JEI

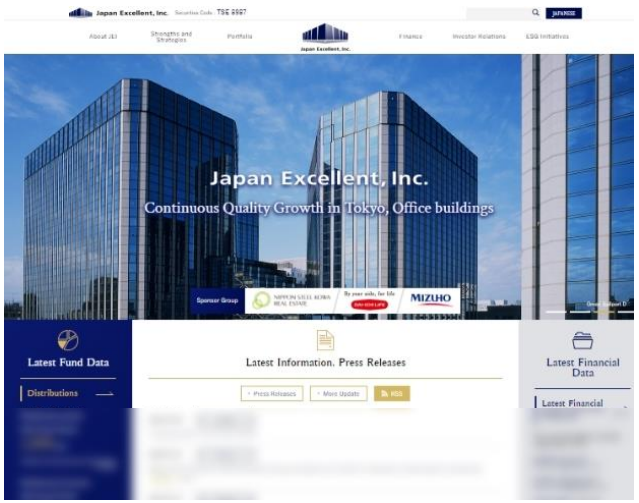
Japan Excellent, Inc.

Thirty-sixth Period (Ended June 2024) Presentation Materials

August 20, 2024


OSAKI BRIGHT TOWER

Please visit JEI's website below.



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

1. Sponsors

Japan Excellent, Inc.

Japan Excellent Asset Management Co., Ltd.

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

Core Sponsors

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

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

◆ Cooperative system with finance, insurance and developers as the core sponsors

- Continuously acquired large-scale properties in central Tokyo with high specifications mainly by utilizing the sponsor pipeline
  - Percentage of properties in the portfolio that were acquired from the sponsor: **81.5%** (Acquisition price basis)
- Maintained a high occupancy rate by also gaining significant sponsor support on property operation and management Continuous stable growth of rental revenue
  - Period-end occupancy rate for the 36th Period: **98.4%** (Average occupancy rate over the past 5 years: **96.1%**)
  - Rental revenue for the 36th Period: **9,912 million yen**
- Established a solid financial base supported by a megabank sponsor
  - Ratings: **AA-** (JCR)
  - Average remaining period of interest-bearing debt: **4.0 years**
  - LTV: **45.6%**

2. Portfolio*

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

Number of properties: 35

Asset size: 294.3 billion yen

Ratio of investment in office buildings:100.0%

Large-scale properties: 65.0%

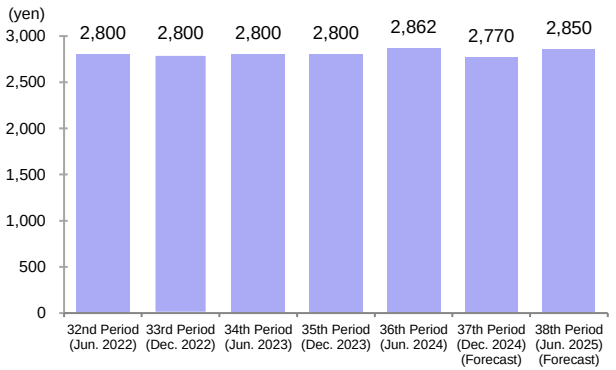
Tokyo metropolitan area: 83.3%

6 central wards of Tokyo: 59.1%

* Please refer to notes on p.40 for definitions of the figures above.

3. Historical Distributions

- Operational stance aiming for stable distribution



4. ESG Initiatives

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

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

GRESB: Acquired the highest ratings of “Green Star” and “5 Star”

MSCI ESG Rating: Obtained A rating

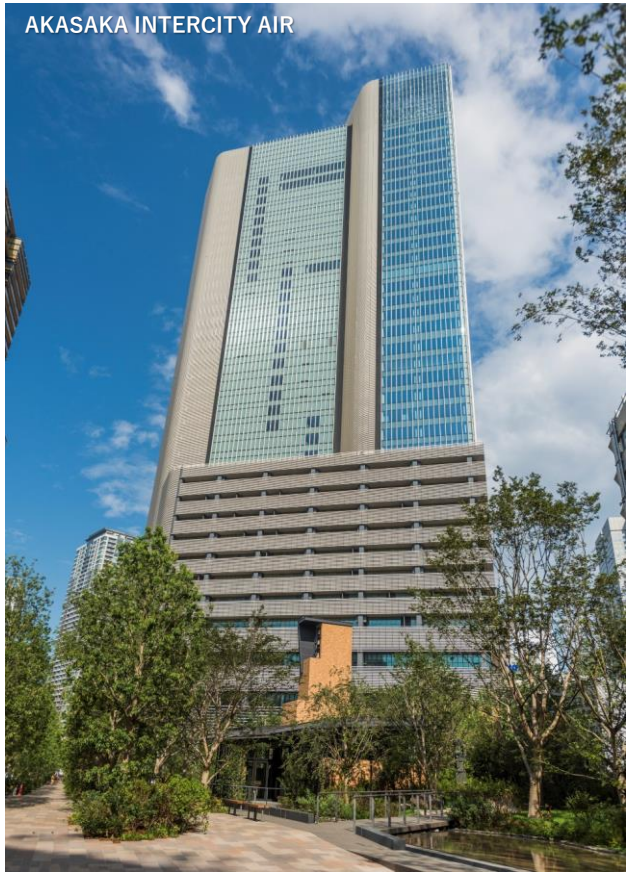
CO_2 emissions reduction targets: FY2030: -46% in (vs FY2013)
FY2050: Net zero

Green Building Certification: 84.6% (area basis)

CO_2-free electricity rate: 73.1% (area basis)

Ratio of sustainable finance: 23.3%

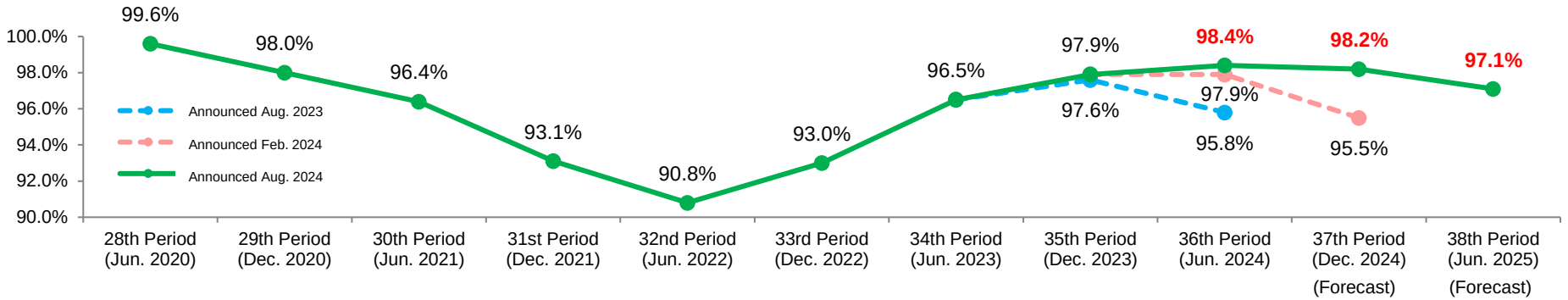
I. Key Points in Current Operations



1. Key Points of 36th Period Financial Results and Performance Forecasts

Occupancy Rate (Period-End Occupancy Rate)

The occupancy rate is forecast to be maintained at a high level due to the schedules of departing tenants (1,725 tsubo) being finalized (37th Period: 815 tsubo; 38th Period: 910 tsubo) and the space being steadily refilled



Revenue and Expenses, and Distribution Policy

Due to the improvement of the occupancy rate, etc., revenue results and forecasts have both been revised upward

Improved earnings and the effect of cancellation of investment units resulted in an upward revision of the level of distributions and returns to shareholders

(Unit: million yen)

	33rd Period (Ended December 2022)	34th Period (Ended June 2023)	35th Period (Ended December 2023)	36th Period (Ended June 2024)			37th Period (Ending December 2024)		38th Period (Ending June 2025)
	Results	Results	Results	23/8 F	24/2 F	Results	24/2 F	24/8 F	24/8 F
Operating revenue	10,699	13,823	10,857	10,822	11,419	11,460	11,116	11,415	11,498
(Net gain/loss on sale)	530	980	697	721	721	728	450	506	767
Net income	3,502	3,881	4,049	3,862	4,101	4,200	3,823	4,066	4,184
Reserve for Reduction Entry (Provision (-) and reversal (+) of reserve)	+243	-136	-304	-384	-410	-418	-345	-405	-418
(Distribution equivalent)	(+182 yen)	(-101 yen)	(-227 yen)	(-287 yen)	(-307 yen)	(-316 yen)	(-258 yen)	(-306 yen)	(-316 yen)
Distributions per unit (yen)	2,800 yen	2,800 yen	2,800 yen	2,600 yen	2,760 yen	2,862 yen	2,600 yen	2,770 yen	2,850 yen
Internal reserve balance DPU conversion (yen)						1,424 million yen (1,077 yen)		1,829 million yen (1,384 yen)	2,248 million yen (1,701 yen)

2. Issues to Address and Measures Being Implemented

Issues to Be Addressed

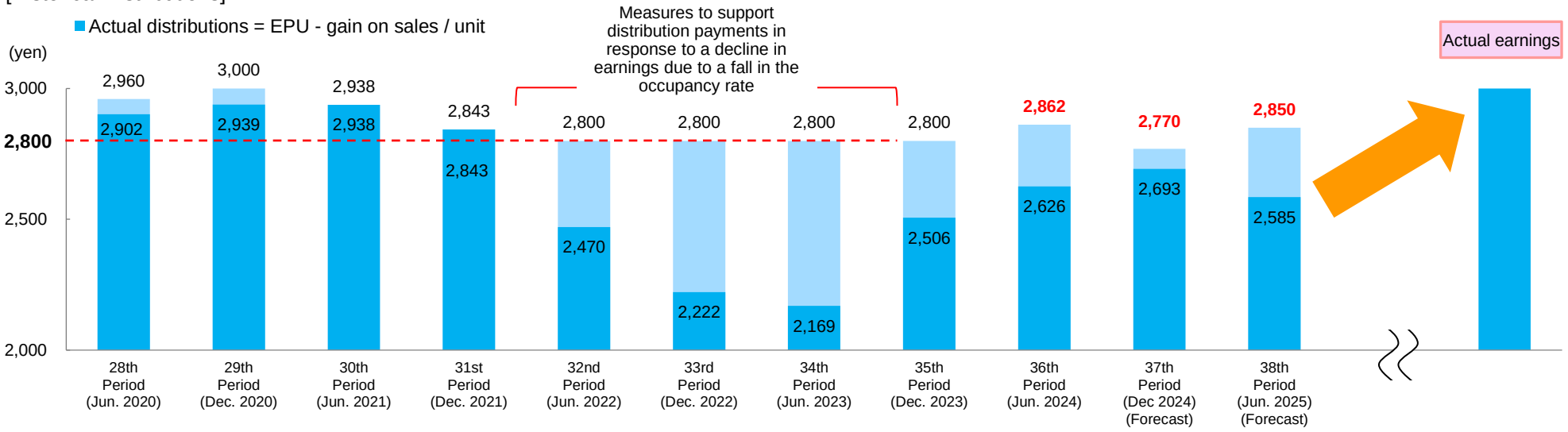
(1) Increase of actual earnings, cost reductions:	Taking on the challenge boldly and aggressively by switching leasing policy to increase rent
(2) Improvement of portfolio quality and profitability:	Adopting the basic line of replacement from the perspective of LTV status, property profitability, etc.
(3) Improving capital efficiency and funding efficiency:	While taking into account factors such as the financial environment and trends in investment unit prices, continuing to operate with a stronger focus on returning profits to unitholders

《Measures being implemented》

(1) Increase of actual earnings, cost reductions

- Increase of rent revenue linked to PM
  - Creating an attack list for rent increases and negotiating wide-ranging and flexible rent increases
  - Also focusing on increasing rents and reducing free rent periods for departure and lease-up
- Value-up strategy
  - Taking a strategic approach by combining investment construction with negotiations to increase rent revenue
- Lowering financing costs
  - Reducing financing costs through measures such as adjusting fixed ratios and diversifying borrowing periods

[Historical Distributions]

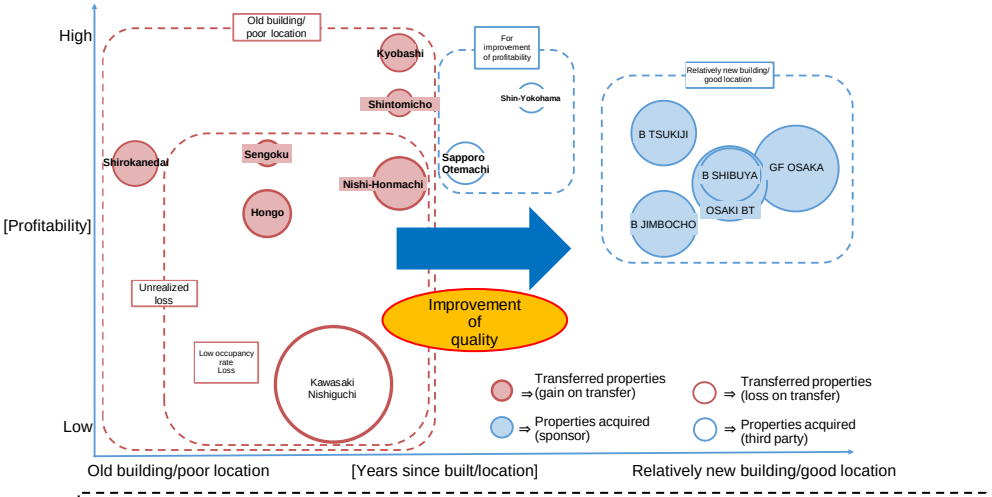


2. Issues to Address and Measures Being Implemented

(2) Improvement of portfolio quality and profitability

● Previously (until 35th Period)

- In the phase where we were aiming for a recovery in the occupancy rate while maintaining the minimum target for distributions, we promoted replacement in the direction of selling old properties to secure gains on transfer while improving the quality of properties



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

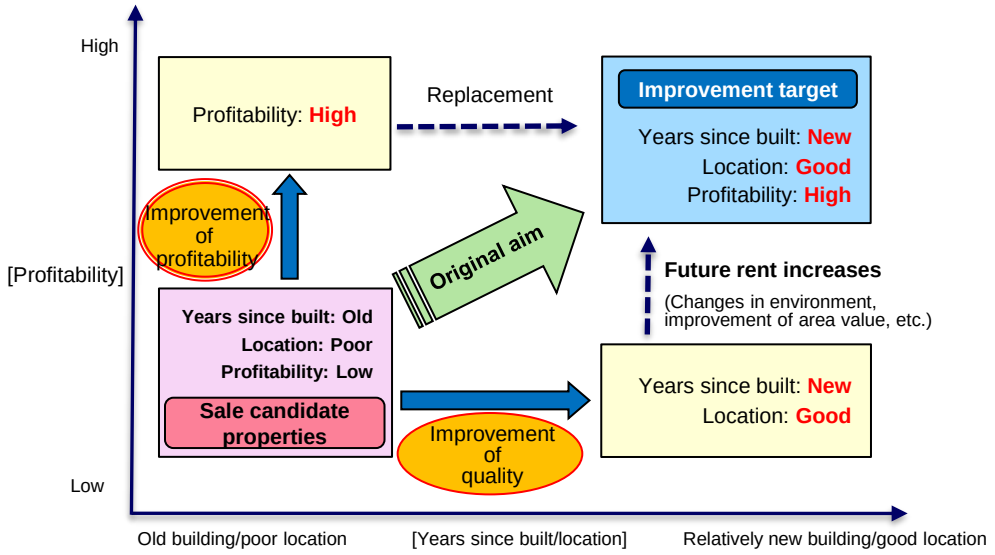
- Promotion of shorter distance from station and newer buildings

	26th Period (Ended June 2019)		36th Period (Ended June 2024)
Average building years	22.4 years	⇒	21.7 years
Within 3 minutes from the station	68.8%		73.3%

● Future measures

(1) While continuing to work on improving quality in terms of age and suitability of location, focus on replacement measures to improve profitability
- Measures to improve yield by selling unprofitable properties
- Measures to increase profits by utilizing unrealized gains

(2) Eliminating potential risks
- Response to concerns about tenant concentration and future suitability of the area



(3) Improving capital efficiency and funding efficiency (Implemented after announcing specific measures)

- We will continue to consider the buyback of investment units and loan repayment using the proceeds from property sales

[Cancellation of investment units]	First (June 30, 2022)	Second (June 30, 2024)
Total acquisition amount	2,000 million yen	2,000 million yen
Percentage of units issued	1.14%	1.19%
Effect (EPU NAV)	+35 yen +403yen	+38 yen +502yen

★ **Determined methods of utilizing proceeds from property sales with comprehensive consideration for the possibility of property acquisitions, property characteristics, financial conditions, and the unit price**

Property acquisitions through replacement and/or **Buyback/cancellation of investment units** and/or **Loan repayment**

II. Financial Results of the 36th Period (Ended June 2024)



1. Overview of Financial Results of the 36th Period (Ended June 2024)

(unit: million yen)

	35th Period Results A	36th Period Initial Forecast B	36th Period Results C	36th Period Results Compared with previous period C-A	36th Period Result Comparison with initial forecast C-B
Operating revenue	10,857	11,419	11,460	+603	+40
Rental revenue	9,300	9,867	9,912	+612	+45
Gain on sales of real estate	697	721	728	+31	+7
Operating expenses	6,191	6,672	6,624	+433	-48
Expenses for rental operations	5,561	6,051	5,979	+417	-71
Sales and administrative expenses	629	621	645	+15	+23
Operating income	4,665	4,747	4,835	+170	+88
Ordinary income	4,050	4,102	4,201	+150	+98
Net income	4,049	4,101	4,200	+150	+98
Reserve for Reduction Entry (Provision (-) and reversal (+) of reserve)	-304	-410	-418	-113	-7
Total distributions	3,745	3,691	3,782	+37	+90
Distributions per unit (yen)	2,800	2,760	2,862	+62	+102
Period-end occupancy rate	97.9%	97.9%	98.4%	+0.5pt	+0.5pt
Internal reserve balance	1,006	1,416	1,424	+418	+8
DPU conversion (yen)	752	1,058	1,077	+325	+19

● Comparison with the Results for the 35st Period (Ended Dec. 2023) (Impact on Distribution Resources)

(1) Increase in operating revenue **+603 million yen**
- Increase in rental revenue +612 million yen
  (Property acquired (+341), property transferred (-31), existing properties (+302))
- Decrease in revenue for utilities expenses -51 million yen
- Increase in gain on sales of real estate +31 million yen

(2) Increase in operating expenses **-433 million yen**
- Increase in property management expenses -81 million yen
- Decrease in utilities expenses +62 million yen
- Increase in taxes -51 million yen
- Increase in repairs and maintenance -271 million yen
- Increase in depreciation -69 million yen

(3) Increase in non-operating expenses **-20 million yen**

(4) Increase in net income **+150 million yen**

(5) Increase in provision of reserve for reduction entry **-113 million yen**

(6) Increase in total distributions **+37 million yen**

● Comparison with Previous Forecast (Impact on Distribution Resources)

(1) Increase in operating revenue **+40 million yen**
- Increase in rental revenue +45 million yen

(2) Decrease in operating expenses **+48 million yen**
- Decrease in expenses for rental operations +71 million yen
  (Increase in property management expenses: -14 million yen,
  decrease in utilities expenses: +25 million yen,
  decrease in repairs and maintenance: +23 million yen,
  decrease in other expenses: +45 million yen, etc.)
- Increase in sales and administrative expenses -23 million yen

(3) Decrease in non-operating expenses **+8 million yen**

(4) Increase in net income **+98 million yen**

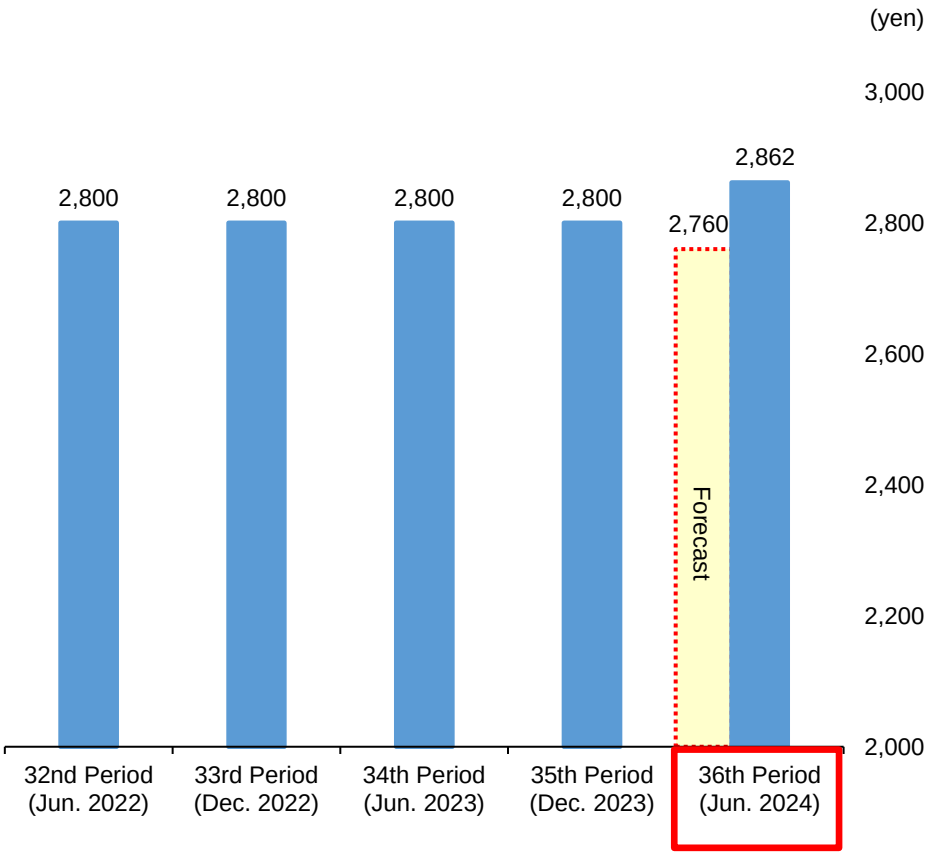
(5) Increase in provision of reserve for reduction entry **-7 million yen**

(6) Increase in total distributions **+90 million yen**

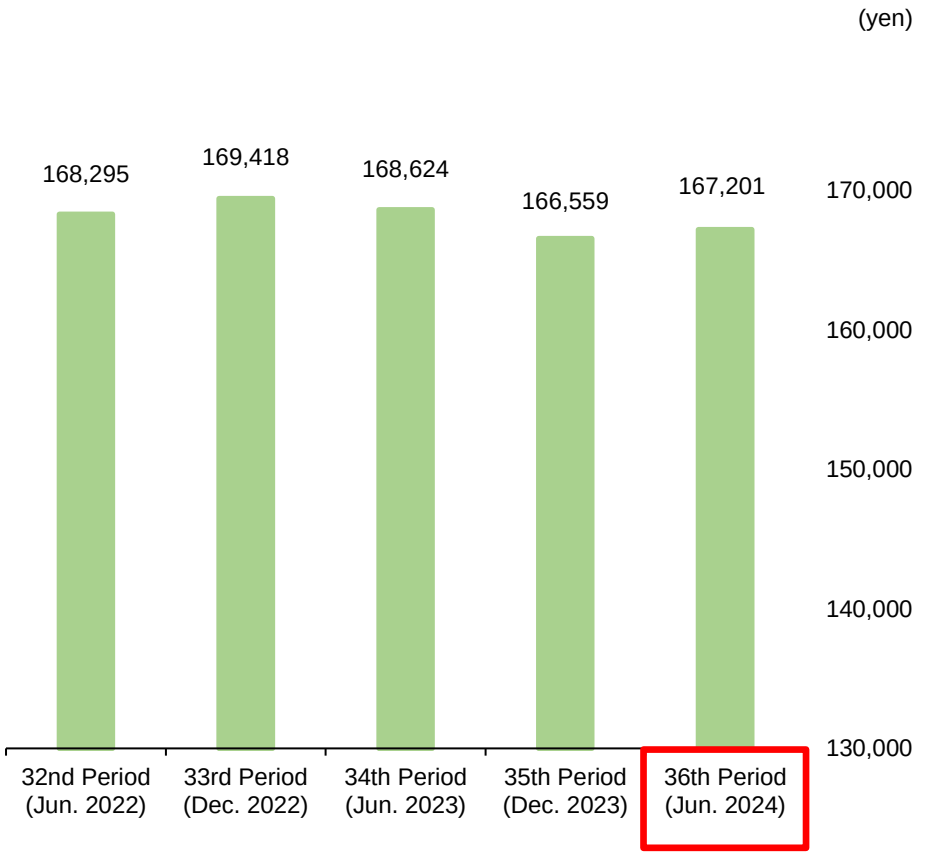
2. Actual Results of Distributions per Unit and NAV for the 36th Period (Ended June 2024)

