

Translation

**Japan Prime Realty Investment Corporation**  
**Financial Report for the 26th Fiscal Period Results (July 1, 2014 – December 31, 2014)**

February 13, 2015

REIT Securities Issuer: Japan Prime Realty Investment Corporation Listing: Tokyo Stock Exchange  
 Securities Code: 8955 URL: <http://www.jpr-reit.co.jp/>  
 Representative: Hirohito Kaneko, Executive Officer  
 Asset Management Company: Tokyo Realty Investment Management, Inc.  
 Representative: Satoshi Okubo, President and Chief Executive Officer  
 Contact: Satoshi Eida, Director and Chief Financial Officer TEL: +81-3-3231-1051  
 Scheduled date of submission of securities report : March 26, 2015  
 Scheduled date of commencement of distribution payout: March 10, 2015  
 Preparation of supplementary explanatory materials on financial results: Yes / No  
 Holding of briefing session on financial results: Yes / No (for analysts and institutional investors)

**1. Financial Results for the 26th Fiscal Period (July 1, 2014 – December 31, 2014)**

[Amounts are rounded down to the nearest million yen, except for per unit figures.]

(1) Operating Results

[% figures represent the increase (decrease) compared with the previous fiscal period]

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
For the six months ended December 31, 2014	13,902	1.2	6,477	0.8	5,239	3.3	5,238	3.3
June 30, 2014	13,734	1.0	6,425	0.9	5,073	3.5	5,072	2.4

	Net Income per Unit (EPU)	Net Income / Net Assets	Ordinary Income / Total Assets	Ordinary Income / Operating Revenues
	yen	%	%	%
For the six months ended December 31, 2014	6,349	2.7	1.3	37.7
June 30, 2014	6,149	2.6	1.2	36.9

(2) Distributions

	Distribution per Unit (DPU) [excluding exceeding profit distribution amount]	Distribution Amount	Exceeding Profit Distribution per Unit	Exceeding Profit Distribution Amount	Dividend Payout Ratio	Distribution / Net Assets
	yen	million yen	yen	million yen	%	%
For the six months ended December 31, 2014	6,351	5,239	0	0	100.0	2.7
June 30, 2014	6,150	5,073	0	0	100.0	2.6

(Note 1) Dividend payout ratio is rounded down to the first decimal place.

(3) Financial Position

	Total Assets	Net Assets	Net Assets / Total Assets	Net Asset Per Unit
	million yen	million yen	%	yen
As of December 31, 2014	414,091	197,378	47.7	239,246
June 30, 2014	414,104	197,213	47.6	239,046

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
	million yen	million yen	million yen	million yen
For the six months ended December 31, 2014	7,282	(1,702)	(5,310)	23,344
June 30, 2014	7,431	(431)	(5,562)	23,075

## 2. Forecasts for 27th Fiscal Period Ending June 30, 2015

	Operating Revenues		Operating Income		Ordinary Income		Net Income		DPU [excluding exceeding profit distribution per unit]	Exceeding Profit Distribution Per Unit
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen
27th Fiscal Period Ending June 30, 2015	13,871	(0.2)	6,404	(1.1)	5,248	0.2	5,247	0.2	6,360	0

(Reference) Estimated net income per unit for the 27th fiscal period ending June 30, 2015: 6,360 yen

## 3. Other

### (1) Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatement

- |   |      |
|---|------|
| (a) Changes in accounting policies accompanying amendments to accounting standards, etc.: | None |
| (b) Changes in accounting policies other than in (a):                                     | None |
| (c) Changes in accounting estimates:  | None |
| (d) Retrospective restatement:  | None |

### (2) Number of Investment Units Issued and Outstanding

- (a) Number of investment units (including treasury units) issued and outstanding at end of period

As of December 31, 2014: 825,000 units                      As of June 30, 2014: 825,000 units

- (b) Number of treasury units at end of period

As of December 31, 2014: 0 units                              As of June 30, 2014: 0 units

(Note) With regard to the number of investment units, which serves as the basis for calculating net income per unit, please refer to "Per Unit Information," on page 20.

