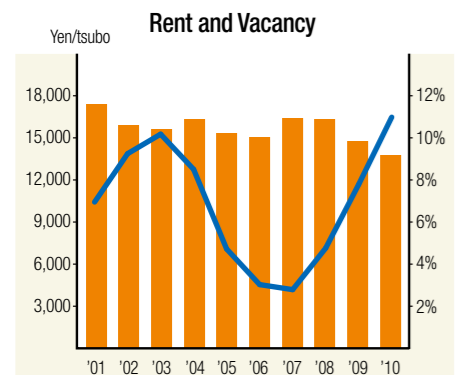
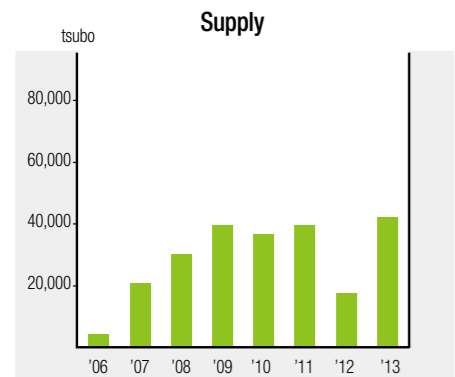


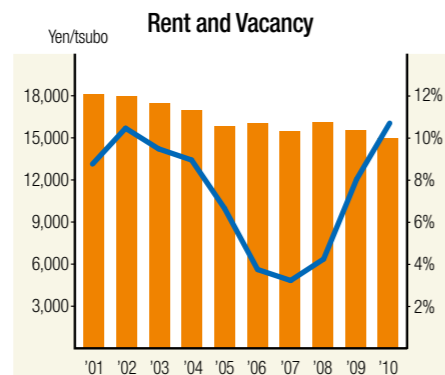
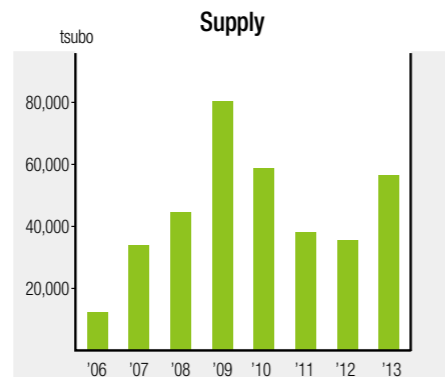
Yokohama / Kanagawa Prefecture

Newly supplied large-scale office buildings, particularly in the Minato Mirai District, offer competitive features and attract high-tech and engineering companies considering relocation and consolidation. Additional large buildings scheduled for completion in 2011 include MinatoMirai Grand Central Tower and Yokohama Mitsui Building.



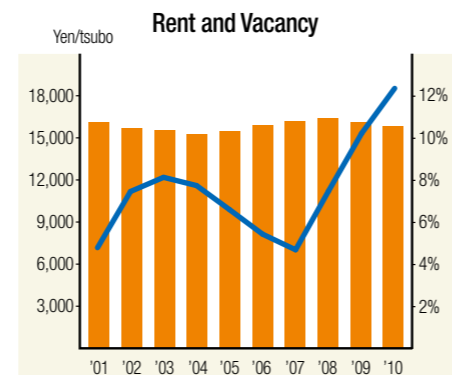
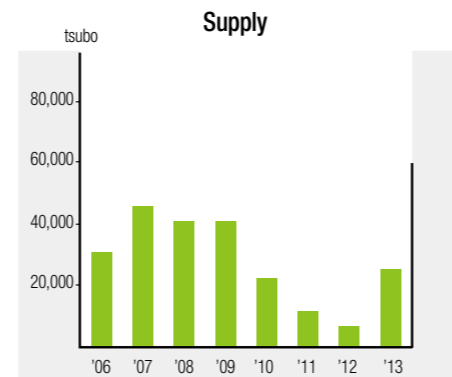
Osaka

In Osaka, the 2011 office supply is expected to remain low at around 60% as compared to 2010 or less than half of 2009. This suppressed supply is expected to improve the market balance and reduce vacant space within the market. During the next two years, North Gate Building is sole major new supply in the Umeda area, with the majority of new supply coming from the Honmachi and Nakanoshima areas. The market is gradually shifting attention to a significant large mixed-use development project, Osaka Station North District Development, currently under construction with completion scheduled for 2013.



