



# OFFICE RENT DATA

2020



Marunouchi

Otemachi

Yaesu

Nihombashi

The Imperial Palace

TOKYO Sta.

Tokyo Tokiwabashi  
Tower-A  
>> P3-4

## CONTENTS

Aerial Photo	1-2
Redevelopment Report	3-4
Redevelopment Project Map	5-6
Completion Timeline	7-8
New Supply	9-10
Transition in Office Rents and Economic Trends	11-12
Office Market	13-16
Guidelines for Opening an Office	17-18
Important Terms	19-22
Special Report	23-24
Company Outline	25-26

OFFICE  
RENTDATA



Date: October 28, 2019 Altitude: approx. 600m





# Tokyo Tokiwabashi Tower-A

(Tentative name)

Creating an Environment for Workers to Excel with Two Service Floors and a 7,000-m<sup>2</sup> Plaza Featuring Abundant Greenery

## Upgrading the Functions of Essential Urban Infrastructure Succeeding the City's Heritage

Tokiwabashi is a bridge spanning the Nihombashi River running between Otemachi in Chiyoda Ward and Nihombashi-Hongokuchō in Chuo Ward. During its heyday, it flourished as a gateway to Edo Castle. Today, it's the site of a large-scale redevelopment, the Tokyo Tokiwabashi Project. The area under development is part of the JR Tokyo Station Nihombashi Exit district. It also offers convenient access to the Tokyo Metro stations of Otemachi, Mitsukoshimae, and Nihombashi, which are all within walking distance. The project is being developed by Mitsubishi Estate, one of the most famous real estate companies in Japan, and comprises the following: two large-scale mixed-use buildings, Tower-A and -B; an underground substation, Building C; a sewage pump facility, Tower-D; a large plaza; and Tokiwabashi Park (building names are provisional). One feature of this project is that the work will be carried out in stages while enhancing the functions of key urban infrastructure such as the substation and sewage pump

facility. Tower-A is scheduled for completion at the end of June 2021. Once complete, it will have 5 underground floors and 38 aboveground floors, with an average of 780 tsubo (2,578m<sup>2</sup>) of column-free space per floor.

## Japanese-Influenced Design and Spacious Station-Front Plaza

In terms of appearance, Tower-A is based on the concept of succeeding the area's heritage while looking ahead to the next generation. Its outer form is that of a blade carving open a path to the future. The design incorporates layers and lattices as accents that evoke Japanese history and tradition. Meanwhile, the office entrance will feature materials with wood-grain textures and walls with a shoji (paper sliding door) motif that reflect soft light, providing a relaxed, informal atmosphere.

In addition, 7,000m<sup>2</sup> of the plaza will be set up in the site. This will be the first project in the Tokyo Station area to include such a vast open space. Around 3,000m<sup>2</sup> will be developed first to coincide with the completion of Tower-A. With multiple lawns, cherry trees, and other



greenery, the plaza will offer a pleasant outdoor environment buzzing with activity every day where people can enjoy taking a break. It will also serve as a center for disaster recovery activities, providing a space to accommodate people stranded by disrupted transit services.

## Prioritizing Worker's Safety with Advanced Vibration-Damping Design

Tower-A will have around 23,000 tsubo (76,033m<sup>2</sup>) of floor area for lease and is expected to have 8,000 people working in it. Its design prioritizes business continuity planning (BCP) and ensures a high level of safety in the event of a disaster. Seismic damping is ensured through the use of a viscous damping system that is effective for the high-ceilinged lower floors. The building will also be equipped with mass damper technology, which has a damping effect even for long-period ground motion. These systems will suppress vibrations in the event of strong winds or earthquakes. Emergency power generation will be provided by two 3,000-kVA generators located inside the building, one of which may be operated using medium-pressure gas. As long as there is a supply of gas, it will continue running for about 10 days. If the gas is cut off, generation shall be switched to fuel oil stored on the premises for 72 hours. Mitsubishi Estate has also set a goal of "establishing a position as a leading company in terms of ESG (Environment, Social, Governance)." It has issued green bonds for the Tokiwabashi Project to convey its strong belief in sustainable development based on in-

ternational environmental indices. It was the first general real estate developer in Japan to issue such bonds.

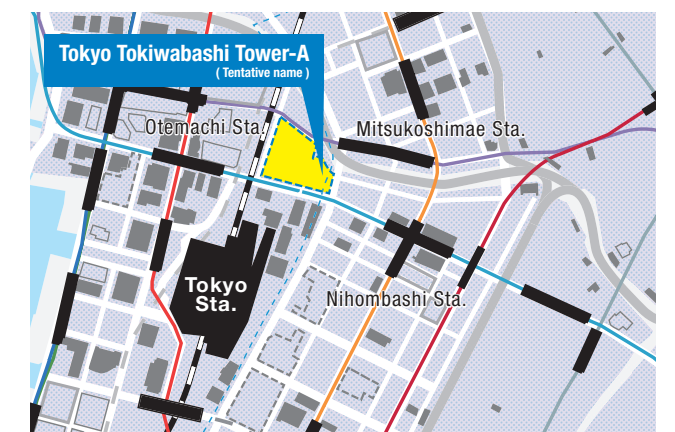
## Development Inspired by the Concept of "People Working. Passion Rising."

Various aspects of this development project incorporate the practical results of the work-style reform implemented when Mitsubishi Estate relocated its headquarters and the expertise gained as a result. The development concept for Tower-A is "People working. Passion rising." In order to create a new working paradigm, Tower-A is equipped with service areas for people working in the building on the 3rd and 8th floors. The 3rd floor houses a cafeteria, where dining serves as a means of bringing people together. It offers an appealing menu and spaces for relaxed conversation. The 8th-floor facilities are divided into four categories, such as lounges and conference rooms, which support a variety of business activities.

Furthermore, there is an event space equipped with kitchen facilities, for which various uses are being considered, including food education events, regional revitalization activities, and networking activities to build connections between companies.

Mitsubishi Estate will also leverage the expertise it has acquired to date to pursue urban development that further enhances the appeal of the Tokyo Station area in new ways.

■ Prepared in collaboration with Mitsubishi Estate



Tokyo Tokiwabashi Tower-A (Tentative name)

