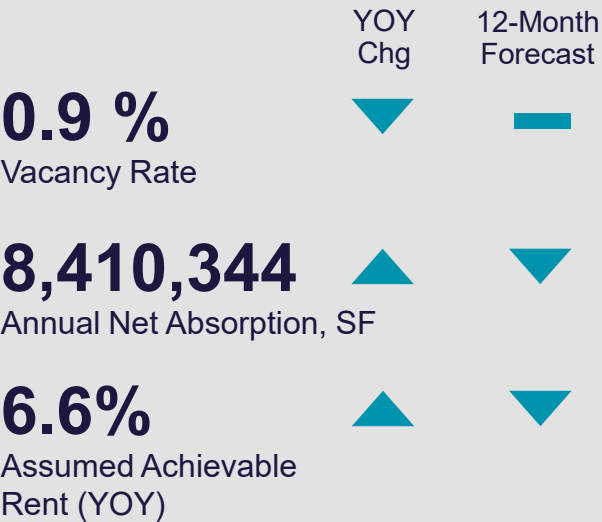
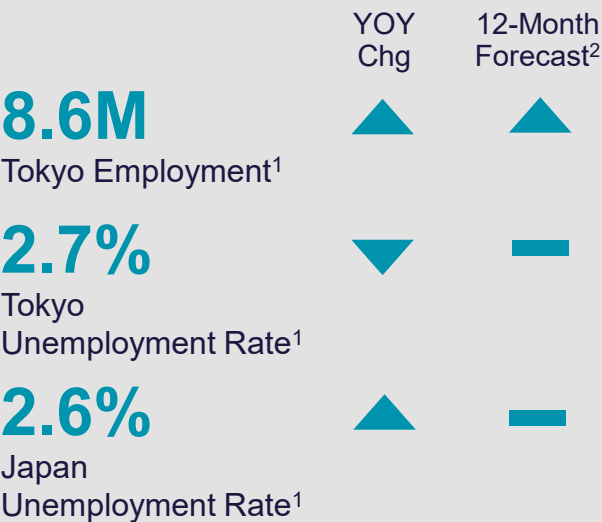


MARKET FUNDAMENTALS



(Figures are for Grade A office buildings in Central 5 Wards, and rents are quoted JPY per tsubo per month unless otherwise noted.)

ECONOMIC INDICATORS



Source: Tokyo Metropolitan Government, MIC

ECONOMY: TOKYO’S OFFICE EMPLOYMENT GROWTH AT CAGR OF 1.9%

Japan’s annual real GDP growth is now forecast to rise to 1.1% in 2025, supported by stronger private consumption, despite heightened global economic uncertainty stemming from U.S. trade policy. The aggregated ordinary income for the fiscal year ending March 2026 is forecast to remain at approximately 40% above the 10-year historical average^{3, 4}. Tokyo’s total office-using employment has grown at CAGR of 1.9%⁵, driving demand for office space.

SUPPLY/DEMAND: VACANCY RATE DROPS BELOW 1%

Annual net absorption in Tokyo’s Central 5 Wards Grade A office market reached 8.4 msf in Q3, up 62.0% y-o-y. This drove a decline in the vacancy rate to record less than 1% for the first time in five years. We are increasingly seeing expansion and upgrade activities as the key reasons for relocations. The quarter-end pre-commitment rate for newly completed buildings (NLA: 6.0 msf) stood at 97.6%. In submarkets where availability remains high due to new supply, such as Shibaura/Kaigan, we now expect the availability rate to start to fall. Extended fit-out and reinstatement periods have also led to earlier marketing of potential vacancies, helping to re-lease spaces even before tenant move-outs.