- **Distributions compared with the previous period and the forecast increased due to factors such as an improvement in revenue stemming from an increase in rental revenue, an increase in gain on transfer, and the effect of buyback/cancellation of investment units**
- **NAV per unit has increased due to the effect of the cancellation of investment units, offsetting the decrease in unrealized gains**

Distributions per Unit



NAV per Unit



3. Highlights of the 36th Period (Ended June 2024)

External Growth

- Acquired the OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA from the core sponsor (April 2024)
  ⇒ (1) Recovery of portfolio occupancy rate, (2) reduced average building age and strengthened area competitiveness
- The sale of the JEI Kyobashi Building (equivalent to 20%) was finalized in January 2024, and the gain on transfer was recorded
  ⇒ (1) Qualitative improvement of portfolio, (2) stabilization of distributions by securing gain on transfer

- Asset size 294.3 billion yen (change from FP35: +12.4 billion yen)
  In addition to the above, 5.23 billion yen from anonymous association equity interest (investment securities) in ARK Hills FRONT TOWER
- Status of portfolio
  - NOI yield after depreciation:3.3% (change from FP35: ±0.0pt)
  - Percentage within 5-minute walk from station: 96.2% (change from FP35: +0.2pt)
  - Average building years: 21.7 years (change from FP35: -0.2 years)
- Unrealized gain: 71.8 billion yen (change from FP35: -0.2 billion yen,
  Percentage of unrealized gain: 26.0% (change from FP35: -1.3pt)

Internal Growth

- Steady refilling paid off, and period-end occupancy rate increased above plan to 98.4%
- The tenant departure rate decreased for the fourth consecutive period
- While upward revisions exceeded plans, downward revisions decreased from the previous period

- Period-end occupancy rate: 98.4 % (change from FP35: +0.5pt, Vs. plan: +0.5pt)
- Tenant departure rate: 0.9 % (change from FP35: -0.9pt)
- Area subject to upward revision: 2,322 tsubo (change from FP35: +1,270 tsubo, Vs. plan: +727 tsubo)
- Area subject to downward revision: 782 tsubo (change from FP35: -356 tsubo, Vs. plan: +60 tsubo)

Financial Strategy

- Buyback/cancellation of investment units (February to June 2024)
  Buyback and cancellation of investment units equivalent to 1.19% of the number of issued investment units, increasing NAV per unit and EPU
- Realized longer loan duration and diversification of repayment dates through target deal for investment corporation bonds (some issued as green bonds)
- In addition to allocating the gain on property transfers to maintaining distributions in the 36th period, the remainder will be kept in internal reserve for stabilization of distributions

- Average remaining period of interest-bearing debt: 4.0 years (change from FP35: -0.1 years)
- Average interest rate of interest-bearing debt: 0.74% (change from FP35: +0.04pt)
- Ratio of fixed interest rate: 67.8% (change from FP35: -6.5pt)
- LTV: 45.6% (change from FP35: +2.0pt)
  After factoring in transfer of Hongo: 44.7%
  Property acquisition capacity (LTV up to 47%): approx. 13.1 billion yen
- Internal reserve: 1,424 million yen (distribution equivalent: 1,077 yen)

ESG

- Establishment of EMS operation manual (March 2024)
- FY2023 CO_2 emission intensity 70.9% reduction (compared to FY2013)

- GRESB Real Estate Assessment (2023)
  Highest rating Green Star (9 consecutive years)
  5 star (4 consecutive years)
- MSCI ESG Rating: A rating
- Percentage of properties with Green Building certification (area basis): 84.6% (change from FP35: -5.5pt)
- Ratio of sustainable finance: 23.3% (change from FP35: -0.2pt)

Distributions per unit (yen)

FP35: 2,800 yen

FP36: 2,862 yen

Change from FP35: +62 yen

(**+2.2**%)

Change from forecast at beginning of period **+102** yen

NAV per unit

FP35: 166,559 yen

FP36: 167,201 yen

Change from FP35: +642 yen

(+0.4%)

III. "Performance Forecasts for the 37th Period (Ending December 2024) and 38th Period (Ending June 2025)"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1. Assumptions for Performance Forecasts

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

- The office market is on an overall improvement trend, due to factors such as steady demand arising from office relocations and expansions to accommodate work styles, the fact that the volume of new office supply in 2024 will be less than the average for the period since 2001, and the fact that the large peak expected in 2025 has become less likely due to factors such as the postponement of plans.
  However, there is a further polarization of preferences depending on factors such as area, location, environmental performance, and comfort.
- It is assumed that “The vacancy rate is within the range being flat (with a downward trend most recently), and rents are generally on an upward trend, but there are differences depending on the strength of individual properties”

<Framework of performance forecasts>

[Internal growth]

As the occupancy rate has recovered to a reasonable level, we have shifted from our previous “conservative” stance to one of being more willing to take on the challenge of increasing rent revenue

- The occupancy rate is forecast to be maintained at a high level due to the schedules of departing tenants being finalized and the space being refilled
- We have changed our leasing stance and are working to raise rents, and the expected amount of rent increases (not yet informally decided) that we are boldly challenging is reflected in our performance forecasts

[External growth]

- Including the sale of assets already announced (JEI Hongo Building)

[Finance (interest rate forecast)]

- Based on the change of the Bank of Japan’s stance, we expect long-term interest rates to rise gradually (10-year government bonds to reach the mid-1% level)

<Distribution policy>

- Basically, our stance is to pay distributions in accordance with the earnings situation of each period from the 36th period onwards

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

	32nd Period	33rd Period	34th Period	35th Period	36th Period	37th Period (Forecast)	38th Period (Forecast)
Period-end occupancy rate	90.8%	93.0%	96.5%	97.9%	98.4%	98.2%	97.1%
Tenant departure rate	7.6%	4.1%	3.0%	1.8%	0.9%	2.9%	2.9%

<Forecast Distributions> (yen)

	36th Period	37th Period	38th Period
Earlier Forecast (Aug. 2023)	2,600	-	-
Previous Forecast (Feb. 2024)	2,760	2,600	-
This Forecast (Aug. 2024)	2,862 (Results)	2,770	2,850

2. Overview of Performance Forecasts

(unit: million yen)

	36th Period Results A	(Reference) 37th Period Initial Forecast	37th Period (Forecast) B	Comparison of Forecast for 37th Period with Previous Period B-A	38th Period Forecast C	Comparison of Forecast for 38th Period with Previous Period C-B
Operating revenue	11,460	11,116	11,415	-44	11,498	+83
Rental revenue	9,912	9,744	9,976	+64	9,893	-83
Gain on sales of real estate	728	450	506	-222	767	+260
Operating expenses	6,624	6,579	6,602	-21	6,515	-87
Expenses for rental operations	5,979	5,951	5,958	-21	5,854	-104
Sales and administrative expenses	645	627	644	-0	661	+16
Operating income	4,835	4,536	4,812	-23	4,983	+170
Ordinary income	4,201	3,824	4,067	-133	4,185	+118
Net income	4,200	3,823	4,066	-134	4,184	+118
Reserve for Reduction Entry (Provision (-) and reversal (+) of reserve)	-418	-345	-405	+12	-418	-12
Total distributions	3,782	3,477	3,660	-121	3,766	+105
Distributions per unit (yen)	2,862	2,600	2,770	-92	2,850	+80
Period-end occupancy rate	98.4%	95.5%	98.2%	-0.2pt	97.1%	-1.1pt
Internal reserve balance	1,424	1,761	1,829	+405	2,248	+419
DPU conversion (yen)	1,077	1,317	1,384	+307	1,701	+317

● Comparison of the Results for the 36th Period and Forecasts for the 37th Period (Impact on Distribution Resources)

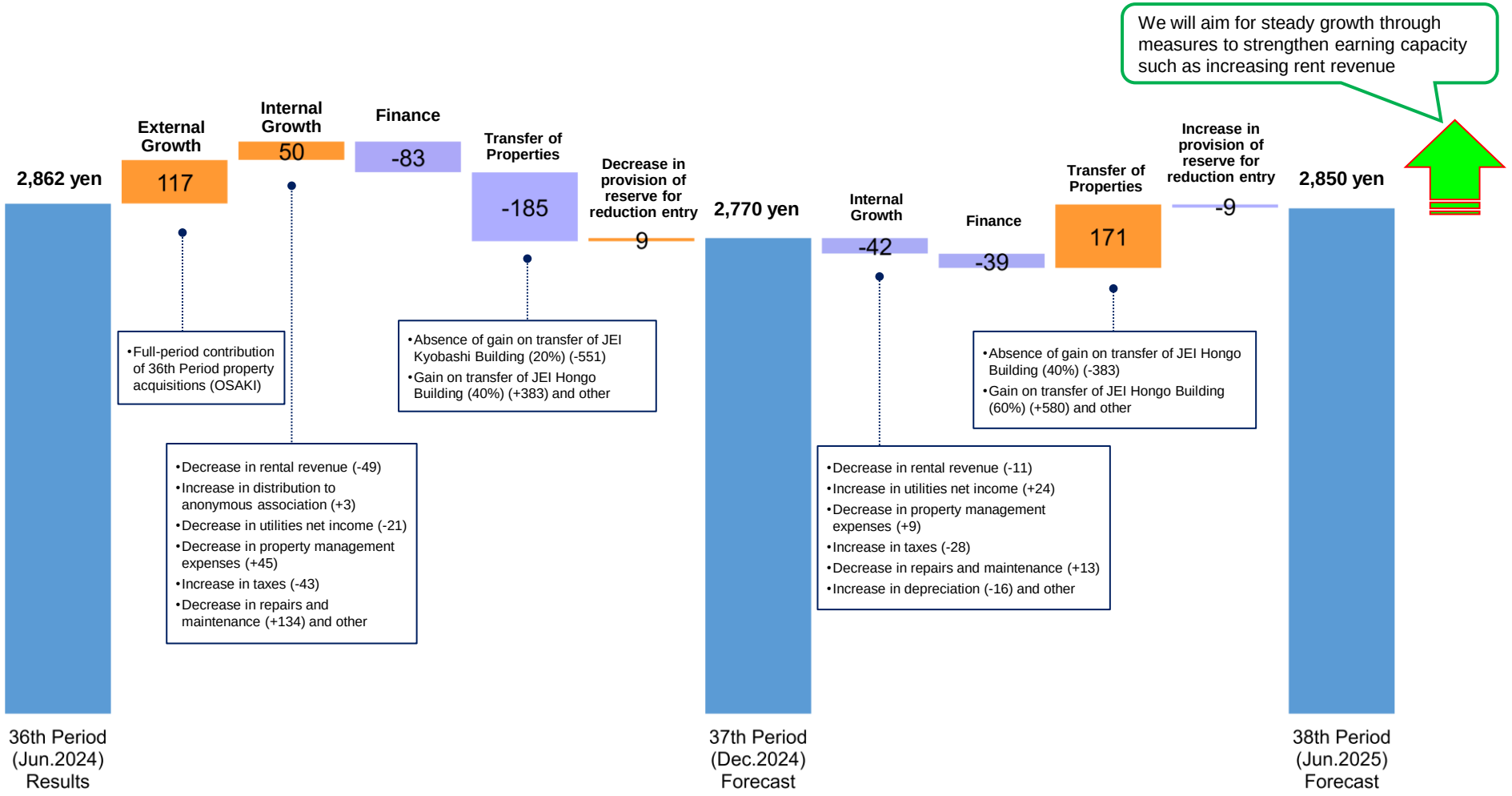
(1) Decrease in operating revenue	**-44 million yen**
- Increase in rental revenue (Property acquired (+180), property transferred (-52), existing properties (-64))	+64 million yen
- Decrease in gain on sales of real estate	-222 million yen
- Increase in revenue for utilities expenses	+110 million yen
(2) Decrease in operating expenses	**+21 million yen**
- Decrease in property management expenses	+60 million yen
- Increase in utilities expenses	-136 million yen
- Increase in taxes	-51 million yen
- Decrease in repairs and maintenance	+181 million yen
- Increase in depreciation	-10 million yen
(3) Increase in non-operating expenses	**-109 million yen**
(4) Decrease in net income	**-134 million yen**
(5) Decrease in provision of reserve for reduction entry	**+12 million yen**
(6) Total distributions	**-121 million yen**

● Comparison of Forecasts for the 37th Period and Forecasts for the 38th Period (Impact on Distribution Resources)

(1) Increase in operating revenue	**+83 million yen**
- Decrease in rental revenue (Property transferred (-68), existing properties (-15))	-83 million yen
- Increase in gain on sales of real estate	+260 million yen
- Decrease in revenue for utilities expenses	-82 million yen
(2) Decrease in operating expenses	**+87 million yen**
- Decrease in utilities expenses	+114 million yen
- Increase in taxes	-27 million yen
- Decrease in repairs and maintenance	+19 million yen
(3) Increase in non-operating expenses	**-52 million yen**
(4) Increase in net income	**+118 million yen**
(5) Increase in provision of reserve for reduction entry	**-12 million yen**
(6) Total distributions	**+105 million yen**

3. Forecast of Distributions per Unit

- **In the 37th period, the positive factors such as the full-period contribution of properties acquired in the previous period and a decrease in repairs and maintenance expenses will be outweighed by negative factors such as a decrease in gain on transfer, and the distribution per unit is expected to be 2,770 yen/unit, a decrease of 92 yen compared to the previous period**
- **In the 38th fiscal period, we will use the gains on transfer to offset the increase in expenses for rental operations, etc., and we expect to pay distributions of 2,850 yen/unit, an increase of 80 yen**



IV. Management Status



1. Measures to Improve Unitholder Value (Improving Capital Efficiency and Funding Efficiency)

- **Sold old properties for prices over than the appraisal value, securing a gains on sales. We are planning the buyback of investment units and repayment of loans using proceeds from sales**
- **In the 36th period, we carried out the buyback/cancellation of investment units, which improved NAV and increased distributions, and return the benefits to our unitholders**

Transferred property (JEI Hongo Building)

Transfer above period-end appraisal value

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

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

Acquisition at NAV discount

(Note) Buyback of investment units executed ahead of the acquisition using cash on hand

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

[Details of buyback/cancellation of investment units]

Total cost of buybacks	**1,999,890,400 yen**
Average acquisition price	125,118 yen
Total number of investment units acquired	15,984 units (**1.19**% of issued investment units)
Total number of issued investment units after cancellation	1,321,614 units
Impact on NAV per unit	**+502 yen**
Impact on EPU	**+38 yen**

Effect of the initiative

Enhancement of unitholder value

(1) Qualitative improvement of portfolio

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

(2) Securing of gain on transfer

- **Securing financial strength supporting stable distribution policy**

(3) Raising of distributions per unit

<Effect of buyback/cancellation of investment units>

- **Vs. EPU for FY6/2024: +38 yen**

(4) Improvement of NAV per unit

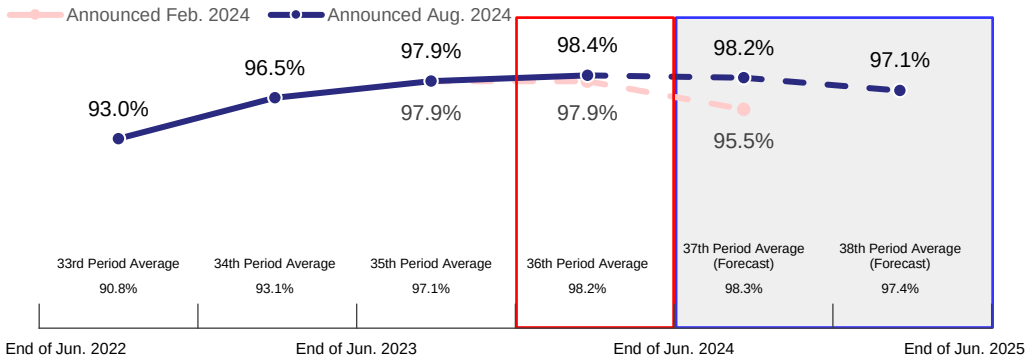
- **Buyback/cancellation of investment units at NAV discount**
- **Property transfer above period-end appraisal value**

(5) Reduction of financial cost due to loan repayment

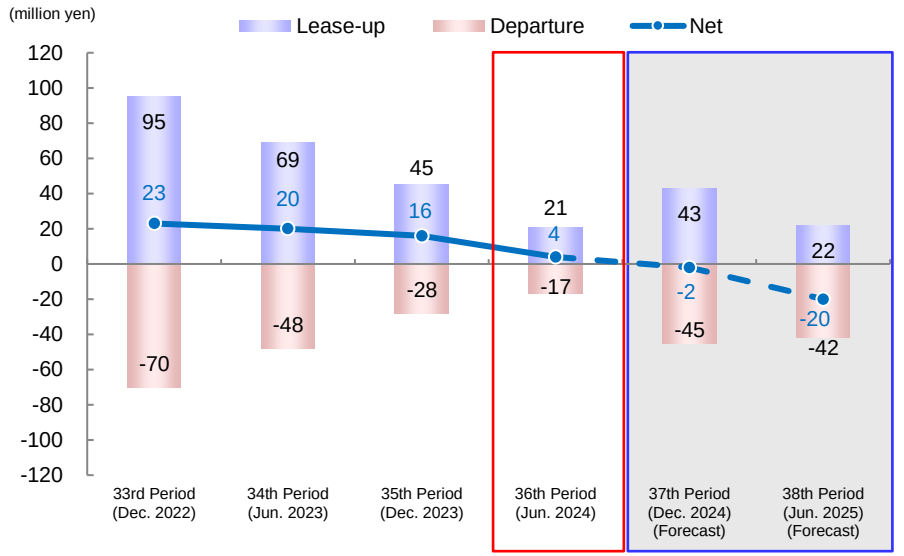
2. Internal Growth (1) Status of Rent 1) (Departure and Lease Up)

- **The occupancy rate is forecast to be maintained at a high level due to the schedules of departing tenants being finalized and the space being steadily refilled**
- **In light of the recovery in occupancy rate, we will adopt a stance that places emphasis on profitability when replacing tenants**

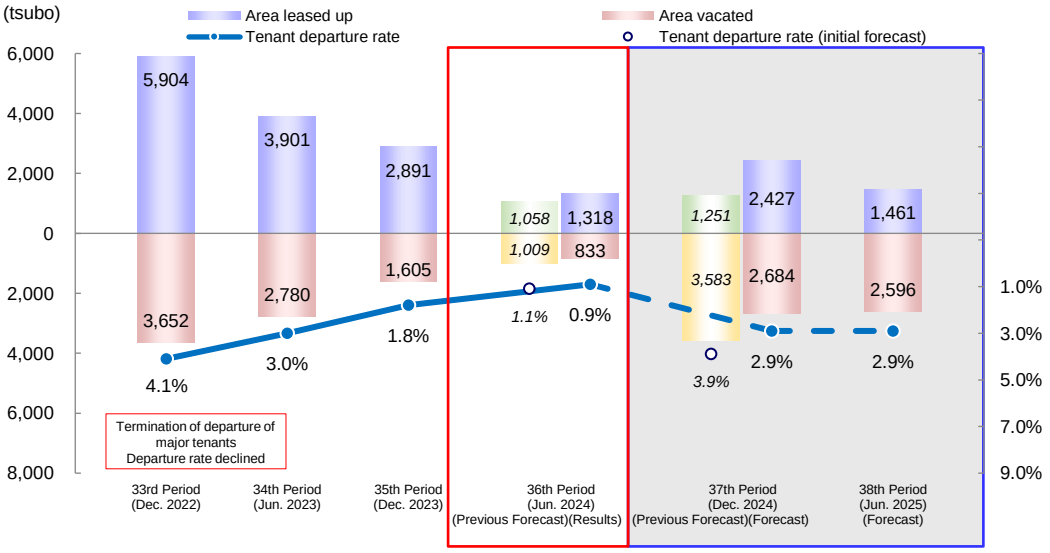
Historical Period End Occupancy Rate



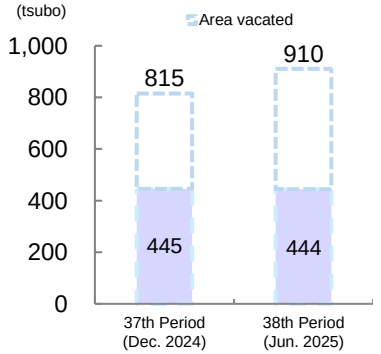
Increase/Decrease in Rent Due to Departure and Lease Up (Based on Monthly Rent)*



Tenant Departure Rate and Area Leased Up and Vacated*



[Schedules of Departing Tenants and Status of Refilling]



Area vacated: 1,725 tsubo

Area refilled: 889 tsubo

(Refill percentage: 51.5%, assumed occupancy rate: 96.1%)

There are multiple candidates being considered for the remaining vacancies

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

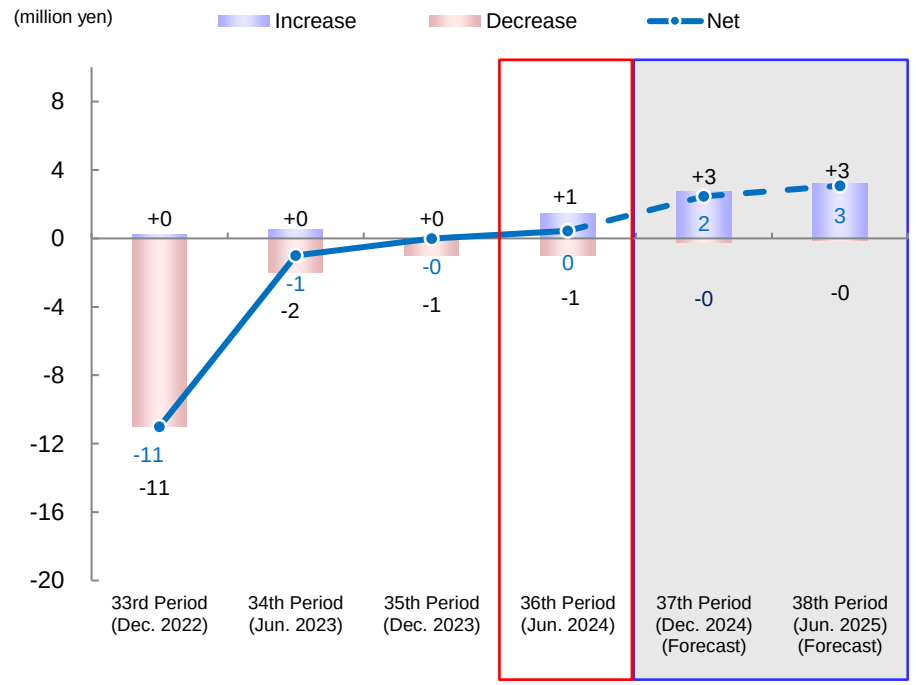
2. Internal Growth (1) Status of Rent 2) (Rent Revision)

- **Our policy is to focus on increasing rents, and our rent increase plans take into account tenants we intend to target (those who have not yet agreed), in addition to tenants who have agreed**
- **Changes in monthly rent due to rent revisions recovered to about plus/minus zero, and are expected to move in a positive direction in future**

Change in Area Subject to Revision



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



(area basis)

	33rd Period (Dec. 2022)	34th Period (Jun. 2023)	35th Period (Dec. 2023)	36th Period (Jun. 2024)	37th Period (Dec. 2024) (Forecast)	38th Period (Jun. 2025) (Forecast)
Percentage of increased rent	1.6%	7.4%	7.3%	10.1%	21.3% (7.9%)	28.4% (2.5%)
Percentage of decreased rent	51.0%	12.0%	7.9%	3.4%	0.4%	0.5%
Percentage of unchanged rent	47.4%	80.6%	84.7%	86.5%	78.3% (91.7%)	71.1% (97.0%)

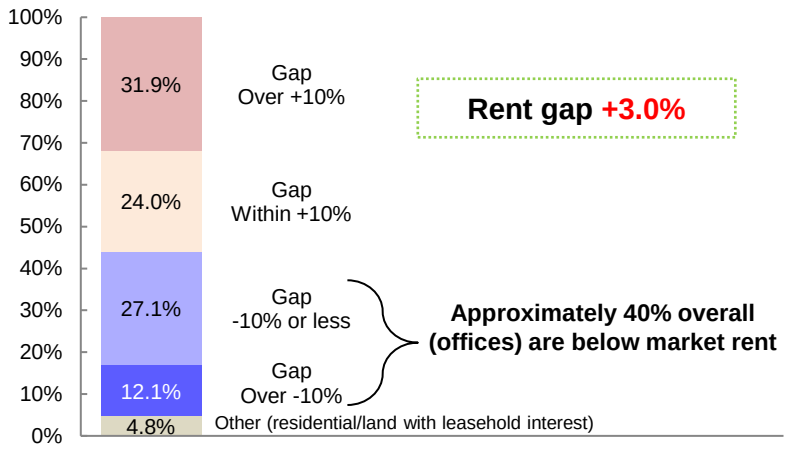
	33rd Period (Dec. 2022)	34th Period (Jun. 2023)	35th Period (Dec. 2023)	36th Period (Jun. 2024)	37th Period (Dec. 2024) (Forecast)	38th Period (Jun. 2025) (Forecast)
Upward revision rate	10.1%	4.2%	5.8%	4.7%	5.4% (5.4%)	4.2% (3.4%)
Downward revision rate	7.1%	4.3%	5.3%	6.3%	9.9%	5.3%
Rent revision rate	-3.7%	-0.4%	-0.1%	0.2%	1.1% (0.3%)	1.1% (0.0%)

*1 Figures do not include data for AKASAKA INTERCITY AIR, GRAND FRONT OSAKA and residences.
*2 The percentage of increased rent and the upward revision rate for the 37th and 38th periods are calculated using the area including the area with upward revision that has not been agreed upon. The figures in parentheses are for subdivisions that have been agreed upon as of the end of June 2024.
*3 Area with downward revision shows only figures for subdivisions that have been agreed upon as of the end of June 2024.
*4 Rent reductions for a limited period are excluded.
*5 Rent revision rate is the average rent revision rate including contract renewal at the same rent and downward revision.