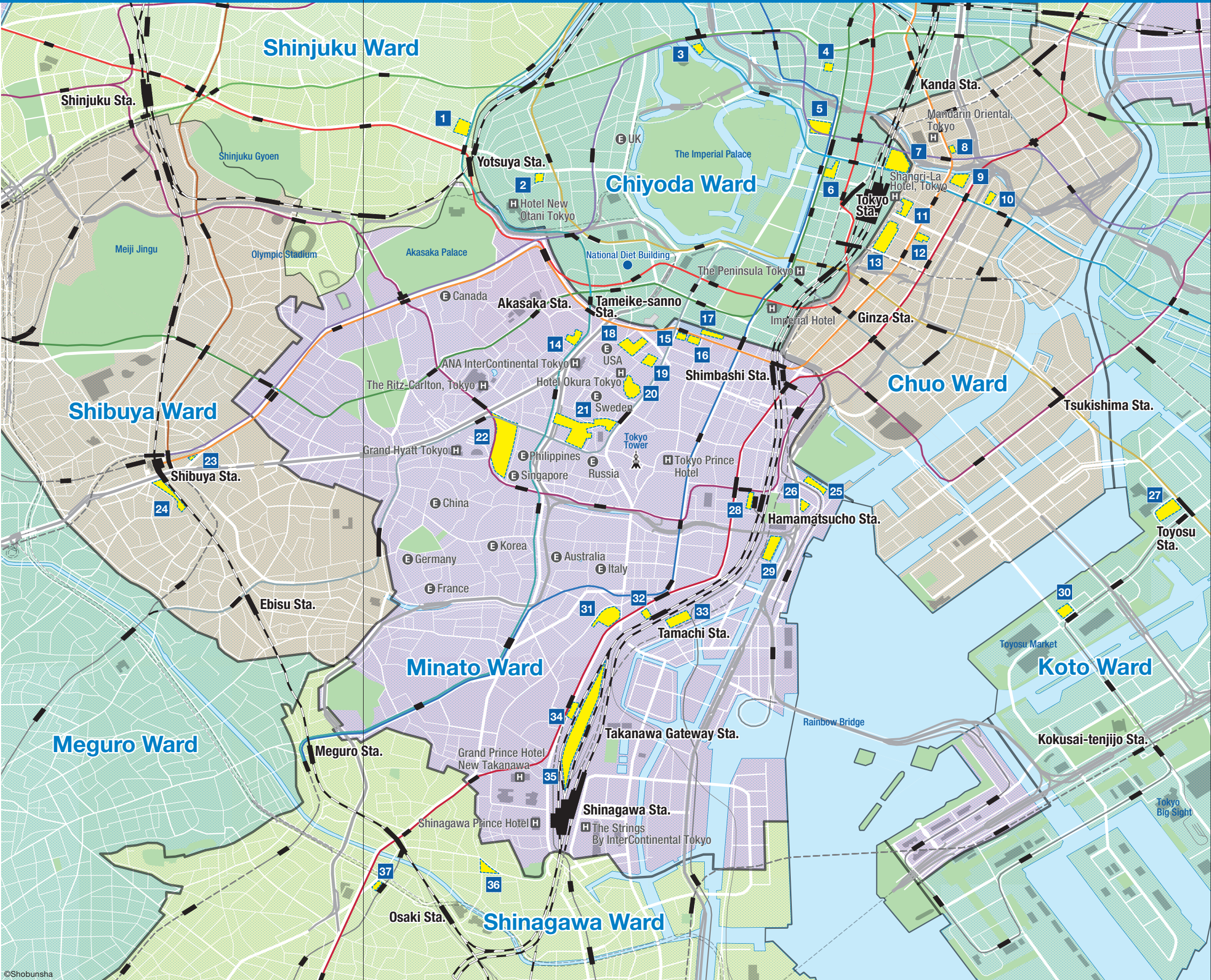


# Redevelopment Project Map

## List of Redevelopment Projects in Tokyo

- 1 CO・MO・RE YOTSUYA
- 2 Sumitomo Fudosan Kojimachi Garden Tower\*
- 3 Kudan Minami 1chome PJ.\*
- 4 Kanda Square
- 5 Otemachi One
- 6 Marunouchi 1-3 PJ.\*
- 7 TOKYO TOKIWABASHI 2027\*
- 8 Nihonbashi Muromachi 1chome A\*
- 9 Nihonbashi 1chome Central District PJ.\*
- 10 KABUTO ONE
- 11 Yaesu 1chome East\*
- 12 New TODA BUILDING\*
- 13 Yaesu 2chome PJ.\*
- 14 Akasaka 2chome PJ.\*
- 15 Tokyo Toranomon Global Square
- 16 Toranomon 1chome East District PJ.\*
- 17 SHIMBASHI TAMURACHO PJ.\*
- 18 Toranomon 2chome PJ.\*
- 19 Toranomon Hills Station Tower\*
- 20 TOKYO WORLD GATE
- 21 Toranomon-Azabudai PJ.\*
- 22 Roppongi 5chome PJ.\*
- 23 Shibuya 2chome 17 District PJ.\*
- 24 Sakuragaoka Area PJ. A-1\*
- 25 WATERS takeshiba
- 26 Tokyo Portcity Takeshiba
- 27 Toyosu Bayside Cross
- 28 Hamamatsucho 2chome PJ.\*
- 29 Hamamatsucho PJ.\*
- 30 Toyosu 6chome 4-2 PJ.\*
- 31 Tokyo Mita PJ.\*
- 32 Kasuga PJ.\*
- 33 msb Tamachi
- 34 Sengakuji Station Area PJ.\*
- 35 The Shinagawa Development PJ.\* (North area of Shinagawa Sta.)
- 36 Sumitomo Fudosan Osaki Higashi PJ.\*
- 37 Gotanda PJ.\*

Ⓔ:Embassy  
※ Tentative name: Building names and project (PJ.) names are provisional and may change depending on the progress of future work.





Completion Timeline

1 tsubo ≈ 3.3 sq. m ≈ 35.58 sq. feet  
- Abbreviations are used in some parts.  
- Scale refers to the number of floors above ground, and one floor refers to the standard floor area in tsubo.  
- Building names, completion times, structure, etc. may change depending on the progress of future work.  
※ Tentative name

New Large-scale Buildings in Tokyo

2020-2027 Current as of February, 2020

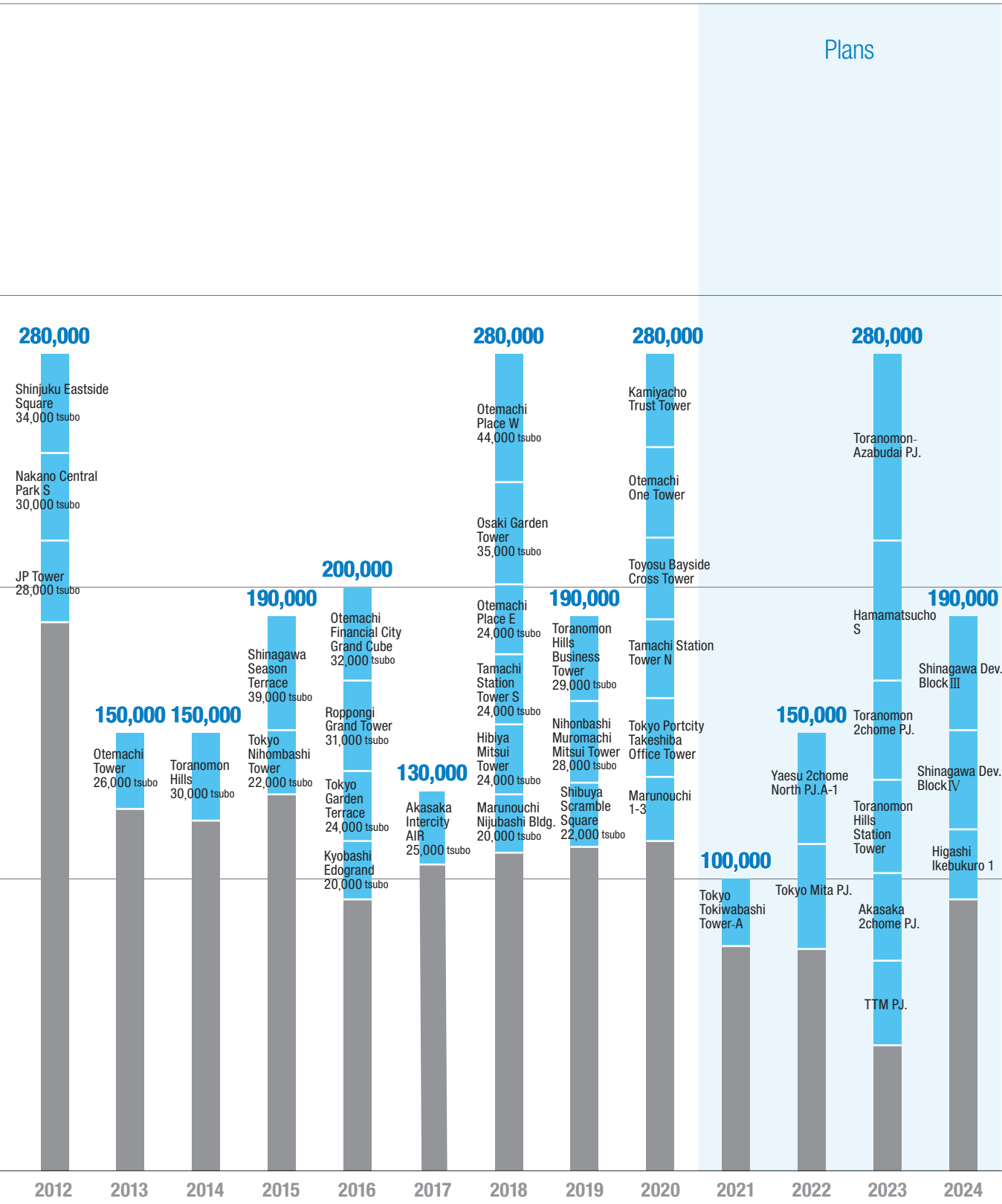
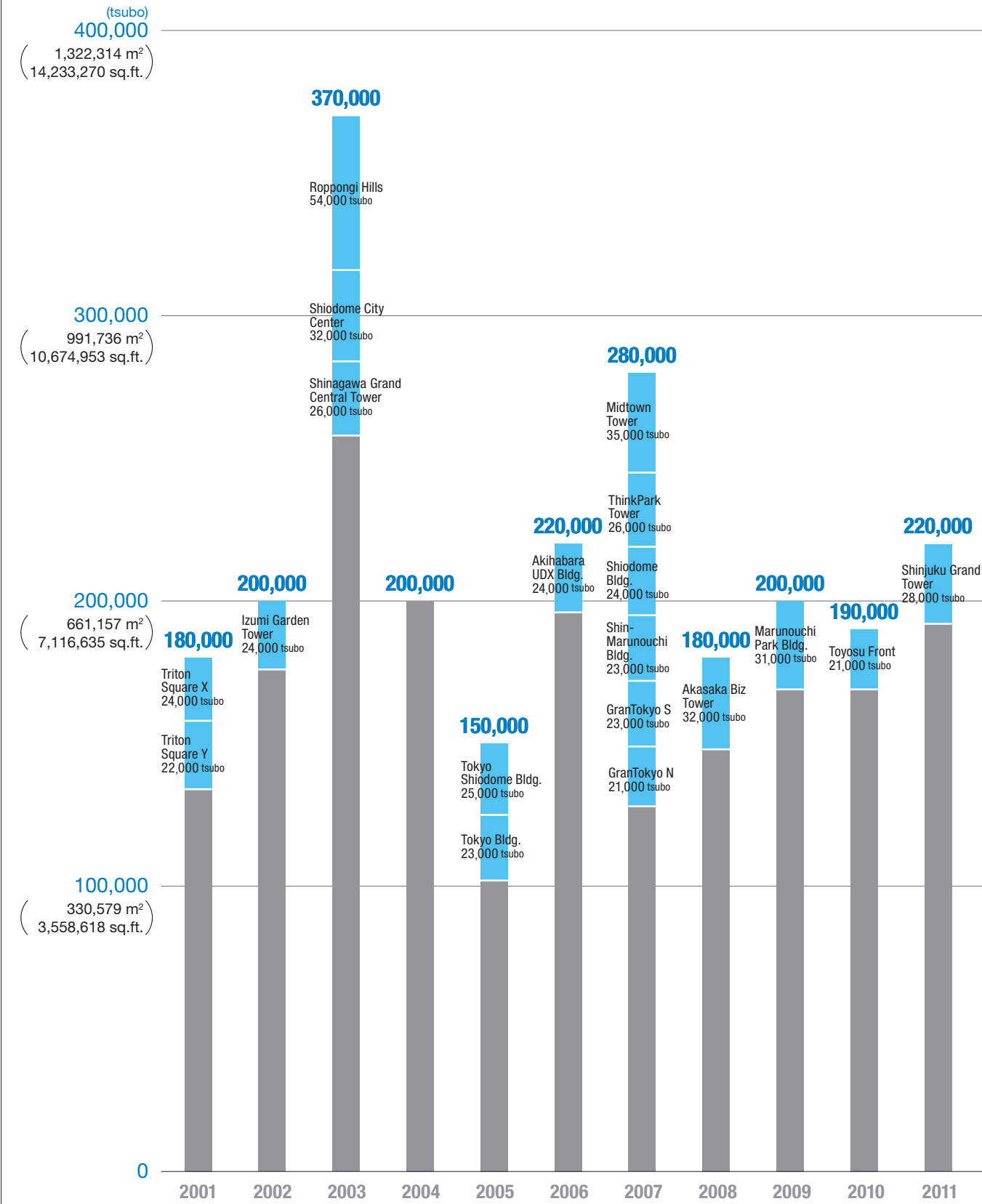
2020-2027 Current as of February, 2020					Scale	1Floor
2020	1	Jan	YOTSUYA TOWER	Shinjuku Ward / Yotsuya 1	31	778
	2	Feb	Otemachi One Tower	Chiyoda Ward / Otemachi 1	39	1,163
	3	Feb	Kanda Square	Chiyoda Ward / Kanda Nishikicho 2	21	885
	4	Mar	Kamiyacho Trust Tower	Minato Ward / Toranomon 4	38	1,164
	5	Mar	WATERS Takeshiba Tower	Minato Ward / Kaigan 1	26	450
	6	Mar	Toyosu Bayside Cross Tower	Koto Ward / Toyosu 2	36	1,022
	7	Apr	Sumitomo Fudosan Kojimachi Garden Tower *	Chiyoda Ward / Kojimachi 5	22	529
	8	Apr	BUNKYO GARDEN GATETOWER	Bunkyo Ward / Koishikawa 1	23	777
	9	May	Tokyo Portcity Takeshiba Office Tower	Minato Ward / Kaigan 1	40	907
	10	May	Hareza Tower	Toshima Ward / Higashi-Ikebukuro 1	33	504
	11	Jun	Tokyo Toranomon Global Square	Minato Ward / Toranomon 1	24	408
	12	Jul	Tamachi Station Tower N	Minato Ward / Shibaura 3	36	918
	13	Sep	Marunouchi 1-3 PJ. *	Chiyoda Ward / Marunouchi 1	29	800
	14	Oct	Toyosu Bayside Cross B *	Koto Ward / Toyosu 2	24	651
2021	1	Mar	World Trade Center Bldg. South *	Minato Ward / Hamamatsucho 2	39	514
	2	Jun	Tokyo Tokiwabashi Tower-A *	Chiyoda Ward / Otemachi 2	38	800
	3	Jun	KABUTO ONE	Chuo Ward / Nihombashi-Kabutocho 7	15	574
	4	Jun	SHIMBASHI TAMURACHO PJ. *	Minato Ward / Nishi-Shimbashi 1	27	830
	5	Aug	Toyosu 6chome 4-2 PJ. *	Koto Ward / Toyosu 6	11	1,986
2022	1	Feb	Sumitomo Fudosan Osaki Higashi PJ. *	Shinagawa Ward / Kita-Shinagawa 5	19	543
	2	Apr	Tokyo Tokiwabashi Tower-D *	Chiyoda Ward / Otemachi 2	9	600
	3	Jul	Kudan Minami 1chome PJ. *	Chiyoda Ward / Kudan-Minami 1	17	750
	4	Aug	Yaesu 2chome North PJ. A-1 *	Chuo Ward / Yaesu 2	45	1,267
	5	Oct	Nishi Shinjuku 5chome North A *	Shinjuku Ward / Nishi-Shinjuku 5	33	599
2023	1	Jan	Tokyo Mita PJ. *	Minato Ward / Mita 3	42	1,190
	2	Mar	Toranomon-Azabudai PJ. A *	Minato Ward / Azabudai 1	65	1,460
	3	Mar	Toranomon-Azabudai PJ. West *	Minato Ward / Azabudai 1	64	420
	4	Mar	Shimbashi 4chome PJ. *	Minato Ward / Shimbashi 4	14	400
	5	Mar	Gotanda PJ. *	Shinagawa Ward / Nishi-Gotanda 8	21	1,000
	6	Jul	Toranomon Hills Station Tower *	Minato Ward / Toranomon 2	49	1,000
	7	Oct	Kasuga PJ. *	Minato Ward / Shiba 5	18	600
	8	Nov	Toranomon 2chome PJ. *	Minato Ward / Toranomon 2	38	1,050
	9	Dec	Akasaka 2chome PJ. *	Minato Ward / Akasaka 2	43	1,000
	10	Dec	Hamamatsucho PJ. S *	Minato Ward / Shibaura 1	45	1,500
2024	1	Mar	Sakuragaoka Area PJ. A-1 *	Shibuya Ward / Sakuragaoka	39	500
	2	May	Shibuya 2chome 17 *	Shibuya Ward / Shibuya 2	23	514
	3	Jun	New TODA BUILDING *	Chuo Ward / Kyobashi 1	28	724
	4	Dec	The Shinagawa Development PJ. Block III *	Minato Ward / Konan 2	31	1,500
	5	Dec	The Shinagawa Development PJ. Block IV North Tower *	Minato Ward / Konan 2	30	1,500
	6	Dec	The Shinagawa Development PJ. Block IV South Tower *	Minato Ward / Konan 2	30	1,000
	7	Dec	Higashi Ikebukuro 1chome PJ.*	Toshima Ward / Higashi-Ikebukuro	30	800
2025	8	Mar	Roppongi 1chome PJ. *	Minato Ward / Roppongi 1	21	540
	9	Mar	Sengakuji Station Area PJ. *	Minato Ward / Takanawa 2	30	1,000
	10	Apr	Uchikanda 1chome PJ. *	Chiyoda Ward / Uchikanda 1	26	580
	11	Dec	Yaesu 2chome Central District PJ. *	Chuo Ward / Yaesu 2	46	2,000
	12	Dec	Toranomon 1chome East District PJ. *	Minato Ward / Toranomon 1	30	750
	13	Dec	World Trade Center Bldg. Main *	Minato Ward / Hamamatsucho 2	37	800
2026	14	Mar	Nihonbashi 1chome Central District PJ. *	Chuo Ward / Nihombashi 1	49	1,500
	15	Mar	Yaesu 1chome East B *	Chuo Ward / Yaesu 1	50	755
2027	16	Mar	Iidabashi Station PJ. *	Chiyoda Ward / Iidabashi 4	27	530
	17	Mar	Nihonbashi Muromachi 1chome A *	Chuo Ward / Nihombashi-Muromachi 1	36	800
	18	Apr	Tokyo Tokiwabashi Tower-B *	Chiyoda Ward / Otemachi 2	61	1,800