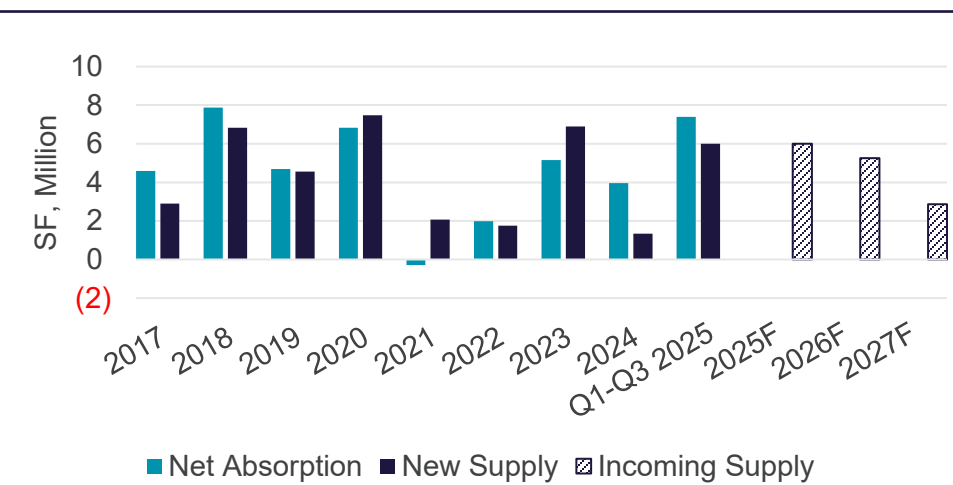
PRICING: ROBUST DEMAND DRIVE RENTS ABOVE PRE-COVID LEVELS

The Tokyo Central 5 Wards Grade A office assumed achievable rent rose 6.6% y-o-y to ¥38,198, surpassing the highest pre-COVID period level of ¥38,071, as at February 2020. Alongside rising occupancy, cumulative construction costs have risen by approximately 30% since 2019⁶, driving up asking rents for newly completed buildings and pushing overall Grade A market rents higher.

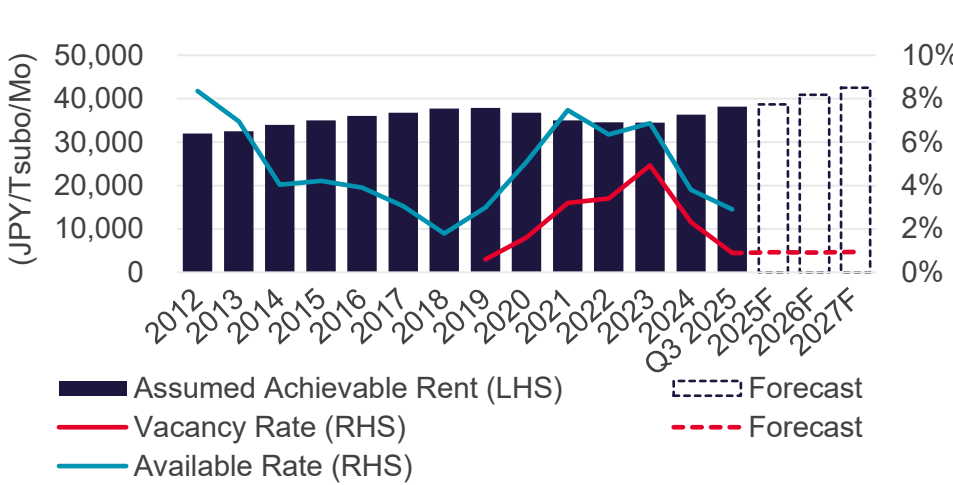
OUTLOOK

- Over the next two years, Tokyo’s office-related employment is projected to grow at CAGR of 0.5%, adding approximately 8,000 employees annually⁷.
- We expect the Tokyo C5W Grade A office vacancy rate to remain capped at around 1% through 2027, supported by a high pre-commitment rate of 84.9% for incoming supply for the next twelve months, the same level as the 10-year historical average as of 2019.
- Although the annual growth rate of assumed achievable rents has slowed in some submarkets, we expect rental growth at CAGR of 5% over the next two years. This projection is supported by the decline in new supply from 2026 to 2027, which is concentrated in high-rent submarkets, as well as by sustained strong demand for high-grade office space.

NET ABSORPTION/ INCOMING SUPPLY



VACANCY & RENT INDEX



¹ Tokyo Metropolitan Government, MIC. Average for Q2 2025
² Median of forecasted figures from institutions including Moody’s Analytics.
³ Business Outlook Survey by Ministry of Finance as of Q3 2025. The figures are for “Corporations with a capital of ¥1 billion or over” of “All industries” excluding financial/ insurance services.
⁴ Financial Statements Statistics of Corporations by Ministry of Finance as of Q3 2025. The figures are for “Corporations with a capital of ¥1 billion or over” of “All industries” excluding financial/ insurance services.
⁵ The number of office workers is estimated by allocating the number of workers based on occupational classifications by industry based on the Population Census (2020) and the Labor Force Survey for Tokyo Metropolitan as of Q2 2025.
⁶ Construction Cost Index by Construction Research Institute as of September 2025
⁷ Moody’s Analytics

