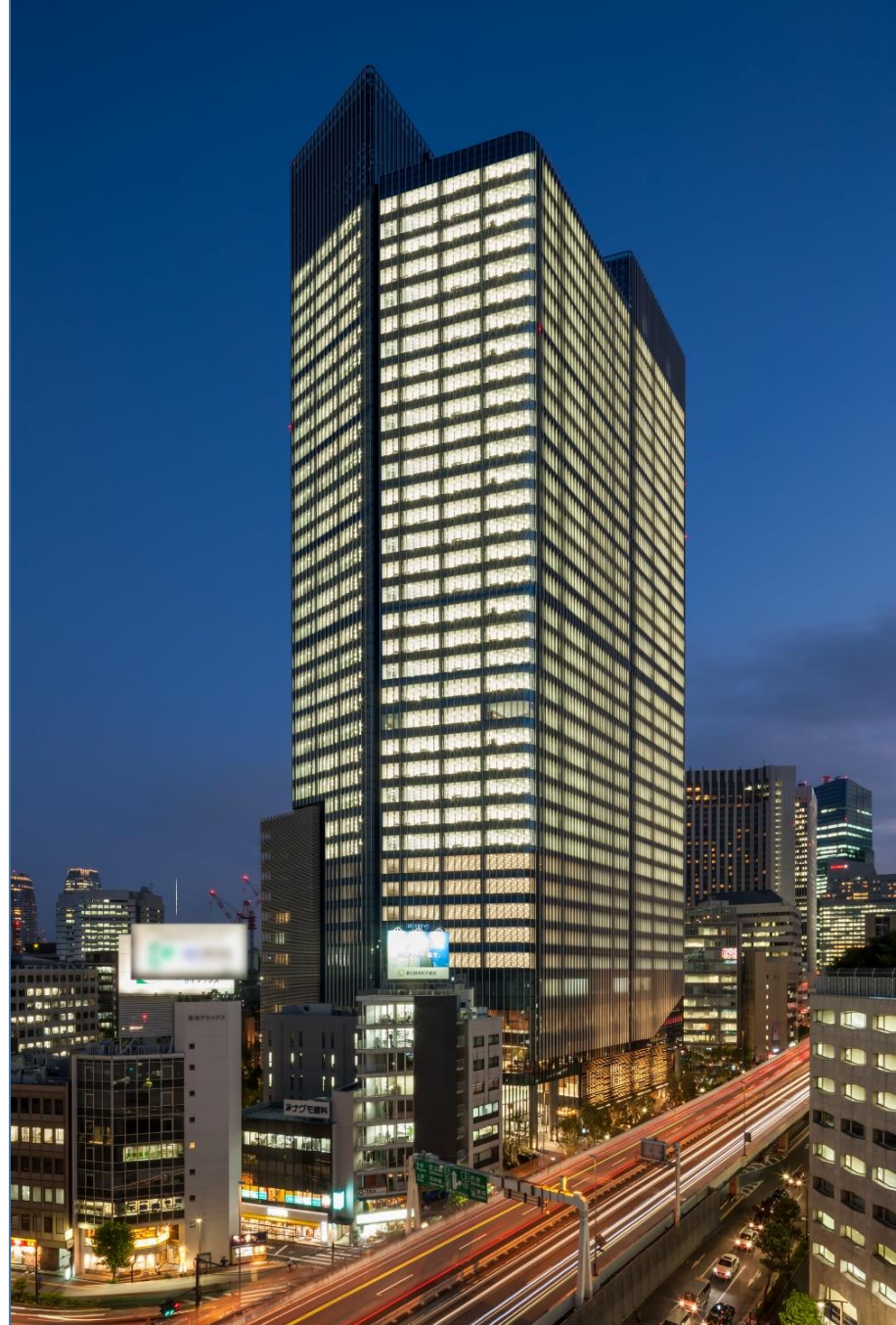


Japan Excellent, Inc.

Twenty-Fifth Period (ended December 2018) Presentation Materials

February 18, 2019



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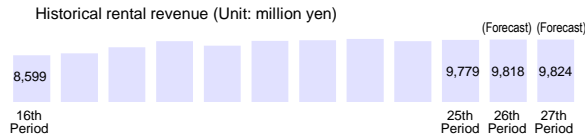
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Continuous Quality Growth of Office REIT in Tokyo Metropolitan Area

Internal Growth

- Maintained high occupancy rates with sponsors' support
 - Average occupancy rate over the past 5 years: **98.9%**
- Continuous stable growth of rental revenue



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: **78.1%**
 - Percentage of sponsor-related property acquisitions: **95.7%**

Financial Strategy

- Established a solid financial base supported by megabank sponsors
 - Ratings: **AA-** (JCR), **A3** (Moody's)
 - Ratio of fixed interest rates: **93.9%**
 - LTV: **44.4%**

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

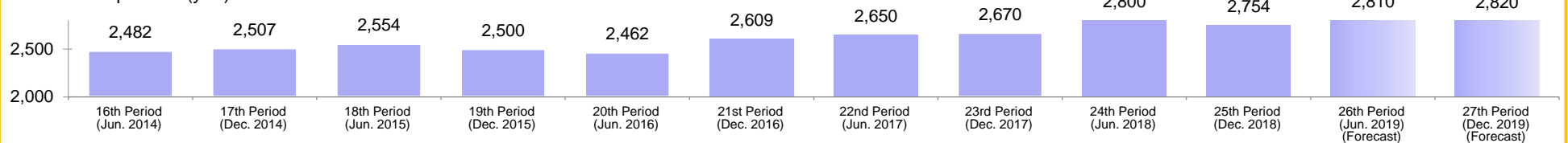
Established a quality portfolio with high growth potential and stability

Centering on office buildings and properties in central Tokyo*2

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
31 properties	273.5 billion yen	93.0%	73.1%	86.7%	49.2%

Stable distribution records

Distribution per unit (yen)



*1 Nippon Steel Kowa Real Estate Co., Ltd. plans to change its trade name as of April 2019.

*2 Please refer to notes on p.27 for definitions of the figures above.

I. Financial Results and Performance Forecasts



1. Highlights of the 25th Period (Ended December 2018)

External Growth

- ◆ Acquired large-scale property in central Tokyo with high specifications from a sponsor as part of asset replacement
 - AKASAKA INTERCITY AIR
- ◆ Improved profitability, increased unrealized profit, and accelerated growth of NAV per unit with asset replacement since the 23rd Period

■ Percentage of the portfolio's unrealized profit	+17.3%	Change from FP22	+10.1pt
		Effects of asset replacement ^{*1}	+3.4pt
■ NAV per unit		Change from FP22	+15.4%
		Effects of asset replacement	+3.8%

NAV per unit

FP24: 138,787 yen

FP25: 144,361 yen

+5,574 yen (+4.0%)
from FP24

Internal Growth

- ◆ Realized continuous internal growth through upward rent revisions and rent increases during tenant replacements
- ◆ Occupancy rate continued to remain at a high level; period-end occupancy rate marked a record-high for the second consecutive period

■ Upward rent revision	Ratio of rent revised upward (area basis)	Rate of upward rent revision
	43.3%	+4.5%
■ Increase in rent revenue for existing properties	Change from FP24	(+1.2%)
	+110million yen	
■ Period-end occupancy rate	99.6%	(Change from FP24 ±0pt)

Distribution per unit

FP24: 2,800 yen

FP25: 2,754 yen

-46 yen (-1.6%)
from FP24

Increase when considering the impact of property sales in the previous period^{*2}

Change from forecast at
beginning of period
+4 yen

Financial Strategy

- ◆ Extended average remaining period of interest-bearing debt while reducing financial costs
- ◆ Issued the first green bonds by an office-focused J-REIT; Promoted ESG along with the first green loan by a J-REIT

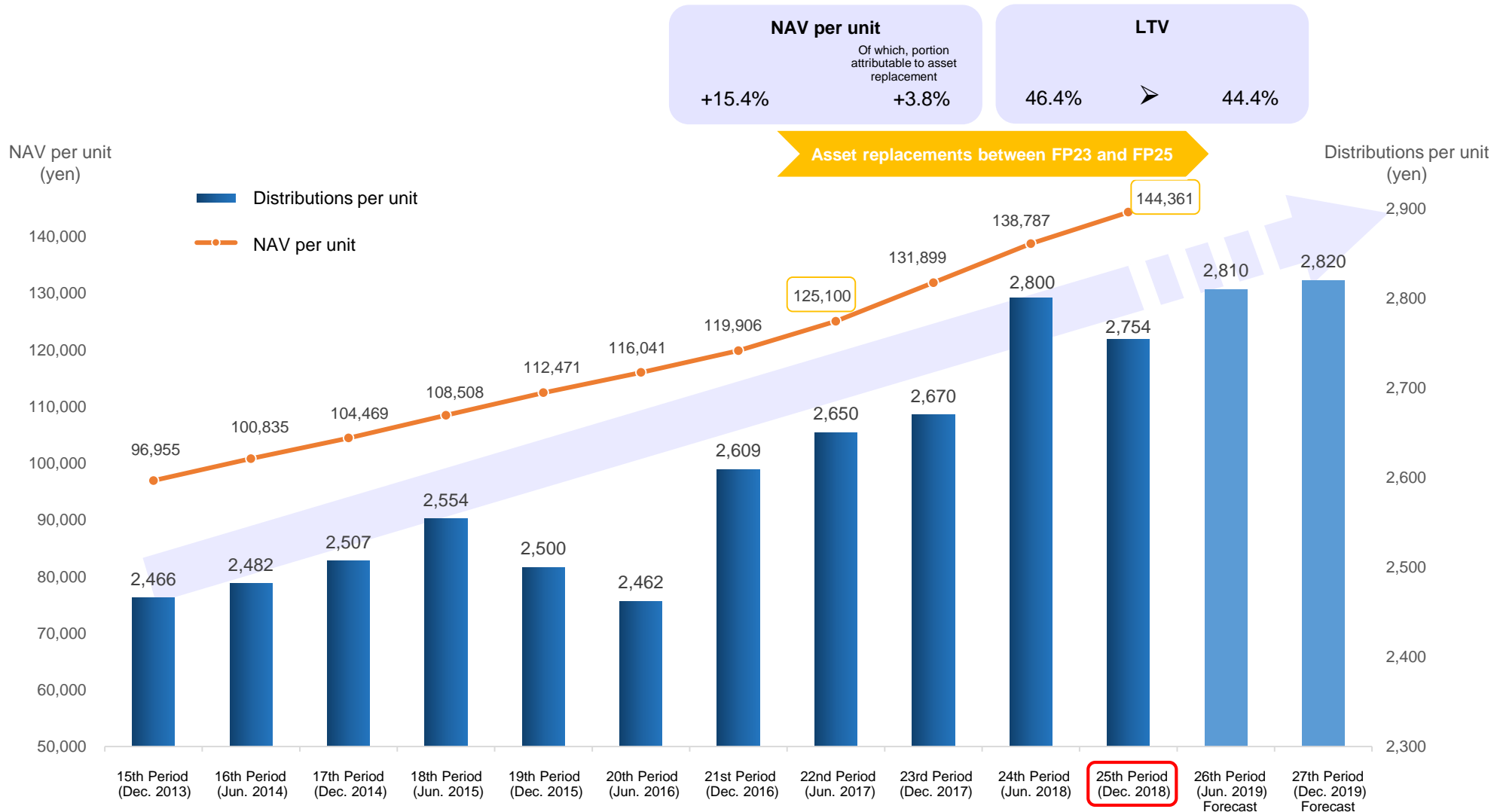
■ Average remaining period	4.9 years	Change from FP24	+0.1 years
■ Average interest rate	0.79%	Change from FP24	-0.01pt

*1 Difference between percentage of unrealized profit and actual result assuming no asset replacement.

*2 Impact of property sales includes reversal of reserve for reduction entry.

2. Actual Results and Forecast of Distributions per Unit

- ◆ With improved portfolio quality through asset replacement, distribution per unit grew steadily to a level exceeding 2,800 yen on an ongoing basis.
- ◆ Stable growth of distributions will continue, backed by strong internal growth and a balanced financial strategy.



3. Financial Results of the 25th Period (Ended December 2018)

(1) Comparison with the Previous Period

◆ Increased revenue and profit due to the acquisition of AKASAKA INTERCITY AIR and significant increases in rent revenue from existing properties. DPU was 2,754 yen without reversal of reserve for reduction entry.

				(unit: million yen)			
	24th Period (Jun. 2018) Result	25th Period (Dec. 2018) Result	Difference	Factors	Balance	DPU conversion (yen)	Main causes for change
Revenue	10,535	10,657	122	■ External growth	140	107	
Rental revenue	9,692	9,779	87	Increase in profit after depreciation of properties acquired in the 24th Period	20		Hiroshima OS Building 2 Yokohama Bentendori Building 18
Revenue for utilities expenses	746	792	46	Increase in profit after depreciation of properties acquired in the 25th Period	119		AKASAKA INTERCITY AIR
Other revenue	97	85	-11	■ Internal Growth (existing properties)	25	19	
Operating expenses	6,509	6,373	-136	Increase in rental revenue	116	89	Departure and lease-up: 56 Rent revisions: 47
Expenses for rental operations	5,754	5,780	26	Increase in utilities revenue/expenses	2	2	
Property management expenses	1,476	1,358	-118	Decrease in other revenue	-12	-9	
Utilities expenses	996	1,029	33	Increase in rental expenses	-78	-60	Absence of leasing management fee upon renewal in the 24th Period 51
Taxes	932	894	-38	Decrease in property management expenses	52		
Repairs and maintenance	160	314	154	Increase in taxes	-17		Kowa Kawasaki Nishiguchi Building (Interior renewal) -32 JEI Naha Building (exterior wall renewal) -17
Other expenses for rental operations	262	263	0	Increase in repairs and maintenance	-94		
(NOI)	6,707	6,797	90	Increase in depreciation	-15		Aoba-dori Plaza (Interior renewal) -12
Depreciation	1,926	1,920	-5	Increase in other expenses for rental operations	-4		
Loss on transfer	165	-	-165	Increase in sales and administrative expenses	-2	-2	
Sales and administrative expenses	590	592	2	■ Finance	-1	-1	
Operating income	4,025	4,284	258	Decrease in interest expense	2		Reduction of interest expense by refinancing in the 24th Period: 23 New loans/corporation bond issuances: -14
Non-operating expenses	686	688	1	Increase in loan relating fees	-2		
Ordinary income	3,340	3,597	257	Increase in other non-operating expenses	-1		
Net income	3,339	3,596	256	■ Sale of Properties	92	70	
Provision (-) and reversal (+) of reserve for reduction entry	316	0	-316	Decrease in profit after depreciation of properties transferred in the 24th Period	-73		Ebina Prime Tower
Total distributions	3,655	3,595	-60	Absence of Gain/loss on sale	165		
Distributions per unit (yen)	2,800	2,754	-46	■ Provision/reversal of reserve for reduction entry	-316	-242	
				Absence of reversal in the 24th Period	-316		
				Total	-60	-46	

* Balance of reserve for reduction entry: 158 million yen

Profit excluding the impact of property sales	3,504	3,596	91
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3. Financial Results of the 25th Period (Ended December 2018)

(2) Comparison with the Forecast

◆ DPU was 2,754 yen, essentially as initially forecast.

				(unit: million yen)			
	25th Period (Dec. 2018) forecast	25th Period (Dec. 2018) Result	Difference	Factors	Balance	DPU conversion (yen)	Main causes for change
Revenue	10,626	10,657	30	■ External growth	-4	-3	
Rental revenue	9,749	9,779	29	Decrease in profit after depreciation of properties acquired in the 24th Period	-11		Hiroshima OS Building (exterior wall renewal) -11
Revenue for utilities expenses	794	792	-2	Increase in profit after depreciation of properties acquired in the 25th Period	7		
Other revenue	82	85	3	■ Internal Growth (existing properties)	13	10	AKASAKA INTERCITY AIR
Operating expenses	6,352	6,373	21	Increase in rental revenue	30	23	
Expenses for rental operations	5,740	5,780	39	Decrease in utilities revenue/expenses	-20	-15	
Property management expenses	1,328	1,358	29	Increase in other revenue	5	4	Departure and lease-up: 7
Utilities expenses	1,016	1,029	13	Increase in expenses for rental operations	-21	-16	Rent revisions: 2
Taxes	896	894	-2	Increase in property management expenses	-27		Other: 21 (7 for Hamarikyu Residence)
Repairs and maintenance	316	314	-1	Decrease in repairs and maintenance	11		
Other expenses for rental operations	262	263	0	Increase in depreciation	-1		
(NOI)	6,805	6,797	-7	Increase in other expenses for rental operations	-3		Increased property management fees -21
Depreciation	1,919	1,920	0	Decrease in sales and administrative expenses	18	14	
Sales and administrative expenses	611	592	-18	■ Finance	-3	-2	
Operating income	4,274	4,284	9	Decrease in interest expense	1		
Non-operating expenses	683	688	4	Increase in loan relating fees	-6		
Ordinary income	3,591	3,597	5	Decrease in other non-operating expenses	1		
Net income	3,590	3,596	5	Total	5	4	
Total distributions	3,590	3,595	5				
Distributions per unit (yen)	2,750	2,754	4				

4. Performance Forecasts

(1) 26th Period (Ending June 2019)

◆ With increased revenue from existing properties and reduced financial costs, DPU is expected to be 2,810 yen (up 56 yen from previous period), up 10 yen from the initial forecast.

