

JAPAN REAL ESTATE INVESTMENT CORPORATION

Japan Real Estate Asset Management Co., Ltd.

As of 21 March 2025

Supplementary Materials Regarding the Press Release Announced Today

- **Announcement of Acquisition and Disposition of Domestic Real Estate
(Acquisition of CO•MO•RE YOTSUYA and Disposition of Akasaka Park Building)**
- **Announcement of Forecast Revisions for the September 2025 Period**

Summary of Property Replacement (1)

Property Replacement Strategy

- ▶ Acquiring high-quality properties that are expected to enhance competitiveness of JRE's portfolio in the medium- to long-term and achieve growth exceeding inflation.
- ▶ Selling properties with concerns about declining profitability due to weakening leasing competitiveness and increasing construction expenses over time.

Property to be acquired



CO•MO•RE YOTSUYA

- A large-scale, mixed-use redevelopment property completed in 2020
- A high-grade office building that serves as a landmark in the Yotsuya area
- Excellent accessibility such as just a one-minute walk from Yotsuya Station
- Expected to enhance competitiveness and profitability in the medium- to long-term

Completion	January 2020 (5 years old)
Acquisition price	JPY 29,050 million (Ratio of ownership interest: 13.5%)
Seller	Mitsubishi Estate Co., Ltd.
Transfer date	26 March 2025
Occupancy rate	99.9%
NOI yield	(before depreciation) 3.2% (after depreciation) 2.2%

Property to be disposed of



Akasaka Park Building

- Concerns about weak accessibility from the nearest station and declining competitiveness as an office location
- As an over 30 years old mixed-use building, with expected increase in construction expenses
- Planned to be disposed of in six stages to control significant fluctuations in DPU and EPU
- Sell to the sponsor, Mitsubishi Estate, due to the possibility of a six-installments disposition and the conclusion of a replacement property provision agreement (refer to P2)

Completion	July 1993 (31 years old)
Disposition price	JPY 80,700 million
Estimated gain	JPY 23,310 million
Buyer	Mitsubishi Estate Co., Ltd.
Transfer date	① April 1, 2025 ② October 1, 2025 ③ April 1, 2026 ④ October 1, 2026 ⑤ April 1, 2027 ⑥ October 1, 2027
Occupancy rate	90.0%
NOI yield	(before depreciation) 3.1% (after depreciation) 2.1%

Summary of Property Replacement (2)

Concluding a **replacement property provision agreement** with the sponsor, Mitsubishi Estate, while taking the opportunity of the transfer of Akasaka Park Building

Benefits of Concluding This Agreement

- **Securing opportunities to acquire multiple properties until reaching a scale comparable to Akasaka Park Building**
- Acquired the preferential right to acquire high-quality properties of Mitsubishi Estate and SPCs funded by Mitsubishi Estate (“Mitsubishi Estate, etc.”) without the obligation to acquire


Summary of the replacement property provision agreement

- The contract is scheduled to be concluded on April 1, 2025
- **JRE can exercise the preferential negotiation rights for properties of Mitsubishi Estate, etc., until the cumulative acquisition price from March 2025 onwards reaches the transfer price of Akasaka Park Building (JPY 80.7 billion*)**
 - *The acquisition price (JPY 29.05 billion) of CO・MO・RE YOTSUYA, scheduled to be acquired on March 26, 2025, is also included in this amount.
- The period for reaching the cumulative acquisition price mentioned above is, in principle, until the fiscal year ending March 2028, when the transfer of Akasaka Park Building is scheduled to be completed.
- However, **JRE is not obligated to acquire**, and if negotiations do not reach an agreement, Mitsubishi Estate, etc., **may transfer properties to parties other than JRE, at a price higher than the one proposed by JRE.**



Akasaka Park Building

JPY
80.7
billion



Example of properties developed by Mitsubishi Estate

Developed properties



Link Square Shinjuku



CO・MO・RE YOTSUYA

Properties to be developed



TOYOSU SAIL PARK



Akasaka 2-6-chome
District Development
Plan

etc.

* As of today, it is not confirmed that JRE will acquire the aforementioned properties.



Forecast Revisions for the September 2025 Period

- ▶ Due to the increase in occupancy rates and progress in rent revisions, internal growth is positive
- ▶ With the recording of the gain on the sale of Akasaka Park Building, the DPU (Distribution Per Unit) for the September 2025 period will be increased by 50 yen to 2,450 yen, compared to the value announced in November 2024.



Occupancy Rate

97.0%

As of Sep. 30, 2025
Forecast announced on
Nov. 15, 2024 (previous)



97.3%

As of Sep. 30, 2025
Forecast announced on
Mar. 21, 2025 (current)



Leasing Activities

*Main progress since the announcement on Nov. 15, 2024.

Occupancy Rate

MM Park Building (Yokohama City)

- Approximately 790 tsubo of leasing has been confirmed
(Two cases of new lease and two case of expansion)

Occupancy Rate*	Previous	Current
(09/25)	91.3%	97.1%

Shinjuku Eastside Square

- Although a major tenant is expected to vacate approx. 3,000 tsubo in the Sep. 2025 period, it has been confirmed that about 1,100 tsubo will be refilled in the Sep. 2025 period and about 1,900 tsubo in the Mar. 2026 period.
- The average rent per tsubo for this section will increase by about 10%.

