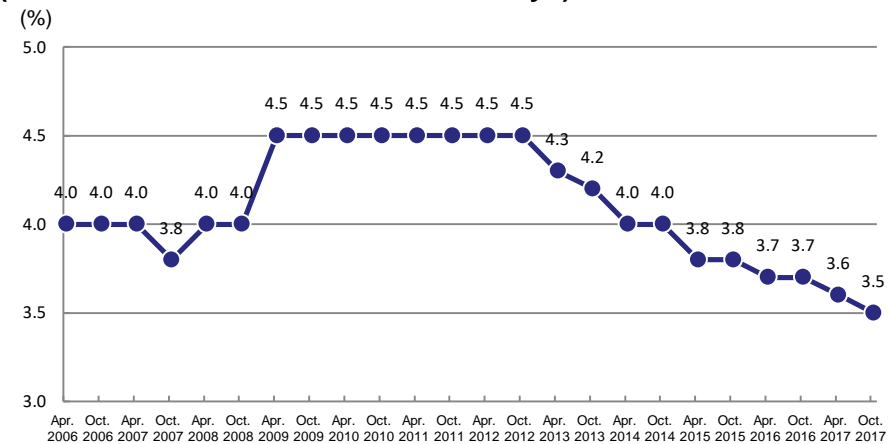
Source: Supply: Mori Building Co., Ltd. Demand: Sanko Estate Co., Ltd.

Historical Actual Real Estate Acquisitions by J-REITs



Source: The Association for Real Estate Securitization

Historical Expected Transaction 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-7	I-8	I-9	I-10	I-12	I-13	I-14	I-15	II-1	II-2	II-3	III-1	III-2	III-3	III-5	III-6	III-7	III-8	III-9	III-10	III-11	III-12	IV-2	IV-3	IV-4	IV-5	IV-6	IV-7	
	Omori	Shiba 2-Chome	Hamamatsu-cho	Akasaka Garden City	AKASAKA INTERCITY	Kowa Shirokanedai	Daiba Garden City Bldg.	HAMARIKYU INTERCITY	Shintomicho	Kowa Nishi-Shimbashi	Mansaid Daikanyama	NHK Nagoya	Nishi-hommachi	Osaka Kojin with interest	Musashi-Kosugi	Kawasaki Higashi-Guchi	Hongo	Kawasaki Nishincho	44 Kowa	Ryogoku	Ebina	Kawasaki Nishi-Guchi	Sengoku	Core City Tachikawa	Nissaki Yokohama Building	Kyobashi	Hiroshima Haccho-bori	SE Sapporo	Aoba-dori Plaza	Daiwa Manamomimachi	Naha	
Revenue from operations	937	158	226	402	587	179	334	734	71	-	294	353	210	83	812	-	-	195	85	107	442	939	55	311	1,149	182	148	368	191	198	80	10,806
Rental revenue	871	157	212	365	536	159	334	679	64	-	273	-	183	83	726	-	-	193	73	96	375	849	48	305	1,051	162	134	280	169	177	68	9,851
Other revenue	66	0	14	36	51	19	0	55	7	-	20	-	27	-	85	-	-	2	11	10	66	90	6	5	98	19	14	88	21	20	12	954
Expenses from operations	505	125	117	178	273	85	125	408	31	-	145	232	138	44	371	-	-	108	41	59	324	593	31	135	753	109	77	219	109	82	52	5,931
Property management	134	42	29	44	33	22	1	115	6	-	28	66	25	-	100	-	-	40	15	20	117	141	5	28	157	16	17	34	35	22	9	1,441
Utilities	142	0	11	26	55	11	-	65	5	-	21	31	25	-	78	-	-	-	7	9	77	99	5	39	180	15	14	74	19	16	8	1,122
Taxes	77	29	17	46	34	14	34	52	4	-	27	25	26	43	64	-	-	17	7	7	40	73	6	20	120	12	17	23	17	12	4	939
Insurance	1	0	0	0	0	0	0	2	0	-	0	0	0	-	1	-	-	0	0	0	1	2	0	1	3	0	0	0	0	0	0	26
Repair and maintenance	15	2	6	1	2	13	2	15	2	-	24	2	1	-	7	-	-	5	1	1	5	18	0	8	14	6	3	1	11	0	4	202
Non-operating expenses	2	1	14	1	60	1	1	11	0	-	2	33	1	0	7	-	-	0	2	1	9	14	0	1	16	1	1	2	1	0	4	226
Depreciation	130	49	37	57	86	21	85	145	11	26	39	72	57	-	110	81	31	43	6	18	72	244	11	35	260	56	23	82	23	29	19	1,972
Profits (loss) from operations	431	32	109	223	314	94	209	325	40	222	148	120	72	39	440	211	78	86	43	48	118	346	24	176	395	73	70	149	81	115	28	4,874
NOI	562	82	147	280	400	115	294	470	52	248	188	193	129	39	551	293	109	130	50	66	190	590	36	211	656	129	94	231	105	144	47	6,847
Acquisition price	22,552	9,450	8,350	24,169	28,146	4,705	11,000	19,080	1,750	11,431	11,420	5,610	6,673	1,770	13,890	10,976	5,400	4,725	1,150	2,550	6,470	32,000	1,620	6,500	24,500	3,308	2,760	5,500	2,120	4,410	1,380	295,366

NOI yield in comparison with the previous fiscal period

Compared with previous period end	23rd period NOI yield (annualized)	22nd period NOI yield (annualized)	Difference (Pt)	23rd period NOI yield (annualized)	22nd period NOI yield (annualized)	Difference (Pt)	23rd period NOI yield (annualized)	22nd period NOI yield (annualized)	Difference (Pt)	23rd period NOI yield (annualized)	22nd period NOI yield (annualized)	Difference (Pt)	23rd period NOI yield (annualized)	22nd period NOI yield (annualized)	Difference (Pt)	23rd period NOI yield (annualized)	22nd period NOI yield (annualized)	Difference (Pt)	23rd period NOI yield (annualized)	22nd period NOI yield (annualized)	Difference (Pt)	23rd period NOI yield (annualized)	22nd period NOI yield (annualized)	Difference (Pt)	23rd period NOI yield (annualized)	22nd period NOI yield (annualized)	Difference (Pt)	23rd period NOI yield (annualized)	22nd period NOI yield (annualized)	Difference (Pt)	23rd period NOI yield (annualized)	22nd period NOI yield (annualized)	Difference (Pt)
23rd period NOI yield (annualized)	4.9%	1.7%	3.5%	2.5%	2.8%	4.9%	5.3%	4.9%	6.0%	4.9%	3.3%	6.8%	3.8%	4.5%	7.9%	5.3%	4.0%	5.5%	9.2%	5.2%	5.9%	3.7%	4.4%	6.4%	5.3%	7.8%	6.8%	8.4%	9.8%	6.5%	6.9%	4.65%	
22nd period NOI yield (annualized)	5.3%	4.8%	3.1%	2.5%	2.8%	4.9%	5.3%	4.8%	6.0%	4.2%	4.1%	7.5%	3.3%	4.5%	6.9%	5.6%	4.3%	5.4%	10.8%	5.2%	5.3%	3.7%	3.7%	6.6%	5.3%	6.6%	6.7%	7.7%	10.4%	6.6%	6.2%	4.72%	
Difference (Pt)	-0.4	-3.1	0.4	0.0	0.0	0.0	0.0	0.1	0.0	0.7	-0.8	-0.7	0.5	0.0	1.0	-0.3	-0.3	0.1	-1.6	0.0	0.6	0.0	0.7	-0.2	0.0	1.2	0.1	0.7	-0.6	-0.1	0.7	-0.07	