New Supply TOKYO

Change in Amount of New Supply Buildings of 100 tsubo (330 m²) or more per floor

Abbreviations are used in some parts  
■ Leasable Floor Area of 20,000 tsubo (66,000m²) or more  
1 tsubo ≒ 3.3 sq. m ≒ 35.58 sq. ft.

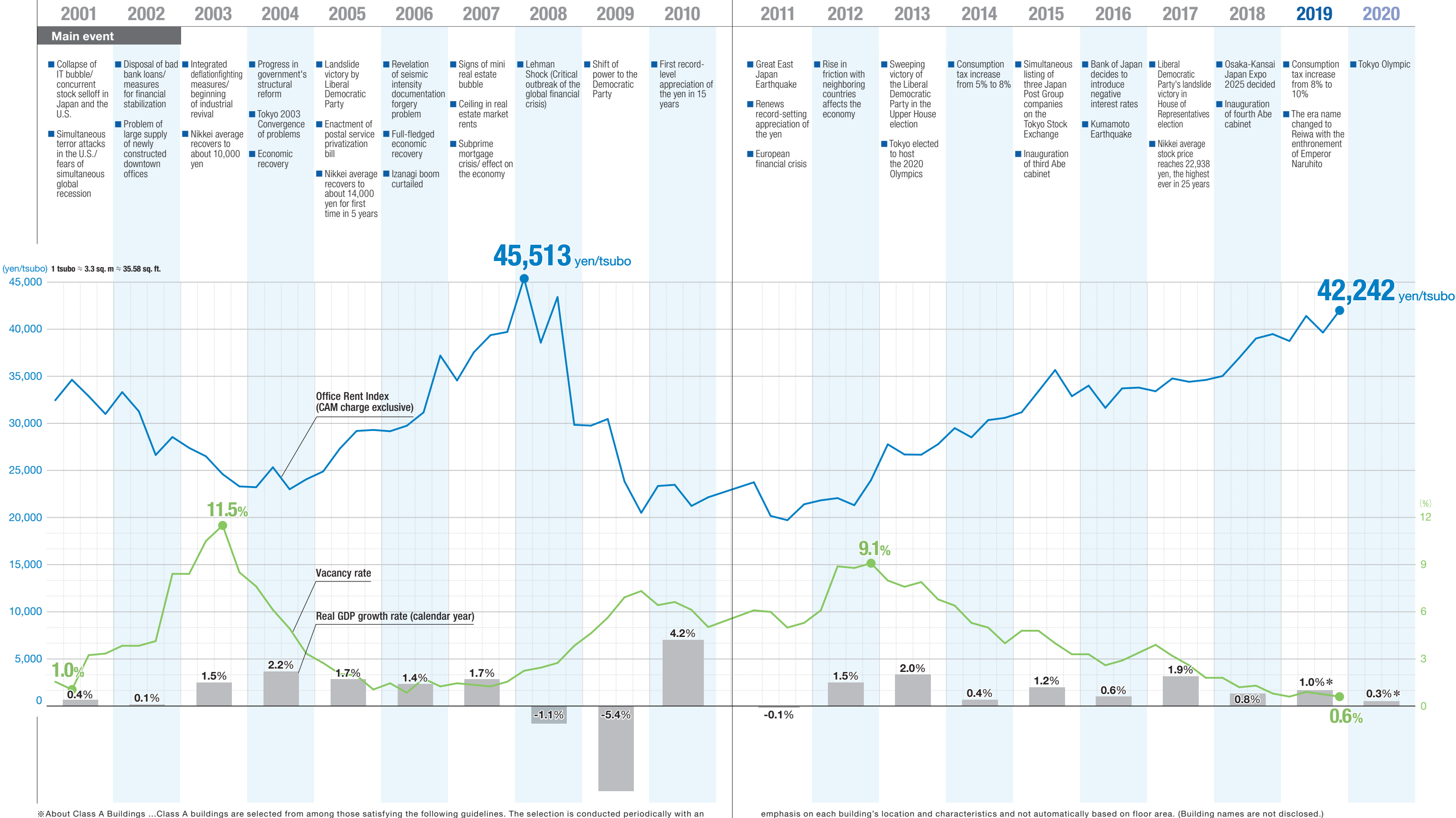


Plans

Transition in Office Rents and Economic Trends

2001-2020 Current as of February 1, 2020

Class A buildings in central Tokyo  
Office Rent Index  
Vacancy rate  
Real GDP growth rate (calendar year)  
source: Cabinet Office, SNA (System of National Accounts)  
Projected values source: NLI Research Institute (values for 2018 and 2019 are projections)



※About Class A Buildings ...Class A buildings are selected from among those satisfying the following guidelines. The selection is conducted periodically with an

emphasis on each building's location and characteristics and not automatically based on floor area. (Building names are not disclosed.)



Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward, Shibuya Ward, Shinagawa Ward / Ota Ward

Reading Guide

About the Survey

**Survey period**  
July 1 - December 1, 2019  
**Survey time (rent, vacancy rate)**  
December 1 each year  
**Subject buildings**  
Office Buildings that were seeking tenants during the above period  
**Building class (area per floor)**  
Large-scale buildings: 200 tsubo or more  
Medium/large-scale buildings: 100 to less than 200 tsubo  
Medium-scale buildings: 50 to less than 100 tsubo  
Small-scale buildings: 20 tsubo to less than 50 tsubo  
1 tsubo ≈ 3.3 sq. m ≈ 35.58 sq. feet

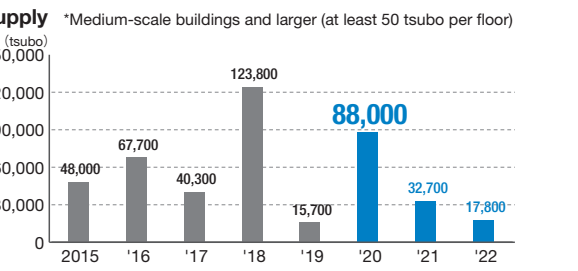
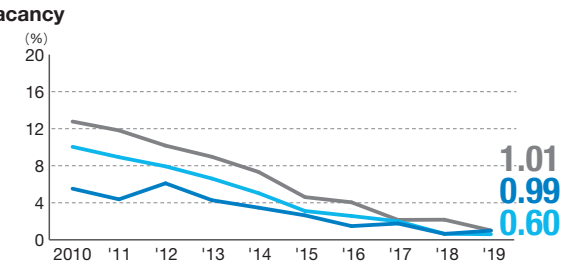
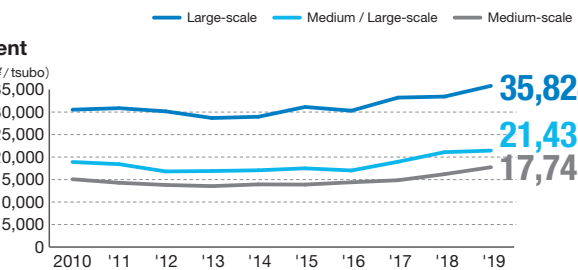
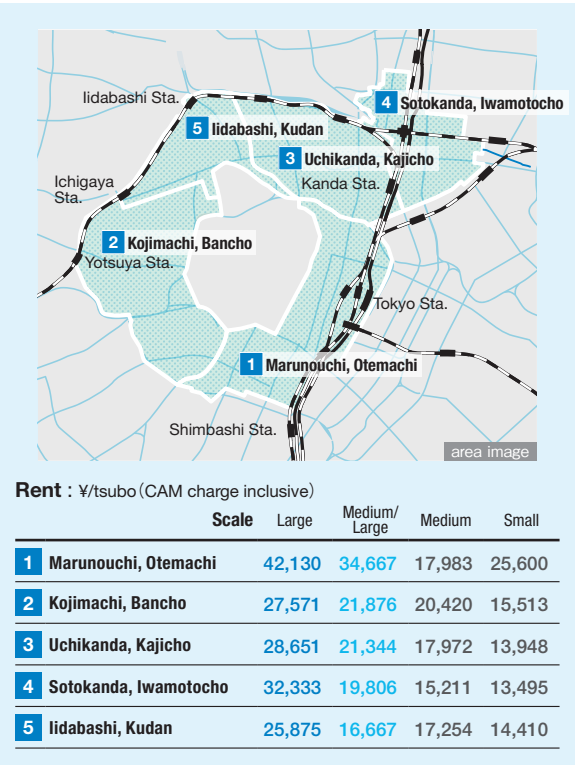
About the Terminology

**Area per floor**  
The maximum leasable area on a standard office floor (3rd floor or higher) for each building  
**Rent (including common area maintenance (CAM) charge)**  
Average value of asking rent for each individual property  
**Vacancy rate**  
Calculated by dividing the currently vacant floor space by the total leasable floor space  
Total leasable floor space = office floor space available for lease to third parties (including affiliated subsidiaries)  
(does not include space used by the building owner or retail/residential space)  
**New supply**  
Total leasable floor space in new buildings completed during the data collection period



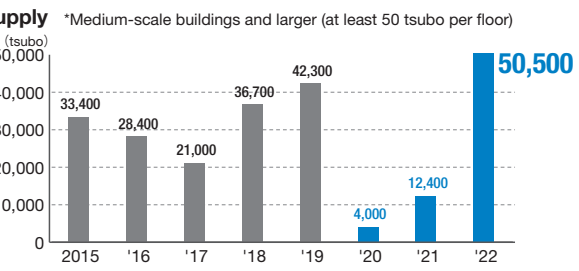
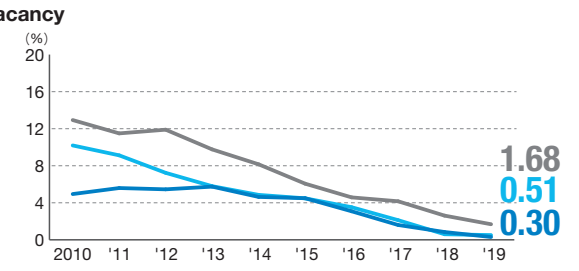
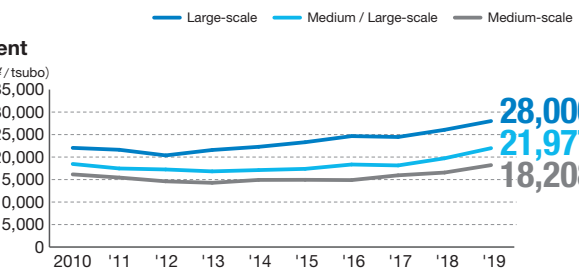
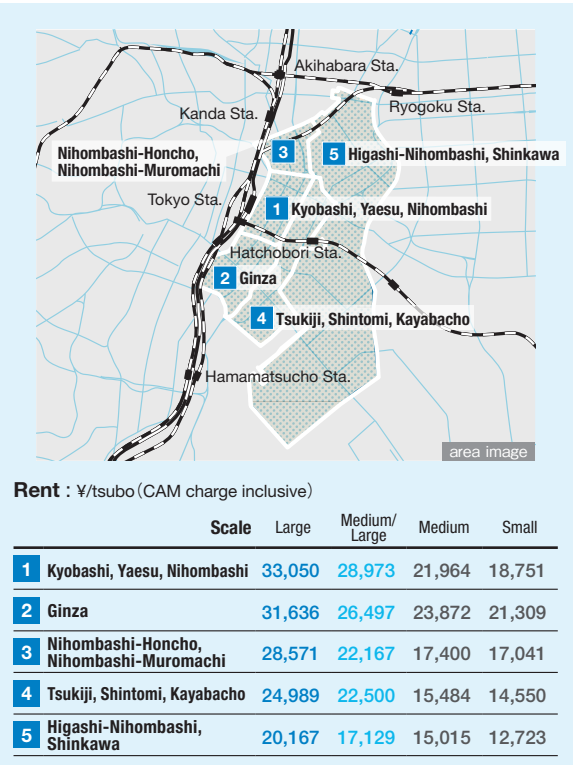
Chiyoda Ward

While rents continued to trend upward for all building sizes, the vacancy rate for large-scale buildings shows rising slightly. The new supply is concentrated in the Otemachi/Marunouchi area by new constructions of super large-scale buildings.



Chuo Ward

The vacancy rate trended downward for all building sizes, falling below 1% for large-scale and medium/large-scale buildings, and reaching the 1% level for medium-size buildings. An owners' market persists, given the strong sense of scarcity, with asking rents continuing to rise for all building sizes.





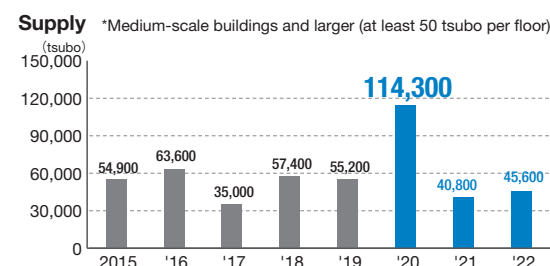
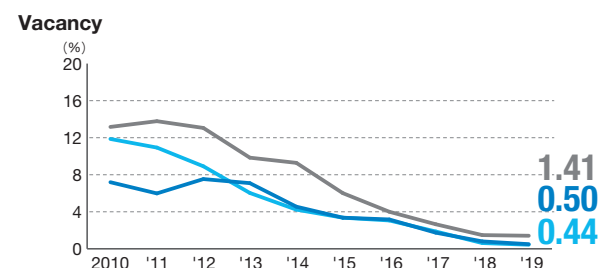
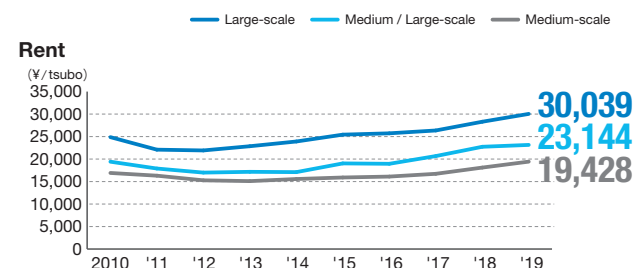
## Minato Ward

The vacancy rate continued trending downward for all building sizes, remaining below 1% for large-scale and medium/large-scale buildings and at the 1% level for medium-size buildings. Given the strong sense of scarcity, rents continued to rise, surpassing 30,000 yen/tsubo for large-scale buildings.



Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
1 Shimbashi, Toranomon	31,999	24,642	19,474	17,018	
2 Akasaka, Aoyama	33,063	24,211	21,319	19,886	
3 Roppongi, Azabu	30,471	22,435	17,929	18,791	
4 Hamamatsucho, Takanawa	27,133	21,125	18,063	15,149	
5 Shibaura, Kaigan	25,538	20,778	16,672	13,809	



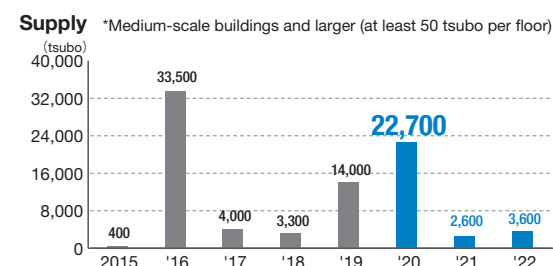
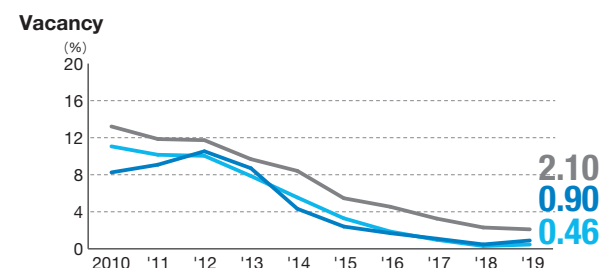
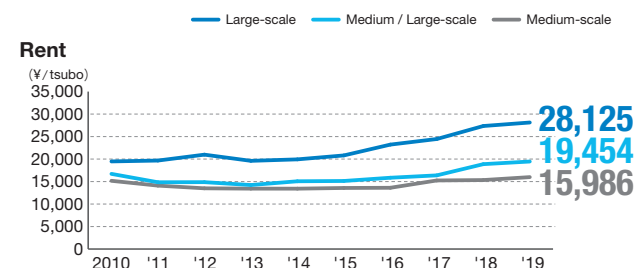
## Shinjuku Ward

While the downward trend in vacancy rates that has been ongoing since 2013 was interrupted for large-scale and large/medium-scale buildings, the rate remains at an extremely low level for all building sizes. Asking rents continued to trend upward for all building sizes, creating the conditions for an owner's market.



Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
1 Nishi-Shinjuku	28,578	22,824	19,419	18,435	
2 Shinjuku, Kabukicho	30,000	18,829	16,562	16,144	
3 Yotsuya, Ichigaya	27,250	19,367	14,360	13,365	
4 Takadanobaba, Okubo	21,500	16,898	14,081	12,978	
5 Waseda, Kagurazaka	25,500	18,625	13,530	11,673	



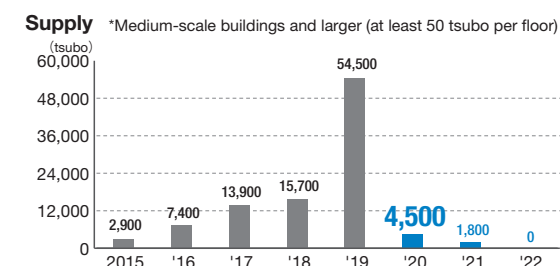
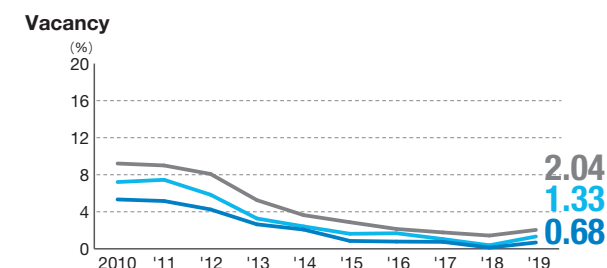
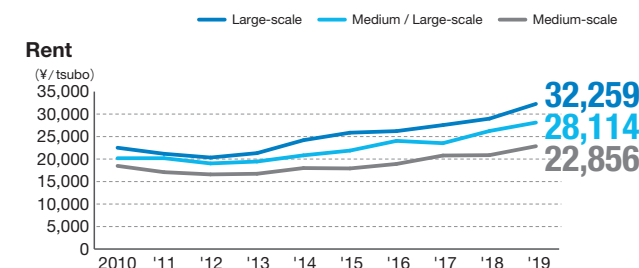
## Shibuya Ward

Asking rents continued to trend upward for all building sizes, and large-scale buildings reached a level of 32,000 yen/tsubo. The growth rate has also reached 58% since 2012. While the vacancy rate remains at a low level, it has turned upward for all building sizes. Signs of bottoming out are starting to appear.



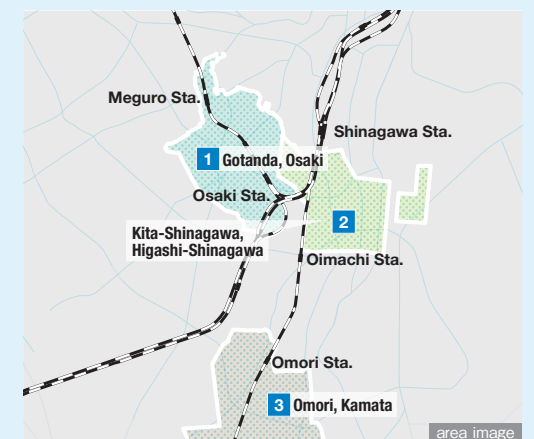
Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
1 Shibuya, Dogenzaka	33,923	31,429	24,721	23,635	
2 Sakuragaoka, Nanpeidai	37,667	30,333	22,555	18,810	
3 Yoyogi, Sendagaya	28,500	23,875	20,405	17,213	
4 Ebisu, Hiroo	35,500	29,106	23,025	18,639	
5 Hatsudai, Honcho, Sasazuka	18,166	15,935	14,963	13,001	



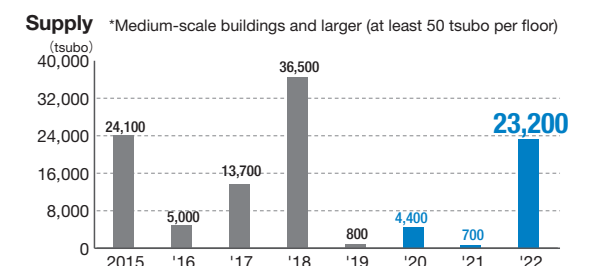
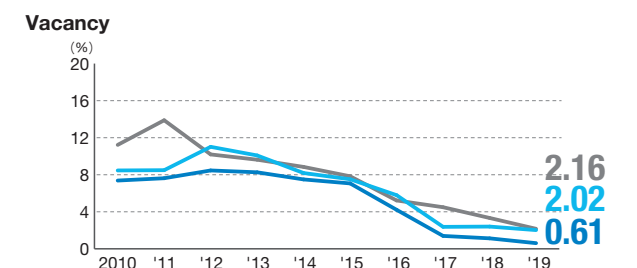
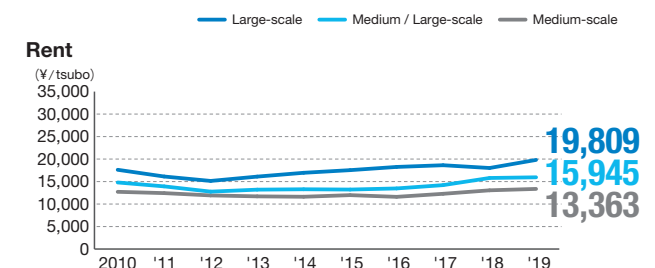
## Shinagawa Ward / Ota Ward

The vacancy rate reached its lowest level since 2010 for all building sizes, falling below 1% for large-scale buildings. Given the tight supply-demand balance, asking rents have been trending upward since hitting a low in 2012 for large-scale and medium/large-scale buildings and 2016 for medium-scale buildings.



Rent : ¥/tsubo (CAM charge inclusive)

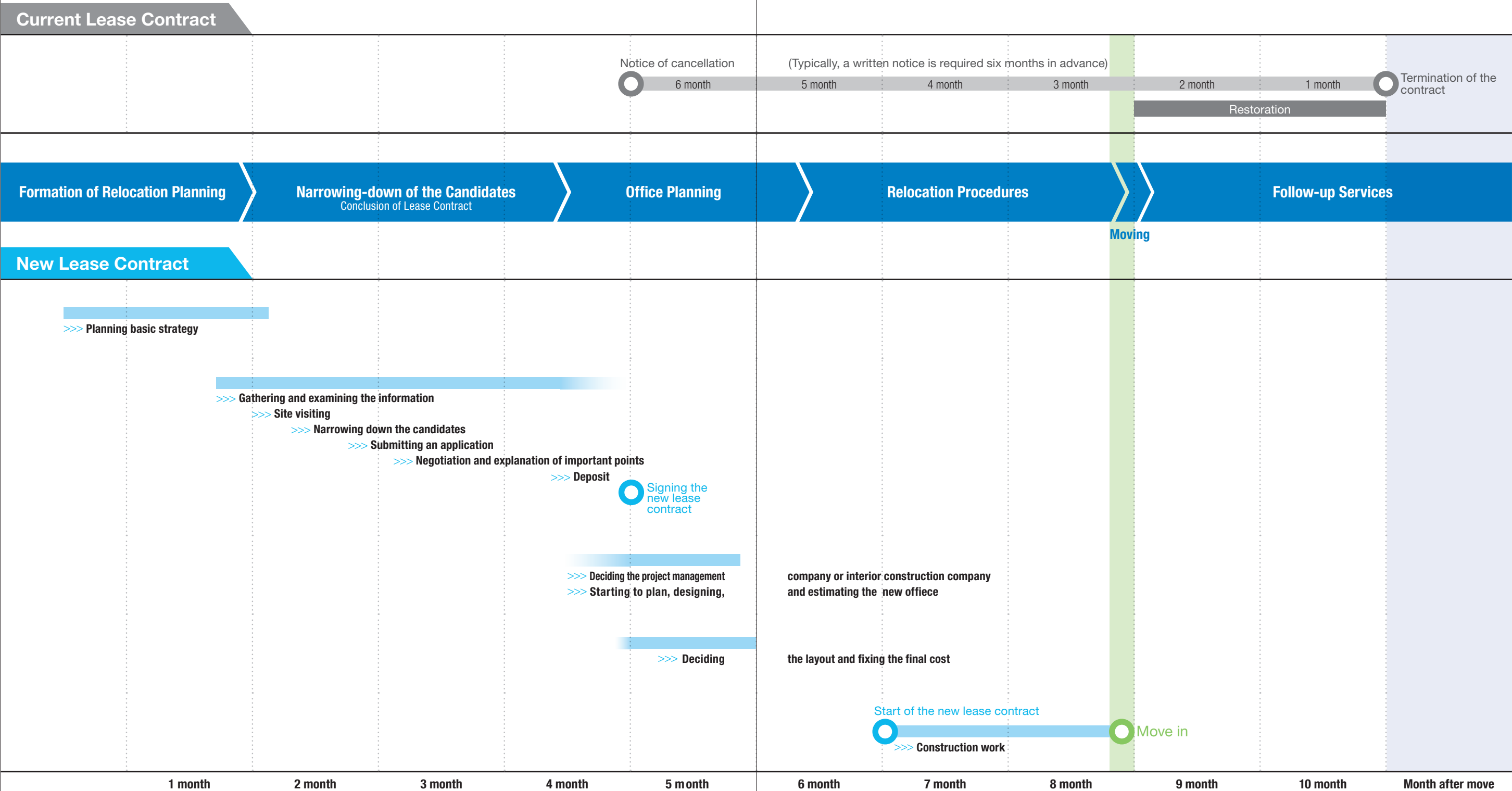
	Scale	Large	Medium/Large	Medium	Small
1 Gotanda, Osaki	26,571	19,323	16,403	14,175	
2 Kita-Shinagawa, Higashi-Shinagawa	18,941	13,833	13,346	11,754	
3 Omori, Kamata	15,500	14,745	11,351	10,701	