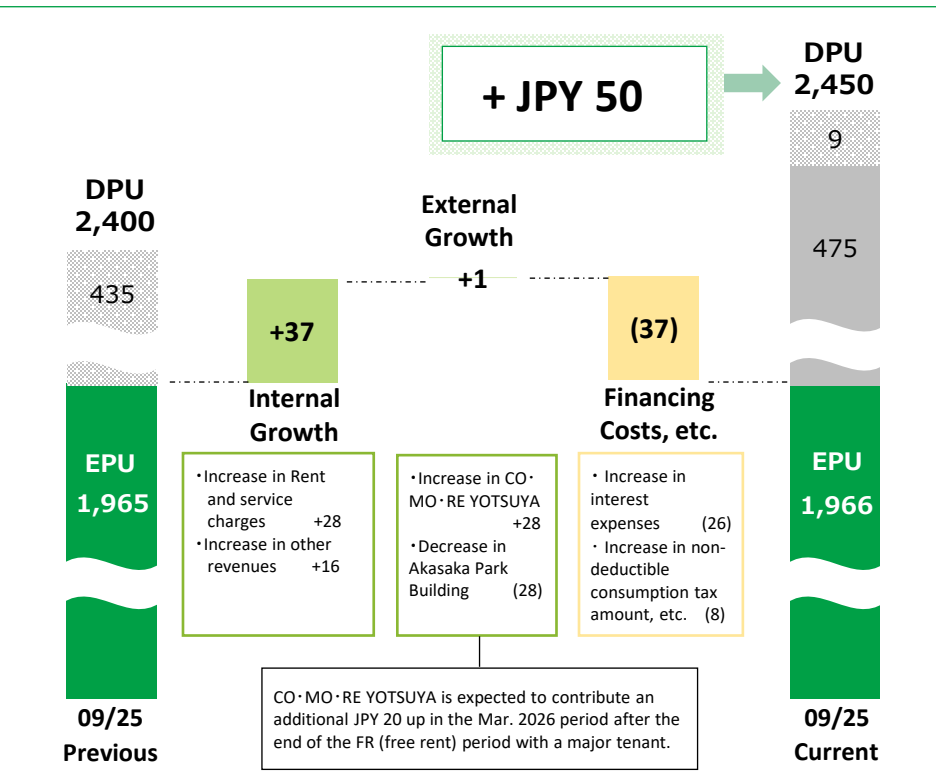
Rent Revisions

- For a major tenant in a Tokyo property (approx. 5,100 tsubo), a rent increase of about 4% has been achieved, resulting in an additional monthly rent of approx. 4.5 million yen (Sep. 2025 period).
- For a major tenant in a regional property (approx. 1,400 tsubo), a rent increase of about 14% has been achieved, resulting in an additional monthly rent of approx. 2.8 million yen (Mar. 2025 period).

■ Increase ■ Decrease ■ Gain of sales of real estate property ■ Reversal of internal reserves (JPY)

DPU of Sep. 2025 period

Comparison with the previous announcement on Nov. 15, 2024





Terminology Used in this Document

1. All figures are rounded down to the indicated unit. However, percentage figures, including occupancy rates, are rounded to the nearest unit.
2. $\text{NOI} = \text{Property-related revenues} - \text{Property-related expenses (Excluding Depreciation)}$
3. CO・MO・RE YOTSUYA
 - “Occupancy rate” is based on the forecast as of the scheduled acquisition date.
 - “NOI yield (before depreciation)” = the NOI estimated as of the scheduled acquisition date / Acquisition price
 - “NOI yield (after depreciation)” = the (NOI – Depreciation) estimated as of the scheduled acquisition date / Acquisition price
4. Akasaka Park Building
 - “Estimated gain” indicates the figures of total estimated gain of each stage of disposition from April 1, 2025 to October 1, 2027.
 - “Occupancy rate” indicates the figures as of the end of the fiscal period ended September 2024.
 - “NOI yield (before depreciation)” = Total NOI for the most recent two fiscal periods / Disposition price
 - “NOI yield (after depreciation)” = (Total NOI for the most recent two fiscal periods – Total estimated depreciation for the most recent two fiscal periods.) / Disposition price
5. DPU refers to dividend per unit.
6. EPU refers to dividend per unit less gains on sales of real estate property (after deducting distribution-linked fee II) and reversal of internal reserves.

Disclaimer Concerning Forward-Looking Statements

This presentation contains information regarding forward-looking statements reflecting the plans and outlook of Japan Real Estate Investment Corporation (JRE). All descriptions contained herein, other than those related to historical or current facts, are reckoned to be such forward-looking statements. These forward-looking statements are based on the assumptions, judgments and data made by Japan Real Estate Asset Management Co., Ltd. and JRE in light of currently available information. The statements may contain known and unknown risks, uncertainty and other factors not accounted for, and may be affected by these factors, which include risks related to JRE's internal and external growth and risks related to the profitability per unit. These risks, uncertainty and other factors may bring significantly different results regarding JRE's future performance, management achievements and financial standing implicitly or explicitly presented in the relevant forward-looking statements. JRE shall assume no obligation to update such forward-looking statements and disclose them.

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