Yield after depreciation in comparison with the previous fiscal period

Compared with previous period end	23rd period yield after depreciation (annualized)	22nd period yield after depreciation (annualized)	Difference (Pt)	23rd period yield after depreciation (annualized)	22nd period yield after depreciation (annualized)	Difference (Pt)	23rd period yield after depreciation (annualized)	22nd period yield after depreciation (annualized)	Difference (Pt)	23rd period yield after depreciation (annualized)	22nd period yield after depreciation (annualized)	Difference (Pt)	23rd period yield after depreciation (annualized)	22nd period yield after depreciation (annualized)	Difference (Pt)	23rd period yield after depreciation (annualized)	22nd period yield after depreciation (annualized)	Difference (Pt)	23rd period yield after depreciation (annualized)	22nd period yield after depreciation (annualized)	Difference (Pt)	23rd period yield after depreciation (annualized)	22nd period yield after depreciation (annualized)	Difference (Pt)	23rd period yield after depreciation (annualized)	22nd period yield after depreciation (annualized)	Difference (Pt)	23rd period yield after depreciation (annualized)	22nd period yield after depreciation (annualized)	Difference (Pt)	23rd period yield after depreciation (annualized)	22nd period yield after depreciation (annualized)	Difference (Pt)
23rd period yield after depreciation (annualized)	3.8%	0.7%	2.6%	2.0%	2.2%	4.0%	3.8%	3.4%	4.6%	4.3%	2.6%	4.3%	2.1%	4.5%	6.3%	3.8%	2.9%	3.7%	8.0%	3.7%	3.6%	2.1%	3.0%	5.4%	3.2%	4.4%	5.1%	5.4%	7.6%	5.2%	4.1%	3.31%	
22nd period yield after depreciation (annualized)	4.2%	3.9%	2.2%	2.0%	2.2%	3.9%	3.8%	3.3%	4.6%	3.3%	3.4%	4.9%	1.6%	4.5%	5.3%	4.1%	3.1%	3.6%	9.6%	3.7%	3.0%	2.2%	2.2%	5.5%	3.0%	3.2%	5.0%	4.7%	8.2%	5.3%	3.4%	3.34%	
Difference (Pt)	-0.4	-3.2	0.4	0.0	0.0	0.1	0.0	0.1	0.0	1.0	-0.8	-0.6	0.5	0.0	1.0	-0.3	-0.2	0.1	-1.6	0.0	0.6	-0.1	0.8	-0.1	0.2	1.2	0.1	0.7	-0.6	-0.1	0.7	-0.03	

*1 Figures are rounded down to the nearest million yen.

*2 Ratios are rounded to the first decimal place. The total of year-on-year comparison is rounded to the second decimal place.

*3 NOI yield for each property shown is annualized. (NOI yield = Annualized NOI / acquisition price)

*4 Details concerning revenue and expenses for Kowa Nishi-Shimbashi Building, Kawasaki Higashiguchi and JEI Hongo Building are not disclosed because we have not received consent from end tenants.

*5 Details concerning rental revenue for NHK Nagoya are not disclosed because we have not received consent from the business partner.

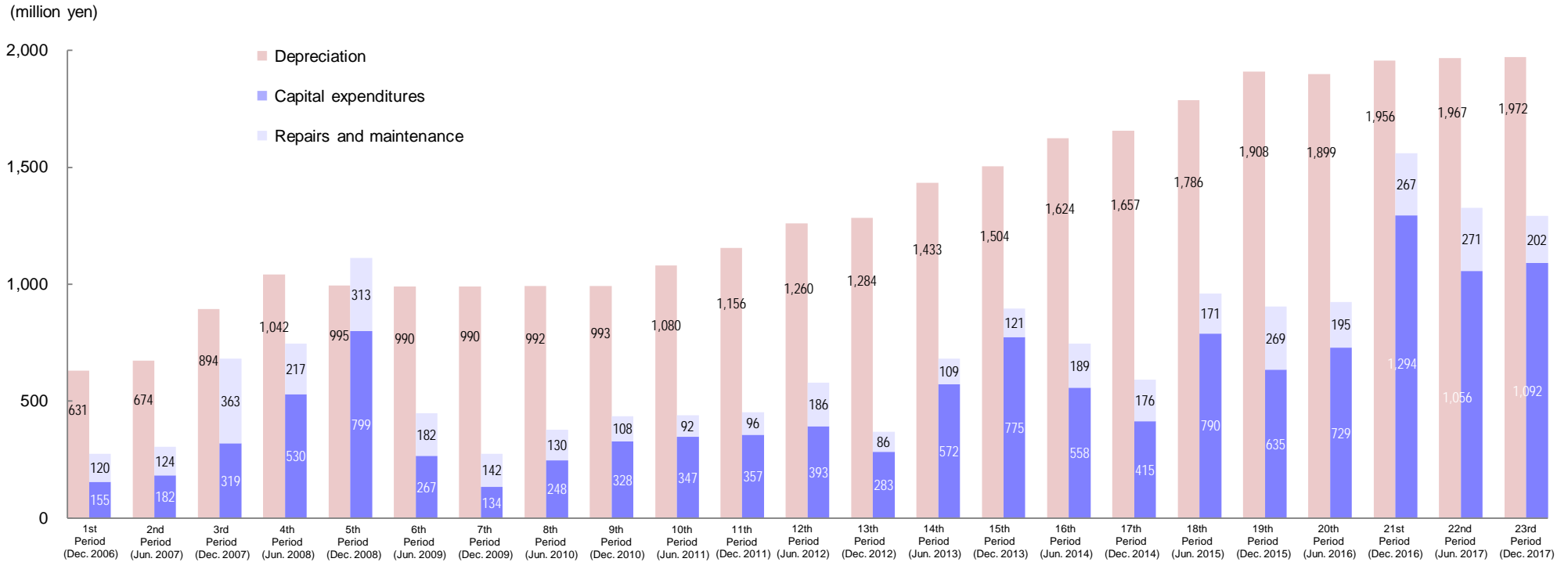
Breakdown by Area

(Unit: million yen)

