

1. Trends in Land Ownership Transfer

【The Tokyo Metropolitan Area: Number of registrations of land ownership

transfer through transactions】

○ The Tokyo Metropolitan Area

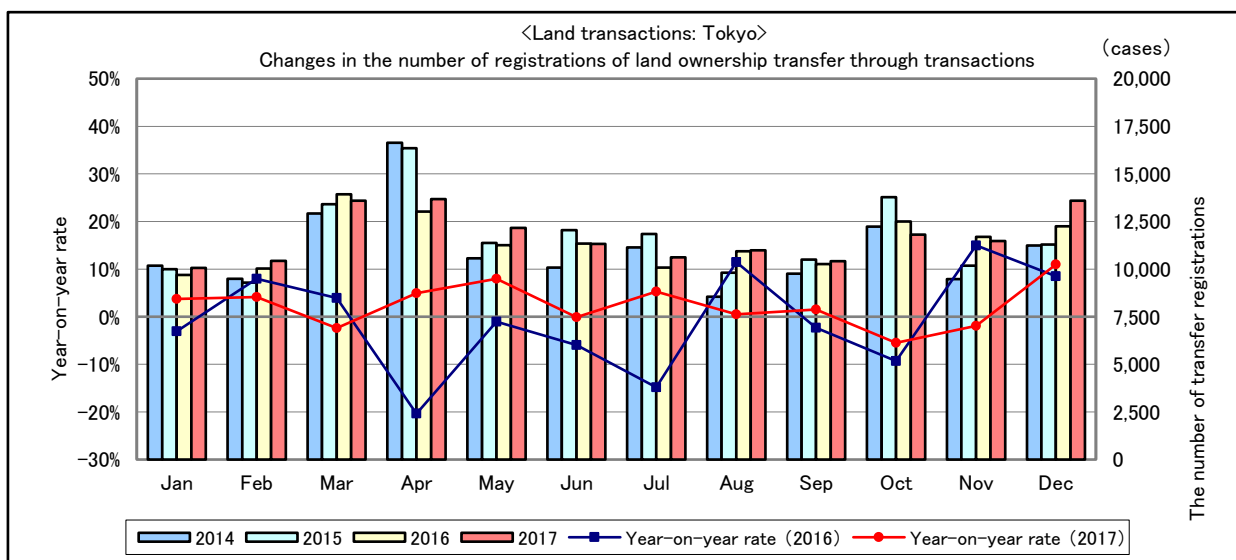
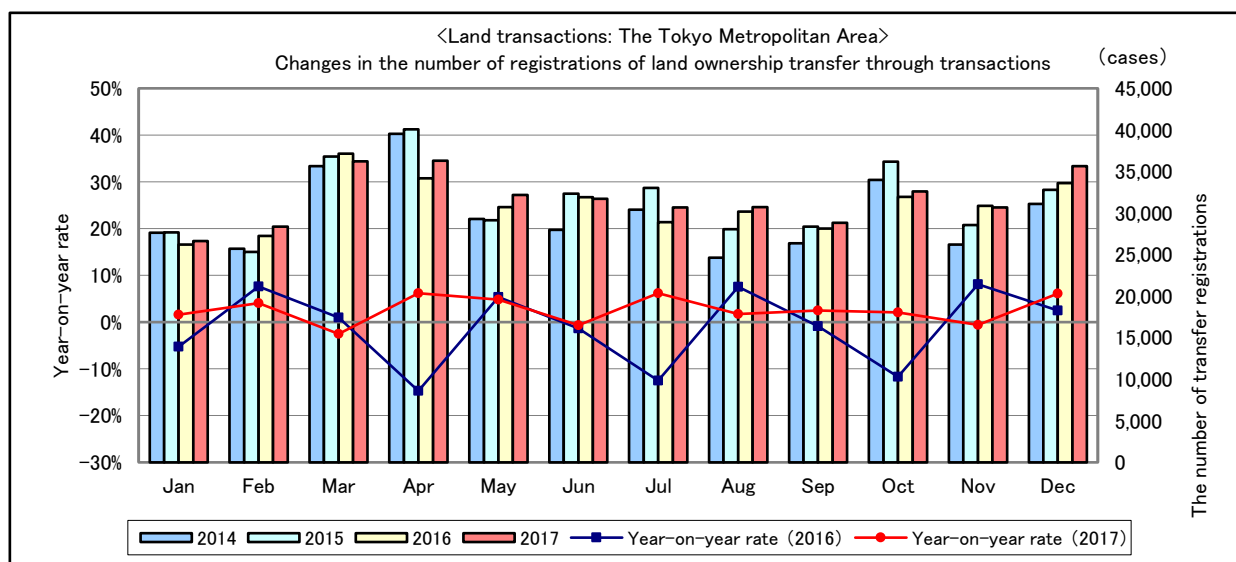
• The number of registrations of land ownership transfer through transactions in December totaled 35,646, a year-on-year increase of 6.1%.

• The figure increased year-on-year for the first time in 2 months.

○ Tokyo

• The number of registrations of land ownership transfer through transactions in December totaled 13,597, a year-on-year increase of 11.0%.

• The figure increased year-on-year for the first time in 3 months.



Source: "Monthly Legal Statistics Report," Ministry of Justice

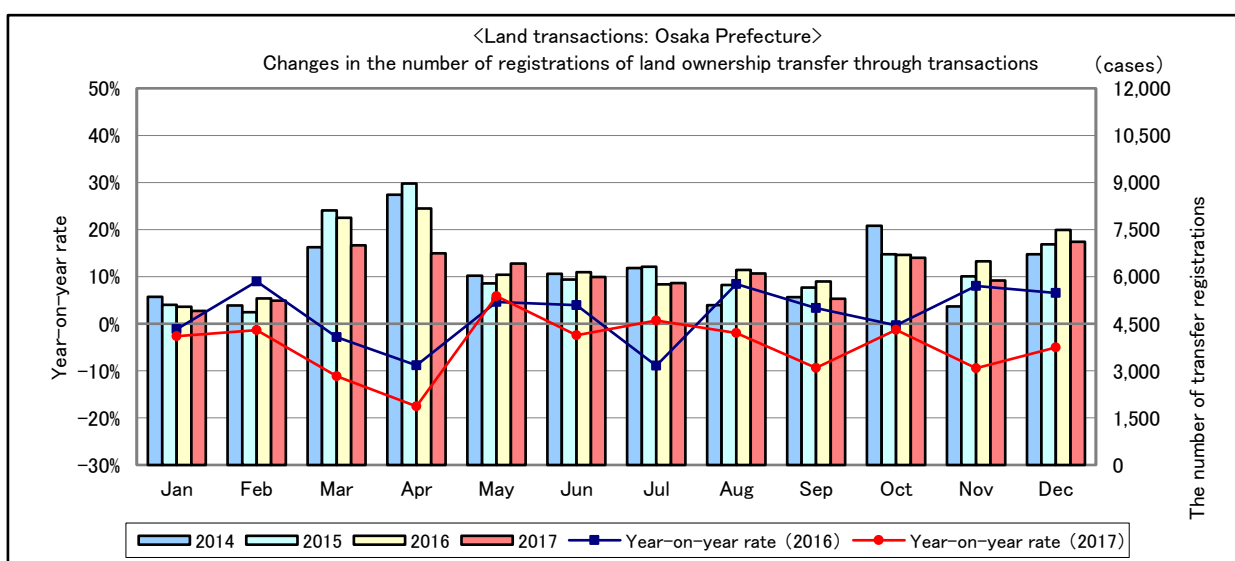
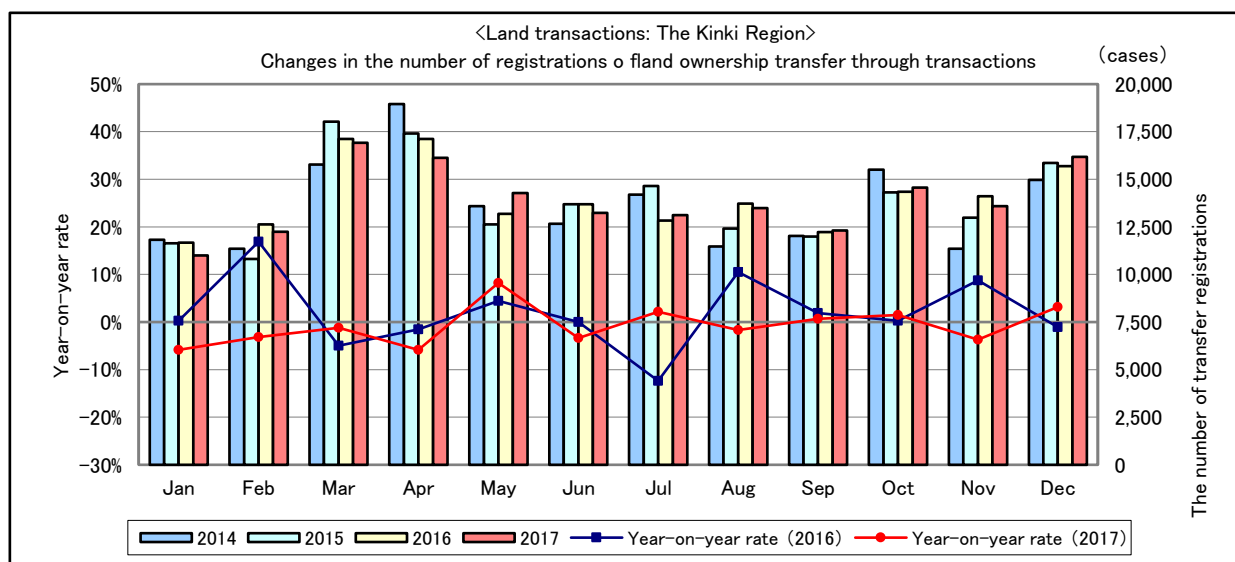
【The Kinki Region: Number of registrations of land ownership transfer through transactions】

○ The Kinki Region

- The number of registrations of land ownership transfer through transactions in December totaled 16,184, a year-on-year increase of 3.1%.
- The figure increased year-on-year for the first time in 2 months.

○ Osaka Prefecture

- The number of registrations of land ownership transfer through transactions in December totaled 7,111, a year-on-year decrease of 5.0%.
- The figure has decreased year-on-year for 5 consecutive months.



Source: "Monthly Legal Statistics Report," Ministry of Justice

2. Trends in the Housing Market

1) Trends in housing starts

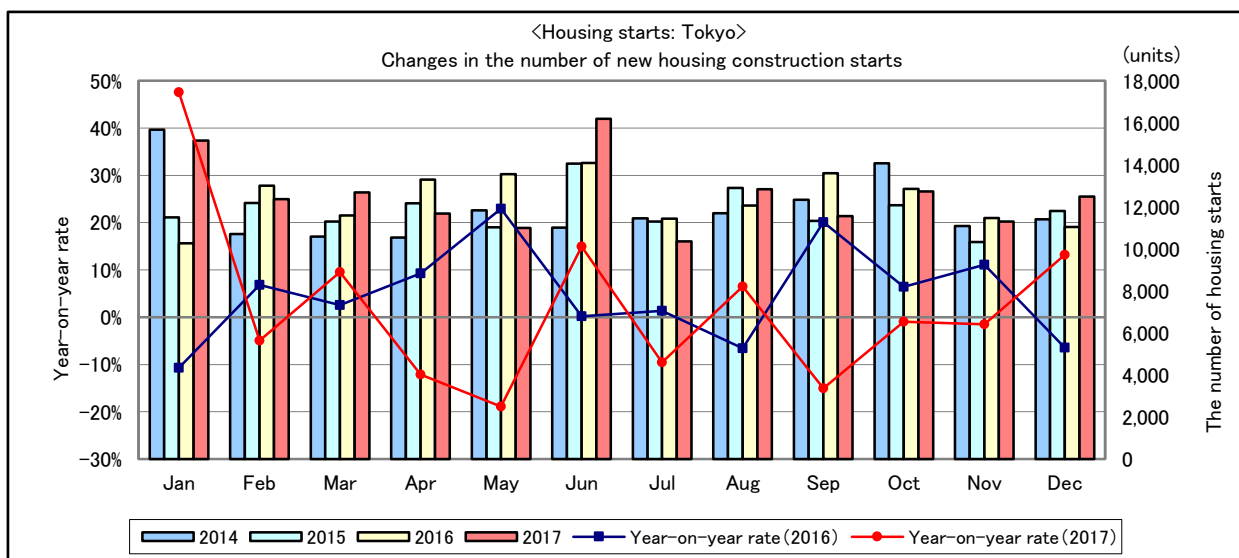
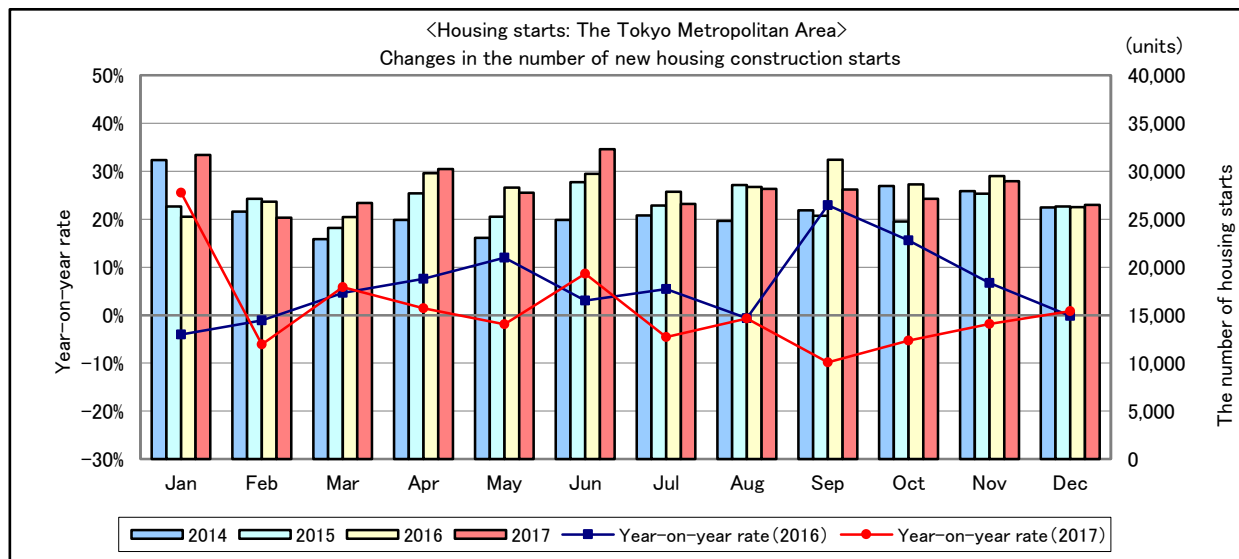
【The Tokyo Metropolitan Area: Number of new housing starts】

○ The Tokyo Metropolitan Area

- The number of new housing starts in December totaled 26,497 units, a year-on-year increase of 0.9%.
- The figure surpassed the previous year's results for the first time in 6 months.

○ Tokyo

- The number of new housing starts in December totaled 12,492 units, a year-on-year increase of 13.2%.
- The figure surpassed the previous year's results for the first time in 4 months.



Source: "Statistics of Building Construction Starts," Ministry of Land, Infrastructure, Transport and Tourism

【The Tokyo Metropolitan Area: Breakdown of housing starts by use】

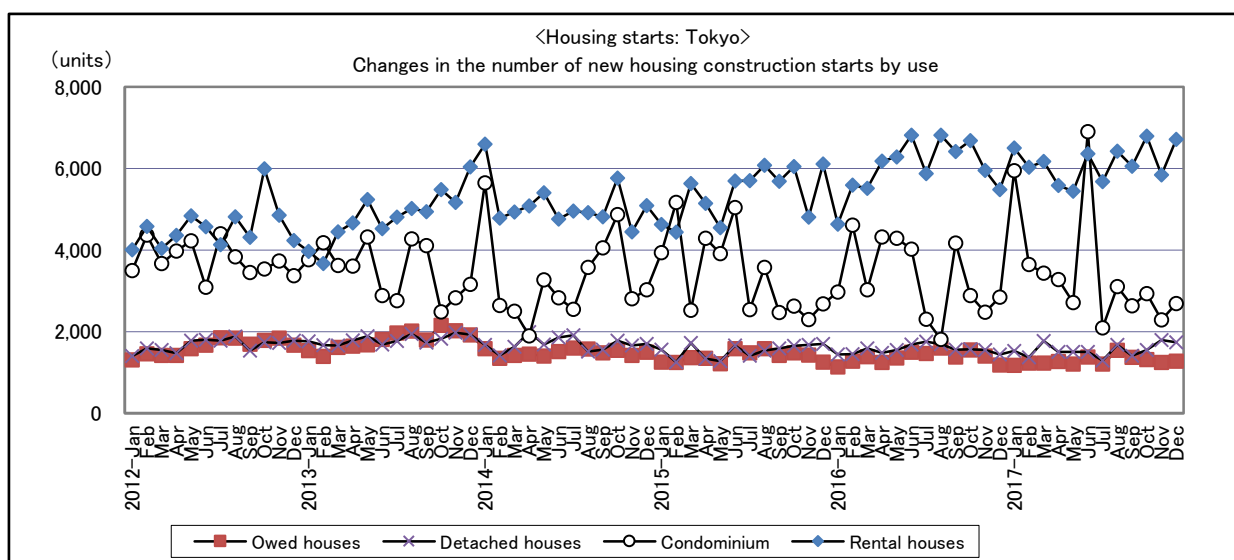
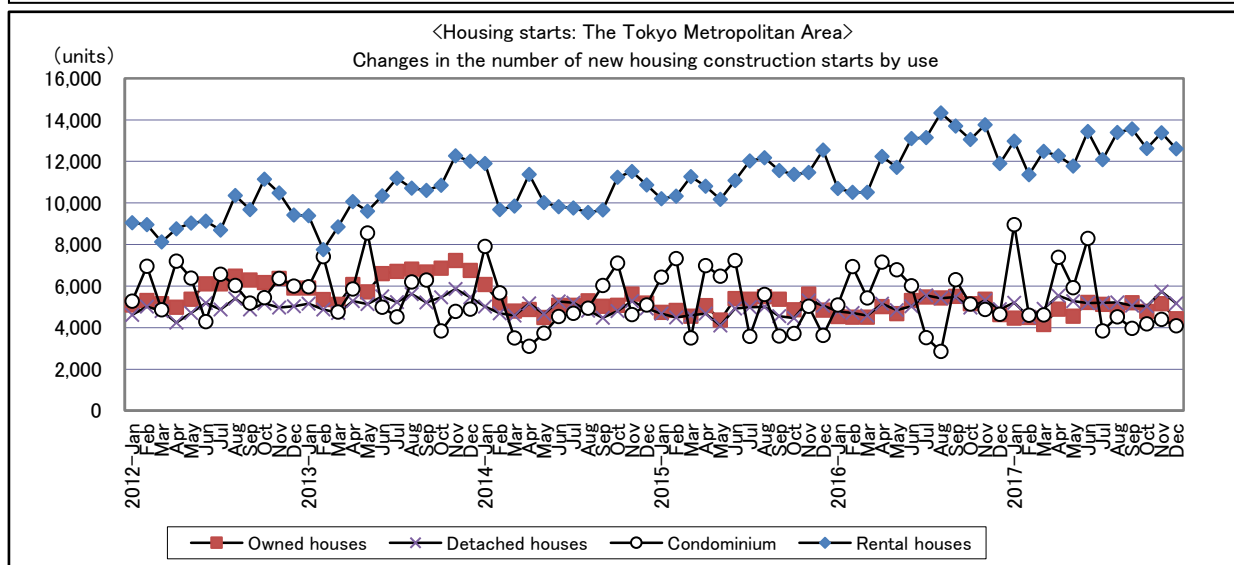
○ The Tokyo Metropolitan Area

• Owned houses decreased year-on-year for 14 consecutive months, falling below the previous year's results by 4.5%. Rental houses increased by 5.9% year-on-year, surpassing the previous year's results for the first time in 6 months.

Houses built for sale decreased by 3.6% year-on-year, falling below the previous year's results for 4 consecutive months. Among houses built for sale, detached houses increased by 5.7% year-on-year, surpassing the previous year's results for 3 consecutive months. Condominiums decreased by 12.2% year-on-year, falling below the previous year's results for 4 consecutive months.

○ Tokyo

• Owned houses increased year-on-year for the first time in 8 months, surpassing the previous year's results by 8.0%. Rental houses increased by 22.5% year-on-year, surpassing the previous year's results for the first time in 2 months. Houses built for sale increased by 1.9% year-on-year, surpassing the previous year's results for 3 consecutive months. Among houses built for sale, detached houses increased by 20.4% year-on-year, surpassing the previous year's results for 2 consecutive months. Condominiums decreased by 5.6% year-on-year, falling below the previous year's results for 2 consecutive months.



