

### MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
<b>0.5%</b> Vacancy Rate	▼	—
<b>6,807,438</b> Annual Net Absorption, SF	▲	▲
<b>11.0%</b> Assumed Achievable Rent (YOY)	▲	▲

(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

	YOY Chg	12-Month Forecast
<b>8.7M</b> Tokyo Employment <sup>1</sup>	▲	▲
<b>2.2%</b> Tokyo Unemployment Rate <sup>1</sup>	▼	—
<b>2.5%</b> Japan Unemployment Rate <sup>1</sup>	▲	—

Source: Tokyo Metropolitan Government, Ministry of Internal Affairs and Communications

### ECONOMIC SENTIMENT

Japan's economy remains in a moderate recovery. According to the Bank of Japan's March Tankan survey, the Business Conditions Diffusion Index stood at +18, up one point from December and marking a second consecutive quarterly rise. Corporate revenues and recurring profits for the FY 2025 (April 2025-March 2026) are now projected to grow by 2.3% y-o-y and 2.4%<sup>2</sup> y-o-y, respectively, while the Tokyo office worker population expanded by approximately 49,000<sup>3</sup> y-o-y in Q4 2025, supporting steady occupier demand. Geopolitical risks, including higher crude oil prices linked to Middle East tensions, remain an external uncertainty and could affect corporate costs and profitability.

### SUPPLY, DEMAND AND RENTAL TRENDS

Prime Grade A office assumed achievable rents in the Tokyo Central 5 Wards rose to \$88.23 per sf per annum in Q1 2026, up 11% y-o-y and 4.6% q-o-q, with vacancy remaining extremely tight at 0.5%. The newly completed Tofrom Yaesu Tower and The LinkPillar 2 projects both opened with pre-commitment rates exceeding 80%. With 90.2% of scheduled delivered space in the next 12 months pre-leased, and with 2027–2028 projected new supply at below the 10-year average, demand is expected to outpace supply until 2029.

### SUBMARKETS

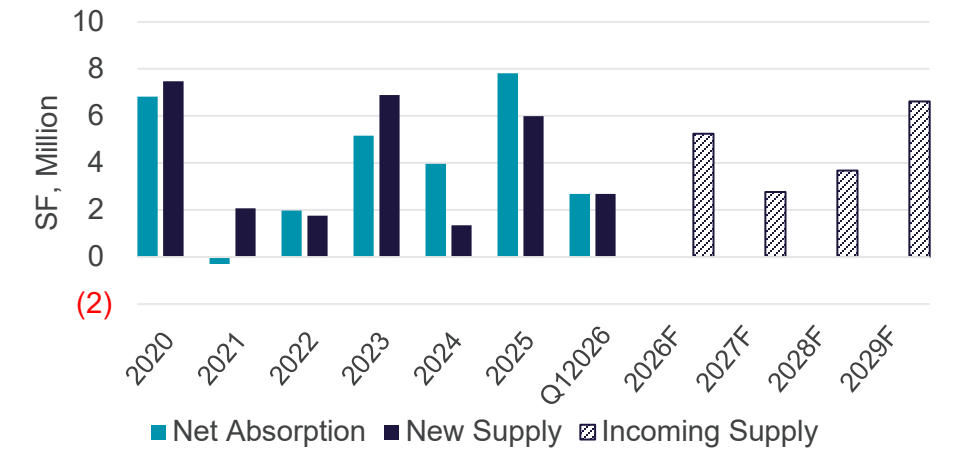
**Kyobashi/Yaesu/Nihonmashi:** Prime Grade A rents climbed 14.8% q-o-q and 18.5% y-o-y. At the Yaesu 2-Chome Central District Type I Urban Redevelopment Project scheduled for completion in 2029, consulting firm Northsand and pharmaceutical company Chugai Pharmaceutical have announced relocations. Northsand's move represents an expansion from Kabukiza Tower, while Chugai Pharmaceutical is consolidating its dispersed offices to enhance internal communication efficiency.

**Akasaka:** Assumed achievable rents increased 8.5% q-o-q and 27.9% y-o-y. After surpassing the Tokyo Central 5 Wards average in Q3 2025, the rental premium has continued to widen, expanding from 2.4% at end-2025 to 6.2% by the end of Q1 2026, positioning Akasaka as a key driver of market rental growth.