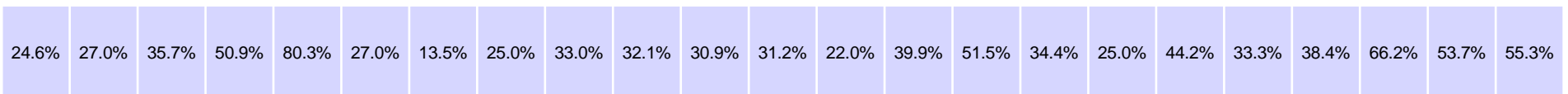
	Area I Total	Area II Total	Area III Total	Area IV Total
NOI	2,844	362	2,888	752
Acquisition price	152,054	14,053	109,781	19,478
23rd period NOI yield (annualized)	3.8%	5.1%	5.2%	7.7%
22nd period NOI yield (annualized)	4.0%	5.1%	5.2%	7.3%
Difference (pts)	-0.2	0.0	0.0	0.4

Historical Record in Works

History of Expenses for Repairs and Maintenance and Depreciation



Capital expenditures/Depreciation



Overview of Period-end Appraisals

Summary of Period-end Appraisal Value

	22nd Period (Jun. 2017)	23rd Period (Dec. 2017)	Difference
Number of properties	31 properties	29 properties	-2 properties
Period-end appraisal value	292,790 million yen	284,560 million yen	-8,230 million yen
Book value	273,139 million yen	256,272 million yen	-16,867 million yen
Unrealized profit/loss	19,650 million yen	28,287 million yen	8,637 million yen
Ratio of unrealized profit/loss ^{*1}	7.2%	11.0%	3.8pts

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

Number of Properties with Increase/Decrease in Appraisal Value

	22nd Period (Jun. 2017)	23rd Period (Dec. 2017)
Increase	28 properties	23 properties
Unchanged	1 properties	4 properties
Decrease	2 properties	2 properties

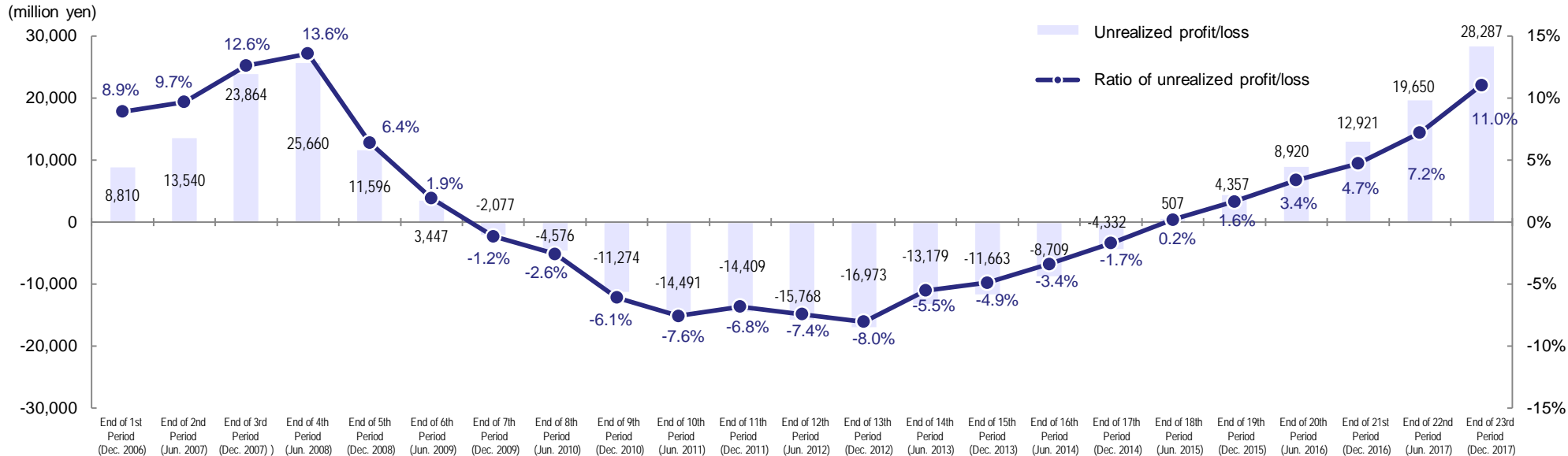
*2 Increase/decrease breakdowns are shown in comparison with the previous fiscal period for each period.

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

Status of Cap Rate

	22nd Period (Jun. 2017)	23rd Period (Dec. 2017)
Decline	20 properties	18 properties
Unchanged	11 properties	11 properties
Rise	0 properties	0 properties

Historical Unrealized Profit/Loss and Ratio of Unrealized Profit/Loss



Period-end Appraisal Value

(Unit: million yen)