### \* Presentation of the status of implementation of audit procedures

At the time of disclosure of this report, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

### \* Explanation of the appropriate use of the forecast for management status, and other matters of special note

The forecasts for the 27th fiscal period ending June 30, 2015 are calculated as of February 13, 2015 based on the assumptions described on pages 7-8 of this report. Accordingly, actual operating revenues, operating income, ordinary income, net income, DPU and exceeding profit distribution per unit may differ from the forecasts. Moreover, the forecasts should not be construed as a guarantee of the distribution amount.

This is an English-language translation of original Japanese announcement on our web site released on February 13, 2015. However, no assurance or warranties are given with respect to the accuracy or completeness of this English-language translation. The Japanese original shall prevail in the case of discrepancies between this translation and the Japanese original.

## 1. Affiliated Juridical Persons of the Investment Corporation

### Structure of the Investment Corporation

Disclosure is omitted because there are no significant changes from the “Structure of the Investment Corporation” set out in the most recent securities report (*yuka shoken hokokusho*) (submitted on September 26, 2014).

## 2. Management Policy and Management Status

### (1) Management Policy

Disclosure is omitted because there are no significant changes from the “Investment Policy,” “Investment Targets” and “Distribution Policy” set out in the most recent securities report (submitted on September 26, 2014).

### (2) Management Status

#### 1) Overview of Fiscal Period under Review

##### a) Milestones of JPR

Japan Prime Realty Investment Corporation (JPR) was established on September 14, 2001 under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereafter, the Investment Trusts Act), and was listed on the Tokyo Stock Exchange (TSE) Real Estate Investment Trust Section (securities code: 8955) on June 14, 2002 with 289,600 outstanding investment units. Subsequently, JPR conducted five public offerings and other equity financing measures, with the number of investment units issued and outstanding totaling 825,000 units at present. JPR has assigned the asset management of its portfolio to Tokyo Realty Investment Management, Inc., through which JPR aims to maximize unitholder value by efficiently managing the portfolio primarily comprising office properties and retail properties.

##### b) Management Environment

During the 26th fiscal period, the Japanese economy showed a slight slowdown as consumer spending failed to pick up the pace of recovery and private capital investment grew slower than what was assumed. Nevertheless, there were continued expectations for economic recovery coming ahead thanks to the additional monetary easing implemented by the Bank of Japan and the postponement of the additional hike in the consumption tax rate, among other factors.

##### *The Office Property Leasing Market*

The supply and demand balance in the office property leasing market of the 23 wards of Tokyo further improved due to expansion in new demand for such positive development as setting up new offices, expanding the office spaces and moving to better locations. Given this situation, the upward trend of the rent levels for new contracts has been strengthened for Class S and Class A buildings, and the positive impact is increasingly spreading through the entire market including Class B buildings, such as the rent-free periods granted to new tenants being reduced.

##### *The Retail Property Leasing Market*

There had been concerns about negative impacts of the consumption tax increase particularly on retail properties. However, such impacts that had been worried about were hardly found for urban retail properties in which JPR targets to invest, as tenant’s needs to open stores remained strong. The vacancies in urban retail properties in good locations, such as Ginza and Omotesando, have almost vanished, with rents having taken an upward turn and increasing.

##### *The For-Sale Real Estate Market*

The transaction volume expanded, including deals of large-scale projects, as initial public offerings and public offerings by REITs took place one after another against the backdrop of a favorable fund procurement environment. However, with a distinct trend of acquisitions of properties by REITs being made from their sponsors, the supply and demand situation in the for-sale real estate market is becoming increasingly tighter, mainly for quality properties. Moreover, transactions in the market include increasingly notable property acquisitions by foreign investors as well as private placement REITs. Because of the decreased cap rates, combined with expectations for recovery of rental revenues, the transaction price of real estate is being formed at an even higher level, and there is an expanding tendency to invest in projects located in regional cities.

##### c) Portfolio Management Status

##### *New Property Acquisitions*

JPR investigates possible investments mainly in office properties in the Tokyo area, plus retail

properties and office properties in regional cities, with the primary aim of improving the quality and stabilizing earnings of the portfolio while paying attention to balancing diversification of the portfolio, both in terms of location and asset type.

