

SUPPLY/DEMAND & PRICING

Tokyo Central 5 Wards Grade A office demand remained robust through 2025, pulling the vacancy rate down to a historic 0.5% by the end of the year. Growth was chiefly driven by TMT and manufacturing sector firms pursuing expansions and flight-to-quality relocations. The pre-commitment rate for new supply over the next 12 months has now reached 89.7%. While secondary vacancies are expected, visible available space remains limited due to strong in-building expansion needs and prolonged reinstatement periods. The market now faces a distinct shortage of available stock.

Average assumed achievable rents reached \$86.00 per sf per annum in Q4 2025, rising 8.2% y-o-y to officially surpass the pre-pandemic peak of \$83.78 of Q3 2019. This milestone confirms a full rental level recovery and signals a transition into a new phase of the market cycle.

SUBMARKET HIGHLIGHTS

Akasaka: Following the completion of Akasaka Green Cross, which saw vacancy peak at 9.5% in May 2024, absorption progressed rapidly to pull vacancy down to 1.7% by the year-end. Average rents surged 20.3% y-o-y, driven by high-priced pre-commitments at Akasaka Trust Tower.

Harumi/Kachidoki: Transitioned from oversupply to recovery. Vacancy plummeted from a 26.8% peak in September 2023 to 4.2% by the end of 2025, driving a 14.4% y-o-y rental uplift.

Shibaura/Kaigan: Despite a high availability rate of 30.1% attributed to specific large-block vacancies, assumed achievable rents remained resilient and maintained an upward trend.

Shinagawa (Konan): Rents rose 17.1% y-o-y, led by completion and high occupancy at LINK PILLAR 1 (South & North), which set a new pricing benchmark for the area.

OUTLOOK

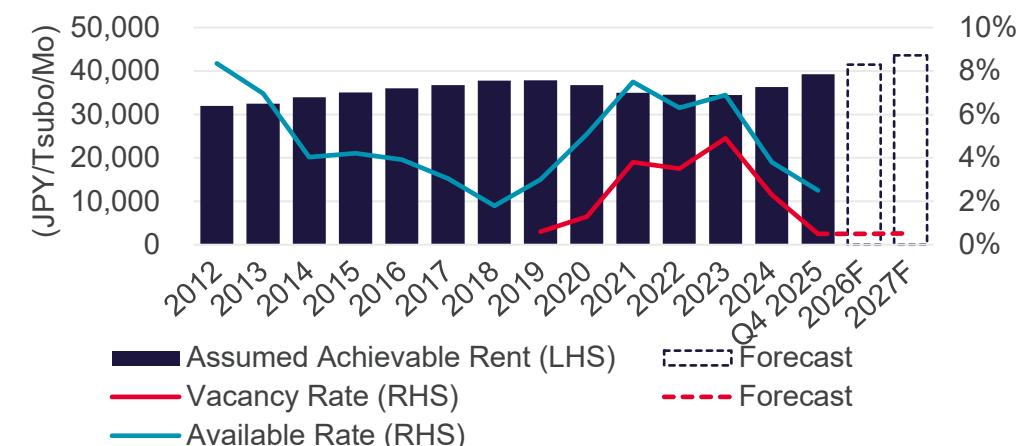
- Supply-Driven Uplift:** Upcoming supply is concentrated in the Kyobashi/Yaesu/Nihonbashi districts. These projects are expected to close at premiums above current market averages, further accelerating the rental growth of existing Grade A assets.

- Cost Pass-Through:** Given the record-low vacancy, landlords are increasingly positioned to pass on rising costs to tenants. Since 2020, cumulative growth in Corporate Goods Prices (+28.1%)², Core CPI (+12.2%)³, and Office Construction Costs (+35.1%)⁴ has significantly inflated OPEX and CAPEX. As tenants also face higher fit-out and reinstatement costs, the market is shifting from a "recovery phase" into a "growth phase" that structurally reflects broader inflationary trends.