# Guidelines for Opening an Office

This is a typical case of an office relocation process for reference. The length of the schedule may change depending on the office sizes and various other reasons. Please feel free to contact us for more details.





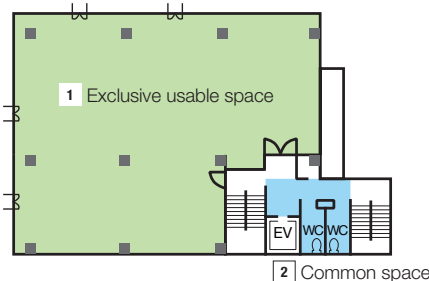
# Important Terms

The following are some of the terms unique to the Japanese office rental market that you may find useful to know.

## Contracted Space

Keiyaku Menseki [契約面積]

This term may apply to exclusive usable space, or to both exclusive usable space and a part of the common space  
(**1** green part only, or **1** + **2** blue part).



### **1 Exclusive usable space** Senyu Menseki [専有面積]

This term refers to the space used exclusively by the tenant; it is measured from wall center to wall center.

### **2 Common space** Kyoyo Menseki [共用面積]

This term refers to space used in common by two or more tenants. It might include elevator halls, corridors, restrooms, kitchenettes, and the like.

### Unit of Space Menseki Tan-i [面積単位]

The official unit used to measure floor space is the square meter, but many property owners still use the older term “tsubo” in their floor plans and advertisements.

(1 tsubo ≡ 3.3 sq. m ≡ 35.58 sq. feet)

## Deposit Money

Hoshokin or Shikikini [保証金・敷金]

The terms “hoshokin” and “shikikini” are both used to mean “deposit money.” Though they have slightly different meanings, they essentially refer to a sum which is paid to the owner as a non-interest deposit when moving into a property. Legally this money could be classified as a down payment on the rent, or as “guarantee money” against any liability that the tenant might incur against his duties as a tenant.

### Return Period

The deposit money will be returned to the tenant after the “surrender by the lessee of the leased premises to the lessor.” Any unpaid rent or damages recoverable from the lessee will first be deducted from the deposit, and the difference will be refunded.

### Sum

As a normal rule, 10-12 month’s rent will be charged as deposit money.

### Depreciation Fee

Shokyaku-hi [償却費]

Owners of small-sized buildings often demand that tenants pay a depreciation fee. This is deducted as a percentage from the deposit (usually 10% to 20%) when the contract ends, and the deposit minus the fee is then returned to the lessee. The term “depreciation” is used here, but there is no direct relationship between the fee and building depreciation.

## Rent

Chinryo [賃料]

### Beginning of Lease Terms

As a general rule, the rental period begins on the day that the tenant moves into the facility. If, however, equipment is brought to the office prior to the actual move, or if any remodeling is required. Rent starts on the day that this work begins.

### Rental Payments Due

The common practice is to pay rent a month in advance, with the payment for the following month coming due at the end of the current month (between the 25th and the last day of the month).

### Method of Payment

In general bank transfers or postal transfers have become the most common way to pay one’s rent.

### Increases in Rent

Three basic reasons for rent increases during the contract period or signing a new lease agreement.

1. Taxes on the land or on the building itself have increased.
2. There has been a sharp increase in the general cost of living due to inflation, etc.
3. The rent is shown to be lower than rents for similar facilities in the same neighborhood.

Such increases can be implemented with the agreement of both parties.

### COST (Monthly Expenses + Deposit Money)

#### Monthly Expenses

RENT		
OTHER EXPENSES	· Parking lot fees	· Gas Charge
	· Fees for the use of building sign boards	· Cleaning Charge
	· Electric Charge	· Air-conditioning & heating
	· Water Charge	· Charge for the leased premises
		the

## Common Area Maintenance (CAM) Charge

Kyoeikihi [共益費]

In most cases, a fee is charged monthly in addition to the actual rent. This fee is calculated on the basis of the running costs of the building, such as Electric Charge, Water Charge, Gas Charge, Cleaning Charge, Air-conditioning & Heating Charge for the common space such as entrance hall, elevator, toilet, etc. Generally the fee is between 3,000 yen and 7,000 yen per tsubo. Recently there have been cases of the common area maintenance (CAM) charges being included in the rent.

## Lease Type and Terms

Keiyaku Keitai · Keiyaku Kikan [契約形態・契約期間]

Lease terms in Japan generally fall into two categories.

One is a regular or standard lease that usually runs for 2-3 years but can be automatically renewed unless either party wishes to terminate the contract. Under this lease, tenants wanting to vacate before the end of the lease period can usually give written notice, typically six months in advance, and then vacate without incurring penalties.

A second type of lease being increasingly adopted by owners of Class A buildings is the fixed term lease. Such leases run for 2-5 years, and at the end of the lease period, tenants cannot renew. Tenants wishing to remain in the property must renegotiate a new contract with the owner. Also, tenants wishing to vacate ahead of the lease expiry date must pay a penalty equivalent to the number of months’ rent remaining in the contract.

## Renewal Fee

Koshin-ryo [更新料]

Some landlords demand a renewal fee when lease contracts are renewed, and this fee is usually one month’s rent at the rate stipulated in the new lease contract.

## Explanation of Important Lease Conditions

Juyojiko Setsumeisho [重要事項説明書]

Based on Article 35 of the Land and House Lease Law, Sanko Estate will explain lease terms and conditions in writing (“Important Lease Conditions”) prior to signing of the Lease agreement.

## Repair Fees

Shuzenhi [修繕費]

The following types of repair fees are the most commonly encountered.

### Obligations of the Property Owner

1. Repairs on the building itself
2. Repairs on office ceilings, walls, floors, and other structural members that are a part of the building itself
3. Repairs for the common areas of the building
4. Repairs for equipment and machinery

### Obligations of the Tenant

1. Repainting or papering of ceilings, walls, floors, and other space inside the office
2. Replacing or repairing fixtures, blinds, glass, lighting, switches, or electrical outlets inside the office
3. Repair any partitions, fixtures, special-use equipment, or the like that the tenant has installed in the office. Check your contract carefully for any other obligations that may be faced by the tenant

## Construction Involving Building Structure

Kutai Ni Kakawaru Koji [躯体に係る工事]

Construction work like that below may affect the building’s structure, the property value or other tenants. Such work requires the building owner’s prior approval.

### Some examples

- Construction altering the building structure (Where pillars, beams and/or ceilings are affected, or where a room partition is extended to the ceiling)
- Changes in air-conditioning and security systems
- Installation of heavy machines or structures
- Change in electric equipment where the whole building’s power supply system could be affected

## Prohibitions, etc.

Kinshi-jiko [禁止事項]

In general, the lessee may not

1. Reassign the lease of the leased premises or sublet the leased premises in any form
2. Assign or offer the leased premises as security to third parties including any of the rights under the contract
3. Transfer any of the rights under the contract to any person other than the lessee through assignment of business, merger, or other such transactions

In addition, without the lessor’s consent, the lessee may not co-occupy the leased premises with another person/party or use any name other than that of the lessee as the name of occupant. It may be permissible for the leased premises be co-occupied with the prior consent of the lessor if the other party is financially related to the lessee.



## Restoring to Original Condition

Genjo Kaifuku [原状回復]

The lessee is under obligation to restore the leased premises to the original condition at the termination of the contract.

The standard for offices usually entail

- Replacement of carpet tile flooring
- Wallpaper renewal
- Painted walls
- Sound-absorbent plates on the ceiling and fluorescent lighting

At the termination of the contract, the lessee removes at his own expense the fixtures and equipment installed or added at his expense and the property owned by him prior to delivering the leased premises to the lessor. If the lessee fails to restore the leased premises to its original condition at the termination of the contract, the lessor may restore the leased premises and charge the expenses to the lessee. It must be done by contractors the owner designates or approves of, and the tenant bears all construction costs. The construction work must be completed within the contracted period.

## Notice of Cancellation of Contract

Kaiyaku Yokoku [解約予告]

If the lessee desires to terminate the contract at any time during the term of the lease, it is stipulated that the lessee must present advance notice of cancellation to the lessor in the time designated by the lessor (usually within 6 months prior to the expected day of the lessee's departure, with the need to restore to the original state). If the lessee wants to cancel the contract without prior notice, the lessee is obliged to pay a penalty for cancellation of contract equivalent to the 6 month's rent, as stipulated in the article of advance notice. However, in principle, early cancellation of a fixed-term lease contract is not possible.