Property Number	Area	Name	Acquisition Price	Period-end Appraisal Value		Difference (②-①)		Book Value at end of 23rd Period ③	Difference (②-③)		Direct reduction reduced yield		Difference (⑤-④) pt	Appraisal Organization	
				End of 22nd Period ①	End of 23rd Period ②		%			%	End of 22nd Period ④	End of 23rd Period ⑤			
I-1	I	Omori Bellport D	22,552	25,700	25,700	0	0.0%	21,040	4,659	22.1%	4.2%	4.2%	0.0	Chuo Real Estate Appraisal Co., Ltd.	
I-2		Shiba 2-Chome Building	9,450	11,900	12,000	100	0.8%	9,160	2,839	31.0%	Office: 4.1% Residence: 4.6%	Office: 4.0% Residence: 4.6%	-0.1 0.0	Japan Real Estate Institute	
I-3		JEI Hamamatsucho Building	8,350	7,350	7,680	330	4.5%	8,219	-539	-6.6%	3.8%	3.8%	0.0	Japan Real Estate Institute	
I-8		AKASAKA INTERCITY	28,146	26,700	26,700	0	0.0%	27,138	-438	-1.6%	3.3%	3.3%	0.0	Japan Real Estate Institute	
I-9		Kowa Shirokanedai Building	4,705	5,090	5,090	0	0.0%	4,766	323	6.8%	4.5%	4.5%	0.0	Japan Real Estate Institute	
I-10		Daiba Garden City Building	11,000	12,000	11,500	-500	-4.2%	9,981	1,518	15.2%	4.4%	4.4%	0.0	Chuo Real Estate Appraisal Co., Ltd.	
I-12		HAMARIKYU INTERCITY	19,080	22,400	22,400	0	0.0%	17,918	4,481	25.0%	3.7%	3.7%	0.0	Japan Real Estate Institute	
I-13		Shintomicho Building	1,750	2,040	2,050	10	0.5%	1,780	269	15.1%	4.3%	4.3%	0.0	Chuo Real Estate Appraisal Co., Ltd.	
I-14		Kowa Nishi-Shimbashi Building ³	11,431	11,860	12,000	140	1.2%	11,032	967	8.8%	3.6%	3.5%	-0.1	Japan Real Estate Institute	
I-15		Mansard Daikanyama	11,420	12,100	12,200	100	0.8%	11,405	794	7.0%	3.4%	3.4%	0.0	Japan Real Estate Institute	
II-1		II	NHK Nagoya Housou-Center Building	5,610	5,710	5,720	10	0.2%	5,583	136	2.4%	4.8%	4.7%	-0.1	Japan Real Estate Institute
II-2			JEI Nishi-honmachi Building	6,673	4,690	4,700	10	0.2%	7,192	-2,492	-34.6%	4.7%	4.7%	0.0	DAIWA REAL ESTATE APPRAISAL Corporation
II-3			Osaka Kogin Building (land with leasehold interest)	1,770	2,140	2,200	60	2.8%	1,865	334	17.9%	3.7%	3.6%	-0.1	Japan Real Estate Institute
III-1		III	Musashikosugi Tower Place	13,890	20,300	20,700	400	2.0%	12,659	8,040	63.5%	4.4%	4.3%	-0.1	Japan Real Estate Institute
III-2			Kowa Kawasaki Higashiguchi Building	10,976	9,450	9,650	200	2.1%	9,483	166	1.8%	4.9%	4.8%	-0.1	Japan Valuers Co., Ltd.
III-3	JEI Hongo Building		5,400	4,690	4,750	60	1.3%	5,086	-336	-6.6%	4.4%	4.3%	-0.1	Japan Valuers Co., Ltd.	
III-5	Kawasaki Nishincho Building		4,725	4,150	4,230	80	1.9%	4,355	-125	-2.9%	5.0%	4.9%	-0.1	Japan Valuers Co., Ltd.	
III-7	JEI Ryogoku Building		2,550	2,230	2,250	20	0.9%	2,265	-15	-0.7%	4.7%	4.7%	0.0	Chuo Real Estate Appraisal Co., Ltd.	
III-8	Ebina Prime Tower		6,470	4,290	4,340	50	1.2%	5,735	-1,395	-24.3%	5.3%	5.2%	-0.1	Japan Real Estate Institute	
III-9	Kowa Kawasaki Nishiguchi Building		32,000	25,400	25,800	400	1.6%	29,076	-3,276	-11.3%	4.8%	4.7%	-0.1	Japan Valuers Co., Ltd.	
III-10	Pacific Square Sengoku		1,620	1,310	1,300	-10	-0.8%	1,643	-343	-20.9%	4.4%	4.4%	0.0	Chuo Real Estate Appraisal Co., Ltd.	
III-11	Core City Tachikawa		6,500	8,270	8,340	70	0.8%	6,201	2,138	34.5%	4.6%	4.5%	-0.1	Japan Real Estate Institute	
III-12	Nisseki Yokohama Building		24,500	26,700	27,600	900	3.4%	23,933	3,666	15.3%	4.2%	4.1%	-0.1	Japan Real Estate Institute	
IV-2	IV		JEI Kyobashi Building	3,308	4,150	4,230	80	1.9%	2,924	1,305	44.6%	5.3%	5.2%	-0.1	DAIWA REAL ESTATE APPRAISAL Corporation
IV-3			JEI Hiroshima Hacchobori Building	2,760	3,280	3,410	130	4.0%	2,619	790	30.2%	5.1%	5.0%	-0.1	Japan Real Estate Institute
IV-4		SE Sapporo Building	5,500	6,970	7,450	480	6.9%	5,286	2,163	40.9%	5.3%	5.2%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
IV-5		Aoba-dori Plaza	2,120	3,570	3,690	120	3.4%	2,205	1,484	67.3%	5.0%	4.9%	-0.1	Japan Real Estate Institute	
IV-6		Daiwa Minamimoricho Building	4,410	5,140	5,240	100	1.9%	4,271	968	22.7%	4.7%	4.6%	-0.1	DAIWA REAL ESTATE APPRAISAL Corporation	
IV-7		JEI Naha Building	1,380	1,580	1,640	60	3.8%	1,438	201	14.0%	5.6%	5.5%	-0.1	Japan Real Estate Institute	
Total			270,047	281,160	284,560	3,400	1.2%	256,272	28,287	11.0%	4.3%	4.2%	-0.1	-	
Area I Total			127,884	137,140	137,320	180	0.1%	122,442	14,877	12.2%	3.8%	3.8%	0.0	-	
Area II Total			14,053	12,540	12,620	80	0.6%	14,640	-2,020	-13.8%	4.6%	4.5%	-0.1	-	
Area III Total			108,631	106,790	108,960	2,170	2.0%	100,441	8,518	8.5%	4.6%	4.5%	-0.1	-	
Area IV Total			19,478	24,690	25,660	970	3.9%	18,747	6,912	36.9%	5.1%	5.0%	-0.1	-	
Grand Total			270,047	281,160	284,560	3,400	1.2%	256,272	28,287	11.0%	4.3%	4.2%	-0.1	-	

*1 "Appraisal value" includes the appraisal value described in the real estate appraisal report made by a real estate appraiser belonging to Japan Real Estate Institute, Chuo Real Estate Appraisal, Japan Valuers and Daiwa Real Estate Appraisal Corporation as of the end of the 22nd and 23rd period based on Japan Excellent's rules and the regulations stipulated by the Investment Trusts Association, Japan. When there is a joint ownership property in the current portfolio, its value is obtained after multiplying the total value of the shared real estate by the percentage of the interest owned by Japan Excellent or the trustee.

*2 Total direct reduction reduced yield was calculated using weighted averages and rounding to the first decimal place.

*3 Regarding Kowa Nishi-Shimbashi Building for which additional acquisition of co-ownership interest was made in the 23rd Period, the appraisal value of the additionally acquired section at the time of acquisition is added to the appraisal value as of the end of the 22nd Period.

