



Japan Prime Realty Investment Corporation  
**Seventh Fiscal Period Results**  
(January 1, 2005 - June 30, 2005)

**August 2005**

This document contains a translation of selected information described in the Financial Report (*Kessan Tanshin*) dated August 18, 2005 and prepared under the timely disclosure requirements of the Tokyo Stock Exchange, as well as the Financial Statements and Performance Information Report written pursuant to the Investment Trust Law of Japan, for the period from January 1, 2005 to June 30, 2005 of Japan Prime Realty Investment Corporation (“JPR”).

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Many provisions of this document contain information that constitutes forward-looking statements. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors.

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Japan Prime Realty Investment Corporation is listed on the Tokyo Stock Exchange with the securities code number 8955. (URL [http://www.jpr-reit.co.jp/jpr\\_e/index.html](http://www.jpr-reit.co.jp/jpr_e/index.html))

Board of Directors Meeting: August 18, 2005

Payment of Dividends: September 8, 2005 (planned)

## PERFORMANCE (January 1, 2005 – June 30, 2005)

### (1) Business Results

(Amounts less than a million yen discarded)  
(Millions of yen, yen for per unit information)

	Operating Revenues	% Change	Net Operating Profits	% Change	Recurring Profits	% Change	Net Income	% Change
<b>June 30, 2005</b>	<b>8,503</b>	<b>(10.6%)</b>	<b>3,954</b>	<b>(14.0%)</b>	<b>3,377</b>	<b>(17.7%)</b>	<b>3,376</b>	<b>(17.7%)</b>
Dec. 31, 2004	7,685	(13.2%)	3,469	(13.3%)	2,869	(9.7%)	2,868	(9.7%)

(Yen)

	EPU	Net Income/NAV	<Reference> (Annualized)	Recurring Profits/Total Assets	<Reference> (Annualized)	Recurring Profits/ Operating Revenues
<b>June 30, 2005</b>	<b>6,599</b>	<b>3.2%</b>	<b>(6.5%)</b>	<b>1.6%</b>	<b>(3.3%)</b>	<b>39.7%</b>
Dec. 31, 2004	6,671	3.1%	(6.2%)	1.5%	(3.0%)	37.3%

Notes: 1. EPU is calculated based on the average number of investment units during the term, as follows

Fiscal period ended Dec. 31, 2004: 430,000 units  
Fiscal period ended June 30, 2005: 511,547 units

2. Changes in accounting standards: No

3. Percentages for operating revenues, net operating profits, recurring profits and net income show changes from the previous fiscal period, and are rounded to the nearest first decimal place

4. Net income/NAV and recurring profits/total assets are calculated based on the average of unitholders' equity (NAV) and total assets as of the beginning and end of the period

5. Annualized result =

For the period ended Dec. 31, 2004: Actual result/Actual investment days (184 days) x 365 days  
For the period ended June 30, 2005: Actual result/Actual investment days (181 days) x 365 days

### (2) Cash Distributions

(Millions of yen, yen for DPU)

	DPU	Distribution Amount	Exceeding Profit Distribution Per Unit	Exceeding Profit Distribution Amount	Dividend Payout Ratio	Distribution/NAV
<b>June 30, 2005</b>	<b>6,370</b>	<b>3,376</b>	—	—	<b>100.0%</b>	<b>2.8%</b>
Dec. 31, 2004	6,671	2,868	—	—	99.9%	3.1%

Note: Dividend payout ratio is rounded to the nearest first decimal place.

### (3) Financial Position

(Millions of yen, yen for NAV per unit)

	Total Assets	NAV	NAV Ratio	NAV Per Unit
<b>June 30, 2005</b>	<b>216,574</b>	<b>118,807</b>	<b>54.9%</b>	<b>224,165</b>
Dec. 31, 2004	198,673	91,982	46.3%	213,912

Note: Number of units outstanding at the end of the period

Fiscal period ended Dec. 31, 2004: 430,000 units  
Fiscal period ended June 30, 2005: 530,000 units

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**SEVENTH FISCAL PERIOD HIGHLIGHTS****Market Environment*****Office Building Leasing***

During the fiscal period ended June 30, 2005, vacancy rates across the nation improved as the spate of new office buildings coming onto the market came to an end. While the decline in vacancy rates has been most prominent for large-sized office buildings, positive conditions have extended to medium- and small-sized buildings reflecting demand from corporate tenants. In particular, vacancy rates in Tokyo's central business districts (CBDs) are approaching a level below 5%, a key benchmark in determining the status of the market. In addition, Osaka, Nagoya and Fukuoka are experiencing an improvement in vacancy rates. This trend is extending to other major cities, for example in Sapporo, where the vacancy rate has fallen below 10%. Rents for large-sized buildings tended to bottom out and were particularly strong (on a contractual basis) for office buildings located in Tokyo's CBDs. Despite these positive signs, rents remained weak in regional areas, firmly entrenched in an adjustment phase.