				(unit: million yen)			
	25th Period (Dec. 2018) Result	26th Period (Jun. 2019) forecast	Difference	Factors	Balance	DPU conversion (yen)	Main causes for change
Revenue	10,657	10,668	10	Internal Growth (existing properties)	9	7	
Rental revenue	9,779	9,818	38	Increase in rental revenue	38	29	Departure and lease-up: 12 Rent revisions: 38
Revenue for utilities expenses	792	758	-33	Increase in utilities revenue/expenses	11	8	
Other revenue	85	91	5	Increase in other revenue	5	4	
Operating expenses	6,373	6,375	1	Increase in expenses for rental operators	-35	-27	Leasing management fee upon renewal, etc.
Expenses for rental operations	5,780	5,771	-9	Increase in property management expenses	-60		
Property management expenses	1,358	1,418	60	Increase in taxes	-35		Increase due to revaluation of fixed property and city planning tax -16
Utilities expenses	1,029	984	-44	Decrease in repairs and maintenance	59		Expensing of fixed property and city planning tax for a property acquired in the 24th Period -9 (Hiroshima OS Building, Yokohama Bentendori Building)
Taxes	894	929	35	Increase in depreciation	-12		
Repairs and maintenance	314	255	-59	Decrease in other expenses for rental operations	13		
Other expenses for rental operations	263	249	-13	Increase in sales and administrative expenses	-11	-8	
(NOI)	6,797	6,830	32	Finance	63	48	
Depreciation	1,920	1,933	12	Decrease in interest expense	27		Hiroshima OS Building (absence of exterior wall renewal) 61
Sales and administrative expenses	592	603	11	Decrease in loan relating fees	25		
Operating income	4,284	4,293	8	Decrease in other non-operating expenses	10		
Non-operating expenses	688	623	-64	Total	73	56	Reduction of interest expense by refinancing, etc. 19 Absence of loan-related fees in previous period 33
Ordinary income	3,597	3,670	72				
Net income	3,596	3,669	72				
Total distributions	3,595	3,669	73				
Distributions per unit (yen)	2,754	2,810	56				

4. Performance Forecasts

(2) 27th Period (Ending December 2019)

◆ DPU expected to be 2,820 yen with continuation of upward rent revisions.

(unit: million yen)

	26th Period (Jun. 2019) forecast	27th Period (Dec. 2019) forecast	Difference	Factors	Balance	DPU conversion (yen)	Main causes for change
Revenue	10,668	10,742	74	Internal Growth (existing properties)	37	28	
Rental revenue	9,818	9,824	6	Increase in rental revenue	6	5	Departure and lease-up of tenants: -44
Revenue for utilities expenses	758	828	70	Decrease in utilities revenue/expenses	-22	-17	Rent revisions: 53
Other revenue	91	89	-2	Decrease in other revenue	-2	-1	
Operating expenses	6,375	6,411	36	Decrease in expenses for rental operations	59	45	
Expenses for rental operations	5,771	5,803	32	Decrease in property management expenses	35		Absence of leasing management fee upon renewal in the 24th Period, etc.
Property management expenses	1,418	1,383	-35	Increase in taxes	-28		
Utilities expenses	984	1,077	92	Decrease in repairs and maintenance	32		
Taxes	929	957	28	Decrease in depreciation	19		
Repairs and maintenance	255	223	-32	Decrease in other expenses for rental operations	1		
Other expenses for rental operations	249	248	-1	Increase in sales and administrative expenses	-4	-3	
(NOI)	6,830	6,852	22	Finance	-24	-18	
Depreciation	1,933	1,913	-19	Increase in interest expense	-7		
Sales and administrative expenses	603	608	4	Increase in loan relating fees	-10		
Operating income	4,293	4,330	37	Increase in other non-operating expenses	-6		
Non-operating expenses	623	648	24	Total	13	10	
Ordinary income	3,670	3,683	12				Increase due to revaluation of fixed property and city planning tax -13
Net income	3,669	3,682	12				Expensing of fixed property and city planning tax for properties acquired in the 24th Period and the 25th Period (Hiroshima OS Building, Yokohama Bentendori Building, AKASAKA INTERCITY AIR) -22
Total distributions	3,669	3,682	13				
Distributions per unit (yen)	2,810	2,820	10				

Memo

II. Management Status and Policy



AKASAKA INTERCITY

AKASAKA INTERCITY AIR

1. External Growth

(1) Change in External Growth and Future Strategies

Principles and strategies of external growth

[Principle] Aim for **“high-quality growth”** that contributes to the growth of distributions per unit and NAV per unit

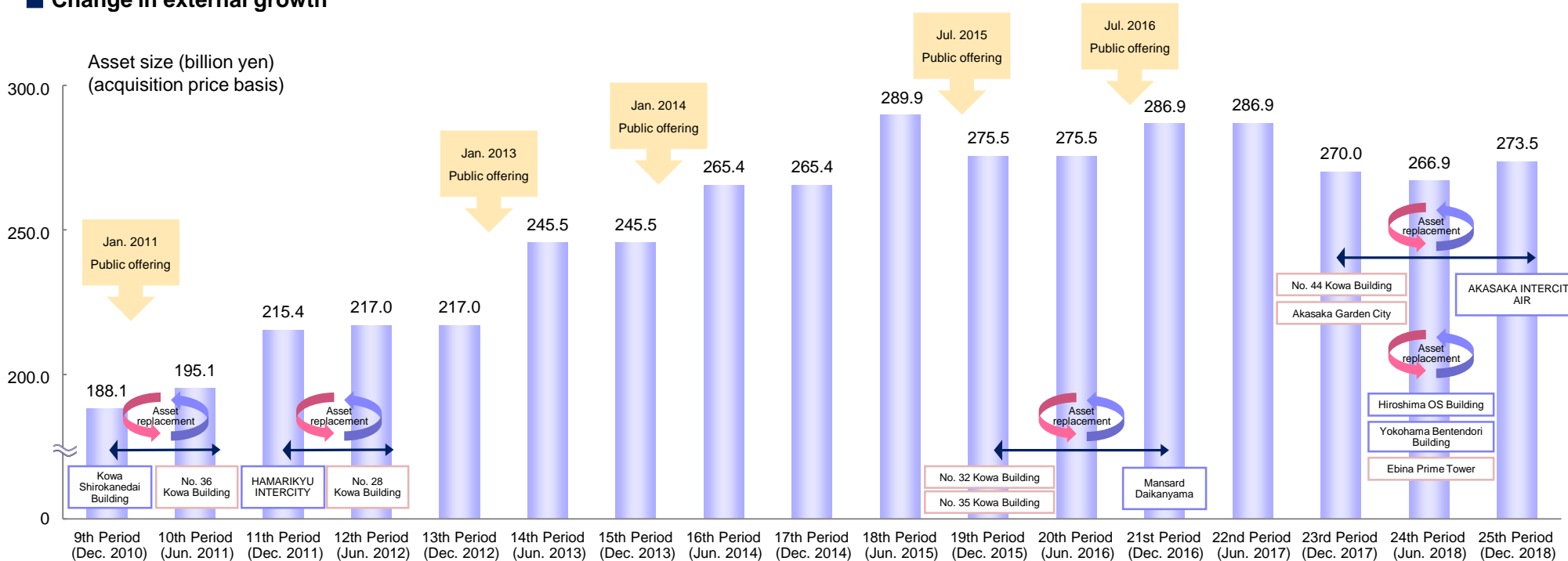
[Strategy]

- ◆ Expand asset size in the medium to long term utilizing sponsor pipeline
- ◆ Continue selective investments in view of the current real estate transaction market
- ◆ Proactively engage in asset replacements which contribute to improving the portfolio

[Results]

- ◆ Acquired 23 properties • 139.8 billion yen in the 8 years since December 2010
- ◆ Acquisition ratio from sponsor: 61.5 %; acquisition ratio involving sponsor: 91.3%
- ◆ Realized qualitative improvement by selling 7 properties • 54.3 billion yen as property replacements

Change in external growth



*1 Acquisitions from sponsor or acquisitions through brokerage by the sponsor, etc.

1. External Growth

(2) Effect of Asset Replacement

◆ Improved portfolio quality and accelerated growth of NAV per unit through asset replacement in December 2017 and onward.

Overview of asset replacement

Acquisition	Transfer
Acquired all three properties from the sponsor	Transferred two properties with large unrealized losses

Effect of asset replacement

Improvement of profitability, increased financial stability

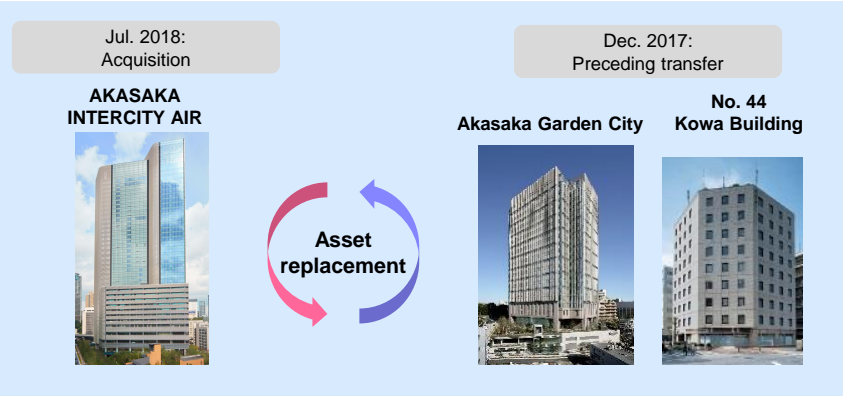
[NOI yield after depreciation]		[LTV]	
Average for transferred assets	Average for acquired assets	Before replacement	After replacement
2.3%	3.4%	46.4%	44.4%

Portfolio average 3.5% (25th Period results)

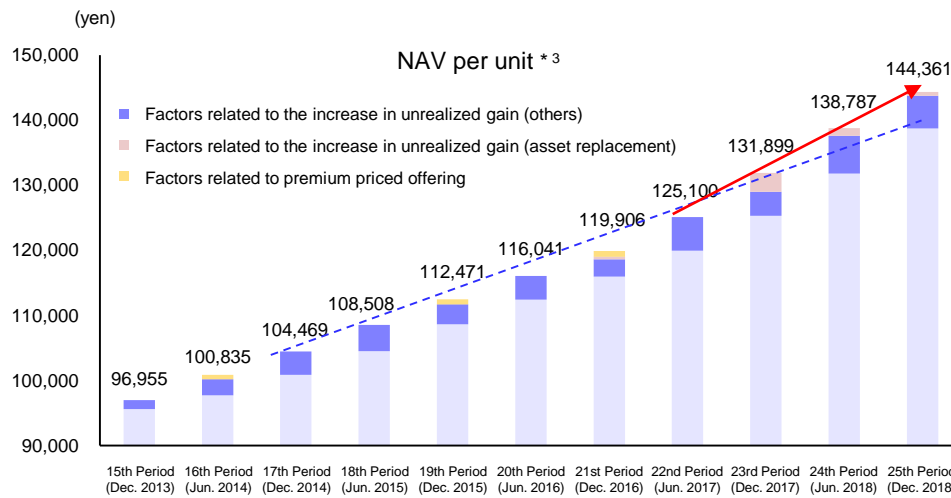
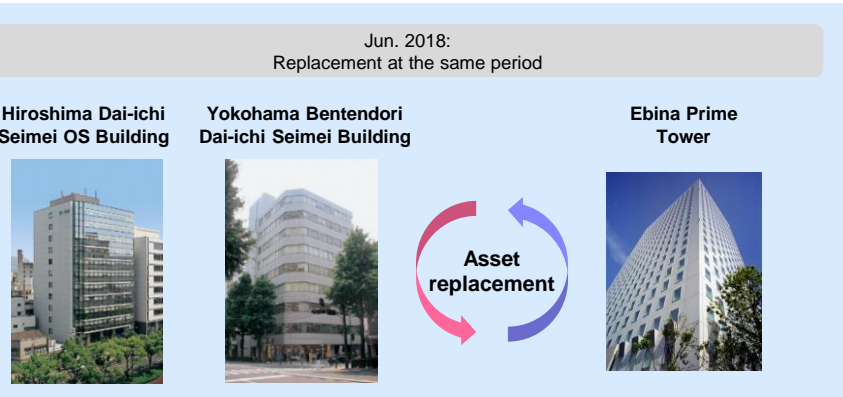
NAV growth

[Increase in unrealized profit] *1	[Improvement in NAV per unit]*2
+6.27 billion yen	+4,808 yen +3.8% (Change from end of FP22)

Asset replacement (1)



Asset replacement (2)



*1 Calculated using unrealized profit/loss (difference between appraisal value and book value) for the transferred asset as of the end of the fiscal period immediately preceding the fiscal period in which the transfer was implemented and unrealized profit for the acquired assets as of the end of the 25th Period.

*2 The amount of "increase in unrealized profit" per unit is indicated. The ratio shows the increase rate in comparison with NAV per unit at the end of the 22nd Period.

*3 JEI Implemented a 5-for-1 split of its investment units as of January 1, 2014. Considering said split, results of the 15th period are divided by 5 (figures are rounded down to the nearest whole number). Factors related to premium priced offering, Factors related to the increase in unrealized gain (asset replacement), and Factors related to the increase in unrealized gain (others) are calculated as follows.
 Factors related to premium priced offering: (Unitholders' capital per unit as of the end of the fiscal period in which public offering was conducted) – (Unitholders' capital per unit as of the end of the fiscal period preceding the fiscal period in which public offering was conducted)
 Factors related to the increase in unrealized gain (asset replacement): Amount of unrealized gain increased due to asset replacement / Number of investment units outstanding.
 Factors related to the increase in unrealized gain (others): Increase/decrease in unrealized gain (excluding the increase in unrealized gain due to asset replacement) / Number of investment units outstanding

1. External Growth

(3) Major Development Cases and Portfolio of Sponsor



Nippon Steel Kowa Real Estate

Office

BIZCORE

Medium-scale high-grade office building
Ongoing development also in Shibuya and Kanda under BIZCORE series

 BIZCORE JIMBOCHO Completed Nov. 2017	 BIZCORE AKASAKA-MITSUKE Scheduled for completion in March 2019	 BIZCORE TSUKUJI Scheduled for completion in July 2019	 BIZCORE SHIBUYA Scheduled for completion in February 2020
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Nippon Steel Kowa Real Estate

Mixed-use development composed of retail and residential etc.



LOGIFRONT Koshigaya I (logistics)
Scheduled for completion in February 2019



Reconstruction project of Nittetsu Nihonbashi Building
Scheduled for completion in March 2019



AKASAKA INTERCITY AIR 2017



HAMARIKYU INTERCITY 2011



Mansard Daikanyama 2009



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 Osaka



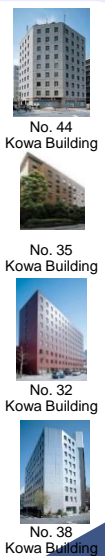
MEGURO CENTRAL SQUARE and Brillia Towers Meguro

一生涯のパートナー

第一生命

Operating approx. 290 investment real estate, primarily office buildings, across Japan

Resold by eyeing redevelopment



No. 44 Kowa Building
No. 35 Kowa Building
No. 32 Kowa Building
No. 38 Kowa Building

2013: Acquired 27%
2017: Acquired 52%

2007: Acquired 25%
2013: Acquired 24%

2016: Acquired 100%

2011: Acquired 40%
2014: Acquired 60%

2018: Acquired 2.9%

1. External Growth

(4) Newly Acquired Property

◆ As part of the asset replacement strategy, acquired a large cutting-edge building developed by Nippon Steel Kowa Real Estate, the sponsor

AKASAKA INTERCITY AIR



Large cutting-edge building with excellent accessibility and environment

- Highly convenient as it is directly connected to Tameike-Sanno Station on the Tokyo Metro Ginza Line and Namboku Line
- Excellent environment with a large-scale green space of over 5,000 m²
- Over 200 meters in height, a new, 38-storey landmark in the Akasaka area

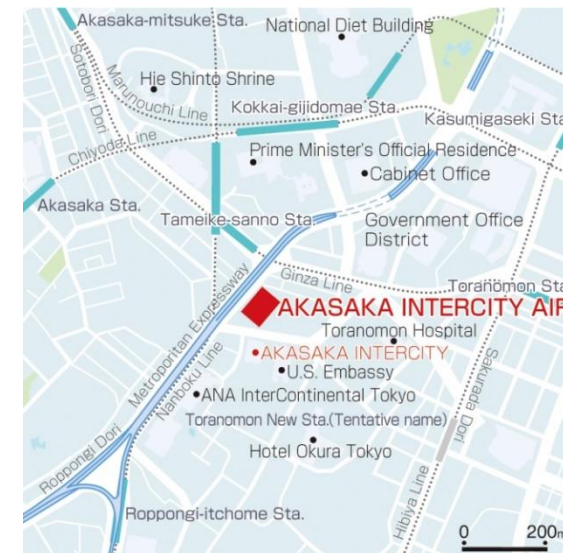
Advanced specifications and a comfortable working environment

- Approximately 780 tsubos of standard floor office space as well as advanced specifications such as a ceiling height of 2,850 mm and LED lights
- Comfortable working environment fully equipped with a conference hall and medical and childcare facilities

Excellent aseismic performance and high business continuity in case of a disaster

- Aseismic performance considering a safety factor 1.5 times higher than that in the Building Standards Act, employing three advanced types of anti-seismic devices, etc.
- High business continuity in case of disaster with an emergency power generator (200 hours) that has high seismic resistance

Location	1-8-1 Akasaka, Minato-ku, Tokyo		
Total floor area* ¹	176,536.75 m ²		
Completion date	August 31, 2017		
Acquisition price	6,590 million yen		
Appraisal value	7,180 million yen		
Acquisition date	July 2, 2018		
Seller	Nippon Steel Kowa Real Estate Co., Ltd.		
NOI yield* ²	3.6%	Yield after depreciation* ²	3.0%
Appraisal NOI yield	3.5%		
Occupancy rate	98.5% (As of end of December 2018)		
Preferential negotiating rights	When co-owners or quasi co-owners intend to transfer the ownership interest, JEI holds the right to negotiate prior to third parties, in principle.		