During the 26th fiscal period, JPR acquired Shibadaimon Center Building (additional acquisition) at the acquisition price of 800 million yen. As a result, the balance of assets under management totaled 62 properties, or 405.5 billion yen on an acquisition price basis, as of the end of December 2014, with the total leasable floor space standing at 468,232m<sup>2</sup> and the number of tenants reaching 632.

#### *Operational Management of Portfolio*

In the office property leasing market in the 26th fiscal period, the vacancy rate showed a downward trend, given a more advanced improvement in the supply and demand balance in Tokyo and other areas. Under such circumstances, JPR endeavored to attract new tenants through strategic leasing activities and enhance the satisfaction of existing tenants by keeping close cooperation with property management companies and brokers, with an aim of enhancing earnings from the entire portfolio and improving occupancy rates. As a result, JPR successfully kept the occupancy rate at a high level, which stood at 97.0% at the end of the fiscal period.

In terms of property management, based on JPR's brand concept A/3S (Amenity/Service, Safety and Save Energy), JPR continued to proactively implement value enhancement works based on tenant needs with the aim to create spaces where the workers feel satisfaction. As an endeavor to implement energy-saving measures, JPR conducted renovation of air-conditioning systems and replacement of lighting equipment in the common areas with LED lamps, which are expected to be effective for the endeavor, at its multiple properties.

In addition, JPR is continuously working to obtain environmental certifications (the DBJ Green Building Certification<sup>\*1</sup> and the recognition by GRESB<sup>\*2</sup>). In the 26th fiscal period, JPR additionally received the DBJ Green Building Certification for four properties in its portfolio, and was designated as "Green Star," the highest ranking, in the GRESB survey conducted in 2014. As these achievements show, JPR is proactively engaged in environmental friendliness.

\*1 The DBJ Green Building Certification is a certification system by Development Bank of Japan Inc., designed to select superior real estate that meets the demand of the times, with a purpose of promoting properties that are environmentally friendly, equipped to mitigate disaster and prevent crime, as well as meet the various social requirements surrounding real estate from stakeholders ("Green Buildings").

\*2 GRESB, which stands for Global Real Estate Sustainability Benchmark, is a benchmark system for analyzing and evaluating sustainability of real estate companies, REITs and real estate private placement funds, in terms of environmental friendliness and social nature. It is based on surveys conducted by a group of the same name composed of more than 20 organizations worldwide such as European pension asset managers.

#### *Fund Procurement*

JPR is engaged in conservative financial operations, setting the ceiling of the interest-bearing debt ratio (hereafter the "LTV") (Note 1) at 55% as a rule and working to control the ratio largely at 50% or lower in practice.

In debt financing, JPR continued to maintain financial stability by conducting bank borrowings at long-term fixed interest rates with an eye on reducing risks of rising interest rates while remaining attentive to the diversification of repayment dates, etc.

JPR established a commitment line with credit limit of 28 billion yen in order to reduce refinancing risks and secure stable fund procurement.

In the 26th fiscal period, JPR procured funds of 23 billion yen in total, including refinancing of loans and investment corporation bonds upon maturity. As a result, the balance of total outstanding borrowings as of the end of the fiscal period was 136.5 billion yen, with investment corporation bonds of 54.5 billion yen.

As of the end of the 26th fiscal period, JPR had LTV of 46.4%, long-term and fixed interest-bearing debt ratio (Note 2) of 98.2%, average interest rate (Note 3) of 1.16%, and average maturity (Note 4) of 3.9 years. Furthermore, the current portion of long-term interest-bearing debt was 32.7 billion yen.

The following represents the issuer ratings for JPR as of the end of this fiscal period.

## Details of Corporate Credit Ratings as of December 31, 2014

Credit Rating Agency	Corporate Credit Rating
Rating and Investment Information, Inc.	AA- (Stable)
Standard & Poor's Ratings Japan K.K.	Long-term: A (Stable) Short-term: A-1

(Note 1) LTV: (borrowings + investment corporation bonds)/ total value of assets

Total value of assets is calculated by adding or subtracting the difference between the appraisal value at end of period and the book value at end of period of the specified assets owned by JPR to the total assets.