## Commission

Chukai Tesu-ryo [仲介手数料]

In Japan, at the time of contracting for new space, it is the tenant and not the landlord who pays the introducer, the agent, a fee equal to one month's rent. This practice gives the tenant important advantages by ensuring that the agent represents the tenant only while diligently maintaining the tenant's position and acting in the tenant's best interests in all negotiations.

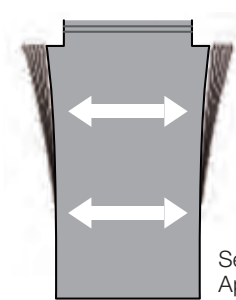
## Building Rules and Regulations

Kanri Kisoku [管理規則]

Most buildings have their own "Administrative Regulations" concerning daily administration and management of the building such as opening and closing times (regular hours) of the building, regular air-conditioning and heating hours, use of the building beyond the regular hours, working hours of janitors, and stipulations concerning keys, etc. It is recommended that the regulations be confirmed with the lessor in advance, since each building has its own set of regulations.

## Seismic Performance

Taishin Seino [耐震性能]

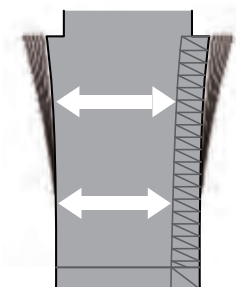


### Earthquake-resistant structure

Taishin Kozo [耐震構造]

Structure designed and built to withstand earthquakes, wind and other forces.

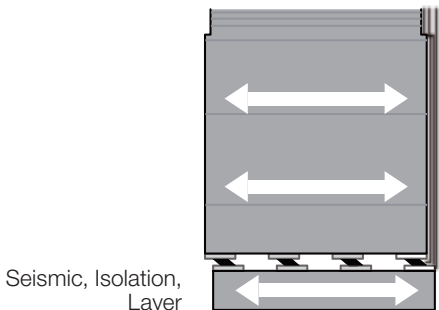
Seismic Engineering Approaches



### Vibration-controlling structure

Seishin Kozo [制振構造]

Structure equipped with devices such as dampers to control and curb vibration energy.



### Seismically-isolated structure

Menshin Kozo [免震構造]

Structure mitigates the effect of earthquakes with devices that reduce swaying, commonly rubber bearings and dampers placed between the building and its foundation that move flexibly horizontally.

Seismic, Isolation, Layer

## Emergency Power Supply

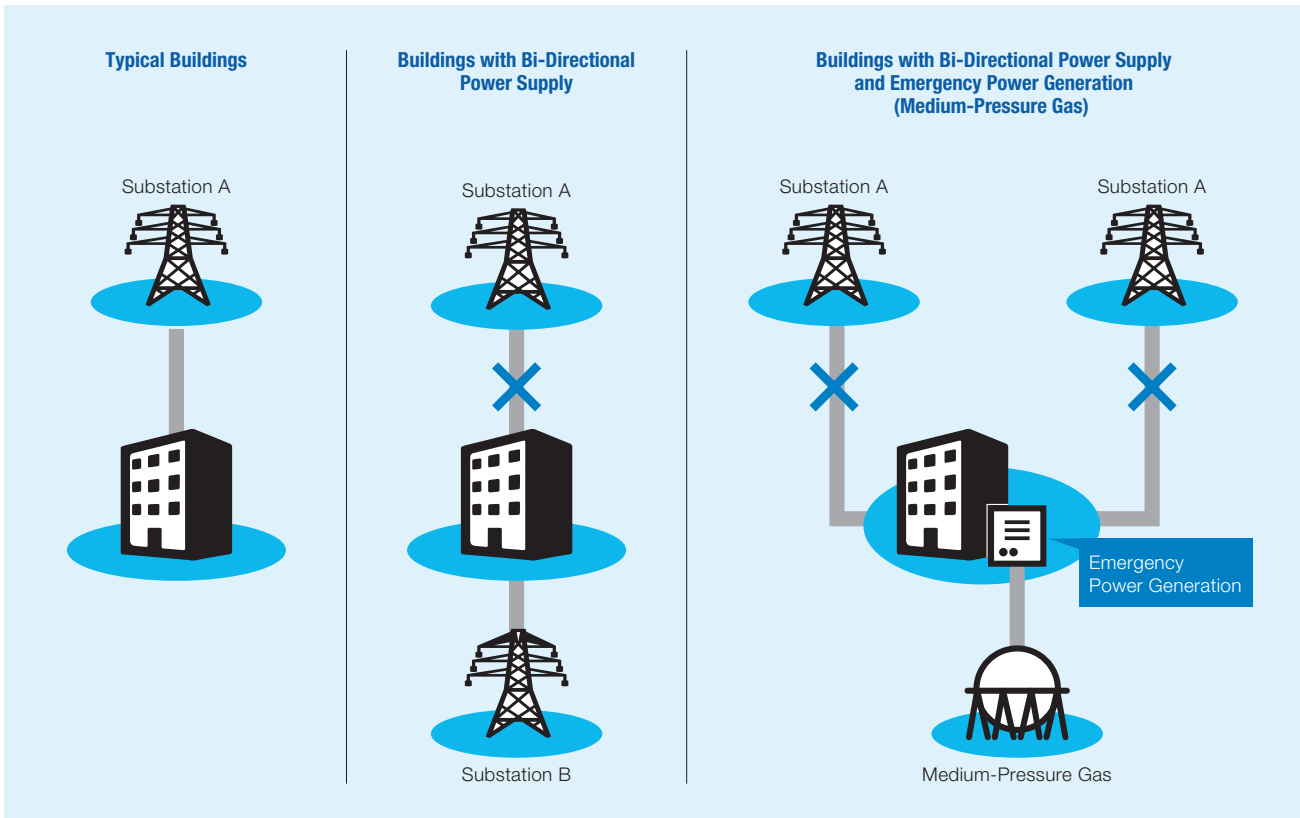
[非常時における電源供給]

### Office buildings equipped with emergency power generation systems

Typical office buildings have uni-directional power supply systems that receive power from a single transformer substation, so if the supply from a substation is cut off during an incident or disaster, it takes time to restore power to the building. In contrast, office buildings with bi-directional power supply systems receiving power from another transformer substation on a separate network can continue to provide power to the building's exclusive areas even if the supply from one substation is cut off.

Recently an increasing number of high-spec buildings are making this bi-directional power supply system even more safe and BCP\*-ready by adding emergency power generation systems powered by medium-pressure gas and oil tanks installed in the buildings.

\*BCP (Business Continuity Planning)



## Serviced Offices (including co-working offices, shared offices, flexible offices, etc.)

"Serviced offices" typically refers to rental spaces that come equipped with the desks, chairs, and other furniture required in offices, along with internet access, conference rooms, and so forth. Many serviced offices also provide reception and secretarial services at the request of tenants.

The advantage of serviced offices may be summed up as the ease with which tenants can move in and move out. More specifically, the advantages include the following:

1. Moving in is possible with lower initial costs than a standard rental office.
  - Small deposit
  - Office infrastructure such as communications-related services and utilities are already set up
  - Interior construction work is not required
2. Short interval between when the decision to move in is made and actual move in.
3. In the case of companies entering the Japanese market for the first time, it is often possible to use the serviced office's address for company registration.
4. Depending on the vacancy conditions at the time, it may be possible to adjust the lease duration and leased floor area to suit the tenant's needs.
5. When moving out, as long as the tenant has not made any modifications of their own, there is no need to restore the office to its original condition.

In recent times, serviced offices have become available at a wide range of building types, from high-rises to medium/small-scale buildings, increasing the choices available to companies.



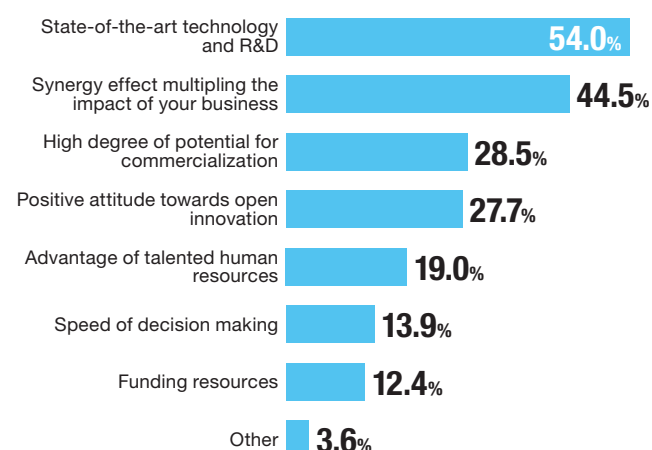
# The Appeal of Japan's Business Environment

In recent years, in response to the need to transform drastically the state of industry and society, the Japanese government has been actively engaged in efforts to attract foreign-affiliated companies. It has set a policy goal of 35 trillion yen in foreign direct investment (FDI) stock by 2020. The total stood at 30.7 trillion yen at the end of 2018, setting a new record for FDI stock for the fifth consecutive year. Going forward, with the aim of making Japan the easiest country in the world for companies to do business, the government's plan is to push ahead with revamping the business environment and various systems. This column discusses how foreign-affiliated companies view Japan's business environment and one of the keys to entering this market successfully.

## The Latest Trends in Foreign Investment in Japan

In recent years, more and more foreign-affiliated companies of various kinds have been creating business opportunities in Japan. A survey of foreign-affiliated companies in Japan conducted by the Japan External Trade Organization (JETRO) clearly showed that many respondents are interested in collaborating with Japanese companies and organizations. In particular, they have high expectations with regard to state-of-the-art technology and R&D.

### The reasons why you have chosen the partners (multiple answers)



\*The survey targeted about 2,100 foreign-affiliated companies whose entry or expansion into Japan was supported by JETRO and member companies of foreign chambers of commerce in Japan. Of these, 213 companies provided valid responses. The survey period was from June 18 to July 12, 2019.

## A Key to Successful Expansion / Establishment in Japan

There are several keys for foreign-affiliated companies to succeed with business expansion or establishment in Japan. One of these is choosing an office that suits your company's requirements. To do this, it's essential to acquire in-depth information about office buildings from various standpoints. Sanko Estate has information on 100,000 buildings nationwide. Thanks to its extensive track record in Japan, it is able to

provide not just public information on office vacancies but also information that is not generally available.

