



Chairman's Column

“Will Corporate-Owned Real Estate Start Flooding the Market?”

Recently, a Nikkei Business article titled “Companies Suffering from Real Estate Obesity Are in Danger” has been drawing attention. While the term “obesity” may sound like a buzzword from a few years ago, the underlying point is sharp: corporate-held real estate is being forced under scrutiny from the perspective of capital efficiency.

The sale of Sapporo Breweries’ Yebisu Garden Place to an overseas’ investment fund was quite impactful. It signaled that we have entered an era where even a site tied to a company’s origins is no exception—under capital cost-focused management, nostalgia is swiftly cast aside.

Behind this trend lies the Tokyo Stock Exchange’s push for management that is conscious of capital costs. Its call for improvement among companies trading below a PBR of 1x is prompting firms to reconsider whether their assets are truly generating value. The market generally expects a ROE of around 8%. However, the yields on many corporate real estate holdings tend to fall short of WACC or ROE.

As a result, companies are being forced to make key decisions:

- Sell real estate and redirect the proceeds toward growth investments or shareholder returns
- Reutilize real estate to improve ROIC*

In particular, the trend toward divestment is likely to accelerate. Corporate real estate often occupies prime locations and holds significant redevelopment potential, making such assets increasingly attractive to both domestic and international investors.



This shift will also provide a tailwind once again for the real estate fund industry. Large-scale properties released by corporations could be, once again, the catalyst for market momentum.

Will the sleeping giant wake up? That is the question. The growing emphasis on capital cost-focused management is quietly but steadily reshaping the balance sheets of Japanese companies.

Over the next few years, the off-balance-sheet of corporate real estate is likely to become a key theme in the market.

by Kazuhiro Matsuzawa, Chairman

*ROIC (Return on Invested Capital): A metric that indicates how much profit a company generates relative to the capital it has invested.



REIT

J-REIT Trends in March

<REITs Announcing Earnings This Month>

15 REITs will announce earnings in March 2026

<Scheduled Earnings Announcements for Next Month>

5/15 (Tue) 8952 Japan Real Estate Investment Corporation

5/21 (Thu) 8958 Global One Real Estate Investment Corporation | 8986 Daiwa Securities Living Investment Corporation

<Last Day with Rights> Wed, May 27

【Listed REIT Information】

(Covered Period) Mar 1, 2026 – Mar 31, 2026

<REITs Announcing Financial Results During the Period>

A total of 15 REITs announced financial results in March 2026 (all for the fiscal period ending January 2026).

<Property Transactions During the Covered Period>

Number of REITs Acquiring Properties	Total Acquisition Amount	Number of Properties Acquired
17 REITs	197.1 billion yen	41 properties
Number of REITs Disposing of Properties	Total Disposition Amount	Number of Properties Disposed
10 REITs	57.9 billion yen	18 properties

<Property Transactions by Asset Type>

		Office	Residential	Retail	Hotel	Logistics	Other Real Estate	Equity Interests, etc.	Total
Acquisitions	Amount (JPY)	123.2 billion	31.4 billion	9.7 billion	25.2 billion	6.7 billion	—	5.2 billion	201.5 billion
	Composition (%)	61%	16%	5%	13%	3%	0%	3%	100%
	Number of Properties	12	16	3	5	4	—	5	45
	Composition (%)	27%	36%	7%	11%	9%	0%	11%	100%
Dispositions	Amount (JPY)	26.5 billion	3.9 billion	2.1 billion	17.2 billion	3.5 billion	4.7 billion	—	57.9 billion
	Composition (%)	46%	7%	4%	30%	6%	8%	0%	100%
	Number of Properties	10	3	1	1	2	1	—	18
	Composition (%)	56%	17%	6%	6%	11%	6%	0%	100%

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REIT

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<Monthly Topic>

This time, we would like to introduce our services.

In addition to providing general administrative services under the Investment Trust Act (accounting, tax, and corporate governance), we also support a wide range of operations at asset management companies—primarily in middle- and back-office functions (excluding activities that require a Financial Instruments Business license). As part of these offerings, we would like to introduce our help desk service for asset management companies (the “Help Desk”).

The Help Desk is a service in which we respond to client inquiries via chat and other channels, leveraging not only the expertise of our staff with prior experience at asset management companies (including four professionals with over 10 years of experience), but also the industry-wide knowledge and know-how we have accumulated through our various engagements.

Key features include:

- Responding to questions related to the practical operations of asset management companies
- Providing advice from experienced practitioners
- Sharing case studies and know-how accumulated through our service engagements
- Supporting inquiries from newly appointed personnel

A key characteristic of this service is its “experience-based support,” allowing clients to receive guidance similar to consulting with seasoned professionals or industry experts. To facilitate its use as an ongoing communication tool, the service is offered at an annual fee of JPY 60,000 (JPY 5,000 per month).

In addition, depending on the nature of the inquiry, we can undertake research and consulting services under a separate agreement for an additional fee.

If you are interested, please feel free to contact us.

Contact: group_re@asa-group.jp



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by Nguyen Thi Hong, ASA REIT Partners



Real Estate

Where Is Real Estate Investment Headed in the Age of AI?

In recent years, it has been said that investment in data centers in the United States has expanded to an unprecedented scale, driven by the rapid adoption of AI. One particularly notable development is the vision put forward by SoftBank Group's Masayoshi Son. The company is reportedly considering the construction of a massive data center in Ohio that would consume around 10 gigawatts of electricity—equivalent to roughly ten nuclear power plants—with total investment potentially reaching tens of trillions of yen.

The essence of these developments, however, cannot be classified only by “real estate development”. While data centers are buildings that house servers, they are increasingly being viewed as “power demand facilities” that consume enormous amounts of electricity. As AI becomes more advanced and computational requirements grow, securing a stable power supply is becoming a critical component of the business. In the United States, there appears to be a growing trend among IT companies and investors to develop data centers as integrated infrastructure, including power generation facilities.

This trend is also said to be influenced by U.S. industrial policy. As domestic manufacturing reappears and competition in AI development intensifies, electricity demand is rising, while existing infrastructure may struggle to keep pace. As a result, private companies taking on the role of developing infrastructure, including power plants, are becoming an emerging structure. Consequently, data center investment is increasingly being seen not just as “IT” or “real estate”, but as a form of “power infrastructure investment”.

How might this trend spread to Japan? Japan is often described as facing even stricter power constraints than the United States, and large-scale data center development in urban areas may be limited, considering the limited availability of electricity. For this reason, there is a possibility that development will shift toward regions with greater power supply capacity, such as Hokkaido and Kyushu, or toward projects combined with renewable energy sources.

Changes may also occur from an investment perspective. Traditionally, investment has focused on data centers as buildings, but it may increasingly shift toward “infrastructure-style investment” that integrates power generation facilities. This could prompt real estate funds to redefine their investment targets.

It is often said that behind the new technology of AI lies a very physical foundation: electricity. When considering the future of the real estate market, the question may evolve from simply “where to build” to also include “how to secure power”, which could become an increasingly important perspective.

by Shigeru Hirai, Quality Control Office