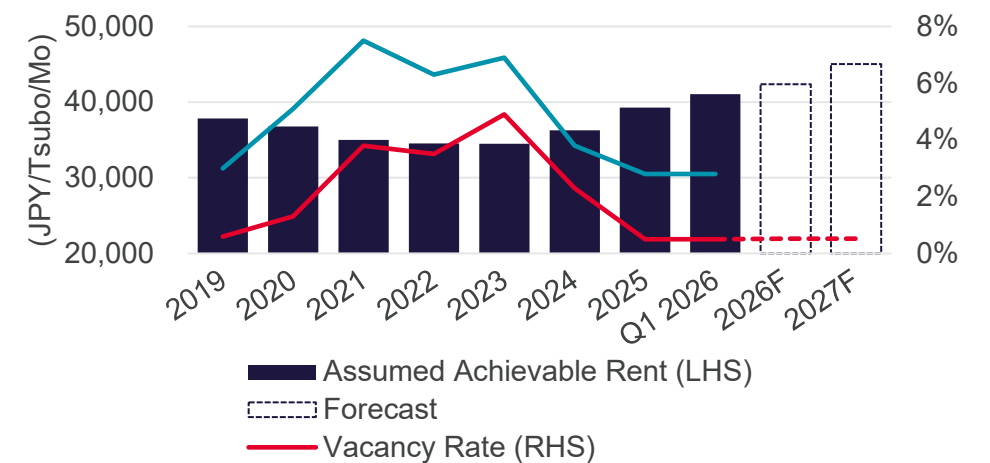
### OUTLOOK

- New office supply over the next 12 months is expected to total 5.23 million sf, with elevated pre-commitment rates. Supported by solid macro fundamentals and growth in office worker numbers, tight vacancy conditions are expected to sustain upward pressure on rents.
- Prolonged Middle East tensions may push up construction and energy costs, potentially delaying new supply and intensifying competition for available space in the short term. Conversely, if cost pressures weigh on corporate profitability or employment beyond tenant affordability levels, office demand could slow.

### NET ABSORPTION/ INCOMING SUPPLY



### VACANCY & RENT INDEX



<sup>1</sup> Q1 2026

<sup>2</sup> The Quarterly Survey of Corporate Enterprise Trends (Q1 2026 survey)

<sup>3</sup> Moody's Analytics

KEY LEASE TRANSACTIONS Q1 2026

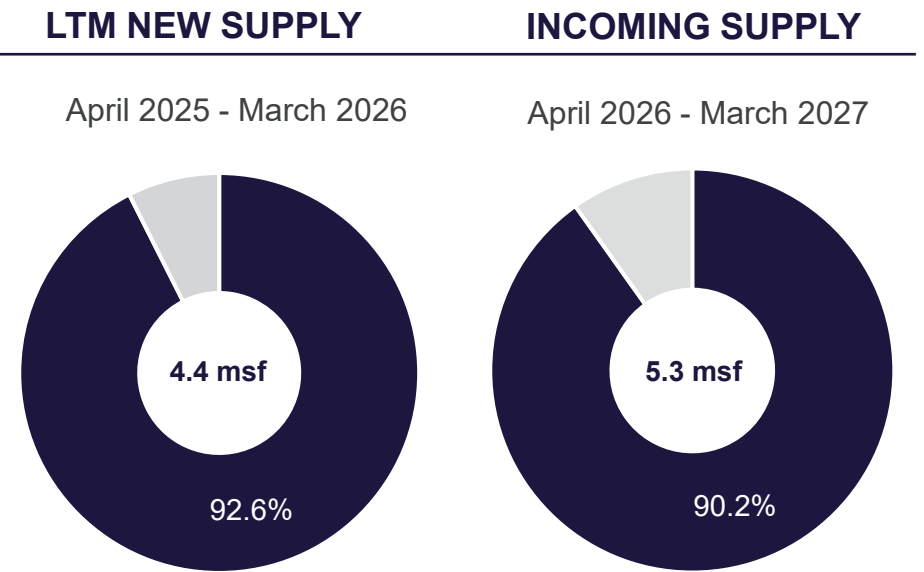
TENANT	INDUSTRY	RELOCATED TO	SUBMARKET	RELOCATED FROM	SUBMARKET**	RSF	REASONS FOR RELOCATION
Northsand	Professional Services	Yaesu 2-Chome Central District Type 1 Urban Redevelopment Project	Kyobashi / Yaesu / Nihonbashi	Kabukiza Tower, Ginza Quinto Building	Ginza	Around 100,000 SF (TBD)	Location Strategy
CHUGAI PHARMACEUTICAL	Medical, health care and welfare	Yaesu 2-chome Central District Type 1 Urban Redevelopment Project	Kyobashi / Yaesu / Nihonbashi	Nihonbashi Mitsui Tower, and other 5 locations	Nihonbashi	202,825	Consolidation
Tokyo Tatemono	Real Estate	TOFROM YAESU TOWER	Kyobashi / Yaesu / Nihonbashi	Tokyo Tatemono Yaesu Building, and other 2 locations	Kyobashi / Yaesu / Nihonbashi	162,260	Consolidation
DENTSU SOKEN	TMT*	Torch Tower	Marunouchi / Otemachi	-	Shinagawa Konanguchi	71,167	Expansion
Hitachi Construction Machinery	Manufacturing	Otemachi Gate Building	Marunouchi / Otemachi	Ueno East Tower	Taito / Ueno	66,897	Relocation