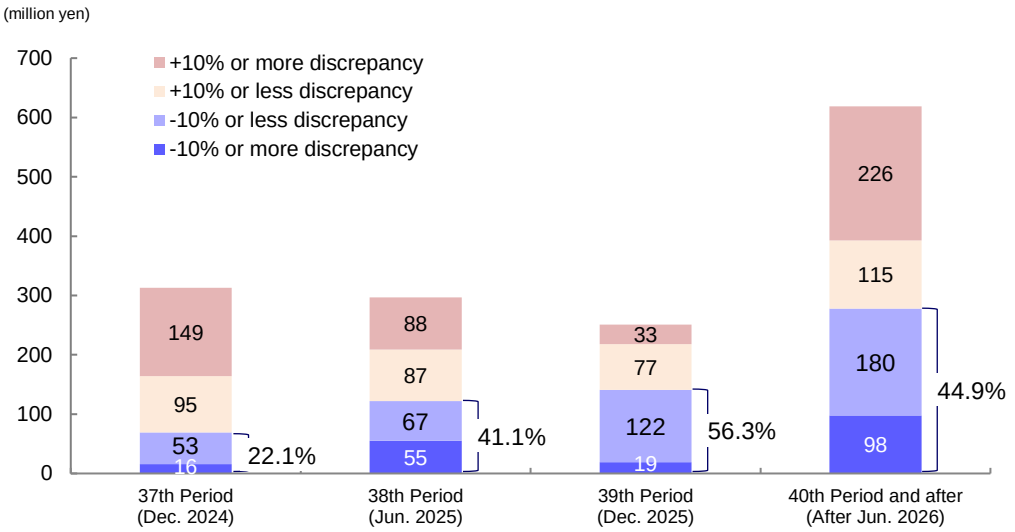
2. Internal Growth (2) Status of Rent Gap

◆ **Rent gap changed by -0.8pt from the previous period to +3.0% due to an increase in market rents**[*1]

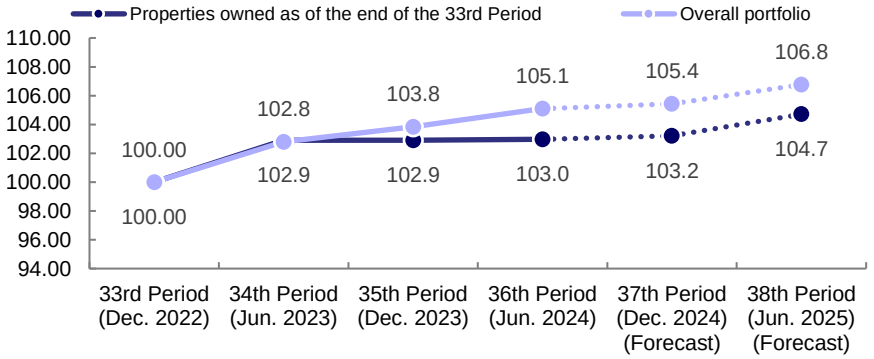
Status of Rent Gap (as of the End of the 36th Period)[*2]



Monthly Rent by Renewal Period[*2 *3]



Historical Rent Levels[*2 *3 *4]



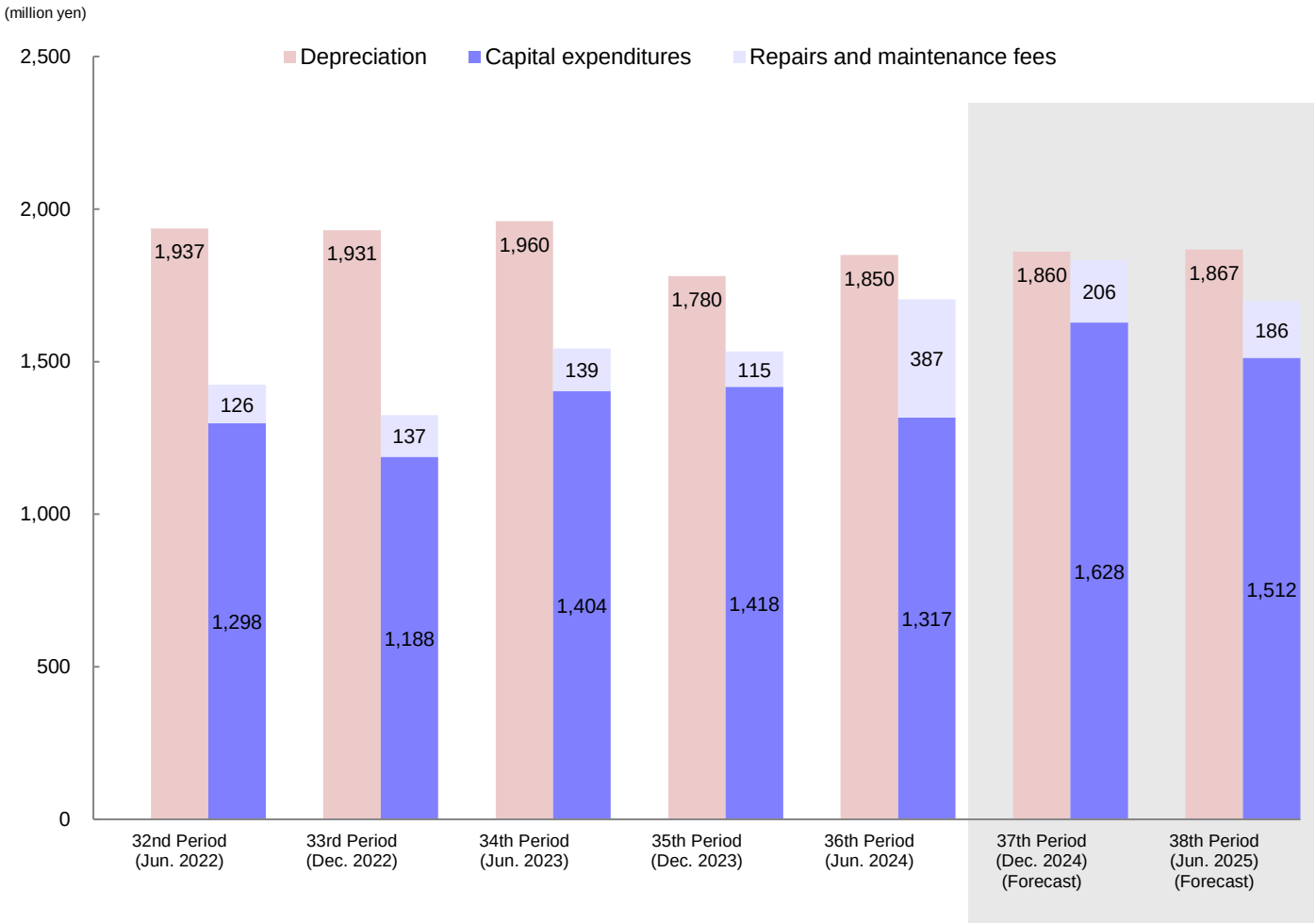
- ◆ Rent gap changed by -0.8pt from the previous period to +3.0% due to an increase in market rents
- ◆ Took active steps for upward rent revision mainly at properties for those with negative rent gaps

*1 Calculated based on new rent level assessed by CBRE.
*2 Calculated by excluding GRAND FRONT OSAKA.
*3 Calculated by excluding residences.
*4 Indexed with the average unit rent at the end of the 33rd Period set as 100. The average unit rent is the weighted average by leased office area. Properties owned at the end of the 33rd Period are properties continuously owned since the end of the 33rd Period among those owned at the end of the 36th Period.

2. Internal Growth (3) Construction Results

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

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



Main renovations planned (37th Period, 38th Period)

[AKASAKA INTERCITY]
Renewal of air conditioning control 180 million yen

[Musashikosugi Tower Place]
Renewal of emergency elevator 106 million yen

[NHK Nagoya Housou-Center Building]
Renewal of central surveillance system 92 million yen
Renewal of emergency power generation facilities 70 million yen

[Omori Bellport D]
Implementation of LED lighting in the exclusive areas 80 million yen

[Nisseki Yokohama Building]
Implementation of LED lighting in the exclusive areas 74 million yen

[Aoba-dori Plaza]
Renewal of elevator 66 million yen

2. Internal Growth (4) Facility Renewal for CO_2 Emissions Reduction

◆ Systematic facility renewal for assets under management with the goals of CO_2 emissions reduction and achievement of the Sustainable Development Goals (SDGs)

■ Contributing to Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all, and Goal 13: Take urgent action to combat climate change and its impacts, by reducing CO_2 emissions and suppressing ozone depletion







■ AKASAKA INTERCITY

Reduction of CO_2 emissions by converting fluorescent lighting in exclusive areas and common area corridors to LEDs



■ Kowa Nishi-shimbashi Building

Reduction of CO_2 emissions by converting fluorescent lighting in exclusive areas to LEDs



■ JEI Hiroshima Hacchobori Building

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



3. External Growth (1) Properties Acquired in the 36th Period (Ended June 2024) «OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA»

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

■ Acquired Properties / Overview of Acquisitions

Location	Kita-Shinagawa, Shinagawa Ward, Tokyo		
Structure	BRIGHT TOWER: S, SRC, RC flat roof, 31 stories with 2 basement floors BRIGHT PLAZA: S flat roof, 2 stories		
Total floor area	OSAKI BRIGHT TOWER: 89,234.27 m² OSAKI BRIGHT PLAZA: 4,084.84 m²		
Standard floor area	BRIGHT TOWER: Approx. 1,946 m² (approx. 589 tsubo)		
Completed	April 2015		
Acquisition price	13,100 million yen		
Ownership acquired	BRIGHT TOWER: Equivalent to approx. 10% of overall co-ownership BRIGHT PLAZA: Equivalent to 8% of co-ownership		
Appraisal value*1	13,500 million yen (as of August 1, 2023)		
Acquisition date	April 26, 2024		
NOI yield*2	3.5%	NOI yield after depreciation*2	2.8%
Occupancy rate	99.5% (as of June 30, 2024)		

*1 The ongoing appraisal as of June 30, 2024 was the same amount at 13,500 million yen.
*2 NOI yield and NOI yield after depreciation are calculated based on the assumed balance for the first 5 years excluding special factors in the acquisition year.

Location with easy access in all directions

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

Comfortable and convenient office space

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

Announced acquisition on August 17, 2023

OSAKI BRIGHT TOWER



Announced acquisition on August 17, 2023

OSAKI BRIGHT PLAZA





3. External Growth (2) BIZCORE Series Being Developed by the Core Sponsor (Nippon Steel Kowa Real Estate)

◆ Completed construction for 7 properties starting with JIMBOCHO. Multiple projects are also scheduled to be completed in future

Concept

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

BIZCORE

Background and Superiority

- Approximately 90% of small and medium-sized offices in Tokyo are over 20 years old, and many buildings are only compliant to old earthquake-resistance standards
- After the Great East Japan Earthquake, there is a growing tendency for businesses to emphasize earthquake resistance, disaster prevention, and BCP

- Nippon Steel Kowa Real Estate will utilize the expertise cultivated in the development, management, and operation of office buildings in the heart of Tokyo, with around 80 buildings, to launch development of comfortable, high quality medium-sized high-grade office buildings

- Priority strategic areas include Kanda, Shimbashi, Toranomon, Akasaka, and other areas in the city center with a number of old buildings
- Providing remote monitoring and patrol management services in collaboration with large scale flagship buildings owned and managed by Nippon Steel Kowa Real Estate

Fundamental Specifications

Disaster Prevention and BCP

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

Comfort

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

Security

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

Future Development

- **Currently, multiple projects are progressing smoothly towards completion.**

Acquired











	BIZCORE JIMBOCHO	BIZCORE AKASAKA-MITSUKE	BIZCORE TSUKIJI	BIZCORE SHIBUYA	BIZCORE KANDA-SUDACHO	BIZCORE HIGASHIKANDA	BIZCORE OCHANOMIZU	(Tentative name) BIZCORE NISHI-SHIMBASHI Project	(Tentative name) BIZCORE IIDABASHI Project
Construction completion	Nov. 2017	Mar. 2019	Jul. 2019	Jan. 2020	Sep. 2021	Nov. 2022	Jan. 2024	Feb. 2025 (scheduled)	July 2025 (scheduled)
Access	4-minute walk from Tokyo Metro Jimbocho Station, others	Directly connected to Tokyo Metro Akasaka Mitsuke Station, others	3-minute walk from Tokyo Metro Tsukiji Station	4-minute walk from JR and others Shibuya Station, others	1-minute walk from Toei Subway Iwamotocho Station, others	5-minute walk from Toei Subway Iwamotocho Station, others	7-minute walk from Tokyo Metro Ochanomizu Station, others	6-minute walk from Tokyo Metro Toranomon Station	4-minute walk from Tokyo Metro Iidabashi Station
Total floor area	8,217.64 m²	3,515.63 m²	6,728.37 m²	3,835.11 m²	1,988.55 m²	2,773.02 m²	3,536.65 m²	5,565.71 m²	5,245.23 m²
Standard floor size	Approx. 890 m² (Approx. 270 tsubo)	Approx. 265 m² (Approx. 80 tsubo)	Approx. 661 m² (Approx. 200 tsubo)	Approx. 349 m² (Approx. 105 tsubo)	Approx. 159 m² (Approx. 48 tsubo)	Approx. 251 m² (Approx. 76 tsubo)	Approx. 385 m² (Approx. 117 tsubo)	Approx. 366 m² (Approx. 111 tsubo)	Approx. 498 m² (Approx. 150 tsubo)

Plan to complete and begin operations in sequence

3. External Growth (3) Properties Transferred from the 36th Period (Ended June 2024) Onward

- **Transfer of properties where there are concerns about future profitability due to the number of years since built and a decline in area competitiveness**
- **Our policy is for the gain on transfer to be utilized for stabilization of distributions, in addition to the transfer proceeds being utilized for the acquisition of new properties, buyback of investment units and loan repayment**

Transferred Properties/Overview of Transfers

Property name	JEI Kyobashi Building Transfer announced on June 29, 2023	JEI Hongo Building Transfer announced on February 19, 2024
Photo of property		
Location	Miyakojima Ward, Osaka City, Osaka	Hongo, Bunkyo Ward, Tokyo
Access	3-minute walk from JR, Keihan and Osaka Metro Kyobashi Station	2-minute walk from Tokyo Metro Marunouchi Line and Toei Oedo Line Hongo-sanchome Station
Total floor area	10,021.32 m^2	5,877.11 m^2
Completed	April 1987 (37 years)	February 1991 (33 years)
Acquisition price	3,308 million yen	5,400 million yen
Book value	2,688 million yen (As of December 31, 2022)	4,869 million yen (As of December 31, 2023)
Period-end appraisal value	4,000 million yen (As of June 1, 2023)	4,510 million yen (As of December 31, 2023)
Planned transfer value*1	6,300 million yen	6,150 million yen
Gain on transfer*2	3,611 million yen	1,280 million yen
Scheduled transfer date	(1) June 30, 2023 (80%) (2) January 22, 2024 (20%)	(1) July 11, 2024 (40%) (2) January 17, 2025 (60%)
Reason for transfer	Years since built, suitability of area	Years since built, suitability of area, unrealized loss

*1 Does not include fees related to the transfer, the JEI share of the real estate tax and city planning tax, the consumption tax or the local consumption tax.
*2 These are reference figures calculated as the difference between the planned transfer price of JEI Kyobashi Building and the book value as of December 31, 2022 and the difference between the planned transfer price of JEI Hongo Building and the book value as of December 31, 2023, and differ from the gain or loss on transfer for accounting purposes.

〉3. External Growth (4) Change in External Growth and Policies/Strategies

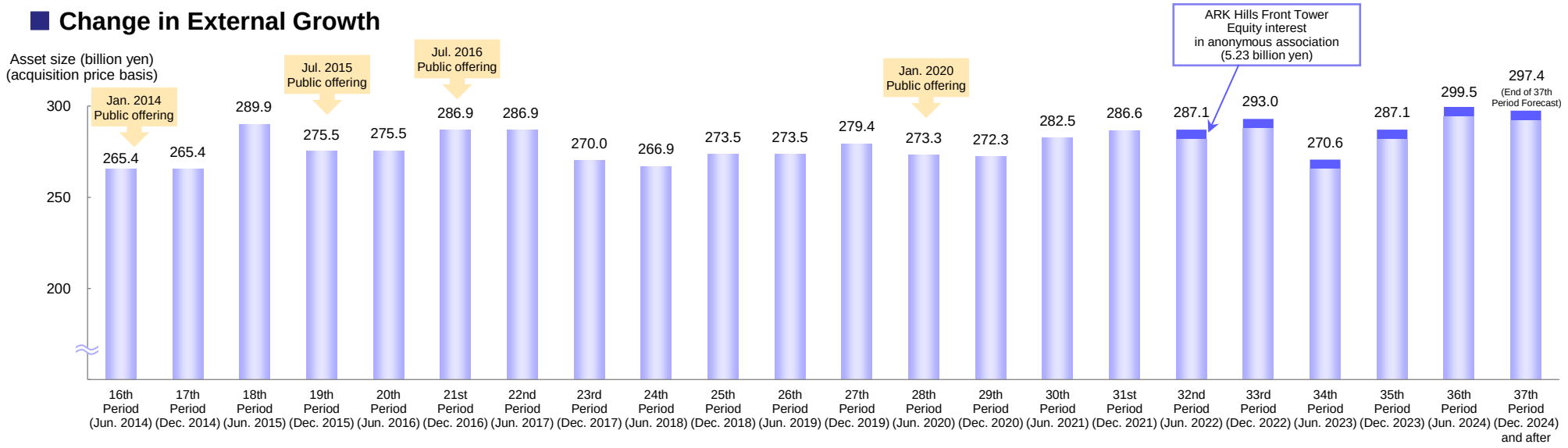
■ Policy and Strategies of External Growth

[Policy] **Plan to expand asset size over the medium to long term, while improving the portfolio through new acquisitions and replacement with an aim to realize stable growth of DPU and NAV**
Recently, we have been working to improve the portfolio quality and profitability of our portfolio through the replacement of properties

[Results] (16th-36th Period)

◆ Acquisitions: **22** properties, **146.3** billion yen (Acquisition from sponsor: **71.1**%) Transfers: **11** properties, **97.5** billion yen

■ Change in External Growth



Acquisitions

Mansard Daikanyama
Hiroshima OS Building
Yokohama Bentendori Building
AKASAKA INTERCITY AIR
BIZCORE AKASAKA-MITSUKE
Senshin Building
GRAND FRONT OSAKA
BIZCORE JIMBOCHO
Sapporo Otemachi Building
BIZCORE SHIBUYA
Shin-Yokohama Arena-dori Building
BIZCORE TSUKIJI
GRAND FRONT OSAKA (Addition)
OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA

Transfer

No. 32 Kowa Building
No. 35 Kowa Building
No. 44 Kowa Building
Akasaka Garden City
Ebina Prime Tower
JEI Nishi-Honmachi Building
Kowa Kawasaki Nishiguchi Building (35%)
Kowa Shirokanedai Building
Shintomicho Building
JEI Kyobashi Building
Kowa Kawasaki Nishiguchi Building (65%)
Pacific Square Sengoku
JEI Hongo Building

3. External Growth (5) Major Development Cases and Portfolio of Sponsors and Overview of Transactions with JEI

NIPPON STEEL KOWA REAL ESTATE

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


SHINAGAWA INTERCITY
Completed 1998


NAGOYA INTERCITY
Completed 2008


Shibaura Rune Site Tower
Completed 2009


Nittetsu Nihonbashi Building
Completed 2019


Toranomon 2-Chome Redevelopment
Scheduled for completion in February 2025


YOKOHAMA SYMPHOSTAGE
Completed 2024


AKASAKA INTERCITY
Completed 2005


AKASAKA INTERCITY AIR
Completed 2017


GRAND FRONT OSAKA
Completed 2013

Acquisition of first right of refusal


ARK Hills FRONT TOWER
Completed 2011


No. 28 Kowa Building
2012: Transferred 100%


No. 32 Kowa Building
2015: Transferred 100%


No. 35 Kowa Building
2015: Transferred 100%


No. 44 Kowa Building
2017: transferred 100%


Kowa Shirokanedai Building
2022: Transferred 100%


Kowa Kawasaki Nishiguchi Building
2023: Transferred 100%

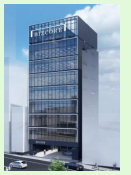
Transfer to sponsor «Asset Recycling»

BIZCORE

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


BIZCORE KANDA-SUDACHO
Completed 2021


BIZCORE HIGASHIKANDA
Completed 2022


BIZCORE OCHANOMIZU
Completed 2024


(Tentative name) BIZCORE NISHISHIMBASHI Project
Scheduled for completion in February 2025


(Tentative name) BIZCORE IIDABASHI Project
Scheduled for completion in July 2025

2007: Acquired 25%
2013: Acquired 24%

2011: Acquired 40%
2014: Acquired 60%

2013: Acquired 27%
2017: Acquired 52%

2016: Acquired 100%

2018: Acquired 2.9%

2020: Acquired 2.45%
2023: Acquired 2.3%

Equity interest in anonymous association
2022: Acquired 49%

2024: Acquired 10%

2019: Acquired 100%

2021: Acquired 83.2%

2022: Acquired 100%

2023: Acquired 100%


HAMARIKYU INTERCITY
Completed 2011


Kowa Nishi-Shimbashi Building
Completed 1996


Mansard Daikanyama
Completed 2009

2012: Acquired 100%


JEI Hiroshima Hacchobori Building
Completed 1999

2018: Acquired 100%


Hiroshima Dai-ichi Seimei OS Building
Completed 1989

2018: Acquired 100%


Yokohama Bentendori Dai-ichi Seimei Building
Completed 1986


OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA
Completed 2015


BIZCORE AKASAKA-MITSUKE
Completed 2019


BIZCORE JIMBOCHO
Completed 2017


BIZCORE SHIBUYA
Completed 2020


BIZCORE TSUKIJI
Completed 2019

JEI

By your side, for life
DAI-ICHI LIFE

4. Financial Strategy (1) Performance of Financing Activities

◆ We will operate with consideration for financial stability, while taking steps to minimize the increase in costs caused by the rise in interest rates as a result of the Bank of Japan's change in policy stance