Statement of Income and Retained Earnings

(Unit: million yen)

	22nd Period (Jun. 2017)	(%)	23rd Period (Dec. 2017)	(%)	Compared with previous period	
					Difference	(%)
1. Revenue	10,642	100.0	11,085	100.0	442	4.2
Rental revenue	9,760		9,851		91	
Other rental revenue	882		954		71	
Gain on sale of real estate, etc.	—		279		279	
2. Operating expenses	6,488	61.0	6,565	59.2	76	1.2
Property management expenses	1,477		1,441		-35	
Utilities expenses	1,004		1,122		118	
Taxes	915		939		23	
Insurance	25		26		0	
Repairs and maintenance	271		202		-69	
Non-operating expenses for rental operation	229		226		-2	
Depreciation	1,967		1,972		5	
Total operating expenses	5,890	55.4	5,931	53.5	40	0.7
Profits from operations	4,751	44.6	4,874	44.0	123	2.6
Asset management fees	442		457		14	
Other	154		176		22	
Operating income	4,154	39.0	4,519	40.8	365	8.8
3. Non-operating income	1	0.0	0	0.0	0	-32.6
Interest income	0		0		0	
Other	1		0		0	
4. Non-operating expenses	694	6.5	818	7.4	124	17.9
Interest expense	437		442		4	
Loan relating fees	114		221		106	
Interest expense on investment corporation bonds	123		140		16	
Amortization of investment corporation bond issuance costs	13		14		1	
Other	5		0		-4	
Ordinary income	3,460	32.5	3,701	33.4	240	7.0
Net income before taxes	3,460	32.5	3,701	33.4	240	7.0
Income taxes – current	0		0		0	
Net income	3,459	32.5	3,700	33.4	240	7.0
Retained earnings brought forward	0		0		0	
Unappropriated retained earnings at the end of period	3,460		3,700		240	

* 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						
	22nd Period (Jun. 2017)		23rd Period (Dec. 2017)		Difference		22nd Period (Jun. 2017)		23rd Period (Dec. 2017)		Difference
(Assets)		%		%		(Liabilities)		%		%	
I. Current assets	22,864	7.7	24,239	8.6	1,374	I. Current liabilities	28,412	9.6	28,625	10.1	213
Cash and deposits	5,373		7,486		2,113	Operating accounts payable	1,465		1,627		161
Cash and deposits in trust	16,808		16,104		-704	Short-term loans	–		900		900
Operating accounts receivable	486		456		-29	Investment corporation bonds due within a year	–		7,000		7,000
Other	196		191		-4	Long-term loans due within a year	26,000		17,750		-8,250
II. Fixed assets	274,162	92.3	257,822	91.4	-16,339	Other accounts payable	438		445		6
1. Property and equipment	264,031	88.8	247,163	87.6	-16,867	Accrued consumption taxes	289		677		387
Real Estate	7,712		14,881		7,168	Other	217		225		7
Real Estate in trust	256,166		232,171		-23,995	II. Long-term liabilities	125,071	42.1	109,638	38.9	-15,433
Construction in progress	151		111		-39	Investment corporation bonds	36,000		29,000		-7,000
2. Intangible assets	9,108	3.1	9,108	3.2	-0	Long-term loans	75,900		67,850		-8,050
Leasehold rights	1,721		1,721		–	Security deposits from tenants	723		1,084		361
Leasehold rights in trust	7,382		7,382		–	Security deposits from tenants in trust	12,448		11,703		-744
Other	4		4		-0	Total liabilities	153,483	51.6	138,263	49.0	-15,220
3. Investments and other assets	1,023	0.3	1,550	0.5	527	(Net assets)					
Leasehold and security deposits	15		15		–	I. Unitholders' equity	143,693	48.4	143,933	51.0	240
Long-term prepaid expenses	628		796		167	1. Unitholders' capital	139,972	47.1	139,972	49.6	–
Other	379		738		359	2. Retained earnings	3,720		3,960		240
III. Deferred assets	149	0.1	135	0.0	-14	Voluntary retained earnings (Reserve for reduction entry)	260	0.1	260	0.1	–
Investment corporation bond issuance costs	149		135		-14	Unappropriated retained earnings	3,460	1.2	3,700	1.3	240
Total assets	297,177	100.0	282,197	100.0	-14,979	Total net assets	143,693	48.4	143,933	51.0	240
						Total liabilities and net assets	297,177	100.0	282,197	100.0	-14,979

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

Statements of Cash Flow and Profit Distributions

■ Cash Flow Statement

(Unit: million yen)

23rd Period (Dec. 2017)	
Classification	Amount
I. Cash flow from operating activities	29,599
Net income before taxes	3,701
Depreciation	1,972
Sale of fixed assets	24,108
Other	-183
II. Cash flow from investing activities	-9,330
Purchase of property and equipment	-8,947
Net payments for security deposits	-383
III. Cash flow from financing activities	-18,859
Proceeds from short-term loans	10,600
Repayment of short-term loans	-9,700
Proceeds from long-term loans	17,700
Repayment of long-term loans	-34,000
Distribution to unitholders	-3,459
IV. Net decrease in cash and cash equivalents	1,409
V. Cash and cash equivalents at beginning of period	22,182
VI. Cash and cash equivalents at end of period	23,591

*Figures less than one million yen have been rounded down.

■ Profit Distribution

(Unit: yen)

23rd Period (Dec. 2017)	
Classification	Amount
Unappropriated retained earnings at the end of period	3,700,279,652
Distributions	3,486,219,000
(Distributions per investment unit)	(2,670)
Provision of reserve for reduction entry	214,060,652
Earnings carried over to next period	-
Total number of outstanding investment units at the end of period	1,305,700 units

Financial Indicators

(Unit: million yen)

Financial indicators	Unit	19th Period (Dec. 2015)	20th Period (Jun. 2016)	21st Period (Dec. 2016)	22nd Period (Jun. 2017)	23rd Period (Dec. 2017)	Calculation method
EBITDA (Earnings before interest, tax and depreciation and amortization)	MN yen	6,035	5,711	5,998	5,989	6,256	Income before income taxes + (Interest expense + Interest expense on investment corporation bonds) + Depreciation and amortization
NOI (Net operating income)	MN yen	6,662	6,467	6,760	6,719	6,847	Rental revenue - rental expenses + Depreciation and amortization
FFO (Funds from operation)	MN yen	5,123	5,012	5,363	5,427	5,394	Net income + Depreciation and amortization – Net profit from sale of real estate
FFO per unit	yen	4,051	3,964	4,107	4,156	4,131	(Net income + Depreciation and amortization – Net profit from sale of real estate) / Total number of outstanding investment units
AFFO (Adjusted funds from operation)	MNyen	4,487	4,283	4,068	4,370	4,303	FFO - Capital expenditures
AFFO Distribution payout ratio	%	70.4	72.7	83.7	79.2	81.0	(Total cash distribution amount ÷ AFFO) × 100
NAV (Net asset value)	MN yen	142,214	146,729	156,562	163,343	172,221	Period end total assets - Period end total liabilities + Real estate valuation gain/loss
NAV per unit	yen	112,471	116,041	119,906	125,100	131,899	NAV / Total number of outstanding investment units at the end of period
DSCR (Debt service coverage ratio)	times	8.1	8.2	9.4	10.7	10.7	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
ROA	%	1.2	1.1	1.2	1.2	1.3	Ordinary income / [(Period beginning total assets + period end total assets) / 2] × 100
(Reference) Annualized with following formula	%	(2.3)	(2.2)	(2.3)	(2.4)	(2.5)	Above x 365 days / Number of operating days
ROE	%	2.5	2.3	2.4	2.4	2.6	Net income / [(Period beginning net assets + period end net assets) / 2] × 100
(Reference) Annualized with following formula	%	(5.0)	(4.5)	(4.8)	(4.9)	(5.1)	Above x 365 days / Number of operating days
Equity to Total Assets	%	48.5	48.6	48.5	48.4	51.0	(Period end net assets / Period end total assets) × 100
LTV (total assets basis)	%	46.4	46.5	46.6	46.4	43.4	(Period end interest-bearing debt / Period end total assets) × 100
LTV (market value basis)	%	45.7	45.1	44.6	43.5	39.5	Period-end interest-bearing debt ÷ (Period-end total assets + Real estate valuation gain/loss) × 100
BPS (Book value per unit)	yen	109,025	108,987	110,010	110,050	110,234	Period end net assets / Total number of outstanding investment units at the end of period

