

2024
OFFICE RENTDATA

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OFFICE RENTDATA 2024

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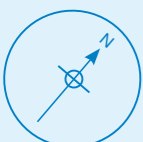
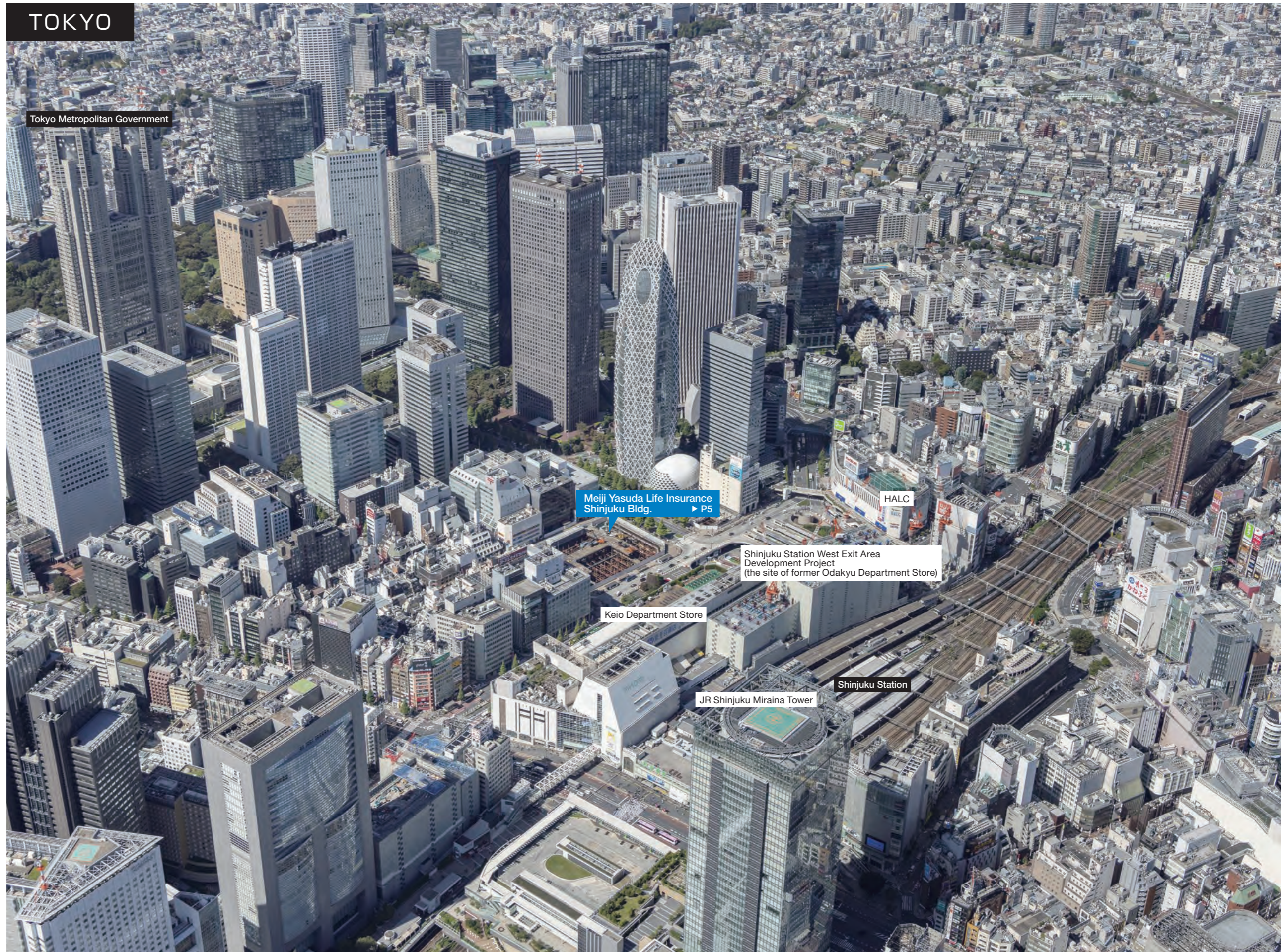
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READING GUIDE

About the Survey

Survey time (rent, vacancy rate)

December 31 each year
(as of September 30 in 2023)

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 \approx 3.3 sq. m \approx 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

Ratio of currently vacant space to the total leasable space

Potential vacancy rate

Ratio of currently vacant space and space to be vacant by termination of the lease contract to the total leasable space

New supply

Total leasable floor space in new buildings completed during the data collection period

Building/project names, completion times, structure, etc. may change depending on the progress of future work.





Meiji Yasuda Life Insurance Shinjuku Building (tentative name)

A New Landmark in the Shinjuku Station West Area

Shinjuku Station boasts one of the world's largest average daily number of passengers. There, a project is underway for the integrated development of seven aging buildings on a site facing the square in front of the West Exit into Meiji Yasuda Life Insurance Shinjuku Building (tentative name).

There will be 23 floors above ground and 4 below. The construction is scheduled for completion in April 2026. The retail floors to occupy B1F to 1F will have a diverse store lineup to meet an array of Customer's behavioral needs.

On 1F, the building will be surrounded by abundant greenery and there will be several open-air cafes and restaurants with a terrace and such, offering visitors a place to relax. There will be an office lobby, a rental hall (approximately 100 tsubo) accessible by the public and local residents, and a workers' lounge on 2F. Exclusive lease space of approximately 817 tsubo per floor (can be divided into up to six

subsections), a size that is rare in Shinjuku's West Exit area, has been secured for the office floors to occupy 4F to 22F. Additionally, 23F will have a tenant-exclusive rooftop garden.

The regular-shaped, column-free exclusive lease office space enables highly flexible air-conditioning and layout configuration, etc. Along with securing JSCA's highest grade in seismic performance, a disaster damage assessment system will be in place. In addition, the dual-fuel emergency power generation system for the exclusive lease space will support office tenants for their high BCP performances. In environmental aspects, too, the plan is to obtain CASBEE (Rank S) and incorporate renewable energy.

This project was launched ahead of many development projects underway in the Shinjuku Station West Exit area and will contribute to forming a new cityscape as a new landmark.

Prepared in collaboration with Meiji Yasuda Life Insurance Company and Mori Building Co., Ltd.

Yodoyabashi Station East Project (tentative name)

A New Landmark Equipped with Comfort, Functionality and Environmental Performance

Midotsuji Avenue connects central Osaka City from north to south. The Yodoyabashi Station East Project (tentative name) is a large-scale redevelopment underway at this gateway. The project will boast a size of 31 floors above ground and 3 below, and construction is scheduled for completion at the end of May 2025. A multi-purpose plaza will be established in the B1F portion with an atrium extending up to 2F, producing new bustle. From 4F up will be office floors, with approximately 480 tsubo per floor that will be available from a minimum of approximately 30 tsubo to meet diverse tenant needs. There will be a business lounge from 10F to 11F. The floor plan includes a rental conference room with a maximum capacity of over 100 people and a variety of co-working spaces. A natural ventilation system utilizing the atrium space will be adopted on all office floors, and an inner terrace with abundant greenery will be established in the common space from 12F up. This space is designed to facilitate casual communication to support new ways of working. A freely accessible observation terrace is planned for the top floor (30F). Furthermore, high BCP performance will be secured by employing a vibration-controlling structure of high grade, a three-line spot network power receiving system, an



emergency power generation system, etc. to also serve as a base for disaster response not only for workers but also the area. In addition, advanced environmental performance will be realized through thermal load reduction using a high-performance building envelope, lighting control using motion sensors, waste heat utilization using a cogeneration system, etc. This new landmark equipped with comfort, functionality and environmental performance will contribute to forming the dynamism of the entire area.