***Retail Property Leasing***

Since the implementation of the Large-Scale Retail Stores Location Law in 2000, the number of new construction notifications has progressed smoothly together with the shift toward large-scale retail complexes. In the fiscal period under review, major retailers continued their active stance toward new openings amid an increase in population and a drop in real estate prices in Tokyo's CBDs and other major metropolitan areas. In addition, rents were healthy for high-quality commercial districts that attract major brand shops, flagship shops and other equivalent stores.

Despite lingering difficult conditions in the retail industry due to the prolonged slump in household consumer spending, continued intense competition and other factors, rents in those locations targeted by JPR were relatively steady.

***Real Estate***

During JPR's seventh fiscal period, the real estate market saw aggressive property acquisitions, primarily by real estate investment trusts and private funds. From the second half of 2004, intensifying competition for real estate purchases and the resultant increase in real estate prices became increasingly prominent. Accordingly, valuation for real estate located in Tokyo's CBDs has experienced a marked increase. This phenomenon has prompted increasing interest in other major cities across Japan, including Osaka, Nagoya and Fukuoka, where yields for certain properties are now approaching Tokyo's levels. Underpinned by a strong capital market, favorable interest rates, and a decrease in expected returns, real estate prices are expected to remain on an upward trend.

### ***New Acquisitions***

Under the circumstances described above, JPR strove to create a stable revenue stream, improve the balance of its portfolio, and to diversify its asset holdings across categories of geographical location and type of use. To this end, and based on strict selection criteria, the Company acquired prime office buildings and retail properties that are expected to generate stable cash flows. In the fiscal period under review, JPR acquired the Strasse Ichibancho (for an investment of ¥4,200 million), the UFJ Central Leasing Head Office Building (for an investment of ¥4,130 million), the BYGS Shinjuku Building (increase in co-ownership portion for an investment of ¥8,920 million), the Fukuoka Building (increase in unit ownership for an investment of ¥1,120 million), and the Benetton Shinsaibashi Building (for an investment of ¥5,430 million). As a result of these acquisitions, the Company held 42 properties as of June 30, 2005, totaling ¥197,650 million on an acquisition basis, with total leasable floor space of 281,408.97 m<sup>2</sup> and 459 tenants.

### ***Sales of Properties***

In addition to those properties acquired, JPR also undertook to sell a portion of its property holdings. Based on its “Value Up” strategy, and considerations relating to the development and maintenance of a quality portfolio characterized by efficient and stable cash flows, the Company undertook the sale of the JPR Ikebukuro Building (sales price ¥3,340 million), the JPR Square Hakata East/West Building (sales price ¥2,920 million), and the JPR Park West Takamatsu Building (sales price ¥840 million).

### ***Property Portfolio Asset Management***

#### **Brand Strategy**

Consistent with the Company’s efforts to establish a brand strategy, JPR has adopted the A/3S concept, which emphasizes “Amenities” based on a three “S” platform of “Service, Safety and Saving energy.” Through its brand strategy, JPR is endeavoring to establish a competitive advantage and to further distinguish its property holdings from other funds. As part of these efforts, the Company has introduced security cameras at a number of its buildings, established areas designated for smoking, and worked to effectively utilize space and common areas. At the same time, JPR has introduced energy-saving air conditioning systems at the Kawaguchi Center Building with the aim of reducing power consumption.

#### **Occupancy Rate**

Amid an improving office building leasing market, JPR undertakes renovations and systematically implements facility upgrades with the aim of establishing a competitive advantage and further distinguishing its property holdings. In addition, JPR is actively implementing measures to attract tenants, increase leased floor space, and cultivate new tenants in response to frequent tenant movements, prompted by the concentration of office requirements and relocations. As a result, the overall property

portfolio occupancy rate stood at 95.4% as of June 30, 2005, up 0.3 of a percentage point from the end of the previous period.

### ***Funds Procurement***

In its seventh fiscal period, JPR continued to adopt strategies aimed at ensuring a sound financial position and enhancing financing capacity. In this context, the Company procured ¥26,310 million from the issue of new investment units. In addition, JPR worked to steadily expand its property portfolio and procured short-term funds for greater flexibility and long-term funds for improved stability.

As a result of these efforts, the balance of total outstanding debt as of June 30, 2005 stood at ¥41,660 million, with the balance of unsecured corporate bonds totaling ¥42,000 million. In an effort to reduce exposure to the risk of potential increases in interest rates, 93.8% of total outstanding debt is long-term (fixed rate) debt with a maturity of more than one year and an average maturity of 4.3 years (see Note 1).