Financing in the 36th Period (Ended June 2024)

◇ New loans (April 26, 2024)

Funds for acquisition of OSAKI BRIGHT TOWER / OSAKI BRIGHT PLAZA

New

Amount (100 million yen)	Period	Variable/fixed	Interest rate	Comment
20	8.0 years	fixed	1.39750%	Longer loan duration
80	1.0 year	floating	1-month TIBOR+0.2%	Dynamic long-term transition

◇ Refinancing of long-term loans (May 31, 2024)

Before refinancing			→	After refinancing				
Amount (100 million yen)	Period	Interest rate		Amount (100 million yen)	Period	Variable/fixed	Interest rate	Comment
35	6.5 years	0.68431%		35	9.0 years	fixed	1.60750%	Longer loan duration Diversification of repayment dates

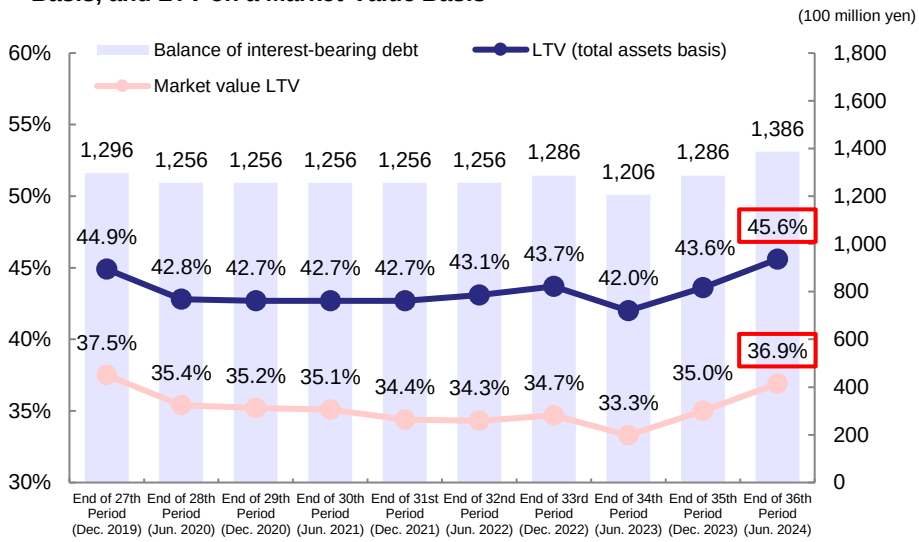
◇ Refinancing of investment corporation bonds (February 8 and March 8, 2024)

80	10.0 years	1.13%	20	5.0 years	fixed	0.724%	Green Bonds
			24	10.0 years	fixed	1.392%	Diversification of repayment dates
			36	1.0 year	floating	1-month TIBOR+0.2%	Dynamic long-term transition

◇ Issuance of investment corporation bonds (refinancing and new issue) (July 16, 2024)

			→				
36	1.0 year	1-month TIBOR+0.2%		48	10.0 years	fixed	1.740%	Green Bonds Longer loan duration Diversification of repayment dates
12	1.0 year							

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

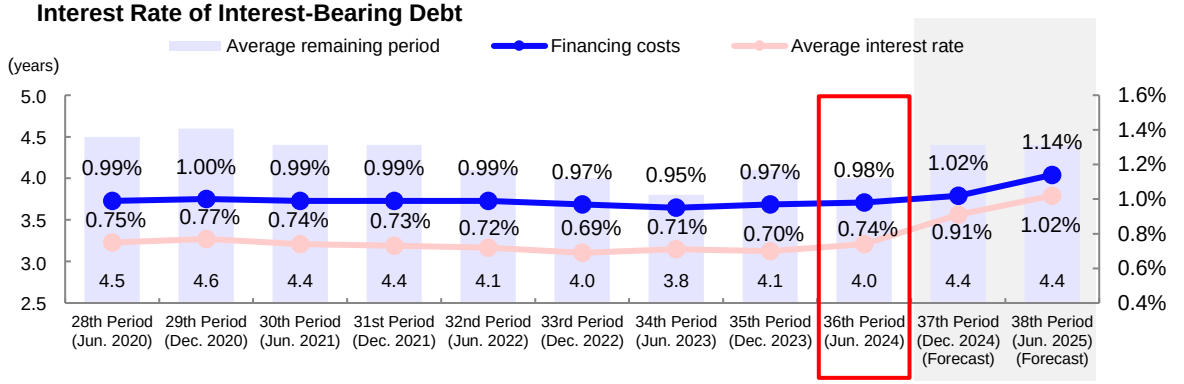


<Reference> Pioneering Sustainable Finance*1 Initiatives

The ratio of sustainable finance to interest-bearing debt (23.3% as of June 30, 2024) ranks top-class among office J-REITs

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

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

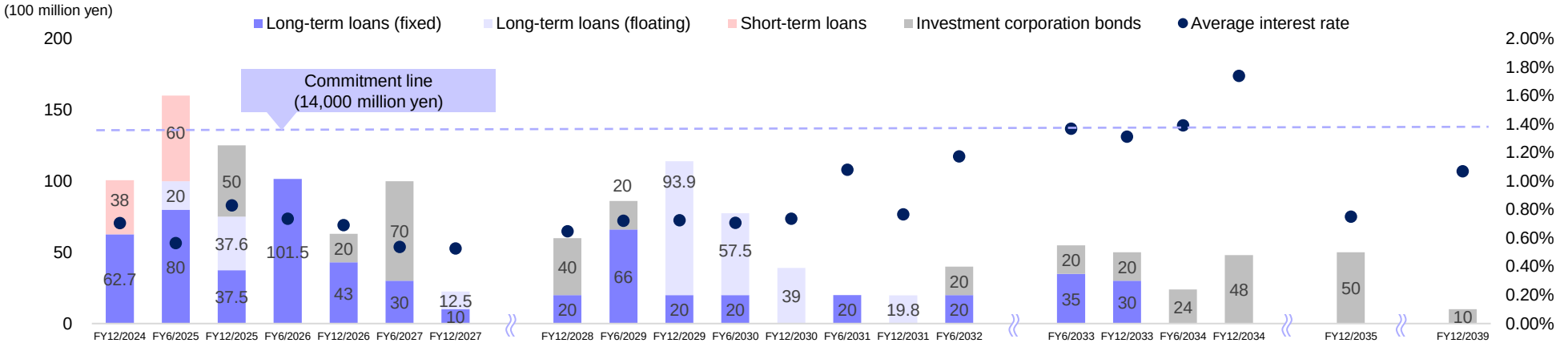


*1 General term for sustainability finance and green finance.
*2 Financing costs: (Interest expense + loan relating fees + interest expense on investment corporation bonds + amortization of investment corporation bond issuance costs) / average remaining interest-bearing debt in the current and previous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

4. Financial Strategy (2) Status of Financial Management

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

■ Repayment Amount in Each Period and Average Interest Rate of Interest-Bearing Debt (As of July 31)



■ Historical Major Financial Data

	End of 32nd Period (Jun. 2022)	End of 33rd Period (Dec. 2022)	End of 34th Period (Jun. 2023)	End of 35th Period (Dec. 2023)	End of 36th Period (Jun. 2024)	Compared with previous period
Balance of interest-bearing debt	125.6 billion yen	128.6 billion yen	120.6 billion yen	128.6 billion yen	138.6 billion yen	+10.0 billion yen
LTV (total assets basis)	43.1%	43.7%	42.0%	43.6%	45.6%	+2.0pt
LTV (market value basis)	34.3%	34.7%	33.3%	35.0%	36.9%	+1.9pt
Average remaining period of interest-bearing debt	4.1 years	4.0 years	3.8 years	4.1 years	4.0 years	-0.1 years
Financial costs	0.99%	0.97%	0.95%	0.97%	0.98%	+0.01pt
Average interest rate of interest-bearing debt	0.72%	0.69%	0.71%	0.70%	0.74%	+0.04pt
Ratio of fixed interest rate	90.8%	84.2%	85.7%	74.3%	67.8%	-6.5pt

■ Status of Ratings

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

V. ESG Initiatives



ESG Related (1) Initiatives in the 36th Period (Ended June 2024)

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

Environment

(1) Reduce CO_2 emissions through shift in electricity source

■ **Newly switched to renewable energy at Musashikosugi Tower Place (April 2024)**

As of the end of June 2024, a total of 22 properties switched to electricity from renewable energy

73.1% of total by floor area or 64.7% of total by number of properties

■ **FY2023 CO_2 emission intensity: 70.9% reduction (compared to FY2013)**

Type of electricity	Property name
RE 100 compatible electric power (17 properties)	Omori Bellport D, JEI Naha Building, NHK Nagoya Housou-Center Building, AKASAKA INTERCITY AIR, AKASAKA INTERCITY, Mansard Daikanyama, Kowa Nishi-Shimbashi Building, Kowa Kawasaki Higashiguchi Building, JEI Hongo Building, HAMARIKYU INTERCITY, Core City Tachikawa, Kawasaki Nisshincho Building, GRAND FRONT OSAKA (Umekita Plaza / South Building), GRAND FRONT OSAKA (North Building), BIZCORE JIMBOCHO, Daiba Garden City Building, Musashikosugi Tower Place
Effective renewable energy (1 property)	SE Sapporo Building
CO_2-free electric power (4 properties)	Shiba 2-Chome Building, Daiwa Minami-morimachi Building, JEI Hiroshima Hacchobori Building, Aoba-dori Plaza

(2) Additional acquisition of Green Building Certification (March 2024, June 2024)

■ **Three properties newly acquired Green Building Certification**

The percentage of certified properties as of end of June 2024 was **84.6%** of total by floor area or **71.4%** of total by number of properties (25 properties)

<Property that acquired additional certification in the current period>

CASBEE (S Rank) JEI Hiroshima Hacchobori Building, AKASAKA INTERCITY AIR

CASBEE (A Rank) Hiroshima Dai-ichi Seimei OS Building

■ Status of Acquisition of Certification

	Number of properties	Coverage rate	Leasable area (m^2)	Coverage rate
DBJ Green Building	9	25.7%	81,276.24	25.7%
CASBEE for Real Estate/Building	19	54.3%	200,841.16	63.5%
CASBEE Wellness Office Certification	1	2.9%	2,580.24	0.8%
Office Taking Excellent Specific Global Warming Countermeasures	1	2.9%	2,580.24	0.8%
Total number of properties that acquired certification	25	71.4%	267,476.98	84.6%

ESG Related (1) Initiatives in the 36th Period (Ended June 2024)

(3) Establishment of EMS operation manual (March 2024)

- JEAM recognizes energy conservation, reduction of CO_2 emissions, and effective use of resources as important environmental issues, and in order to continuously work on improving these issues, it has established a unique Environmental Management System (EMS) based on the PDCA cycle
  Based on the EMS operation manual, we have set environmental targets for energy, CO_2 and water, monitor results, manage forecasts and actual results, and implement measures and make improvements (PDCA cycle), with the aim of continuously reduce our environmental impact

◆ Social

(4) Promotion of Diversity, Equity & Inclusion (DEI)

- JEAM has newly selected promotion of Diversity, Equity & Inclusion (DEI) as a materiality to fulfill its social responsibility to respect human rights
  We aim to contribute to a sustainable society through business activities that take DEI into consideration

◆ Sustainable Finance

(5) Issued No. 3 Green Bonds (February 2024)

- Issued green bonds (2 billion yen) in line with the Green Bond Framework
- The ratio of sustainable finance (23.3% as of June 30, 2024) is top class for office J-REITs

- Status of sustainable finance

	Loan amount (million yen)
Green Bonds	11,000
Green Loans	19,260
Sustainability Loans	2,000
Total	32,260

[Reference] Status of JEI's ESG initiatives

Policy/Implementation

PRI Signed the Principles for Responsible Investment (PRI)

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

Signed the Principles for Financial Action for the 21st Century

◆ CO_2 emissions reduction targets

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

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

External Assessment

◆ GRESB Real Estate Assessment (2023)

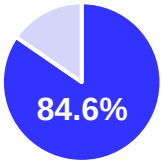
"Green Star" for ninth consecutive year
"5 star" for fourth consecutive year
Awarded "No. 1" in the Japan, Office and Listed category
for the second consecutive year

◆ MSCI ESG Rating **Class A**

Property

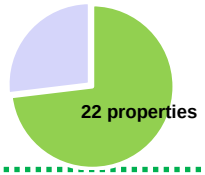
◆ Green Building Certification

25 properties
84.6% (area basis)



◆ Promoting switch to CO_2-free electricity

22 out of 34 properties
73.1% (area basis)



Finance

◆ Sustainability Finance Framework

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

◆ Green Finance Framework

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

◆ Intensive initiatives in sustainable finance

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

⇒ **23.3% ratio of sustainable finance** (as of June 30, 2024)

ESG Related (2) Environmental Performance Data

◆ Promote initiatives to achieve reduction targets for CO_2 emissions, energy consumption and water consumption

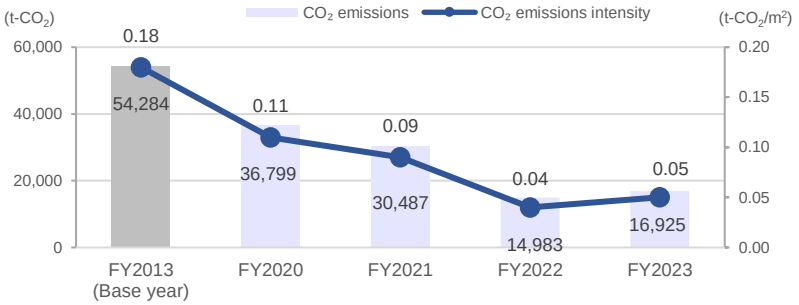
CO_2 Emissions

Reduction target

Reduce CO_2 emissions intensity by 46% in FY2030 compared with FY2013
Net zero by FY2050

Results

	FY2013 (Base year)	FY2020	FY2021	FY2022	FY2023
Total amount (t-CO_2)	54,284	36,799	30,487	14,983	16,925
Intensity (t-CO_2/m^2)	0.18	0.11	0.09	0.04	0.05
Intensity reduction rate (%)	–	-40.3%	-49.3%	**-74.2%**	**-70.9%**



Energy Consumption

Annual reduction target

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

Results

	FY2020	FY2021	FY2022	FY2023
Total amount (MWh)	109,293	110,536	103,609	102,347
Intensity (kWh/m^2)	332.7	344.6	335.2	330.5
Intensity reduction rate (comparison with previous fiscal year) (%)	-	3.6%	-2.7%	-1.4%

5-year average reduction target

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

Results

	5-year average (FY2015 - FY2019)	4-year average (FY2020 - FY2023)
Average intensity (kWh/m^2)	356.2	335.7
Intensity reduction rate (%)	–	-5.8%

Water Consumption

Annual reduction target

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

Results

	FY2020	FY2021	FY2022	FY2023
Total amount (1,000 m^3)	289	267	281	305
Intensity (m^3/m^2)	0.88	0.83	0.90	0.98
Intensity reduction rate (comparison with previous fiscal year) (%)	-	-5.1%	8.9%	8.3%

5-year average reduction target

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

Results

	5-year average (FY2015 - FY2019)	4-year average (FY2020～2023)
Average intensity (m^3/m^2)	1.23	0.90
Intensity reduction rate (%)	–	-26.4%

(Note) Received third-party guarantee from Ernst & Young ShinNihon LLC for CO_2 emissions, energy consumption and water consumption.

Memo

Reference Materials – Features of Japan Excellent Inc.



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1. Sponsors

Sponsor companies with strong capabilities in property supply, management, and leasing

Robust property pipeline supported by excellent sponsors

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

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

Core Sponsors

Nippon Steel Kowa Real Estate Co., Ltd.

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

Property | Brokerage | Personnel | Management

The Dai-ichi Life Insurance Company, Limited

One of Japan's top-class life insurance companies. As of March 31, 2024, manages 269 office buildings and other investment properties nationwide.

Property | Loans | Personnel

Mizuho Bank, Ltd.

Loans | Personnel

Mizuho Trust & Banking Co., Ltd.

Loans | Brokerage | Personnel

The Dai-Ichi Building Co., Ltd.

Brokerage | Personnel | Management

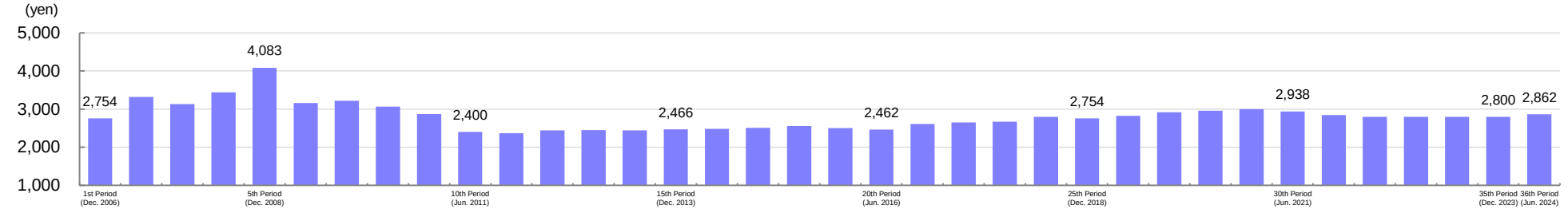
Sohgo Housing Co., Ltd.

Personnel | Management

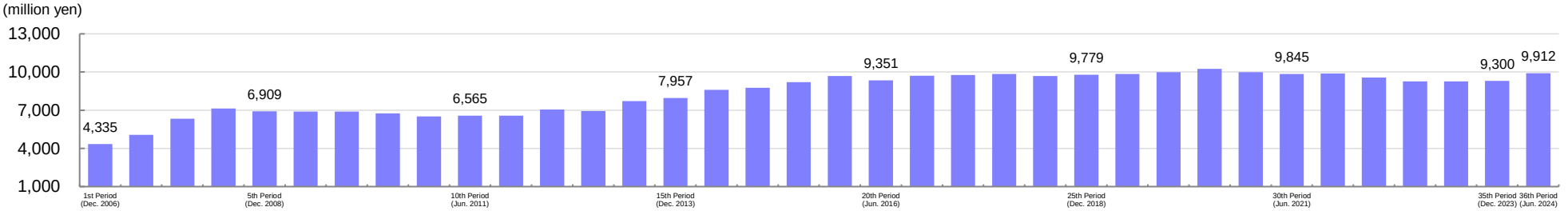
Achievements : Property Supply of properties | Loans Loans | Brokerage Brokerage for third-party properties | Personnel Supply of personnel | Management Management of JEI's properties

2. Track Record

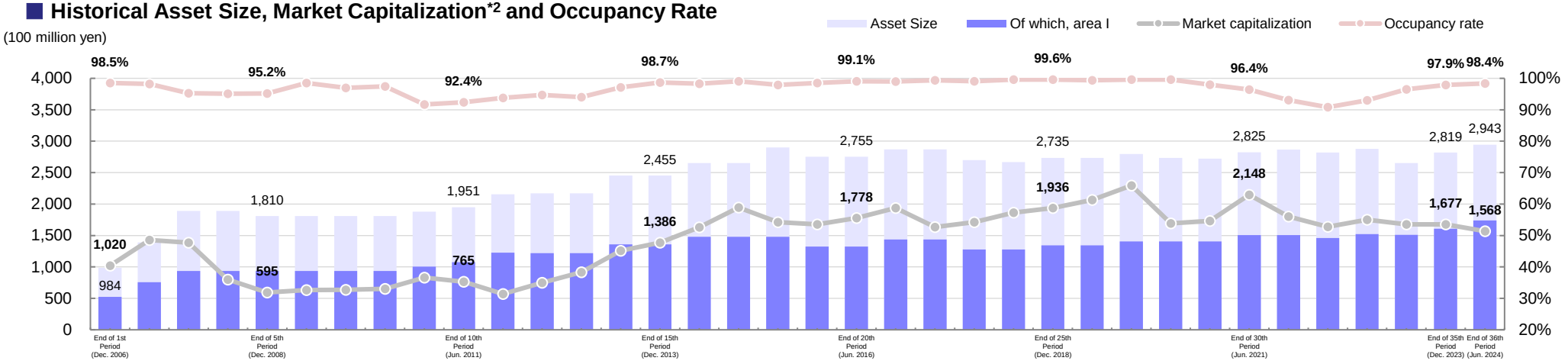
Distributions per Unit*1



Rental revenue



Historical Asset Size, Market Capitalization*2 and Occupancy Rate



Number of properties	14	18	20	20	18	18	18	18	19	19	23	24	24	28	28	30	30	31	30	30	31	31	29	30	31	31	33	35	34	35	36	35	36	35	35	35

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

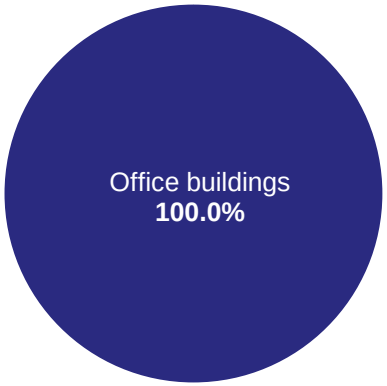
*2 Market capitalization indicates the market capitalization as of the end of each fiscal period.

3. Portfolio Characteristics

Usage

(Investment Policy)

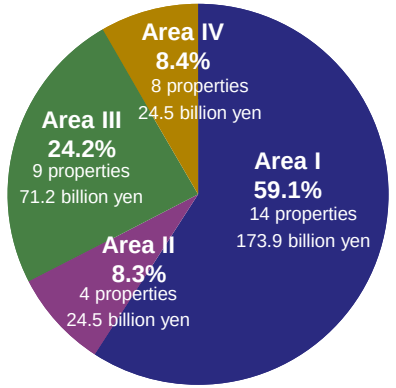
Usage[*1]	Investment ratio in portfolio[*2]
Office buildings	90% or more
Other	10% or less



Investment area

(Investment Policy)

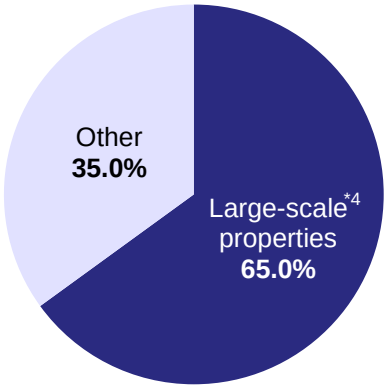
Target investment areas		Investment ratio in portfolio[*2]
Core areas		**80% or more**
Area I	6 central wards of Tokyo (Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya)	50% or more of the core areas
Area II	Central Osaka City (Umeda, Dojima, Nakanoshima, Yodoyabashi, Honmachi, etc.) Central Nagoya City (Meieki, Fushimi, Sakae, etc.) Central Fukuoka City (Tenjin, Hakata-ekimae, etc.)	50% or less of the core areas
Area III	Tokyo other than Area I, and its vicinity (Kanagawa, Saitama, and Chiba prefectures)	50% or less of the core areas
Area IV	Areas in Osaka, Nagoya and Fukuoka other than Area II and other government designated cities	20% or less



Ratio of investment in the Tokyo Metropolitan Area[*3]
83.3%

Property Size

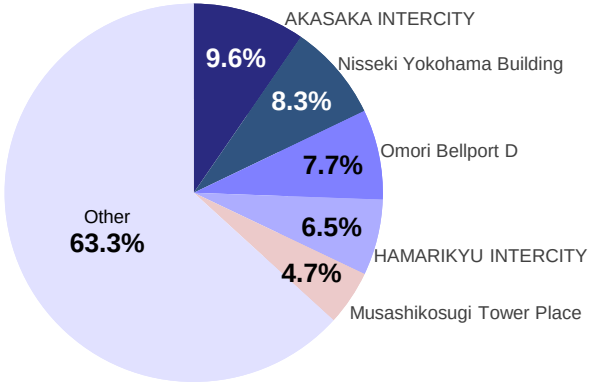
(acquisition price basis)



Consisting mainly of large-scale properties

Top 5 Properties

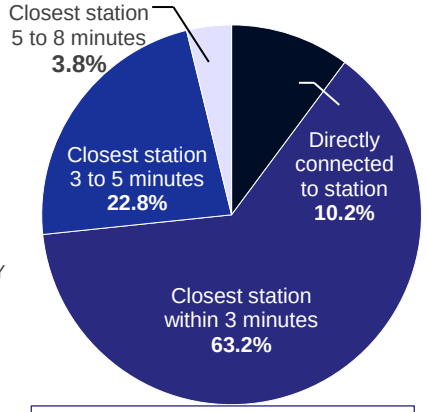
(acquisition price basis)



Ratio of top 5 properties
36.7%

Walking Distance from Closest Station

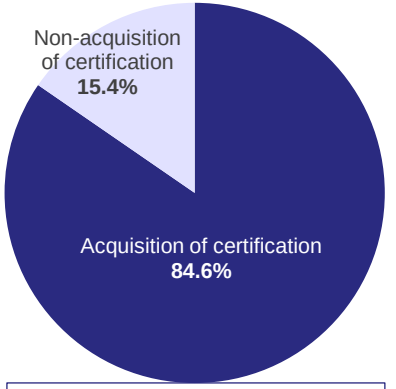
(acquisition price basis)



Approximately 73.3% are directly connected to or located within a 3-minute walk of the closest station
Approximately 96.2% are located within a 5-minute walk of the closest station

Green Building Certification

(based on leasable area)[*5]

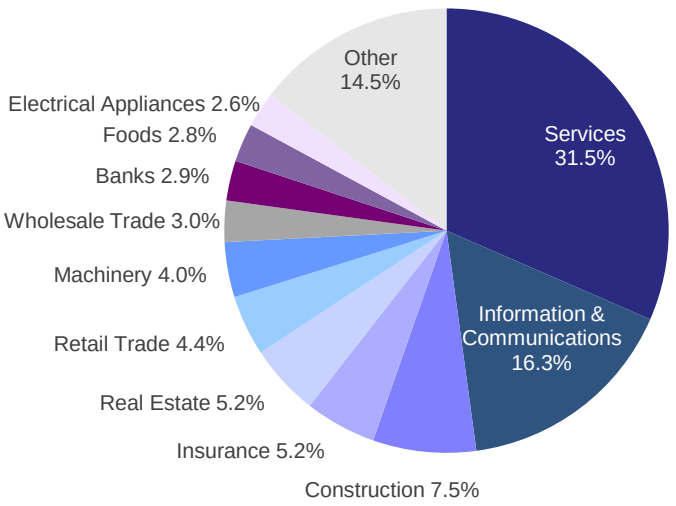


Steadily conducted initiatives for BCP and environmental certification

*1 Usage is determined based on the majority share of leasable area for each asset related to real estate with consideration for the ratio of rent revenue. The total acquisition cost of the concerned asset related to real estate is incorporated into the acquisition price by said usage.
*2 This refers to the ratio of total acquisition cost of the asset related to real estate for each usage or area against the total acquisition cost of the overall portfolio.
*3 "Tokyo metropolitan area" indicates Tokyo and its surrounding areas (Kanagawa, Saitama and Chiba prefectures) (Area I and Area III).
*4 Properties with total floor area of 10,000 tsubo or more for the 23 wards of Tokyo, and of 4,000 tsubo or more for areas other than the 23 wards of Tokyo.
*5 Please refer to notes on p. 48 for definitions of the figures above.
*6 The figures above are figures as of June 30, 2024.