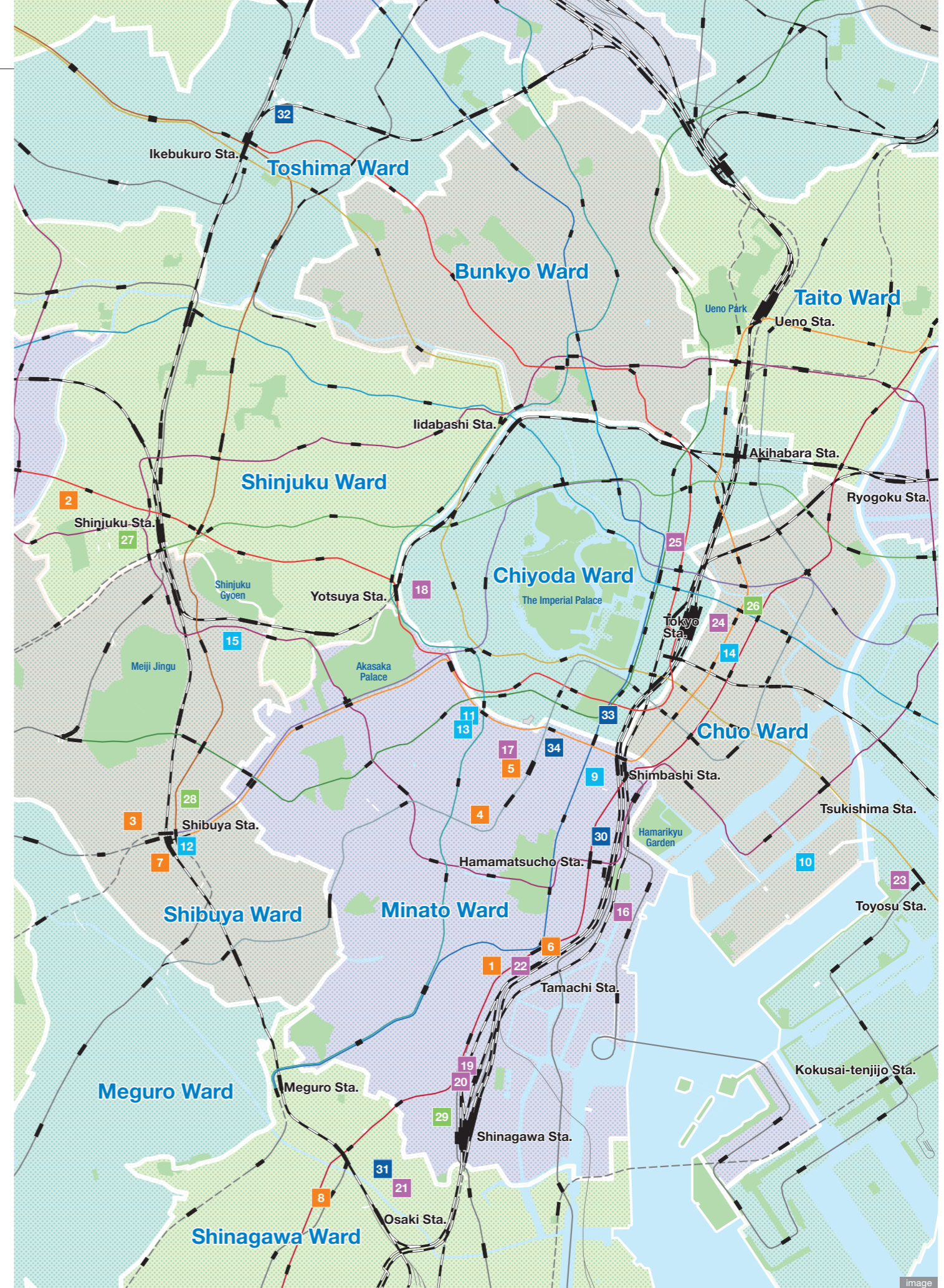
Prepared in collaboration with Chuo-Nittochi Co., Ltd.

Completion Timeline

2023-2027 Current as of January 15, 2024

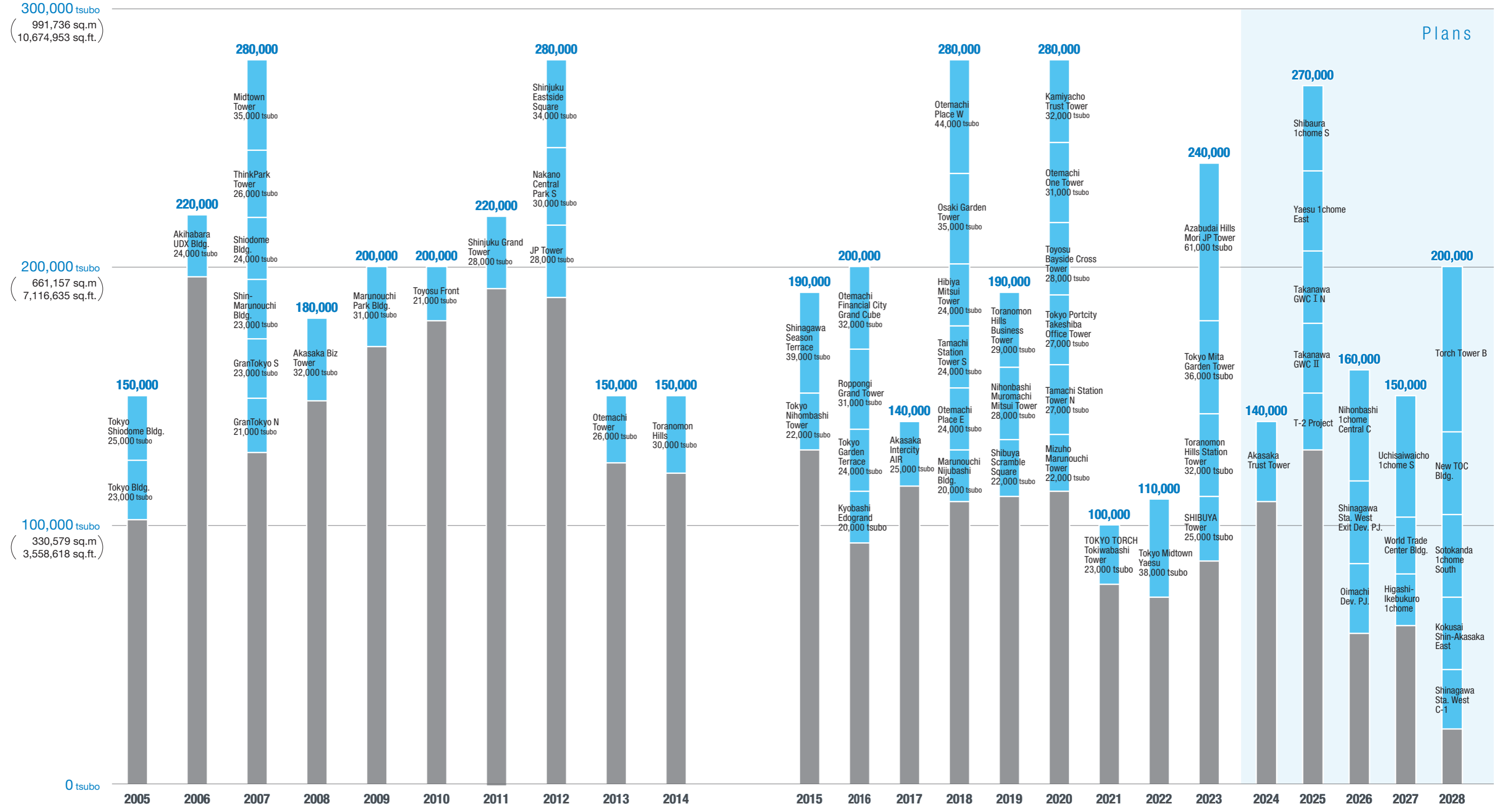
Year	Order	Month	Project Name	Location	Scale	1Floor
2023	1	Feb	Sumitomo Fudosan Tokyo Mita Garden Tower	Minato Ward / Mita 3	42/B4	1,204
	2	Mar	Sumitomo Fudosan Shinjuku First Tower	Shinjuku Ward / Nishi-Shinjuku 5	35/B2	607
	3	Mar	dogenzaka-dori	Shibuya Ward / Dogenzaka 2	28/B1	526
	4	Jun	Azabudai Hills Mori JP Tower	Minato Ward / Azabudai 1	65/B5	1,460
	5	Jul	Toranomon Hills Station Tower	Minato Ward / Toranomon 2	49/B4	1,041
	6	Sep	Tamachi Tower	Minato Ward / Shiba 5	29/B2	794
	7	Nov	SHIBUYA Tower	Shibuya Ward / Sakuragaokacho 1	39/B4	872
	8	Dec	Gotanda JP Building	Shinagawa Ward / Nishi-Gotanda 8	20/B3	969
2024	9	Feb	Shin-Tora YASUDA bldg.	Minato Ward / Shimbashi 4	14/B2	400
	10	Mar	Harumi 3chome PJ.*	Chuo Ward / Harumi 3	20/B2	500
	11	May	Akasaka Green Cross	Minato Ward / Akasaka 2	28/B3	555
	12	May	SHIBUYA AXSH	Shibuya Ward / Shibuya 2	23/B4	400
	13	Aug	Akasaka Trust Tower	Minato Ward / Akasaka 2	43/B3	1,024
	14	Sep	TODA BUILDING	Chuo Ward / Kyobashi 1	28/B3	721
	15	Sep	Sendagaya Center Building*	Shibuya Ward / Sendagaya 1	4/B1	884
2025	16	Feb	Shibaura Project S*	Minato Ward / Shibaura 1	43/B3	1,559
	17	Feb	T-2 Project*	Minato Ward / Toranomon 2	38/B2	1,054
	18	Mar	Kojimachi Kousai Bldg.	Chiyoda Ward / Kojimachi 5	12/B2	669
	19	Mar	Takanawa Gateway City Complex Building I North*	Minato Ward / Takanawa 2	29/B3	1,500
	20	Mar	Takanawa Gateway City Complex Building I South*	Minato Ward / Takanawa 2	30/B3	1,030
	21	Apr	Sumitomo Fudosan Osaki Twin Bldg. West*	Shinagawa Ward / Higashi-Gotanda 2	14/B1	502
	22	May	Project in front of Tamachi station*	Minato Ward / Shiba 5	20/B3	583
	23	Jun	Toyosu 4-2 Development Project B*	Koto Ward / Toyosu 2	15/B1	1,321
	24	Jul	DistrictB Type1 Urban Redev. for Yaesu 1chome East Area*	Chuo Ward / Yaesu 1	51/B4	825
	25	Nov	Uchi-Kanda 1 Project*	Chiyoda Ward / Uchikanda 1	26/B3	684
2026	26	Mar	Nihonbashi 1chome Central District C*	Chuo Ward / Nihombashi 1	52/B5	1,900
	27	Apr	Meiji Yasuda Life Insurance Shinjuku Building*	Shinjuku Ward / Nishi-Shinjuku 1	23/B4	817
	28	Sep	Urban Renewal Step-up PJ.*	Shibuya Ward / Shibuya 1	14/B2	730
	29	Nov	Shinagawa Sta. West Exit Development PJ.*	Minato Ward / Takanawa 3	29/B4	1,936
	2027	30	Feb	World Trade Center Building Main Tower*	Minato Ward / Hamamatsucho 2	46/B3
31		Feb	Higashigotanda 2chome Block3 Type1 Urban Redev.*	Shinagawa Ward / Higashi-Gotanda 2	20/B2	775
32		Mar	Higashi-Ikebukuro 1chome District PJ.*	Toshima Ward / Higashi-Ikebukuro 1	33/B3	800
33		Jul	Uchisaiwaicho 1chome South District PJ.*	Chiyoda Ward / Uchisaiwaicho 1	45/B3	1,400
34		Jul	Toranomon 1chome East District Redev.*	Minato Ward / Toranomon 1	29/B4	850

- Scale refers to the number of floors above ground, and one floor refers to the standard floor area in tsubo.
 - 1 tsubo = 3.3 sq. m = 35.58 sq. feet
 - Building/project names with asterisks (*) are tentative. The names, completion times, structure, etc. may change depending on the progress of future work.
 - Abbreviations are used in some parts.