KEY LEASE TRANSACTIONS Q3 2025

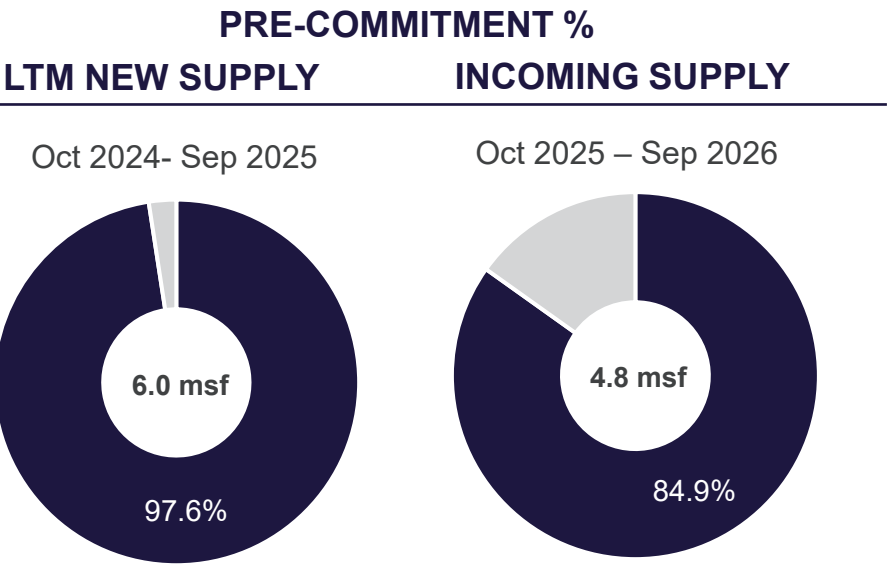
TENANT	INDUSTRY	Relocated to	SUBMARKET	Relocated from	SUBMARKET**	RSF	REASONS FOR RELOCATION
NTT DATA Group Corporation	TMT	OIMACHI TRACKS BUSINESS TOWER	Osaki / Gotanda	-	-	320,250	(Undisclosed)
Accenture Japan Ltd	Professional Services	Harumi Prime Square	Harumi / Kachidoki	-	-	186,812	Expansion
JA MITSUI LEASING, LTD.	Financial Services	Nihonbashi Honcho M-SQUARE, Nihonbashi 1cho-me Mitsui Building	Nihonbashi	Ginza Mitsui Building	Ginza	Over 356,000	Expansion
H.I.S. Co., Ltd.	Living-related and amusement services	Sumitomo Fudosan Shinjuku Central Park Tower	Nishi-Shinjuku	Kamiyacho Trust Tower	Toranomon / Kamiyacho	106,750	Expansion
CMIC HOLDINGS Co., Ltd.	Professional Services	BLUE FRONT SHIBAURA Tower S	Shibaura / Kaigan	Hamamatsucho Building, SG SQUARE	Hamamatsucho/ Onarimon	106,750	Redevelopment

*Telecom Media Technology (TMT) industry
**C&W’s office submarket area. “-” means no applicable data.
Source: Nikkei Real Estate Market Report

PLANNED GRADE A OFFICE SUPPLY Q3 2025

PROPERTY	SUBMARKET	MAJOR TENANT	TYPICAL FLOOR AREA (SF)	ASSUMED GROSS FLOOR AREA (SF)	PLANNED COMPLETION	OWNER / DEVELOPER
Sumitomo Fudosan Shiba Koen Project	Mita / Tamachi	-	14,589	419,883	Jan-26	Sumitomo Realty & Development
THE LINKPILLAR 2	Shinagawa Konanguchi	Kobe Steel Group	39,142	2,240,659	Jan-26	Japan Railways
TOFROM YAESU TOWER	Kyobashi / Yaesu / Nihonbashi	Japan Pulp and Paper	26,865	2,422,558	Feb-26	Tokyo Tatemono
Nihonbashi 1-chome Naka Area Redevelopment Area C	Kyobashi / Yaesu / Nihonbashi	Bank of America, JERA	48,820	1,879,887	Mar-26	Mitsui Fudosan, Nomura Real Estate Development
Otemachi Gate Building	Uchikanda	Mitsubishi Jisho Design	22,327	919,237	Jul-26	Mitsubishi Estate
Meiji Yasuda Shinjuku Building	Nishi-Shinjuku	HENNGE	29,072	733,993	Sep-26	Meiji Yasuda Life Insurance
Nomura Real Estate Nihonbashi Honmachi Building Project	Nihonbashi	Marufuji Sheetpiling	18,191	378,296	Nov-26	Nomura Real Estate Development
Nihonbashi Honmachi Mitsui Building & forest	Nihonbashi	Hochiki	12,703	290,609	Dec-26	Mitsui Fudosan
World Trade Center Main Building	Hamamatsucho/ Onarimon	-	30,175	2,238,471	Mar-27	World Trade Center Building
Dogenzaka 2-chome Project	Shibuya	coconala	16,146	676,756	Aug-27	Mitsubishi Estate
TORANOGATE	Toranomon / Kamiyacho	-	30,246	1,290,490	Oct-27	Chuo-Nittochi, UR, Sumitomo Realty & Development