Source: "Statistics of Building Construction Starts," Ministry of Land, Infrastructure, Transport and Tourism

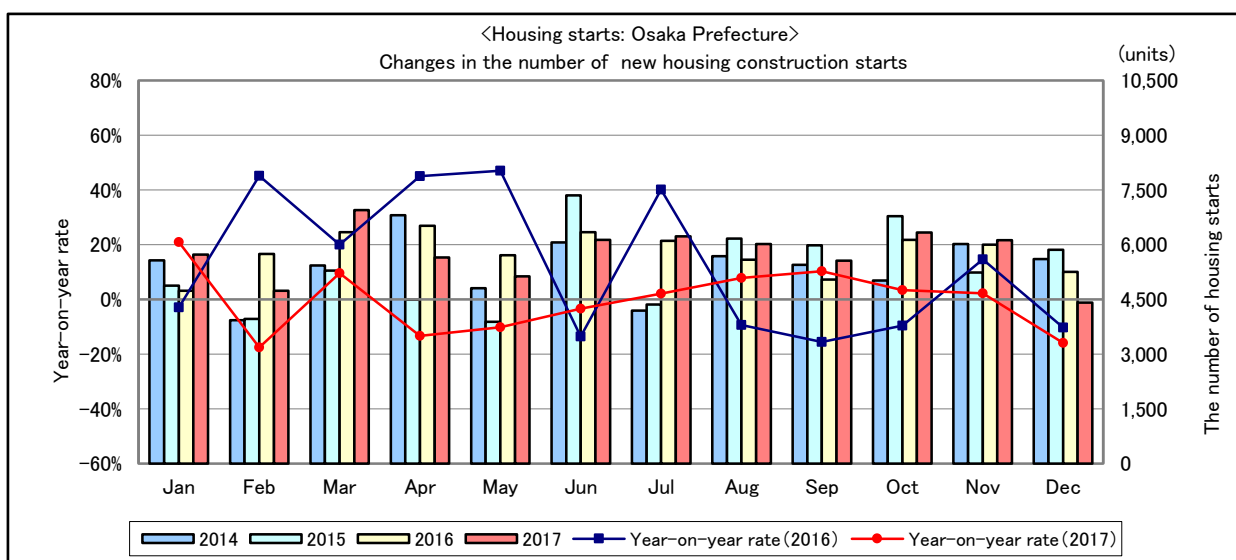
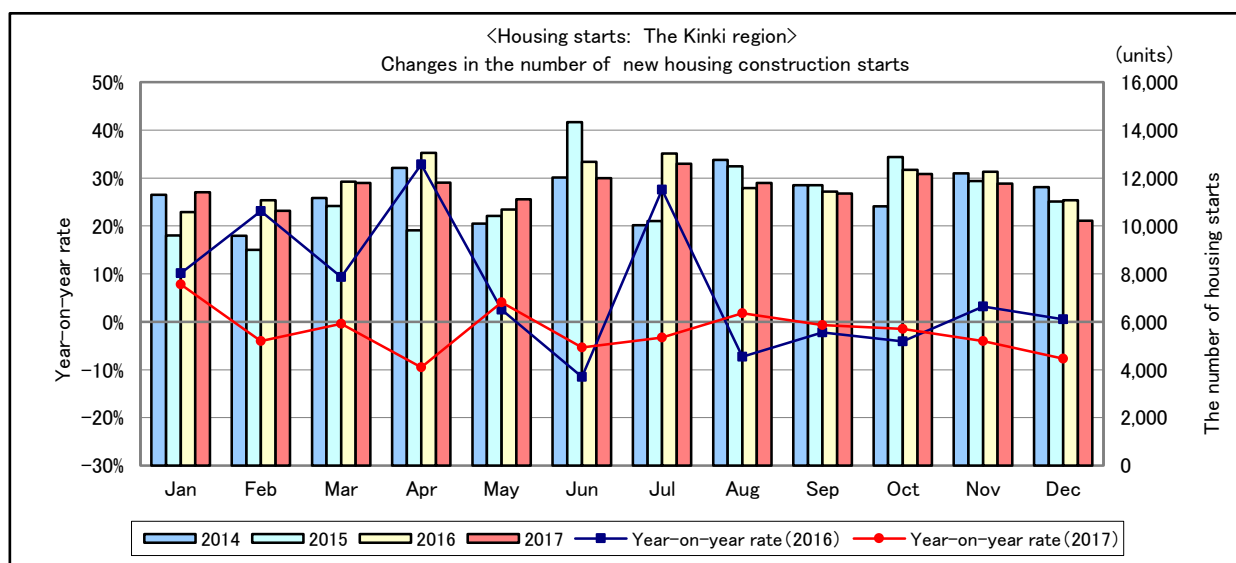
【The Kinki Region: Number of new housing starts】

○ The Kinki Region

- The number of new housing starts in December totaled 10,224 units, a year-on-year decrease of 7.7%.
- The figure has fallen below the previous year's results for 4 consecutive months.

○ Osaka Prefecture

- The number of new housing starts in December totaled 4,413 units, a year-on-year decrease of 15.9%.
- The figure fell below the previous year's results for the first time in 6 months.



Source: "Statistics of Building Construction Starts," Ministry of Land, Infrastructure, Transport and Tourism

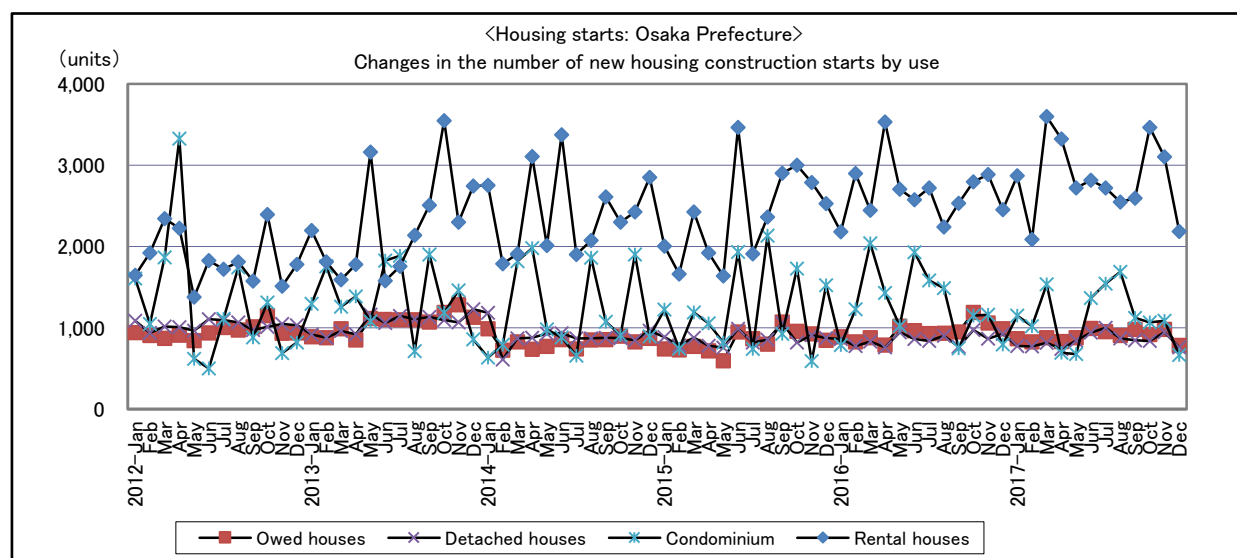
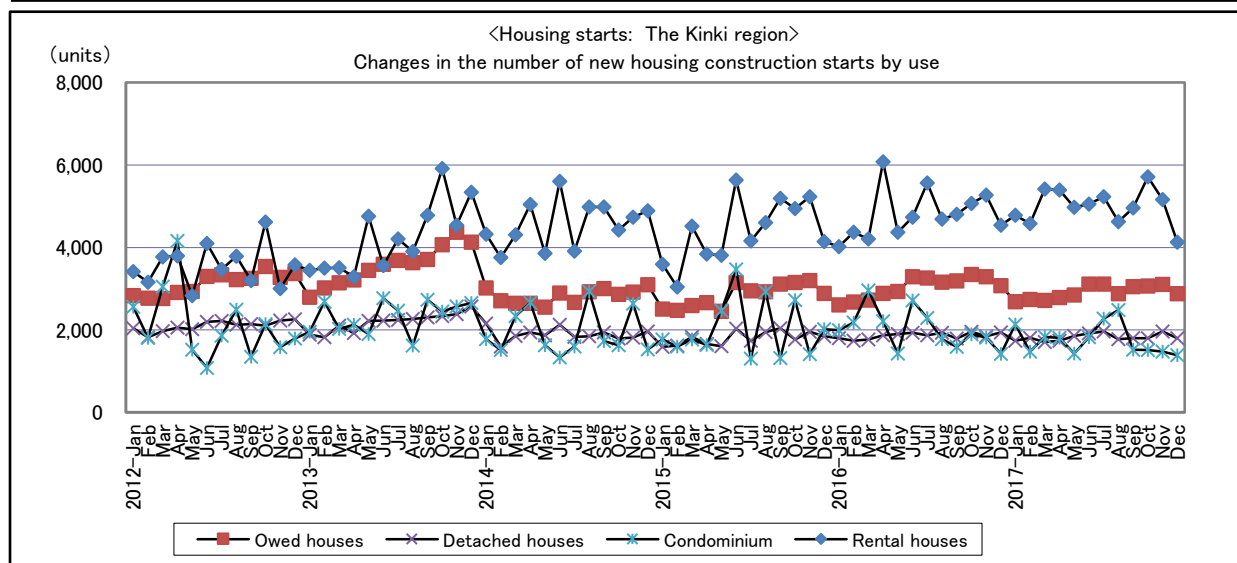
【The Kinki Region: Breakdown of housing starts by use】

○ The Kinki Region

• Owned houses decreased year-on-year for 10 consecutive months, falling below the previous year's results by 6.3%. Rental houses decreased by 9.0% year-on-year, falling below the previous year's results for 2 consecutive months. Houses built for sale decreased by 5.3% year-on-year, falling below the previous year's results for 4 consecutive months. Among houses built for sale, detached houses decreased by 7.5% year-on-year, falling below the previous year's results for the first time in 2 months. Condominiums decreased by 2.0% year-on-year, falling below the previous year's results for 4 consecutive months.

○ Osaka Prefecture

• Owned houses decreased year-on-year for 3 consecutive months, falling below the previous year's results by 20.6%. Rental houses decreased by 10.9% year-on-year, falling below the previous year's results for the first time in 5 months. Houses built for sale decreased by 16.9% year-on-year, falling below the previous year's results for 3 consecutive months. Among houses built for sale, detached houses decreased by 17.7% year-on-year, falling below the previous year's results for the first time in 2 months. Condominiums decreased by 16.2% year-on-year, falling below the previous year's results for 3 consecutive months.



Source: "Statistics of Building Construction Starts," Ministry of Land, Infrastructure, Transport and Tourism

2) Property Price Index (Residential)

【Property Price Index (Residential) All Japan・Tokyo including suburbs】

○ All Japan

•The residential index for November (Average 2010(Y) equals = 100) increased by 2.9% year-on-year to 109.8. The figure has surpassed the previous year's results for 36 consecutive months.

•The land index for November (Average 2010(Y) equals = 100) increased by 0.7% year-on-year to 98.1. The figure has surpassed the previous year's results for 5 consecutive months.

•The detached house index for November (Averaged 2010(Y) equal = 100) increased by 1.9% year-on-year to 101.6. The figure surpassed the previous year's results for the first time in 2 months.

•The condominiums index for November (Average 2010(Y) equals = 100) increased by 4.8% year-on-year to 136.4. The figure has surpassed the previous year's results for 57 consecutive months.

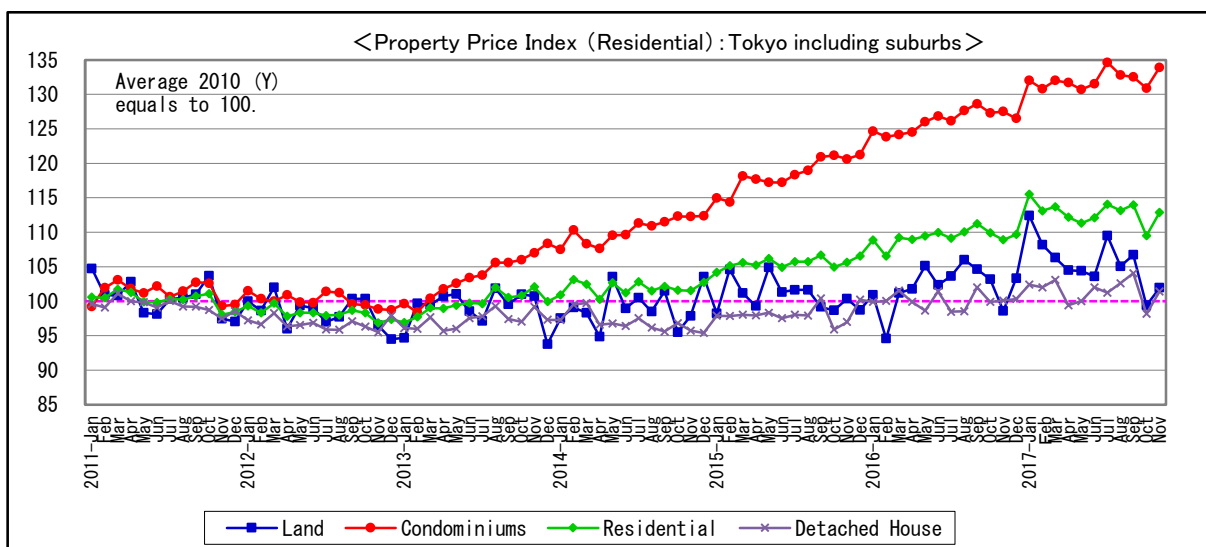
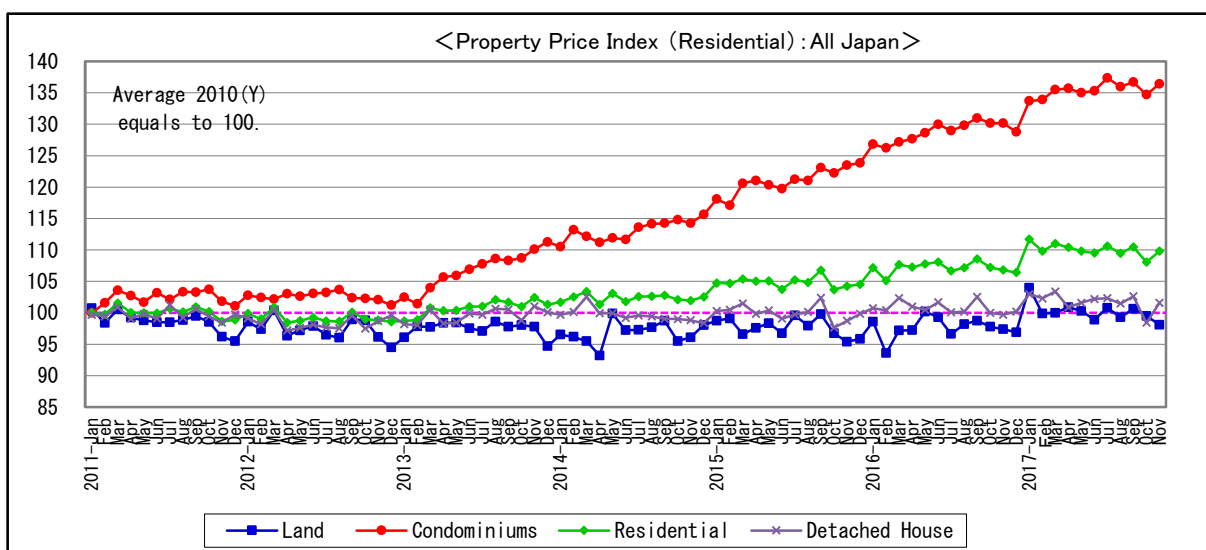
○ Tokyo including suburbs

•The residential index for November (Average 2010(Y) equals = 100) increased by 3.6% year-on-year to 112.9. The figure surpassed the previous year's results for the first time in 2 months.

•The land index for November (Average 2010(Y) equals = 100) increased by 3.4% year-on-year to 101.9. The figure surpassed the previous year's results for the first time in 2 months.

•The detached house index for November (Averaged 2010(Y) equal = 100) increased by 1.3% year-on-year to 101.4. The figure surpassed the previous year's results for the first time in 2 months.

•The condominiums index for November (Average 2010(Y) equals = 100) increased by 5.0% year-on-year to 133.9. The figure has surpassed the previous year's results for 57 consecutive months.



Source: "Property Price Index (Residential)" Ministry of Land, Infrastructure, Transport and Tourism

(*1) Monthly indexation by average 2010(Y) equals to 100.

(*2) Extracting the temporal market change rate of residential properties by using "hedonic regression method" which adjusts the quality variation of individual properties.

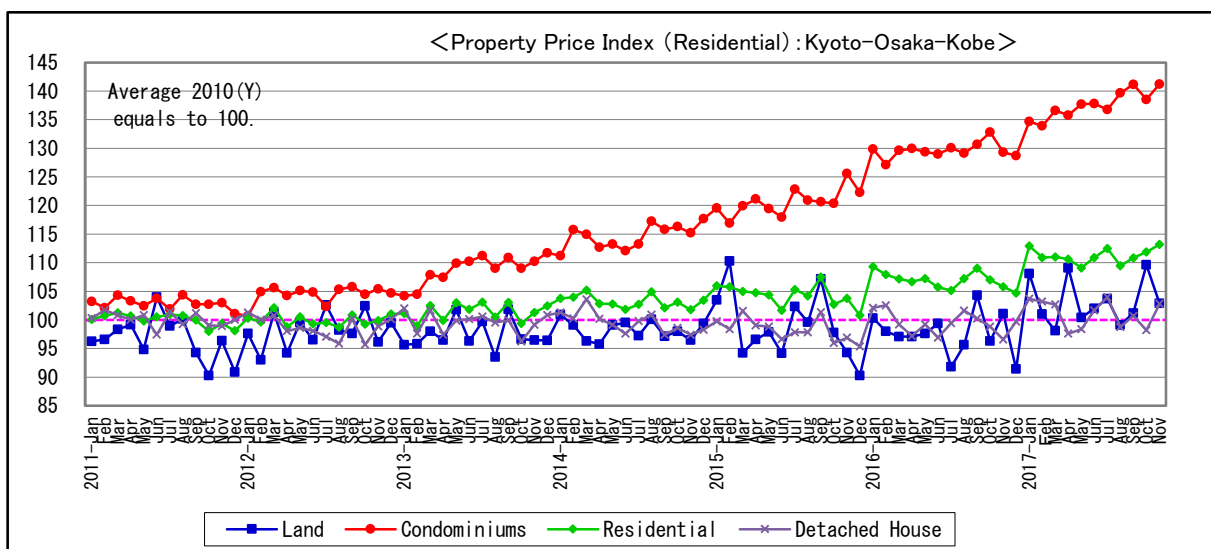
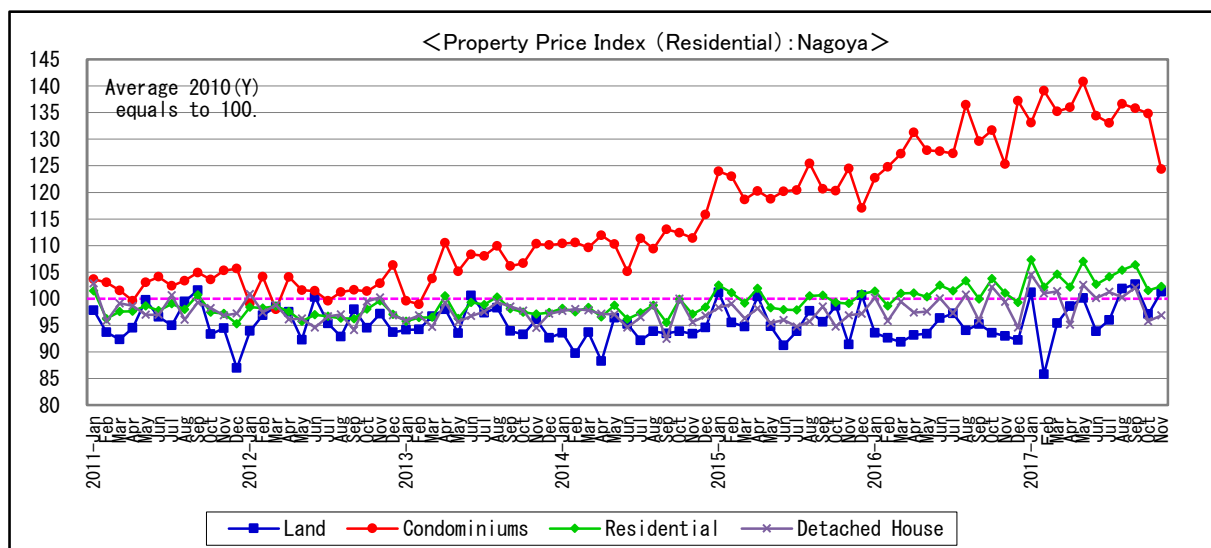
【Property Price Index (Residential) Nagoya・Kyoto-Osaka-Kobe】

○ Nagoya

- The residential index for November (Average 2010(Y) equals = 100) increased by 1.2% year-on-year to 102.3. The figure surpassed the previous year's results for the first time in 2 months.
- The land index for November (Average 2010(Y) equals = 100) increased by 9.0% year-on-year to 101.3. The figure has surpassed the previous year's results for 4 consecutive months.
- The detached house index for November (Averaged 2010(Y) equal = 100) decreased by 2.5% year-on-year to 96.9. The figure has fallen below the previous year's results for 2 consecutive months.
- The condominiums index for November (Average 2010(Y) equals = 100) decreased by 0.8% year-on-year to 124.4. The figure fell below the previous year's results for the first time in 22 months.