(Note 2) Long-term and fixed interest-bearing debt ratio: long-term, fixed-interest interest-bearing debt / total interest-bearing debt

(Note 3) Average interest rate is arrived at by calculating a weighted average of interest rates for all interest-bearing debt as of the end of the 26th fiscal period based on the balance of each interest-bearing debt

(Note 4) Average maturity is arrived at by calculating a weighted average of maturities from the end of the 26th fiscal period to the repayment deadlines for all interest-bearing debt based on the balance of each interest-bearing debt.

## d) Operating Results and Cash Distributions

As a result of the aforementioned management performance, JPR posted operating revenues of 13,902 million yen, ordinary income of 5,239 million yen and net income of 5,238 million yen for its 26th fiscal period ended December 31, 2014. With regard to the cash distributions, JPR decided to distribute part of the retained earnings brought forward that had been internally reserved through the 25th fiscal period, with the aim of having the profit distributions deducted as expenses based on application of the special provision on taxation of investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation) and in order to minimize the burden to unitholders incurred by accrual of corporate income tax, etc. As a result, the cash distribution per unit came to 6,351 yen for the 26th fiscal period.

## 2) Forecast for the Next Fiscal Period

## a) Outlook for Management Status

As for the prospects of the Japanese economy, it is anticipated that private capital investment will increase in line with the recovery of corporate performances, while the current drop in crude oil prices will presumably make a positive contribution domestically. With the employment environment staying solid, consumer spending is also likely to grow again in a virtuous circle of the economy if personal income continues to improve. On the other hand, disturbance in the overseas economies including the trends of emerging and resource-rich countries will remain to be a cause for concern.

In the office property leasing market, the market situation in general is likely to show a further recovery amid continued improvement in the supply and demand condition, while polarization by property will keep progressing. In this regard, JPR believes it will be able to fully enjoy the positive impact of the market recovery as it has focused on improving tenant satisfaction through proactive implementation of value enhancement works and provision of elaborate management services. In addition, when conducting real estate transactions in the market where polarization of earnings by property is anticipated to further advance, it will become even more important to discern the growth potential of earnings of respective properties. Considering the situation in which cap rates are decreasing in an environment where long-term interest rates are falling even further due to additional monetary easing, it is required to firmly keep the attitude of vigorously selective investment for implementing real estate investment that assumes possession of properties over the medium to long term.

## i) Acquisition of New Properties and Asset Replacement

JPR will continue to make investment focused on the Tokyo office properties, with an aim to improve the quality of its portfolio and enhance its growth potential in the recovery cycle of the market. Real estate transactions are expanding, as a decrease in purchase cap rate and expected cap rate levels has been observed in the transaction market along with the recovery in the office property leasing market conditions, and we believe property supply to the transaction market will increase going forward. As for retail properties as well as office properties in regional cities, which allow us to expect higher yields than the Tokyo office properties, JPR will work to invest in strictly selected blue-chip properties that can keep stable revenues at a certain level in order to complement the stability of earnings from the entire portfolio. JPR will strive to acquire new properties under reasonable terms by negotiating prices based on detailed market studies and property due diligence in considering properties.

JPR will continue to make investment decisions after a proactive collection of information through such sources as sponsors of the Asset Manager, accurately grasping market trends and carefully

researching investment value, including the future potential of candidate properties.

Moreover, JPR will continue to investigate asset replacement, centering on properties that do not allow us to expect sustainable growth in the future or those that may be sold under favorable terms and conditions.

ii) Management of Portfolio

JPR will aim to secure stable earnings over a medium to long term by working to prevent move-outs of existing tenants, encourage them to expand office spaces in the same buildings and renew contracts with upward revision of rents through endeavors to enhance tenant satisfaction, while continuously inviting new tenants through strategic leasing activities. Specifically, JPR will conduct management and operations based on the following policies:

- Strengthen coordination with property management companies and respective tenant brokers
- Propose leasing terms and conditions on the assumption of the leasing market showing a recovery trend, and accelerate decision making
- Conduct strategic value enhancement works with intent to improve property earnings and tenant satisfaction
- Reinforce promotion of energy efficiency as well as responses to business continuity plans and environmental friendliness that command high social request
- Conduct renovations to enhance energy-saving performance of the properties by utilizing the government's subsidy programs

iii) Fund Procurement

JPR's fundamental policy for fund procurement calls for an efficient combination of long-term steady fund procurement and short-term fund procurement that emphasizes dynamism. In line with this policy, JPR will procure funds through unsecured and unguaranteed bank borrowings as well as the issuance of investment corporation bonds. JPR will continue to focus on the diversification of fund procurement means and sources, and consistently strive to diversify maturities.