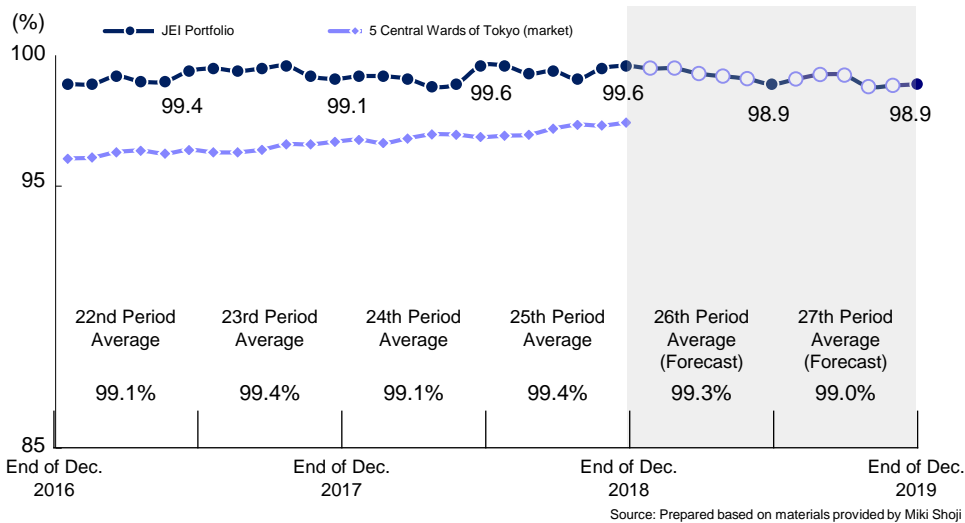
*¹ Total floor area of the entire building is indicated. JEI holds 2.9184% of exclusively-owned space excluding residence space, through trust.

*² Calculated based on the assumed revenue and expenses for the first 5 years after acquisition, excluding special factors that may arise during the fiscal year of acquisition.

2. Internal Growth

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

Historical occupancy rate

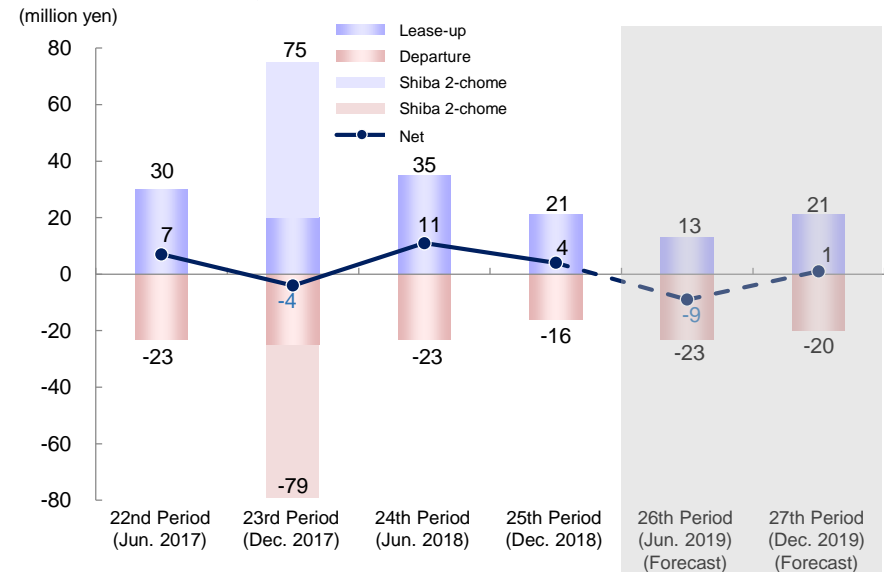


- ◆ Occupancy rate remained high at the 99% range. Tenant departure rate remained at a low level of the 1% range.
- ◆ Increases rent by tenant replacement for 89.5%. Average rate of increase at 16.8%.

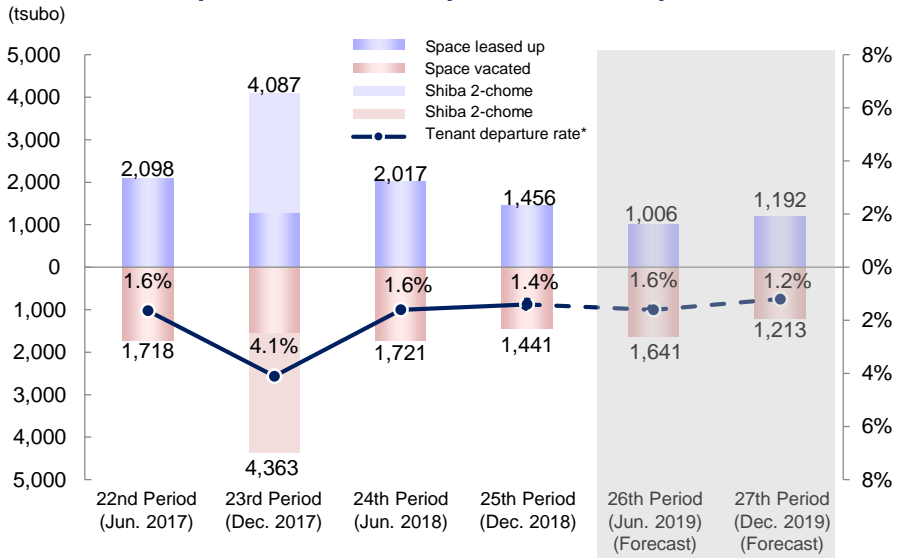
Reasons for Lease-up

Reason for moving in/ floor expansion	Floor expansion within same building	Establishment of new base	Expansionary relocation	Grade up	Other	Total
Number of cases	4	3	6	3	4	20
Percentage	20%	15%	30%	15%	20%	100%

Increase/Decrease of Rent Due to Departure and Lease-up (based on monthly rent)*1



Tenant Departure Rate and Spaces Leased Up and Vacated*1*2



*1 Figures for spaces leased up and vacated as well as increase/decrease of rent for the 23 Period include Shiba 2-Chome Building. Figures for residential properties are excluded.

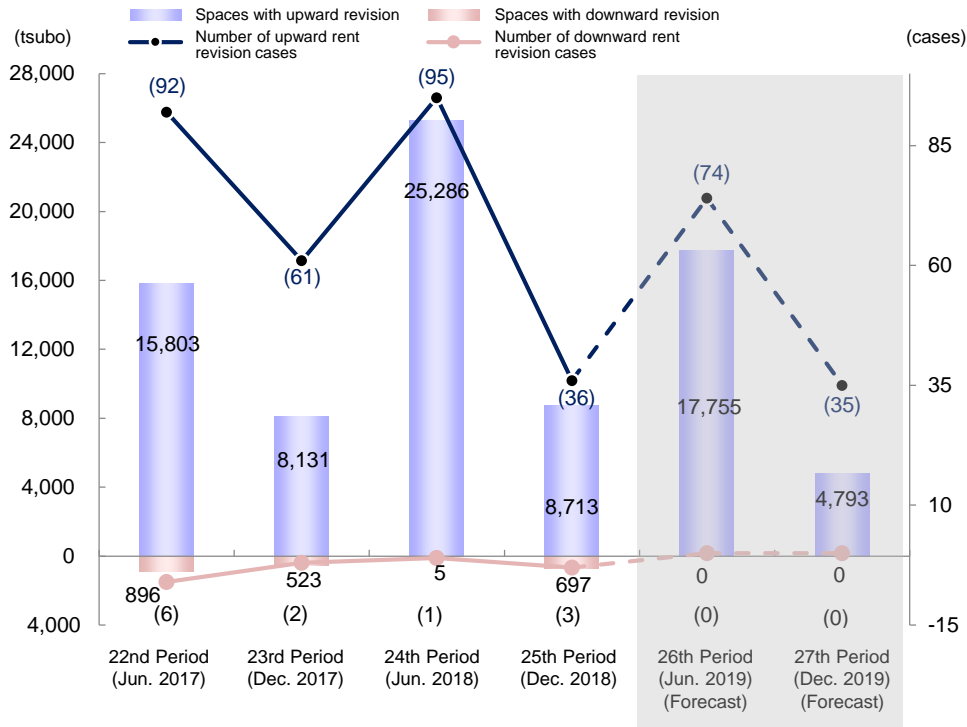
*2 Figures are calculated for the entire JEI portfolio as space vacated by tenants over the period as a percentage of total leased space as of the end of the previous period. In the case of additional acquisition during the period, tenant departure rate is calculated as space vacated by tenants over 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

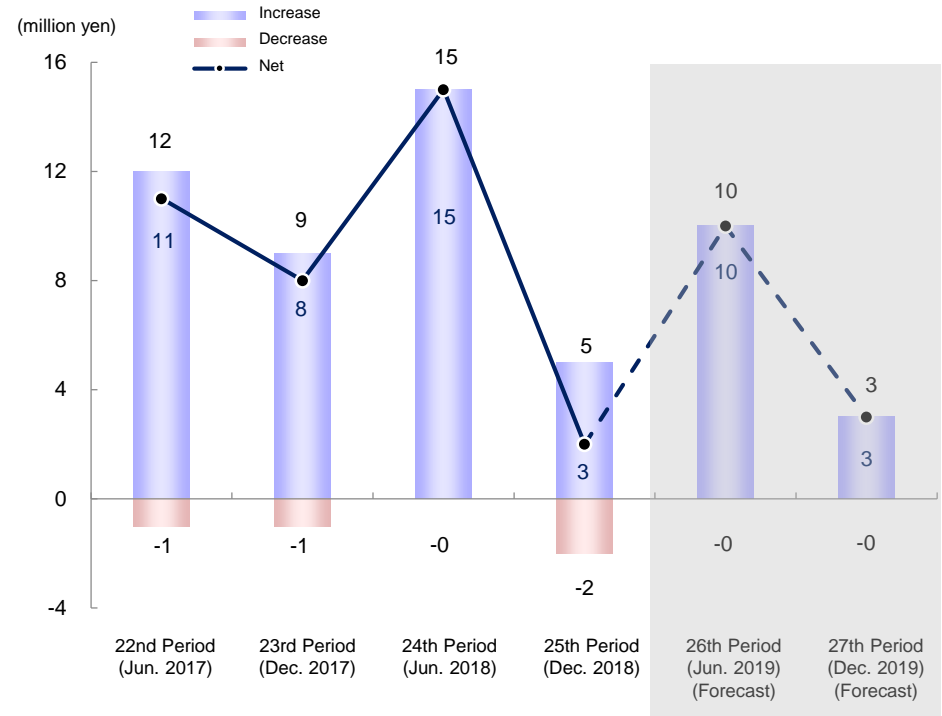
(1) Status of Rent ② (Rent revision)

- ◆ Increased rent revision trend continued in the 25th Period with a 4.5%, increase in upward revision rate for 43.3% of area subject to revision (area base)
- ◆ With increased area subject to revision in the 26th period, it is expected the increases in upward monthly rent revisions will double.

■ Number of Rent Revision Cases and Among Spaces Up for Revision*1



■ Increase/Decrease in Rent Due to Rent Revisions (based on monthly rent)*1



Ratio of area with upward rent revision (cases)	63.6%	40.9%	66.2%	43.3%	55.8%	23.7%
	(52.9%)	(47.7%)	(45.9%)	(34.3%)	(39.4%)	(29.2%)
Area subject to rent revision (cases)	24,836	19,875	38,223	20,122	31,831	20,220
	(174)	(128)	(207)	(105)	(188)	(120)

Upward revision rate	6.1%	9.3%	4.6%	4.5%	4.2%	4.9%
Downward revision rate	8.3%	10.8%	13.6%	15.6%	-	-
Rent revision rate*2	2.9%	2.9%	2.9%	1.0%	2.2%	1.1%

*1 The figures do not include the data of those under fixed rent master lease agreements or of residences.

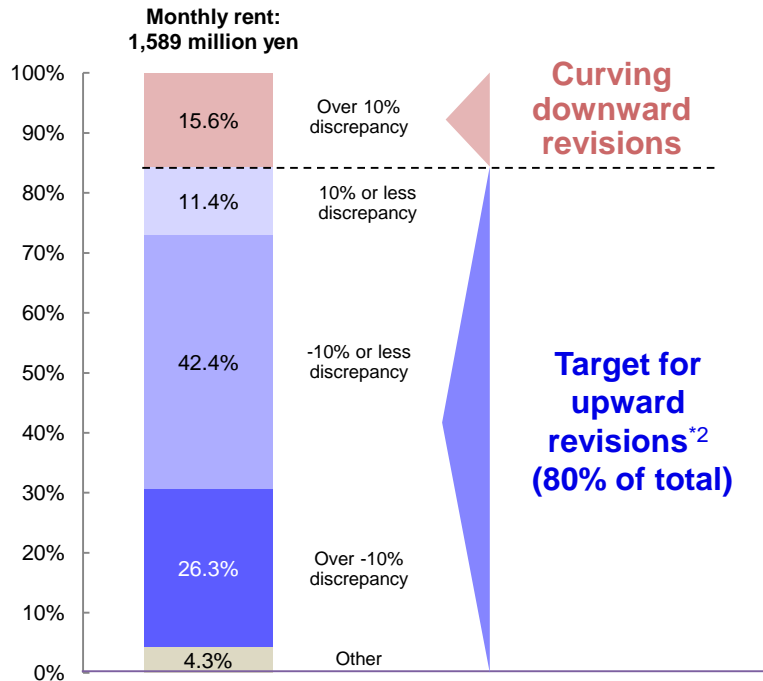
*2 Figures are average rent revision rate including contract renewal at the same rent

2. Internal Growth

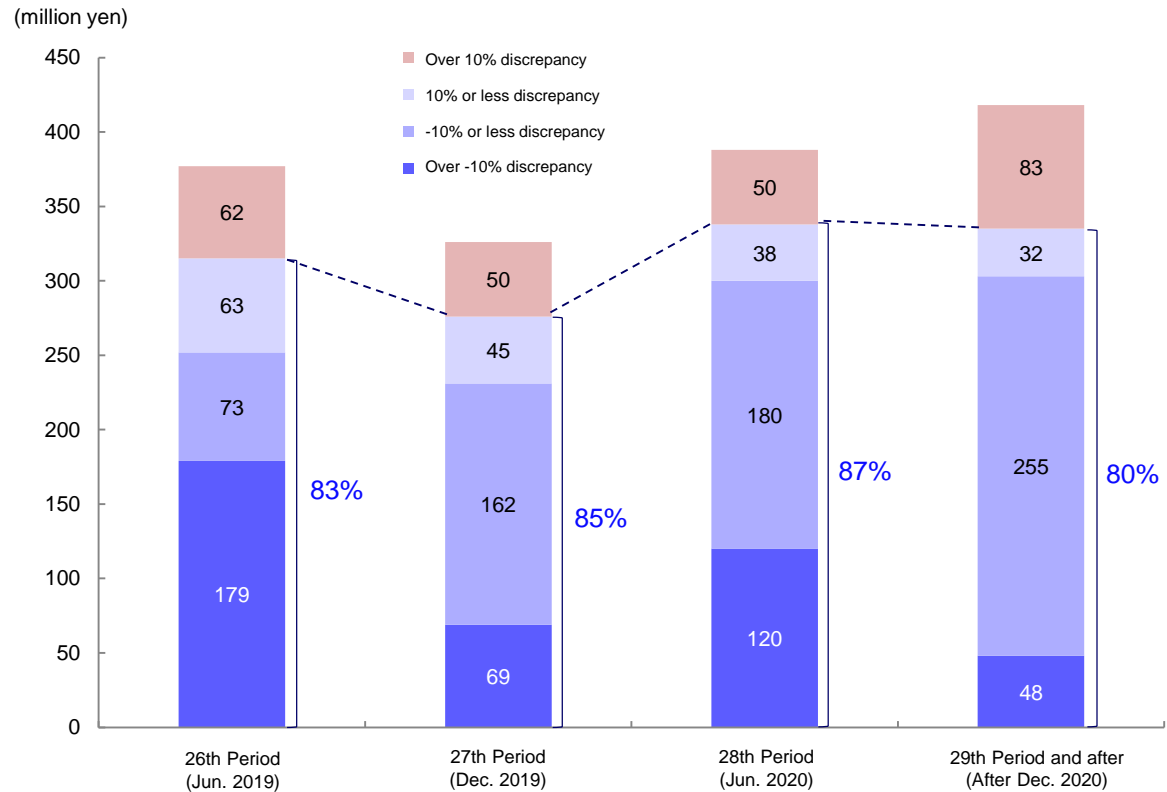
(2) Status of Rent Gap

- ◆ Rent gap*¹ was at -4.6%, so there is still room for upward revisions.
- ◆ We anticipate continued internal growth as target tenants for upward revision account for 80% among contracts for renewal in and after the 26th Period.

■ Status of Rent Gap



■ Monthly Rent by Renewal Period



*¹ Rent gap is calculated by using average contracted rents and expected contracted rents assessed by the asset management company (market rents). The rent gap calculated based on expected contracted rents assessed by CBRE is -8.5%.

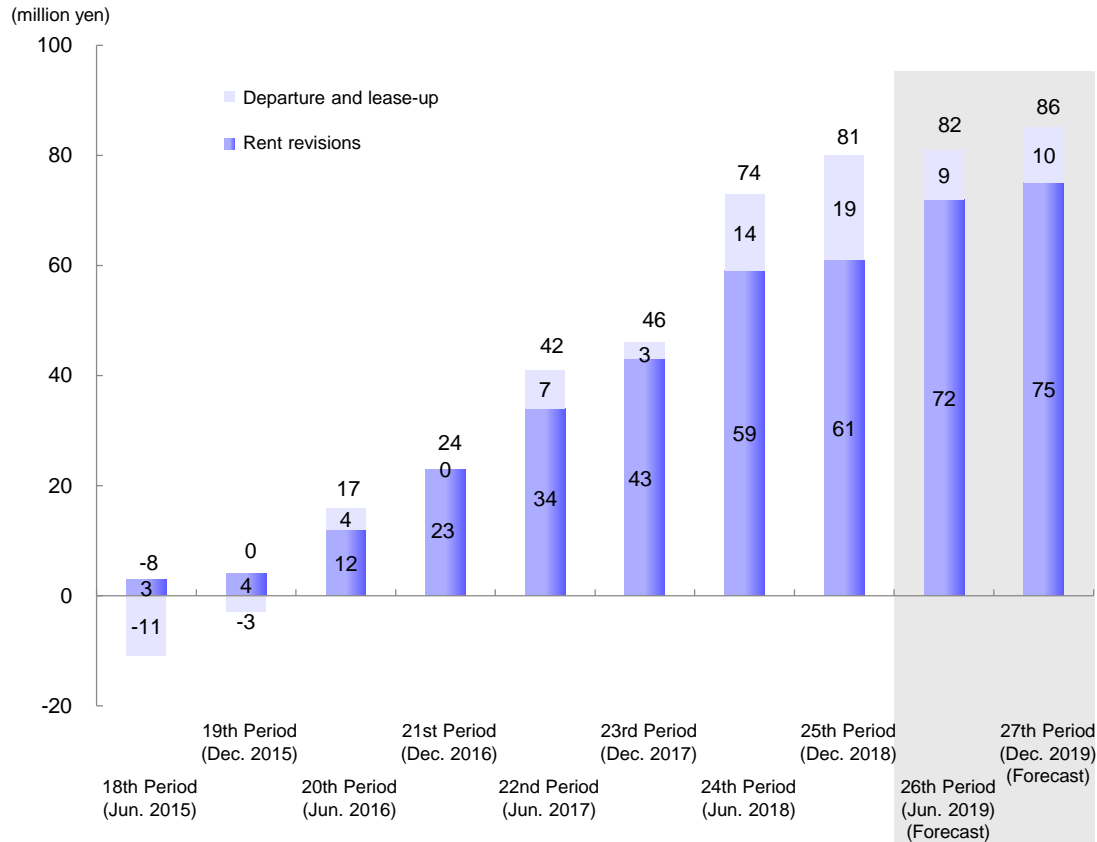
*² Target tenants for upward rent revisions refers to contracts with rent below market rent and contracts with rent gap of 10% or less discrepancy.