Furthermore, the average interest rate during the fiscal period ended June 30, 2005 was 1.3% (see Note 2). The interest-bearing debt ratio was 42.0% (see Note 3), and the interest-bearing debt to total assets ratio was 38.6% (see Note 4).

Details of the Company's corporate bonds and corporate credit ratings are as follows.

### **Details of Corporate Bonds and Corporate Credit Ratings as of June 30, 2005**

Ratings Agency	Corporate Credit Rating	Corporate Bonds (Bond Issues One through Six)
Standard & Poor's	Long-term: A- (Stable) Short-term: A-2 (Stable)	A-
Moody's Investor Services	A3 (Stable)	A3
Rating and Investment Information, Inc.	A+ (Stable)	A+

Notes:

1. Average maturity of long-term interest-bearing debt, which is interest-bearing debt with a maturity of more than one year, is calculated using the weighted average of each debt over the number of years to repayment starting at the end of the fiscal period ended June 30, 2005. The balance of outstanding long-term interest-bearing debt stood at ¥78,460 million as of June 30, 2005.
2. Average interest rate is the weighted-average interest rate of outstanding debt as of June 30, 2005.
3. Interest-bearing debt ratio (%) = Interest-bearing debt / (Interest-bearing debt + Total unitholders' equity) x 100  
Total unitholders' equity was ¥115,430 million as of June 30, 2005.
4. Interest-bearing debt to total assets ratio (%) = Interest-bearing debt / Period-end total assets x 100  
Total assets as of June 30, 2005 were ¥216,570 million.

**FORECASTS FOR EIGHTH FISCAL PERIOD ENDING DECEMBER 31, 2005**

(Millions of yen, yen for DPU and exceeding profit distribution per unit)

	Operating Revenues	Net Operating Profits	Recurring Profits	Net Income	DPU (excluding exceeding profit distribution per unit)	Exceeding Profit Distribution Per Unit
Eighth Fiscal Period Ending December 31, 2005	8,174	3,604	3,022	3,021	5,700	-

Reference: Estimated EPU for the fiscal period: ¥5,700

The above-mentioned forecasts are based on “Assumptions for the Eighth Fiscal Period Forecast (from July 1, 2005 to December 31, 2005)” as below.

**Assumptions for the Eighth Fiscal Period Forecast  
(July 1, 2005 to December 31, 2005)**

Item	Assumption
Calculation period	From July 1, 2005 to December 31, 2005 (184 days)
Properties owned	As of June 30, 2005, the Company owned 42 properties. Assumptions are also based on the planned acquisition of the Tachikawa Business Center Building on September 30, 2005, for a total of 43 properties, and an average month-end occupancy rate for the period is forecast at 95.0%. Actual number of new properties acquired and existing properties sold is subject to change.
Investment units issued	Calculations are based on 530,000 investment units issued and outstanding as of June 30, 2005.
Interest-bearing debt ratio	Assumptions are based on an interest-bearing debt ratio of 42.0%, unchanged from June 30, 2005. The following formula is used to calculate the interest-bearing debt ratio: $\text{Interest-bearing debt ratio} = \frac{\text{Interest-bearing debt}}{\text{Interest-bearing debt} + \text{Total unitholders' equity}} \times 100$
Operating costs and expenses	Property taxes and urban planning taxes applicable to the acquisitions of the Strasse Ichibancho, the UFJ Central Leasing Head Office Building, the Benetton Shinsaibashi Building, the Tachikawa Business Center Building, and additional acquisitions (increases in ownership) of the BYGS Shinjuku Building and the Fukuoka Building after January 1, 2005 are included in the acquisition prices of each property and are not charged as operating expenses. (However, property taxes and urban planning taxes charged to the owner on January 1, 2006 are accounted for as operating expenses from the fiscal period ending June 30, 2006.)
Cash distributions	Forecasts assume the distribution of an amount of net income available for distribution, divided by total units outstanding and limited to the amount of unappropriated profits. Amounts less than ¥1 are discarded. Forecasts also assume that there will be no distribution in excess of profit, in accordance with corporate policy.

**REFERENCE: FORECASTS FOR THE NINTH FISCAL PERIOD ENDING JUNE 30, 2006**

Forecasts for the ninth fiscal period ending June 30, 2006 are based on the assumption JPR shall acquire the Cupo-la Main Building (1-1 Kawaguchi Redevelopment Project) at the end of March 2006, an average month-end occupancy rate of 96.3%, and the premise that “Assumptions for the Eighth Fiscal Period Forecast” will carry through for the duration of the ninth fiscal period. Forecasts for the ninth fiscal period are as follows.