* Figures less than the unit are rounded down. Other ratios are rounded to the first decimal place.

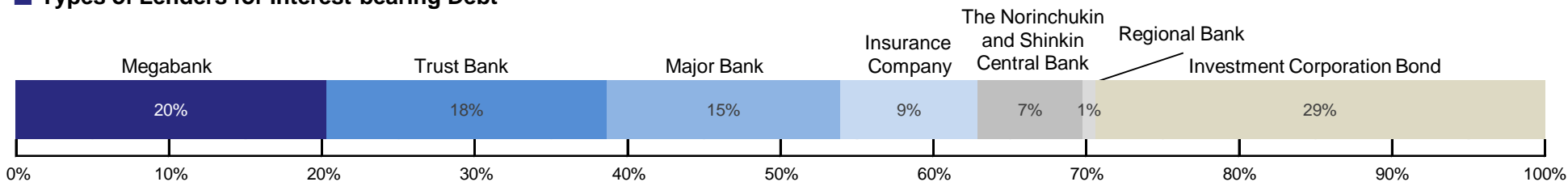
Status of Interest-bearing Debt

Balance of Interest-bearing Debt (as of the end of 23rd Period)

Lender	Balance of interest-bearing debt (million yen)	As a percentage of all borrowings
Mizuho Bank, Ltd.	16,685	19.3%
Mitsubishi UFJ Trust and Banking Corporation	13,005	15.0%
Development Bank of Japan Inc.	12,800	14.8%
Sumitomo Mitsui Banking Corporation	8,270	9.6%
Mizuho Trust & Banking Co., Ltd.	7,807	9.0%
The Norinchukin Bank	7,412	8.6%
The Dai-ichi Life Insurance Company, Limited	6,000	6.9%
Resona Bank, Ltd.	3,400	3.9%
Sompo Japan Nipponkoa Insurance Inc.	2,500	2.9%
Aozora Bank, Ltd.	2,500	2.9%
Sumitomo Mitsui Trust Bank, Limited	1,620	1.9%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,500	1.7%
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	86,500	100.0%

* Shaded areas refer to sponsor companies.

Types of Lenders for Interest-bearing Debt



Status of Investment Corporation Bonds (as of the end of 23rd Period)

Investment Corporation Bond	Maturity date	Balance (million yen)	Interest rate	Period
4th Series Unsecured Investment Corporation Bond	Nov. 2, 2018	2,000	1.40%	7 years
5th Series Unsecured Investment Corporation Bond	Nov. 2, 2018	5,000	0.46%	5 years
6th Series Unsecured Investment Corporation Bond	Mar. 11, 2019	5,000	0.46%	5 years
7th Series Unsecured Investment Corporation Bond	Mar. 11, 2024	8,000	1.13%	10 years
8th Series Unsecured Investment Corporation Bond	Sept. 9, 2025	5,000	1.03%	10 years
9th Series Unsecured Investment Corporation Bond	Oct. 27, 2026	2,000	0.45%	10 years
10th Series Unsecured Investment Corporation Bond	Dec. 20, 2023	2,000	0.39%	7 years
11th Series Unsecured Investment Corporation Bond	Apr. 23, 2027	7,000	0.65%	10 years
Investment Corporation Bond Total		36,000		

Status of Commitment Line (as of the end of 23rd Period)

Lender	Established amount (million yen)	Term
Mizuho Bank, Ltd.	6,000	From January 30, 2018 to January 29, 2019
Mitsubishi UFJ Trust and Banking Corporation	5,000	
Sumitomo Mitsui Banking Corporation	3,000	
Total Commitment Line	14,000	

Owner Classification	Investment Units				
	22nd Period End (Jun. 2017)		23rd Period End (Dec. 2017)		Composition change (%)
	Number of units	Composition (%)	Number of units	Composition (%)	
Financial Institutions and Securities Companies	916,028	70.2%	935,604	71.7%	1.5pt
Other Domestic Companies	113,728	8.7%	112,627	8.6%	-0.1pt
Foreign Companies, etc.	197,329	15.1%	183,388	14.0%	-1.1pt
Individuals	78,615	6.0%	74,081	5.7%	-0.3pt
Total	1,305,700	100.0%	1,305,700	100.0%	-

Unitholders				
22nd Period End (Jun. 2017)		23rd Period End (Dec. 2017)		Composition change (%)
Number of unitholders	Composition (%)	Number of unitholders	Composition (%)	
162	2.0%	157	2.0%	0pt
168	2.1%	163	2.1%	0pt
172	2.1%	178	2.3%	0.2pt
7,584	93.8%	7,182	93.5%	-0.3pt
8,086	100.0%	7,680	100.0%	-