2. Internal Growth

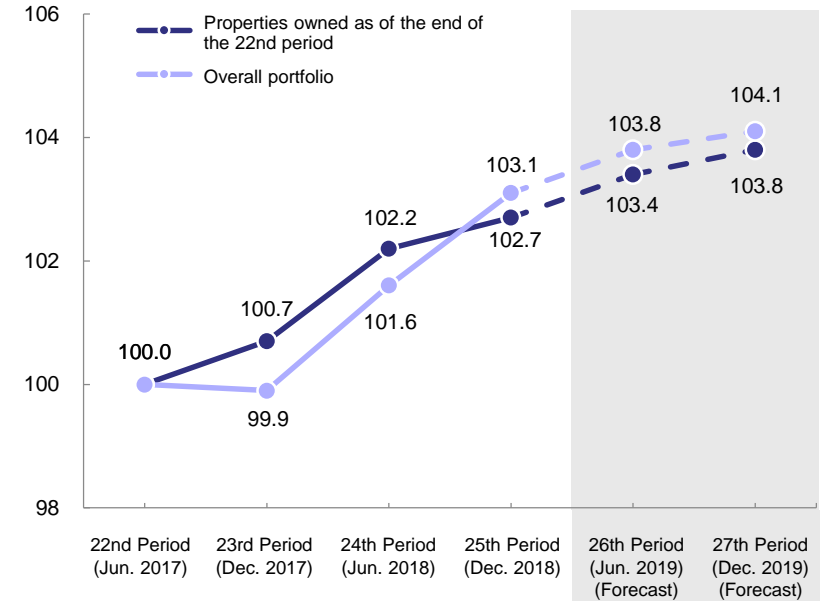
(3) Monthly Rent Increases and Unit Rent Levels

- ◆ With internal growth, monthly rent increased by 81 million yen in total (486 million yen per period) over four years between the 18th Period and the 25th Period.
- ◆ Unit rents have steadily increased due to upward rent revision and rent increase upon tenant replacement.

■ Total monthly rent increase due to rent revision and lease-ups and departures (existing properties)



■ Historical Rent Levels*1



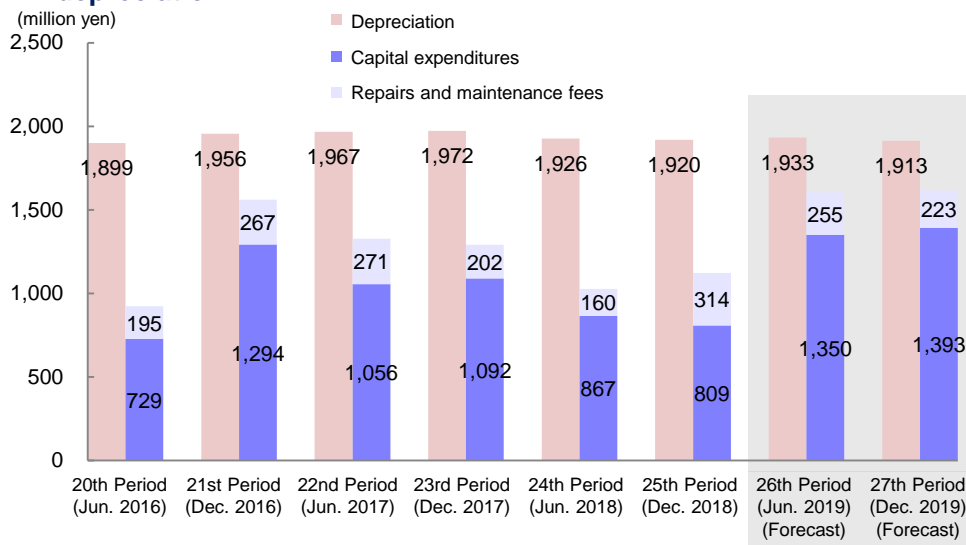
*1 Indexed with the average unit rent at the end of the 22nd period set as 100. The average unit rent is weighted average by leased office space
 Properties owned at the end of the 22nd Period are properties continuously owned from the end of the 22nd Period among those owned at the end of the 25th Period.

2. Internal Growth

(4) Construction Results/Value-added Renovations

- ◆ Maintained and improved the value of assets by systematically conducting repairs and renewal, upon discerning operation status and competitiveness from a medium- to long-term perspective.
- ◆ Conducted value-added renovations that improved unit rents and maintained and improved competitiveness.
- ◆ The rate of increase for average unit rent at properties for which value-added renovations have been completed is higher than the average rate of increase for all properties.

■ History of capital expenditures, repairs and maintenance fees, and depreciation



Main scheduled construction (26th Period, 27th Period)

[Air conditioning renewal]

Kowa Kawasaki Nishiguchi Building Kowa Kawasaki Higashiguchi Building

[Elevator renewal]

Kowa Kawasaki Nishiguchi Building

[Common-use area renovation]

NHK Nagoya Housou-Center Building Hiroshima Dai-ichi Seimei OS Building


■ Recent Major Value-Added Renovations

(Completed renovations)

Property name	Investment amount	Completion of renovation ^{*1}	Main areas renovated	Rate increase of unit rent (per period) ^{*2}
JEI Naha Building	53 million yen	21st Period	Restrooms, hallways and elevator hall	2.2%
JEI Nishi-honmachi Building	25 million yen	21st Period	Inside of 1F rental room	5.3%
JEI Kyobashi Building	35 million yen	21st Period	Restrooms and hallways	-0.1%
SE Sapporo Building	177 million yen	22nd Period	Restrooms, hallways and elevator hall	3.5%
Kowa Kawasaki Nishiguchi Building	378 million yen	23rd Period	Restrooms, hallways, elevator hall and entrance	0.6%
Total/average	668 million yen	-	-	1.6%
Average of all properties (Actual result of existing properties) ^{*3}				0.9%

(Ongoing renovations)

Property name	Investment amount	Completion of renovation	Main areas renovated
NHK Nagoya Housou-Center Building ^{*4}	253 million yen	26th Period (Jun. 2019)	Restrooms and office pantries



*1 The period when the main section has been completed is indicated.

*2 The per-period rate of increase from completion of renovation to the 25th Period for each property is indicated.

*3 The rate of increase (per period) from the 21st Period to the 25th Period for properties owned as of the end of the 21st Period (excluding those transferred in or before the 25th Period) is indicated.

*4 Investment amount and completion of renovation is as is currently planned.

3. Financial Strategy

(1) Performance of Financing Activities

◆ Extended the average remaining period of interest-bearing debt while reducing interest costs through refinancing.

Repayments and procurements in the 25th Period (average procurement interest and period)

Repayments			Procurements			Difference	
Amount	Term	Interest rate	Amount	Term	Interest rate	Term	Interest rate
11.65 billion yen	4.86 years	0.70%	11.75 billion yen	6.13 years	0.53%	+1.27 years	-0.17%

◆ Procured 6 billion yen through green bonds and green loans that coincided with the acquisition of AKASAKA INTERCITY AIR (July 2018)*1

◆ Loans: 3.75 billion yen, refinanced (Nov. 2018)

Before refinancing		After refinancing		Difference	
Term	Interest rate	Term	Interest rate	Term	Interest rate
4.6 years	0.75%	7.0 years	0.71%	+2.4 years	-0.04pt

◆ Investment corporation bonds: 7 billion yen, refinanced (Nov. 2018)

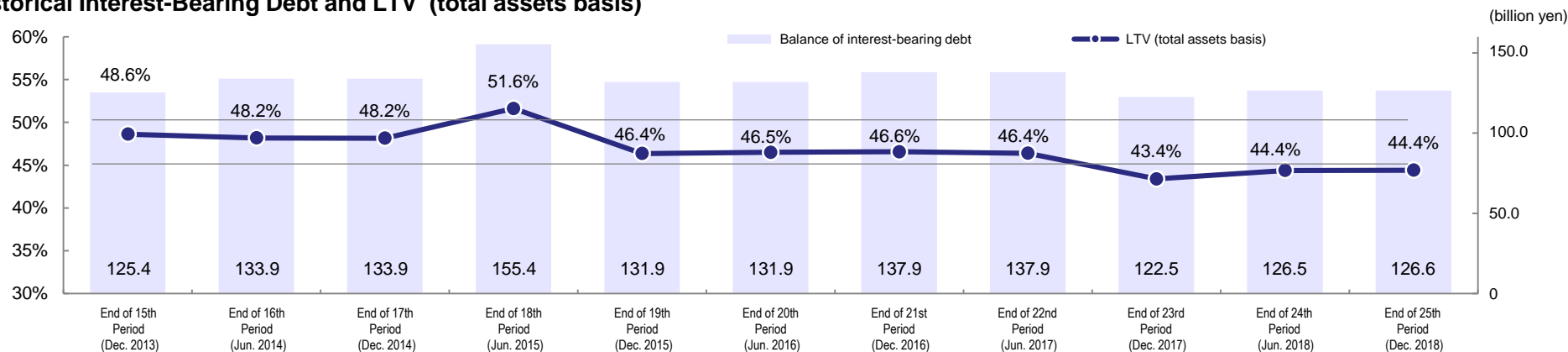
Before refinancing				Before refinancing				Difference	
	Amount	Term	Interest rate		Amount	Term	Interest rate	Term	Interest rate
Investment corporation bonds	7.0 billion yen	5.5 years	0.73%	Loans	2.0 billion yen	0.9 years	0.26%	-4.6 years	-0.47pt

* Used 4 billion yen procured from the issuance of investment corporation bonds in advance during the previous period and 1 billion yen of cash on hand to partially fund redemption funds.

Change in Major Financial Data

	24th end (Jun. 2018)	25th end (Dec. 2018)	Difference
LTV (total assets basis)	44.4%	44.4%	0.0pt
LTV (market value basis)	39.2%	38.3%	-0.9pt
Ratio of fixed interest rate	96.3%	93.9%	-2.4pt
Average remaining period of interest-bearing debt	4.8 years	4.9 years	+0.1 Years
Financial costs*2	1.11%	1.04%	-0.07pt
Average interest rate of interest-bearing debt	0.80%	0.79%	-0.01pt
Balance of interest-bearing debt	126.5 billion yen	126.6 billion yen	+0.1 billion yen

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



*1 Please see page 31 for details on green bonds and green loans.

*2 "Financial costs"

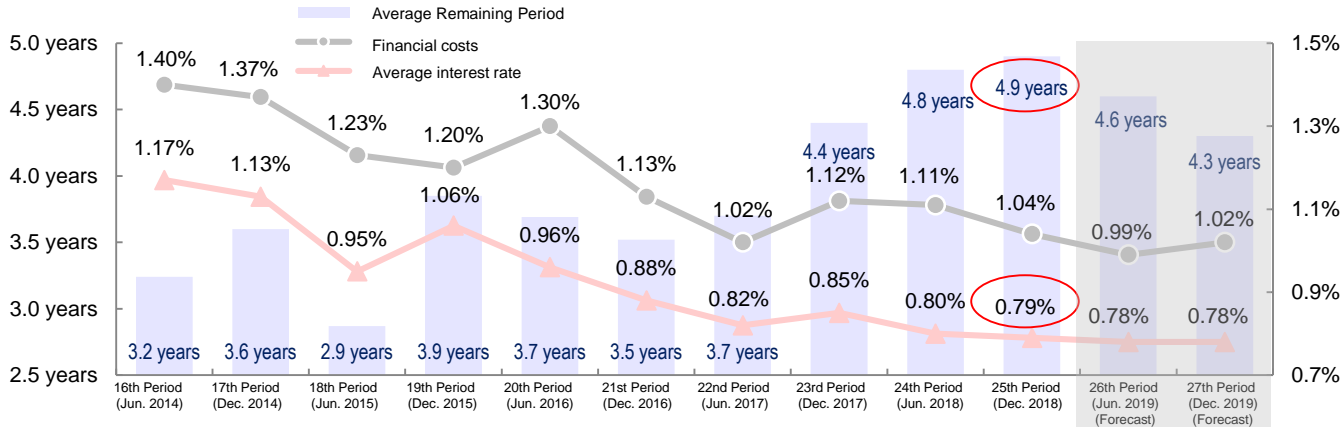
= (Interest expense + loan-related fees + interest expense on investment corporation bonds + amortization of investment corporation bond issuance costs) / average remaining interest-bearing debt during the period.

3. Financial Strategy

(2) Status of Financial Management

◆ Average interest rate of interest-bearing debt is expected to continue declining as a result of refinancing.

Historical Average Remaining Period of Interest-Bearing Debt, Financial Costs*1, and Average Interest Rate of Interest-Bearing Debt



*1 "Financial costs"

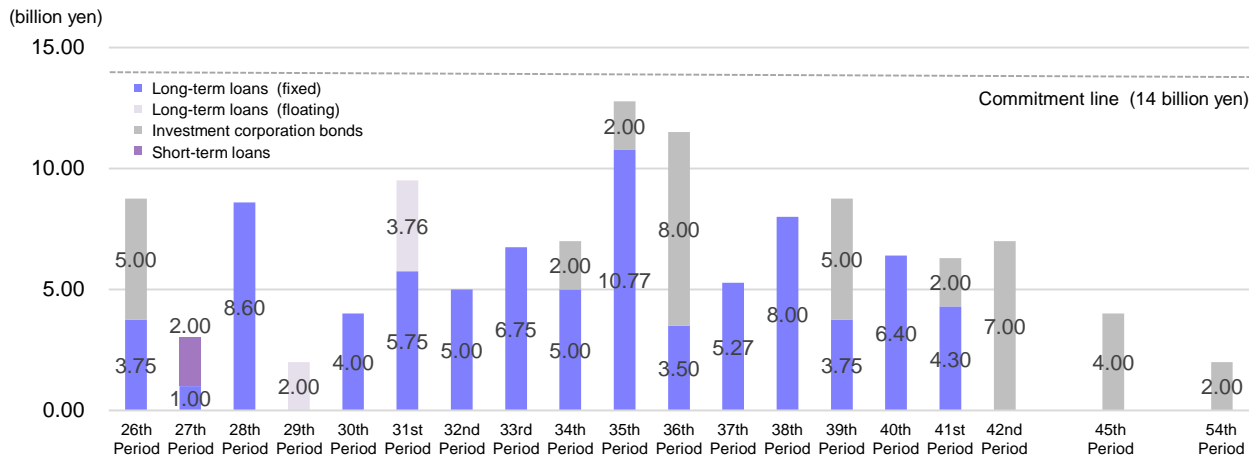
= (Interest expense + loan-related fees + interest expense on investment corporation bonds + amortization of investment corporation bond issuance costs) / average remaining interest-bearing debt during the period.

Interest rate on debt scheduled to be repaid/redeemed

	26th Period	27th Period	28th Period	29th Period	Total
Repayment and redemption amount	8.7 billion yen	3.0 billion yen	8.6 billion yen	2.0 billion yen	22.3 billion yen
Average interest rate	0.60%	0.26%	1.29%	0.26%	0.79%

* Effect of reduction of interest rate on each fiscal period (26th Period to 29th Period) assuming refinancing was made with an average interest rate of 0.53%, which was the actual results for refinancing in the 25th Period, is 29 million yen/period (22 yen/unit in terms of DPU) on average.

Status of Repayment Amount in Each Period and Maturity Date Diversification (as of end of 25th Period)



Rating

Rating agency	Rating (outlook)
Japan Credit Rating Agency (JCR)	Long-term issuer rating: AA- (stable)
Moody's Japan	Issuer rating: A3 (stable)

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.*1

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, 2018, manages 286 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.

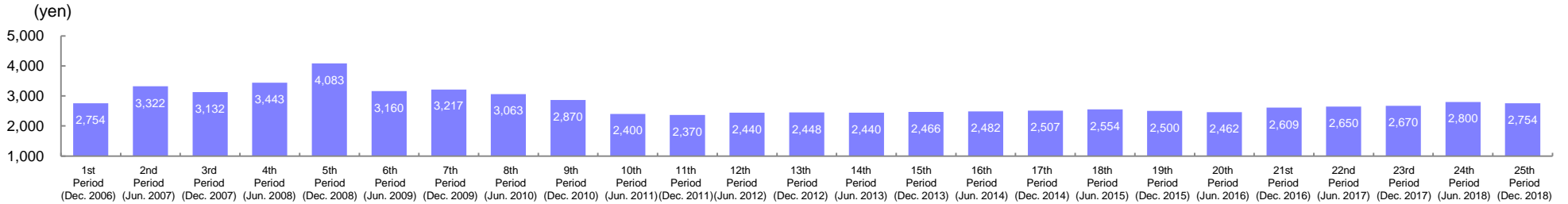
Management

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

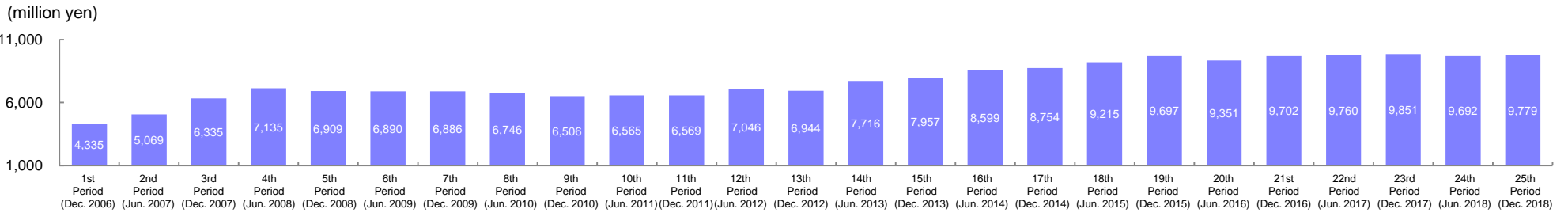
*1Nippon Steel Kowa Real Estate Co., Ltd. plans to change its Japanese trade name as of April 2019.