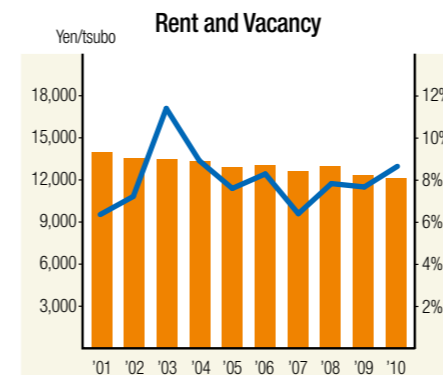
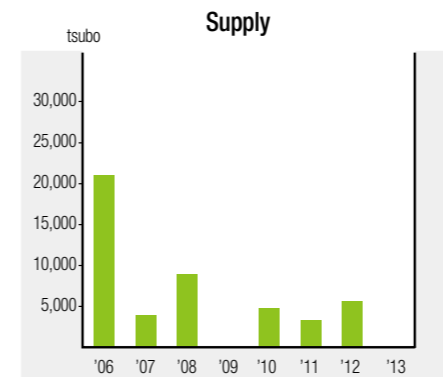
Nagoya

Although significant office supply has peaked in Nagoya, the leasing market remains favorable to tenants. As recently completed buildings offer large blocks of vacant space, they are able to aggressively attract tenants from less competitive older and smaller buildings. These less competitive buildings have difficulty replacing tenants; therefore, their current high vacancy persists. The market is focused the leasing success of Nagoya Mitsui New Building (scheduled for completion in 2011) as an indicator of the demand for new large-scale office buildings.



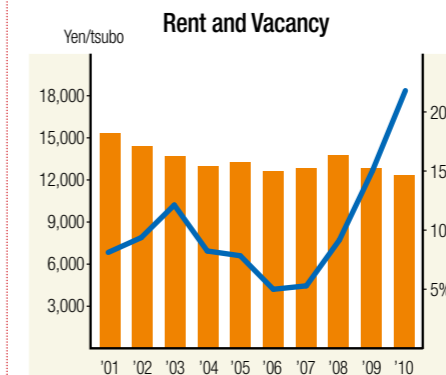
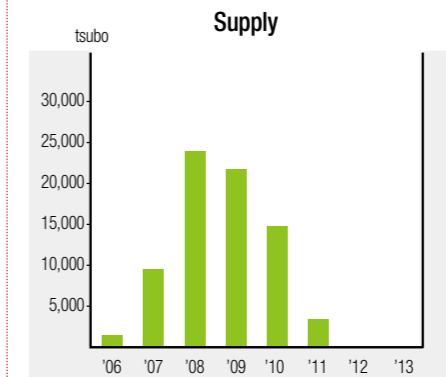
Sapporo

Hokuyo Odori Center, which was the sole supply of large-scale office buildings in 2010 in Sapporo, attracted tenants successfully and has achieved high occupancy. The market perceives this building as a positive sign, suggesting the long-awaited stabilization of vacancy. However, competition among existing buildings is mounting to attract tenants. Nittsu Sapporo Building represents the new supply in 2011.



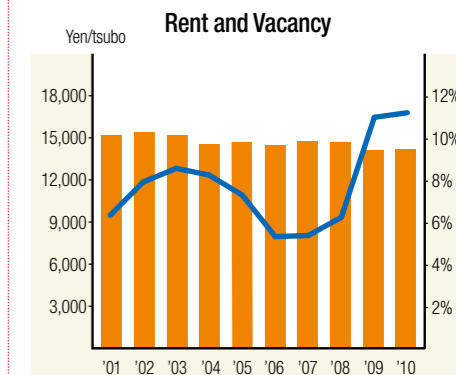
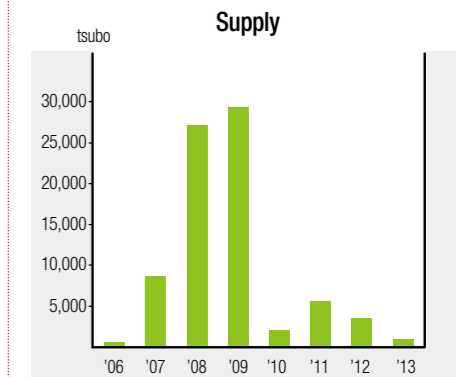
Sendai

The Sendai market has faced a significant rise in vacancy rate during the last few years due to the sizable office supply since 2007, combined with the economic stagnation after the financial crisis in 2008. As additional supply becomes minimal during and after 2011, the vacancy rate is expected to peak. However, there is still uncertainty as to when the current vacancy returns to normal and the market is able to restore sound balance between demand and supply.



Fukuoka

The Fukuoka office market experienced significant oversupply in 2008 and 2009 due to the aggressive investment by various investors and funds during the real estate boom. However, there are signs of recovery given the shrinking of new supply, as well as a slight increase in demand for call center space. This has not yet resulted in an increase in rental rates, and high vacancy persists in existing building as tenants relocate to newer buildings. The major supply in 2011 includes Fukuoka RD Building, Fukuoka Tenjin Project and Chikugin Fukuoka Building.



Large-scale office monthly rent (CAM inclusive) Large-scale office vacancy rate

Large-scale office monthly rent (CAM inclusive) Large-scale office vacancy rate

1 tsubo = 3.3 sq m = 35.58 sq feet