○ Kyoto-Osaka-Kobe

- The residential index for November (Average 2010(Y) equals = 100) increased by 7.0% year-on-year to 113.2. The figure has surpassed the previous year's results for 16 consecutive months.
- The land index for November (Average 2010(Y) equals = 100) increased by 1.8% year-on-year to 102.9. The figure has surpassed the previous year's results for 2 consecutive months.
- The detached house index for November (Averaged 2010(Y) equal = 100) increased by 6.4% year-on-year to 102.8. The figure surpassed the previous year's results for the first time in 2 months.
- The condominiums index for November (Average 2010(Y) equals = 100) increased by 9.2% year-on-year to 141.2. The figure has surpassed the previous year's results for 57 consecutive months.



Source: "Property Price Index (Residential)" Ministry of Land, Infrastructure, Transport and Tourism

(*1) Monthly indexation by average 2010(Y) equals to 100.

(*2) Extracting the temporal market change rate of residential properties by using "hedonic regression method" which adjusts the quality variation of individual properties.

3) Property Price Index (Commercial)

【Property Price Index (Commercial) All Japan】

○ All Japan(Total)

•The commercial index for the third quarter of the fiscal year (Average 2010(Y) equals = 100) increased by 3.1% year-on-year to 118.6. The figure has surpassed the previous year's results for 20 consecutive quarter terms.

•The land with structure index for the third quarter of the fiscal year (Average 2010(Y) equals = 100) increased by 3.9% year-on-year to 126.7. The figure has surpassed the previous year's results for 22 consecutive quarter terms.

•The land index for the third quarter of the fiscal year (Average 2010(Y) equals = 100) increased by 1.9% year-on-year to 100.7. The figure surpassed the previous year's results for the first time in 2 quarter terms.

○ All Japan(Classified by use)

•The retail index for the third quarter of the fiscal year increased by 8.8% year-on-year to 134.7. The figure has surpassed the previous year's results for 4 consecutive quarter terms.

•The office index for the third quarter of the fiscal year increased by 0.1% year-on-year to 123.4. The figure surpassed the previous year's results for the first time in 2 quarter terms.

•The warehouse index for the third quarter of the fiscal year increased by 6.3% year-on-year to 115.6. The figure has surpassed the previous year's results for 4 consecutive quarter terms.

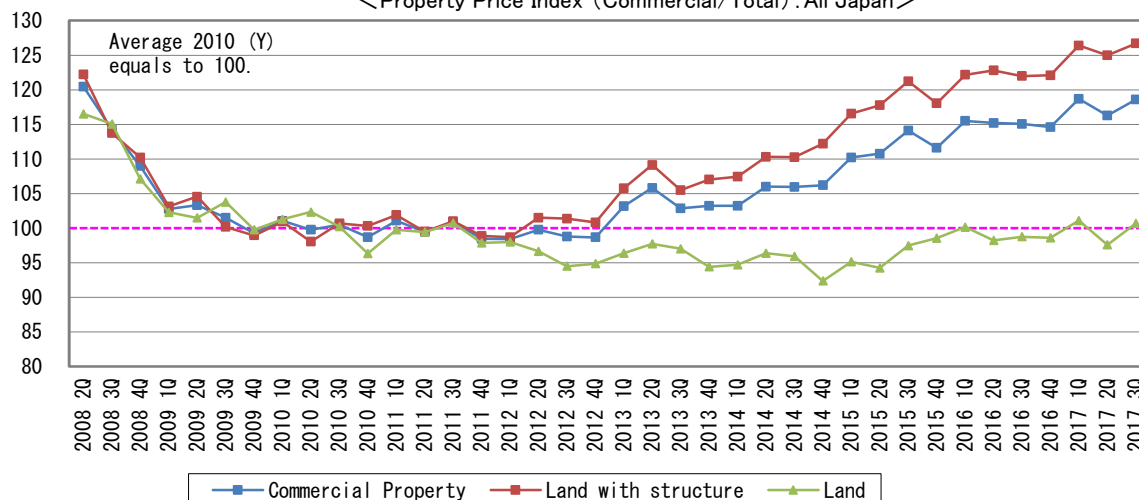
•The factory index for the third quarter of the fiscal year increased by 0.5% year-on-year to 102.8. The figure has surpassed the previous year's results for 2 consecutive quarter terms.

•The apartment index for the third quarter of the fiscal year increased by 5.4% year-on-year to 137.0. The figure has surpassed the previous year's results for 17 consecutive quarter terms.

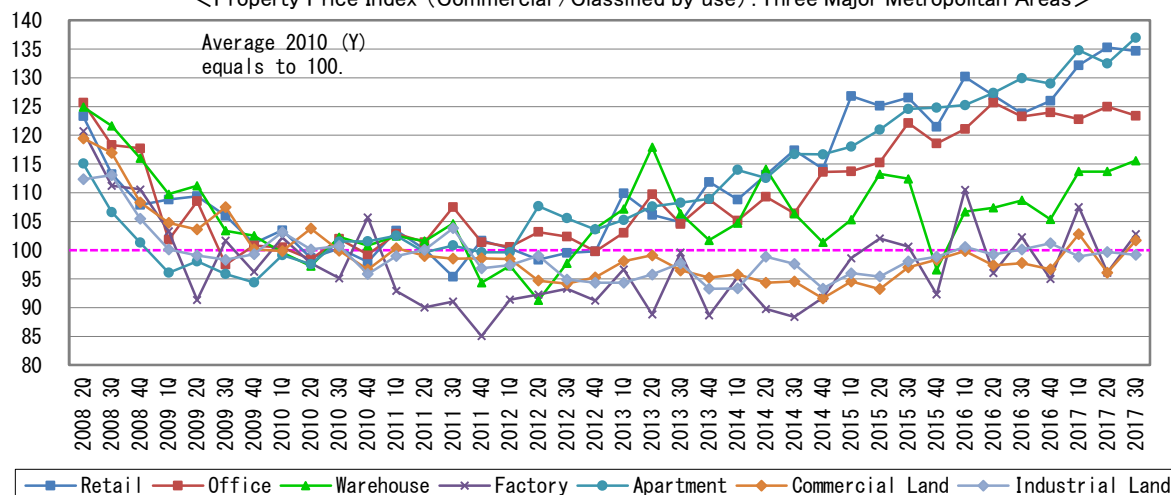
•The commercial land index for the third quarter of the fiscal year increased by 4.1% year-on-year to 101.7. The figure surpassed the previous year's results for the first time in 2 quarter terms.

•The industrial land index for the third quarter of the fiscal year decreased by 0.9% year-on-year to 99.2. The figure fell below the previous year's results for the first time in 2 quarter terms.

<Property Price Index (Commercial/Total) : All Japan>



<Property Price Index (Commercial /Classified by use) : Three Major Metropolitan Areas>



Source: "Property Price Index (Commercial)" Ministry of Land, Infrastructure, Transport and Tourism

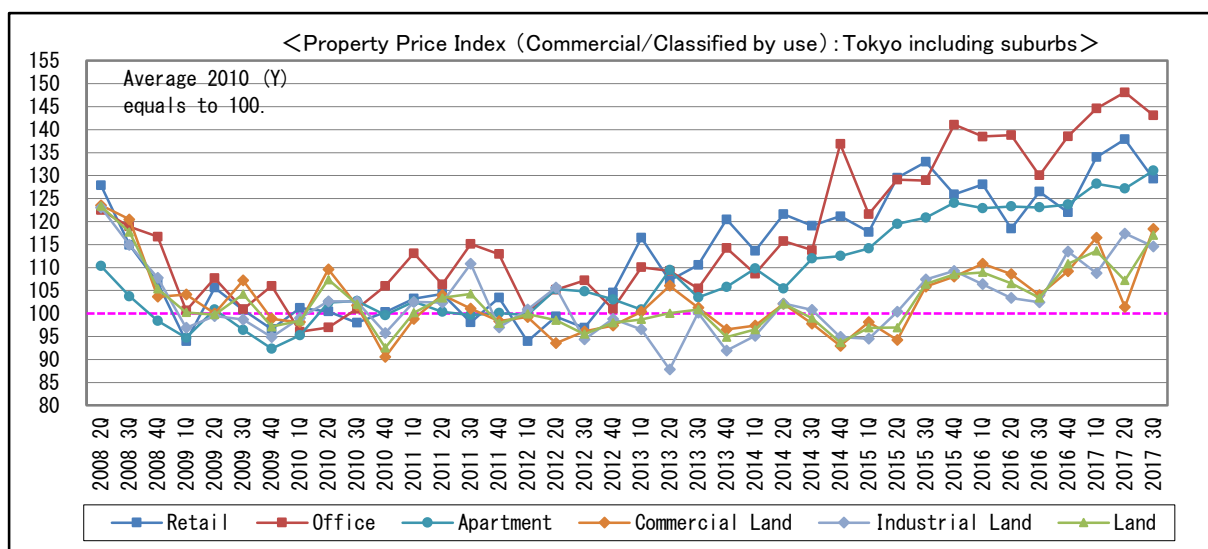
(*1) Monthly indexation by average 2010(Y) equals to 100.

(*2) Extracting the temporal market change rate of residential properties by using "hedonic regression method" which adjusts the quality variation of individual properties.

【Property Price Index (Commercial) Tokyo including suburbs】

○ Tokyo including suburbs(Classified by use)

- The retail index for the third quarter of the fiscal year increased by 2.2% year-on-year to 129.3. The figure has surpassed the previous year's results for 3 consecutive quarter terms.
- The office index for the third quarter of the fiscal year increased by 10.0% year-on-year to 143.1. The figure has surpassed the previous year's results for 3 consecutive quarter terms.
- The apartment index for the third quarter of the fiscal year increased by 6.5% year-on-year to 131.1. The figure has surpassed the previous year's results for 3 consecutive quarter terms.
- The commercial land index for the third quarter of the fiscal year increased by 13.8% year-on-year to 118.4. The figure surpassed the previous year's results for the first time in 2 quarter terms
- The industrial land index for the third quarter of the fiscal year increased by 11.9% year-on-year to 114.6. The figure has surpassed the previous year's results for 4 consecutive quarter terms.
- The land index for the third quarter of the fiscal year increased by 13.1% year-on-year to 117.0. The figure has surpassed the previous year's results for 4 consecutive quarter terms.



Source: "Property Price Index (Commercial)" Ministry of Land, Infrastructure, Transport and Tourism

(*1) Monthly indexation by average 2010(Y) equals to 100.

(*2) Extracting the temporal market change rate of residential properties by using "hedonic regression method" which adjusts the quality variation of individual properties.

4) Trends in the new supply of the condominium market

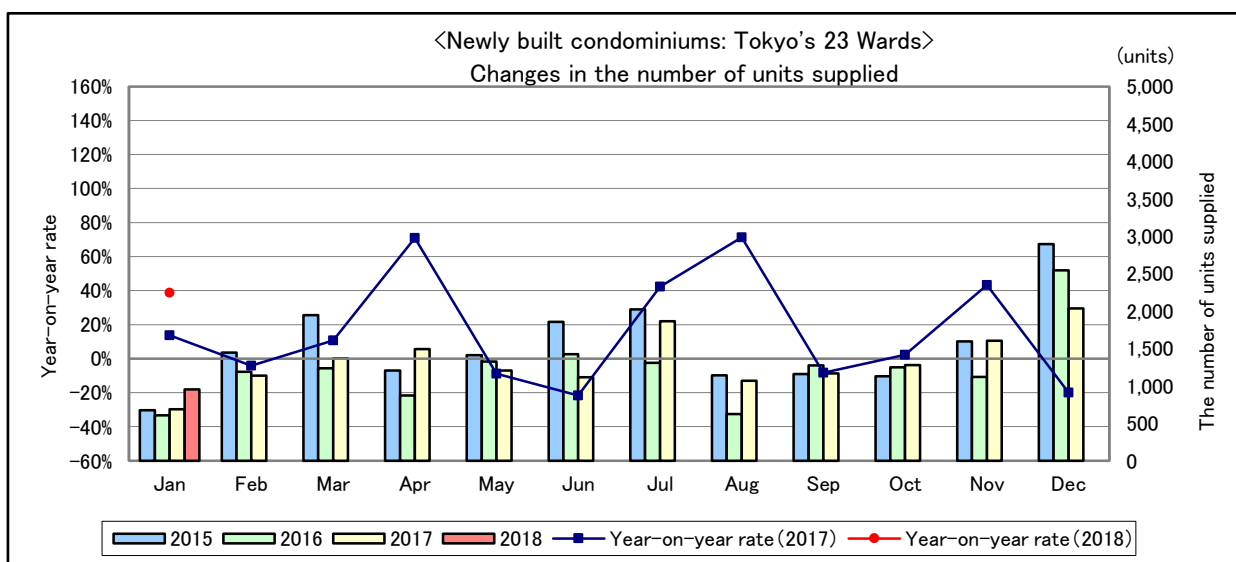
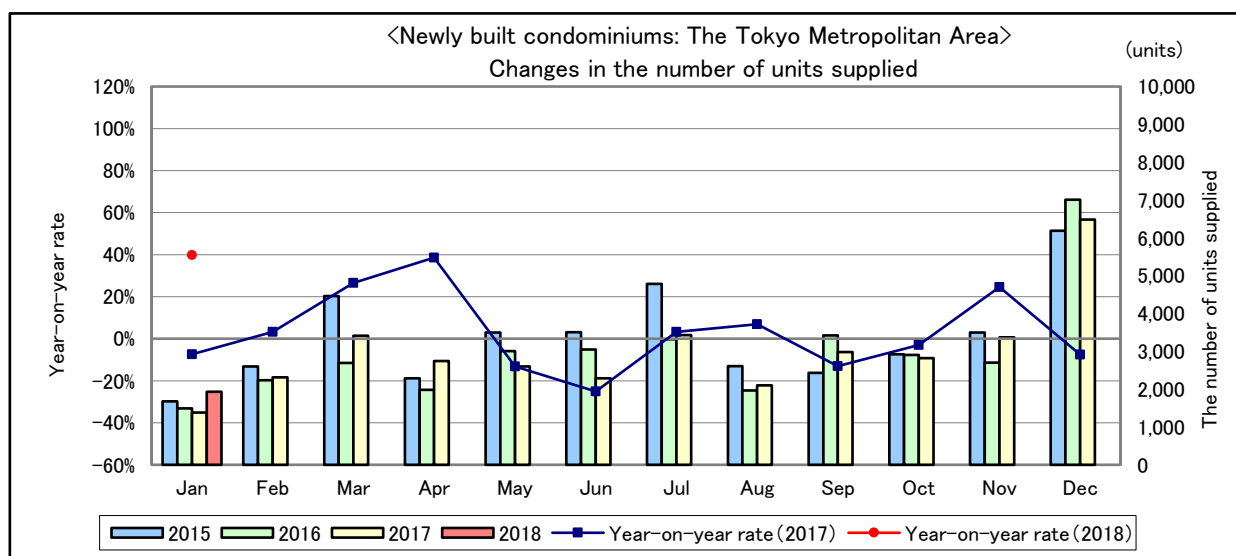
【The Tokyo Metropolitan Area: Number of units supplied】

○ The Tokyo Metropolitan Area

• The number of units supplied in January totaled 1,934 units, increasing by 39.7% year-on-year.
The figure surpassed the previous year's results for the first time in 2 months.

○ Tokyo's 23 Wards

• The number of units supplied in January totaled 954 units, increasing by 38.7% year-on-year.
The figure surpassed the previous year's results for the first time in 2 months.



Source: "Monthly Real Estate Economic Survey Report," "National Condominium Market Report," Real Estate Economic Institute Co., Ltd.

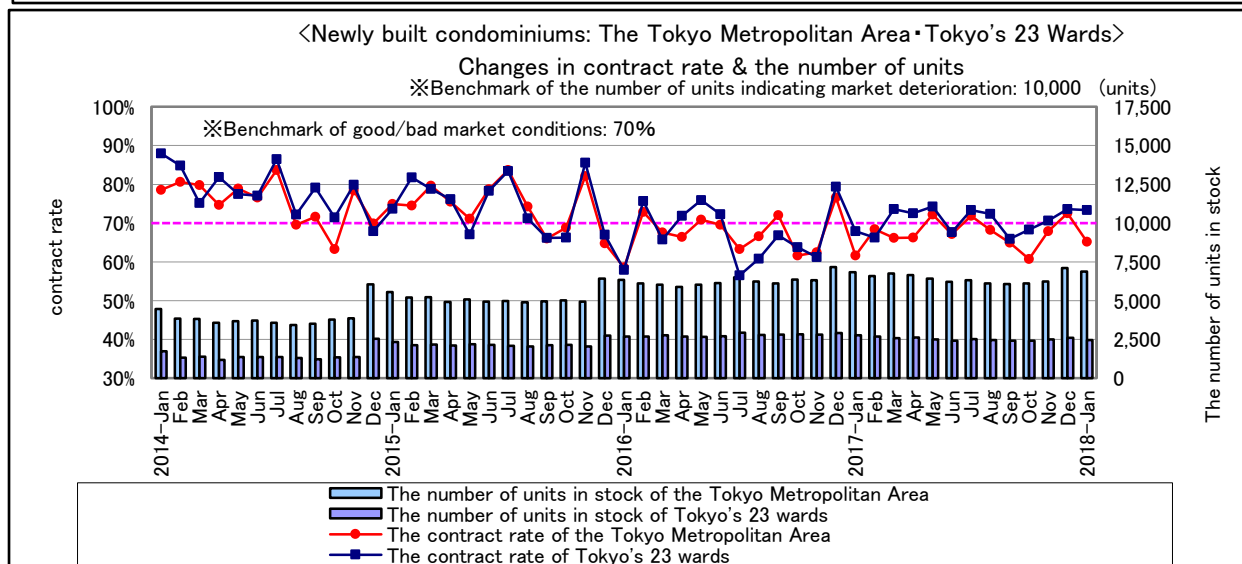
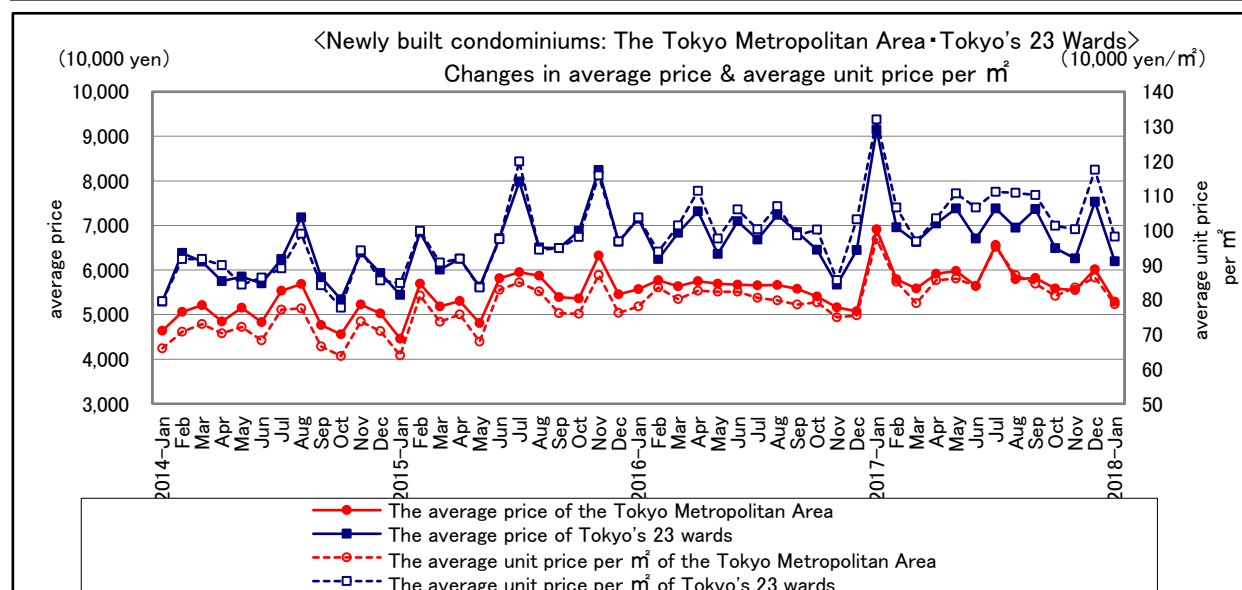
【The Tokyo Metropolitan Area: Average price, unit price per m²,
initial month sales contract rate, and number of units in stock】

○ The Tokyo Metropolitan Area

- The average price in January was 52,93,000 yen, decreasing by 23.4% year-on-year.
- The unit price per square meter in January was 787,000 yen/m², decreasing by 19.3% year-on-year.
- The initial-month contract rate in January was 65.2%, falling below 70% – the benchmark of good/bad market conditions – for the first time in 2 months.
- The number of units in stock as of the end of January totaled 6,875 units, decreasing month-on-month for the first time in 4 months, falling below 10,000 units – the benchmark for a deteriorating market – for 108 consecutive months. The figure increased by 0.5% year-on-year, surpassing the previous year's results for the first time in 7 months.