(Millions of yen, yen for DPU and exceeding profit distribution per unit)

	Operating Revenues	Net Operating Profits	Recurring Profits	Net Income	DPU (excluding exceeding profit distribution per unit)	Exceeding Profit Distribution Per Unit
Ninth Fiscal Period						
Ending June 30, 2006	8,308	3,648	3,128	3,127	5,900	-

The aforementioned forecasts are based on assumptions and information available to management as of the date of this report. As a result, actual net income and distributions will be subject to changes in market conditions. Accordingly, the forecasts do not guarantee any cash distribution amounts.



**Balance Sheets (as of June 30, 2005 and December 31, 2004)****Assets**

(Yen in Thousands)

Item	End of Seventh Period (as of June 30, 2005)	End of Sixth Period (as of December 31, 2004)	% Change
<b>Current Assets:</b>			
Cash and bank deposits	6,980,692	5,243,711	
Entrusted cash and deposits	13,323,433	13,535,018	
Rental receivables	191,262	158,642	
Prepaid expenses	88,256	131,630	
Deferred tax assets	670	31	
Consumption tax refundable	51,772	—	
Other current assets	3,446	420,401	
<b>Total Current Assets</b>	<b>20,639,534</b>	<b>19,489,436</b>	<b>5.9%</b>
<b>Fixed Assets:</b>			
<b>Property and equipment:</b>			
Buildings	9,651,597	5,585,912	
Entrusted buildings	71,539,976	70,859,636	
Structures	2,763	2,763	
Entrusted structures	58,561	32,951	
Machinery and equipment	79,315	55,081	
Entrusted machinery and equipment	1,305,930	1,235,628	
Tools, furniture and fixtures	8,416	289	
Entrusted tools, furniture and fixtures	34,727	15,633	
Land	19,967,713	9,510,751	
Entrusted land	100,430,869	97,804,383	
Construction in progress	2,060	4,250	
Entrusted construction in progress	1,050	3,213	
Less: accumulated depreciation	(7,307,244)	(6,128,729)	
<b>Total Property and Equipment</b>	<b>195,775,737</b>	<b>178,981,765</b>	<b>9.4%</b>
<b>Intangible Assets:</b>			
Other intangible assets	3,335	3,744	
<b>Total Intangible Assets</b>	<b>3,335</b>	<b>3,744</b>	<b>(10.9%)</b>
<b>Investments and Other Assets:</b>			
Deposits	10,100	10,100	
Long-term prepaid expenses	1,675	3,051	
Other	250	—	
<b>Total Investments and Other Assets</b>	<b>12,025</b>	<b>13,151</b>	<b>(8.6%)</b>
<b>Total Fixed Assets</b>	<b>195,791,098</b>	<b>178,998,660</b>	<b>9.4%</b>
<b>Deferred Assets:</b>			
Corporate bond issuance costs	143,377	185,490	
<b>Total Deferred Assets</b>	<b>143,377</b>	<b>185,490</b>	<b>(22.7%)</b>
<b>Total Assets</b>	<b>216,574,010</b>	<b>198,673,587</b>	<b>9.0%</b>

**Balance Sheets (as of June 30, 2005 and December 31, 2004)****Liabilities**

(Yen in Thousands)

Item	End of Seventh Period (as of June 30, 2005)	End of Sixth Period (as of December 31, 2004)	% Change
<b>Current Liabilities:</b>			
Trade accounts payable	900,821	793,746	
Short-term debt	5,200,000	21,100,000	
Other accounts payable	435,198	449,144	
Accrued expenses	161,014	182,659	
Accrued income taxes	1,598	975	
Accrued consumption taxes	—	37,940	
Rent received in advance	850,132	812,366	
<b>Total Current Liabilities</b>	<b>7,548,765</b>	<b>23,376,834</b>	<b>(67.7%)</b>
<b>Long-Term Liabilities:</b>			
Corporate bonds	42,000,000	42,000,000	
Long-term debt	36,466,000	29,966,000	
Leasehold and security deposits received	1,991,341	1,241,283	
Entrusted leasehold and security deposits received	9,760,259	10,107,066	
<b>Total Long-Term Liabilities</b>	<b>90,217,601</b>	<b>83,314,350</b>	<b>8.3%</b>
<b>Total Liabilities</b>	<b>97,766,366</b>	<b>106,691,185</b>	<b>(8.4%)</b>
<b>Unitholders' Equity:</b>			
Unitholders' capital 5,000,000 units authorized 530,000 and 430,000 units issued and outstanding at June 30, 2005 and at December 31, 2004, respectively	115,431,503	89,113,803	
Retained earnings	3,376,139	2,868,599	
<b>Total Unitholders' Equity</b>	<b>118,807,643</b>	<b>91,982,402</b>	<b>29.2%</b>
<b>Total Liabilities and Unitholders' Equity</b>	<b>216,574,010</b>	<b>198,673,587</b>	<b>9.0%</b>