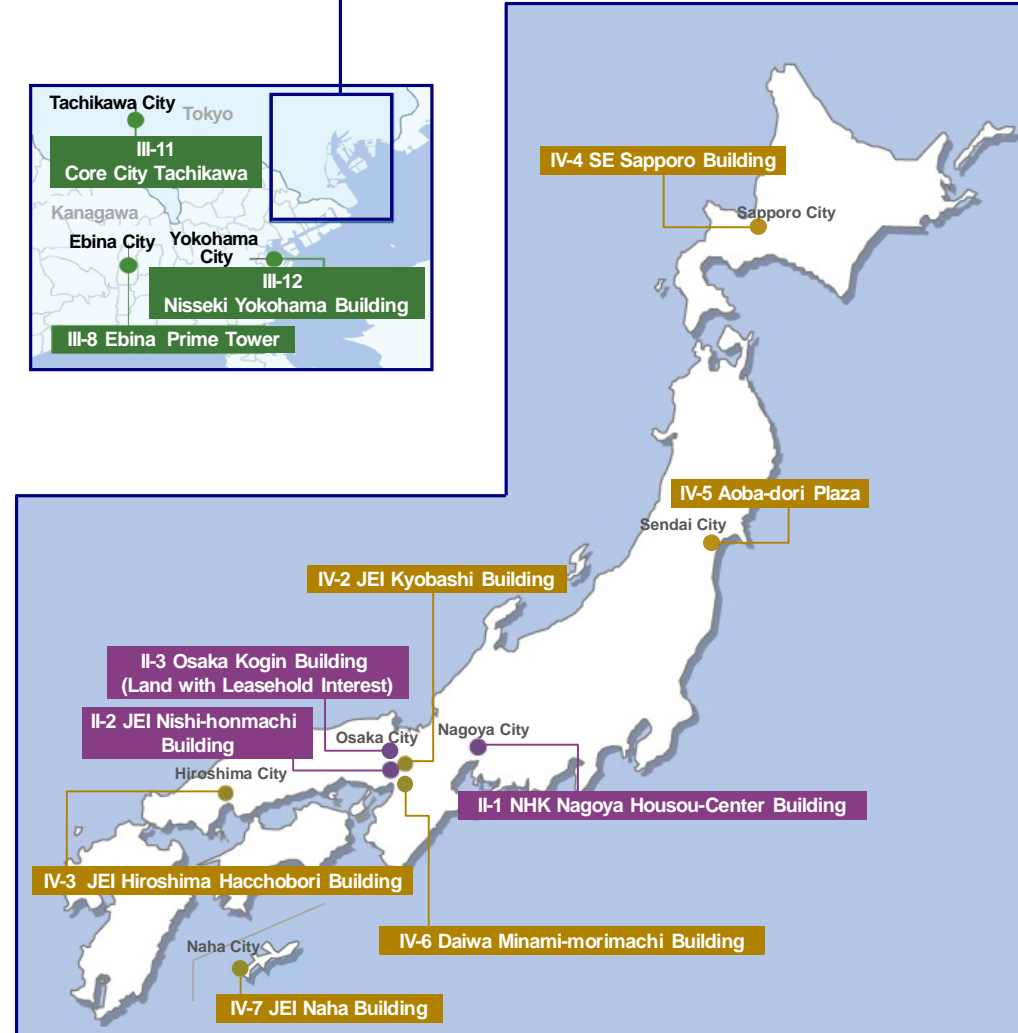
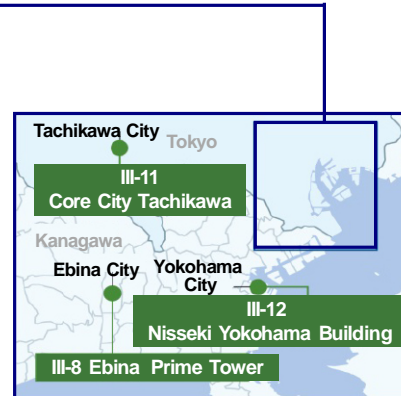
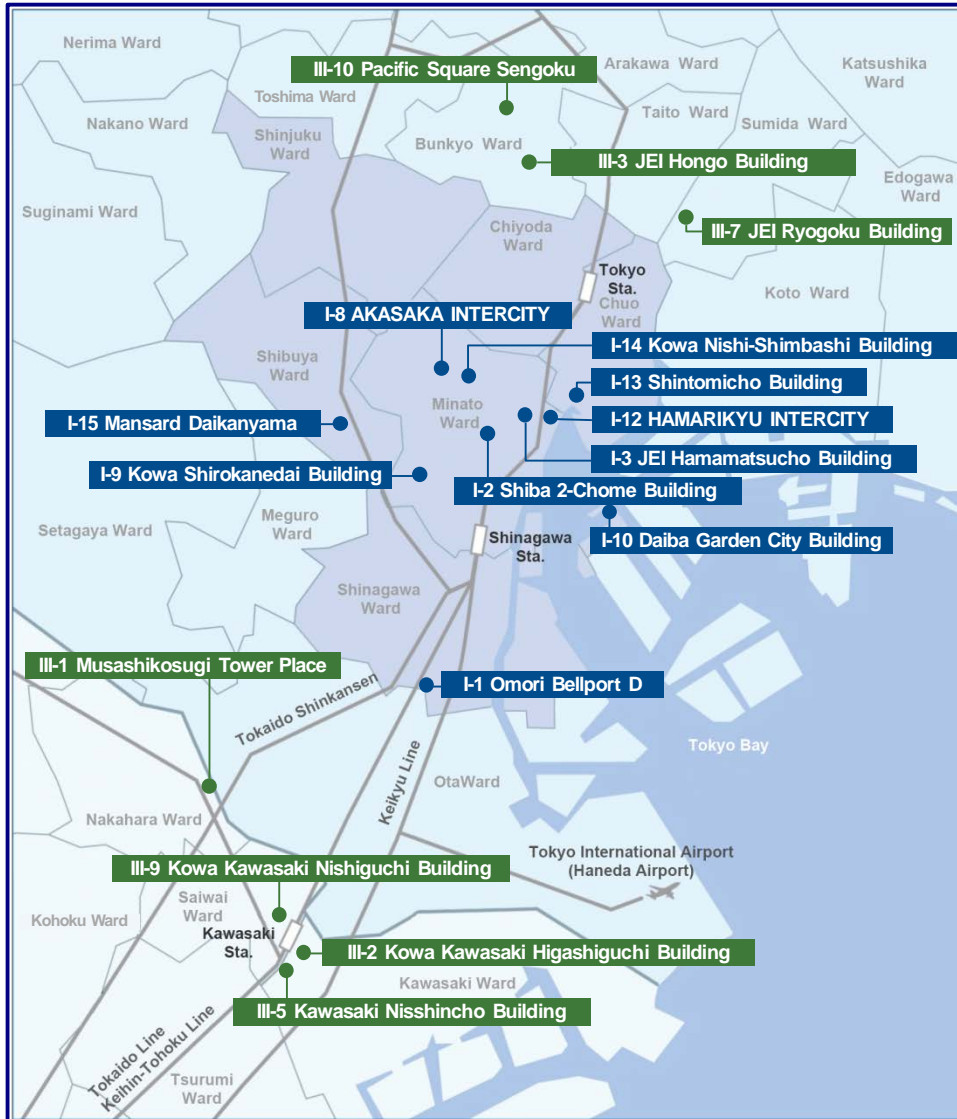
Ratio of investment units held by the 2 core sponsor companies: 7.1%

Rank	Name	Units	Composition ratio (%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	353,977	27.1%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	171,525	13.1%
3	Nippon Steel Kowa Real Estate Co., Ltd.	71,560	5.5%
4	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	64,469	4.9%
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	52,772	4.0%
6	State Street Bank and Trust Company 505012	23,722	1.8%
7	State Street Bank - West Pension Fund Clients - Exempt 505233	21,219	1.6%
8	The Dai-ichi Life Insurance Company, Limited	20,660	1.6%
9	DFA International Real Estate Securities Portfolio	16,913	1.3%
10	State Street Bank West Client – Treaty 505234	16,086	1.2%
Total		812,903	62.3%

*1 Shaded area in the above top 10 unitholders' list indicates sponsors.