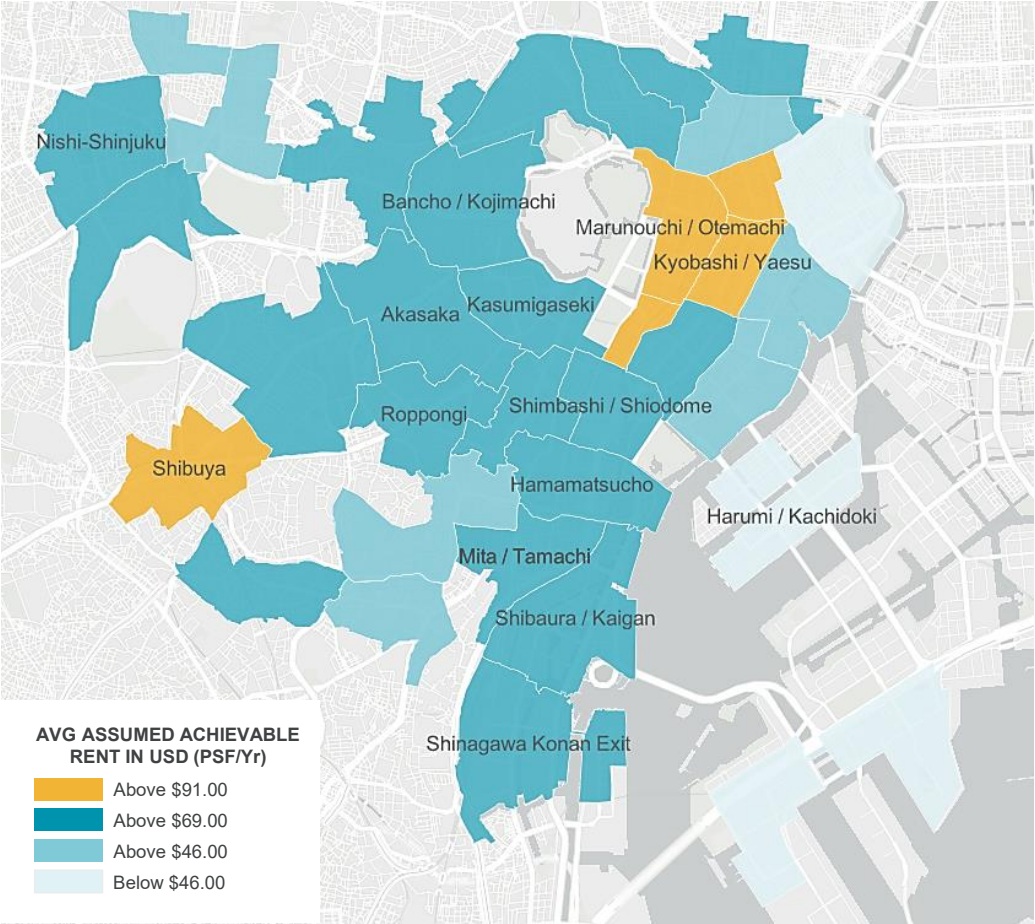
Source: Press releases from Owner / Developer or Major Tenant, Nikkei Real Estate Market Report