**Statements of Income and Retained Earnings (January 1, 2005 – June 30, 2005 and July 1, 2004 – December 31, 2004)**

(Yen in Thousands)

Item	Seventh Fiscal Period (January 1, 2005 – June 30, 2005)	Sixth Fiscal Period (July 1, 2004 – Dec. 31, 2004)	%Change
<b>Operating Revenues</b>	8,503,222	7,685,733	10.6%
Real estate rental revenues	7,801,176	7,685,733	
Gain on sale of real estate	702,046	—	
<b>Operating Expenses</b>	4,548,529	4,216,528	7.9%
Real estate rental expenses	3,768,567	3,672,910	
Loss on sale of real estate	235,239	—	
Asset management fees	337,264	317,710	
Administrative service and custodian fees	86,666	65,678	
Directors' fees	5,700	5,700	
Trust fees	52,690	50,222	
Other operating expenses	62,401	104,306	
<b>Operating Profits</b>	3,954,693	3,469,204	14.0%
<b>Non-Operating Revenues</b>	91,223	13,873	557.5%
Interest income	148	117	
Income on settlement of management association accounts	77,278	—	
Other non-operating revenues	13,796	13,755	
<b>Non-Operating Expenses</b>	668,857	613,522	9.0%
Interest expense	245,541	319,171	
Loan arrangement fees	18,299	40,163	
Interest expense on corporate bonds	278,620	190,870	
Amortization of corporate bond issuance costs	42,113	42,113	
New unit-issuance costs	65,469	—	
Other non-operating expenses	18,812	21,202	
<b>Recurring Profits</b>	3,377,059	2,869,556	17.7%
<b>Income Before Income Taxes</b>	3,377,059	2,869,556	17.7%
Income taxes	1,627	999	
Deferred taxes	(638)	9	
<b>Net Income</b>	3,376,070	2,868,547	17.7%
<b>Retained Earnings Brought Forward</b>	69	51	33.9%
<b>Retained Earnings at End of Period</b>	3,376,139	2,868,599	17.7%

**Statements of Cash Flows (January 1, 2005 – June 30, 2005 and July 1, 2004 – December 31, 2004)**

Item	(Yen in Thousands)	
	Seventh Fiscal Period (January 1, 2005 – June 30, 2005)	Sixth Fiscal Period (July 1, 2004 – Dec. 31, 2004)
<b>Cash Flows from Operating Activities:</b>		
Income before income taxes	3,377,059	2,869,556
Depreciation	1,444,282	1,391,662
Amortization of corporate bond issuance costs	42,113	42,113
Interest income	(148)	(117)
Interest expense	524,161	510,042
Increase in rent receivables	(32,620)	(10,063)
Increase (Decrease) in consumption tax refundable	(51,772)	372,947
Increase in prepaid expenses	43,374	16,928
Increase (Decrease) in trade accounts payable	107,075	(96,576)
Decrease (Increase) in other accounts payable	(13,668)	102,063
Decrease (Increase) in accrued consumption taxes	(37,940)	37,940
Increase in rent received in advance	37,765	45,873
Decrease in entrusted fixed properties due to sale	6,503,192	—
Change in other current assets/liabilities	418,489	(359,129)
<b>Subtotal</b>	<b>12,361,363</b>	<b>4,923,239</b>
Interest received	148	117
Interest paid	(545,806)	(467,377)
Income taxes paid	(1,005)	(953)
<b>Net cash provided by operating activities</b>	<b>11,814,700</b>	<b>4,455,027</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(14,552,818)	(6,015,462)
Purchases of entrusted property and equipment	(10,188,629)	(10,973,897)
Purchases of intangible assets	—	(4,084)
Payment of leasehold and security deposits received	(67,254)	(158,769)
Proceeds from leasehold and security deposits received	817,312	498,529
Payment of entrusted leasehold and security deposits received	(836,570)	(655,840)
Proceeds from entrusted leasehold and security deposits received	489,763	456,172
<b>Net cash used in investing activities</b>	<b>(24,338,196)</b>	<b>(16,853,352)</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from short-term debt	5,200,000	34,300,000
Repayment of short-term debt	(21,100,000)	(38,400,000)
Proceeds from long-term debt	6,500,000	—
Proceeds from corporate bonds	—	20,000,000
Payments of corporate bond issuance costs	—	(102,211)
Proceeds from issuance of units	26,317,700	—
Distributions to unitholders	(2,868,807)	(2,620,670)
<b>Net cash provided by financing activities</b>	<b>14,048,892</b>	<b>13,177,117</b>
<b>Net change in cash and cash equivalents</b>	<b>1,525,396</b>	<b>778,791</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>18,778,729</b>	<b>17,999,938</b>
<b>Cash and cash equivalents at end of period</b>	<b>20,304,126</b>	<b>18,778,729</b>