4. Tenant Characteristics

Type of Industry of Tenants



*1 JEAM categorized and created the above industry category according to "TOPIX 33 Sector Indices."
*2 Ratio stated above is rounded to the first decimal place based on leasable area as of the end of the 36th Period.

Top 10 End Tenants

End tenant name	Property name	Total area leased (m²)	Floor area ratio
Toshiba Information System (Japan) Corp.	Kowa Kawasaki Higashiguchi Building	18,612.72	5.9%
Hitachi Real Estate Partners, Ltd.	Omori Bellport D JEI Hiroshima Hacchobori Building SE Sapporo Building Yokohama Bentendori Dai-ichi Seimei Building Aoba-dori Plaza	11,654.01	3.7%
HASEKO Corporation	Shiba 2-Chome Building	9,284.18	3.0%
*3	*3	7,286.83	2.3%
*3	*3	6,572.84	2.1%
*3	*3	6,539.19	2.1%
*3	*3	5,903.64	1.9%
Hitachi Zosen Corporation	Omori Bellport D	5,383.97	1.7%
*3	Nisseki Yokohama Building	4,916.10	1.6%
J-POWER Business Service Corporation	BIZCORE TSUKIJI	4,829.68	1.5%
Total of top 10 end tenants		80,983.16	25.8%
Total of portfolio overall		314,144.10	100.0%

*3 End tenant names and property names are not disclosed as we have not obtained consent, etc. from end tenants.
*4 The figures above are as of the end of the 36th Period.

Number of End Tenants

Building Name	Number of End Tenants	Building Name	Number of End Tenants	Building Name	Number of End Tenants	Building Name	Number of End Tenants
Omori Bellport D	24	BIZCORE AKASAKA-MITSUKE	8	Musashikosugi Tower Place	51	JEI Hiroshima Hacchobori Building	45
Shiba 2-Chome Building	2	BIZCORE JIMBOCHO	8	Kowa Kawasaki Higashiguchi Building	1	SE Sapporo Building	43
JEI Hamamatsucho Building	6	BIZCORE SHIBUYA	7	JEI Hongo Building	4	Aoba-dori Plaza	47
AKASAKA INTERCITY	17	BIZCORE TSUKIJI	1	Kawasaki Nisshincho Building	36	Daiwa Minami-morimachi Building	10
Daiba Garden City Building	5	OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA	1	JEI Ryogoku Building	17	JEI Naha Building	18
HAMARIKYU INTERCITY	12	NHK Nagoya Housou-Center Building	42	Core City Tachikawa	25	Hiroshima Dai-ichi Seimei OS Building	30
Kowa Nishi-Shimbashi Building	5	Osaka Kogin Building (Land with Leasehold Interest)	1	Nisseki Yokohama Building	51	Senshin Building	17
Mansard Daikanyama	10	GRAND FRONT OSAKA (Umekita Plaza / South Building)	2	Yokohama Bentendori Dai-ichi Seimei Building	13	Sapporo Otemachi Building	27
AKASAKA INTERCITY AIR	1	GRAND FRONT OSAKA (North Building)	5	Shin-Yokohama Arena-dori Building	11	Total	603

*5 In principle, the "Number of end tenants" column indicates the number of end tenants. In cases where a single tenant leases multiple rooms, it is calculated as one tenant for the same property, or as one tenant for each property in the case of multiple properties. However, residential portions and properties in which JEI's ownership interest is relatively low, the master lease company is considered as a tenant and the number of master lease companies for such properties is counted. In addition, the number of tenants for land with leasehold interest is counted as "1" based on the lease agreement for the leased land.
*6 The figures above are as of the end of the 36th Period.

5. ESG Initiatives (1) Policy/Promotion System

Sustainability Policy

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

Reduction of Environmental Burden

Energy-Saving and Reduction of CO_2 Emissions

JEI will contribute to energy-saving and reduction of CO_2 emissions by improving operations to increase energy efficiency, promoting introduction of energy-saving equipment, etc. at properties under management.

Effective Utilization of Resources

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

Cooperation/ Collaboration with Stakeholders

Education/ Enlightenment of Employees

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

Collaboration with Outside Parties

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

Information Disclosure

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

Signing of PRI

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

Declared Support for the TCFD

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

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

Signed the Principles for Financial Action for the 21st Century

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

Promotion System

Sustainability Committee

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

Establishment of Sustainability Promotion Office (April 2022)

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

5. ESG Initiatives (2) Environment 1)

Basic View

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

Targets (Environmental KPIs)

- Our targets are to reduce CO_2 emissions intensity by 46% in FY2030 compared to FY2013, to achieve net zero by FY2050 and to reduce energy consumption intensity and water consumption intensity by 1% in each fiscal year compared to the previous fiscal year, and over the medium to long term, to reduce the average intensity from FY2020 to FY2024 by at least 5% compared to the average intensity from FY2015 to FY2019.
- We aim to maintain a Green Building Certification rate of 90% or higher.

Concrete Initiatives

- JEI regularly collects data on energy consumption, CO_2 emissions, water consumption and amount of waste and continuously monitors them.
- Grey water and rainwater are used for non-potable purposes at 7 properties.
- We use 100% RE 100 compatible electric power, effective renewable energy or CO_2-free electric power in 22 properties.
- In order to expand the investor base that is actively involved in ESG investment, we are taking a leading role in the procurement of sustainability finance and green finance for the acquisition of sustainability- and green-eligible assets and for the financing of renovation work that contributes to environmental improvement.

<Sustainability Finance>

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

First for a J-REIT

<Green Finance>

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

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

- At the timing of replacing lighting in common areas, normal lighting is upgraded to LED to reduce energy consumption after confirming the energy reduction effect.
- When selecting property management companies, JEI monitors company's initiatives concerning sustainability and asks for adherence in property management after explaining its Sustainability Policy, etc. Furthermore, their compliance with the policy is monitored through an annual survey.

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

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

Governance

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

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

Strategy

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

  In the future, we will focus on improving the resilience of our business by taking environmental and energy-saving measures and improving the efficiency of energy use in the buildings we own, reducing CO_2 emissions by further expanding the use of renewable energy and CO_2-free electricity, and conducting risk assessments through the use of hazard maps, etc. In addition, the results of these scenario analyses will be reviewed to reflect them in the management and financial plans of JEI in the future.

Risk

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

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

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

Indicators and Targets

- JEI has set a target to reduce CO_2 emissions intensity by 46% in FY2030 compared with FY2013, to achieve net zero by FY2050 and to reduce energy consumption intensity and water consumption intensity by 1% in each fiscal year compared with the previous fiscal year, and in the medium to long term to reduce the average intensity from FY2020 to FY2024 by at least 5% compared with the average intensity from FY2015 to FY2019.

5. ESG Initiatives (3) Social 1)

Basic View

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

Concrete Initiatives

Safety and Security of Tenants

Introduction of an earthquake damage assessment system (AKASAKA INTERCITY, Kowa Nishi-Shimbashi Building, etc.)

Installation of emergency cabinets inside elevators

Storage of portable toilets, lanterns, etc. for tenants in case of emergencies

Installation of emergency power generation facilities

Survey on Tenant Satisfaction

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

Respect for Human Rights

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

Promotion of Diversity, Equity & Inclusion (DEI) Supporting the Advancement of Female Employees

JEAM is committed to establishing a working environment where the diversity of each employee is respected, and they can utilize their individual skills to the maximum extent.

To promote active participation by women in particular, JEAM strives to develop a satisfying working environment for female employees by introducing a childcare leave system as well as allowing them to work flexibly for a short time and to proactively take paid holidays.

Rank-Based Employee Training Program

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

Employee Stock Ownership Plan

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

Employee Grievance Reporting / Escalation Procedures

JEAM has grievance adjustment process where anonymity is thoroughly secured.

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

Annual Survey on Employee Satisfaction

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

5. ESG Initiatives (3) Social 2)

Concrete Initiatives

Eco-cap Campaign

JEAM carries out an activity to collect plastic bottle caps and give them to the NPO “Cap Bank Promotion Network.” While promoting recycling of caps and reduction of CO_2 emissions, they also send vaccines to children in developing countries using the proceeds from the recycling of caps.

Contribution to Local Communities

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

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



AKASAKA INTERCITY AIR

United Nations refugee support campaign



Omori Bellport

Concerts



NHK Nagoya Housou-Center Building

Donating Emergency Food Stockpile to Foodbanks

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



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

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

Electric kickboards are said to emit only about 1/40 of the CO_2 of automobiles and are eco-friendly. In the event of a disaster, they can be used as an emergency means of transportation when public transportation is suspended.

Electric kickboard





5. ESG Initiatives (4) Governance

Same-Boat Investment by the Sponsors

The two core sponsors hold 11.7% of JEI's investment units
(as of June 30, 2024)

Their interests are aligned with that of unitholders.

Preventing Conflict of Interest from Sponsor Formation

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

NIPPON STEEL KOWA REAL ESTATE

By your side, for life
DAI-ICHI LIFE

Management Fee Structure

Management fees linked to revenue are introduced.

	Calculation method
Asset Management Fee I	The amount of JEI's assets under management (every 3 months) multiplied by the following fee rates x (the actual number of days within the relevant calculation period / 365) Fee rates: ・0.25% (Assets under management: Portion up to ¥100 billion) ・0.15% (Assets under management: Portion over ¥100 billion up to ¥200 billion) ・0.05% (Assets under management: Portion over ¥200 billion)
Asset Management Fee II	(The amount of ordinary income before deducting Management Fee II + the amount of depreciation) x 4.0%

JEI's Board of Directors

1 Executive Director (Also serving as president of the asset management company) < 3 Supervisory Directors (Outside directors)

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

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

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

Compliance Committee

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

Attendance of compliance officer is required for resolution of proposals

Investment Committee

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

5. ESG Initiatives (5) External Assessment

GRESB Real Estate Assessment[*1]

GRESB ★★★★★ 2023

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

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

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

MSCI ESG Rating

MSCI ESG RATINGS A

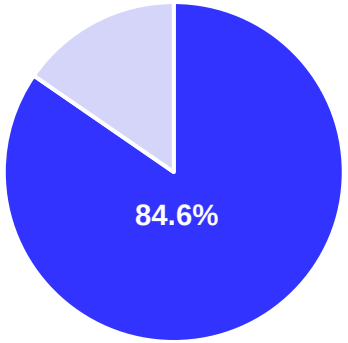
CCC | B | BB | BBB | **A** | AA | AAA

Acquired rating of A Class in MSCI ESG Rating

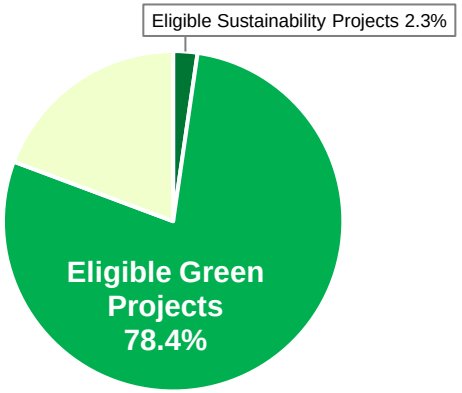
Green Building Certification

Green Building Certification[*2]

25 properties certified
(84.6% on area basis)



Eligible Green Projects and Eligible Sustainability Projects[*3]



BELS Evaluation[*4]

BIZCORE JIMBOCHO
earned four stars
(December 2022)

BIZCORE SHIBUYA
earned three stars
(January 2024)

BIZCORE AKASAKA-MITSUKE
earned three stars
(May 2022)

Nisseki Yokohama Building
earned two stars
(April 2020)

CASBEE Wellness Office Certification[*5]

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

Office Taking Excellent Specific Global Warming Countermeasures[*6]

AKASAKA INTERCITY AIR certified as Top-Level Office

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

*2 "Green Building Certification" is a general term for "DBJ Green Building Certification System" and "CASBEE for real estate/building." The figure in the pie chart indicates the percentage of certified properties based on leasable area. (as of end of June 2024)
"DBJ Green Building Certification System" is a system established by Development Bank of Japan Inc. and is designed to promote real estate properties that demonstrate environmentally friendly building features, security measures, disaster prevention measures, and take into account societal demands from various stakeholders surrounding the properties.
"CASBEE for real estate/building" is a system for appropriately identifying and evaluating properties with high environmental value that have high environmental performance and are well managed and is certified by Institute for Built Environment and Carbon Neutral for SDGs.

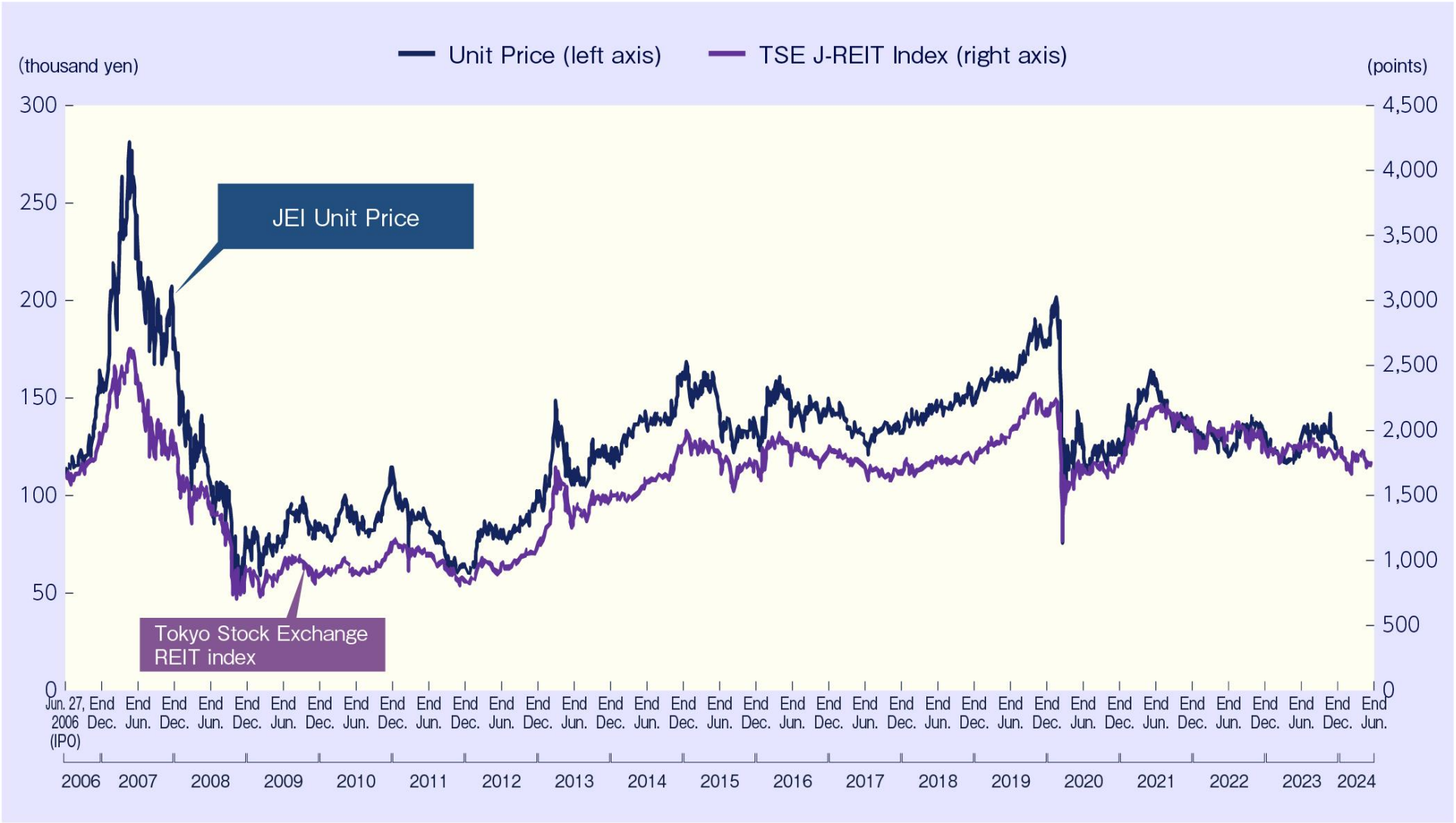
*3 "Eligible Green Projects" are assets that have received one of the following certifications within the previous 3 years as of the payment date upon issuance of green bonds or are scheduled to receive such, and those selected at the sustainability committee of JEAM: (1) DBJ Green Building Certification: 5, 4, or 3stars; (2) CASBEE for Real Estate: S, A ,or B+ rank.
"Eligible Sustainability Projects" are assets that have received one of the above (1) or (2) within the previous 3 years of the payment date upon issuance of green bonds or are scheduled to receive such, and those selected by the sustainability committee JEAM. The figure in the pie chart indicates the percentage of eligible projects based on book value for the end of June 2024.

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

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

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

6. Unit Price and Tokyo Stock Exchange REIT Index



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

7. Management Structure

Overview of JEI

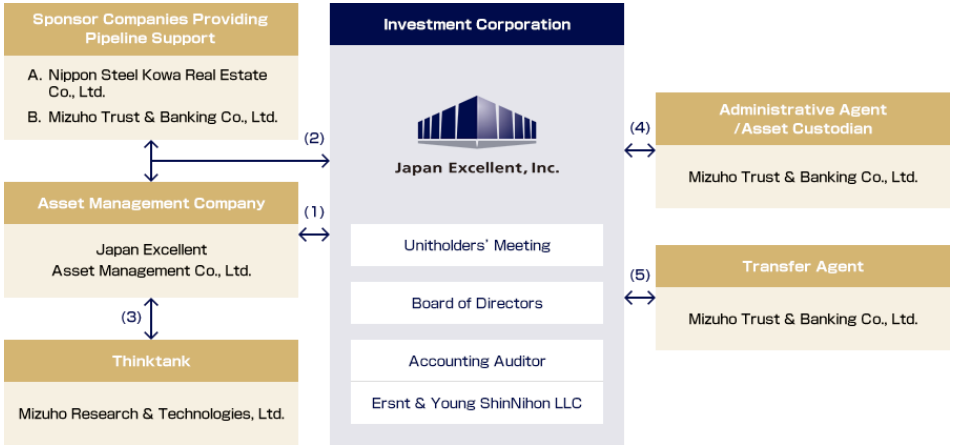
Name	Japan Excellent, Inc.
Location	1-15-9 Minamiaoyama, Minato Ward, Tokyo
Securities Code	8987
Date Listed	June 27, 2006
Executive Director	Shuichiro Kayama
Supervisory Directors	Eiji Takagi Osamu Hirakawa Hiroaki Komatsu

Overview of JEAM

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

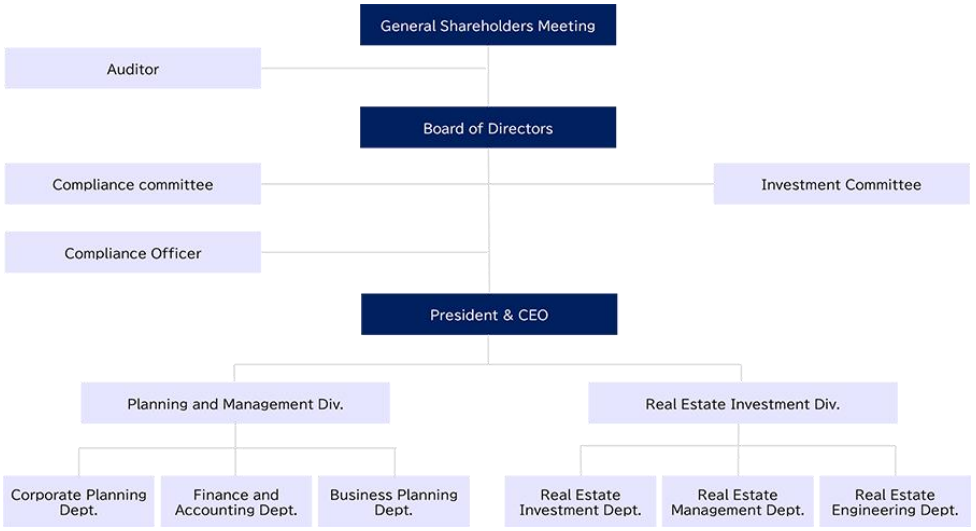
* The percentage figure indicates the number of shares held as a percentage of the number of total outstanding shares.