New Supply TOKYO

- Buildings of 100 tsubo (330 sq.m) or more per floor
- Leasable Floor Area of 20,000 tsubo (66,000 sq.m) or more
- 1 tsubo ≒ 3.3 sq.m ≒ 35.58 sq.ft.
- Abbreviations are used in some parts.



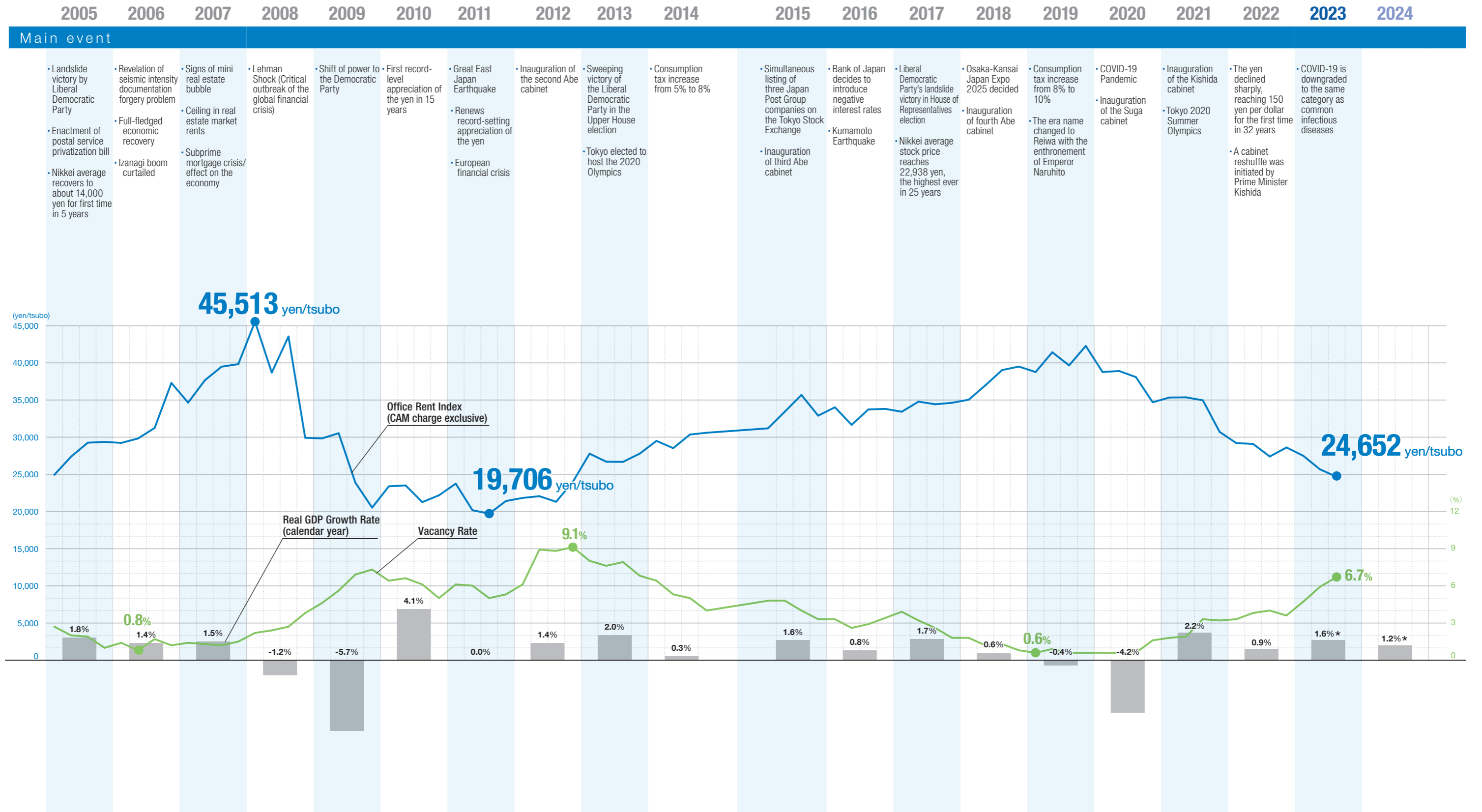
Transition in Office Rents and Economic Trends

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

Class A Building Guidelines

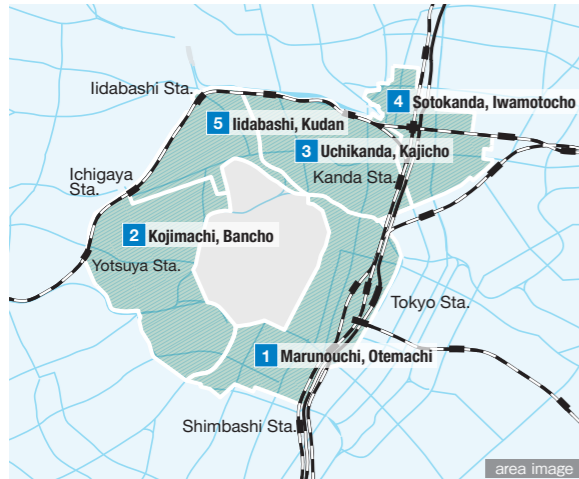
- Tokyo Central 5 Wards and major business districts
- Total floor area is 10,000 tsubo or more
- 300 tsubo or more/standard floor
- Completed within 15 years
- Ceiling height 2.7m or more, individual air conditioning, high anti-seismic and environment performance



* Values for 2023 and 2024 are projections.

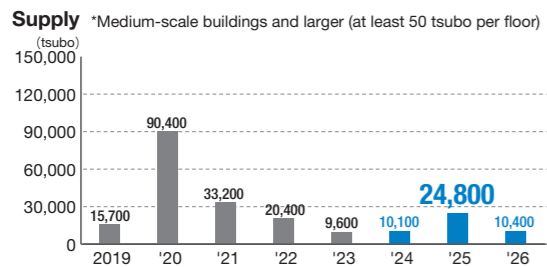
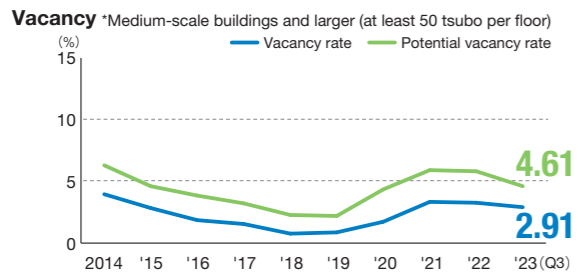
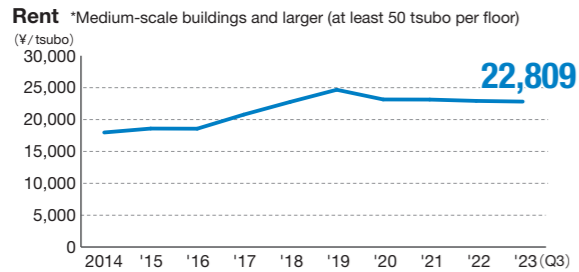
Chiyoda Ward

Both the vacancy rate and potential vacancy rate have remained low, with the most recent vacancy rate falling to the 2% range. Asking rents remain flat in the upper 22,000 yen/tsubo range.