iv) Information Disclosure

JPR has positioned the proactive voluntary disclosure of information as one of its key management policies and will voluntarily disclose information believed to be essential to investment decisions concerning JPR, along with the timely disclosure of items to the Tokyo Stock Exchange. JPR is proactively employing its website ([http://www.jpr-reit.co.jp/jpr\\_e/](http://www.jpr-reit.co.jp/jpr_e/)) as well as its specified website for retail investors (<http://www.jpr-reit.co.jp/kojin/index.html> (Japanese only)) as a vital means for implementing voluntary disclosure, and JPR has promptly disclosed performance information and has provided videos on its primary properties using this site. We are committed to further enriching our information disclosure activities.

iv) Significant Subsequent Events

There are no material subsequent events for this fiscal period.

b) Outlook for Management Status (Operating Results) for the 27th Fiscal Period

JPR expects the following management status in the 27th fiscal period (from January 1, 2015 to June 30, 2015).

Operating revenues	13,871 million yen
Operating income	6,404 million yen
Ordinary income	5,248 million yen
Net income	5,247 million yen
Distribution per unit	6,360 yen
Exceeding profit distribution per unit	0 yen

For the assumptions underlying this outlook for management status, please refer to "Assumptions for the 27th Fiscal Period Forecast (January 1, 2015 – June 30, 2015)" shown below.

(Note) The forecast figures above are the current forecasts calculated based on certain assumptions. Accordingly, the actual operating revenues, operating income, ordinary income, net income, distribution per unit and exceeding profit distribution per unit may vary due to changes in the circumstances. Moreover, the forecast above should not be construed as a guarantee of the distribution amount.

Assumptions for the 27th Fiscal Period Forecast  
(January 1, 2015 – June 30, 2015)

Item	Assumptions
Period	27th fiscal period: January 1, 2015 to June 30, 2015 (investment period: 181 days)
Property Portfolio	<ul style="list-style-type: none"> <li>• The number of properties is assumed to be 62 properties that were held by JPR as of February 13, 2015. Furthermore, the assumed period-average occupancy rate at end of month is 97.5%.</li> <li>• In practice, these assumptions may vary due to such events as the acquisition of additional properties or the sale of existing properties.</li> </ul>
Operating Revenues	<ul style="list-style-type: none"> <li>• Real estate rental revenues are calculated on the basis of the lease contracts effective as of the end of the fiscal period ended December 31, 2014, with consideration given to the market environment, competitiveness of the properties, status of negotiations with tenants and other factors.</li> <li>• For operating revenues, JPR assumes that rents will be paid on time and that no tenants will fail or decline to pay rents.</li> <li>• Gain and loss on sales of real estate properties is not assumed.</li> </ul>
Operating Expenses	<ul style="list-style-type: none"> <li>• Among rental expenses, which are the principal operating expenses, outsourcing expenses and other expenses excluding depreciation are calculated based on historical data, reflecting variable factors of expenses and considering the information as of the end of the fiscal period ended December 31, 2014. Outsourcing expenses are assumed to be 529 million yen for the fiscal period ending June 30, 2015.</li> <li>• For property taxes and city planning taxes, the amount attributed to the fiscal period ending June 30, 2015 has been calculated out of the levied tax amount, and is assumed to be 2,048 million yen. In general practice, the property taxes and city planning taxes levied on properties acquired are settled after prorating for the period with the previous owner at the time of acquisition, but JPR includes the amount equivalent to such settlement in the acquisition costs for the property.</li> <li>• For expenditures for the repair and maintenance of buildings, the amount expected to be required in the fiscal period ending June 30, 2015 has been recorded. However, the expenditures for repair and maintenance for the fiscal period could differ significantly from the estimated amount, as expenditures may arise due to damage to the building caused by unexpected factors, etc., and because the variance in amounts generally tends to grow from year to year and repair expenses do not arise regularly.</li> <li>• Depreciation is calculated using the straight line method, including incidental expenses and additional future capital expenditures. Depreciation for the fiscal period ending June 30, 2015 is assumed to be 1,844 million yen.</li> </ul>
Non-Operating Expenses	<ul style="list-style-type: none"> <li>• As for major non-operating expenses, JPR assumes 1,166 million yen for interest paid, interest on investment corporation bonds and fees related to loan arrangement.</li> </ul>
Interest-Bearing Debt Ratio	<ul style="list-style-type: none"> <li>• The interest-bearing debt ratio as of February 13, 2015 stands at 49.9%, with interest-bearing debt of 191,024 million yen (comprised of 136,524 million yen in long-term debt and 54,500 million yen in investment corporation bonds).</li> <li>• It is assumed that all borrowings whose repayment dates will arrive during the fiscal period ending June 30, 2015 will be refinanced, except for scheduled repayment of 166 million yen.</li> <li>• It is assumed that funds for redemption of the investment corporation bonds whose redemption dates will arrive during the fiscal period will be secured by conducting borrowings or issuing investment corporation bonds.</li> <li>• Due to the above, the interest-bearing debt ratio is expected to be 49.8% at end of the fiscal period ending June 30, 2015.</li> <li>• The following formula is used in calculating the interest-bearing debt ratio in this table. Interest-bearing debt ratio = Interest-bearing debt / (Interest-bearing debt + Unitholders' capital) x 100.</li> </ul>
Total Units Outstanding	<ul style="list-style-type: none"> <li>• The 825,000 investment units outstanding as of December 31, 2014 are assumed.</li> </ul>