\*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 Q1 2026

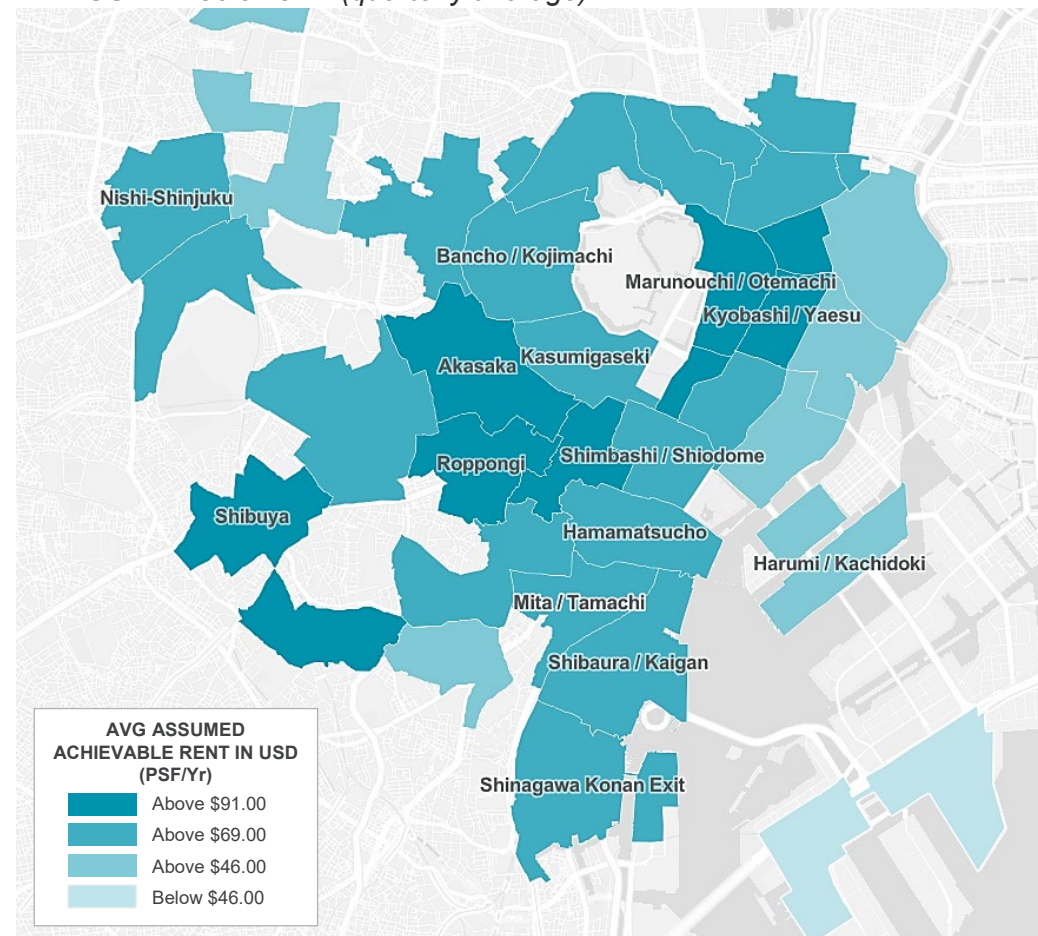
PROPERTY	SUBMARKET	MAJOR TENANT	TYPICAL FLOOR AREA (SF)	ASSUMED GROSS FLOOR AREA (SF)	PLANNED COMPLETION	OWNER / DEVELOPER
Otemachi Gate Building	Uchikanda	Mitsubishi Jisyo Community, Hitachi Construction Machinery, JS Corporation	22,327	919,237	Jul-26	Mitsubishi Estate
Nihonbashi 1-chome Naka Area Redevelopment Area C	Kyobashi / Yaesu / Nihonbashi	Bank of America, JERA, Daiichi Sankyo	48,820	1,879,887	Sep-26	Mitsui Fudosan, Nomura Real Estate Development
Meiji Yasuda Shinjuku Building	Nishi-Shinjuku	HENNGE, CAPCOM, uSonar	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 River Walk Garden	Osaki / Gotanda	LIFULL, Leverages, Tokyu Architects & Engineering	27,577	745,331	Feb-27	Tokyu Land Corporation, Takenaka Corporation
World Trade Center Main Building	Hamamatsucho/ Onarimon	Nippon Sanso	30,175	2,238,471	Mar-27	World Trade Center Building
MITAKE Link Park	Shibuya	-	27,755	501,355	Jun-27	Hulic, Shimizu
Osaki Core Project	Akasaka	-	13,984	256,128	Sep-27	Tokyu Land
TORANOGATE	Toranomon / Kamiyacho	-	30,246	1,290,490	Oct-27	Chuo-Nittochi, UR, Sumitomo Realty & Development
Dogenzaka 2-chome Project (tentative name)	Shibuya	coconala, PIA	16,146	676,756	Nov-27	Mitsubishi Estate