○ Tokyo's 23 Wards

- The average price in January was 61,960,000 yen, decreasing by 32.3% year-on-year.
- The unit price per square meter in January was 982,000 yen/m², decreasing by 25.6% year-on-year.
- The initial-month contract rate in January was 73.4%, surpassing 70% – the benchmark of good/bad market conditions – for 3 consecutive months.
- The number of units in stock as of the end of January totaled 2,467 units, decreasing month-on-month for the first time in 4 months. The figure has decreased by 10.6% year-on-year, falling below the previous year's results for 11 consecutive months.



Source: "Monthly Real Estate Economic Survey Report," "National Condominium Market Report," Real Estate Economic Institute Co., Ltd.

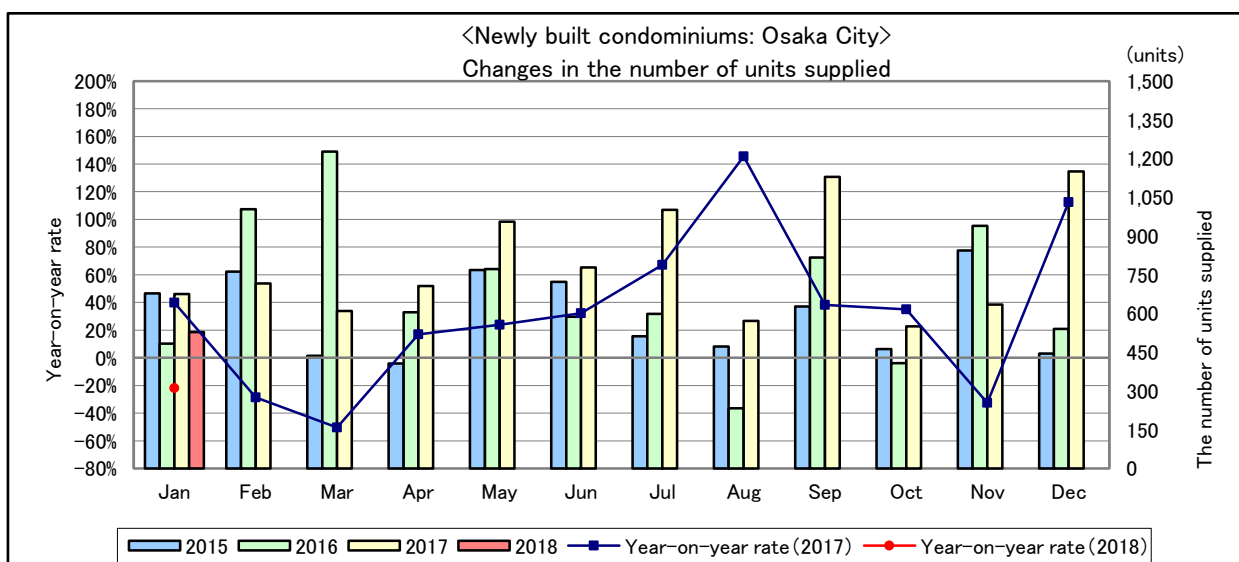
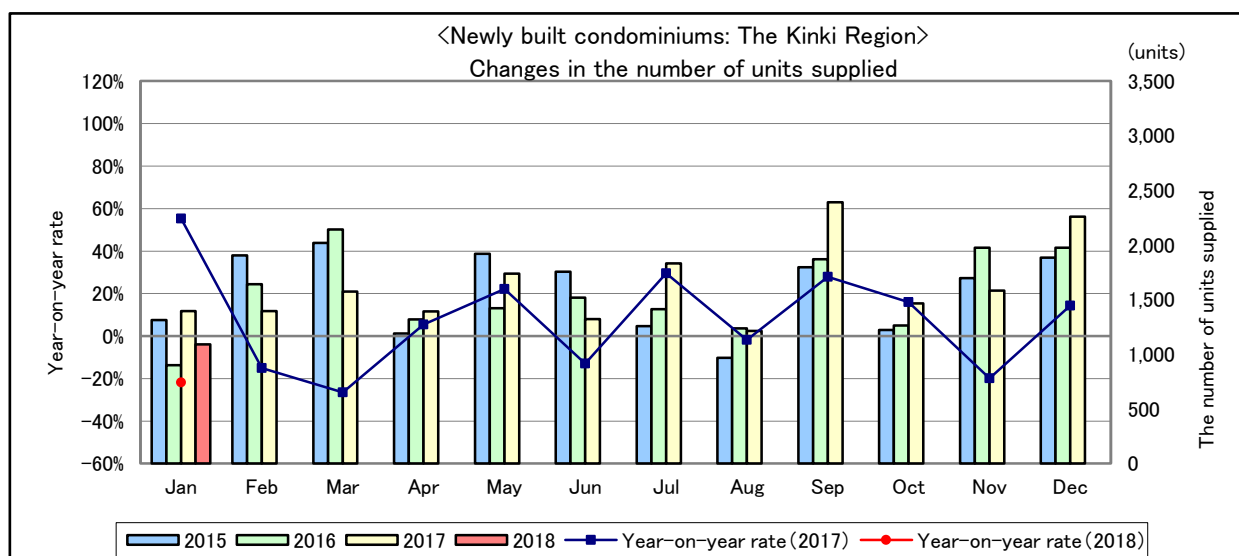
【The Kinki Region: The number of units supplied】

○ The Kinki Region

• The number of units supplied in January totaled 1,091 units, decreasing by 21.8% year-on-year. The figure fell below the previous year's results for the first time in 2 months.

○ Osaka City

• The number of units supplied in January totaled 528 units, decreasing by 21.9% year-on-year. The figure fell below the previous year's results for the first time in 2 months.



Source: "Monthly Real Estate Economic Survey Report," "National Condominium Market Report," Real Estate Economic Institute Co., Ltd.

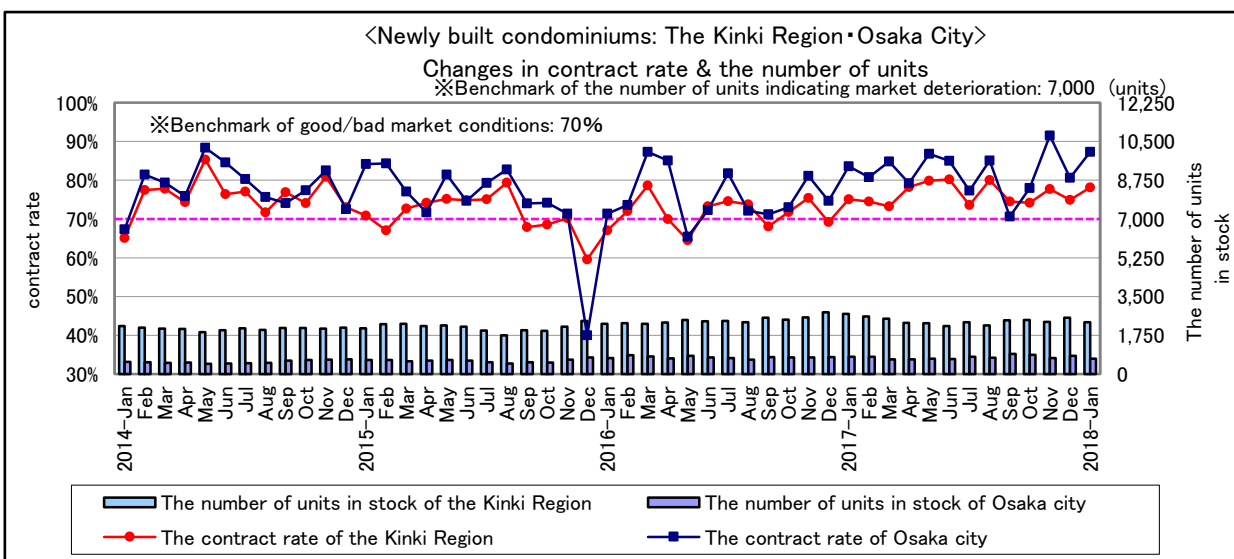
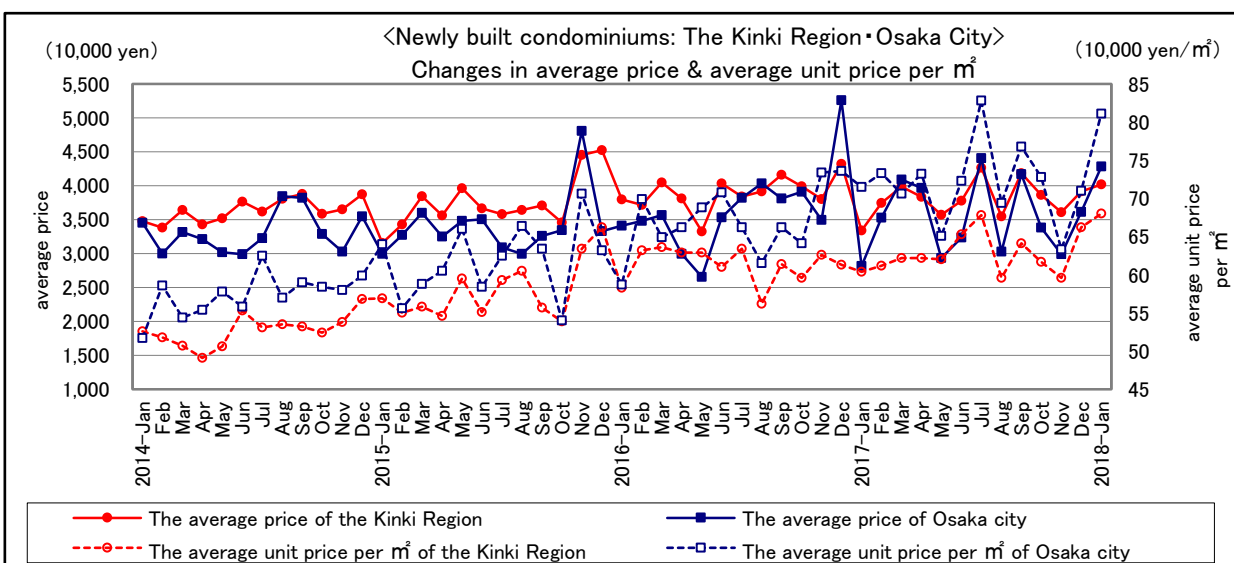
【The Kinki Region: Average price, unit price per m^2 , initial month sales contract rate, and number of units in stock】

○ The Kinki Region

- The average price in January was 40,170,000 yen, increasing by 20.2% year-on-year.
- The unit price per square meter in January was 680,000 yen/ m^2 , increasing by 12.6% year-on-year.
- The initial-month contract rate in January was 78.1%, surpassing 70% – the benchmark of good/bad market conditions – for 13 consecutive months.
- The number of units in stock as of the end of January totaled 2,344 units, decreasing month-on-month for the first time in 2 months. The figure has decreased by 13.8% year-on-year, falling below the previous year's results for 10 consecutive months.

○ Osaka City

- The average price in January was 42,810,000 yen, increasing by 51.9% year-on-year.
- The unit price per square meter in January was 811,000 yen/ m^2 , increasing by 13.4% year-on-year.
- The initial-month contract rate in January was 87.3%, surpassing 70% – the benchmark of good/bad market conditions – for 20 consecutive months.
- The number of units in stock as of the end of January totaled 697 units, decreasing month-on-month for the first time in 2 months. The figure decreased by 10.6% year-on-year, falling below the previous year's results for the first time in 2 months.



5) Trends in the existing condominium market

【The Tokyo Metropolitan Area: Number of new registrations for sales, average price of sales contracts concluded, and unit price per m²】

○ The Tokyo Metropolitan Area

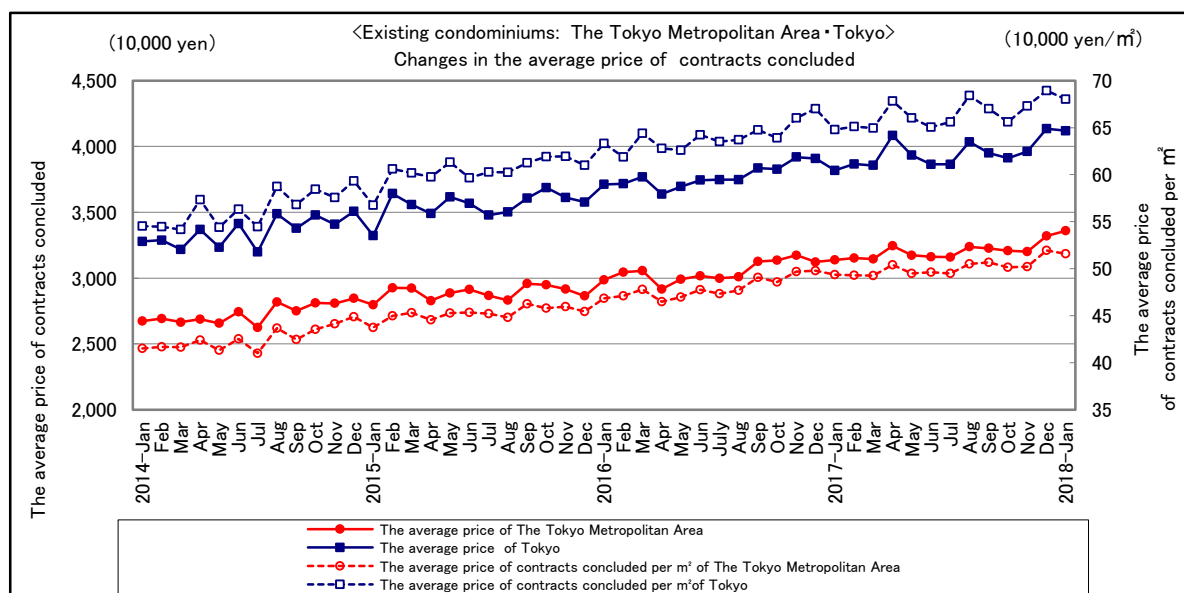
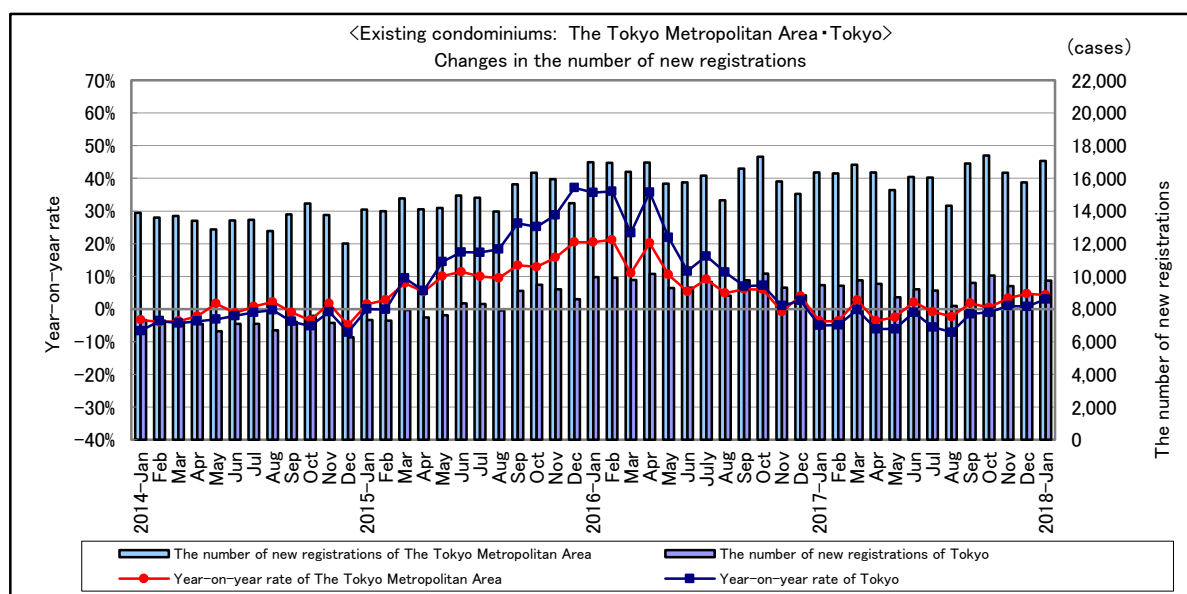
• The number of new registrations in January increased by 4.3% year-on-year to 17,062 cases. The figure has surpassed the previous year's results for 5 consecutive months.

• The average price of contracts concluded was 33,590,000 yen, a year-on-year increase of 7.0%, surpassing the previous year's results for 61 consecutive months. The price of contracts per square meter was 516,000 yen/m², a year-on-year increase of 4.6%, surpassing the previous year's results for 59 consecutive months.

○ Tokyo

• The number of new registrations in January increased by 3.0% year-on-year to 9,742 cases. The figure has surpassed the previous year's results for 3 consecutive months.

• The average price of contracts concluded was 41,190,000 yen, a year-on-year increase of 7.9%, surpassing the previous year's results for 42 consecutive months. The price of contracts per square meter was 680,300 yen/m², a year-on-year increase of 5.0%, surpassing the previous year's results for 61 consecutive months.



Source: "Market Watch," Real Estate Information Network for East Japan

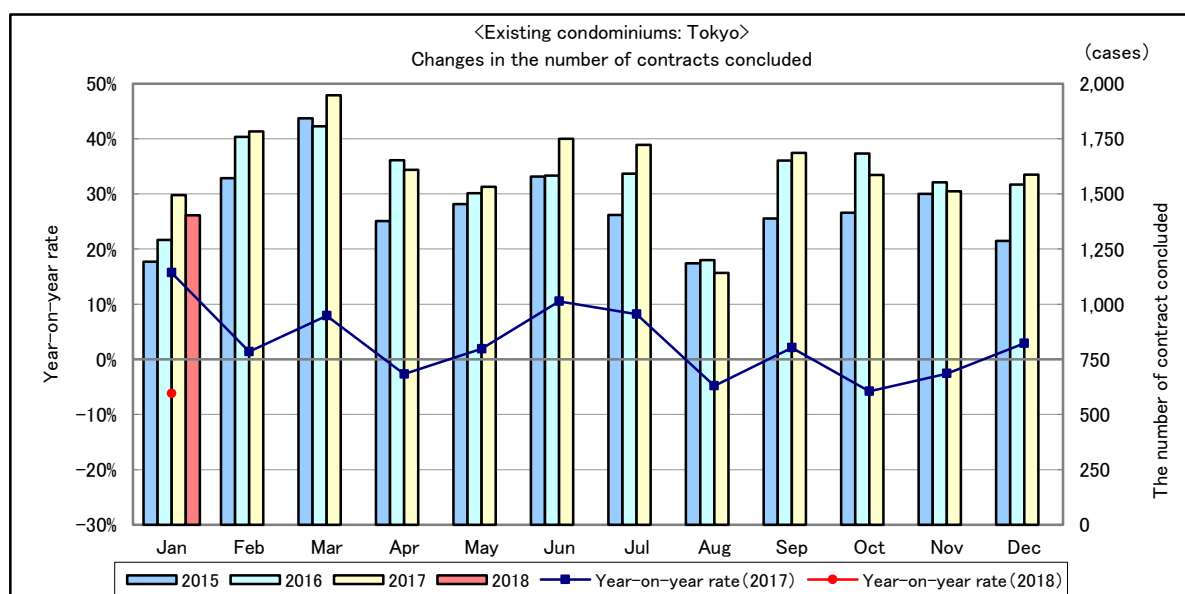
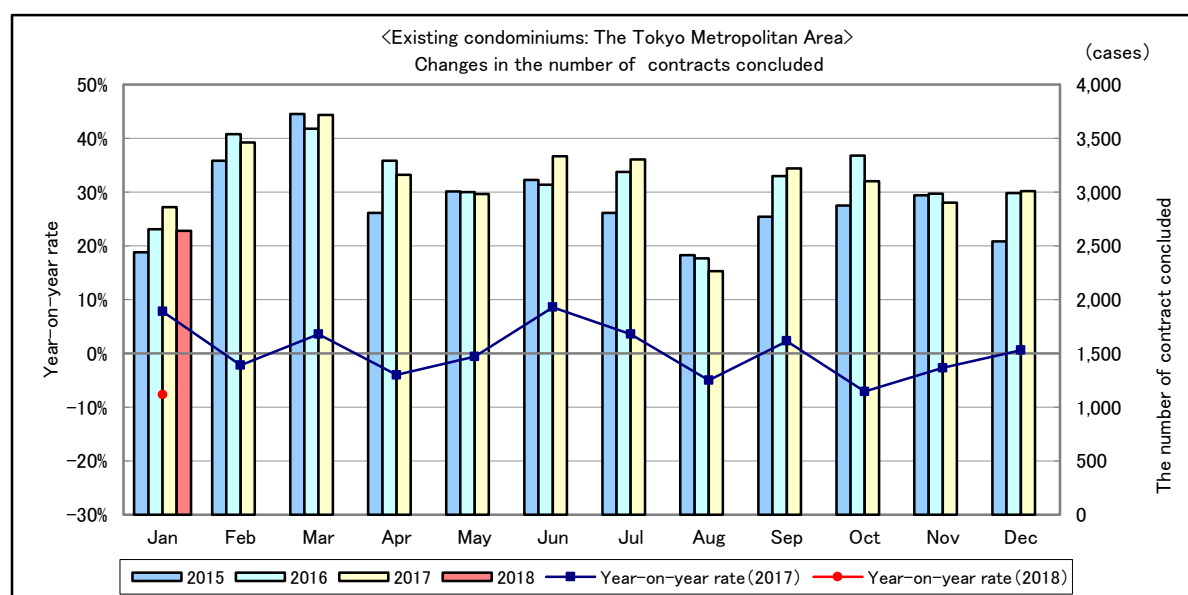
【The Tokyo Metropolitan Area: Number of contracts concluded】

○ The Tokyo Metropolitan Area

- The number of contracts concluded in January decreased by 7.7% year-on-year to 2,641 cases.
- The figure fell below the previous year's results for the first time in 2 months.