Distribution Per Unit	<ul style="list-style-type: none"> <li>• As for distribution per unit, it is assumed that all revenues will be distributed based on the distribution methods provided in the Articles of Incorporation.</li> <li>• There is the possibility that the distribution per unit may vary due to various factors including variation of rental revenue due to transfer of assets under management and tenants moving out, and unpredicted repairs and maintenance.</li> </ul>
Exceeding Profit Distribution Per Unit	<ul style="list-style-type: none"> <li>• Distribution exceeding the profit (exceeding profit distribution per unit) is currently not assumed.</li> </ul>
Others	<ul style="list-style-type: none"> <li>• It is assumed that there will be no changes in legislation, taxation, accounting standards, regulations applying to publicly listed companies, rules and requirements imposed by the Investment Trusts Association, Japan that will impact the aforementioned forecasts.</li> <li>• It is also assumed that there will be no unexpected material changes in general economic and real estate market conditions.</li> </ul>

## (3) Investment Risks

The description is omitted as there are no significant changes from the “Investment risks” disclosed in the latest securities report (submitted on September 26, 2014).



## 3. Financial Statements

## (1) Balance Sheets

	(Thousands of Yen)	
	End of 25th Fiscal Period (Jun. 30, 2014)	End of 26th Fiscal Period (Dec. 31, 2014)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	¥11,557,849	¥12,117,339
Cash and deposits in trust	11,517,632	11,227,028
Operating accounts receivable	336,831	260,988
Prepaid expenses	140,576	174,781
Other	9,509	6,743
<b>Total current assets</b>	<b>23,562,400</b>	<b>23,786,880</b>
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings	57,363,236	56,652,548
Accumulated depreciation	(10,567,703)	(11,121,439)
Buildings, net	46,795,533	45,531,108
Buildings in trust	83,036,800	84,667,091
Accumulated depreciation	(24,402,931)	(25,618,333)
Buildings in trust, net	58,633,868	59,048,758
Structures	45,366	45,661
Accumulated depreciation	(12,774)	(14,089)
Structures, net	32,591	31,571
Structures in trust	120,534	120,534
Accumulated depreciation	(61,138)	(65,156)
Structures in trust, net	59,395	55,378
Machinery and equipment	725,345	726,204
Accumulated depreciation	(333,349)	(341,835)
Machinery and equipment, net	391,995	384,368
Machinery and equipment in trust	1,583,846	1,605,767
Accumulated depreciation	(1,118,278)	(1,168,396)
Machinery and equipment in trust, net	465,568	437,370
Tools, furniture and fixtures	50,301	54,610
Accumulated depreciation	(28,524)	(29,761)