Organization of JEI



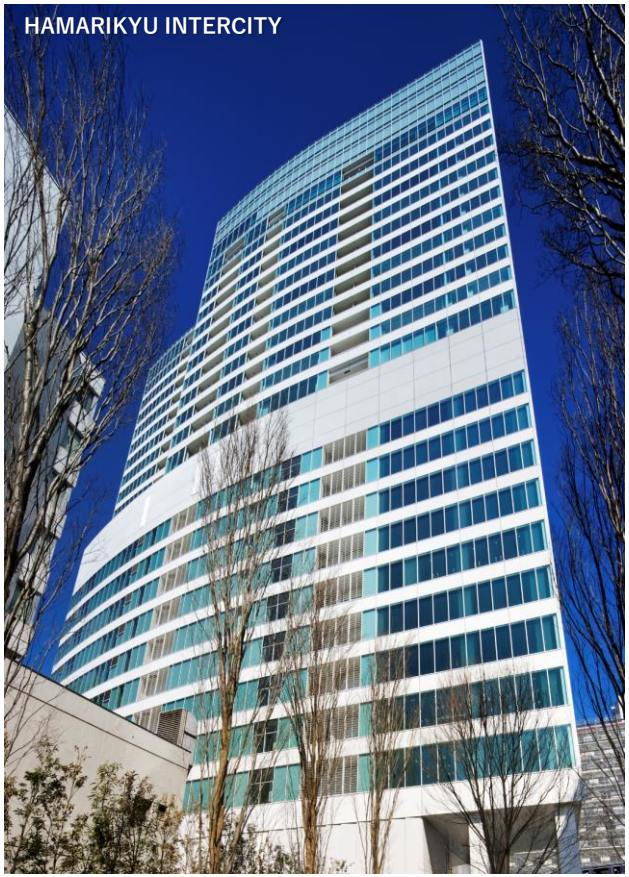
(1) Asset Management agreement
(2) A. Pipeline support agreement with NIPPON STEEL KOWA REAL ESTATE
B. Pipeline support agreement with Mizuho Trust & Banking
(3) Agreement to provide market and other information
(4) Agreement to entrust administrative duties and asset custody
(5) Agreement to entrust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

Outline and Organization of JEAM



Memo

Reference Materials – Appendix



Financial Results of the 36th Period (Ended June 2024) (1) Comparison with the Previous Period

(Unit: million yen)

	35th Period Dec. 2023 Results	36th Period Jun. 2024 Results	Difference
Operating revenue	10,857	11,460	603
Rental revenue	9,300	9,912	612
Revenue for utilities expenses	697	645	-51
Other revenue	104	104	0
Distribution to Anonymous Association	57	68	11
Gain on sales of real estate, etc.	697	728	31
Operating expenses	6,191	6,624	433
Expenses for rental operations	5,561	5,979	417
Property management expenses	1,490	1,572	81
Utilities expenses	1,053	990	-62
Taxes	960	1,012	51
Repairs and maintenance	115	387	271
Other expenses for rental operations	159	165	5
(NOI)	6,321	6,533	212
Depreciation	1,780	1,850	69
Loss on sales of real estate, etc.	0	0	0
Sales and administrative expenses	629	645	15
Operating income	4,665	4,835	170
Non-operating expenses	615	636	20
Ordinary income	4,050	4,201	150
Net income	4,049	4,200	150
Provision (-) and reversal (+) of reserve for reduction entry	-304	-418	-113
Total distributions	3,745	3,782	37
Distributions per unit (yen)	2,800	2,862	62
FFO	5,132	5,322	189

Factors	Balance	DPU conversion
■External Growth (Newly Acquired Properties)	157	118 yen
Increase in profit after depreciation of properties acquired in the 35th Period	111	84 yen
Increase in profit after depreciation of properties acquired in the 36th Period	45	34 yen
■Internal Growth (Existing Properties)	-5	-4 yen
Increase in rental revenue	302	226 yen
Increase in distribution to anonymous association	11	8 yen
Increase in utilities revenue/expenses	18	14 yen
Decrease in other revenue	-4	-3 yen
Increase in expenses for rental operations	-318	-238 yen
Increase in property management expenses	-8	-6 yen
Increase in taxes	-21	-16 yen
Increase in repairs and maintenance	-252	-189 yen
Increase in depreciation	-37	-28 yen
Decrease in other expenses for rental operations	1	1 yen
Increase in sales and administrative expenses	-15	-11 yen
■Finance	-19	-14 yen
Increase in interest expense	-32	-25 yen
Decrease in loan-related fees	19	14 yen
■Transfer	17	13 yen
Increase in gain on sale	31	23 yen
Decrease in profit after depreciation of properties transferred in the 35th Period	5	4 yen
Decrease in profit after depreciation of properties transferred in the 36th Period	-19	-14 yen
■Reserve for Reduction Entry	-113	-85 yen
Increase in provision of reserve for reduction entry	-113	
■Effect of cancellation of investment units	—	34 yen
Total	37	62 yen

Main causes for change

- Additional portion of GRAND FRONT OSAKA: Full-period contribution
- Osaki: New acquisition
- Departure and lease-up: +211M (Lease-up: +299M, Departure: -88M)
  Rent revisions: -2M (Increase: +9M, Decrease: -11M)
- Increase in taxes due to re-appraisal
- Increase in expenses for one-off repairs
- Increase in loans due to property acquisitions
- Sengoku: Absence of gain on sale
  Kyobashi: Gain on sale due to second transfer
- Impact of transfer of Sengoku
- Kyobashi: Impact of second transfer

Financial Results of the 36th Period (Ended June 2024) (2) Comparison with the Forecast

(Unit: million yen)

	36th Period Jun. 2024 Forecast	36th Period Jun. 2024 Results	Difference
Operating revenue	11,419	11,460	40
Rental revenue	9,867	9,912	45
Revenue for utilities expenses	670	645	-24
Other revenue	94	104	9
Distribution to Anonymous Association	66	68	2
Gain on sales of real estate, etc.	721	728	7
Operating expenses	6,672	6,624	-48
Expenses for rental operations	6,051	5,979	-71
Property management expenses	1,558	1,572	14
Utilities expenses	1,016	990	-25
Taxes	1,013	1,012	-1
Repairs and maintenance	411	387	-23
Other expenses for rental operations	211	165	-45
(NOI)	6,421	6,533	112
Depreciation	1,839	1,850	10
Loss on sales of real estate, etc.	0	0	0
Sales and administrative expenses	621	645	23
Operating income	4,747	4,835	88
Non-operating expenses	644	636	-8
Ordinary income	4,102	4,201	98
Net income	4,101	4,200	98
Provision (-) and reversal (+) of reserve for reduction entry	-410	-418	-7
Total distributions	3,691	3,782	90
Distributions per unit	2,760	2,862	102
FFO	5,220	5,322	101

Factors	Balance	DPU conversion
■External Growth (Newly Acquired Properties)	-8	-6 yen
Increase in profit after depreciation of assets acquired in the 35th Period	10	8 yen
Decrease in profit after depreciation of properties acquired in the 36th Period	-18	-14 yen
■Internal Growth (Existing Properties)	89	67 yen
Increase in rental revenue	41	31 yen
Increase in distribution to anonymous association	2	2 yen
Increase in utilities revenue/expenses	4	3 yen
Increase in other revenue	13	10 yen
Decrease in expenses for rental operations	52	39 yen
Decrease in property management expenses	5	4 yen
Decrease in taxes	3	2 yen
Decrease in repairs and maintenance	23	18 yen
Increase in depreciation	-9	-7 yen
Decrease in other expenses for rental operations	29	22 yen
Increase in sales and administrative expenses	-23	-18 yen
■Finance	10	7 yen
Increase in interest expense	0	-0 yen
Decrease in loan-related fees	12	9 yen
■Transfer of Properties	6	5 yen
Increase in gain on sale	7	6 yen
■Reserve for Reduction Entry	-7	-6 yen
Increase in provision of reserve for reduction entry	-7	-6 yen
■Effect of cancellation of investment units	—	34 yen
Total	90	102 yen

Main causes for change

- Additional portion of GRAND FRONT OSAKA
- OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA
- Increase in parking area revenue, delays in expected departure, etc.
- Increase in conference room revenue, receipt of cancellation penalties, etc.
- Reserve fund, etc.
- Kyobashi: Rise in gain on sale

Performance Forecasts (1) 37th Fiscal Period (Ending December 2024)

	36th Period Jun. 2024 Results	37th Period Dec. 2024 Forecast	Difference
Operating revenue	11,460	11,415	-44
Rental revenue	9,912	9,976	64
Revenue for utilities expenses	645	755	110
Other revenue	104	103	0
Distribution to Anonymous Association	68	73	4
Gain on sales of real estate, etc.	728	506	-222
Operating expenses	6,624	6,602	-21
Expenses for rental operations	5,979	5,958	-21
Property management expenses	1,572	1,511	-60
Utilities expenses	990	1,127	136
Taxes	1,012	1,064	51
Repairs and maintenance	387	206	-181
Other expenses for rental operations	165	187	22
(NOI)	6,533	6,738	204
Depreciation	1,850	1,860	10
Loss on sales of real estate, etc.	0	0	0
Sales and administrative expenses	645	644	0
Operating income	4,835	4,812	-23
Non-operating expenses	636	745	109
Ordinary income	4,201	4,067	-133
Net income	4,200	4,066	-134
Provision (-) and reversal (+) of reserve for reduction entry	-418	-405	12
Total distributions	3,782	3,660	-121
Distributions per unit	2,862	2,770	-92
FFO	5,322	5,420	98

(Unit: million yen)

Factors	Balance	DPU conversion
■External Growth (Newly Acquired Properties)	154	117 yen
Increase in profit after depreciation of properties acquired in the 36th Period	154	117 yen
■Internal Growth (Existing Properties)	67	50 yen
Decrease in rental revenue	-64	-49 yen
Increase in distribution to anonymous association	4	3 yen
Decrease in utilities revenue/expenses	-28	-21 yen
Decrease in other revenue	-2	-1 yen
Decrease in expenses for rental operations	158	119 yen
Decrease in property management expenses	59	45 yen
Increase in taxes	-57	-43 yen
Decrease in repairs and maintenance	177	134 yen
Decrease in depreciation	0	0 yen
Increase in other expenses for rental operations	-22	-17 yen
Decrease in sales and administrative expenses	0	0 yen
■Finance	-110	-83 yen
Increase in interest expense	-99	-75 yen
Increase in loan-related fees	-13	-10 yen
Decrease in other financial expenses	2	1 yen
■Transfer	-245	-185 yen
Decrease in gain on sale	-222	-168 yen
Increase in profit after depreciation of properties transferred in the 36th Period	0	0 yen
Decrease in profit after depreciation of properties transferred in the 37th Period	-22	-17 yen
■Reserve for Reduction Entry	12	9 yen
Decrease in provision of reserve for reduction entry	12	9 yen
Total	-121	-92 yen

Main causes for change

- Osaki: Full-period contribution
- Departure and lease-up: -78 (Lease-up: +140M, Departure: -218M)
  Rent revisions: +11M (Increase: +18M, Decrease: -7M)
- Effect of reduction of BM fees
- Full-period contribution of properties acquired in the 35th Period
- Full-period contribution of increase in loans due to property acquisitions
  Impact of rising interest rates
- Kyobashi: Absence of gain on sale due to second transfer
  Hongo: Gain on sale due to first transfer
- Hongo: Impact of first transfer

Performance Forecasts (2) 38th Fiscal Period (Ending June 2025)

	37th Period Dec. 2024 Forecast	38th Period Jun. 2025 Forecast	Difference
Operating revenue	11,415	11,498	83
Rental revenue	9,976	9,893	-83
Revenue for utilities expenses	755	673	-82
Other revenue	103	92	-11
Distribution to Anonymous Association	73	73	0
Gain on sales of real estate, etc.	506	767	260
Operating expenses	6,602	6,515	-87
Expenses for rental operations	5,958	5,854	-104
Property management expenses	1,511	1,493	-18
Utilities expenses	1,127	1,012	-114
Taxes	1,064	1,091	27
Repairs and maintenance	206	186	-19
Other expenses for rental operations	187	202	14
(NOI)	6,738	6,672	-65
Depreciation	1,860	1,867	7
Loss on sales of real estate, etc.	0	0	0
Sales and administrative expenses	644	661	16
Operating income	4,812	4,983	170
Non-operating expenses	745	798	52
Ordinary income	4,067	4,185	118
Net income	4,066	4,184	118
Provision (-) and reversal (+) of reserve for reduction entry	-405	-418	-12
Total distributions	3,660	3,766	105
Distributions per unit	2,770	2,850	80
FFO	5,420	5,285	-135

(Unit: million yen)

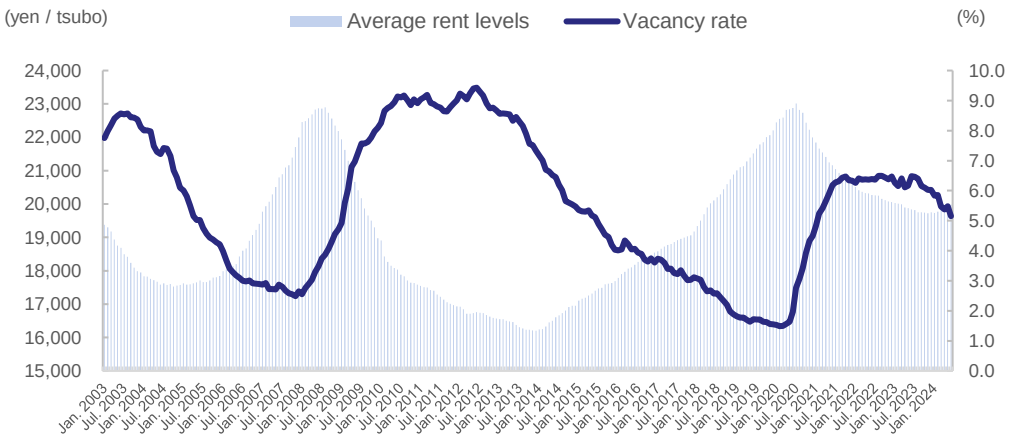
Factors	Balance	DPU conversion
■Internal Growth (Existing Properties)	-56	-42 yen
Decrease in rental revenue	-15	-11 yen
Increase in distribution to anonymous association	0	0 yen
Increase in utilities revenue/expenses	31	24 yen
Decrease in other revenue	-11	-8 yen
Increase in expenses for rental operations	-45	-34 yen
Decrease in property management expenses	11	9 yen
Increase in taxes	-37	-28 yen
Decrease in repairs and maintenance	17	13 yen
Increase in depreciation	-21	-16 yen
Increase in other expenses for rental operations	-14	-11 yen
Increase in sales and administrative expenses	-16	-12 yen
■Finance	-52	-39 yen
Increase in interest expense	-53	-40 yen
Increase in loan-related fees	-5	-4 yen
Decrease in other financial expenses	7	5 yen
■Transfer of Properties	227	171 yen
Increase in gain on sale	260	197 yen
Decrease in prof it after depreciation of properties transferred in the 37th Period	-1	0 yen
Decrease in prof it after depreciation of properties transferred in the 38th Period	-32	-24 yen
■Reserve for Reduction Entry	-12	-9 yen
Increase in provision of reserve for reduction entry	-12	-9 yen
Total	105	80 yen

Main causes for change

- Departure and lease-up: -76 (Lease-up: +214M, departure: -291M)
  Rent revisions: +25 (Increase: +27M, Decrease: -2M)
- Full-period contribution of properties acquired in the 36th Period
  Expected increase of properties subject to special measures
- Hongo: Absence of gain on sale due to first transfer
  Gain on sale due to second transfer
- Hongo: Impact of first transfer
- Hongo: Impact of second transfer

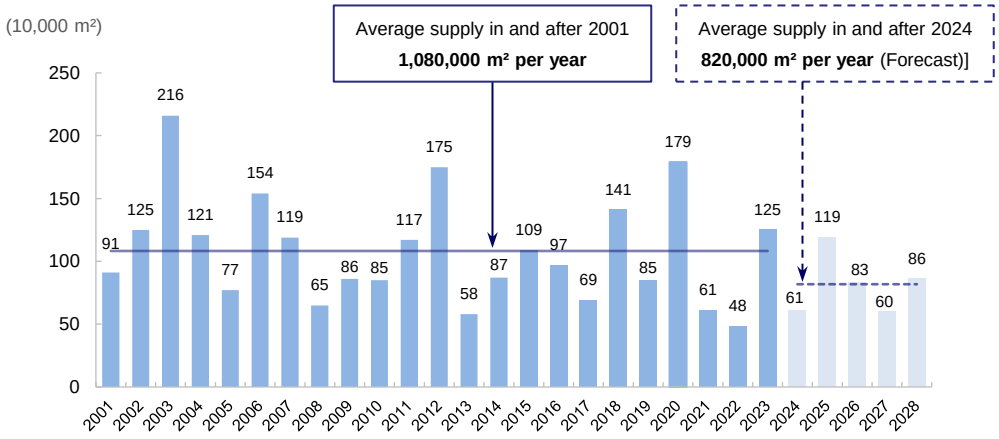
Environmental Awareness

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



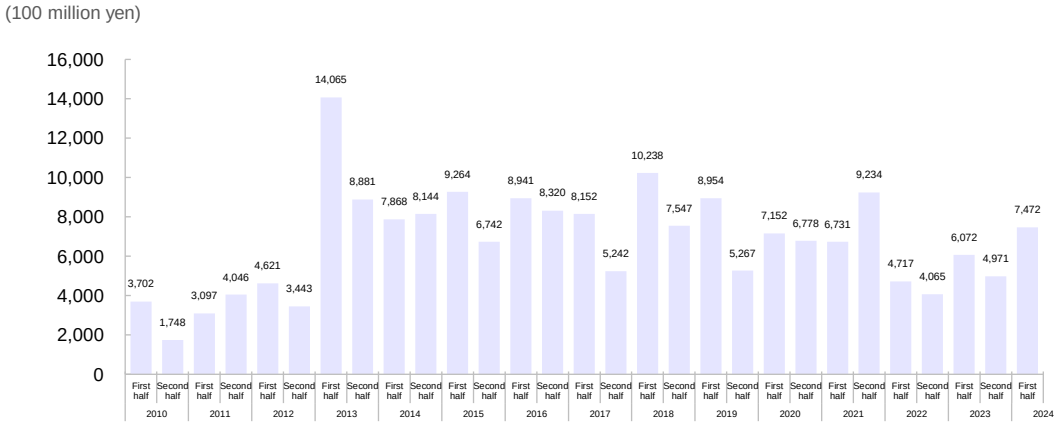
Source: Miki Shoji Co., Ltd.

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



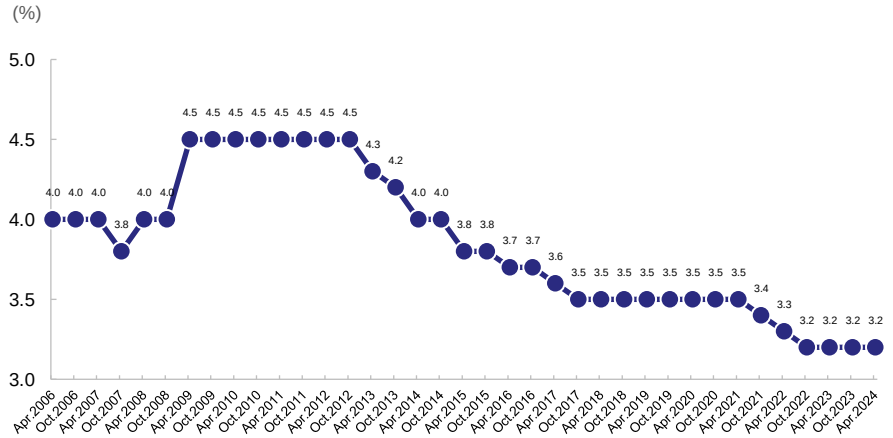
Source: Mori Building Co., Ltd.

Historical Actual Real Estate Acquisitions by J-REITs



Source: The Association for Real Estate Securitization

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



Source: Japan Real Estate Institute

Revenue and Expenses by Property

(Unit: million yen)

	Area I														Area II				Area III										Area IV										Total
	I-1	I-2	I-3	I-8	I-10	I-12	I-14	I-15	I-16	I-17	I-18	I-19	I-20	I-21	II-1	II-3	II-4	II-5	III-1	III-2	III-3	III-5	III-7	III-11	III-12	III-13	III-14	IV-2	IV-3	IV-4	IV-5	IV-6	IV-7	IV-8	IV-9	IV-10	
	Omori	Shiba 2-Chome	Hamamatsucho	AKASAKA INTERCITY	Daiba Garden City	HAMARIKYU INTERCITY	Kowa Nishi-Shimbashi	Mansard Daikanyama	AKASAKA INTERCITY AIR	BIZCORE AKASAKA-MITSUKE	BIZCORE JIMBOCHO	BIZCORE SHIBUYA	BIZCORE TSUKIJI	OSAKI BRIGHT TOWER / PLAZA	NHK Nagoya	Osaka Kogin Building (Land with Leasehold Interest)	GRAND FRONT OSAKA (Umekita Plaza / South Building)	GRAND FRONT OSAKA (North Building)	Musashi Kosugi	Kawasaki Higashiguchi	Hongo	Kawasaki Nisshin-cho	Ryogoku	Core City Tachikawa	Nisseki Yokohama	Yokohama Benten-dori	Shin-Yokohama Arena-dori	Kyobashi	Hiroshima Hacchobori	SE Sapporo	Aoba-dori Plaza	Daiwa Minami-morimachi	Naha	Hiroshima OS	Senshin Building	Sapporo Otemachi	
Revenue from operations	877	380	168	584	341	802	-	277	-	130	-	153	-	-	365	104	-	-	769	-	-	202	116	328	1,210	42	63	4	161	442	183	193	88	146	48	134	10,662
Rental revenue	828	379	158	554	311	747	-	259	-	124	-	148	-	-	-	104	-	-	698	-	-	199	106	311	1,114	39	55	3	147	352	167	176	76	138	43	122	9,912
Other rental revenue	48	0	10	30	30	54	-	17	-	6	-	5	-	-	-	-	-	-	71	-	-	3	9	17	96	3	7	0	13	89	15	16	12	8	5	11	749
Expenses from operations	488	179	110	289	220	423	-	150	-	56	-	57	-	-	278	61	-	-	415	-	-	128	83	138	820	26	32	4	102	233	107	83	53	76	23	73	5,979
Property management expenses	136	53	20	91	58	126	-	28	-	15	-	16	-	-	67	-	-	-	112	-	-	55	20	31	171	8	7	0	18	33	36	23	9	20	4	15	1,572
Utilities expenses	94	0	8	50	37	69	-	23	-	6	-	6	-	-	29	-	-	-	78	-	-	-	10	41	198	4	6	0	13	82	15	12	6	14	5	17	990
Taxes	83	32	20	41	39	53	-	35	-	19	-	12	-	-	24	61	-	-	75	-	-	17	8	21	127	4	2	1	19	26	20	14	5	14	4	13	1,012
Insurance	1	0	0	0	0	2	-	0	-	0	-	0	-	-	0	-	-	-	1	-	-	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	24
Repairs and maintenance	12	36	9	9	2	8	-	15	-	1	-	1	-	-	29	-	-	-	11	-	-	9	11	1	65	1	8	-	8	3	2	7	3	2	0	5	387
Other expenses for rental operation	14	1	16	2	1	6	-	0	-	0	-	0	-	-	33	0	-	-	1	-	-	0	1	0	2	0	0	1	0	0	1	1	5	0	0	1	141
Depreciation	144	55	34	94	79	157	38	44	18	13	29	19	27	23	92	-	-	-	135	134	29	43	32	41	250	7	6	1	40	85	30	22	22	24	7	20	1,850
Profit (loss) from operations	388	200	57	294	121	378	193	126	92	74	140	96	166	45	86	43	151	147	354	83	59	73	32	189	390	15	30	-0	58	208	75	109	35	70	25	60	4,683
NOI	533	256	92	389	201	535	231	171	111	87	169	115	193	69	179	43	169	169	489	218	89	117	64	230	641	22	36	1	98	293	106	132	57	94	32	81	6,533
NOI (annualized)	1,070	513	184	780	404	1,074	465	344	223	175	340	232	388	383	360	86	340	340	981	438	179	235	130	463	1,285	45	73	18	198	589	214	265	116	189	66	163	13,363
Days	182	182	182	182	182	182	182	182	182	182	182	182	182	66	182	182	182	182	182	182	182	182	182	182	182	182	182	21	182	182	182	182	182	182	182	182	
Acquisition price	22,552	9,450	8,350	28,146	11,000	19,080	11,431	11,420	6,590	6,200	10,200	6,640	9,800	13,100	5,610	1,770	9,518	7,632	13,890	10,976	5,400	4,725	2,550	6,500	24,500	640	2,077	661	2,760	5,500	2,120	4,410	1,380	2,780	1,580	4,069	295,009

NOI yield

36th Period	4.7%	5.4%	2.2%	2.8%	3.7%	5.6%	4.1%	3.0%	3.4%	2.8%	3.3%	3.5%	4.0%	2.9%	6.4%	4.9%	3.6%	4.5%	7.1%	4.0%	3.3%	5.0%	5.1%	7.1%	5.2%	7.1%	3.6%	2.8%	7.2%	10.7%	10.1%	6.0%	8.4%	6.8%	4.2%	4.0%	4.58%
35th Period	4.6%	6.0%	2.2%	2.6%	3.6%	5.1%	4.2%	3.2%	2.7%	2.4%	2.5%	3.2%	4.3%	-	7.3%	4.5%	3.4%	3.9%	6.5%	5.6%	3.2%	4.7%	5.8%	6.7%	5.3%	7.1%	5.1%	7.8%	6.5%	10.4%	10.1%	5.9%	8.0%	6.6%	3.4%	4.2%	4.57%
Difference (pt)	0.1	-0.6	0.0	0.2	0.1	0.5	-0.1	-0.2	0.7	0.4	0.8	0.3	-0.3	-	-0.9	0.4	0.2	0.6	0.6	-1.6	0.1	0.3	-0.7	0.4	-0.1	0.0	-1.5	-5.0	0.7	0.3	0.0	0.1	0.4	0.2	0.8	-0.2	0.01

NOI yield after depreciation

36th Period	3.5%	4.3%	1.4%	2.1%	2.2%	4.0%	3.4%	2.2%	2.8%	2.4%	2.8%	2.9%	3.4%	1.9%	3.1%	4.9%	3.2%	3.9%	5.1%	1.5%	2.2%	3.1%	2.5%	5.8%	3.2%	4.9%	3.0%	-0.1%	4.3%	7.6%	7.2%	5.0%	5.2%	5.1%	3.2%	3.0%	3.28%
35th Period	3.4%	4.9%	1.4%	1.9%	2.2%	3.4%	3.6%	2.5%	2.2%	2.0%	2.0%	2.7%	3.8%	-	4.2%	4.5%	3.0%	3.3%	4.6%	3.4%	2.2%	2.9%	3.2%	5.4%	3.3%	5.0%	4.5%	5.8%	3.8%	7.4%	7.5%	4.9%	4.9%	4.9%	2.5%	3.2%	3.28%
Difference (pt)	0.1	-0.6	0.0	0.2	0.0	0.6	-0.2	-0.3	0.6	0.4	0.8	0.2	-0.4	-	-1.1	0.4	0.2	0.6	0.5	-1.9	0.0	0.2	-0.7	0.4	-0.1	-0.1	-1.5	-5.9	0.5	0.2	-0.3	0.1	0.3	0.2	0.7	-0.2	0.00

*1 Figures under one million yen are rounded down.