2. Track Record

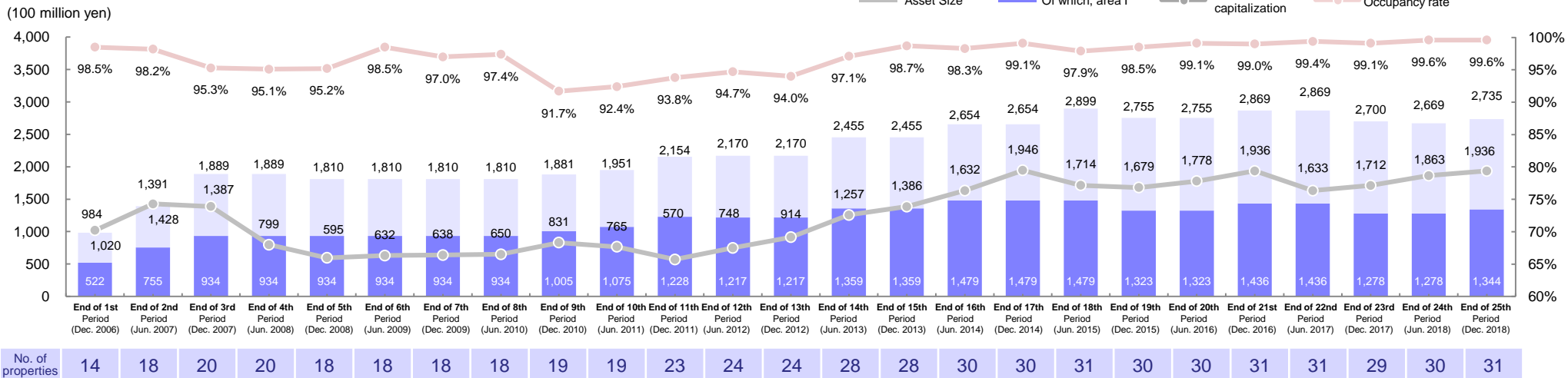
Historical Distributions per Unit*1



Historical Rental Revenue



Historical Asset Size, Occupancy Rate and Market Capitalization*2



*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.

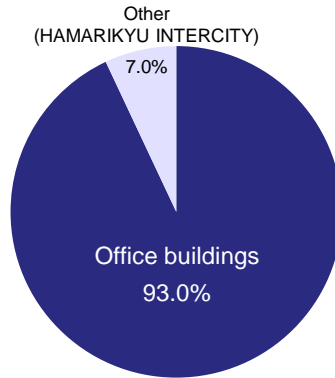
*2 Market capitalization indicates the market capitalization as of the end of each fiscal period.

3. Portfolio (1)

■ Usage

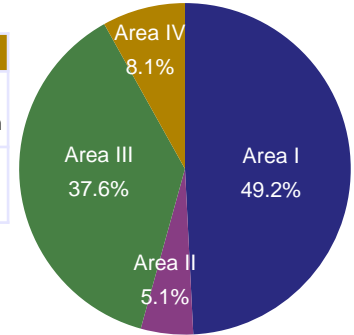
(Investment Policy)

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



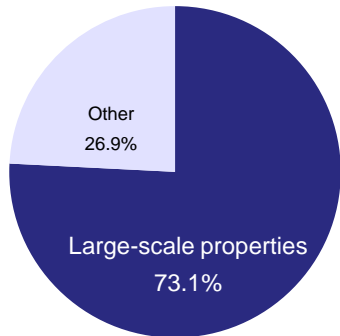
■ Area

Area	Area I	Area II	Area III	Area IV
Total acquisition price	134.4 billion yen	14.0 billion yen	102.8 billion yen	22.2 billion yen
Number of properties	11 properties	3 properties	10 properties	7 properties

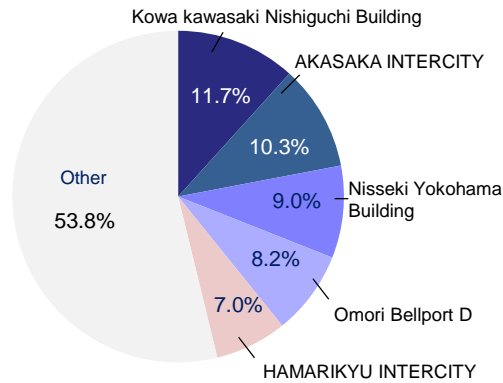


Ratio of investment in the Tokyo^{*4} metropolitan area
86.7%

■ Large-Scale Properties^{*3}



■ Top 5 Properties



Ratio of top 5 properties
46.2%

(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.

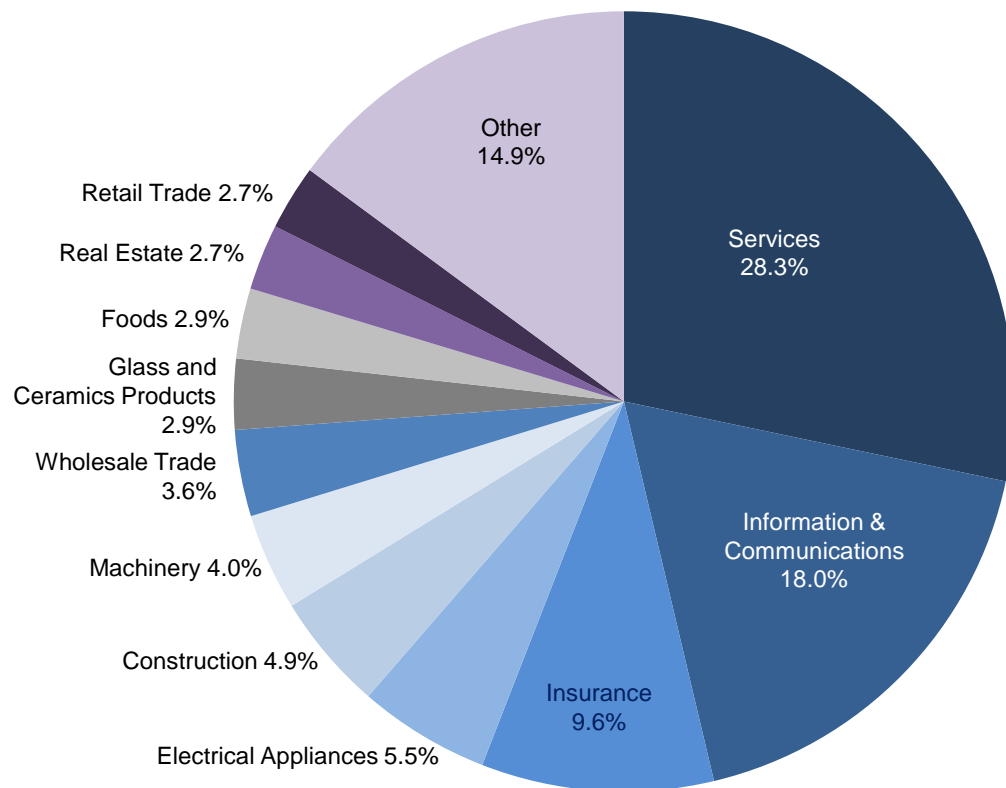
^{*3} "Large-scale properties" refers to properties with total floor area of 10,000 tsubo or more for the 23 wards of Tokyo, and of 4,000 tsubo or more for areas other than the 23 wards of Tokyo.

^{*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 25th 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	21,553.79	6.3
Toshiba Information System (Japan) Corp.	Kowa Kawasaki Higashiguchi Building	18,612.72	5.4
Hitachi Urban Investment, Ltd.	Omori Bellport D	10,449.47	3.1
	Yokohama Bentendori Dai-ichi Seimei Building		
	JEI Hiroshima Hacchobori Building		
	SE Sapporo Building		
Haseko Corporation	Shiba 2-Chome Building	9,284.18	2.7
*3	*3	8,968.71	2.6
*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	1.6
*3	HAMARIKYU INTERCITY	4,243.04	1.2
*3	*3	4,078.37	1.2
Total of top 10 end tenants		96,433.92	28.2
Total of portfolio overall		342,303.37	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 leaseable space as of the end of the 25th period.

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

*4 The figures above are as of the end of the 25th period.

GRESB Real Estate Assessment



- ◆ Received “**Green Star**,” the highest rating in the Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment conducted in 2018, for the fourth consecutive year
 - ◆ Also received the highest rating of “**5-Star**” in “GRESB Rating,” a five-grade evaluation system based on comprehensive scores, for the **third consecutive year**.
- “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

Obtained environmental certification for over 50% (based on leasable-space) of the portfolio

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.

Properties with the best environmental & social awareness



AKASAKA INTERCITY AIR



AKASAKA INTERCITY

Properties with exceptionally high environmental & social awareness



Nisseki Yokohama Building

Properties with excellent environmental & social awareness



- Omori Bellport D
- HAMARIKYU INTERCITY
- Kowa Kawasaki Nishiguchi Building
- Kowa Kawasaki Higashiguchi Building
- Kowa Nishi-shimbashi Building
- Musashikosugi Tower Place

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.

Reduction of environmental burden and system of promotion

◆ Introduction of energy saving facilities

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

Omori Bellport D



Conversion to LED lights at the dining floor

Kowa Nishi-shimbashi Building



Conversion to LED lights at the entrance hall and common spaces on each floor

◆ 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.
- Convening a sustainability committee each quarter composed of main members including the executive director and establishing an in-house system for setting targets and monitoring the status of efforts to systematically promote sustainability efforts.

Social

Social initiatives

Tenant satisfaction survey

JEI has worked to raise tenant satisfaction by conducting questionnaire surveys of tenants and office workers and utilizing the results to improve property management, etc. In fiscal 2018, we conducted this survey on 11 properties.

Promotion of exchange/contribution to the community

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

At Omori Bellport, we hosted an event targeting local citizens and families of office workers where they could experience Snag Golf in the atrium. This was conducted to contribute to the local community and improve tenant satisfaction.

Concerts



AKASAKA INTERCITY AIR



NHK Nagoya Housou-Center Building

Event



Omori Bellport

Initiatives for safety and security

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

Disaster prevention initiatives

In order to improve local disaster prevention awareness, we conducted experiential disaster prevention training at AKASAKA INTERCITY AIR. We also conducted joint training with local town council and a training tour targeting foreign residents in the area. In the end, more than 3,100 people participated in all of the events.



Support in case of disasters

As Hokkaido, where one of JEI's properties is located, suffered extensive damage from the Hokkaido Eastern Iburi earthquake in September 2018, the asset management company donated disaster relief money to the 2018 Hokkaido Eastern Iburi earthquake through the Japanese Red Cross Society.

4. ESG Initiatives (3)

◆ Issued the first green bonds*¹ by an office-focused J-REIT and borrowed through the first green loans*² as a J-REIT, as part of ESG initiatives

■ Overview of green bonds and green loans

	Green bond	Green loan
Name/lender	14th Series Unsecured Investment Corporation Bonds (also called JEI Green Bond)	Mizuho Bank
Issuance date/ borrowing date	August 10, 2018	September 28, 2018
Total issued amount/ loan amount	4.0 billion yen	2.0 billion yen
Term/borrowing period	10 years	2 years
Interest rate	0.63% per year	0.26091% per year* ³ (JBA 1-month Yen TIBOR: +0.20%)
Evaluation organization	Acquired a second-party opinion on the quality of green bonds through the global ESG evaluation company Sustainalytics. 	Acquired the comprehensive evaluation "Green 1," the highest in regards to compatibility with "Green Loan Principles" from Japan Credit Rating Agency, Ltd. (JCR)

Use of funds

Part of funds for repayment of short-term loans taken out in line with the acquisition of Eligible Green Project, AKASAKA INTERCITY AIR

DBJ Green Building 2018

Properties with the best environmental & social awareness

■ Green bond framework

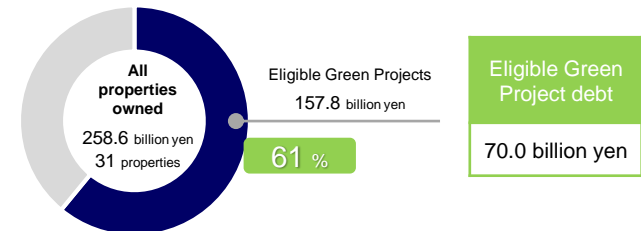
[Use of funds]
Acquisition of Eligible Green Projects*⁴ or refinancing of borrowings required in the acquisition of the Projects

[Maximum issuance amount]
The amount of debt calculated by multiplying the book value of Eligible Green Projects by LTV. (the debts of Eligible Green Projects).

[Reporting]
Announcement of status of Eligible Green Projects/Debt of the Projects as well as CO₂ emissions, etc. of Eligible Green Projects.

* Operationally, borrowings from green loans are conducted within the parameters of the issuance balance of green bonds and the debts of Eligible Green Projects.

■ Eligible Green Projects and debt*⁵



*¹ Green Bonds are a type of bond instrument issued by issuers such as corporations, funds and municipal governments to finance Eligible Green Projects (environmentally friendly investing and financing). The issuance of Green Bonds must adhere to International Capital Market Association's (ICMA) Green Bond Principles.

*² Borrowings for use of funds that consider the environment, conforming to the international guideline, Green Loan Principles.

*³ As of January 31, 2019

*⁴ Eligible Green Projects are assets that have received or scheduled to receive one of the following certifications within the previous 2 years as of the payment date upon issuance of green bonds among the specified assets owned by JEI.

1) DBJ Green Building Certification: 5, 4 or 3 stars 2) CASBEE Certification: S, A or B+ rank

*⁵ Calculated based on the book value as of the end of the 25th Period and the ratio of interest-bearing debt (total assets-based LTV), rounded down to the nearest specified unit.

Governance

Governance initiatives

■ Established Structure to Prevent Conflicts of Interest 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, 2018)

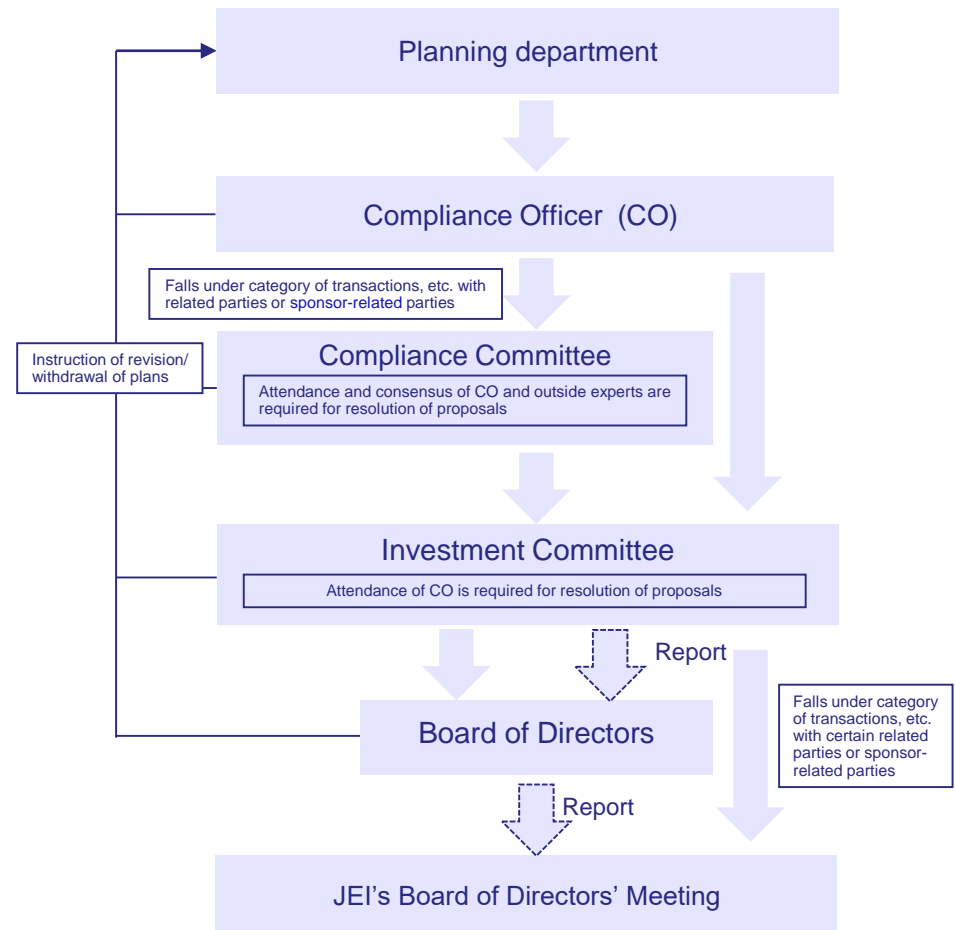
■ Management Fee Structure

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

	Calculation method								
Asset management fees 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)								
	<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



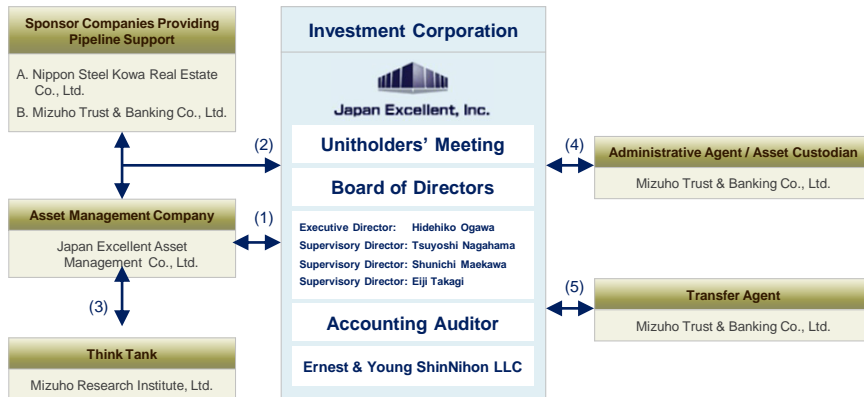
*1 Unit prices for December 25, 2013 and earlier are divided by 5.