MARKET STATISTICS

SUBMARKET	NET LEASABLE AREA (SF)	OCCUPIED SPACE (SF)	AVAILABILITY RATE		VACANCY RATE		LTM NET ABSORPTION (SF)	LTM NEW SUPPLY (SF)	INCOMING SUPPLY WITHIN 1yr (SF)	AVG ASKING RENT IN USD		AVG ASSUMED ACHIEVABLE RENT IN USD*	
				YOY		YOY				(PSF/Yr)	YOY	(PSF/Yr)	YOY
Marunouchi / Otemachi	20,886,899	20,886,899	1.2%	-1.9pp	0.0%	-1.6pp	334,190	0	0	\$118.64	6.0%	\$112.30	5.0%
Kyobashi / Yaesu / Nihonbashi	6,879,213	6,865,454	0.6%	-2.1pp	0.2%	-2.2pp	151,343	0	2,784,254	\$109.46	8.4%	\$102.79	6.2%
Shibuya	5,206,726	5,201,520	0.8%	-0.2pp	0.1%	-0.5pp	26,034	0	0	\$102.31	2.9%	\$95.52	2.5%
Toranomon / Kamiyacho	9,155,192	9,109,416	2.9%	-8.8pp	0.5%	-9.9pp	1,628,314	805,748	0	\$97.02	7.2%	\$90.38	9.9%
Roppongi	7,541,382	7,405,637	2.0%	-2.0pp	1.8%	-0.8pp	291,050	236,878	0	\$97.58	6.9%	\$89.08	11.2%
Akasaka	4,889,928	4,777,460	4.9%	-6.0pp	2.3%	-6.4pp	1,352,557	1,138,666	0	\$93.81	15.8%	\$87.53	15.7%
Kasumigaseki / Uchisaiwaicho	3,540,147	3,518,906	2.3%	0.9pp	0.6%	-0.6pp	21,241	0	0	\$88.05	6.3%	\$81.47	4.9%
Shibaura / Kaigan	3,862,852	3,839,675	30.5%	26.5pp	0.6%	-0.9pp	1,492,617	1,480,052	0	\$82.97	13.4%	\$79.65	13.6%
Shimbashi / Shiodome	4,285,546	4,285,546	1.1%	-2.3pp	0.0%	-3.1pp	132,852	0	0	\$83.21	4.0%	\$78.70	5.4%
Shinagawa Konanguchi	6,640,271	6,640,271	1.4%	-1.6pp	0.0%	-2.9pp	1,937,413	1,796,957	960,749	\$79.68	13.8%	\$75.87	16.3%
Bancho / Kojimachi	2,671,950	2,653,246	1.0%	-1.4pp	0.7%	0.1pp	219,450	223,463	0	\$79.84	1.2%	\$74.89	2.8%
Mita / Tamachi	3,914,483	3,910,569	0.3%	-8.8pp	0.1%	-6.6pp	549,015	311,532	218,766	\$77.62	5.5%	\$72.01	8.9%
Hamamatsucho/ Onarimon	3,574,912	3,557,037	1.0%	-0.3pp	0.5%	0.0pp	0	0	0	\$77.72	4.9%	\$72.98	6.4%
Nishi-Shinjuku	3,593,984	3,558,045	1.2%	-6.7pp	1.0%	-0.6pp	21,564	0	551,541	\$73.80	8.0%	\$70.89	10.7%
Harumi / Kachidoki	3,203,173	2,751,526	15.9%	-5.5pp	14.1%	-5.5pp	176,175	0	0	\$47.35	10.1%	\$43.61	11.2%
Central 5 Wards (Local unit/currency)	108,951,154 3,061,862 tsubo	107,970,594 3,034,305 tsubo	2.9%	-1.8pp	0.9%	-2.4pp	8,410,344 236,356 tsubo	5,993,295 168,430 tsubo	4,829,519 135,724 tsubo	\$93.03 JPY 40,676 tsubo/month	5.9%	\$87.36 JPY 38,198 tsubo/month	6.6%

*1 USD = 147.45 JPY (quarterly average)



Scope of Survey

- Office buildings
- In Tokyo Central 5 Wards
 - Completed after 2000
 - Net leasable area of 4,000 tsubo / 142,333 sf or more
 - Standard floor area of 300 tsubo / 10,675 sf or more

222 buildings as of Q3 2025

Definition

- Rent:** Assumed achievable rent or asking rent, gross rent including CAM, divided by total Net Leasable Area
- Vacancy Rate:** Current vacancy divided by total Net Leasable Area where the space is immediately available
- Availability Rate:** Available space divided by total Net Leasable Area and includes the space not yet vacated but lease cancellation notice has been accepted
- Net Absorption:** (Vacant space of previous quarter) + (Net Leasable Area of New supply provided during current quarter) – (Vacant Space of current quarter)

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