## Subsequent Events

Seventh Fiscal Period (January 1, 2005 – June 30, 2005)	Sixth Fiscal Period (July 1, 2004 – Dec. 31, 2004)
<p>There were no subsequent events of a material nature.</p>	<p>&lt;Primary Offering for the Issue of New Investment Units&gt;</p> <p>Payment in connection with new investment units, the issue and pricing of which were approved at Board of Directors meetings held on January 13, 2005 and January 24, 2005, respectively, was completed on February 1, 2005, terms and conditions briefly as follows. As a result, unitholders' capital totaled ¥114,115,618,600, while the number of investment units issued and outstanding was 525,000 as of February 2, 2005.</p> <p>Number of new investment units issued: 95,000</p> <p>Purchase (public offering) price: ¥272,440 per investment unit</p> <p>Gross proceeds: ¥25,881,800,000</p> <p>Purchase (underwriting) price: ¥263,177 per investment unit</p> <p>Gross proceeds: ¥25,001,815,000</p> <p>Payment date: February 1, 2005</p> <p>Delivery date: February 2, 2005</p> <p>Starting date of computation for cash distribution: January 1, 2005</p> <p>&lt;Secondary Offering (Over-Allotment Option) — the “Greenshoe Option” by way of Third-Party Allotment&gt;</p> <p>JPR resolved to undertake a secondary offering (over-allotment option) by way of third-party allotment at Board of Directors meetings held on January 13, 2005 and January 24, 2005, brief details as follows. JPR also proved the granting of an option (the “Greenshoe Option”) by way of third-party allotment to Mizuho Securities Co., Ltd. The greenshoe option may be exercised by no later than February 25, 2005.</p>

	Number of investment units
	to be issued: 5,000 (maximum)
	Purchase price: ¥263,177 per investment unit
	Gross proceeds: ¥1,315,885,000 (maximum)
	Third-party allottee: Mizuho Securities Co., Ltd.
	Payment date: March 1, 2005
	Delivery date: March 2, 2005
	Starting date of computation
	for cash distribution: January 1, 2005

## Reference

### 1. Acquisitions

#### Tachikawa Business Center Building

Location	2-38-5, Akebono-cho, Tachikawa-shi, Tokyo
Type of Ownership	Co-ownership of land; Unit ownership of building
Total Site Area	2,047.22 m <sup>2</sup> (JPR's portion: 346.53 m <sup>2</sup> )
Total Floor Area	14,706.36 m <sup>2</sup> (JPR's portion: 1,746.58 m <sup>2</sup> )
Type of Structure	RC, SRC B1/12F
Completion	December 1994
Number of Tenants	4
Total Leasable Floor Space	1,747.13 m <sup>2</sup>
Total Leased Floor Space	1,747.13 m <sup>2</sup>
Occupancy Rate	100%
Acquisition Price	¥888 million
Type of Asset	Beneficiary interest
Contract Date	August 9, 2005 (Planned acquisition date: September 30, 2005)