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%	-0.1pp	0.0%	-0.5pp	104,434	0	0	\$117.88	11.0%	\$110.94	8.7%
Kyobashi / Yaesu / Nihonbashi	8,387,945	8,379,557	2.5%	0.2pp	0.1%	-1.1pp	1,582,895	1,508,732	2,784,254	\$118.79	21.7%	\$110.86	18.5%
Shibuya	5,511,675	5,511,675	1.2%	0.1pp	0.0%	0.0pp	0	0	0	\$99.12	4.1%	\$92.61	4.1%
Toranomon / Kamiyacho	9,155,192	9,136,881	1.3%	-4.7pp	0.2%	-1.3pp	119,017	0	0	\$107.34	20.0%	\$97.56	19.0%
Roppongi	7,541,382	7,496,134	1.0%	-5.2pp	0.6%	-3.9pp	294,114	0	0	\$94.72	6.3%	\$87.63	12.7%
Akasaka	4,889,928	4,811,689	3.7%	-1.6pp	1.6%	-2.4pp	1,210,477	1,138,666	0	\$99.05	27.0%	\$93.71	27.9%
Kasumigaseki / Uchisaiwaicho	3,540,147	3,518,906	0.7%	0.0pp	0.6%	0.4pp	(14,161)	0	0	\$88.86	13.1%	\$83.21	13.1%
Shibaura / Kaigan	3,862,852	3,851,263	31.0%	-3.7pp	0.3%	-31.8pp	1,228,387	0	0	\$87.97	12.9%	\$82.17	10.0%
Shimbashi / Shiodome	4,285,546	4,272,689	1.3%	-0.2pp	0.3%	-0.7pp	29,999	0	0	\$83.00	9.7%	\$76.78	6.7%
Shinagawa Konanguchi	7,601,020	7,601,020	2.9%	0.7pp	0.0%	-1.0pp	1,027,152	960,749	960,749	\$80.92	9.5%	\$75.72	9.1%
Bancho / Kojimachi	2,671,950	2,671,950	0.6%	-2.0pp	0.0%	-0.6pp	238,154	223,463	0	\$84.27	15.0%	\$78.17	14.1%
Mita / Tamachi	4,133,249	4,075,384	1.7%	-2.6pp	1.4%	-2.9pp	627,359	530,298	218,766	\$79.27	5.6%	\$73.79	9.5%
Hamamatsucho/ Onarimon	3,574,912	3,574,912	3.7%	2.6pp	0.0%	-0.5pp	17,875	0	0	\$77.12	9.0%	\$72.86	8.0%
Nishi-Shinjuku	3,593,984	3,561,639	4.5%	0.2pp	0.9%	0.2pp	(7,188)	0	551,541	\$73.87	10.2%	\$69.71	9.9%
Harumi / Kachidoki	3,203,173	3,087,859	5.0%	-12.1pp	3.6%	-10.7pp	342,740	0	0	\$49.13	21.6%	\$45.03	22.3%
<b>Central 5 Wards</b>	<b>111,639,401</b>	<b>111,081,204</b>	<b>2.8%</b>	<b>-1.4pp</b>	<b>0.5%</b>	<b>-2.3pp</b>	<b>6,807,480</b>	<b>4,361,908</b>	<b>5,250,390</b>	<b>\$96.42</b>	<b>11.7%</b>	<b>\$89.94</b>	<b>11.0%</b>
<b>(Local unit/currency)</b>	<b>3,137,410 tsubo</b>	<b>3,121,723 tsubo</b>					<b>191,311 tsubo</b>	<b>122,583 tsubo</b>	<b>147,552 tsubo</b>	<b>JPY 44,025 tsubo/month</b>		<b>JPY 41,066 tsubo/month</b>	

\*1 USD = 156.97 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

225 buildings as of Q1 2026

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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