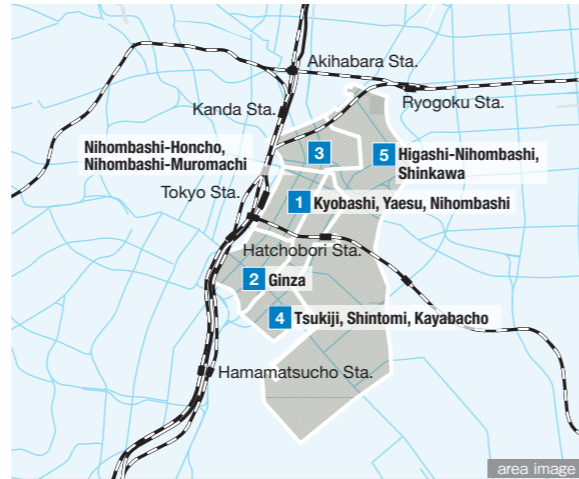
Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
1	Marunouchi, Otemachi	40,449	29,500	19,492	22,433
2	Kojimachi, Bancho	25,078	21,948	18,702	16,976
3	Uchikanda, Kajicho	25,868	20,157	17,034	14,765
4	Sotokanda, Iwamotocho	26,333	19,492	16,967	14,460
5	Iidabashi, Kudan	20,643	19,144	15,846	14,825



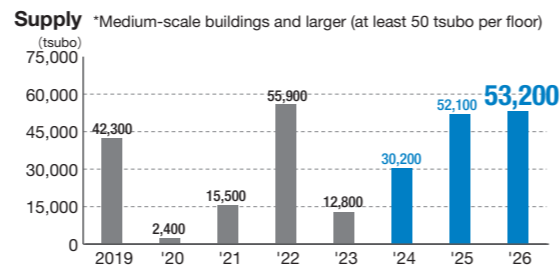
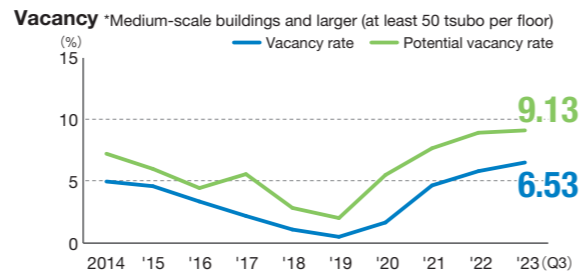
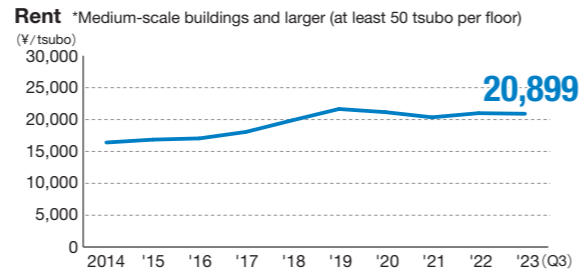
Chuo Ward

Both the vacancy rate and potential vacancy rate continue to trend upward since bottoming out in 2019. Asking rents remain flat in the 20,000 yen/tsubo range.



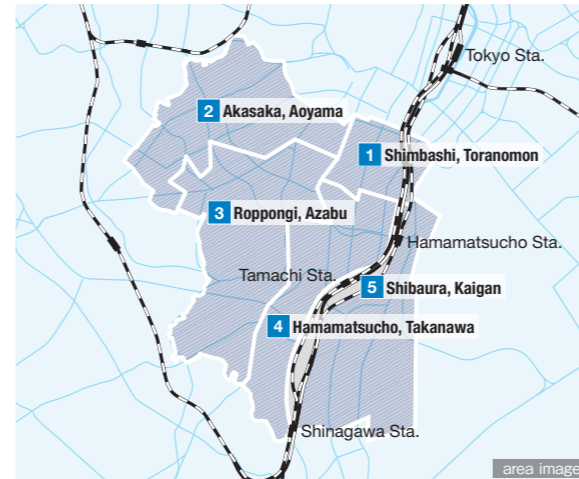
Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
1	Kyobashi, Yaesu, Nihombashi	36,839	27,493	23,092	20,478
2	Ginza	26,867	23,947	22,657	22,133
3	Nihombashi-Honcho, Nihombashi-Muromachi	31,200	20,982	18,594	16,355
4	Tsukiji, Shintomi, Kayabacho	22,413	18,523	17,627	14,357
5	Higashi-Nihombashi, Shinkawa	19,316	17,073	14,812	12,931



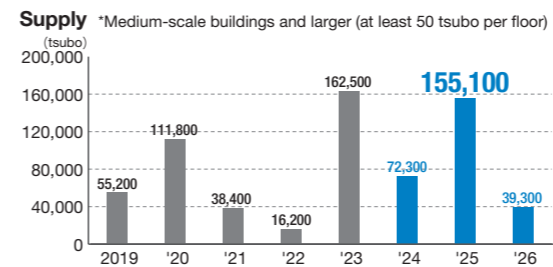
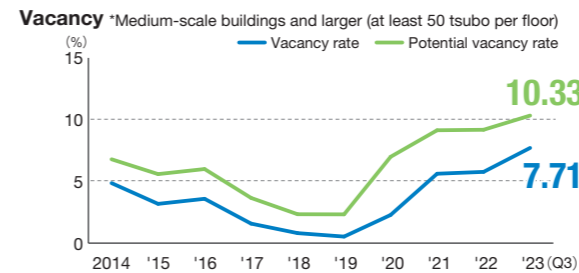
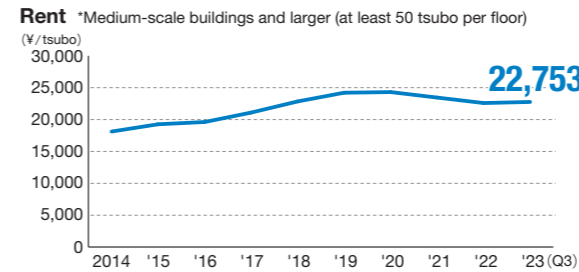
Minato Ward

Both the vacancy rate and potential vacancy rate continue to trend upward, keeping the highest level in the Tokyo Central 5 Wards. Asking rents turned from trending downward after peaking in 2020 to remaining flat.



Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
1	Shimbashi, Toranomom	28,863	24,229	19,473	17,190
2	Akasaka, Aoyama	30,763	23,174	20,835	20,094
3	Roppongi, Azabu	28,283	21,077	18,865	18,290
4	Hamamatsucho, Takanawa	24,142	19,187	19,190	15,563
5	Shibaura, Kaigan	21,278	15,563	17,019	15,539



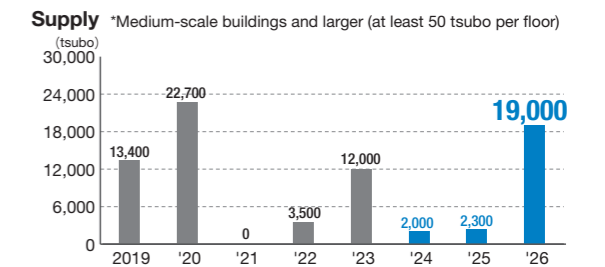
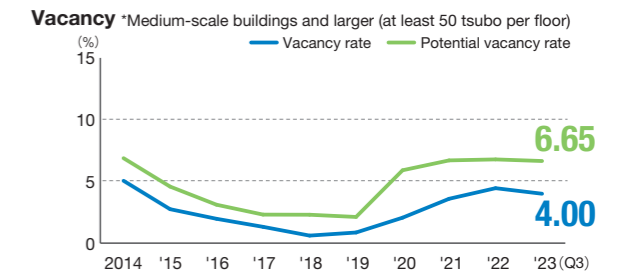
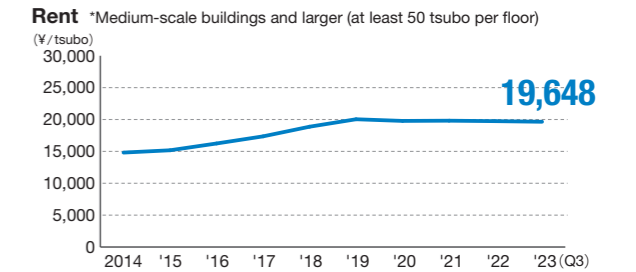
Shinjuku Ward

The vacancy rate continued to trend upward since bottoming out in 2018, but recently turned downward. The potential vacancy rate has remained flat since 2021. Asking rents remain flat in the upper 19,000 yen/tsubo range since peaking in 2019.



Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
1	Nishi-Shinjuku	26,400	23,042	16,796	19,034
2	Shinjuku, Kabukicho	27,000	20,636	18,563	15,296
3	Yotsuya, Ichigaya	22,417	17,500	16,223	15,842
4	Takadanobaba, Okubo	20,667	15,231	14,960	12,808
5	Waseda, Kagurazaka	20,143	15,574	13,520	12,496



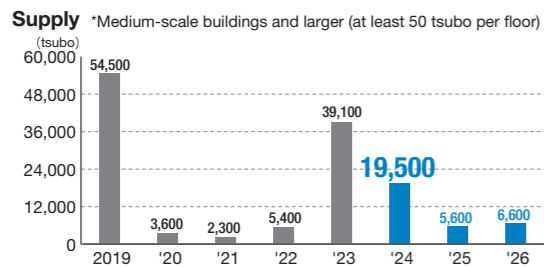
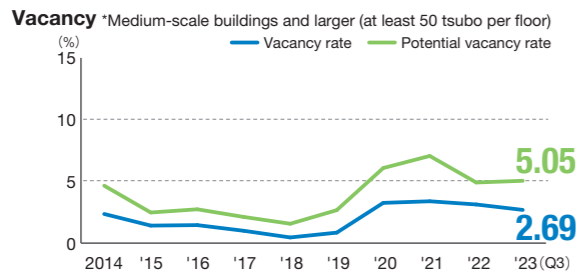
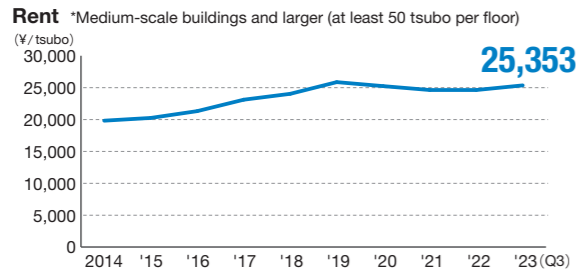
Shibuya Ward

Gradually decreasing on the back of robust demand around Shibuya Station, the vacancy rate is the lowest level in the Tokyo Central 5 Wards. The potential vacancy rate is also at a relatively low level. Asking rents remain flat at around 25,000 yen/tsubo.