## Real estate portfolio after property acquisition (as of June 30, 2005)

Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions)	% of Total	Appraisal Value as of Jun. 30, 2005 (yen in millions)
Tokyo CBDs	Office	Kanematsu Bldg.	Chuo-ku, Tokyo	Dec. 2001	16,276	8.2 %	12,700
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	1.5 %	2,560
	Office	JPR Ningyocho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	1.1 %	1,960
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 - Nov. 2004	2,420	1.2 %	2,420
	Office	JPR Crest Takebashi Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	2.0 %	3,360
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	5.7 %	12,400
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	1.5 %	2,990
	Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003 Apr. 2005	1,800 1,120	1.5 %	2,900
	Office	JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	May 2004	5,100	2.6 %	5,250
	Office	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 2004	3,500	1.8 %	4,130
	Office	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2004	10,000	5.1 %	8,840
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004 Apr. 2005	2,900 8,921	1.5 %	11,900
	Office	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 2004	710	0.4 %	735
	Retail	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	6.1 %	13,400
Retail	* JPR Daikanyama	Shibuya-ku, Tokyo	Oct. 2004	2,160	1.1 %	1,920	
<b>Subtotal</b>					<b>90,001</b>	<b>45.5 %</b>	<b>87,465</b>
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	3.0 %	5,300
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	1.2 %	2,020
	Office	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	1.5 %	2,420
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.5 %	1,020
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	4.1 %	8,990
	Office	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	1.6 %	3,460
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	5.2 %	10,900
	Retail	Tsurumi fuga 1	Yokohama, Kanagawa	Nov. 2001	3,040	1.5 %	3,300
<b>Subtotal</b>					<b>36,667</b>	<b>18.6 %</b>	<b>37,410</b>
Other Cities	Office	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 2001	2,140	1.1 %	2,100
	Office	Meiji Yasuda Life Osaka Umeda Bldg.	Osaka, Osaka	Dec. 2001	8,300	4.2 %	8,670
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	2.1 %	3,990
	Office	JPR Takamatsu Bldg.	Takamatsu, Kagawa	Dec. 2001	2,130	1.1 %	1,360
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	1.5 %	2,730
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	0.8 %	1,530
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	1.9 %	2,860
	Office	Park East Sapporo	Sapporo, Hokkaido	Jun. 2002	2,150	1.1 %	1,720
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	1.6 %	3,290
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	0.8 %	1,680
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	1.4 %	2,560
	Office	SK Hiroshima Bldg.	Hiroshima, Hiroshima	Oct. 2002	947	0.5 %	840
	Office	JPR Nagoya Sakae Bldg.	Nagoya, Aichi	Sep. 2003	4,550	2.3 %	4,790
	Office	Dojima F Bldg.	Osaka, Osaka	Jan. 2004	2,140	1.1 %	2,130
	Office	Semba Fukuoka Bldg.	Fukuoka, Fukuoka	Jun. 2004	1,920	1.0 %	1,960
	Office	UFJ Central Leasing Head Office Bldg.	Nagoya, Aichi	Mar. 2005	4,137	2.1 %	3,970
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 - Jul. 2003	13,000	6.6 %	12,000
	Retail	Shtasse Ichibancho	Sendai, Miyagi	Feb. 2005	4,200	2.1 %	3,820
Retail	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May 2005	5,430	2.7 %	5,030	
<b>Subtotal</b>					<b>70,984</b>	<b>35.9 %</b>	<b>67,030</b>
<b>Total</b>					<b>197,652</b>	<b>100.0 %</b>	<b>191,905</b>

\* Note: The JPR Daikanyama was changed its name from the SS Daikanyama on August 1, 2005.