NET ABSORPTION/ INCOMING SUPPLY



VACANCY & RENT INDEX



¹ Tokyo Metropolitan Government, MIC. Average for Q3 2025

² Bank of Japan

³ Ministry of Internal Affairs and Communications

⁴ Construction Cost Index by Construction Research Institute as of December 2025, standard index for Tokyo, Office (Steel Structure)

KEY LEASE TRANSACTIONS Q4 2025

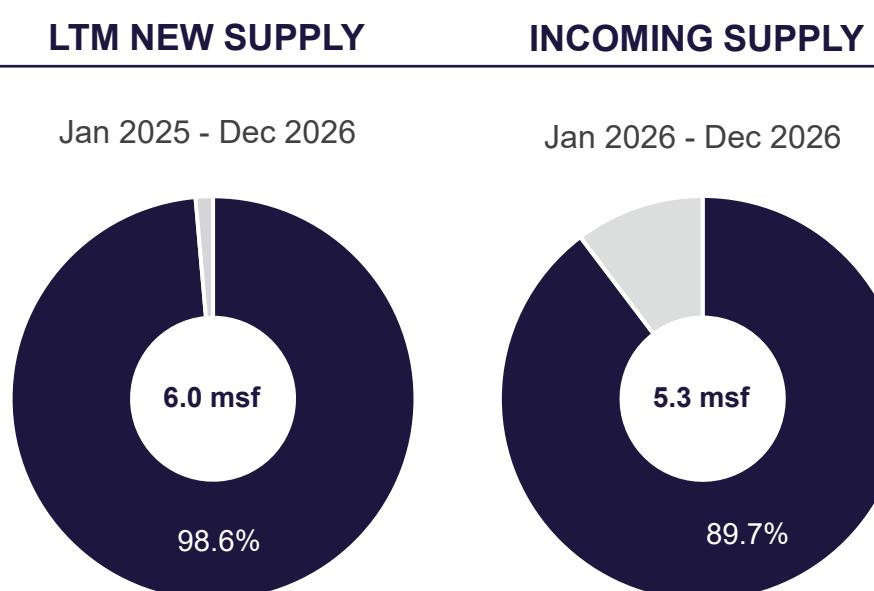
TENANT	INDUSTRY	RELOCATED TO	SUBMARKET	RELOCATED FROM	SUBMARKET**	RSF	REASONS FOR RELOCATION
Nojima	Retail & Wholesale	Shinagawa Intercity C	Shinagawa Konanguchi	JR Yokohama Tower, Kamiyacho Trust Tower, and other 9 locations	Nishi-ku Yokohama, Toranomon / Kamiyacho	194,036	Consolidation
Nippon Sanso Holdings, Taiyo Nippon Sanso	Manufacturing	World Trade Center Building, MinatoMirai Grand Central Tower	Hamamatsucho / Onarimon, Minatomirai	Sel-owned	-	89,777	BCP
DENSO	Manufacturing	Shiba Onarimon Tower	Hamamatsucho/ Onarimon	(Undisclosed)	-	72,590	(Undisclosed)
AIG General Insurance	Living-related and amusement services	Azabudai Hills Mori JP Tower	Toranomon / Kamiyacho	Kamiyacho MT Bldg.	Toranomon / Kamiyacho	71,167	BCP
CREEK & RIVER	Miscellaneous services	MSC Onarimon Building	Toranomon / Kamiyacho	Shintora-Dori CORE	Shimbashi / Shiodome	64,050	Expansion