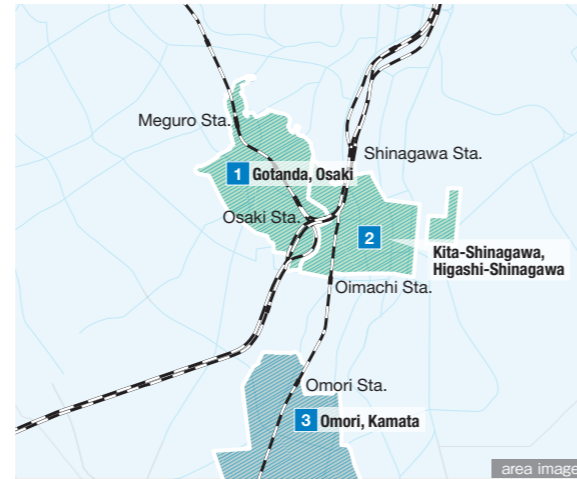
Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
1	Shibuya, Dogenzaka	33,912	28,382	25,732	23,332
2	Sakuragaoka, Nanpeidai	33,090	24,600	20,500	21,114
3	Yoyogi, Sendagaya	26,167	23,929	20,933	19,933
4	Ebisu, Hiroo	31,556	24,182	22,753	20,697
5	Hatsudai, Honmachi, Sasazuka	18,498	15,900	14,889	14,108



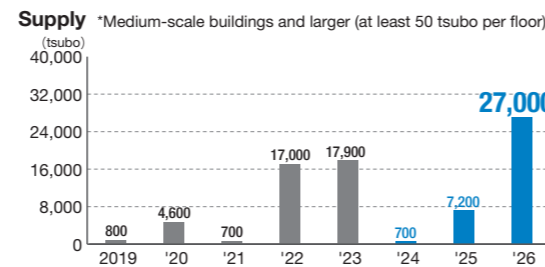
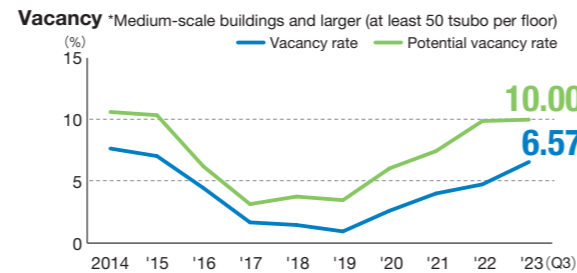
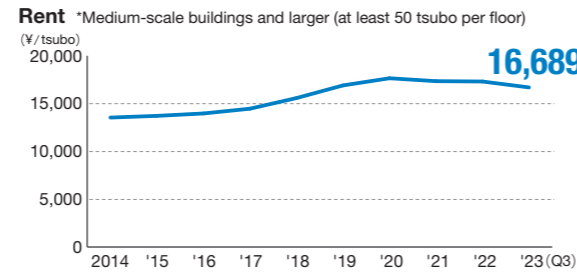
Shinagawa Ward / Ota Ward

Both the vacancy rate and potential vacancy rate have continued to trend upward since 2020. The vacancy rate has recently reached the 6% level for the first time since 2015. Meanwhile, the potential vacancy rate is starting to show signs of change. Asking rents remain flat since peaking in 2020.



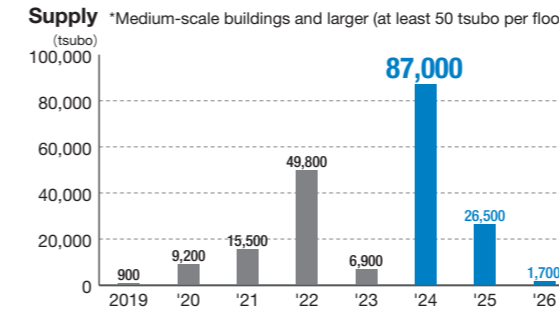
Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
1	Gotanda, Osaki	23,477	18,927	15,977	15,011
2	Kita-Shinagawa, Higashi-Shinagawa	17,019	14,583	14,750	11,877
3	Omori, Kamata	14,250	15,917	11,532	14,216



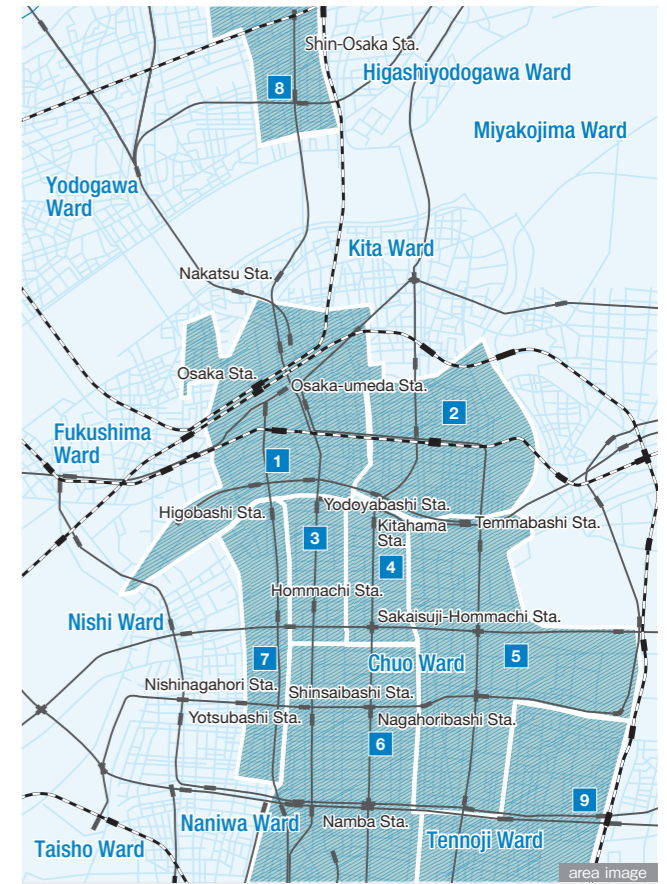
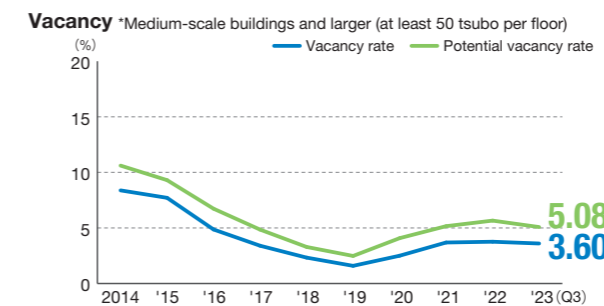
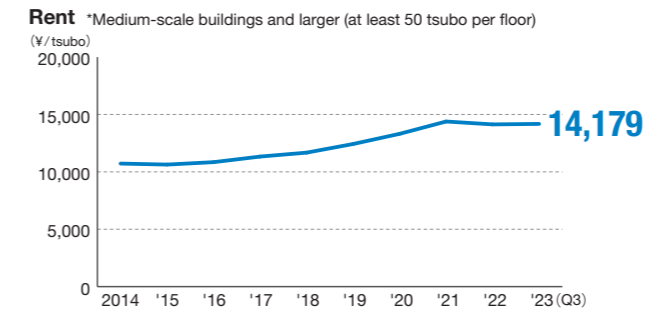
Osaka City

Over the next three years, new supply is expected to be consecutively of a large volume at around 87,000 tsubo in 2024 and around 26,000 tsubo in 2025.



Kita, Chuo, and Nishi Ward

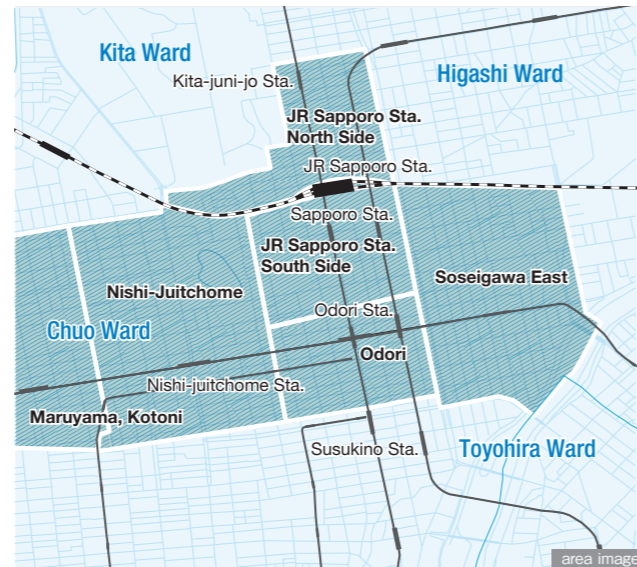
The vacancy rate remains flat with small movements continuing in the 3% level. Meanwhile, the potential vacancy rate has recently decreased, starting to show signs of change. After rising since 2016, asking rents have continued to remain flat in the lower 14,000 yen/tsubo level since peaking in 2021.