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%
Business Operations	Mizuho Trust & Banking Co., Ltd.	5.0%
	Financial Instrument Dealer	

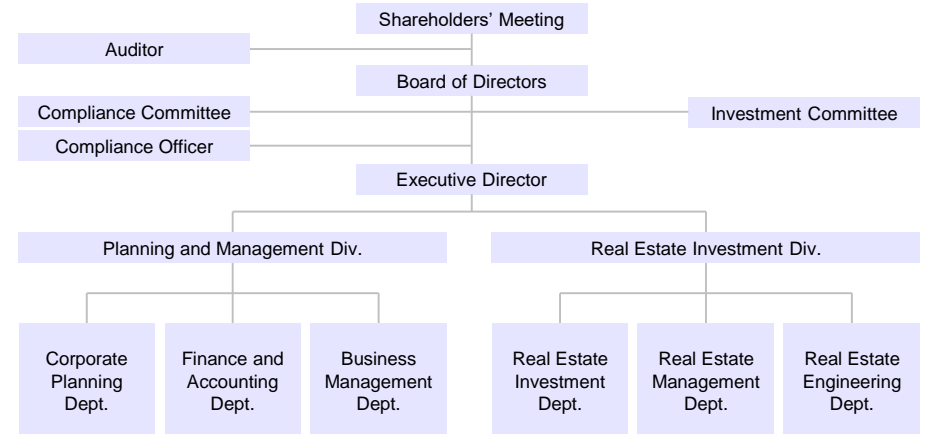
*2 Percentages in the above table are percentages of total outstanding shares.

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

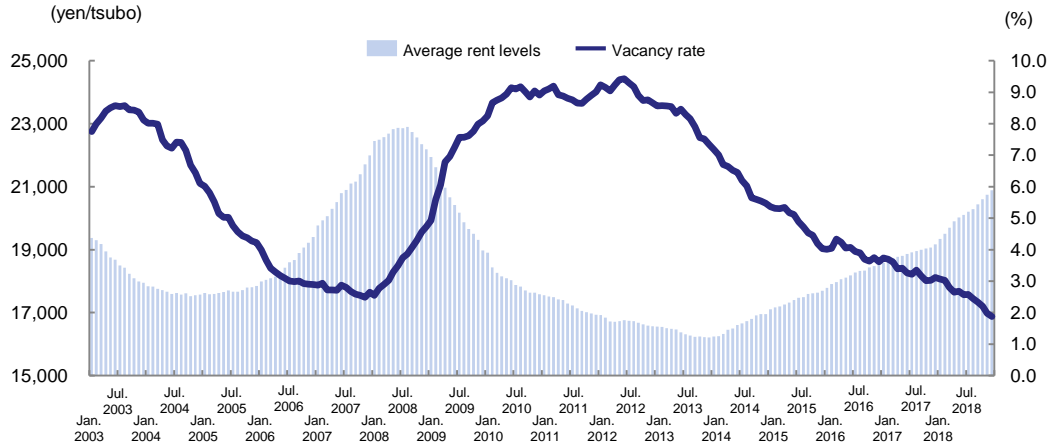
Outline and Organization of JEAM



Reference Materials

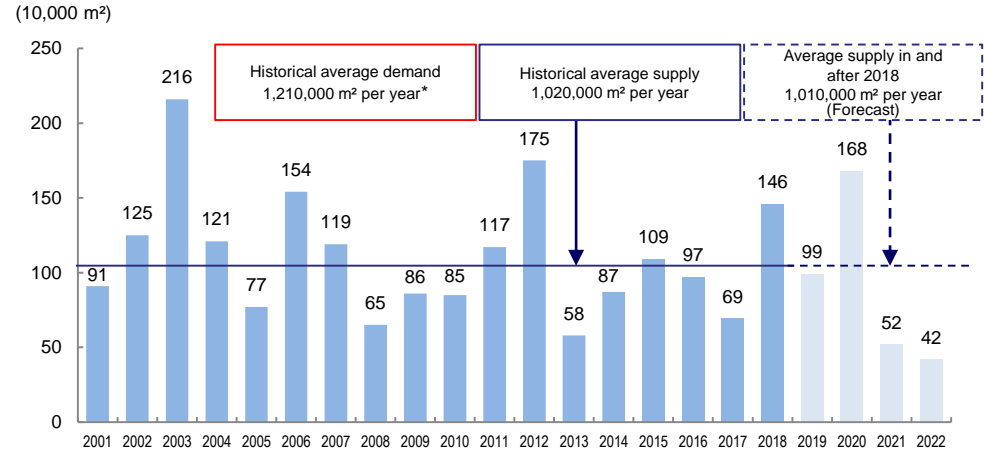


■ Historical Rent Levels and Vacancy Rate in 5 Central Wards of Tokyo



Source: Miki Shoji Co., Ltd.

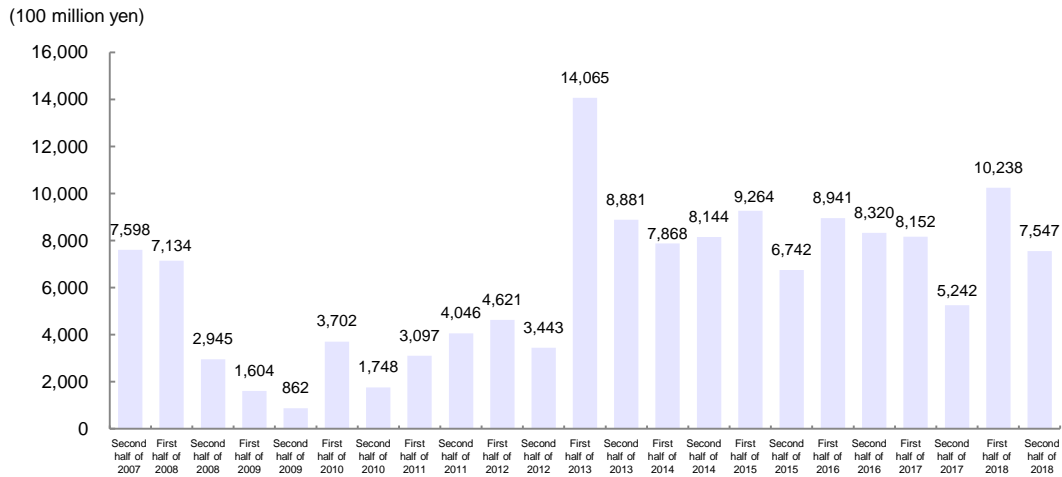
■ Historical New Office Supply Volume in 23 Wards of Tokyo



* 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 2014 to 2018.

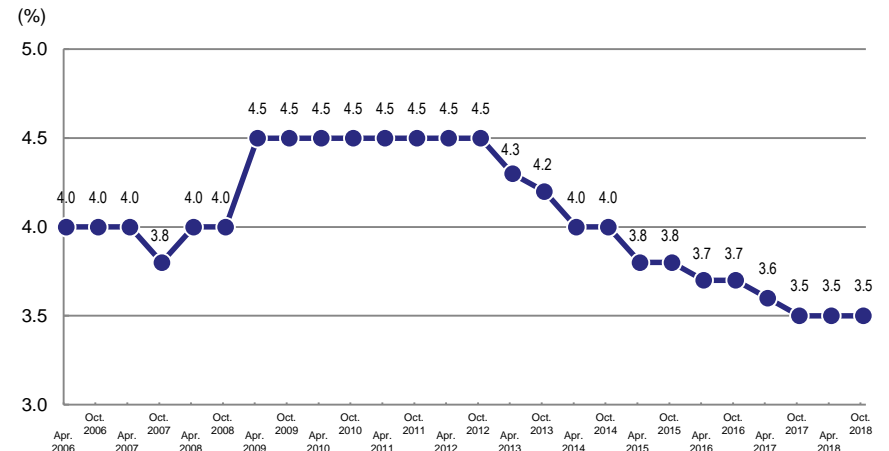
Source: Supply: Mori Building Co., Ltd. Demand: Sanko Estate Co., Ltd.

■ 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								Other	Total
	I-1	I-2	I-3	I-8	I-9	I-10	I-12	I-13	I-14	I-15	I-16	II-1	II-2	II-3	III-1	III-2	III-3	III-5	III-7	III-9	III-10	III-11	III-12	III-13	IV-2	IV-3	IV-4	IV-5	IV-6	IV-7	IV-8			
	Omori	Shiba 2-Chome	Hamanabashi-cho	AKASAKA INTERCITY	Kowa Shirokanedai	Daba Garden City Bldg.	HAMARIKYU INTERCITY	Shintomicho	Kowa Nishi-Shimbashi	Mansard Daikanyama	AKASAKA INTERCITY AIR	NHK Nagoya	Nishi-honmachi	Daba Kogen (business transfer)	Musashi-Kosugi	Kawasaki Higashi-Guchi	Hongo	Kawasaki Nasain-cho	Ryugoku	Kawasaki Nishi-Guchi	Sengoku	Core City Teichikawa	Nasaki Yokohama	Yokohama Bentencho Dai-ichi	Kyobashi	Hiroshima Hiccho-bon	SE Sapporo	Aoba-dori Plaza	Dava Minamimachi	Naha	Hiroshima Dai-ichi Saimai OS			
Revenue from operations	931	372	230	596	182	335	744	72	-	316	-	386	187	88	819	-	-	216	112	953	55	316	1,162	41	181	154	396	189	199	81	142	0	10,657	
Rental revenue	867	371	217	544	160	335	694	65	-	291	-	-	166	88	730	-	-	213	99	864	48	310	1,063	37	161	139	307	169	179	69	132	-	9,779	
Other revenue	64	1	13	52	22	0	50	7	-	25	-	-	21	-	89	-	-	2	12	88	6	6	98	3	19	15	88	20	20	11	9	0	877	
Expenses from operations	487	143	104	288	81	126	410	34	-	136	-	238	150	48	394	-	-	108	68	634	33	136	764	20	98	87	223	106	85	68	136	5	5,780	
Property management	150	50	19	36	24	1	115	5	-	30	-	63	35	-	102	-	-	43	21	147	5	30	160	8	16	18	32	34	22	9	20	-	1,358	
Utilities	88	0	12	61	11	-	69	5	-	26	-	34	23	-	84	-	-	11	95	6	42	191	5	14	15	75	18	16	9	12	-	1,029		
Taxes	78	29	18	35	15	35	52	4	-	29	-	25	27	47	65	-	-	18	7	75	6	21	121	-	12	17	23	18	13	4	-	894		
Insurance	1	0	0	0	0	0	2	0	-	0	-	0	0	-	1	-	-	0	0	2	0	1	3	0	0	0	0	0	0	0	0	-	24	
Repair and maintenance	15	10	1	1	6	3	14	4	-	7	-	3	3	-	18	-	-	2	6	36	1	2	15	1	14	8	5	12	2	19	64	-	314	
Non-operating expenses	15	1	15	65	1	1	7	0	-	2	-	33	3	0	6	-	-	0	1	11	0	1	12	0	1	3	2	2	0	4	1	5	238	
Depreciation	136	50	36	87	21	85	148	12	29	40	18	76	57	-	114	80	30	42	19	265	11	36	259	4	39	24	82	19	30	21	36	-	1,920	
Profits (loss) from operations	444	229	125	308	100	208	334	38	212	180	119	147	37	39	425	220	79	108	43	318	22	179	397	20	83	67	172	83	113	12	6	-5	4,877	
NOI	581	279	162	395	122	293	482	51	242	220	138	224	94	39	540	301	110	151	62	583	34	216	657	25	122	91	255	102	143	33	42	-5	6,797	
NOI (Annualized with following formula)	1,152	554	323	784	243	582	957	101	481	437	276	445	188	79	1,071	597	218	299	124	1,157	68	429	1,304	49	243	180	506	202	284	67	83	-11	13,486	
Number of days	184	184	184	184	184	184	184	184	184	184	183	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
Acquisition price	22,552	9,450	8,350	28,146	4,705	11,000	19,080	1,750	11,431	11,420	6,590	5,610	6,673	1,770	13,890	10,976	5,400	4,725	2,550	32,000	1,620	6,500	24,500	640	3,308	2,760	5,500	2,120	4,410	1,380	2,780	0	273,587	

NOI yield

25th period	5.1%	5.9%	3.9%	2.8%	5.2%	5.3%	5.0%	5.8%	4.2%	3.8%	4.2%	7.9%	2.8%	4.5%	7.7%	5.4%	4.0%	6.3%	4.9%	3.6%	4.2%	6.6%	5.3%	7.8%	7.4%	6.6%	9.2%	9.6%	6.5%	4.9%	3.0%	-	4.93%
24th period	5.4%	6.0%	3.8%	2.8%	4.2%	5.4%	4.9%	6.2%	4.6%	3.5%	-	6.7%	3.9%	4.8%	7.6%	4.6%	4.3%	6.1%	5.2%	4.0%	4.3%	6.8%	5.4%	10.3%	8.1%	6.9%	9.0%	11.3%	6.6%	7.4%	8.2%	-	5.01%
Difference (Pt)	-0.3	-0.1	0.1	0.0	1.0	-0.1	0.1	-0.4	-0.4	0.3	-	1.2	-1.1	-0.3	0.1	0.8	-0.3	0.2	-0.3	-0.4	-0.1	-0.2	-0.1	-2.5	-0.7	-0.3	0.2	-1.7	-0.1	-2.5	-5.2	-	-0.08

NOI yield after depreciation

25th period	3.9%	4.8%	3.0%	2.2%	4.3%	3.8%	3.5%	4.4%	3.7%	3.1%	3.6%	5.2%	1.1%	4.5%	6.1%	4.0%	2.9%	4.6%	3.4%	2.0%	2.8%	5.5%	3.2%	6.3%	5.0%	4.8%	6.2%	7.8%	5.1%	1.8%	0.4%	-	3.54%
24th period	4.2%	5.0%	3.0%	2.1%	3.3%	3.8%	3.4%	4.8%	4.1%	2.8%	-	4.0%	2.2%	4.8%	6.0%	3.1%	3.2%	4.2%	3.7%	2.3%	2.9%	5.7%	3.2%	7.4%	5.7%	5.1%	6.0%	9.2%	5.2%	4.5%	3.3%	-	3.57%
Difference (Pt)	-0.3	-0.2	0.0	0.1	1.0	0.0	0.1	-0.4	-0.4	0.3	-	1.2	-1.1	-0.3	0.1	0.9	-0.3	0.4	-0.3	-0.3	-0.1	-0.2	0.0	-1.1	-0.7	-0.3	0.2	-1.4	-0.1	-2.7	-2.9	-	-0.03

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

*2 Ratios are rounded to the first 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 revenue and expenses for AKASAKA INTERCITY AIR are not disclosed because we have not received consent from the co-owner.

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

*7 Expenses indicated in "Other" indicate adjustment amount for the properties transferred in the previous fiscal period.

*8 Yields for the 24th Period (total/breakdown by area) indicate actual results including properties transferred in the 24th Period.

Breakdown by Area

(Unit: million yen)

	Area I Total	Area II Total	Area III Total	Area IV Total
NOI	2,971	359	2,682	790
Acquisition price	134,474	14,053	102,801	22,258
25th period NOI yield (annualized)	4.4%	5.1%	5.2%	7.0%
25th period NOI yield (annualized)	4.4%	5.1%	5.2%	8.2%
Difference (pts)	0.0	0.0	0.0	-1.2

Overview of Period-end Appraisals

Summary of Period-end Appraisal Value

	24th Period (Jun. 2018)	25th Period (Dec. 2018)	Difference
Number of properties	30 properties	31 properties	1 property
Period-end appraisal value	290,609 million yen	303,455 million yen	12,846 million yen
Book value	253,180 million yen	258,689 million yen	5,509 million yen
Unrealized profit/loss	37,428 million yen	44,765 million yen	7,336 million yen
Ratio of unrealized profit/loss ¹	14.8%	17.3%	2.5pts

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^{*2}

	24th Period (Jun. 2018)	25th Period (Dec. 2018)
Increase	24 properties	26 properties
Unchanged	4 properties	2 properties
Decrease	2 properties	3 properties

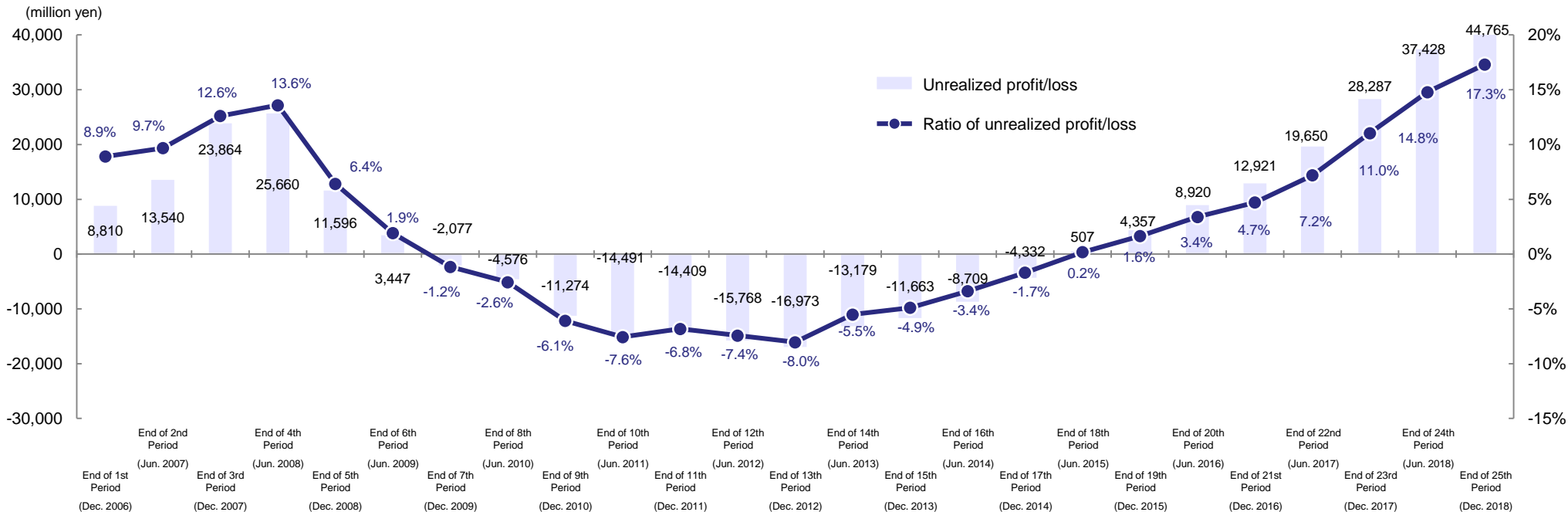
^{*2} Increase/decrease breakdowns are shown in comparison with the previous fiscal period for each period.