○ Tokyo

- The number of contracts concluded in January decreased by 6.2% year-on-year to 1,403 cases.
- The figure fell below the previous year's results for the first time in 2 months.



Source: "Market Watch," Real Estate Information Network for East Japan

【The Kinki Region: Number of new registrations for sales, average price of sales contracts concluded, and unit price per m²】

○ The Kinki Region

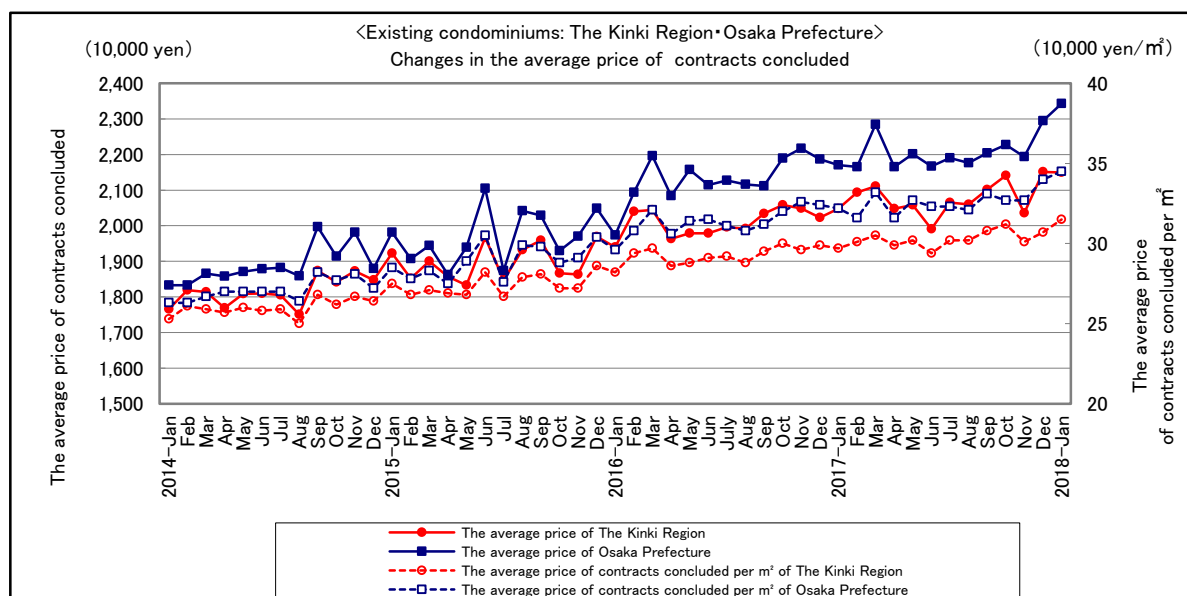
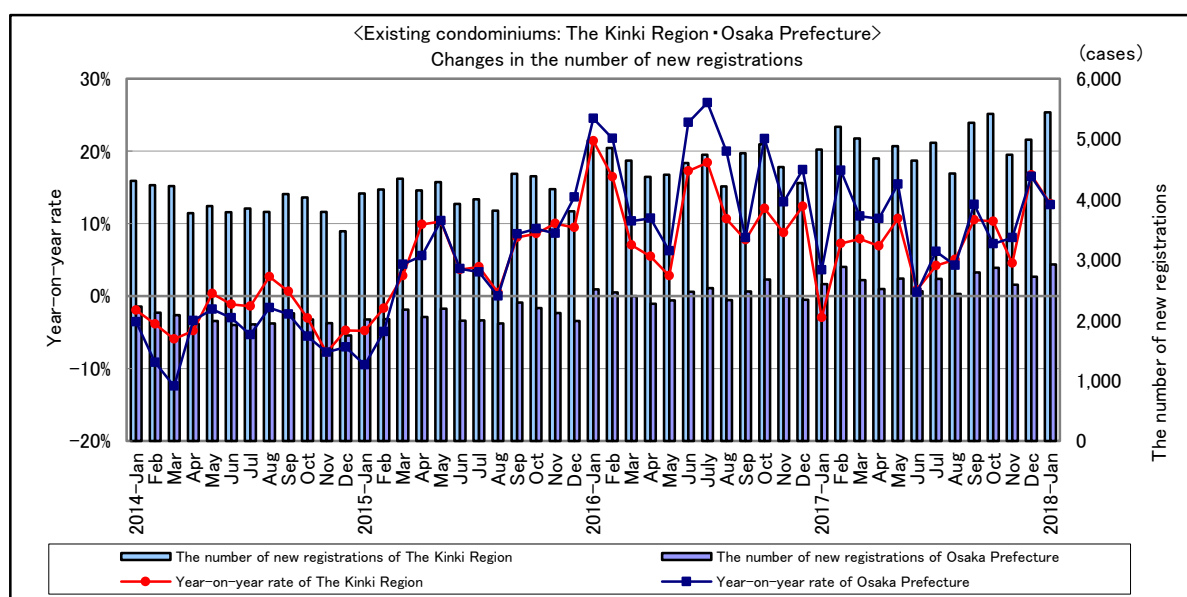
•The number of new registrations in January increased by 12.7% year-on-year to 5,444 cases. The figure has surpassed the previous year's results for 12 consecutive months.

•The average price of contracts concluded was 21,500,000 yen, a year-on-year increase of 5.0%, surpassing the previous year's results for 2 consecutive months. The price of contracts per square meter was 315,000yen/m², a year-on-year increase of 6.1%, surpassing the previous year's results for 37 consecutive months.

○ Osaka Prefecture

•The number of new registrations in January increased by 12.6% year-on-year to 2,926 cases. The figure has surpassed the previous year's results for 29 consecutive months.

•The average price of contracts concluded was 23,430,000 yen, a year-on-year increase of 8.0%, surpassing the previous year's results for 2 consecutive months. The price of contracts per square meter was 345,000yen/m², a year-on-year increase of 7.1%, surpassing the previous year's results for 37 consecutive months.



Sources: "Real Time Eyes," Kinki Real Estate Information Network System

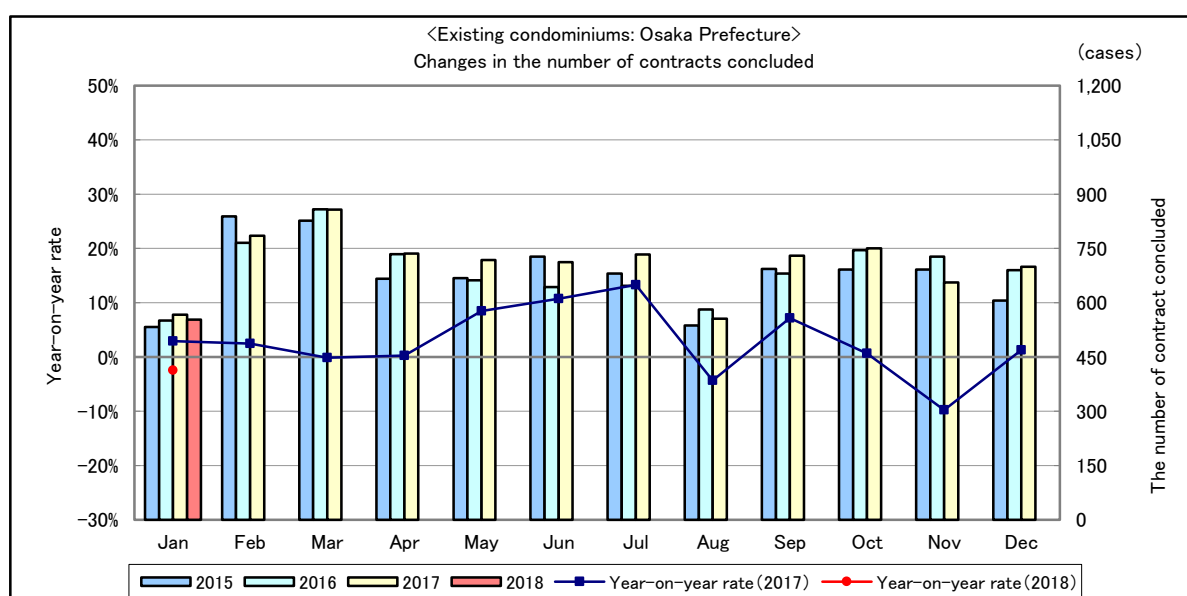
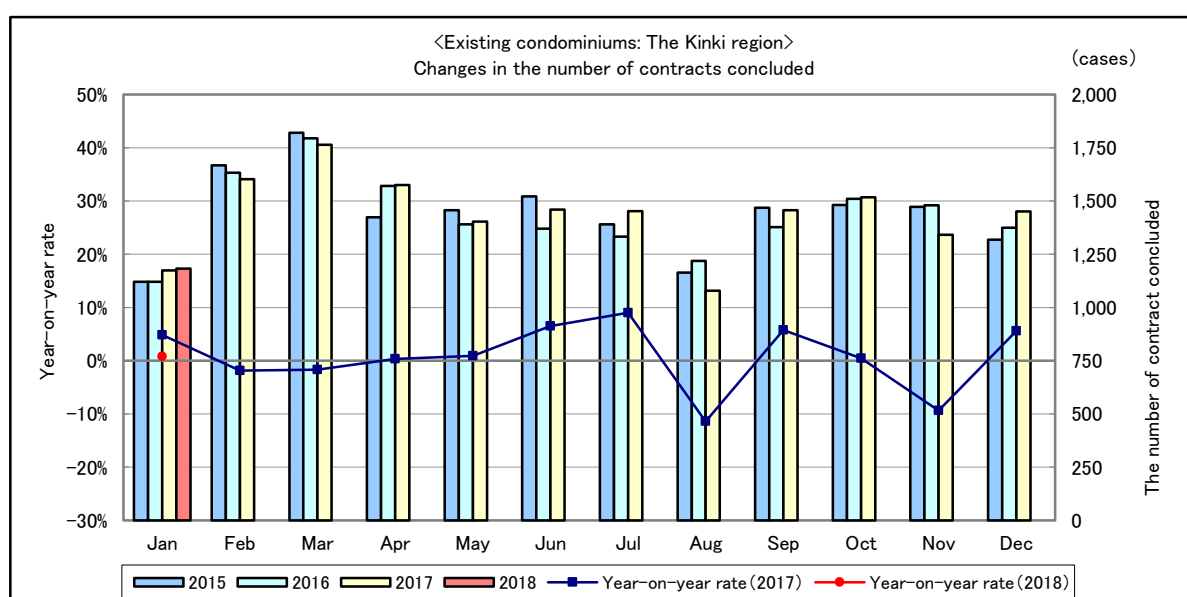
【The Kinki Region: Number of contracts concluded】

○ The Kinki Region

- The number of contracts concluded in January increased by 0.8 year-on-year to 1,183 cases.
- The figure surpassed the previous year's results for 2 consecutive months.

○ Osaka Prefecture

- The number of contracts concluded in January decreased by 2.5% year-on-year to 533 cases.
- The figure fell below the previous year's results for the first time in 2 months.



Sources: "Real Time Eyes," Kinki Real Estate Information Network System

3. Trends in the Rental Office Market

【Tokyo: Vacancy rate and average offered rent】

○ Large Buildings

(Tokyo's 5 Central Wards: Buildings with a standard floor of 100 tsubo or more)

• The vacancy rate of large buildings in Tokyo's 5 central wards in January decreased by 0.05 points month-on-month to 3.07%, falling for the first time in 3 months. The figure fell below 5% – the benchmark of supply and demand balance – for 31 consecutive months. On a year-on-year basis, the figure has fallen below the previous year's results for 64 consecutive months.

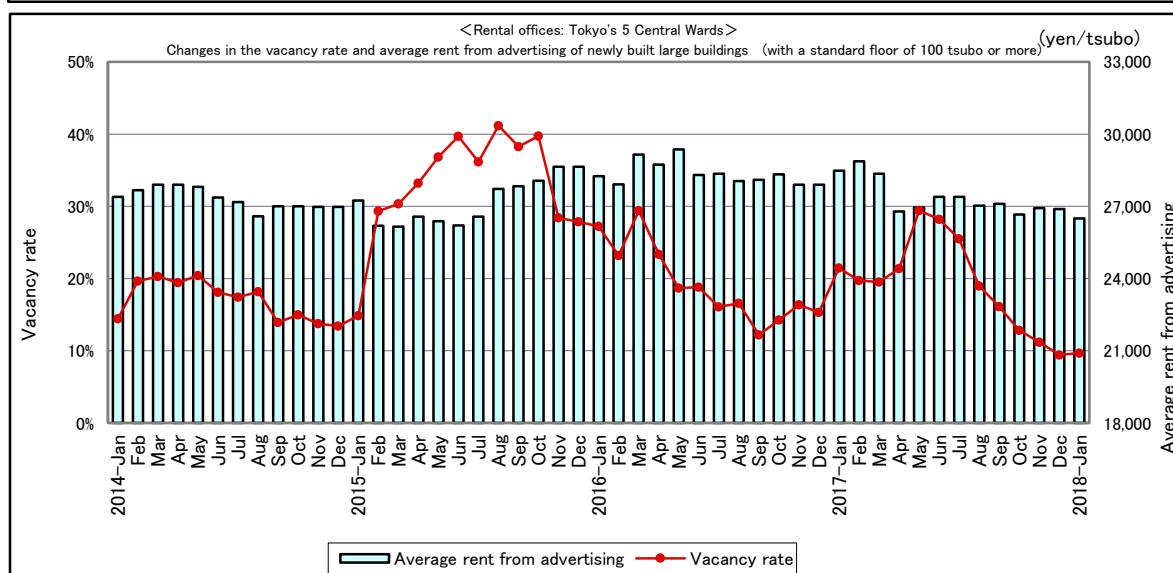
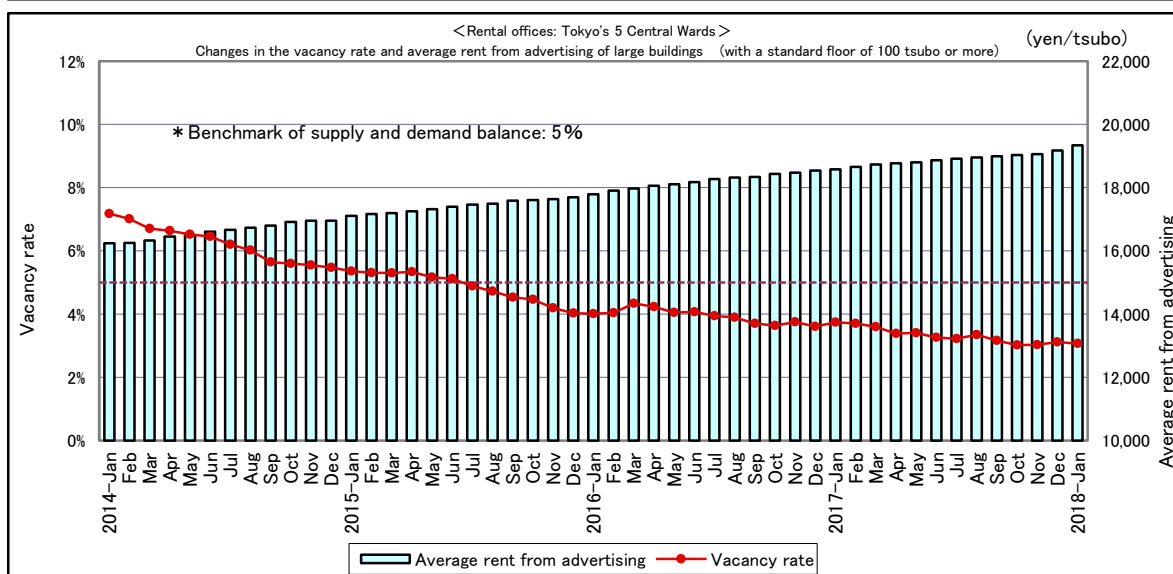
• The average rent from advertising in January was 19,338yen/tsubo, a month-on-month increase of 0.86%, rising for 49 consecutive months. The figure increased by 4.07% year-on-year, surpassing the previous year's results for 45 consecutive months.

○ Newly Built Buildings

(Tokyo's 5 Central Wards: Buildings with a standard floor of 100 tsubo or more)

• The vacancy rate of newly built buildings in January increased by 0.22 points month-on-month to 9.65%, raising for the first time in 8 months. On a year-on-year basis, the figure has fallen below the previous year's results for 4 consecutive months.

• The average rent from advertising in January was 26,500 yen/tsubo, a month-on-month decrease of 1.44%, falling for 2 consecutive months. The figure decreased by 6.95% year-on-year, falling below the previous year's results for 11 consecutive months.



【Tokyo: By size: Vacancy rate】

○ The Vacancy Rates by Size (Tokyo's 5 Central Wards)

- The vacancy rate of very large buildings in January was 1.37%, a month-on-month decrease of 0.02 points, falling for 12 consecutive months.
- The vacancy rate of large buildings in January was 1.55%, a month-on-month decrease of 0.12 points, falling for 10 consecutive months.
- The vacancy rate of medium-sized buildings in January was 2.83%, a month-on-month decrease of 0.04 points, falling for 7 consecutive months.
- The vacancy rate of small buildings in January was 4.16%, a month-on-month decrease of 0.38 points, falling for 3 consecutive months.

○ The Vacancy Rates by Size (Tokyo's 23 Wards)

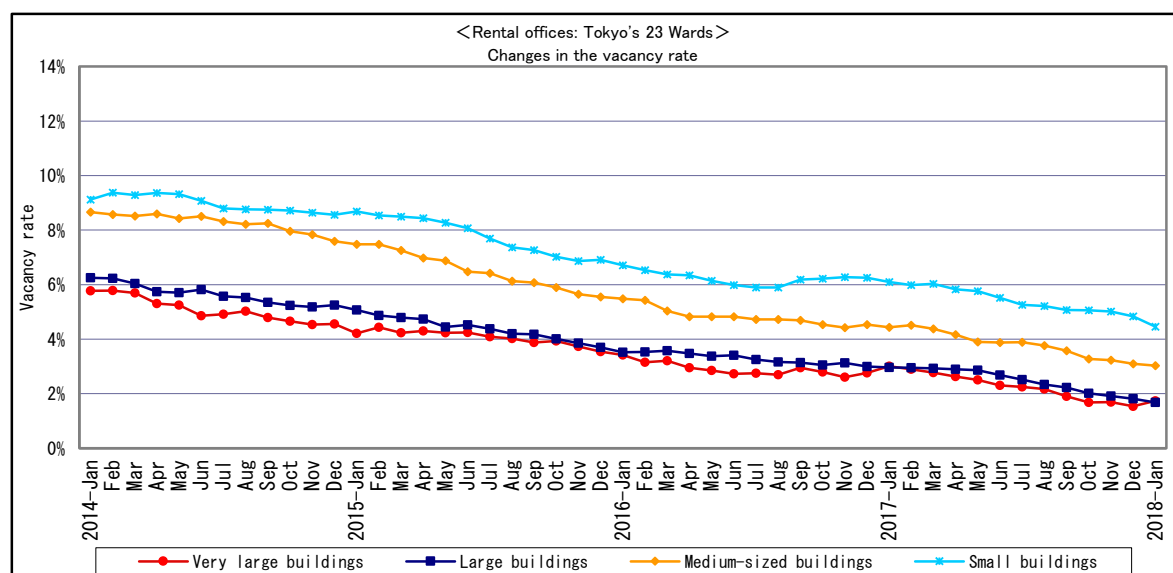
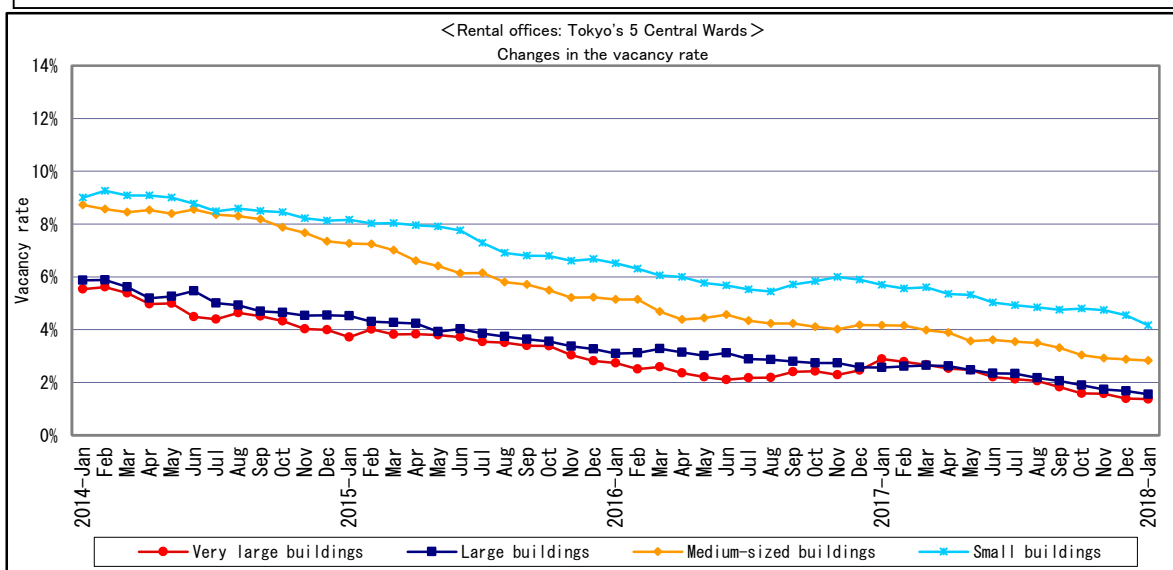
- The vacancy rate of very large buildings in January was 1.74%, a month-on-month increase of 0.20 points, raising for the first time in 2 months.
- The vacancy rate of large buildings in January was 1.68%, a month-on-month decrease of 0.13 points, falling for 14 consecutive months.
- The vacancy rate of medium-sized buildings in January was 3.03%, a month-on-month decrease of 0.07 points, falling for 6 consecutive months.
- The vacancy rate of small buildings in January was 4.46%, a month-on-month decrease of 0.38 points, falling for 10 consecutive months.