Rent : ¥/tsubo (CAM charge inclusive)

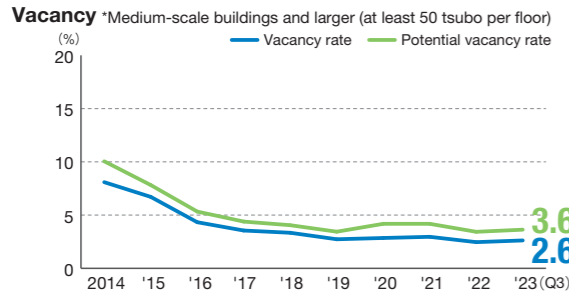
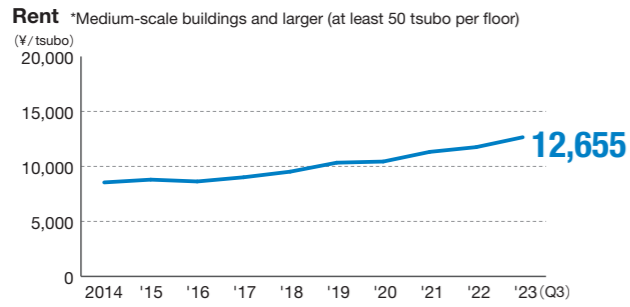
	Scale	Large	Medium/Large	Medium	Small
1	Umeda, Dojima, Nakanoshima	24,691	16,114	15,567	16,120
2	Minamimorimachi	13,467	10,792	11,632	9,556
3	Yodoyabashi, Hommachi	19,724	14,193	12,863	10,456
4	Kitahama, Sakaisuji Hommachi	14,904	12,667	10,856	10,057
5	Temmabashi, Tanimachi	13,385	11,352	9,849	9,010
6	Shinsaibashi, Nagahoribashi, Namba	17,350	12,953	11,362	11,456
7	Higobashi, Nishi Ward Hommachi, Yotsubashi	13,790	12,012	10,485	9,455
8	Shin-Osaka	15,988	12,480	10,061	9,703
9	Tennoji	-	11,795	9,891	8,502

The vacancy rate sits low at the 2% level and the potential vacancy rate is also low at the 3% level, maintaining a sense of scarcity in key areas. Asking rents continue to trend upward, hitting a new high since records began.

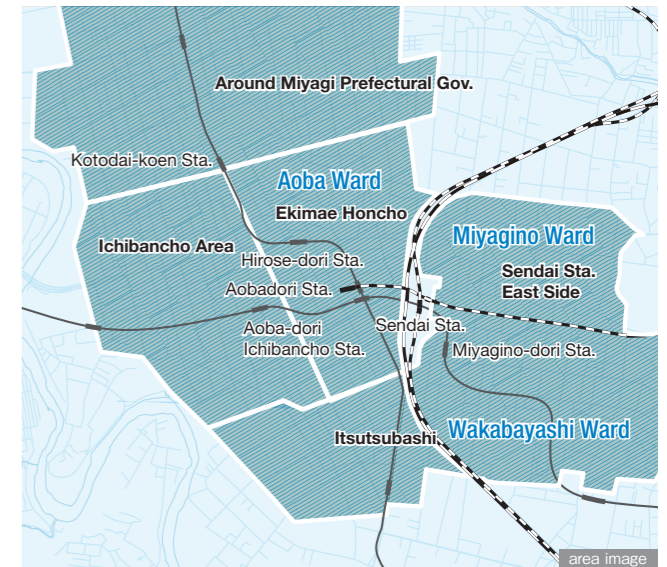


Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
JR Sapporo Sta. South Side		17,744	15,571	12,652	13,413
JR Sapporo Sta. North Side		19,115	15,100	13,738	8,723
Odori		15,862	17,101	10,468	11,437
Nishi-Juitchome		10,458	10,858	10,867	8,453
Soseigawa East		12,125	13,250	8,588	10,745
Maruyama, Kotoni		7,833	7,250	8,733	7,619

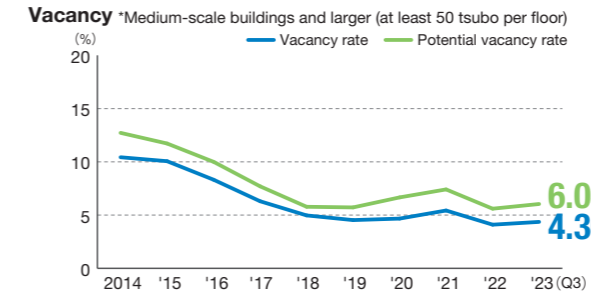
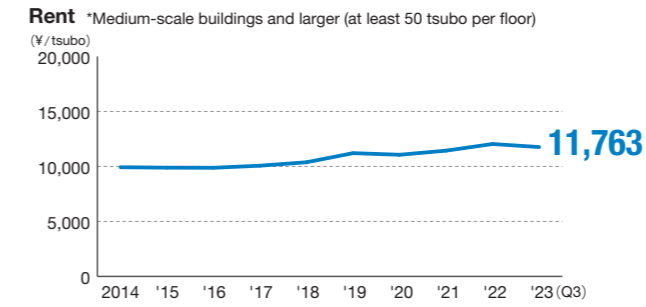


The vacancy rate, which was at the 10% level in 2014, has continued to trend downward to decrease to the 4% level in 2018 and steadily remains at a relatively low level. The potential vacancy rate also continues to show movements at a low level, mainly with large-scale buildings in key areas. There is no widespread tendency for owners to revise their asking terms, and asking rents continue to be around 12,000 yen/tsubo.



Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
Ekimae Honcho		16,583	13,880	10,408	9,787
Ichibancho Area		13,148	10,109	10,493	8,139
Around Miyagi Prefectural Gov.		11,389	9,798	9,508	11,069
Itsutsubashi		12,500	9,250	9,833	6,500
Sendai Sta. East Side		16,636	12,806	9,722	10,501



Sapporo 4-chome New Construction Project (tentative name)

A New Place of Activity in Odori Area, One of Sapporo City's Busiest Districts



A complex building will emerge at a one-minute walk to Odori Station, directly connected via the underground mall. The office floors will occupy 4F through 13F. In the retail zone from B1F to 3F, there will be a resting space, also as a waiting area for the city streetcar, and a freely available park-like space.

Area per floor	Approx. 300 tsubo
Scale	2 floors below ground and 13 floors above
Scheduled Completion	March 2025
Environmental Certification	» ZEB Ready (Office)

In collaboration with KAJIMA CORPORATION
*The information was valid as of October 2023 and may differ from the actual conditions.

T-PLUS Sendai

Producing the Dynamism of Central Sendai, the Largest Business District in Tohoku

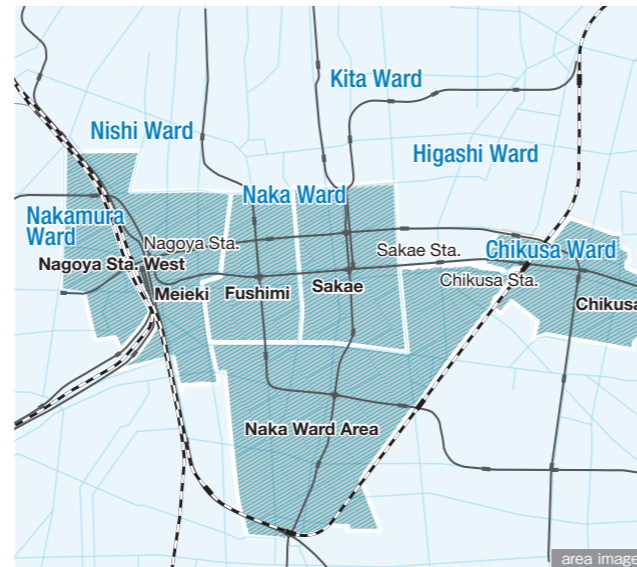


The building, located close to JR Sendai Station, will have shops on the ground floor and office floors from 2F to 12F and is designed with an "inner balcony" for taking in pleasant air flow from natural ventilation windows. A greenery rooftop terrace will offer tenants a place to refresh and communicate.

Area per floor	Approx. 246 tsubo
Scale	1 floor below ground and 12 floors above
Scheduled Completion	January 2024
Environmental Certifications	» CASBEE for Buildings (New Construction Rank S) » CASBEE Wellness Office (Rank S) » BELS (★★★★★) » ZEB Ready

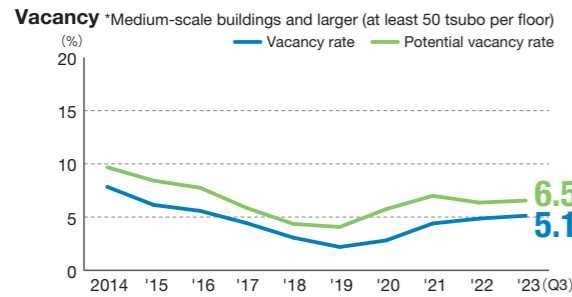
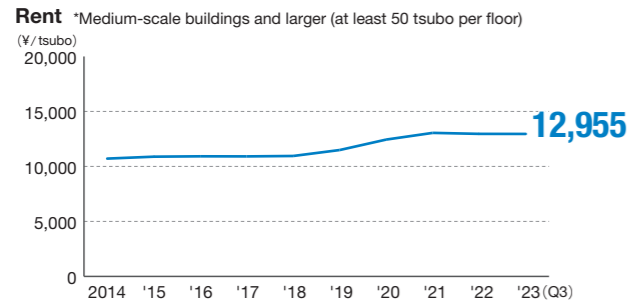
In collaboration with Tokyo Tatemono Co., Ltd.
*The information was valid as of October 2023 and may differ from the actual conditions.