Tools, furniture and fixtures, net	21,777	24,848
Tools, furniture and fixtures in trust	156,607	159,172
Accumulated depreciation	(95,353)	(101,991)
Tools, furniture and fixtures in trust, net	61,254	57,181
Land	110,601,033	109,041,559
Land in trust	168,132,889	170,276,140
Construction in progress	9,527	39,223
Construction in progress in trust	-	1,063
<b>Total property, plant and equipment</b>	<b>385,205,434</b>	<b>384,928,571</b>
Intangible assets		
Leasehold right	4,794,109	4,794,109
Other	3,585	3,020
<b>Total intangible assets</b>	<b>4,797,695</b>	<b>4,797,130</b>
Investments and other assets		
Lease and guarantee deposits	53,953	96,205
Long-term prepaid expenses	296,996	248,976
<b>Total investments and other assets</b>	<b>350,950</b>	<b>345,181</b>
<b>Total noncurrent assets</b>	<b>390,354,080</b>	<b>390,070,883</b>
<b>Deferred assets</b>		
Investment corporation bond issuance costs	188,176	233,806
<b>Total deferred assets</b>	<b>188,176</b>	<b>233,806</b>
<b>Total assets</b>	<b>¥414,104,657</b>	<b>¥414,091,570</b>

(Thousands of Yen)

	<b>End of 25th Fiscal Period (Jun. 30, 2014)</b>	<b>End of 26th Fiscal Period (Dec. 31, 2014)</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	¥1,871,405	¥2,137,918
Short-term loans payable	2,000,000	-
Current portion of long-term loans payable	6,332,000	19,732,000
Current portion of investment corporation bonds	24,000,000	13,000,000
Accounts payable-other	589,177	572,670
Accrued expenses	184,085	150,603
Income taxes payable	605	605
Accrued consumption taxes	309,112	261,634
Advances received	2,613,999	2,565,259
<b>Total current liabilities</b>	<b>37,900,385</b>	<b>38,420,691</b>
<b>Noncurrent liabilities</b>		
Investment corporation bonds	32,500,000	41,500,000
Long-term loans payable	126,358,000	116,792,000
Tenant leasehold and security deposits	7,624,960	7,364,647
Tenant leasehold and security deposits in trust	12,508,179	12,636,178
<b>Total noncurrent liabilities</b>	<b>178,991,139</b>	<b>178,292,826</b>
<b>Total liabilities</b>	<b>216,891,525</b>	<b>216,713,518</b>
<b>Net assets</b>		
<b>Unitholders' equity</b>		
Unitholders' capital	192,044,238	192,044,238
Surplus		
Voluntary deposits		
Deposits for advanced depreciation	73,946	73,946
Total voluntary deposits	73,946	73,946
Unappropriated retained earnings (undisposed losses)	5,094,946	5,259,866
<b>Total surplus</b>	<b>5,168,893</b>	<b>5,333,813</b>
<b>Total unitholders' equity</b>	<b>197,213,131</b>	<b>197,378,051</b>
<b>Total net assets</b>	<b>197,213,131</b>	<b>197,378,051</b>
<b>Total liabilities and net assets</b>	<b>¥414,104,657</b>	<b>¥414,091,570</b>

## (2) Statements of Income and Retained Earnings

(Thousands of Yen)