*2 Ratios are rounded to the nearest specified unit.

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

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

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

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

Breakdown by area

(Unit: million yen)

	Area I Total	Area II Total	Area III Total	Area IV Total
NOI	3,159	562	1,911	900
Acquisition price	173,959	24,531	71,258	25,260
36th Period NOI yield	3.8%	4.6%	5.4%	7.3%
35th Period NOI yield	3.7%	4.9%	5.5%	7.1%
Difference (pt)	0.1	-0.3	-0.1	0.2

Overview of Period-End Appraisals

Summary of Period-End Appraisal Value

	35th Period (Dec. 2023)	36th Period (Jun. 2024)	Difference
Number of properties	35 properties	35 properties	0 properties
Period-end appraisal value	336,511 million yen	348,139 million yen	11,628 million yen
Book value	264,379 million yen	276,277 million yen	11,898 million yen
Unrealized gain/loss	72,131 million yen	71,861 million yen	-270 million yen
Ratio of unrealized gain/loss*1	27.3%	26.0%	-1.3pt

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

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

	35th Period (Dec. 2023)	36th Period (Jun. 2024)
Increase	12 properties	12 properties
Unchanged	10 properties	12 properties
Decrease	12 properties	10 properties

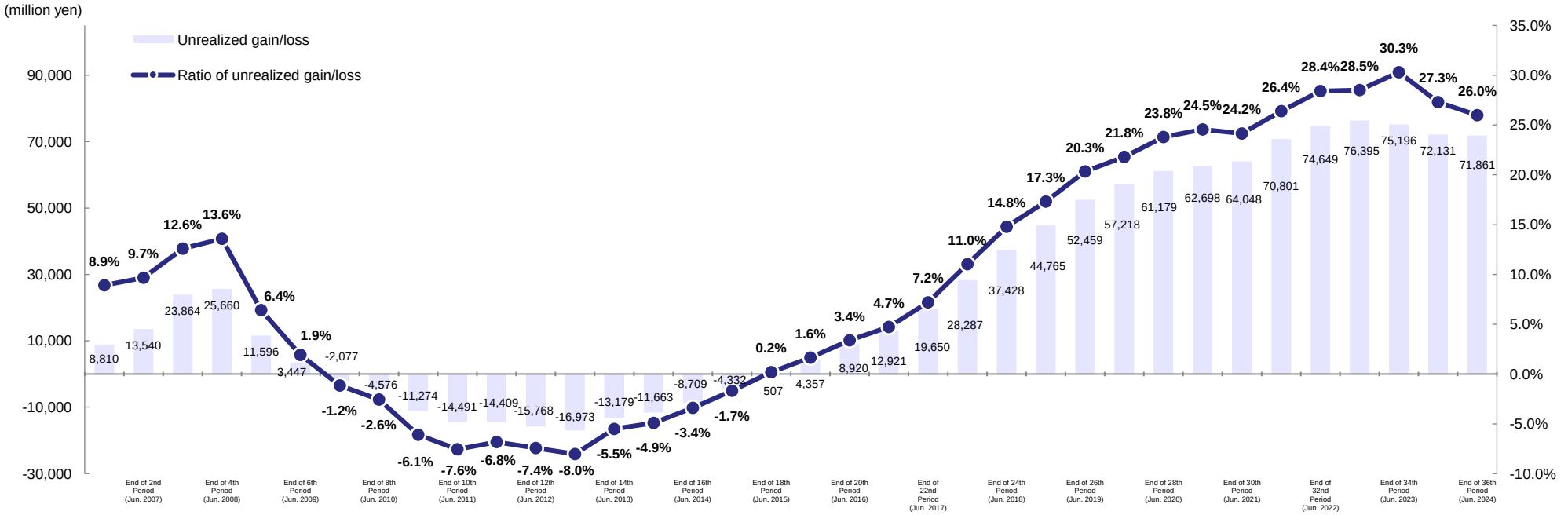
Status of Cap Rate*2*3

	35th Period (Dec. 2023)	36th Period (Jun. 2024)
Decline	7 properties	3 properties
Unchanged	27 properties	31 properties
Rise	0 properties	0 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.

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



Period-End Appraisal Value

(Unit: million yen)

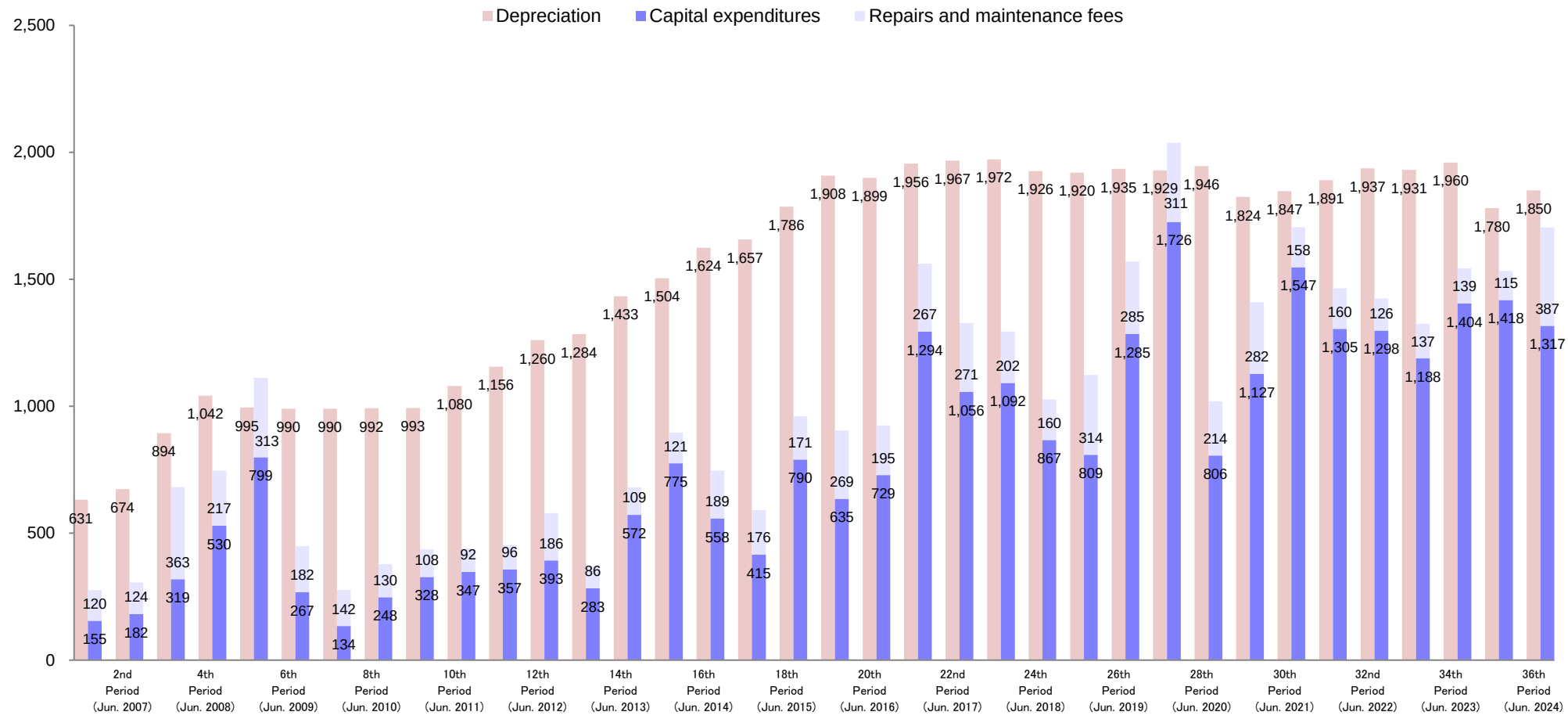
Property Number	Area	Name	Acquisition Price	Period-End Appraisal Value		Difference ((2)-(1))		36th Period End Book Value (3)	Difference ((2)-(3))		Direct Reduction Reduced Yield		Difference ((5)-(4))	Appraisal Organization
				End of FP35 (1)	End of FP36 (2)		%			%	End of FP35 (4)	End of FP36 (5)	pt	
I-1	I	Omori Bellport D	22,552	25,700	25,700	0	0.0%	20,278	**5,421**	26.7%	3.7%	3.7%	0.0	Chuo Real Estate Appraisal Co., Ltd.
I-2	I	Shiba 2-Chome Building	9,450	13,700	13,700	0	0.0%	8,947	**4,752**	53.1%	Office 3.4% Residence 3.7%	Office 3.4% Residence 3.7%	Office 0.0 Residence 0.0	Japan Real Estate Institute
I-3	I	JEI Hamamatsucho Building	8,350	9,450	8,780	-670	-7.1%	7,886	**893**	11.3%	3.2%	3.2%	0.0	Japan Real Estate Institute
I-8	I	AKASAKA INTERCITY	28,146	30,700	30,700	0	0.0%	26,379	**4,320**	16.4%	2.7%	2.7%	0.0	Japan Real Estate Institute
I-10	I	Daiba Garden City Building	11,000	9,660	9,240	-420	-4.3%	8,936	**303**	3.4%	3.9%	3.9%	0.0	Chuo Real Estate Appraisal Co., Ltd.
I-12	I	HAMARIKYU INTERCITY	19,080	28,700	28,900	200	0.7%	16,252	**12,647**	77.8%	3.0%	3.0%	0.0	Japan Real Estate Institute
I-14	I	Kowa Nishi-Shimbashi Building	11,431	12,500	12,500	0	0.0%	11,010	**1,489**	13.5%	2.9%	2.9%	0.0	Japan Real Estate Institute
I-15	I	Mansard Daikanyama	11,420	13,500	13,500	0	0.0%	11,024	**2,475**	22.5%	2.8%	2.8%	0.0	Japan Real Estate Institute
I-16	I	AKASAKA INTERCITY AIR	6,590	8,260	8,280	20	0.2%	6,399	**1,880**	29.4%	2.6%	2.6%	0.0	Japan Real Estate Institute
I-17	I	BIZCORE AKASAKA-MITSUKE	6,200	6,200	5,890	-310	-5.0%	6,103	**-213**	-3.5%	3.0%	3.0%	0.0	Japan Real Estate Institute
I-18	I	BIZCORE JIMBOCHO	10,200	9,900	9,870	-30	-0.3%	9,885	**-15**	-0.2%	3.3%	3.3%	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
I-19	I	BIZCORE SHIBUYA	6,640	6,950	6,950	0	0.0%	6,605	**344**	5.2%	3.1%	3.1%	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
I-20	I	BIZCORE TSUKIJI	9,800	10,200	10,200	0	0.0%	9,781	**418**	4.3%	3.4%	3.4%	0.0	Japan Real Estate Institute
I-21	I	OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA	13,100	13,500	13,500	0	0.0%	12,909	**590**	4.6%	3.2%	3.2%	0.0	Chuo Real Estate Appraisal Co., Ltd.
II-1	II	NHK Nagoya Housou-Center Building	5,610	6,320	6,350	30	0.5%	5,467	**882**	16.1%	3.9%	3.9%	0.0	Japan Real Estate Institute
II-3	II	Osaka Kogin Building (Land with Leasehold Interest)	1,770	2,840	2,840	0	0.0%	1,865	**974**	52.3%	2.8%	2.8%	0.0	Japan Real Estate Institute
II-4	II	GRAND FRONT OSAKA (Umekita Plaza • South Building)	9,518	9,740	9,880	140	1.4%	9,599	**280**	2.9%	3.3%	3.2%	-0.1	Japan Valuers Co., Ltd.
II-5	II	GRAND FRONT OSAKA (North Building)	7,632	7,550	7,700	150	2.0%	7,633	**66**	0.9%	3.4%	3.3%	-0.1	Japan Valuers Co., Ltd.
III-1	III	Musashikosugi Tower Place	13,890	22,200	21,900	-300	-1.4%	12,288	**9,611**	78.2%	3.8%	3.8%	0.0	Japan Real Estate Institute
III-2	III	Kowa Kawasaki Higashiguchi Building	10,976	9,710	9,230	-480	-4.9%	10,925	**-1,695**	-15.5%	4.7%	4.7%	0.0	Japan Valuers Co., Ltd.
III-3	III	JEI Hongo Building	5,400	4,510	4,460	-50	-1.1%	4,854	**-394**	-8.1%	4.1%	4.1%	0.0	Japan Valuers Co., Ltd.
III-5	III	Kawasaki Nisshincho Building	4,725	4,250	4,170	-80	-1.9%	4,262	**-92**	-2.2%	4.8%	4.8%	0.0	Japan Valuers Co., Ltd.
III-7	III	JEI Ryogoku Building	2,550	2,760	2,760	0	0.0%	2,435	**324**	13.3%	4.1%	4.1%	0.0	Chuo Real Estate Appraisal Co., Ltd.
III-11	III	Core City Tachikawa	6,500	10,200	10,200	0	0.0%	5,868	**4,331**	73.8%	3.8%	3.8%	0.0	Japan Real Estate Institute
III-12	III	Nisseki Yokohama Building	24,500	30,000	30,000	0	0.0%	21,309	**8,690**	40.8%	3.4%	3.4%	0.0	Japan Real Estate Institute
III-13	III	Yokohama Bentendori Dai-ichi Seimei Building	640	733	738	5	0.7%	742	**-4**	-0.6%	4.1%	4.1%	0.0	Japan Real Estate Institute
III-14	III	Shin-Yokohama Arena-dori Building	2,077	2,170	2,170	0	0.0%	2,077	**92**	4.4%	3.5%	3.5%	0.0	Japan Real Estate Institute
IV-3	IV	JEI Hiroshima Hacchobori Building	2,760	4,310	4,340	30	0.7%	2,900	**1,439**	49.6%	4.1%	4.1%	0.0	Japan Real Estate Institute
IV-4	IV	SE Sapporo Building	5,500	11,200	11,900	700	6.3%	4,909	**6,990**	142.4%	4.3%	4.2%	-0.1	Chuo Real Estate Appraisal Co., Ltd.
IV-5	IV	Aoba-dori Plaza	2,120	4,520	4,470	-50	-1.1%	2,313	**2,156**	93.2%	4.1%	4.1%	0.0	Japan Real Estate Institute
IV-6	IV	Daiwa Minami-morimachi Building	4,410	5,340	5,350	10	0.2%	4,211	**1,138**	27.0%	4.5%	4.5%	0.0	DAIWA REAL ESTATE APPRAISAL Corporation
IV-7	IV	JEI Naha Building	1,380	2,090	2,140	50	2.4%	1,629	**510**	31.4%	4.6%	4.6%	0.0	Japan Real Estate Institute
IV-8	IV	Hiroshima Dai-ichi Seimei OS Building	2,780	3,650	3,680	30	0.8%	2,779	**900**	32.4%	4.1%	4.1%	0.0	Japan Real Estate Institute
IV-9	IV	Senshin Building	1,580	1,650	1,580	-70	-4.2%	1,663	**-83**	-5.0%	4.2%	4.2%	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
IV-10	IV	Sapporo Otemachi Building	4,069	4,564	4,571	7	0.2%	4,138	**432**	10.5%	3.8%	3.8%	0.0	Japan Real Estate Institute
Total			**294,347**	**349,227**	**348,139**	**-1,088**	-0.3%	276,277	**71,861**	26.0%	3.4%	3.4%	-0.0	-
Area I Total			173,959	198,920	197,710	-1,210	-0.6%	162,401	**35,308**	21.7%	3.2%	3.2%	0.0	-
Area II Total			24,531	26,450	26,770	320	1.2%	24,565	**2,204**	9.0%	3.4%	3.4%	-0.0	-
Area III Total			71,258	86,533	85,628	-905	-1.0%	64,765	**20,862**	32.2%	3.9%	3.9%	0.0	-
Area IV Total			24,599	37,324	38,031	707	1.9%	24,544	**13,486**	54.9%	4.2%	4.2%	-0.0	-
Total			**294,347**	**349,227**	**348,139**	**-1,088**	-0.3%	276,277	**71,861**	26.0%	3.4%	3.4%	-0.0	-

*1 “Appraisal value” includes the appraisal value described in the real estate appraisal reports made by real estate appraisers as of the end of the 35th Period and 36th Period based on Japan Excellent’s rules and the regulations stipulated by the Investment Trusts Association, Japan.

Historical Record in Works

History of Costs for Construction and Depreciation

(million yen)



Capital Expenditures / Depreciation

2nd Period (Jun. 2007)	4th Period (Jun. 2008)	6th Period (Jun. 2009)	8th Period (Jun. 2010)	10th Period (Jun. 2011)	12th Period (Jun. 2012)	14th Period (Jun. 2013)	16th Period (Jun. 2014)	18th Period (Jun. 2015)	20th Period (Jun. 2016)	22nd Period (Jun. 2017)	24th Period (Jun. 2018)	26th Period (Jun. 2019)	28th Period (Jun. 2020)	30th Period (Jun. 2021)	32nd Period (Jun. 2022)	34th Period (Jun. 2023)	36th Period (Jun. 2024)
24.6%	27.0%	35.7%	50.9%	80.3%	27.0%	13.5%	25.0%	33.0%	32.1%	30.9%	31.2%	22.0%	39.9%	51.5%	34.4%	25.0%	44.2%	33.3%	38.4%	66.2%	53.7%	55.4%	45.0%	42.1%	66.4%	89.5%	41.4%	61.8%	83.8%	69.0%	67.0%	61.5%	71.6%	79.7%	71.2%

Statement of Income and Retained Earnings

(Unit: million yen)

	35th Period (Dec. 2023)	Percentage (%)	36th Period (Jun. 2024)	Percentage (%)	Compared with previous period	
					Difference	(%)
1. Operating revenue (A)	10,857	100.0	11,460	100.0	603	5.6
Rental revenue	9,300		9,912		612	
Other rental revenue	801		749		-52	
Total rental revenue (a)	10,102	93.0	10,662	93.0	560	5.5
Gain on sales of real estate, etc.	697		728		31	
Distribution to anonymous association	57		68		11	
2. Operating expenses (B)	6,191	57.0	6,624	57.8	433	7.0
Property management expenses	1,490		1,572		81	
Utilities expenses	1,053		990		-62	
Taxes	960		1,012		51	
Insurance	20		24		3	
Repairs and maintenance	115		387		271	
Other expenses for rental operation	139		141		2	
Depreciation	1,780		1,850		69	
Total operating expenses (b)	5,561	51.2	5,979	52.2	417	7.5
Profits from operation (a)-(b)	4,540	41.8	4,683	40.9	142	3.1
Asset management fees	457		467		9	
Other operating expenses	172		177		5	
3. Operating income (A)-(B)	4,665	43.0	4,835	42.2	170	3.6
4. Non-operating income	0	0.0	1	0.0	1	218.6
5. Non-operating expenses	615	5.7	636	5.6	20	3.4
Interest expense	274		308		34	
Loan relating fees	164		145		-19	
Interest expense on investment corporation bonds	159		157		-1	
Amortization of investment corporation bond issuance costs	12		12		0	
Other	4		11		6	
6. Ordinary income	4,050	37.3	4,201	36.7	150	3.7
7. Net income before taxes	4,050	37.3	4,201	36.7	150	3.7
8. Income taxes – current	0		0		-0	
9. Net income	4,049	37.3	4,200	36.7	150	3.7
10. Retained earnings brought forward	-		-		-	
11. Unappropriated retained earnings	4,049		4,200		150	

* 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					
	35th Period (Dec. 2023)		36th Period (Jun. 2024)		Difference		35th Period (Dec. 2023)		36th Period (Jun. 2024)		Difference
(Assets)		Composition (%)		Composition (%)		**(Liabilities)**		Composition (%)		Composition (%)	
I. Current assets	22,796	7.7	19,776	6.5	-3,019	**I. Current liabilities**	24,760	8.4	34,825	11.5	10,065
Cash and deposits	10,466		6,908		-3,558	Operating accounts payable	1,261		1,065		-196
Cash and deposits in trust	11,082		12,064		982	Short-term loans	5,000		16,600		11,600
Operating accounts receivable	355		385		30	Investment corporation bonds due within a year	8,000		-		-8,000
Other	892		418		-473	Long-term loans due within a year	9,770		16,270		6,500
						Other accounts payable	464		479		14
II. Fixed assets	271,905	92.2	284,135	93.5	12,229	Accrued consumption taxes	-		191		191
1. Property and equipment	255,192	86.6	267,093	87.8	11,900	Other	264		219		-44
Real Estate	16,204		16,391		187	**II. Long-term liabilities**	119,404	40.5	120,109	39.5	705
Real Estate in trust	238,871		250,566		11,695	Investment Corporation Bond	30,000		34,400		4,400
Construction in progress	116		135		18	Long-term loans	75,830		71,330		-4,500
2. Intangible assets	9,187	3.1	9,186	3.0	-0	Security deposits from tenants	1,221		1,262		40
Leasehold rights	1,721		1,721		-	Security deposits from tenants in trust	12,352		13,116		764
Leasehold rights in trust	7,382		7,382		-	Total liabilities	144,164	48.9	154,935	51.0	10,770
Other	84		83		-0	**(Net assets)**					
3. Investments and other assets	7,525	2.6	7,854	2.6	329	**I. Unitholders' equity**	150,659	51.1	149,114	49.0	-1,544
Investment securities deposits	5,245		5,216		-29	1. Unitholders' capital	145,907	49.5	143,907	47.3	-1,999
Long-term prepaid expenses	932		1,114		182	2. Retained earnings	4,751		5,206		455
Other	1,347		1,523		175	Voluntary retained earnings (Reserve for reduction entry)	701	0.2	1,006	0.3	304
						Unappropriated retained earnings	4,049	1.4	4,200	1.4	150
III. Deferred assets	121	0.0	137	0.0	16	Total net assets	150,659	51.1	149,114	49.0	-1,544
Investment corporation bond issuance costs	121		137		16						
Total assets	294,823	100.0	304,049	100.0	9,225	Total liabilities and net assets	294,823	100.0	304,049	100.0	9,225

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

Statements of Cash Flow and Profit Distribution

Cash Flow Statement

(Unit: million yen)

36th Period (Jun. 2024)	
Classification	Amount
I. Cash flow from operating activities	7,254
Net income before taxes	4,201
Depreciation	1,851
Decrease due to sale of fixed assets	524
Other	677
II. Cash flow from investing activities	-14,056
Purchase of fixed assets	-14,934
Net payments for security deposits	848
Other	29
III. Cash flow from financing activities	4,226
Proceeds from short-term loans	11,600
Proceeds from long-term loans	5,500
Repayment of long-term loans	-3,500
Purchase of treasury investment units	-1,999
Proceeds from issuance of investment corporation bonds	4,370
Redemption of investment corporation bonds	-8,000
Distributions to unitholders	-3,744
IV. Net increase / decrease in cash and cash equivalents	-2,576
V. Cash and cash equivalents at beginning of period	21,548
VI. Cash and cash equivalents at end of period	18,972

* Figures under one million yen are rounded down.