While the vacancy rate continued to trend upward to the 5% level most recently, the potential vacancy rate remains flat. After continuing a gradual upward trend since 2018, asking rents have remained flat since peaking in 2021. New supply is expected to exceed 10,000 tsubo in 2024 and 2026.

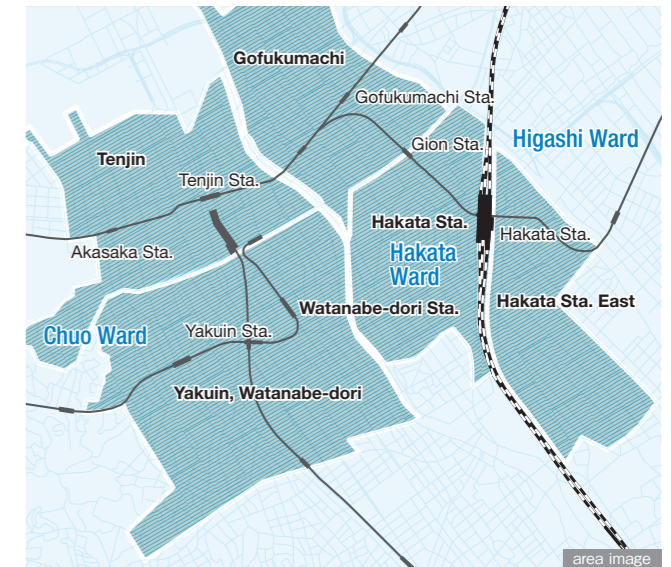


Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
Meieki		22,963	16,045	13,099	12,635
Nagoya Sta. West		14,500	14,733	11,116	10,105
Sakae		15,571	12,593	11,869	12,181
Fushimi		15,737	12,981	11,843	10,804
Naka Ward Area		12,667	11,275	9,195	9,242
Chikusa		12,000	9,300	9,438	8,993

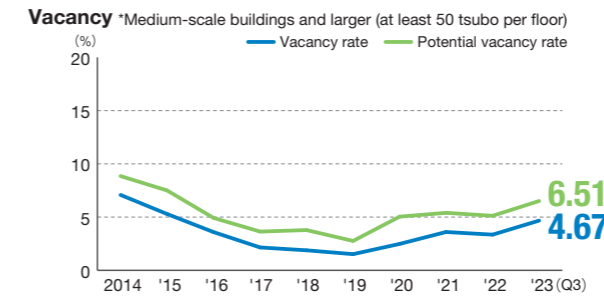
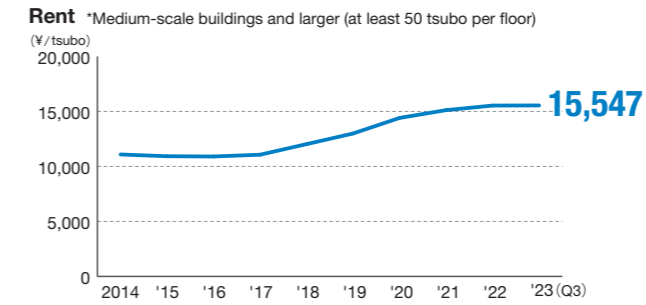


Both the vacancy rate and potential vacancy rate have continued to trend upward since bottoming out in 2019. The vacancy rate has recently reached the 4% level as several new buildings have been completed with vacancies in 2023. Asking rents remain flat as the pace of increase has slowed. A large volume of new supply is expected exceeding 20,000 tsubo in also 2024 and 2025.



Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
Hakata Sta.		18,028	16,372	14,226	14,313
Hakata Sta. East		15,471	13,992	12,469	11,105
Gofukumachi		16,998	16,513	12,831	13,600
Tenjin		19,814	18,308	14,386	13,310
Yakuin, Watanabe-dori		17,085	16,227	15,686	12,167



Nagoya Shimizu Fukoku Seimei Building

Large-Scale Office Building in Central Financial and Business District of Nagoya



As supporting various business and working styles, the building will be equipped with shared meeting rooms and refreshment space with an outdoor balcony on each floor, a tenant-exclusive lounge on the top floor, and a parking lot from 1F to 3F.

Area per floor	Approx. 714 tsubo
Scale	16 floors above ground
Scheduled Completion	March 2024
Environmental Certifications	» ZEB Ready » CASBEE (Rank S)

In collaboration with SHIMIZU CORPORATION
*The information was valid as of October 2023 and may differ from the actual conditions.

Shin-Fukuoka Building (tentative name)

Large-scale Redevelopment Project Underway in the Largest Business District in Kyushu



The building is divided into four zones: retails on the lower, the lounges "Sky Lobby" on the middle two floors, offices on the upper, and a hotel on the top two floors. One floor plate, 1,400 tsubo (≈8595m²), is one of the largest in western Japan.

Area per floor	Approx. 1,400 tsubo
Scale	4 floors below ground and 19 floors above
Scheduled Completion	December 2024
Environmental Certifications	» DBJ Green Building Certification (2020Plan★★★★★) » LEED BD+C Gold Precertification

In collaboration with Nishi-Nippon Railroad Co., Ltd.
*The information was valid as of October 2023 and may differ from the actual conditions.

Special Report

Japan External Trade Organization (JETRO) compiled the "JETRO Invest Japan Report 2023," which is a comprehensive report on direct investments in Japan, for the purpose of providing information and reference materials to foreign and foreign-affiliated companies. This section provides a commentary based on the contents of the report.

Trends in Inward FDI to Japan - Flow

According to the "Balance of Payments" (asset and liability principle) of the Ministry of Finance (MOF) and Bank of Japan (BOJ), FDI flow to Japan in 2022 increased significantly by 68.6% year-on-year to 6.5 trillion yen. Looking at this by type of capital, equity capital increased 4.2% year-on-year to 2.7 trillion yen, reinvestment of earnings rose 18.3% year-on-year to 1.9 trillion yen, while debt instruments, which represent the lending and borrowing of funds between enterprises in capital ties, turned positive at 1.8 trillion yen from -0.4 trillion yen in the previous year. Equity capital, which reached a record high in 2021, continued to increase in 2022, and economic activities continue to develop for new investments and capital increases in Japan.

Trends in Inward FDI to Japan - Stock

At the end of 2022, the FDI stock in Japan (asset and liability principle) was 46.2 trillion yen, up 13.5% from the previous year, and the ratio in relation to

nominal GDP was 8.3%. As of the second quarter of 2023, the FDI stock had gradually increased to 47.3 trillion yen.

Looking at the FDI stock in Japan at the end of 2022 (asset and liability principle) by type of capital, equity capital increased 10.4% year-on-year to 23.7 trillion yen, reinvestment of earnings increased 8.0% year-on-year to 7.9 trillion yen, and debt instruments increased 22.4% year-on-year to 14.6 trillion yen [Chart 1](#).

Trends in Inward FDI to Japan by Industry - Flow

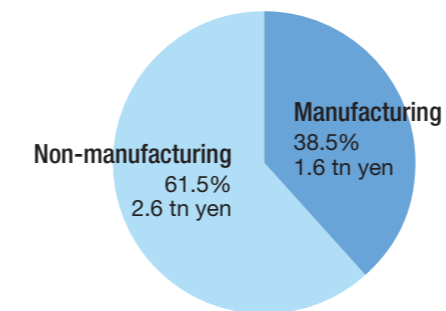
According to the statistics for FDI in Japan by industry based on the directional principle in 2022, FDI flow to Japan in total increased by 14.8% from the previous year to 4.3 trillion yen and marked a record high. In the manufacturing sector, the growth slowed slightly to 1.6 trillion yen (down 8.7% from 2021, or 38.5% of the total) due to the reversal of the sharp increase in 2021 (up 597.4% from 2020), while the non-manufacturing sector showed

remarkable growth, reaching 2.6 trillion yen (up 36.8% from 2021, or 61.5% of the total) [Chart 2](#).

Trends in Inward FDI to Japan by Industry - Stock

Looking at the FDI stock in Japan by the detailed industry sectors at the end of 2022, the finance and insurance sector was the largest, increasing 7.0% from the previous year to 11.8 trillion yen (39.4% of the total). This was followed by transportation equipment at 3.1 trillion yen (10.3% of the total), up 8.5% from the previous year. Notable year-on-year growth rates were 358.2% for Iron, non-ferrous and metals, with a value of 0.5trillion yen, and 1.2 trillion yen for transportation (up 148.7% year-on-year) [Chart 3](#).

Chart 2 FDI to Japan in 2022 (Flow, by Industry)



Note: This is based on the directional principle and different from that of the statistics by country/region (asset and liability principle).
Source: "Balance of Payments" (MOF, BOJ)
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Chart 3 FDI Stock in Japan: Top 10 Sectors (at the end of 2022)

Rank	Sector	Stock (100 million yen, %)	Growth rate (YoY)	Share
1	Finance and insurance	117,784	7.0	39.4
2	Transportation equipment	30,730	8.5	10.3
3	Chemicals and pharmaceuticals	29,020	-10.2	9.7
4	Communications	22,816	-2.7	7.6
5	Electric machinery	22,305	34.3	7.5
6	Services	16,366	17.0	5.5
7	Transportation	12,391	148.7	4.1
8	General machinery	5,849	-1.9	2.0
9	Real estate	4,752	4.0	1.6
10	Iron, non-ferrous and metals	4,623	358.2	1.5
—	Others	32,312	-5.3	10.8
Total		298,950	8.6	100.0

Source: "International Investment Position of Japan" (MOF, BOJ)
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JETRO's Support

JETRO provides consistent one-stop service for establishing a base or expanding business in Japan.