*2 Ratios are rounded to the first decimal place.

Portfolio Map



Portfolio Overview (1)

Property Number	I-1	I-2	I-3	I-8	I-9	I-10	I-12	I-13	I-14	I-15
Type	Office	Office	Office	Office	Office	Office	Other	Office	Office	Office
Name	Omori Bellport D	Shiba 2-Chome Building	JEI Hamamatsucho Building	AKASAKA INTERCITY	Kowa Shirokanedai Building	Daiba Garden City Building	HAMARIKYU INTERCITY	Shintomicho Building	Kowa Nishi-Shimbashi Building	Mansard Daikanyama
										
Location	Minami-Oi, Shinagawa Ward, Tokyo	Shiba, Minato Ward, Tokyo	Hamamatsucho, Minato Ward, Tokyo	Akasaka, Minato Ward, Tokyo	Shirokanedai, Minato Ward, Tokyo	Daiba, Minato Ward, Tokyo	Kaigan, Minato Ward, Tokyo	Irifune, Chuo Ward, Tokyo	Nishishinbashi, Minato Ward, Tokyo	Sarugakucho, Shibuya Ward, Tokyo
Total floor area (m ²)	155,778.75	19,518.15	8,327.53	73,061.33	7,374.74	33,283.49	35,555.87	3,169.78	19,418.17	8,402.51
Completion date* ¹	September 1996	March 1994	December 1991	January 2005	March 1978	December 2007	March 2011	November 1990	July 1996	December 2009
Acquisition date	June 2006	June 2006	June 2006	1. October 2007 2. February 2013	December 2010	February 2011	1. December 2011 2. February 2014	March 2012	1. March 2013 2. August 2017	July 2016
Acquisition price* ² (MN yen)	22,552	9,450	8,350	28,146	4,705	11,000	19,080	1,750	11,431	11,420
Investment ratio* ³ (%)	8.4	3.5	3.1	10.4	1.7	4.1	7.1	0.6	4.2	4.2
Period-end Occupancy rate (%)	100	99.2	100	98.6	100	100	99.2	100	100	85.3
PML (%)	3.61	6.61	4.18	2.97	6.95	6.56	2.60	4.13	3.30	5.74

*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). Amounts of less than one million yen are rounded down.

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, and is rounded to the first decimal place.

Portfolio Overview (2)

Property Number	II-1	II-2	II-3	III-1	III-2	III-3	III-5	III-7	III-8
Type	Office	Office	Office	Office	Office	Office	Office	Office	Office
Name	NHK Nagoya Housou-Center Building	JEI Nishi-Honmachi Building	Osaka Kogin Building (land with leasehold interest)	Musashikosugi Tower Place	Kowa Kawasaki Higashiguchi Building	JEI Hongo Building	Kawasaki Nisshincho Building	JEI Ryogoku Building	Ebina Prime Tower
									
Location	Higashi Ward, Nagoya City, Aichi	Nishi Ward, Osaka City, Osaka	Chuo Ward, Osaka City, Osaka	Nakahara Ward, Kawasaki City, Kanagawa	Kawasaki Ward, Kawasaki City, Kanagawa	Hongo, Bunkyo Ward, Tokyo	Kawasaki Ward, Kawasaki City, Kanagawa	Ryogoku, Sumida Ward, Tokyo	Chuo, Ebina City, Kanagawa
Total floor area (m ²)	80,809.95	15,800.31	3,158.45 (site area for land)	53,711.13	31,009.62	5,877.11	22,141.60	5,820.56	55,806.20
Completion date*1	July 1991	February 1988	-	July 1995	April 1988	February 1991	April 1992	August 1996	May 1995
Acquisition date	1. June 2006 2. March 2014	March 2007	February 2013	June 2006	June 2006	June 2006	1. June 2006 2. November 2006 3. October 2008 4. April 2013	June 2006	March 2007
Acquisition price*2 (MN yen)	5,610	6,673	1,770	13,890	10,976	5,400	4,725	2,550	6,470
Investment ratio*3 (%)	2.1	2.5	0.7	5.1	4.1	2.0	1.7	0.9	2.4
Period-end Occupancy rate (%)	96.4	96.9	100.0	100.0	100.0	100.0	100.0	100.0	99.7
PML (%)	1.44	11.27	-	3.19	3.25	6.16	5.86	5.57	6.53

*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). Amounts of less than one million yen are rounded down.

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, and is rounded to the first decimal place.

Portfolio Overview (3)

Property Number	III-9	III-10	III-11	III-12	IV-2	IV-3	IV-4	IV-5	IV-6	IV-7
Type	Office	Office	Office	Office	Office	Office	Office	Office	Office	Office
Name	Kowa Kawasaki Nishiguchi Building	Pacific Square Sengoku	Core City Tachikawa	Nisseki Yokohama Building	JEI Kyobashi Building	JEI Hiroshima Hacchobori Building	SE Sapporo Building	Aoba-dori Plaza	Daiwa Minami-morimachi Building	JEI Naha Building
										
Location	Saiwai Ward, Kawasaki City, Kanagawa	Honkomagome, Bunkyo Ward, Tokyo	Akebonocho, Tachikawa City, Tokyo	Naka Ward, Yokohama City, Kanagawa	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
Total floor area (m ²)	61,856.92	4,017.44	19,099.27	72,116.15	10,021.32	9,919.93	23,644.22	22,737.38	12,759.65	4,371.94
Completion date* ¹	February 1988	November 1992	December 1994	May 1997	April 1987	February 1999	March 1989	July 1996	January 1990	June 1990
Acquisition date	October 2007	December 2011	February 2013	April 2015	September 2011	May 2012	March 2013	February 2014	February 2014	December 2015
Acquisition price* ² (MN yen)	32,000	1,620	6,500	24,500	3,308	2,760	5,500	2,120	4,410	1,380
Investment ratio* ³ (%)	11.8	0.6	2.4	9.1	1.2	1.0	2.0	0.8	1.6	0.5
Period-end Occupancy rate (%)	97.4	100.0	100.0	99.7	100.0	100.0	100.0	99.4	100.0	100.0
PML (%)	3.74	4.65	1.92	3.19	7.28	6.66	0.41	1.24	7.83	3.47

*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). Amounts of less than one million yen are rounded down.

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, and is rounded to the first decimal place.