Statement of Profit Distribution

(Unit: yen)

36th Period (Jun. 2024)	
Classification	Amount
Unappropriated retained earnings	4,200,539,721
Provision of reserve for reduction entry	418,080,453
Distributions	3,782,459,268
(Distributions per investment unit)	(2,862)
Earnings carried over to next period	-

Total number of outstanding investment units at the end of period	1,321,614

Financial Indicators

Financial indicators	Unit	31st Period (Dec. 2021)	32nd Period (Jun. 2022)	33rd Period (Dec. 2022)	34th Period (Jun. 2023)	35th Period (Dec. 2023)	36th Period (Jun. 2024)	Calculation method
EBITDA (Earnings before interest, tax and depreciation and amortization)	MN yen	6,209	6,492	5,897	6,288	6,265	6,518	Income before income taxes + (Interest expense + Interest expense on investment corporation bonds) + Depreciation and amortization (including depreciation other than the expenses for rental operations)
NOI (Net operating income)	MN yen	6,994	6,504	6,128	6,067	6,321	6,533	Rental revenue - Rental expenses + Depreciation and amortization
FFO (Funds from operation)	MN yen	5,737	5,241	4,903	4,861	5,132	5,322	Net income + Depreciation and amortization - Net profit from sale of real estate + Impairment loss
FFO per unit	yen	4,240	3,918	3,665	3,634	3,837	4,026	FFO / Total number of outstanding investment units at the end of period
AFFO (Adjusted funds from operation)	MN yen	4,431	3,942	3,714	3,457	3,714	4,004	FFO - Capital expenditures
AFFO payout ratio	%	86.8	95.0	100.8	108.3	100.8	94.4	(Total cash distribution amount / AFFO) x 100
NAV (Net asset value)	MN yen	223,007	225,111	226,613	225,551	222,790	220,975	Period end total assets - Period end total liabilities + Real estate valuation gain/loss
NAV per unit	yen	164,824	168,295	169,418	168,624	166,559	167,201	NAV / Total number of outstanding investment units at the end of period
DSCR (Debt service coverage ratio)	times	13.2	14.4	12.8	14.1	14.5	14.0	Cash flow before interest / (Interest expense + Interest expense on investment corporation bonds) (Note) Cash flow before interest = Net income before interest and taxes + Depreciation and amortization (including depreciation other than the expenses for rental operations)
ROA	%	1.3	1.4	1.2	1.3	1.4	1.4	Ordinary income / [(Period beginning total assets + Period end total assets) / 2] x 100
(Reference) Annualized with following formula	%	(2.6)	(2.8)	(2.4)	(2.7)	(2.8)	(2.8)	Above x (365 days / Number of operating days)
ROE	%	2.5	2.7	2.3	2.6	2.7	2.8	Net income / [(Period beginning net assets + Period end net assets) / 2] x 100
(Reference) Annualized with following formula	%	(5.0)	(5.5)	(4.6)	(5.2)	(5.3)	(5.6)	Above x (365 days / Number of operating days)
Equity to Total Assets	%	51.8	51.6	51.0	52.4	51.1	49.0	(Period end net assets / Period end total assets) x 100
LTV (period-end total asset basis)	%	42.7	43.1	43.7	42.0	43.6	45.6	(Period end interest-bearing debt / Period end total assets) x 100
LTV (period-end valuation gain/loss basis)	%	34.4	34.3	34.7	33.3	35.0	36.9	(Period-end interest-bearing debt / (Period-end total assets + Real estate valuation gain/loss)) x 100
BPS (Book value per unit)	yen	112,495	112,486	112,304	112,406	112,634	112,827	Period end net assets / Total number of outstanding investment units at the end of period

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

Status of Interest-Bearing Debt

Balance of Interest-Bearing Debt (As of the End of 36th Period)

Lender	Balance (million yen)	As a percentage of all borrowings
Mizuho Bank, Ltd.	34,385	33.0%
MUFG Bank, Ltd.	13,005	12.5%
Development Bank of Japan Inc.	12,800	12.3%
Sumitomo Mitsui Banking Corporation	8,270	7.9%
Mizuho Trust & Banking Co., Ltd.	7,807	7.5%
The Norinchukin Bank	7,412	7.1%
The Dai-ichi Life Insurance Company, Limited	6,000	5.8%
Resona Bank, Limited	3,400	3.3%
Sompo Japan Insurance Inc.	2,500	2.4%
Aozora Bank, Ltd.	2,500	2.4%
Sumitomo Mitsui Trust Bank, Limited	1,620	1.6%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,500	1.4%
The Bank of Fukuoka, Ltd.	1,000	1.0%
Shinkin Central Bank	1,000	1.0%
Nippon Life Insurance Company	1,000	1.0%
Loan Total	104,200	100.0%

* Shaded areas refer to sponsor companies.

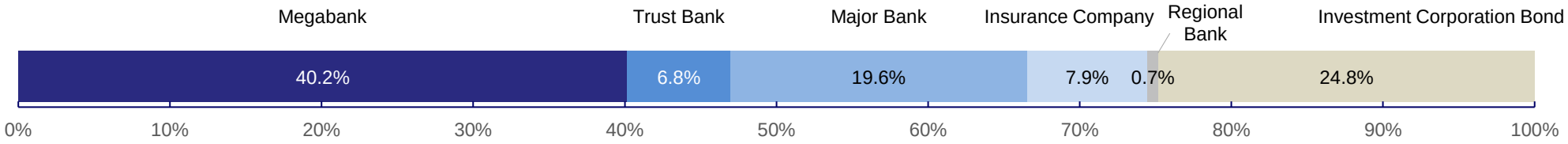
Status of Investment Corporation Bonds (As of the End of 36th Period)

Investment corporation Bond	Maturity date	Balance (million yen)	Interest rate	Period
8th Series Unsecured Investment Corporation Bond	September 9, 2025	5,000	1.03%	10 years
9th Series Unsecured Investment Corporation Bond	October 27, 2026	2,000	0.45%	10 years
11th Series Unsecured Investment Corporation Bond	April 23, 2027	7,000	0.65%	10 years
13th Series Unsecured Investment Corporation Bond	April 20, 2033	2,000	0.95%	15 years
14th Series Unsecured Investment Corporation Bond (JEI Green Bond)	August 10, 2028	4,000	0.63%	10 years
15th Series Unsecured Investment Corporation Bond	September 9, 2039	1,000	1.07%	20 years
16th Series Unsecured Investment Corporation Bond (2nd JEI Green Bond)	October 29, 2035	5,000	0.75%	15 years
17th Series Unsecured Investment Corporation Bond	March 30, 2032	2,000	0.95%	9 years
18th Series Unsecured Investment Corporation Bond	December 19, 2033	2,000	1.329%	10 years
19th Series Unsecured Investment Corporation Bond (3rd JEI Green Bond)	February 8, 2029	2,000	0.724%	5 years
20th Series Unsecured Investment Corporation Bond	February 8, 2034	2,400	1.392%	10 years
Investment Corporation Bond Total		34,400		

Status of Commitment Line (As of the End of 36th Period)

Lender	Established amount (million yen)	Term
Mizuho Bank, Ltd.	6,000	From February 1, 2024 to January 31, 2025
MUFG Bank, Ltd.	5,000	
Sumitomo Mitsui Banking Corporation	3,000	
Commitment Line Total	14,000	

Types of Lenders for Interest-Bearing Debt



Unitholders

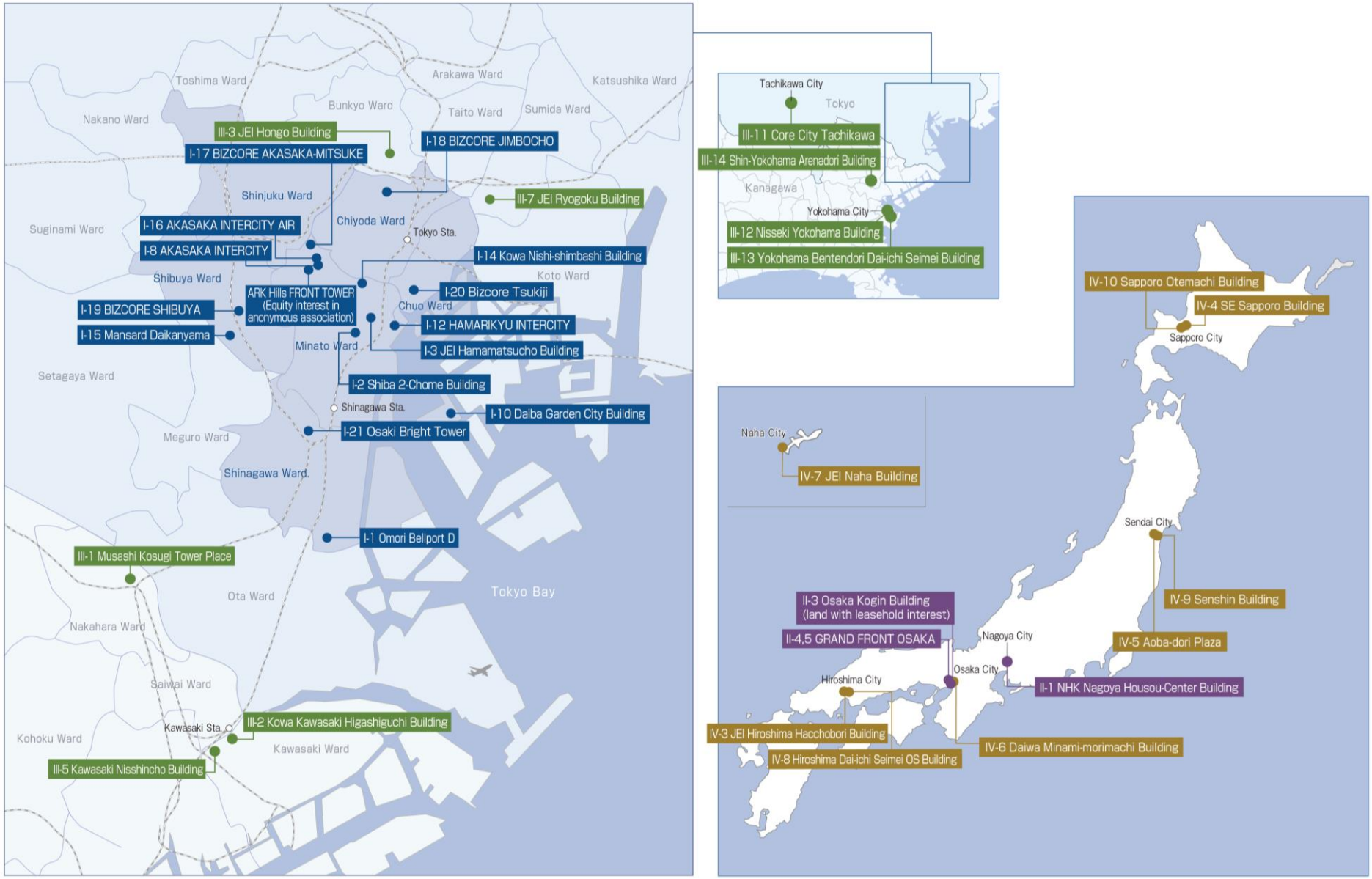
Owner Classification	Investment Units					Unitholders				
	End of 35th Period (Dec. 2023)		End of 36th Period (Jun. 2024)		Composition difference	End of 35th Period (Dec. 2023)		End of 36th Period (Jun. 2024)		Composition difference
	Number of units	Composition	Number of units	Composition		Number of people	Composition	Number of people	Composition	
Financial Institutions (Including Securities Companies)	875,546	65.5%	859,764	65.1%	-0.4pt	141	2.0%	136	1.9%	-0.1pt
Other Domestic Companies	177,010	13.2%	177,645	13.4%	0.2pt	164	2.3%	159	2.2%	-0.1pt
Foreign Companies, etc.	220,999	16.5%	220,557	16.7%	0.2pt	222	3.1%	223	3.1%	-
Individuals	64,043	4.8%	63,648	4.8%	-	6,640	92.6%	6,693	92.8%	0.2pt
Total	**1,337,598**	**100.0%**	**1,321,614**	**100.0%**	-	**7,167**	**100.0%**	**7,211**	**100.0%**	-

Ratio of investment units held by the 2 core sponsor companies: 11.7%

Rank	Name	Units	Composition ratio (%)
1	Custody Bank of Japan, Ltd. (Trust Account)	388,771	29.4%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	216,115	16.4%
3	Nippon Steel Kowa Real Estate Co., Ltd.	134,427	10.2%
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	58,489	4.4%
5	The Dai-ichi Life Insurance Company, Limited	20,660	1.6%
6	STATE STREET BANK WEST CLIENT - TREATY 505234	20,574	1.6%
7	JP MORGAN CHASE BANK 385771	14,636	1.1%
8	SSBTC CLIENT OMNIBUS ACCOUNT	14,576	1.1%
9	JP MORGAN CHASE BANK 385781	12,852	1.0%
10	STATE STREET BANK AND TRUST COMPANY 505103	10,624	0.8%
Total		**891,724**	**67.5%**

*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-10	I-12	I-14	I-15	I-16
Type	Office	Office	Office	Office	Office	Office	Office	Office	Office
Name	Omori Bellport D	Shiba 2-Chome Building	JEI Hamamatsucho Building	AKASAKA INTERCITY	Daiba Garden City Building	HAMARIKYU INTERCITY	Kowa Nishi-Shimbashi Building	Mansard Daikanyama	AKASAKA INTERCITY AIR
									
Location	Minami-Oi, Shinagawa Ward, Tokyo	Shiba, Minato Ward, Tokyo	Hamamatsucho, Minato Ward, Tokyo	Akasaka, Minato Ward, Tokyo	Daiba, Minato Ward, Tokyo	Kaigan, Minato Ward, Tokyo	Nishishimbashi, Minato Ward, Tokyo	Sarugakucho, Shibuya Ward, Tokyo	Akasaka, Minato Ward, Tokyo
Total floor area (m^2)	155,778.75	19,518.15	8,327.53	73,061.33	33,283.49	35,555.87	19,418.17	8,402.51	176,536.75
Completion date	September 1996	March 1994	December 1991	January 2005	December 2007	March 2011	July 1996	December 2009	August 2017
Acquisition date	June 2006	June 2006	June 2006	(1) October 2007 (2) February 2013	February 2011	(1) December 2011 (2) February 2014	(1) March 2013 (2) August 2017	July 2016	July 2018
Acquisition price (MN yen)	22,552	9,450	8,350	28,146	11,000	19,080	11,431	11,420	6,590
Investment ratio (%)	7.7	3.2	2.8	9.6	3.7	6.5	3.9	3.9	2.2
Period-end occupancy rate (%)	99.5	99.2	74.2	93.0	100.0	98.3	100.0	100.0	96.1
PML (%)	4.5	5.8	7.9	1.8	6.3	0.2	4.7	5.3	1.9
Green Building Certification DBJ ★★★★★~★ CASBEE S, A, B+, B	★★★	★★★	A	A	S	Residential portion:★★★★★ Office portion: ★★★	A	★★ / S	★★★★★ / S

*1 “Completion date” is as of the time of initial construction described in the register.
*2 “Acquisition price” is the price recorded in sales agreements (excluding consumption tax for each property). Figures are rounded down to the nearest million yen.
*3 “Investment ratio” shows a ratio of the acquisition price for each property to total acquisition price as of June 30, 2024 (excluding Ark Hills FRONT TOWER (equity interest in anonymous association)) and is rounded to the first decimal place.
*4 “PML” is the earthquake PML calculated by Sompo Risk Management Inc.

Portfolio Overview (2)

Property Number	I-17	I-18	I-19	I-20	I-21	II-1	II-3	II-4	II-5
Type	Office	Office	Office	Office	Office	Office	Office	Office	Office
Name	BIZCORE AKASAKA-MITSUKE	BIZCORE JIMBOCHO	BIZCORE SHIBUYA	BIZCORE TSUKIJI	OSAKI BRIGHT TOWER/OSAKI BRIGHT PLAZA	NHK Nagoya Housou-Center Building	Osaka Kogin Building (Land with Leasehold Interest)	GRAND FRONT OSAKA (Umekita Plaza / South Building)	GRAND FRONT OSAKA (North Building)
									
Location	Akasaka, Minato Ward, Tokyo	Kanda-ogawamachi, Chiyoda Ward, Tokyo	Shibuya, Shibuya Ward, Tokyo	Tsukiji, Chuo Ward, Tokyo	Kita-Shinagawa, Shinagawa Ward, Tokyo	Higashi Ward, Nagoya City, Aichi	Chuo Ward, Osaka City, Osaka	Kita Ward, Osaka City, Osaka	Kita Ward, Osaka City, Osaka
Total floor area (m^2)	3,515.63	8,217.64	3,835.11	6,728.37	89,234.27 (BRIGHT TOWER) 4,084.84 (BRIGHT PLAZA)	80,809.95	3,158.45 (site area for land)	181,371.39 (South Building) 10,226.10 (Umekita Plaza)	290,030.59
Completion date	March 2019	November 2017	January 2020	July 2019	April 2015	July 1991	-	March 2013 (South Building) February 2013 (Umekita Plaza)	February 2013
Acquisition date	October 2019	June 2021	August 2022	July 2023	April 2024	(1) June 2006 (2) March 2014	February 2013	(1) February 2020 (2) December 2023	(1) February 2020 (2) December 2023
Acquisition price (MN yen)	6,200	10,200	6,640	9,800	13,100	5,610	1,770	9,518	7,632
Investment ratio (%)	2.1	3.5	2.3	3.3	4.5	1.9	0.6	3.2	2.6
Period-end occupancy rate (%)	100.0	100.0	100.0	100.0	99.5	99.6	100.0	91.8	98.1
PML (%)	5.7	7.0	5.4	5.0	1.7	4.0	-	3.2	3.2
Green Building Certification DBJ ★★★★★~★ CASBEE S, A, B+, B	S	★★★	S	S	-	-	-	South Building S Umekita Plaza A	S

*1 "Completion date" is as of the time of initial construction described in the register.
*2 "Acquisition price" is the price recorded in sales agreements (excluding consumption tax for each property). Figures are rounded down to the nearest million yen.
However, for Osaka Kogin Building (land with leasehold interest), the acquisition price is calculated as the land purchase price specified in the relevant trust beneficiary interest transfer agreement subject to conditions precedent minus the amount equivalent to the key money pertaining to the leasehold interest in land, which will be received from the lessee of the land.
*3 "Investment ratio" shows a ratio of the acquisition price for each property to total acquisition price as of June 30, 2024 (excluding Ark Hills FRONT TOWER (equity interest in anonymous association)) and is rounded to the first decimal place.
*4 "PML" is the earthquake PML calculated by Sompo Risk Management Inc.

Portfolio Overview (3)

Property Number	III-1	III-2	III-3	III-5	III-7	III-11	III-12	III-13	III-14
Type	Office	Office	Office	Office	Office	Office	Office	Office	Office
Name	Musashikosugi Tower Place	Kowa Kawasaki Higashiguchi Building	JEI Hongo Building	Kawasaki Nisshincho Building	JEI Ryogoku Building	Core City Tachikawa	Nisseki Yokohama Building	Yokohama Bentendori Dai-ichi Seimei Building	Shin-Yokohama Arena-dori Building
									
Location	Nakahara Ward, Kawasaki City, Kanagawad	Kawasaki Ward, Kawasaki City, Kanagawa	Hongo, Bunkyo Ward, Tokyo	Kawasaki Ward, Kawasaki City, Kanagawa	Ryogoku, Sumida Ward, Tokyo	Akebonocho, Tachikawa City, Tokyo	Naka Ward, Yokohama City, Kanagawa	Naka Ward, Yokohama City, Kanagawa	Kohoku Ward, Yokohama City, Kanagawa
Total floor area (m^2)	53,711.13	31,009.62	5,877.11	22,141.60	5,820.56	19,099.27	72,116.65	2,934.55	2,448.57
Completion date	July 1995	April 1988	February 1991	April 1992	August 1996	December 1994	May 1997	December 1986	October 2001
Acquisition date	June 2006	June 2006	June 2006	(1) June 2006 (2) November 2006 (3) October 2008 (4) April 2013	June 2006	February 2013	April 2015	June 2018	March 2023
Acquisition price (MN yen)	13,890	10,976	5,400	4,725	2,550	6,500	24,500	640	2,077
Investment ratio (%)	4.7	3.7	1.8	1.6	0.9	2.2	8.3	0.2	0.7
Period-end occupancy rate (%)	100.0	100.0	100.0	95.6	100.0	98.0	99.8	100.0	91.1
PML (%)	4.2	4.0	6.8	5.5	6.8	2.6	1.4	8.3	8.2
Green Building Certification DBJ ★★★★★~★ CASBEE S, A, B+, B	S	S	★★	S	-	S	S	-	-

*1 "Completion date" is as of the time of initial construction described in the register.
*2 "Acquisition price" is the price recorded in sales agreements (excluding consumption tax for each property). Figures are rounded down to the nearest million yen.
*3 "Investment ratio" shows a ratio of the acquisition price for each property to total acquisition price as of June 30, 2024 (excluding Ark Hills FRONT TOWER (equity interest in anonymous association)) and is rounded to the first decimal place.
*4 "PML" is the earthquake PML calculated by Sompo Risk Management Inc.

Portfolio Overview (4)

Property Number	IV-3	IV-4	IV-5	IV-6	IV-7	IV-8	IV-9	IV-10	Investment securities
Type	Office	Office	Office	Office	Office	Office	Office	Office	Office
Name	JEI Hiroshima Hacchobori Building	SE Sapporo Building	Aoba-dori Plaza	Daiwa Minami-morimachi Building	JEI Naha Building	Hiroshima Dai-ichi Seimei OS Building	Senshin Building	Sapporo Otemachi Building	ARK Hills FRONT TOWER (Equity interest in anonymous association)
									
Location	Naka Ward, Hiroshima City, Hiroshima	Kita Ward, Sapporo City, Hokkaido	Aoba Ward, Sendai City, Miyagi	Kita Ward, Osaka City, Osaka	Kumoji, Naha City, Okinawa	Minami Ward, Hiroshima City, Hiroshima	Aoba Ward, Sendai City, Miyagi	Chuo Ward, Sapporo City, Hokkaido	Akasaka, Minato Ward, Tokyo
Total floor area (m^2)	9,919.93	23,644.22	22,737.38	12,759.65	4,371.94	10,696.54	2,766.22	9,792.75	24,207.77
Completion date	February 1999	March 1989	July 1996	January 1990	June 1990	March 1989	October 1984	April 1984	January 2011
Acquisition date	May 2012	March 2013	February 2014	February 2014	December 2015	June 2018	November 2019	December 2021	May 2022
Acquisition price (MN yen)	2,760	5,500	2,120	4,410	1,380	2,780	1,580	4,069	5,230
Investment ratio (%)	0.9	1.9	0.7	1.5	0.5	0.9	0.5	1.4	-
Period-end occupancy rate (%)	100.0	100.0	96.3	100.0	100.0	100.0	88.0	100.0	94.4
PML (%)	0.8	0.2	0.1	3.2	5.3	0.9	1.7	1.9	1.8
Green Building Certification DBJ ★★★★★~★ CASBEE S, A, B+, B	★ / S	A	-	-	-	A	-	-	-

*1 "Completion date" is as of the time of initial construction described in the register.
*2 "Acquisition price" is the price recorded in sales agreements (excluding consumption tax for each property). Figures are rounded down to the nearest million yen.
*3 "Investment ratio" shows a ratio of the acquisition price for each property to total acquisition price as of June 30, 2024 (excluding Ark Hills FRONT TOWER (equity interest in anonymous association)) and is rounded to the first decimal place.
*4 "PML" is the earthquake PML calculated by Sompo Risk Management Inc.

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