Moreover, Sanko Estate supplies a wide range of valuable information that companies need when choosing an office, including real estate business practices specific to Japan, legal issues to be considered, and the surrounding environment and

## JETRO Offers One-Stop Service Supporting Business Establishment in Japan

The following government agency offers services regarding investment in Japan:

### Japan External Trade Organization (JETRO) Invest Japan Business Support Center: IBSC

Tel: +81-3-3582-4684  
website: <https://www.jetro.go.jp/en/invest>

JETRO provides advice on investment in Japan by foreign companies. There are also IBSC branches in Tokyo and other major cities across Japan (Yokohama, Nagoya, Osaka, Kobe, Fukuoka). These primarily offer the following support services:

### 1. Information provision

Provision of information on markets, industries, incentives, business establishment procedures, service providers, systems, etc.

### 2. Free use of temporary office

To help companies' preparations for establishing a place of business to proceed smoothly, temporary offices are available in key business centers across Japan (occupancy period: 50 business days, as a general rule)

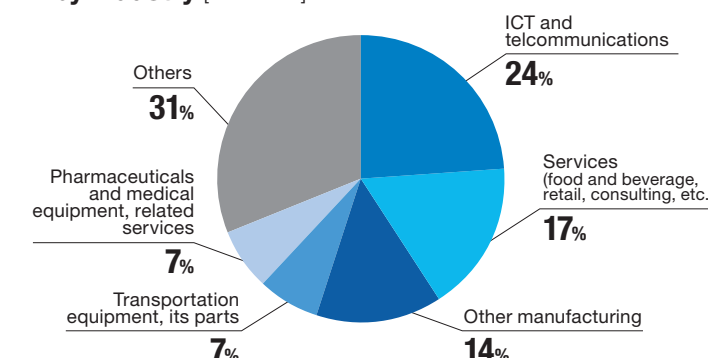
### 3. Leveraging an extensive network to provide business support in Japan

Offering opportunities for exchange with potential business partners, arranging meetings with government and relevant agencies, etc.

\*Use of the above services is subject to certain conditions.

\*In addition, JETRO provides services on investment in Japan at its more than 70 international offices in 50-plus countries worldwide and domestic offices in various regions of Japan.

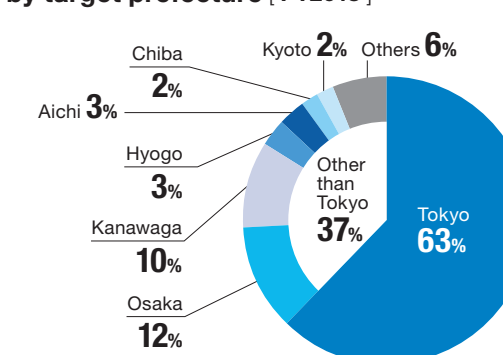
### JETRO - attracted investments by industry [ FY2018 ]



In FY2018, the number of successful cases in establishing or expanding a business in Japan was 241. Since FY2003, the total number of successful cases of attracting investment in Japan exceeds 2,000.

By industry, "ICT/Information Communications," "Services," and "Other Manufacturing" represented the largest shares of successful cases in FY2018. "Pharmaceuticals and Medical Equipment," which has attracted attention in recent years, decreased slightly from the previous year but continues to enjoy a large share.

### JETRO - attracted investments by target prefecture [ FY2018 ]



While Tokyo was the target destination for business establishment or expansion in the majority of cases supported by JETRO, there were a significant number of cases targeting other areas of Japan (approximately 40%).

Source: "JETRO Invest Japan Report 2019" (JETRO)

distinctive features of each area. In addition to this, it supports clients from various perspectives, such as mid- to long-term schedule management based on their office strategy, negotiations with building owners, and following up after relocation to a new office. Naturally, all these services are available in English, enabling clients to use them with peace of mind.

### The Advantages of Using Sanko Estate

1. All services available in English
2. Comprehensive support based on negotiating capabilities and extensive experience
3. Avoiding problems
4. Advice on scheduling all aspects of relocation
5. Providing information after relocation and offering consultation services

Inquiries | International Department, Sanko Estate | [www.sanko-e.co.jp/en](http://www.sanko-e.co.jp/en) | +81-3-3564-8051 | [contact@sanko-e.co.jp](mailto:contact@sanko-e.co.jp)

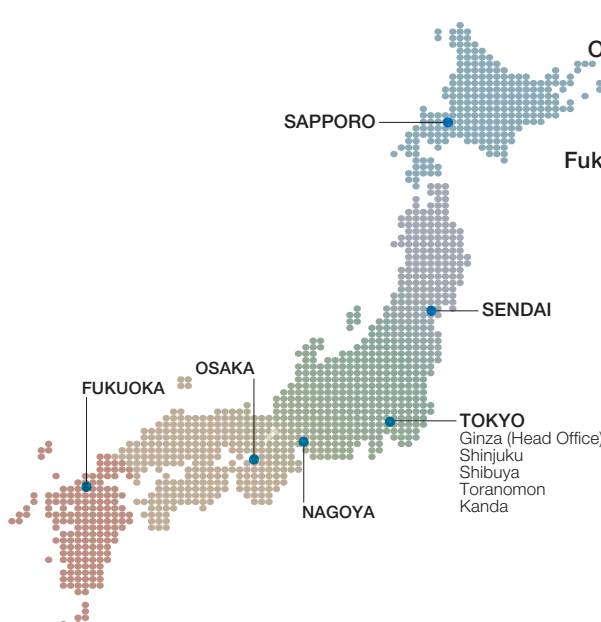


## Sanko Estate Co., Ltd.

<b>Established</b>	May 17, 1977
<b>President</b>	Shigeo Takei
<b>Capital</b>	¥100,000,000
<b>Employees</b>	259 (417 for entire group)
<b>Company Services</b>	<ul style="list-style-type: none"> <li>Office leasing services</li> <li>Project management services</li> <li>Workplace consulting</li> </ul>
<b>License</b>	<ul style="list-style-type: none"> <li>Real estate agent: License authorized by Minister of Land, Infrastructure, Transport, and Tourism (10) No. 3105</li> <li>First-class Architect Office Registration: Governor of Tokyo No. 61819</li> </ul>
<b>Professional Affiliations</b>	<ul style="list-style-type: none"> <li>Japan Facility Management Association</li> <li>National Real Estate Guarantee Association</li> <li>Tokyo Real Estate Brokers Association</li> <li>The American Chamber of Commerce in Japan</li> <li>The British Chamber of Commerce in Japan</li> <li>The Swedish Chamber of Commerce and Industry in Japan</li> <li>The Tokyo Chamber of Commerce in Japan</li> </ul>
<b>Group Companies</b>	Sanko Office Management Co., Ltd. MS Building Support Co., Ltd. Commercial Property Research Institute, Inc.

### Office Location

<b>Ginza (Head Office)</b>	Ginza Sanwa Bldg., 4-6-1 Ginza, Chuo-ku, Tokyo
<b>Shinjuku Office</b>	Kowa Bldg., 1-23-3 Nishi-Shinjuku, Shinjuku-ku, Tokyo
<b>Shibuya Office</b>	Towa Miyamasuzaka Bldg., 1-14-9 Shibuya, Shibuya-ku, Tokyo
<b>Toranomon Office</b>	Unpin Toranomon Bldg., 1-1-23 Toranomon, Minato-ku, Tokyo
<b>Kanda Office</b>	Shibashin-Kanda Bldg., 1-26 Kanda Sudacho, Chiyoda-ku, Tokyo
<b>Sapporo Office</b>	Sapporo Kita-Sanjo Bldg., 3-1 Nishi, Kita 3-jo, Chuo-ku, Sapporo-shi, Hokkaido Area: Hokkaido
<b>Sendai Office</b>	Aoba-Dori Plaza, 3-2-1 Chuo, Aoba-ku, Sendai-shi, Miyagi Area: Miyagi, Aomori, Akita, Iwate, Fukushima, Yamagata
<b>Nagoya Office</b>	Sakura-Dori Otsu Daiichi Seimei Bldg., 3-4-6 Nishiki, Naka-ku, Nagoya-shi, Aichi Area: Aichi, Mie, Gifu, Shizuoka, Nagano, Fukui, Ishikawa, Toyama
<b>Osaka Office</b>	Midosuji Mitsui Bldg., 4-1-3 Bingomachi Chuo-ku, Osaka-shi, Osaka Area: Osaka, Kyoto, Hyogo, Shiga, Nara, Wakayama, Okayama, Hiroshima, Shimane, Tottori, Kagawa, Tokushima, Kochi, Ehime
<b>Fukuoka Office</b>	Hakata Taihaku Dori Bldg., 1-5-1 Hakata-ekimae, Hakata-ku, Fukuoka-shi, Fukuoka Area: Kyushu, Okinawa, Yamaguchi



**If you have any inquiries, please contact  
International Department. (Head Office)**

Tel +81-3-3564-8051  
 FAX +81-3-3564-8060  
[www.sanko-e.co.jp/en](http://www.sanko-e.co.jp/en)  
 E-mail: [contact@sanko-e.co.jp](mailto:contact@sanko-e.co.jp)

## WEBSITE



### Office Building Search System

Our website has a search system for offices located in the major areas of Tokyo as Yokohama. Please visited our website for more information.

[www.sanko-e.co.jp/en/search](http://www.sanko-e.co.jp/en/search)

## OFFICE RENTDATA

[www.sanko-e.co.jp/en/Data/rentdata](http://www.sanko-e.co.jp/en/Data/rentdata)

## OFFICE RENTDATA 2020

March 2020

Published by Sanko Estate Co., Ltd.  
 Ginza Sanwa Bldg., 4-6-1 Ginza,  
 Chuo-ku, Tokyo

Copyright Sanko Estate Co., Ltd. All rights reserved.



Only environmentally-friendly,  
 zero-VOC (Volatile organic  
 compounds) 100% vegetable  
 oil inks were used in the  
 printing of this report.