* Very large buildings: Buildings with a standard floor of 200 tsubo or more

Large buildings: Buildings with a standard floor of 100 tsubo through 200 tsubo

Medium-sized buildings: Buildings with a standard floor of 50 tsubo through 100 tsubo

Small buildings: Buildings with a standard floor of 20 tsubo through 50 tsubo



Sources: "Monthly Office Market Survey DATA BOOK," "OFFICE MARKET REPORT," Sanko Estate Co., Ltd.

【Tokyo: Very Large Buildings: Average offered rent】

○ Rent Displayed in Advertising of Very Large Buildings

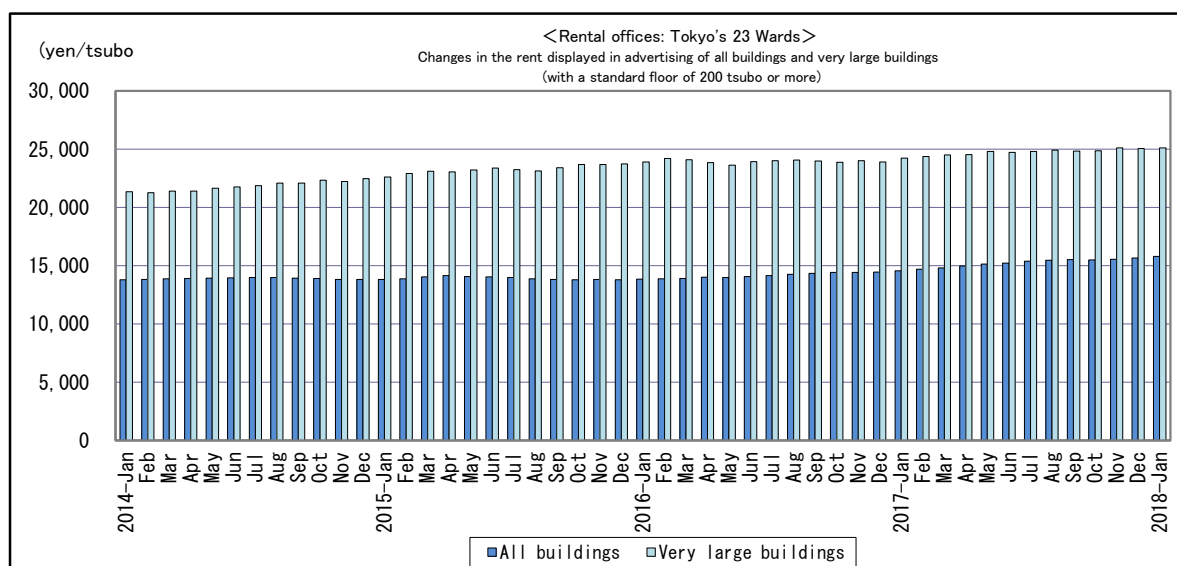
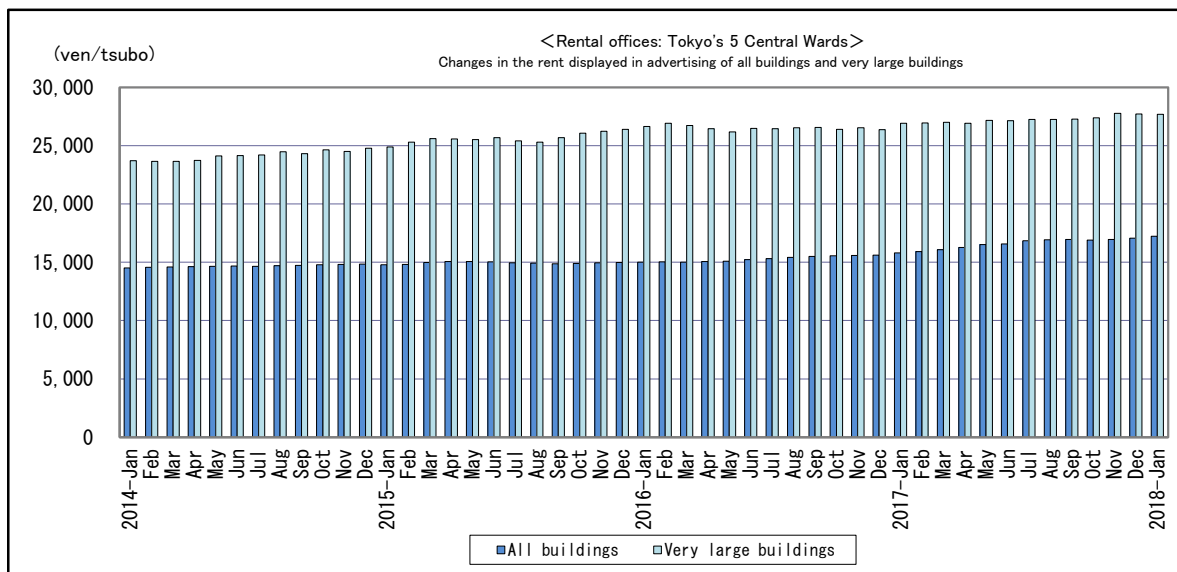
(Tokyo's 5 Central Wards: Buildings with a standard floor of 200 tsubo or more)

• The rent displayed in advertising in January was 27,695 yen/tsubo, a month-on-month decrease of 0.10%, falling for 2 consecutive months. The figure increased by 2.87% year-on-year, surpassing the previous year's results for 13 consecutive months.

○ Rent Displayed in Advertising of Very Large Building

(Tokyo's 23 Wards: Buildings with a standard floor of 200 tsubo or more)

• The rent displayed in advertising in January was 25,120 yen/tsubo, a month-on-month increase of 0.22%, rising for the first time in 2 months. The figure increased by 3.66% year-on-year, surpassing the previous year's results for 57 consecutive months.



Sources: "Monthly Office Market Survey DATA BOOK," Sanko Estate Co., Ltd.

【Osaka: Vacancy rate and average offered rent】

○ Office Buildings

(Osaka's 6 Major Districts: Buildings with a total floor area of 1,000 tsubo or more)

• The vacancy rate of office buildings in Osaka's 6 major districts in January decreased by 0.09 points month-on-month to 3.59%, falling for 6 consecutive months. The figure has fell below 5% – the benchmark of supply and demand balance – for 13 consecutive months. On a year-on-year basis, the figure has fallen below the previous year's results for 48 consecutive months.

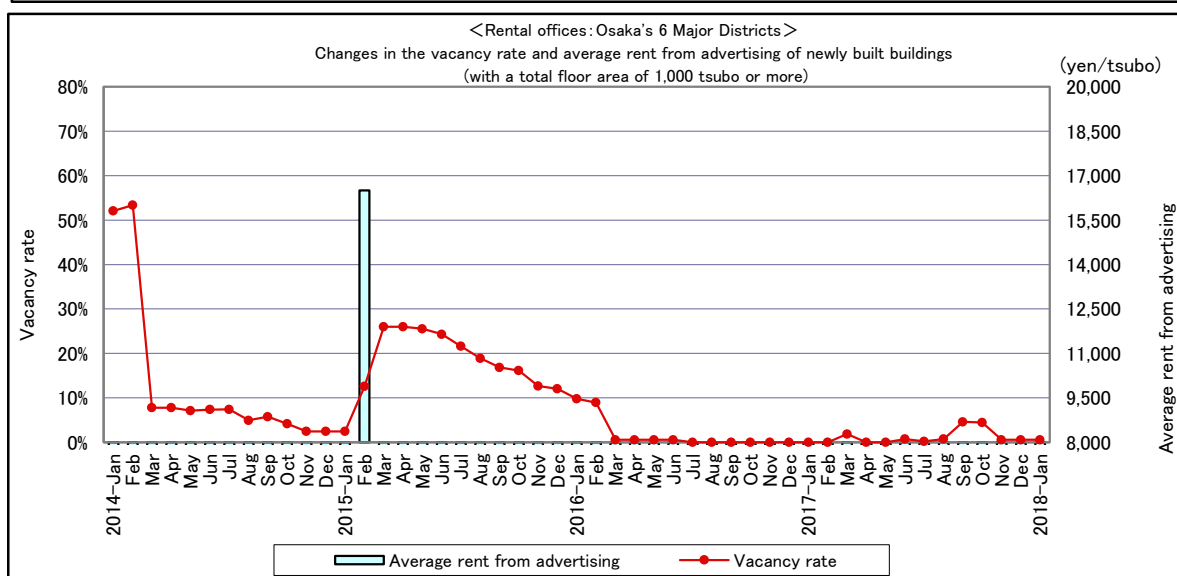
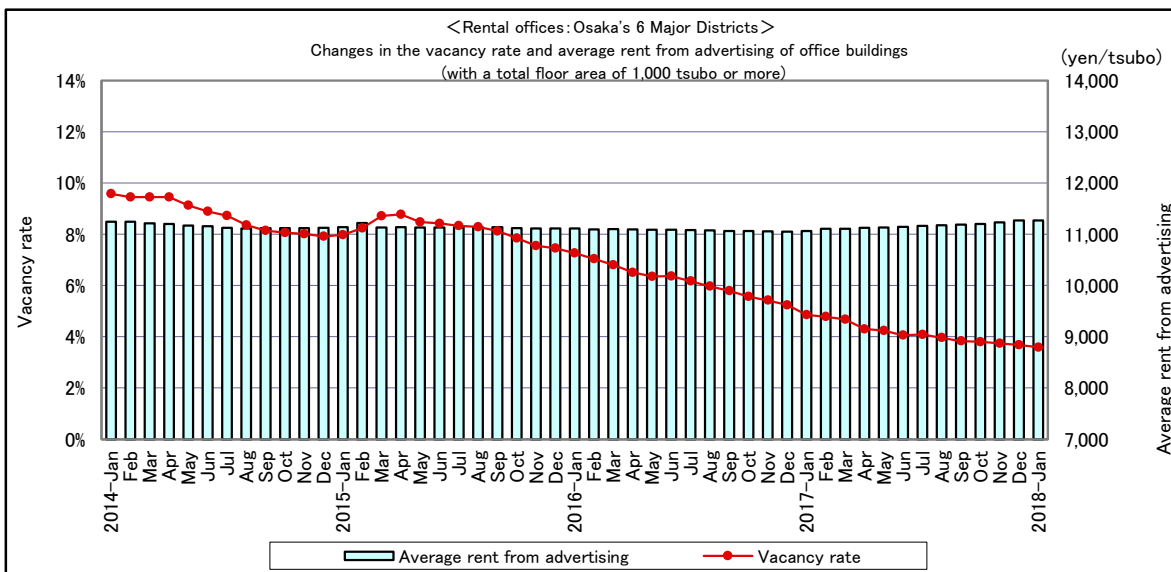
• The average rent from advertising in January was 11,270 yen/tsubo, a month-on-month increased of 0.03%, rising for 13 consecutive months. The figure increased by 1.88% year-on-year, surpassing the previous year's results for 12 consecutive months.

○ Newly Built Buildings

(Osaka's 6 Major Districts: Buildings with a total floor area of 1,000 tsubo or more)

• The vacancy rate of newly built buildings in Osaka's 6 major districts in January remained unchanged from the previous months result at 0.55%.

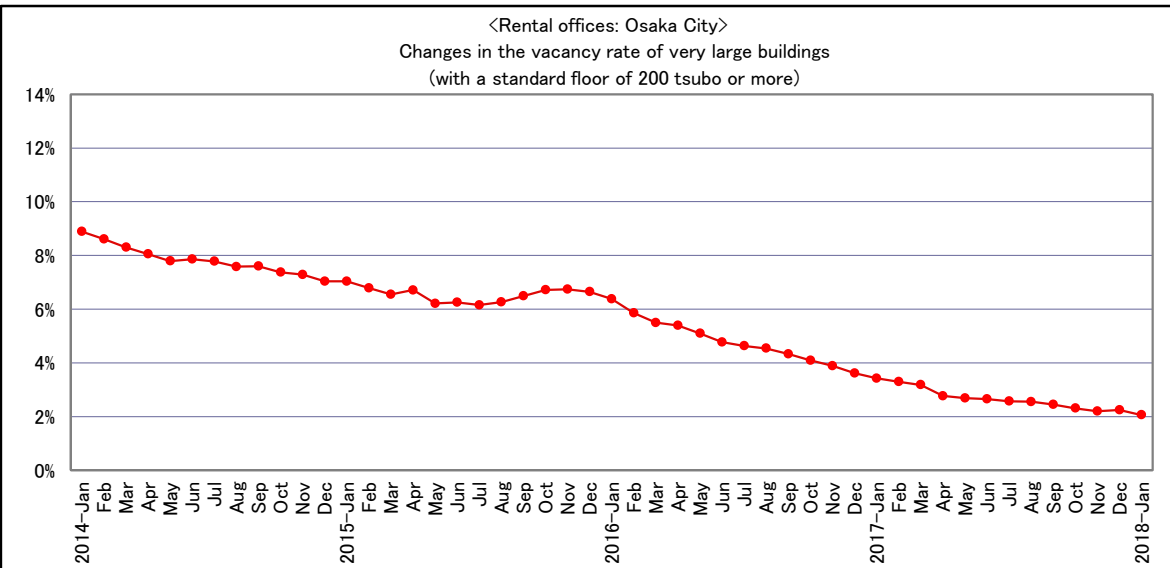
• The average rent from advertising in January was not disclosed.



○ Very Large Buildings

(Osaka City: Buildings with a standard floor of 200 tsubo or more)

• The vacancy rate of very large buildings in Osaka City in January decreased by 0.19 points month-on-month to 2.06%, falling for the first time in 2 months. The figure fell below 5% – the benchmark of supply and demand balance – for 20 consecutive months. On a year-on-year basis, the figure has fallen below the previous year's results for 48 consecutive months.



Sources: "Monthly Office Market Survey DATA BOOK," "OFFICE MARKET REPORT," Sanko Estate Co., Ltd.

【Nationwide: Vacancy rate and average offered rent】

○The vacancy rates and average rents from advertising in January in major cities and their changes from the previous month are as follows:

Tokyo's 5 central wards: The vacancy rate was 3.07%, a month-on-month decrease of 0.05 points, falling for the first time in 3 months. The average rent from advertising was 19,338 yen/tsubo, a month-on-month increase of 0.86%, rising for 49 consecutive months.

Osaka: The vacancy rate was 3.59%, a month-on-month decrease of 0.09 points, falling for 6 consecutive months. The average rent from advertising was 11,270 yen/tsubo, a month-on-month increase of 0.03%, rising for 13 consecutive months.

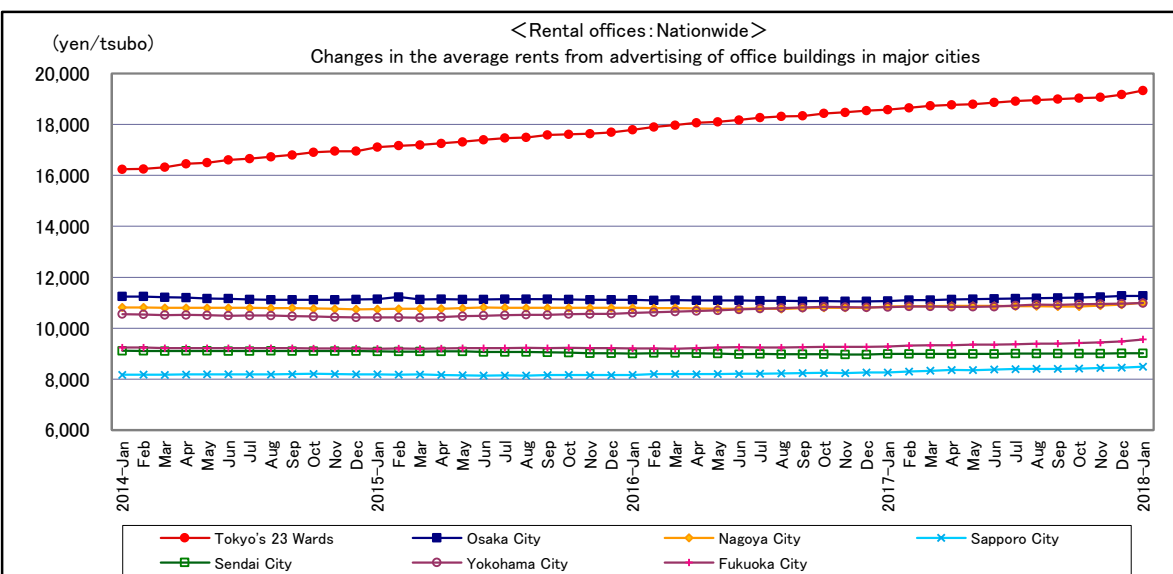
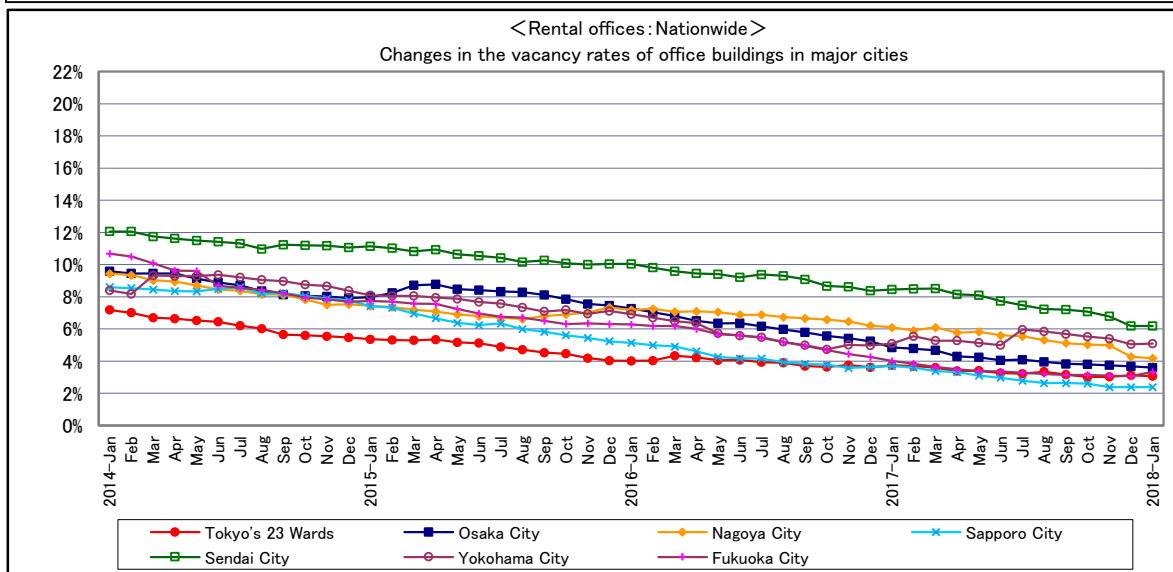
Nagoya: The vacancy rate was 4.18%, a month-on-month decrease of 0.09 points, falling for 8 consecutive months. The average rent from advertising was 10,995 yen/tsubo, a month-on-month increase of 0.63%, rising for 3 consecutive months.

Sapporo: The vacancy rate was 2.38%, a month-on-month decrease of 0.01 points, falling for the first time in 2 months. The average rent from advertising was 8,483 yen/tsubo, a month-on-month increase of 0.41%, rising for 4 consecutive months.

