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Press Release

For press—May 11, 2023

Office price per tsubo in Central Tokyo decreased

‘Office Price Index’ in 1Q 2023 (Jan.-Mar.)

by Daiwa Real Estate Appraisal

Daiwa Real Estate Appraisal (Headquarters: Nishi-ku, Osaka/ President: Hiroyuki Hatae) releases
‘Office Price Index’ in 1Q 2023.

<Summary of ‘Office Price Index #36’, in 1Q 2023 Jan - Mar.>

- The price of Grade-A offices in Central Tokyo is 5,740,000 yen/tsubo in 1Q 2023; it decreased by 7.6% quarter-on-quarter (6,210,000 yen/tsubo in 4Q 2022), and decreased by 10.3% year-on-year (6,400,000 yen/tsubo in 1Q 2022).
- The price of Grade-B offices in Central Tokyo is 3,010,000 yen/tsubo in 1Q 2023; it decreased by 9.1% quarter-on-quarter (3,310,000 yen/tsubo in 4Q 2022), and decreased by 19.9% year-on-year (3,760,000 yen/tsubo in 1Q 2022).
- The price of Grade-C offices in Central Tokyo is 2,430,000 yen/tsubo in 1Q 2023; it decreased by 3.2% quarter-on-quarter (2,510,000 yen/tsubo in 4Q 2022), and decreased by 13.8% year-on-year (2,820,000 yen/tsubo in 1Q 2022).

For further Information, please contact:

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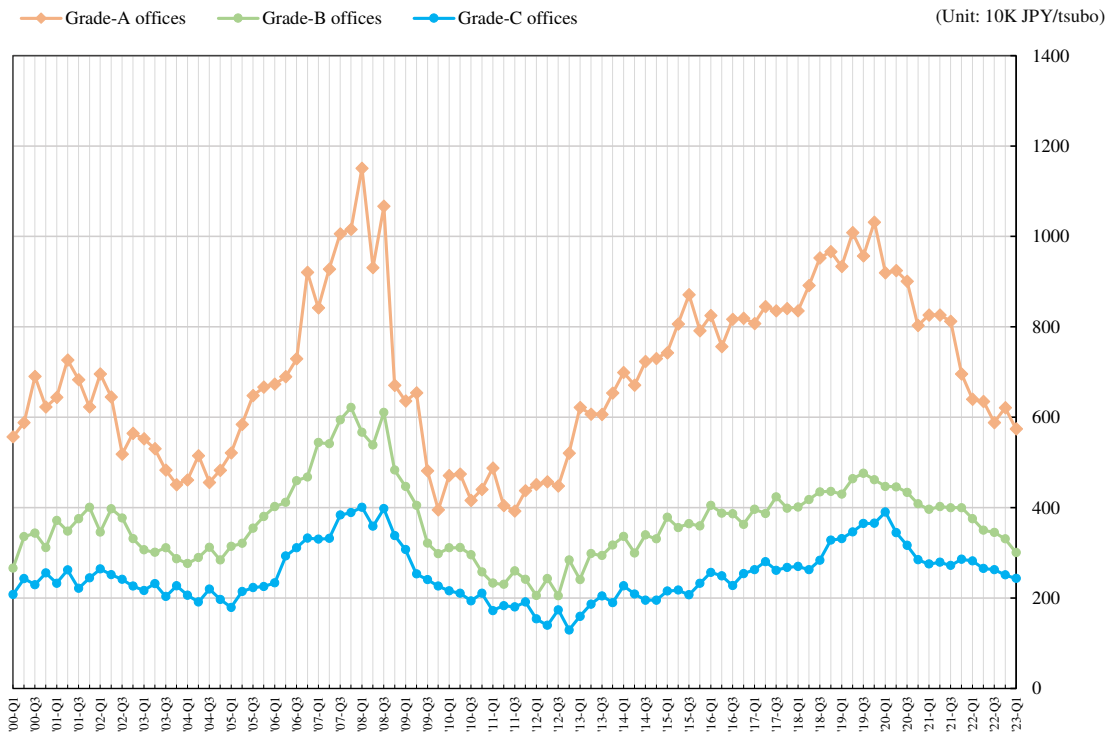
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‘Office Price Index’ in 1Q 2023

(Price per tsubo of Grade-A , -B and -C offices in Central Tokyo from 1Q 2000 to 1Q 2023)



Office Price Index	'19Q1	'19Q2	'19Q3	'19Q4	'20Q1	'20Q2	'20Q3	'20Q4	'21Q1	'21Q2	'21Q3	'21Q4	'22Q1	'22Q2	'22Q3	'22Q4	'23Q1
Grade-A offices in Central Tokyo	934	1,008	957	1,032	920	924	901	803	826	826	812	696	640	635	588	621	574
Grade-B offices in Central Tokyo	430	464	476	462	447	446	434	408	396	402	400	400	376	350	345	331	301
Grade-C offices in Central Tokyo	332	346	365	365	390	345	317	285	275	279	272	286	282	266	263	251	243

● Methodology of ‘Office Price Index’

‘Office Price Index’ is generated based on the income capitalization approach (direct income capitalization method: annual net cash flow is capitalized by cap rate.)

To estimate gross income, the rent is adopted from ‘Office Rent Index’ Grade-A , -B and -C offices in Central Tokyo (data from Sanko Estate·NLI Research Institute).

Expenses are estimated by Daiwa Real Estate Appraisal.

- **‘Office Rent Index’**

The ‘Office Rent Index’ is the rent index based on contract rents jointly developed by Sanko Estate and NLI Research Institute. The ‘Office Rent Index’ has been published quarterly since January 2011. A press release and published data of the current ‘Office Rent Index’ can be seen from the following URL.

<http://www.sanko-e.co.jp>

- **Definition of ‘Grade-A, -B and -C office in Central Tokyo’**

The definition of the ‘Grade-A, -B and -C office in Central Tokyo’ in the ‘Office Price Index’ is the same as the one by Sanko Estate·NLI Research Institute.

‘Grade-A office’

Standard floor area: 600 tsubo

Floor above the ground: 35 floors

Age of building: 12 years

Distance from the nearest station: 3minutes’ walk

‘Grade-B office’

Standard floor area: 450 tsubo

Floor above the ground: 18 floors

Age of building: 16 years

Distance from the nearest station: 3minutes’ walk

‘Grade-C office’

Standard floor area: 145 tsubo

Floor above the ground: 9 floors

Age of building: 15 years

Distance from the nearest station: 3minutes’ walk

About DAIWA REAL ESTATE APPRAISAL

DAIWA REAL ESTATE APPRAISAL CO., LTD is an all-around consulting firm related to real estate with many license holders including licensed real estate appraisers and architects. We offer various consulting services including real estate appraisal, systematic valuation for property tax, real estate consulting, compensation consultation and architectural engineering including creating engineering reports and soil contamination assessment. DAIWA will help you create new business opportunities.