*Telecom Media Technology (TMT) industry

**C&W's office submarket area. “-” means no applicable data.

Source: Nikkei Real Estate Market Report

PRE-COMMITMENT %



PLANNED GRADE A OFFICE SUPPLY Q4 2025

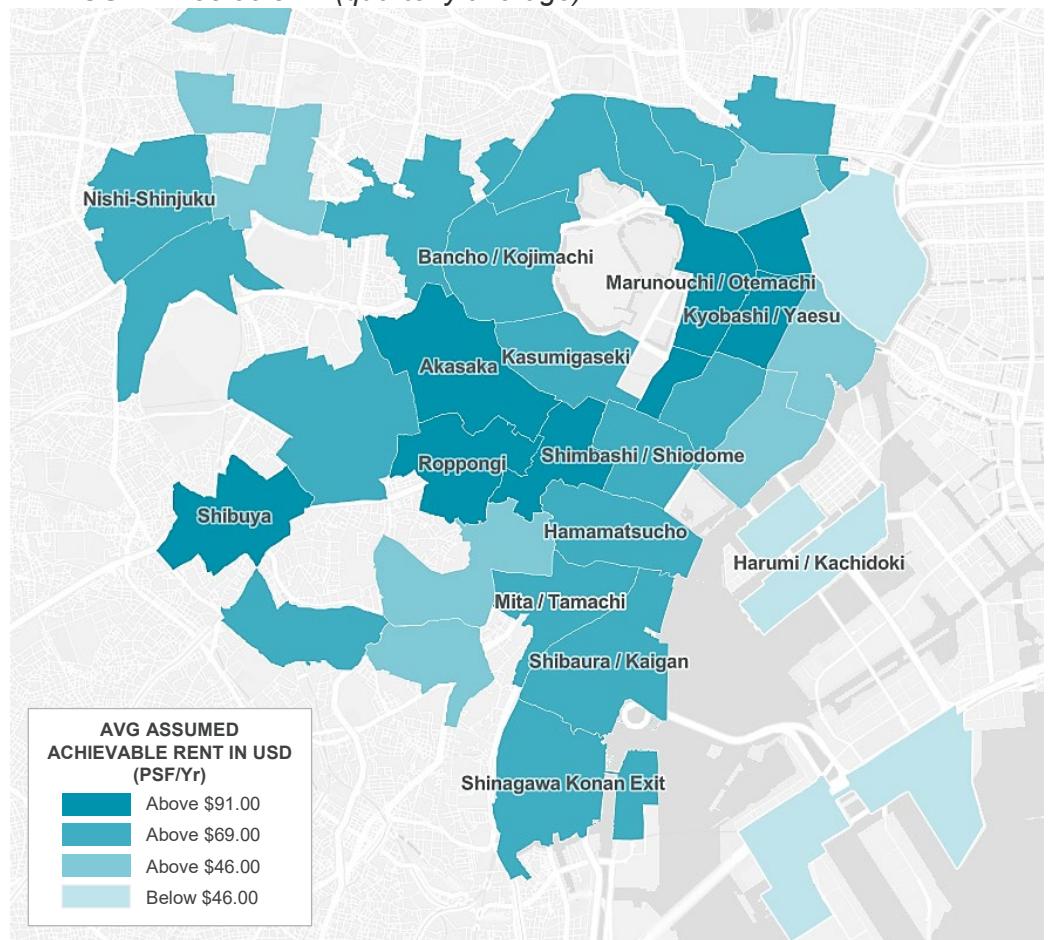
PROPERTY	SUBMARKET	MAJOR TENANT	TYPICAL FLOOR AREA (SF)	ASSUMED GROSS FLOOR AREA (SF)	PLANNED COMPLETION	OWNER / DEVELOPER
Sumitomo Shiba-Koen Building	Mita / Tamachi	TENOX	14,589	419,883	Jan-26	Sumitomo Realty & Development
THE LINKPILLAR 2	Shinagawa Konanguchi	Kobe Steel Group	39,142	2,240,659	Jan-26	Japan Railways
TOFROM YAESU TOWER	Kyobashi / Yaesu / Nihonbashi	Japan Pulp and Paper, Astemo	26,865	2,422,558	Feb-26	Tokyo Tatemono
Nihonbashi 1-chome Naka Area Redevelopment Area C	Kyobashi / Yaesu / Nihonbashi	Bank of America, JERA, Daiichi Sankyo	48,820	1,879,887	Sep-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, CAPCOM	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 Honcho Mitsui Building & forest	Nihonbashi	Hochiki, Central Glass	12,703	290,609	Dec-26	Mitsui Fudosan
Osaki Core Project	Osaki / Gotanda	-	27,577	745,331	Feb-27	Tokyu Land
World Trade Center Main Building	Hamamatsucho/ Onarimon	Taiyo Nippon Sanso	30,175	2,238,471	Mar-27	World Trade Center Building
MITAKE Link Park	Shibuya	-	27,755	501,355	Jun-27	Hulic