Sendai: The vacancy rate remained unchanged from the previous months results at 6.18%. The average rent from advertising was 9,011 yen/tsubo, a month-on-month increase of 0.01%, rising for 4 consecutive months.

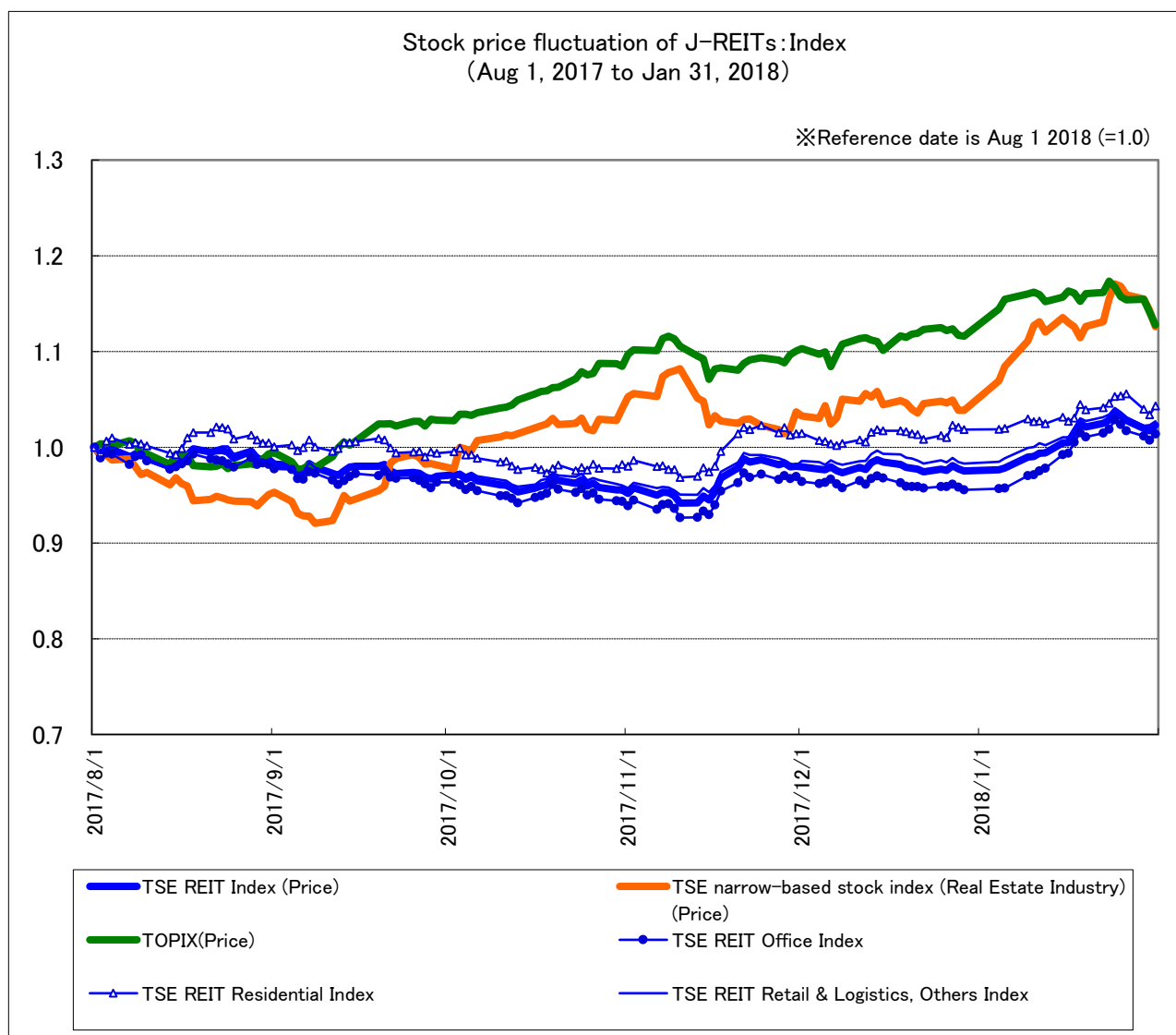
Yokohama: The vacancy rate was 5.09%, a month-on-month increase of 0.03 points, raising for the first time in 6 months. The average rent from advertising was 10,990 yen/tsubo, a month-on-month increase of 0.23%, rising for 4 consecutive months.

Fukuoka: The vacancy rate was 3.34%, a month-on-month increase of 0.27 points, raising for the first time in 2 months. The average rent from advertising was 9,558 yen/tsubo, a month-on-month increase of 0.82%, rising for 7 consecutive months.



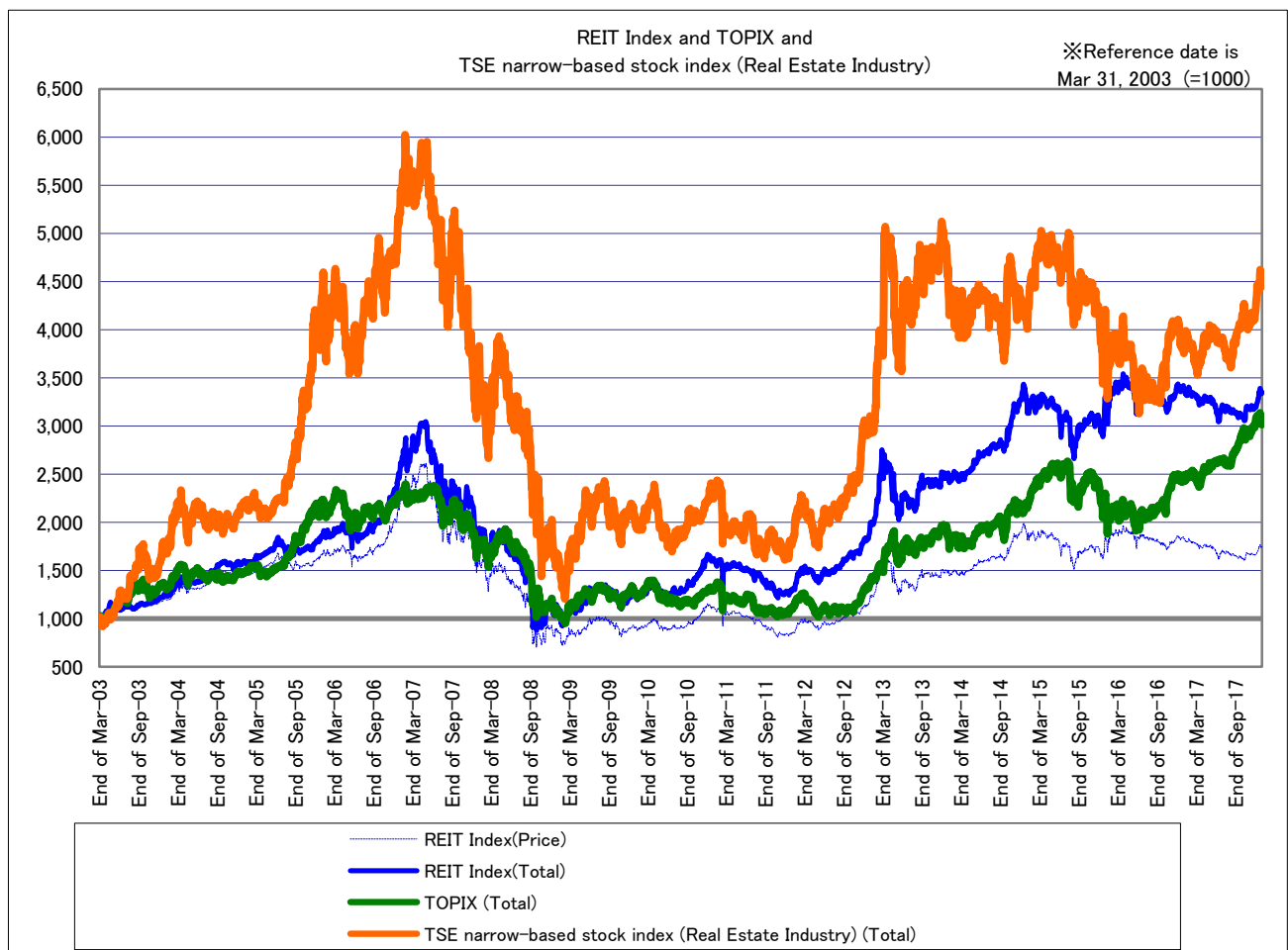
4. Trends in the Real Estate Securitization Market

【Stock price fluctuation of J-REITs】



Source: Tokyo Stock Exchange Group

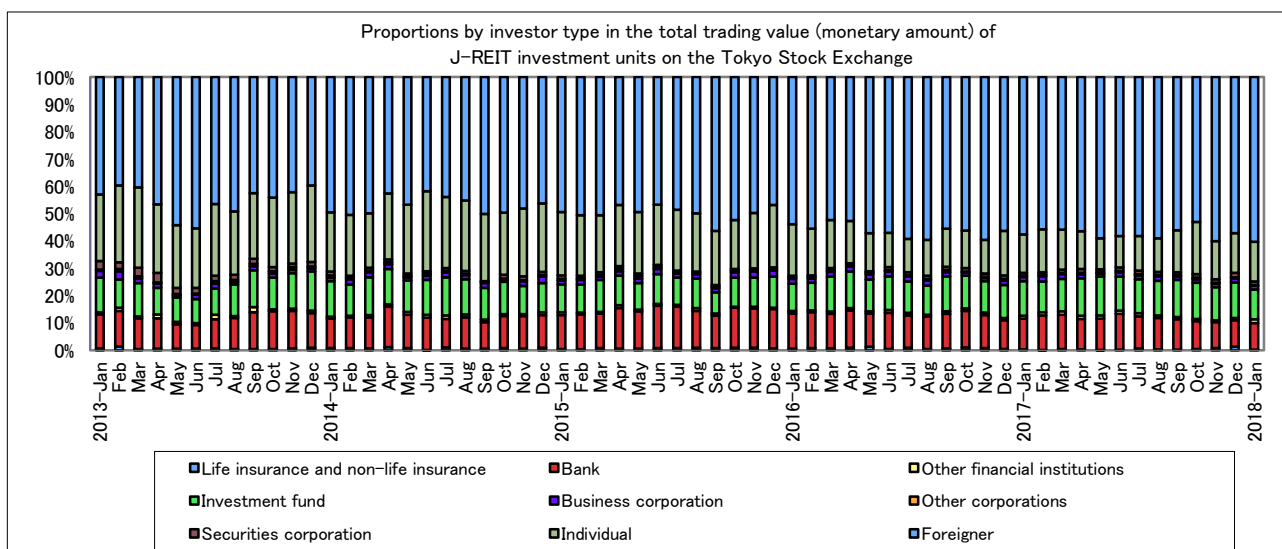
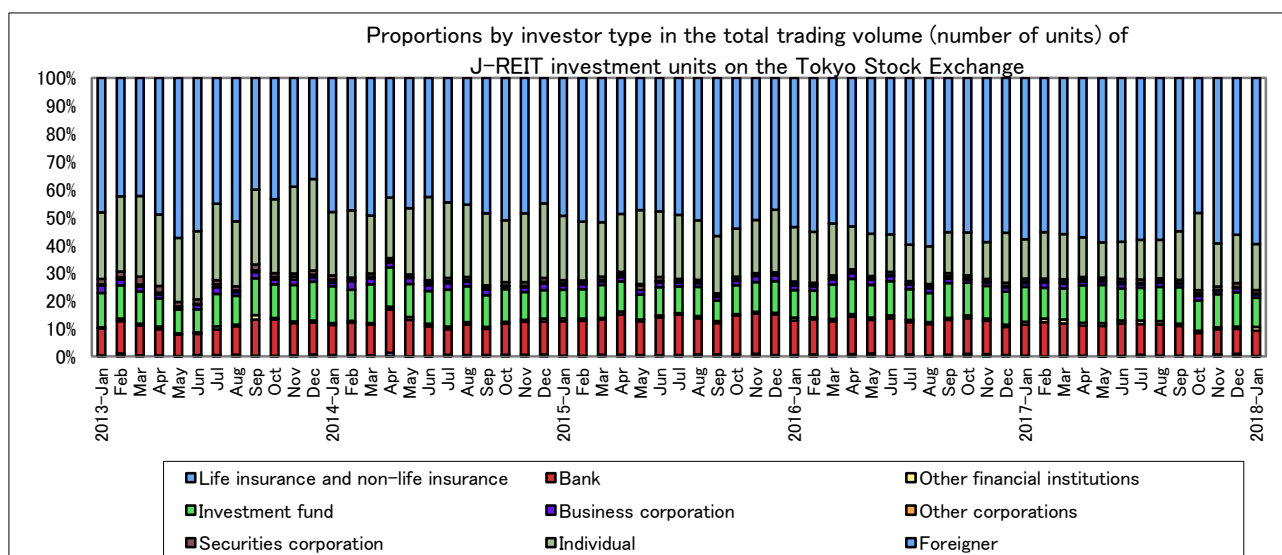
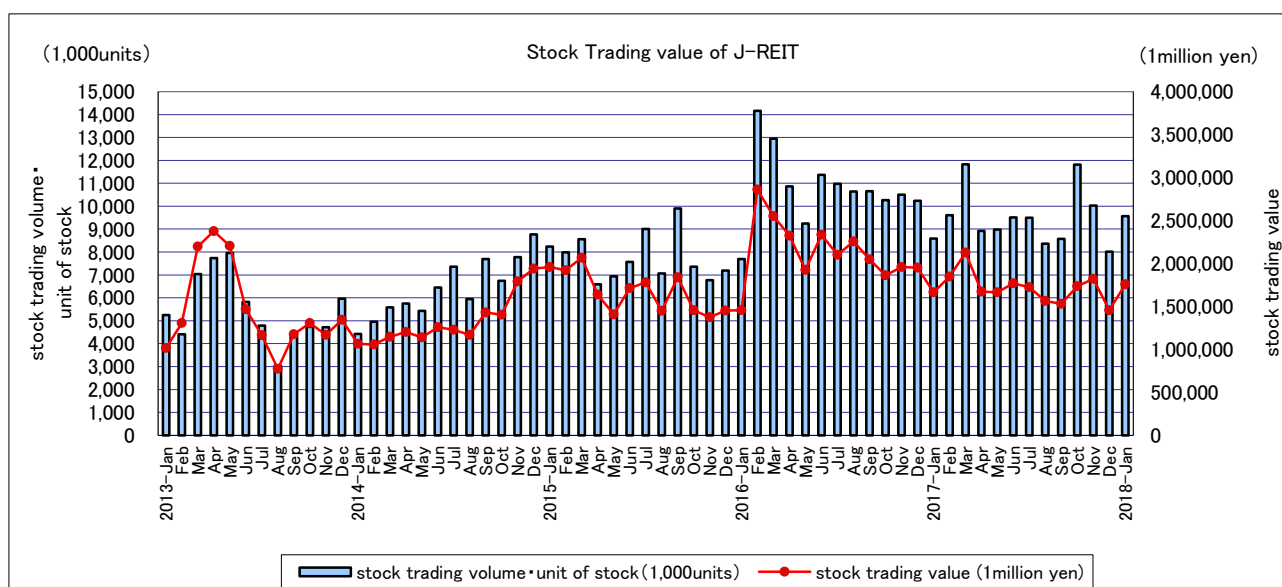
【Stock price index】

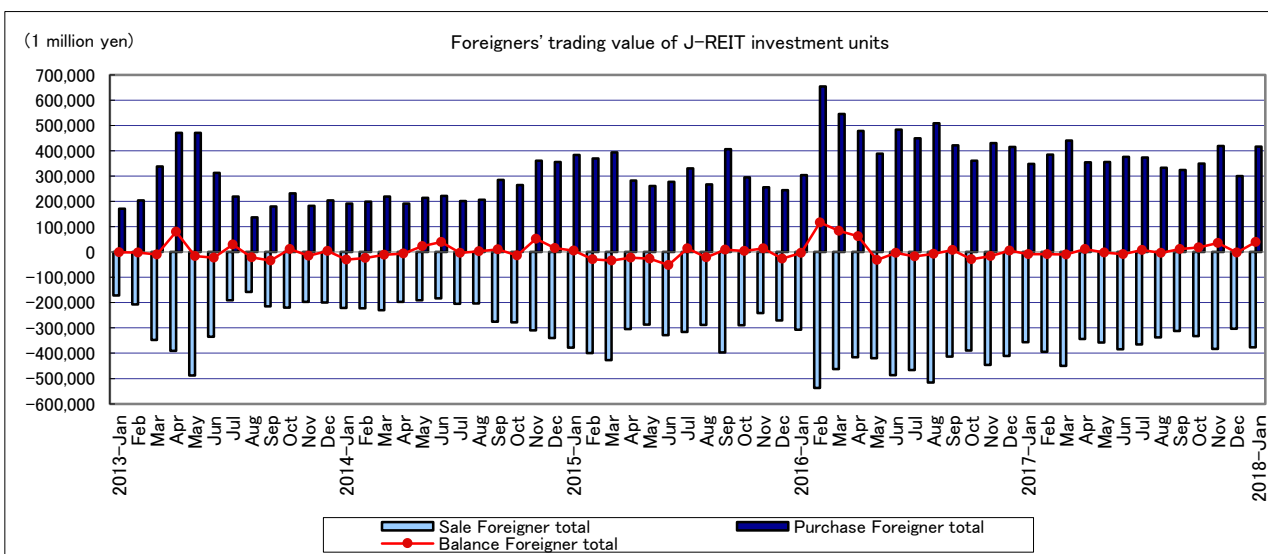
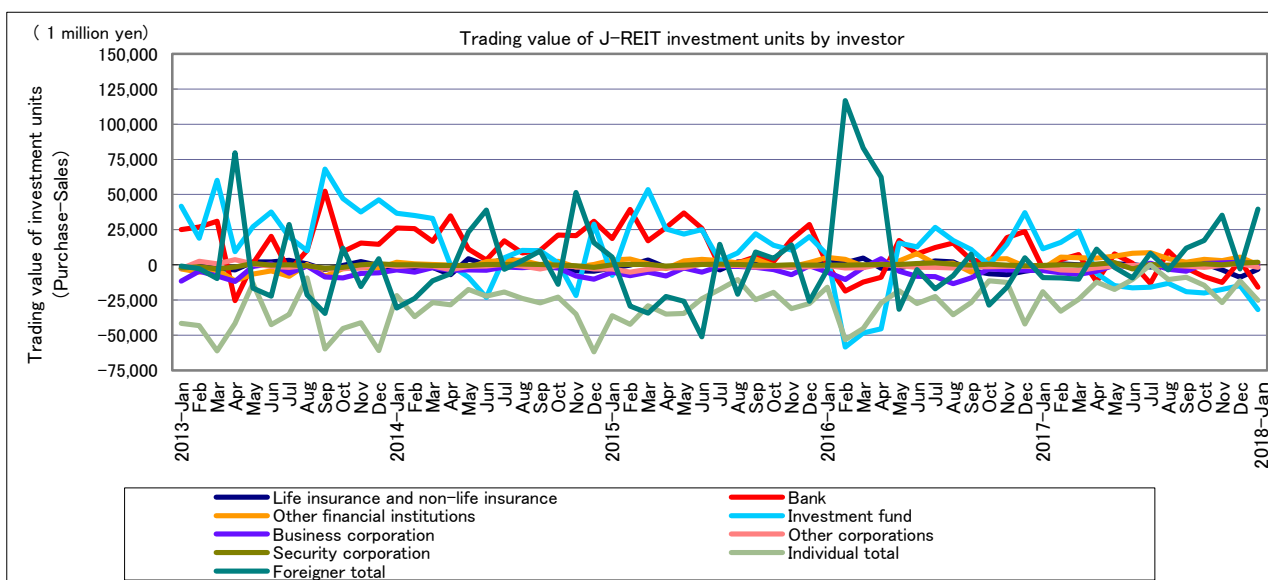


Source: Tokyo Stock Exchange Group, Inc., Bloomberg L.P.

Note: Figures for the TOPIX and the TSE Stock Price Index by Industry (Real Estate) have been compiled into separate indices based on March 31, 2003, which is the base date of the REIT Index.