1 Support for Establishing/ Expanding Businesses in Japan

Information Service

- Providing information on the Japanese market, industries, regulations and relevant legal systems, national and regional incentives, etc.

Facilities

- Offering free office space for a certain period of time at JETRO's Invest Japan Business Support Centers (IBSCs)
- Providing temporary office rental support

Introduction of Government and Other Networks

- The government and related ministries and agencies
- Local governments
- Business partners and opportunities for interaction
- Experts (Judicial scriveners, attorneys, tax accountants, certified social insurance labor consultants, etc.)
- Universities interested in partnerships with foreign-affiliated companies

2 Support for Collaboration between Japanese and Foreign Companies

- Providing opportunities for substantive business alliance formation through a business platform, "J-Bridge"

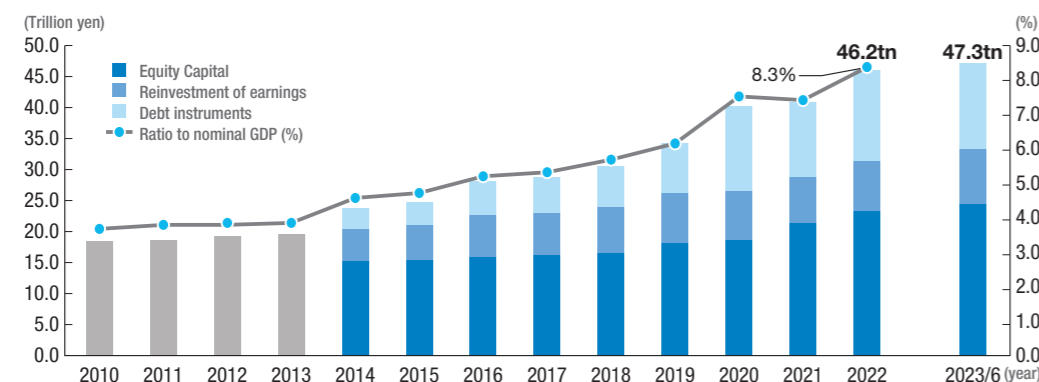
3 JETRO's Effort for Promoting Investment in Japan

- Holding Invest Japan Symposiums, offline and online seminars, and other events in Japan
- Providing information on Japan's business environment, markets, and industries.

JETRO's Website

<https://www.jetro.go.jp/en/invest>

Chart 1 Trends in FDI Stock in Japan



Note: Breakdown of stock in 2013 and before is not disclosed.
Source: "International Investment Position of Japan" (MOF, BOJ), "National Accounts of Japan" (Japan Cabinet Office)
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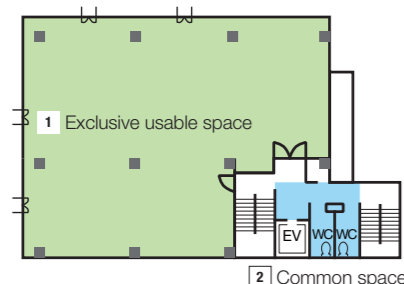
Important Terms

Contracted Space

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

[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

[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

[面積單位]

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

保証金・敷金

The terms “Hoshokin” and “Shikikin” 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 signing the lease contract. Legally this money could be classified 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

[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

賃料

Beginning of Rent

In general, two periods are included in a term of the lease. The one is for interior finish work before a tenant move in the leased premise, and the other one is for restoration work. And rent starts on the beginning date of the term of the lease. A tenant is required to complete a restoration work by the termination of the term of the lease.

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 (Case of regular lease contract)

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

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.

Other Expenses

In addition to monthly rent and common area maintenance charges, the following expenses may be incurred. It will depend on the operating systems of the building and several reasons. Please check each time.

- Parking lot fees
- Gas charge
- Fees for the use of building signboards
- Cleaning charge
- Air-conditioning & heating
- Electric charge
- Water charge, etc.

Common Area Maintenance (CAM) Charge

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

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

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

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

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

Interior Finish Work

内装工事

A tenant is required to submit a plan of interior finish

work in the leased premise to the building owner, and need to obtain the owner’s consent in advance to avoid having troubles related with the body of the building.

Prohibitions, etc.

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

原状回復

The lessee is under obligation to restore the leased premises to the original condition by 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.

Cancellation Notice of Contract (Case of regular lease contract)

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 lessee’s expected day of the termination, with the need to restore to the original state). If the lessee wants to cancel the contact 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

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

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

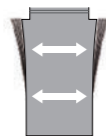
耐震性能

Earthquake-resistant structure

[耐震構造]

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

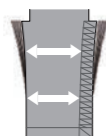
Seismic Engineering Approaches



Vibration-controlling structure

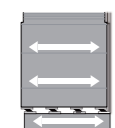
[制振構造]

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



Seismically-isolated structure

[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.

Emergency Power Supply

非常時における電源供給

Office buildings equipped with emergency power generation systems

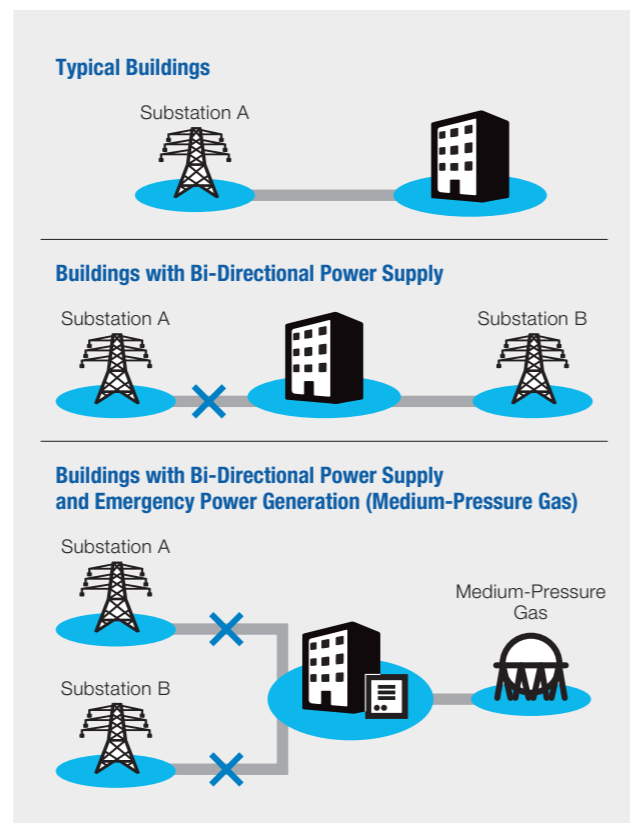
Typical office buildings have uni-directional power supply systems that receive power from a single transformer substation, so if the supply from a substation is cut off during an incident or disaster, it takes time to restore power to the building.

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**

サービスオフィス

"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.

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.

**Including co-working offices, shared offices, flexible offices, etc.

COMPANY OUTLINE

Sanko Estate Co., Ltd.

Established May 17, 1977

President Shigeo Takei

Capital ¥100,000,000

Employees 258 (440 for entire group)

Company Services

- Workplace Consulting Services
- Office Leasing Services
- Project Management Services

Licenses

- Real Estate Agent: License authorized by Minister of Land, Infrastructure, Transport, and Tourism (11) No. 3105
- First-Class Architect Office Registration: Governor of Tokyo No. 61819
- Special Construction Business: License authorized by Governor of Tokyo (Toku-3) No. 154415

Professional Affiliations

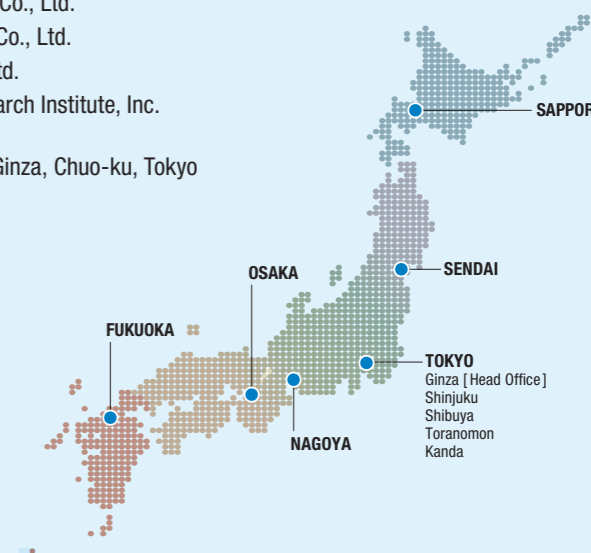
- Tokyo Real Estate Brokers Association
- National Real Estate Guarantee Association
- Japan Facility Management Association
- The Tokyo Chamber of Commerce in Japan
- Japan Association of New Economy
- Tokyo Building Owners and Management Association
- The American Chamber of Commerce in Japan
- The British Chamber of Commerce in Japan
- The Swedish Chamber of Commerce and Industry in Japan

Group Companies

- Sanko Office Management Co., Ltd.
- Sanko Asset Management Co., Ltd.
- MS Building Support Co., Ltd.
- Commercial Property Research Institute, Inc.

Office Location

Ginza Sanwa Bldg., 4-6-1 Ginza, Chuo-ku, Tokyo
[Head Office]



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

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Website: www.sanko-e.co.jp/en