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	Y.O.Y.	VACANCY RATE	Y.O.Y.	LTM NET ABSORPTION (SF)	LTM NEW SUPPLY (SF)	INCOMING SUPPLY WITHIN 1yr (SF)	Avg Asking Rent in USD (PSF/Yr)	Avg Assumed Achievable Rent in USD* (PSF/Yr)	Avg Assumed Achievable Rent in USD* (PSF/Yr)
	Y.O.Y.	Y.O.Y.	Y.O.Y.	Y.O.Y.	Y.O.Y.	Y.O.Y.	Y.O.Y.	Y.O.Y.	Y.O.Y.	Y.O.Y.	Y.O.Y.	Y.O.Y.
Marunouchi / Otemachi	20,886,899	20,845,125	1.2%	-1.6pp	0.2%	-1.2pp	250,643	0	0	\$118.57	9.7%	\$111.06
Kyobashi / Yaesu / Nihonbashi	6,879,213	6,879,213	0.2%	-2.8pp	0.0%	-2.4pp	165,101	0	2,784,254	\$104.82	5.7%	\$98.43
Shibuya	5,511,675	5,511,675	0.6%	-0.2pp	0.0%	-0.1pp	5,512	0	0	\$100.73	5.3%	\$94.40
Toranomon / Kamiyacho	9,155,192	9,136,881	0.9%	-2.9pp	0.2%	-2.0pp	971,126	805,748	0	\$94.71	9.1%	\$87.66
Roppongi	7,541,382	7,390,555	2.4%	-0.6pp	2.0%	-0.6pp	275,967	236,878	0	\$94.52	6.0%	\$87.85
Akasaka	4,889,928	4,806,799	3.7%	-10.9pp	1.7%	-7.4pp	1,396,902	1,138,666	0	\$95.48	23.5%	\$88.08
Kasumigaseki / Uchisaiwaicho	3,540,147	3,540,147	1.1%	0.5pp	0.0%	-0.2pp	7,080	0	0	\$87.14	9.9%	\$81.82
Shibaura / Kaigan	3,862,852	3,855,126	30.1%	25.8pp	0.2%	-0.9pp	1,498,537	1,480,052	0	\$80.16	9.2%	\$79.40
Shimbashi / Shiodome	4,285,546	4,268,404	0.7%	-1.2pp	0.4%	-1.0pp	42,855	0	0	\$81.60	6.5%	\$77.80
Shinagawa Konanguchi	6,640,271	6,640,271	1.4%	-1.1pp	0.0%	-2.4pp	1,913,196	1,796,957	960,749	\$76.49	14.0%	\$73.40
Bancho / Kojimachi	2,671,950	2,661,262	0.5%	-1.9pp	0.4%	-0.2pp	227,466	223,463	0	\$76.45	1.2%	\$71.71
Mita / Tamachi	3,914,483	3,898,825	0.6%	-7.6pp	0.4%	-5.3pp	501,242	311,532	218,766	\$80.67	9.3%	\$75.14
Hamamatsucho/ Onarimon	3,574,912	3,574,912	4.0%	2.9pp	0.0%	-0.5pp	17,875	0	0	\$78.61	14.5%	\$74.27
Nishi-Shinjuku	3,593,984	3,586,796	1.9%	-4.7pp	0.2%	-1.5pp	53,910	0	551,541	\$74.29	10.6%	\$70.26
Harumi / Kachidoki	3,203,173	3,068,640	6.8%	-12.9pp	4.2%	-13.8pp	442,038	0	0	\$46.12	12.0%	\$42.97
Central 5 Wards (Local unit/currency)	108,951,154	108,406,398	2.5%	-1.3pp	0.5%	-1.8pp	7,816,570	5,993,295	5,250,342	\$91.70	7.9%	\$86.00
	3,061,862 tsubo	3,046,553 tsubo					219,670 tsubo	168,430 tsubo	147,552 tsubo	JPY 41,874 tsubo/month		JPY 39,270 tsubo/month

*1 USD = 153.99 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 Q4 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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