**Real estate portfolio after property acquisition (as of June 30, 2005)**

Area	Type	Property Name	Leasable Area	# of Tenants	Occupancy	Rental Revenue (yen in thousands)	% of Total
Tokyo CBDs	Office	Kanematsu Bldg.	7,976.30 m <sup>2</sup>	10	97.5 %	422,597	5.4 %
	Office	Kanematsu Bldg. Annex	2,291.13 m <sup>2</sup>	1	100.0 %	102,465	1.3 %
	Office	JPR Ningyocho Bldg.	2,788.98 m <sup>2</sup>	4	100.0 %	98,667	1.3 %
	Office	Shin-Kojimachi Bldg.	3,319.33 m <sup>2</sup>	11	100.0 %	110,894	1.4 %
	Office	JPR Crest Takebashi Bldg.	3,265.34 m <sup>2</sup>	9	100.0 %	128,990	1.7 %
	Office	MS Shibaura Bldg.	14,429.09 m <sup>2</sup>	7	100.0 %	517,868	6.6 %
	Office	Gotanda First Bldg.	4,243.58 m <sup>2</sup>	2	100.0 %	133,531	1.7 %
	Office	Fukuoka Bldg.	1,937.40 m <sup>2</sup>	2	100.0 %	80,739	1.0 %
	Office	JPR Ichigaya Bldg.	4,181.66 m <sup>2</sup>	9	100.0 %	182,359	2.3 %
	Office	Oval Court Ohsaki Mark West	4,088.44 m <sup>2</sup>	2	100.0 %	144,791	1.9 %
	Office	Shinjuku Square Tower	10,982.03 m <sup>2</sup>	17	84.4 %	253,066	3.2 %
	Office	BYGS Shinjuku Bldg.	11,363.35 m <sup>2</sup>	21	81.6 %	271,661	3.5 %
	Office	Across Shinkawa Bldg. Annex	1,253.39 m <sup>2</sup>	4	100.0 %	45,922	0.6 %
	Retail	JPR Shibuya Tower Records Bldg.	8,076.85 m <sup>2</sup>	1	100.0 %	345,576	4.4 %
Retail	JPR Daikanyama	653.99 m <sup>2</sup>	1	100.0 %	52,205	0.7 %	
<b>Subtotal</b>			<b>80,860.86 m<sup>2</sup></b>	<b>101</b>	<b>95.0 %</b>	<b>2,891,337</b>	<b>37.1 %</b>
Greater Tokyo	Office	Arca East	7,050.10 m <sup>2</sup>	4	70.7 %	147,540	1.9 %
	Office	JPR Chiba Bldg.	5,562.97 m <sup>2</sup>	28	93.4 %	146,012	1.9 %
	Office	JPR Yokohama Nihon Odori Bldg.	6,082.25 m <sup>2</sup>	11	97.3 %	134,189	1.7 %
	Office	JPR Ikegukuro Bldg.	-	-	-	39,156	0.5 %
	Office	Shinyokohama 2nd Center Bldg.	2,640.86 m <sup>2</sup>	11	88.0 %	68,890	0.9 %
	Office	Kawaguchi Center Bldg.	15,478.43 m <sup>2</sup>	38	99.5 %	494,682	6.3 %
	Office	JPR Ueno East Bldg.	6,512.45 m <sup>2</sup>	9	100.0 %	170,233	2.2 %
	Retail	Tanashi ASTA	31,121.71 m <sup>2</sup>	1	100.0 %	596,400	7.6 %
Retail	Tsurumi fuga 1	9,578.60 m <sup>2</sup>	1	100.0 %	145,200	1.9 %	
<b>Subtotal</b>			<b>84,027.37 m<sup>2</sup></b>	<b>103</b>	<b>96.5 %</b>	<b>1,942,306</b>	<b>24.9 %</b>
Other Cities	Office	Niigata Ekinan Center Bldg.	5,206.82 m <sup>2</sup>	14	100.0 %	131,215	1.7 %
	Office	Meiji Yasuda Life Osaka Umeda Bldg.	9,600.63 m <sup>2</sup>	23	95.9 %	342,678	4.4 %
	Office	Tokyo Tatemono Honmachi Bldg.	7,210.25 m <sup>2</sup>	10	98.6 %	244,846	3.1 %
	Office	JPR Park West Takamatsu	-	-	-	19,459	0.2 %
	Office	JPR Takamatsu Bldg.	5,023.53 m <sup>2</sup>	28	91.2 %	97,372	1.2 %
	Office	JPR Hakata Bldg.	6,581.15 m <sup>2</sup>	26	89.6 %	153,281	2.0 %
	Office	JPR Square Hakata East/West	-	-	-	60,313	0.8 %
	Office	JPR Naha Bldg.	3,947.69 m <sup>2</sup>	14	84.6 %	98,497	1.3 %
	Office	North 33 Bldg.	6,642.98 m <sup>2</sup>	24	98.0 %	169,958	2.2 %
	Office	Park East Sapporo	7,655.89 m <sup>2</sup>	22	89.4 %	127,816	1.6 %
	Office	Sompo Japan Sendai Bldg.	7,107.40 m <sup>2</sup>	11	91.0 %	174,349	2.2 %
	Office	Sompo Japan Wakayama Bldg.	4,891.36 m <sup>2</sup>	15	88.5 %	115,637	1.5 %
	Office	Tenjin 121 Bldg.	3,292.02 m <sup>2</sup>	13	96.6 %	116,167	1.5 %
	Office	SK Hiroshima Bldg.	2,742.22 m <sup>2</sup>	17	85.9 %	52,114	0.7 %
	Office	JPR Nagoya Sakae Bldg.	5,461.90 m <sup>2</sup>	20	100.0 %	219,372	2.8 %
	Office	Dojima F Bldg.	3,941.40 m <sup>2</sup>	9	84.9 %	117,664	1.5 %
	Office	Semba Fukuoka Bldg.	3,349.57 m <sup>2</sup>	5	87.5 %	92,549	1.2 %
	Office	UFJ Central Leasing Head Office Bldg.	7,123.07 m <sup>2</sup>	1	100.0 %	104,679	1.3 %
	Retail	JPR Umeda Loft Bldg.	18,586.97 m <sup>2</sup>	1	100.0 %	402,412	5.2 %
	Retail	Shtrasse Ichibancho	2,861.91 m <sup>2</sup>	1	100.0 %	104,697	1.3 %
Retail	Benetton Shinsaibashi Bldg.	5,303.98 m <sup>2</sup>	1	100.0 %	N/A *	N/A	
<b>Subtotal</b>			<b>116,530.74 m<sup>2</sup></b>	<b>255</b>	<b>94.9 %</b>	<b>2,967,533</b>	<b>38.0 %</b>
<b>Total</b>			<b>281,408.97 m<sup>2</sup></b>	<b>459</b>	<b>95.4 %</b>	<b>7,801,176</b>	<b>100.0 %</b>

\* Note: The entire Benetton Shinsaibashi Building is leased to a single tenant. JPR was unable to obtain the tenant's approval to disclosure of rental information. Accordingly, rental informaton for the Benetton Shinsaibashi Buildings have not been disclosed.