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

Status of Cap Rate^{*2*3}

	24th Period (Jun. 2018)	25th Period (Dec. 2018)
Decline	21 properties	19 properties
Unchanged	9 properties	12 properties
Rise	0 properties	0 properties

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



Period-end Appraisal Value

(Unit: million yen)

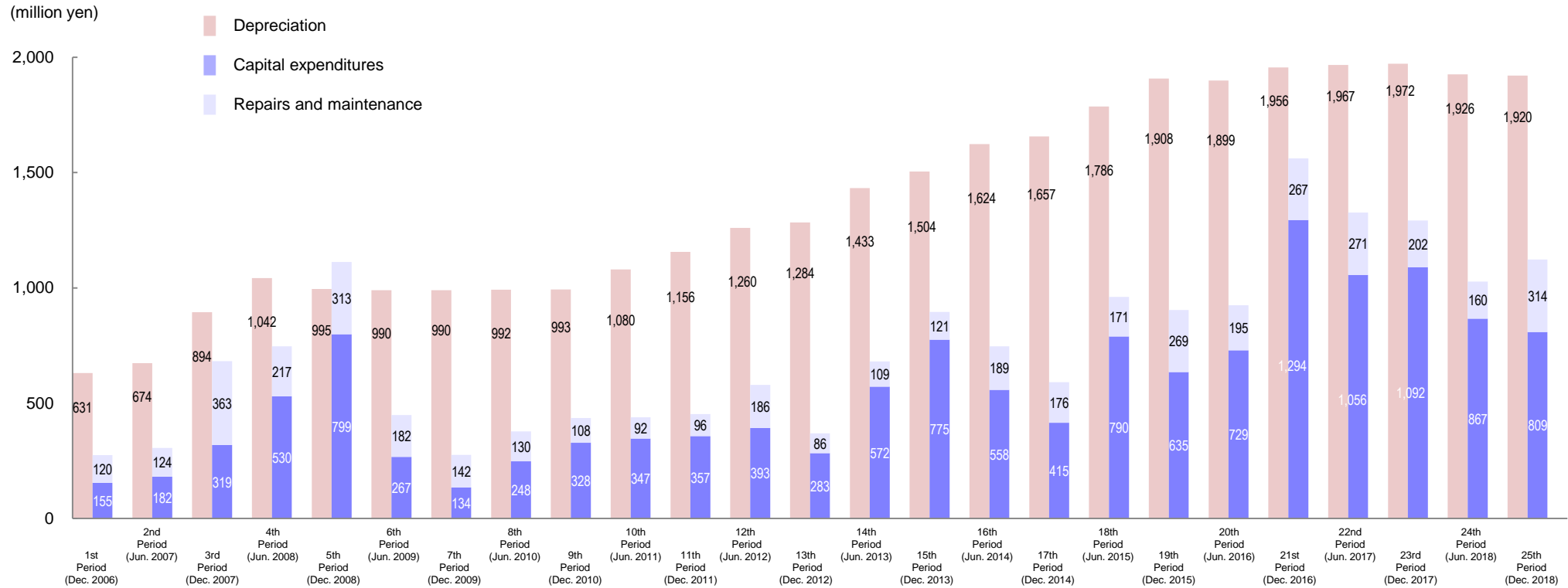
Property Number	Area	Name	Acquisition Price	Period-end Appraisal Value		Difference (②-①)		Book Value at end of FP25 ③	Difference (②-③)		Direct reduction reduced yield		Difference (⑤-④)	Appraisal Organization	
				End of FP24①	End of FP25 ②		%			%	End of FP24 ④	End of FP25 ⑤	pt		
I-1	I	Omori Bellport D	22,552	25,900	26,500	600	2.3%	20,940	5,559	26.5%	4.1%	4.1%	0.0	Chuo Real Estate Appraisal Co., Ltd.	
I-2		Shiba 2-Chome Building	9,450	12,300	13,000	700	5.7%	9,123	3,876	42.5%	Office 3.9%	Office 3.8%	Office -0.1	Japan Real Estate Institute	
I-3		JEI Hamamatsucho Building	8,350	7,950	8,070	120	1.5%	8,163	-93	-1.1%	Residence 4.5%	Residence 4.4%	Residence -0.1	Japan Real Estate Institute	
I-8		AKASAKA INTERCITY	28,146	27,500	28,400	900	3.3%	26,985	1,414	5.2%	3.7%	3.6%	-0.1	Japan Real Estate Institute	
I-9		Kowa Shirokanedai Building	4,705	5,090	5,190	100	2.0%	4,726	463	9.8%	3.2%	3.1%	-0.1	Japan Real Estate Institute	
I-10		Daiba Garden City Building	11,000	11,000	10,500	-500	-4.5%	9,811	688	7.0%	4.5%	4.4%	-0.1	Japan Real Estate Institute	
I-12		HAMARIKYU INTERCITY	19,080	23,600	24,300	700	3.0%	17,698	6,601	37.3%	4.3%	4.3%	0.0	Chuo Real Estate Appraisal Co., Ltd.	
I-13		Shintomicho Building	1,750	2,070	2,080	10	0.5%	1,761	318	18.1%	3.6%	3.5%	-0.1	Japan Real Estate Institute	
I-14		Kowa Nishi-shimbashi Building	11,431	12,500	12,800	300	2.4%	11,045	1,754	15.9%	4.2%	4.2%	0.0	Chuo Real Estate Appraisal Co., Ltd.	
I-15		Mansard Daikanyama	11,420	12,900	13,300	400	3.1%	11,336	1,963	17.3%	3.4%	3.3%	-0.1	Japan Real Estate Institute	
I-16		AKASAKA INTERCITY AIR	6,590	7,180	7,410	230	3.2%	6,595	814	12.3%	3.3%	3.2%	-0.1	Japan Real Estate Institute	
II-1		II	NHK Nagoya Housou-Center Building	5,610	5,850	5,980	130	2.2%	5,555	424	7.6%	3.1%	3.0%	-0.1	Japan Real Estate Institute
II-2			JEI Nishi-honmachi Building	6,673	4,960	5,730	770	15.5%	7,088	-1,358	-19.2%	4.6%	4.5%	-0.1	DAIWA REAL ESTATE APPRAISAL Corporation
II-3			Osaka Kogin Building (land with leasehold interest)	1,770	2,260	2,330	70	3.1%	1,865	464	24.9%	4.7%	4.7%	0.0	Japan Real Estate Institute
III-1		III	Musashikosugi Tower Place	13,890	21,100	21,100	0	0.0%	12,657	8,442	66.7%	3.5%	3.4%	-0.1	Japan Real Estate Institute
III-2			Kowa Kawasaki Higashiguchi Building	10,976	9,690	9,710	20	0.2%	9,387	322	3.4%	4.2%	4.2%	0.0	Japan Valuers Co., Ltd.
III-3	JEI Hongo Building		5,400	4,790	4,640	-150	-3.1%	5,026	-386	-7.7%	4.3%	4.2%	-0.1	Japan Valuers Co., Ltd.	
III-5	Kawasaki Nishincho Building		4,725	4,570	4,580	10	0.2%	4,282	297	6.9%	4.3%	4.2%	-0.1	Japan Valuers Co., Ltd.	
III-7	JEI Ryogoku Building		2,550	2,290	2,410	120	5.2%	2,237	172	7.7%	4.9%	4.9%	0.0	Japan Valuers Co., Ltd.	
III-9	Kowa Kawasaki Nishiguchi Building		32,000	25,900	26,000	100	0.4%	29,015	-3,015	-10.4%	4.6%	4.6%	0.0	Chuo Real Estate Appraisal Co., Ltd.	
III-10	Pacific Square Sengoku		1,620	1,300	1,290	-10	-0.8%	1,628	-338	-20.8%	4.6%	4.6%	0.0	Japan Valuers Co., Ltd.	
III-11	Core City Tachikawa		6,500	8,590	8,780	190	2.2%	6,184	2,595	42.0%	4.3%	4.3%	0.0	Chuo Real Estate Appraisal Co., Ltd.	
III-12	Nisseki Yokohama Building		24,500	28,400	28,500	100	0.4%	23,524	4,975	21.1%	4.4%	4.3%	-0.1	Japan Real Estate Institute	
III-13	Yokohama Bentendori Dai-ichi Seimei Building		640	659	665	6	0.9%	655	9	1.4%	4.0%	3.9%	-0.1	Japan Real Estate Institute	
IV-2	IV		JEI Kyobashi Building	3,308	4,250	4,260	10	0.2%	2,878	1,381	48.0%	4.8%	4.7%	-0.1	Japan Real Estate Institute
IV-3			JEI Hiroshima Hacchobori Building	2,760	3,460	3,560	100	2.9%	2,588	971	37.5%	5.2%	5.2%	0.0	DAIWA REAL ESTATE APPRAISAL Corporation
IV-4			SE Sapporo Building	5,500	7,960	8,250	290	3.6%	5,147	3,102	60.3%	4.9%	4.8%	-0.1	Japan Real Estate Institute
IV-5		Aoba-dori Plaza	2,120	3,880	4,100	220	5.7%	2,196	1,903	86.7%	5.1%	5.0%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
IV-6		Daiwa Minamimoricho Building	4,410	5,170	5,170	0	0.0%	4,230	939	22.2%	4.8%	4.7%	-0.1	Japan Real Estate Institute	
IV-7		JEI Naha Building	1,380	1,720	1,780	60	3.5%	1,513	266	17.6%	4.6%	4.6%	0.0	DAIWA REAL ESTATE APPRAISAL Corporation	
IV-8		Hiroshima Dai-ichi Seimei OS Building	2,780	3,000	3,070	70	2.3%	2,834	235	8.3%	5.4%	5.3%	-0.1	Japan Real Estate Institute	
			Total	273,587	297,789	303,455	5,666	1.9%	258,689	44,765	17.3%	4.9%	4.8%	-0.1	Japan Real Estate Institute
Area I Total			134,474	147,990	151,550	3,560	2.4%	128,190	23,359	18.2%	4.1%	3.6%	-0.1	-	
Area II Total			14,053	13,070	14,040	970	7.4%	14,508	-468	-3.2%	4.4%	4.4%	0.0	-	
Area III Total			102,801	107,289	107,675	386	0.4%	94,600	13,074	13.8%	4.4%	4.3%	-0.1	-	
Area IV Total			22,258	29,440	30,190	750	2.5%	21,390	8,799	41.1%	5.0%	4.9%	-0.1	-	
Grand Total			273,587	297,789	303,455	5,666	1.9%	258,689	44,765	17.3%	4.1%	4.0%	-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 24th and 25th period based on Japan Excellent's rules and the regulations stipulated by the Investment Trusts Association, Japan.

*2 For the properties acquired in the 25th Period (AKASAKA INTERCITY AIR), the figures stated in the appraisal report at the time of acquisition are deemed as figures at end of the 24th Period and indicated.

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

■ History of Expenses for Repairs and Maintenance and Depreciation



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%
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Statement of Income and Retained Earnings

(Unit: million yen)

	24th Period (Jun. 2018)	(%)	25th Period (Dec. 2018)	(%)	Compared with previous period	
					Difference	(%)
1. Revenue (A)	10,535	100.0	10,657	100.0	122	1.2
Rental revenue	9,692		9,779		87	
Other rental revenue	843		877		34	
Total rental revenue (a)	10,535	100.0	10,657	100.0	122	1.2
2. Operating expenses (B)	6,509	61.8	6,373	59.8	-136	-2.1
Property management expenses	1,476		1,358		-118	
Utilities expenses	996		1,029		33	
Taxes	932		894		-38	
Insurance	25		24		-0	
Repairs and maintenance	160		314		154	
Non-operating expenses for rental operation	237		238		1	
Depreciation	1,926		1,920		-5	
Total operating expenses (b)	5,754	54.6	5,780	54.2	26	0.5
Profits from operation (a)-(b)	4,781	45.4	4,877	45.8	95	2.0
Loss on sales of real estate etc	165		—		-165	
Asset management fees	431		445		14	
Other	158		147		-11	
3. Operating income (A)-(B)	4,025	38.2	4,284	40.2	258	6.4
4. Non-operating income	0	0.0	1	0.0	0	57.3
5. Non-operating expenses	686	6.5	688	6.5	1	0.3
Interest expense	376		363		-13	
Loan relating fees	145		148		2	
Interest expense on investment corporation bonds	142		153		11	
Amortization of investment corporation bond issuance costs	15		16		1	
Other	5		6		0	
6. Ordinary income	3,340	31.7	3,597	33.8	257	7.7
7. Net income before taxes	3,340	31.7	3,597	33.8	257	7.7
8. Income taxes – current	0		1		0	
9. Net income	3,339	31.7	3,596	33.7	256	7.7
10. Retained earnings brought forward	—		—		0	
11. Unappropriated retained earnings at the end of period	3,339		3,596		256	

* 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					
	24th Period (Jun. 2018)		25th Period (Dec. 2018)		Difference		24th Period (Jun. 2018)		25th Period (Dec. 2018)		Difference
(Assets)		%		%		(Liabilities)		%		%	
I. Current assets	29,995	10.5	24,858	8.7	-5,137	I. Current liabilities	22,208	7.8	13,807	4.8	-8,401
Cash and deposits	13,652		8,224		-5,427	Operating accounts payable	1,154		1,385		231
Cash and deposits in trust	15,606		16,014		408	Short-term loans	900		2,000		1,100
Operating accounts receivable	394		391		-2	Investment corporation bonds due within a year	12,000		5,000		-7,000
Consumption tax receivable	82		28		-53	Long-term loans due within a year	7,500		4,750		-2,750
Other	259		197		-61	Other accounts payable	423		433		10
Other	259		197		-61	Other	230		237		7
II. Fixed assets	254,859	89.4	260,379	91.2	5,520	II. Long-term liabilities	119,012	41.8	127,865	44.8	8,852
1. Property and equipment	244,072	85.6	249,581	87.4	5,509	Investment corporation bonds	28,000		32,000		4,000
Real Estate	14,936		14,865		-71	Long-term loans	78,100		82,850		4,750
Real Estate in trust	229,016		234,590		5,574	Security deposits from tenants	1,104		1,126		22
Construction in progress	119		126		6	Security deposits from tenants in trust	11,808		11,888		80
2. Intangible assets	9,108	3.2	9,108	3.2	-0	Total liabilities	141,221	49.5	141,672	49.6	451
Leasehold rights	1,721		1,721		—	(Net assets)					
Leasehold rights in trust	7,382		7,382		—	I. Unitholders' equity	143,786	50.5	143,727	50.4	-59
Other	4		4		-0	1. Unitholders' capital	139,972	49.1	139,972	49.0	—
3. Investments and other assets	1,678	0.6	1,689	0.6	10	2. Retained earnings	3,813		3,754		-59
Leasehold and security deposits	15		15		—	Voluntary retained earnings (Reserve for reduction entry)	474	0.2	158	0.1	-316
Long-term prepaid expenses	877		845		-31	Unappropriated retained earnings	3,339	1.2	3,596	1.3	256
Other	786		828		42	Total net assets	143,786	50.5	143,727	50.4	-59
III. Deferred assets	153	0.1	162	0.1	9	Total liabilities and net assets	285,008	100.0	285,400	100.0	391
Investment corporation bond issuance costs	153		162		9						
Total assets	285,008	100.0	285,400	100.0	391						

* 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)

25th Period (Dec. 2018)	
Classification	Amount
I. Cash flow from operating activities	5,829
Net income before taxes	3,597
Depreciation	1,920
Other	311
II. Cash flow from investing activities	-7,266
Purchase of property and equipment	-7,369
Net payments for security deposits	102
III. Cash flow from financing activities	-3,582
Proceeds from short-term loans	8,000
Repayment of short-term loans	-6,900
Proceeds from long-term loans	5,750
Repayment of long-term loans	-3,750
Proceeds from issuance of investment corporation bonds	3,973
Redemption of investment corporation bonds	-7,000
Distributions to unitholders	-3,656
IV. Net increase/ decrease in cash and cash equivalents	-5,019
V. Cash and cash equivalents at beginning of period	29,258
VI. Cash and cash equivalents at end of period	24,239

* Figures under one million yen are rounded down.