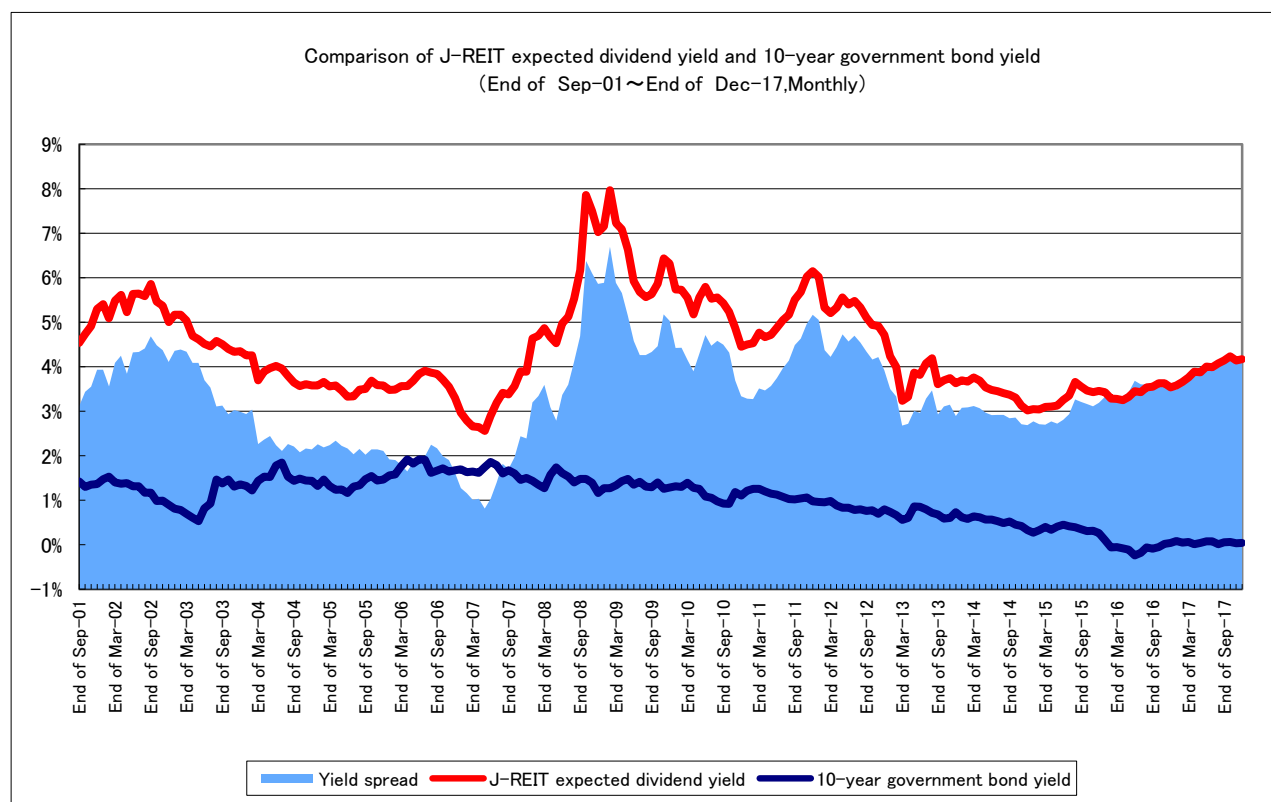
【Trading value of J-REIT investment units by investor】





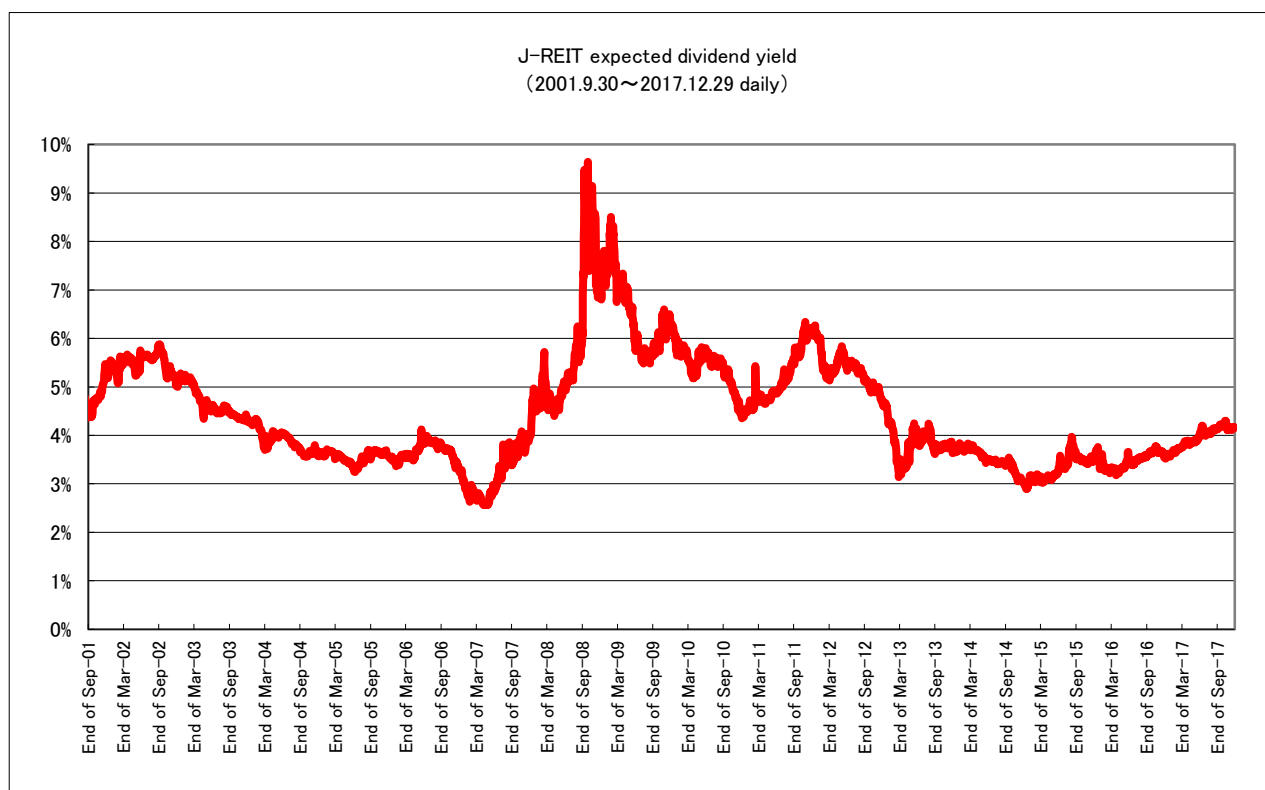
Source: Tokyo Stock Exchange Group, Inc.

【Expected dividend yield of J-REITs】



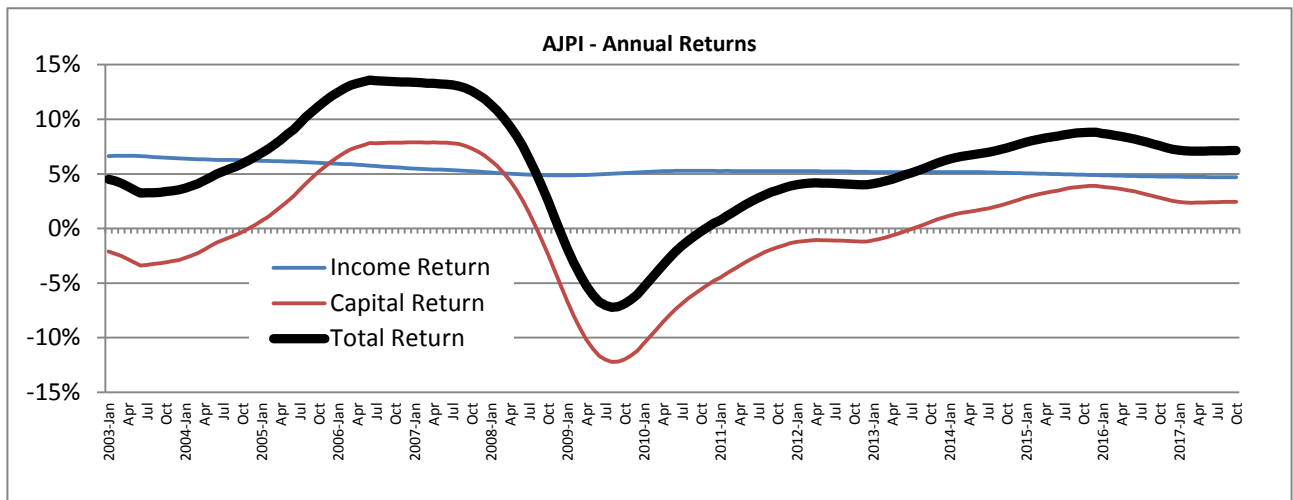
Sources: Sumitomo Mitsui Trust Research Institute Co., Ltd., Japan Bond Trading Co., Ltd.

Note: The yield spread is the difference between the 10-year government bond yield and the J-REIT expected dividend yield.

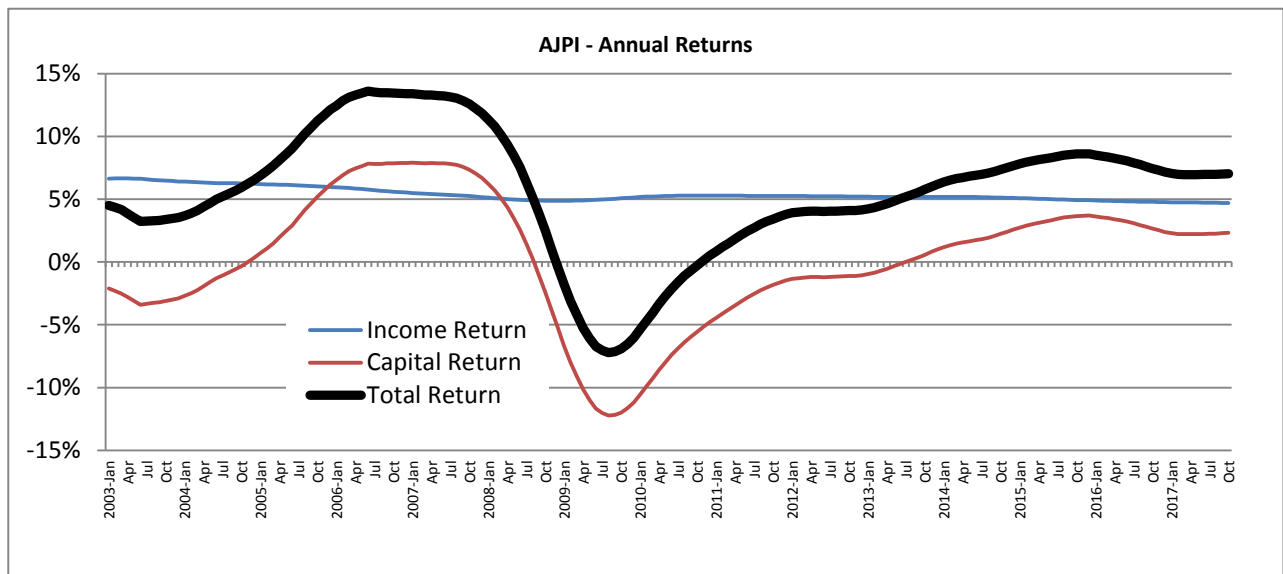


Sources: Sumitomo Mitsui Trust Research Institute Co., Ltd.

【AJPI - Annual Returns】
ARES J-REIT Property Index



ARES Japan Property Index



ARES J-REIT Property Index

J-REITの保有不動産データから作成したインデックス。

ARES Japan Property Index

J-REITの保有不動産データに私募・非上場不動産ファンドのデータを加えた統合インデックス。2012年10月から公表。

Source: The Association for Real Estate Securitization

Note: The data used for the AJPI - Annual Returns may be renewed retrospectively due to changes in the subjects of the data.

The graphs have been prepared using the latest figures announced by the data source.

5. Trends in Lending by Domestic Banks

【Outstanding of loans and new loans】

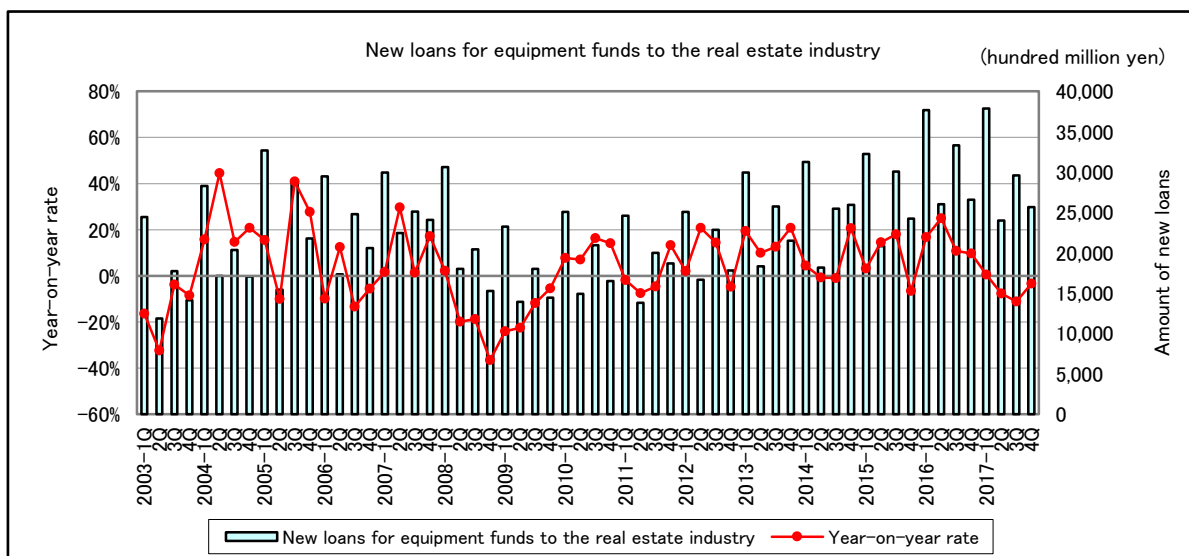
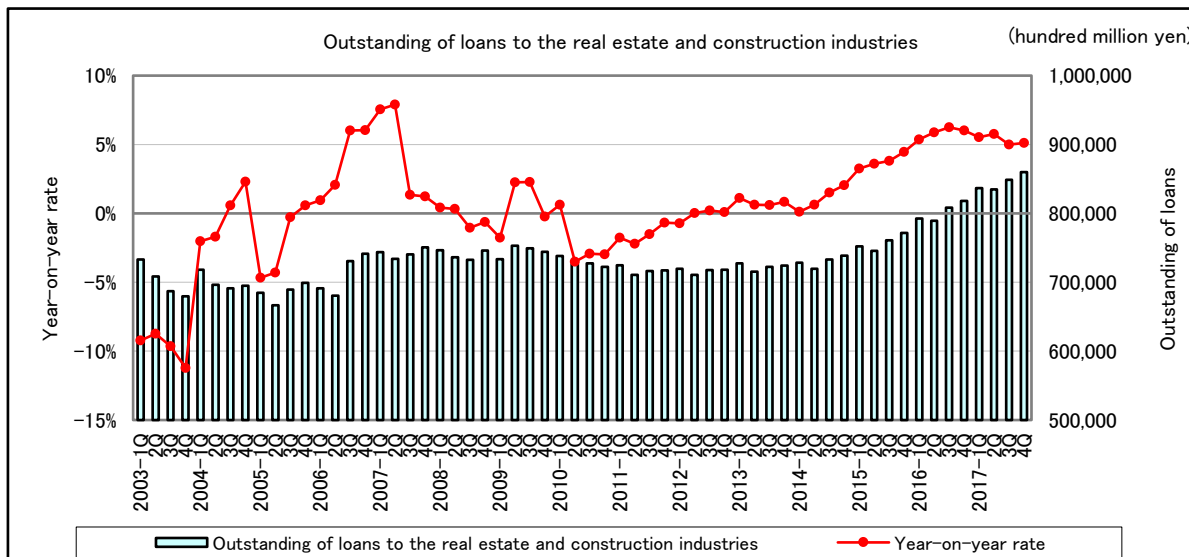
○ Outstanding of Loans

• The outstanding of loans to the construction industry for 4Q17 totaled 11,209.1 billion yen, a year-on-year decrease of 0.2%, falling below the previous year's results for 2 consecutive quarters.

• The outstanding of loans to the real estate industry for 4Q17 totaled 74,794.2 billion yen, a year-on-year increase of 6.0%, surpassing the previous year's results for 23 consecutive quarters.

○ New Loans for Equipment Funds

• New loans for equipment funds made to the real estate industry for 4Q17 totaled 2,567.3 billion yen, a year-on-year decrease of 3.4%, falling below the previous year's results for 3 consecutive quarters.



Source: Bank of Japan, Loans and Discounts Outstanding by Sector

Note1) Outstanding of loans at the end of each quarter is used for the calculation

Note2) New loans borrowed comprise two types: financing for equipment funds and working capital. With regard to the real estate industry, loans borrowed to fund rental buildings, land for construction of rental housing, and other leasing purposes are classified as financing for equipment funds, and those borrowed to purchase land for sale and to construct housing for sale are classified as working capital.

【Lending attitude】

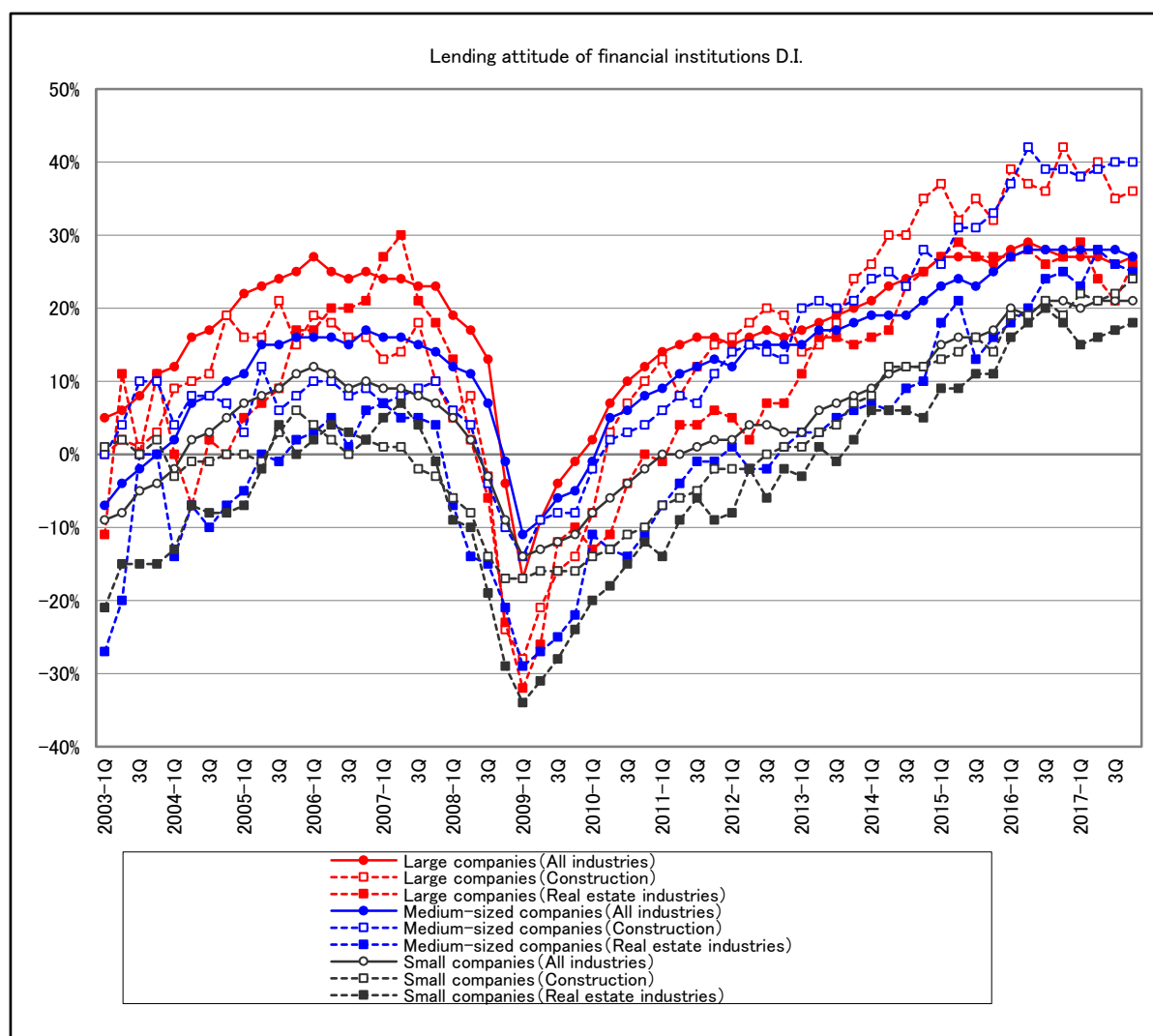
○ All Industries

•The lending attitude D.I. by all industries for 4Q17 was plus 27% point by large companies, plus 27% point by medium-sized companies, and plus 21% point by small companies. The figure improved for large companies, and worsened for medium-sized companies, and unchanged for small companies, compared with 3Q17.

○ The Construction and Real Estate Industries

•The lending attitude D.I. by the construction industry for 4Q17 was plus 36% point by large companies, plus 40% point by medium-sized companies, and plus 24% point by small companies. The figure improved for large companies, and unchanged for medium-sized companies, and improved for small companies, compared with 3Q17.

•The lending attitude D.I. by the real estate industry for 4Q17 was plus 26% point by large companies, plus 25% point by medium-sized companies, and plus 18% point by small companies. The figure improved for large companies,



Source: Bank of Japan, Short-term Economic Survey of Enterprises in Japan

Note: The figures have been calculated by subtracting the “Severe” ratio from the “Accommodative” ratio based on the responses. Large companies (capitalized at 1 billion yen or more), medium-sized companies (capitalized at 100 million yen or more and under 1 billion yen), small companies (capitalized at 20 million yen or more and under 100 million yen)

Due to a change in industry classifications, the construction and real estate industries, which were previously consolidated, have been separately classified from 1Q10 and are thus shown separately.