■ Profit Distribution

(Unit: yen)

25th Period (Dec. 2018)	
Classification	Amount
Unappropriated retained earnings at the end of period	3,596,244,276
Distributions	3,595,897,800
(Distributions per investment unit)	(2,754)
Earnings carried over to next period	346,476
Total number of outstanding investment units at the end of period	1,305,700 units

Financial Indicators

(Unit: million yen)

Financial indicators	Unit	21st Period (Dec. 2016)	22nd Period (Jun. 2017)	23rd Period (Dec. 2017)	24th Period (Jun. 2018)	25th Period (Dec. 2018)	Calculation method
EBITDA (Earnings before interest, tax and depreciation and amortization)	MN yen	5,998	5,989	6,256	5,785	6,035	Income before income taxes + (Interest expense + Interest expense on investment corporation bonds) + Depreciation and amortization
NOI (Net operating income)	MN yen	6,760	6,719	6,847	6,707	6,797	Rental revenue - rental expenses + Depreciation and amortization
FFO (Funds from operation)	MN yen	5,363	5,427	5,394	5,430	5,516	Net income + Depreciation and amortization - Net profit from sale of real estate
FFO per unit	yen	4,107	4,156	4,131	4,159	4,225	(Net income + Depreciation and amortization - Net profit from sale of real estate) / Number of outstanding investment units at the end of period
AFFO (Adjusted funds from operation)	MNyen	4,068	4,370	4,301	4,563	4,707	FFO - Capital expenditures
AFFO Distribution payout ratio	%	83.7	79.2	81.0	80.1	76.4	(Total cash distribution amount / AFFO) × 100
NAV (Net asset value)	MN yen	156,562	163,343	172,221	181,215	188,492	Period end total assets - Period end total liabilities + Real estate valuation gain/loss
NAV per unit	yen	119,906	125,100	131,899	138,787	144,361	NAV / Total number of outstanding investment units at the end of period
DSCR (Debt service coverage ratio)	times	9.4	10.7	10.7	11.1	11.7	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	1.2	1.3	1.2	1.3	Ordinary income / [(Period beginning total assets + period end total assets) / 2] × 100
(Reference) Annualized with following formula	%	(2.3)	(2.4)	(2.5)	(2.4)	(2.5)	Above x 365 days / Number of operating days
ROE	%	2.4	2.4	2.6	2.3	2.5	Net income / [(Period beginning net assets + period end net assets) / 2] × 100
(Reference) Annualized with following formula	%	(4.8)	(4.9)	(5.1)	(4.7)	(5.0)	Above x 365 days / Number of operating days
Equity to Total Assets	%	48.5	48.4	51.0	50.5	50.4	(Period end net assets / Period end total assets) × 100
LTV (period-end total asset basis)	%	46.6	46.4	43.4	44.4	44.4	(Period end interest-bearing debt / Period end total assets) × 100
LTV (period-end valuation gain/loss basis)	%	44.6	43.5	39.5	39.2	38.3	(Period-end interest-bearing debt / (Period-end total assets + Real estate valuation gain/loss)) × 100
BPS (Book value per unit)	yen	110,010	110,050	110,234	110,122	110,076	Period end net assets / Total number of outstanding investment units at the end of period

* Figures are rounded down to the nearest whole number. Ratios are rounded to the first decimal place.

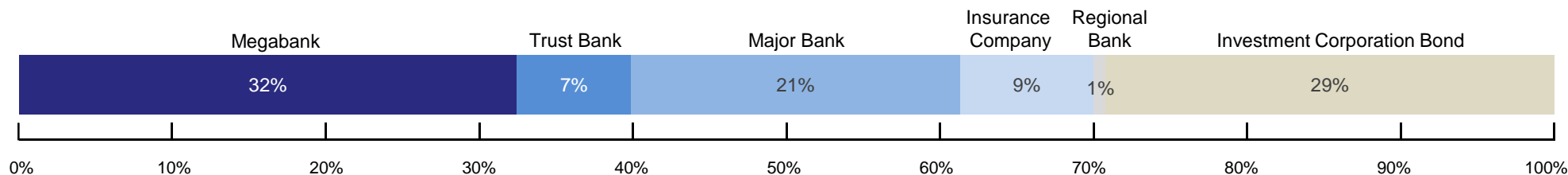
Status of Interest-bearing Debt

Balance of Interest-bearing Debt (as of the end of 25th period)

Lender	Interest-bearing debts (million yen)	As a percentage of all borrowings
Mizuho Bank, Ltd.	19,785	22.1%
MUFG Bank, Ltd.	13,005	14.5%
Development Bank of Japan Inc.	12,800	14.3%
Sumitomo Mitsui Banking Corporation	8,270	9.2%
Mizuho Trust & Banking Co., Ltd.	7,807	8.7%
The Norinchukin Bank	7,412	8.3%
The Dai-ichi Life Insurance Company, Limited	6,000	6.7%
Resona Bank, Ltd.	3,400	3.8%
Sompo Japan Nipponkoa Insurance Inc.	2,500	2.8%
Aozora Bank, Ltd.	2,500	2.8%
Sumitomo Mitsui Trust Bank, Limited	1,620	1.8%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,500	1.7%
The Bank of Fukuoka, Ltd.	1,000	1.1%
Shinkin Central Bank	1,000	1.1%
Nippon Life Insurance Company	1,000	1.1%
Loan Total	89,600	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 25th period)

Investment Corporation Bond	Maturity date	Balance (million yen)	Interest rate	Period
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
12th Series Unsecured Investment Corporation Bond	Apr. 20, 2023	2,000	0.24%	5 years
13th Series Unsecured Investment Corporation Bond	Apr. 20, 2033	2,000	0.95%	15 years
(Green Bonds) 14th Series Unsecured Investment Corporation Bond	Aug. 10, 2028	4,000	0.63%	10 years
Investment Corporation Bond Total		37,000		

Status of Commitment Line (as of the end of 25th period)

Lender	Established amount (million yen)	Term
Mizuho Bank, Ltd.	6,000	From January 30, 2019 to January 29, 2020
MUFG Bank, Ltd.	5,000	
Sumitomo Mitsui Banking Corporation	3,000	
Total Commitment Line	14,000	

Owner Classification	Investment Units				
	24th Period (Jun. 2018)		25th Period (Dec. 2018)		Composition change
	Number of units	Composition	Number of units	Composition	
Financial Institutions and Securities Companies	908,531	69.6%	888,046	68.0%	-1.6pt
Other Domestic Companies	110,385	8.5%	109,968	8.4%	-0.1pt
Foreign Companies, etc.	218,624	16.7%	242,856	18.6%	1.9pt
Individuals	68,160	5.2%	64,830	5.0%	-0.2pt
Total	1,305,700	100.0%	1,305,700	100.0%	–

Unitholders				
24th Period (Jun. 2018)		25th Period (Dec. 2018)		Composition change
Number of unitholders	Composition	Number of unitholders	Composition	
159	2.2%	157	2.3%	0.1pt
149	2.1%	145	2.2%	0.1pt
185	2.6%	200	3.0%	0.4pt
6,696	93.1%	6,239	92.6%	-0.5pt
7,189	100.0%	6,741	100.0%	–

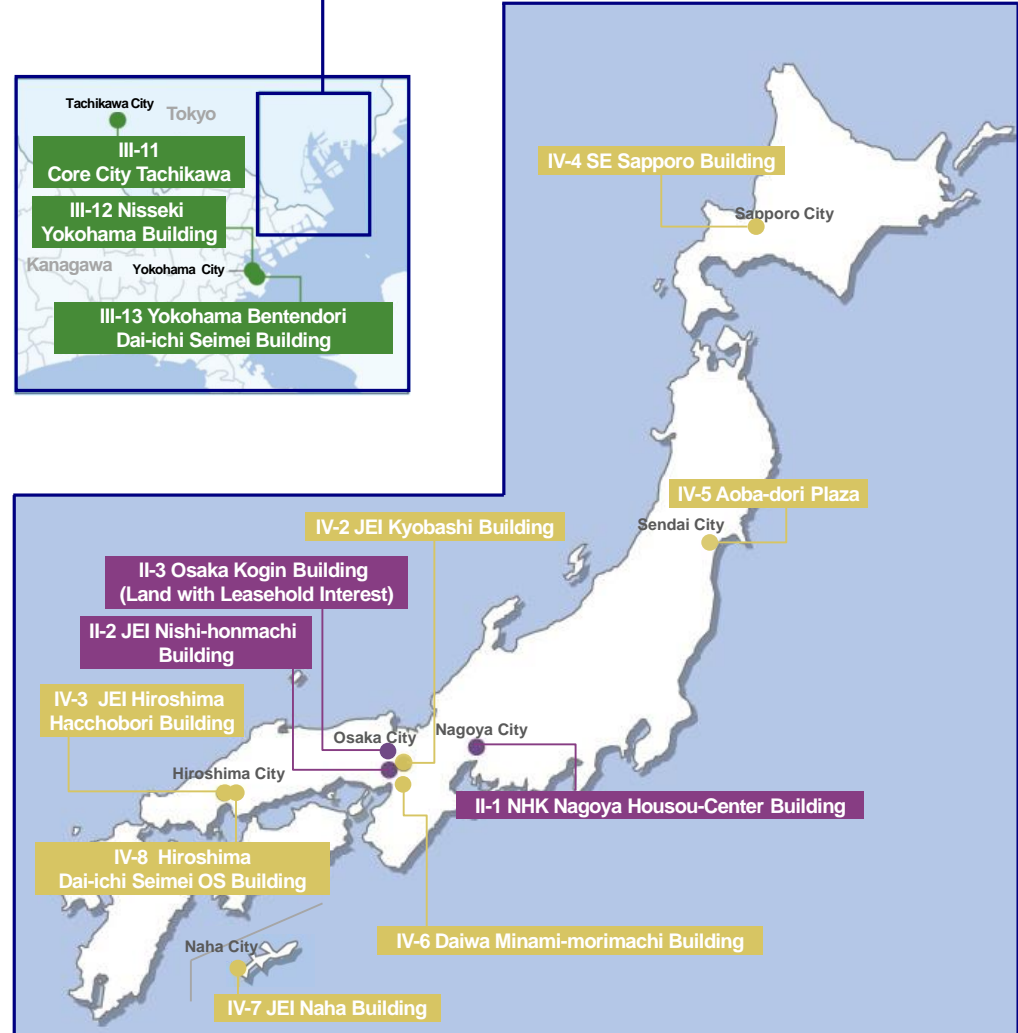
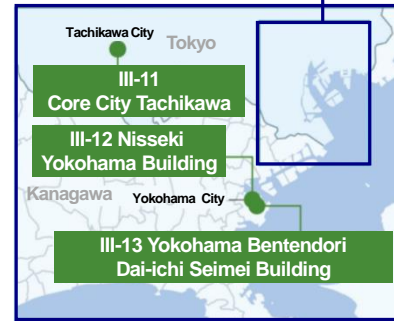
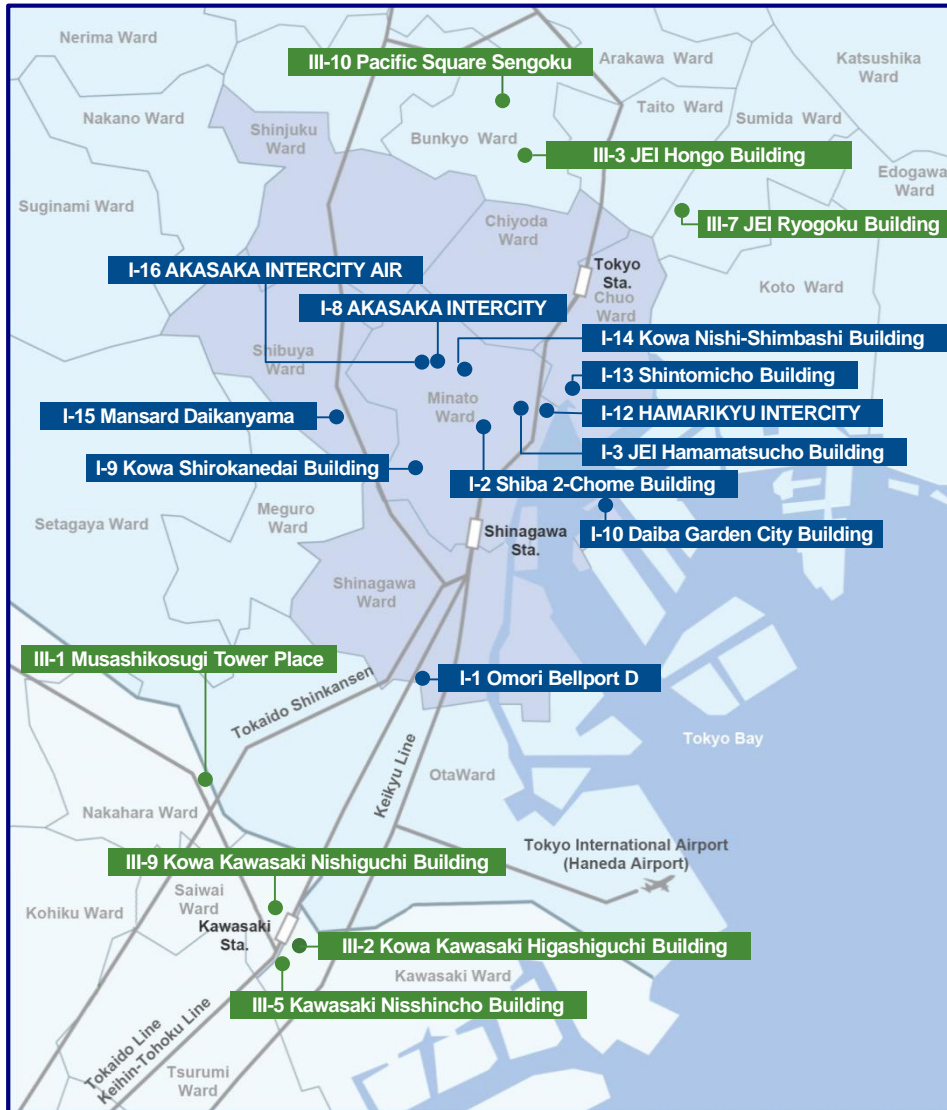
Ratio of investment units held by the 2 core sponsor companies: 7.1%

Rank	Name	Units	Composition ratio (%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	313,137	24.0%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	204,276	15.6%
3	Nippon Steel Kowa Real Estate Co., Ltd.	71,560	5.5%
4	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	64,487	4.9%
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	51,394	3.9%
6	The Dai-ichi Life Insurance Company, Limited	20,660	1.6%
7	State Street Bank - West Client – Treaty 505234	18,928	1.4%
8	DFA International Real Estate Securities Portfolio	17,062	1.3%
9	SSBTC Client Omnibus Account	14,303	1.1%
10	JP Morgan Chase Bank 385771	13,918	1.1%
Total		789,725	60.5%

*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-9	I-10	I-12	I-13	I-14	I-15	I-16
Type	Office	Office	Office	Office	Office	Office	Other	Office	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	AKASAKA INTERCITY AIR
											
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	Irfune, Chuo Ward, Tokyo	Nishishinbashi, Minato Ward, Tokyo	Sarugakucho, Shibuya Ward, Tokyo	Akasaka, Minato Ward, Tokyo
Total floor area (m ²)	155,778.75	19,518.15	8,327.53	73,061.33	7,374.74	33,283.49	35,555.87	3,169.78	19,418.17	8,402.51	176,536.75
Completion date	September 1996	March 1994	December 1991	January 2005	March 1978	December 2007	March 2011	November 1990	July 1996	December 2009	August 2017
Acquisition date	June 2006	June 2006	June 2006	1. Oct. 2007 2. Feb. 2013	December 2010	February 2011	1. Dec. 2011 2. Feb. 2014	March 2012	1. Mar. 2013 2. Aug. 2017	July 2016	July 2018
Acquisition price (MN yen)	22,552	9,450	8,350	28,146	4,705	11,000	19,080	1,750	11,431	11,420	6,590
Investment ratio (%)	8.2	3.5	3.1	10.3	1.7	4.0	7.0	0.6	4.2	4.2	2.4
Period-end Occupancy rate (%)	100.0	100.0	100.0	100.0	100.0	100.0	98.5	100.0	100.0	100.0	98.5
PML (%)	3.61	6.61	4.18	2.97	6.95	6.56	2.60	4.13	3.30	5.74	0.66

*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). 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, 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-9	III-10
Type	Office	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	Kowa Kawasaki Nishiguchi Building	Pacific Square Sengoku
										
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	Saiwai Ward, Kawasaki City, Kanagawa	Honkomagome, Bunkyo Ward, Tokyo
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	61,856.92	4,017.44
Completion date	July 1991	February 1988	-	July 1995	April 1988	February 1991	April 1992	August 1996	February 1988	November 1992
Acquisition date	1. Jun. 2006 2. Mar. 2014	March 2007	February 2013	June 2006	June 2006	June 2006	1. Jun. 2006 2. Nov. 2006 3. Oct. 2008 4. Apr. 2013	June 2006	October 2007	December 2011
Acquisition price (MN yen)	5,610	6,673	1,770	13,890	10,976	5,400	4,725	2,550	32,000	1,620
Investment ratio (%)	2.1	2.4	0.6	5.1	4.0	2.0	1.7	0.9	11.7	0.6
Period-end Occupancy rate (%)	100.0	93.9	100.0	100.0	100.0	100.0	100.0	100.0	99.7	100.0
PML (%)	1.44	11.27	-	3.19	3.25	6.16	5.86	5.57	3.74	4.65

*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). 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, and is rounded to the first decimal place.

Portfolio Overview (3)

Property Number	III-11	III-12	III-13	IV-2	IV-3	IV-4	IV-5	IV-6	IV-7	IV-8
Type	Office	Office	Office	Office	Office	Office	Office	Office	Office	Office
Name	Core City Tachikawa	Nisseki Yokohama Building	Yokohama Bentendori Dai-ichi Seimei Building	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
										
Location	Akebonocho, Tachikawa City, Tokyo	Naka Ward, Yokohama City, Kanagawa	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	Minami Ward, Hiroshima City, Hiroshima
Total floor area (m ²)	19,099.27	72,116.65	2,934.55	10,021.32	9,919.93	23,644.22	22,737.38	12,759.65	4,371.94	10,696.54
Completion date	December 1994	May 1997	December 1986	April 1987	February 1999	March 1989	July 1996	January 1990	June 1990	March 1989
Acquisition date	February 2013	April 2015	June 2018	September 2011	May 2012	March 2013	February 2014	February 2014	December 2015	June 2018
Acquisition price (MN yen)	6,500	24,500	640	3,308	2,760	5,500	2,120	4,410	1,380	2,780
Investment ratio (%)	2.4	9.0	0.2	1.2	1.0	2.0	0.8	1.6	0.5	1.0
Period-end Occupancy rate (%)	100.0	100.0	100.0	95.6	100.0	100.0	98.6	100.0	100.0	100.0
PML (%)	1.92	3.19	5.92	7.28	6.66	0.41	1.24	7.83	3.47	9.89

*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). 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, and is rounded to the first decimal place.

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