	<b>25th Fiscal Period (Jan. 1, 2014 – Jun. 30, 2014)</b>	<b>26th Fiscal Period (Jul. 1, 2014 – Dec. 31, 2014)</b>
<b>Operating revenue</b>		
Rent revenue-real estate	¥13,734,191	¥ 13,902,843
<b>Total operating revenue</b>	13,734,191	13,902,843
<b>Operating expenses</b>		
Expenses related to rent business	6,599,484	6,733,535
Asset management fee	478,665	485,787
Administrative service and asset custody fees	79,487	78,417
Directors' compensation	6,600	6,600
Trust fees	35,674	32,150
Other operating expenses	108,811	89,007
<b>Total operating expenses</b>	7,308,723	7,425,498
<b>Operating income</b>	6,425,467	6,477,345
<b>Non-operating income</b>		
Interest income	2,183	2,191
Income on settlement of management association accounts	40,831	4,724
Other	4,669	5,055
<b>Total non-operating income</b>	47,684	11,971
<b>Non-operating expenses</b>		
Interest expenses	847,872	778,903
Borrowing expenses	110,556	76,431
Interest expenses on investment corporation bonds	411,606	363,968
Amortization of investment corporation bond issuance costs	28,409	29,815
Other	1,136	922
<b>Total non-operating expenses</b>	1,399,581	1,250,041
<b>Ordinary income</b>	5,073,570	5,239,275
<b>Income before income taxes</b>	5,073,570	5,239,275
<b>Income taxes-current</b>	605	605
<b>Total income taxes</b>	605	605
<b>Net income</b>	5,072,965	5,238,670
<b>Retained earnings brought forward</b>	21,981	21,196
<b>Unappropriated retained earnings (undisposed losses)</b>	¥5,094,946	¥5,259,866

## (3) Statements of Unitholders' Equity

(Thousands of Yen)

	<b>25th Fiscal Period (Jan. 1, 2014 – Jun. 30, 2014)</b>	<b>26th Fiscal Period (Jul. 1, 2014 – Dec. 31, 2014)</b>
<b>Unitholders' equity</b>		
<b>Unitholders' capital</b>		
Balance at beginning of current period	¥192,044,238	¥192,044,238
Changes of items during the period		
Total changes of items during the period	–	–
Balance at end of current period	192,044,238	192,044,238
<b>Surplus</b>		
Voluntary deposits		
Balance at beginning of current period	73,946	73,946
Changes of items during the period		
Total changes of items during the period	–	–
Balance at end of current period	73,946	73,946
Unappropriated retained earnings (undisposed losses)		
Balance at beginning of current period	4,976,931	5,094,946
Changes of items during the period		
Dividends from surplus	(4,954,950)	(5,073,750)
Net income	5,072,965	5,238,670
Total changes of items during the period	118,015	164,920
Balance at end of current period	5,094,946	5,259,866
Total surplus		
Balance at beginning of current period	5,050,878	5,168,893
Changes of items during the period		
Total changes of items during the period	118,015	164,920
Balance at end of current period	5,168,893	5,333,813
<b>Total unitholders' equity</b>		
Balance at the beginning of current period	197,095,116	197,213,131
Changes of items during the period		
Total changes of items during the period	118,015	164,920
Balance at end of current period	197,213,131	197,378,051
<b>Total net assets</b>		
Balance at beginning of current period	197,095,116	197,213,131
Changes of items during the period		
Total changes of items during the period	118,015	164,920
<b>Balance at end of current period</b>	<b>¥197,213,131</b>	<b>¥197,378,051</b>

## (4) Statements of Cash Distributions

	<b>25th Fiscal Period (January 1, 2014 – June 30, 2014)</b>	<b>26th Fiscal Period (July 1, 2014 – December 31, 2014)</b>
I. Unappropriated retained earnings	5,094,946,448 yen	5,259,866,639 yen
II. Distribution amount (Distribution amount per unit)	5,073,750,000 yen (6,150 yen)	5,239,575,000 yen (6,351 yen)
III. Retained earnings carried forward	21,196,448 yen	20,291,639 yen
Method for calculating distribution amount	<p>Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, JPR decided to pay out distributions of earnings of 5,073,750,000 yen, which is the largest integral multiple of the number of investment units issued and outstanding (825,000 units) in an amount not in excess of unappropriated retained earnings while minimizing the burden to unitholders incurred by accrual of corporate income tax, etc. Furthermore, JPR shall not distribute cash in excess of earnings as stipulated in Article 30 (4) of the Articles of Incorporation.</p>	<p>Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, JPR decided to pay out distributions of earnings of 5,239,575,000 yen, which is the largest integral multiple of the number of investment units issued and outstanding (825,000 units) in an amount not in excess of unappropriated retained earnings while minimizing the burden to unitholders incurred by accrual of corporate income tax, etc. Furthermore, JPR shall not distribute cash in excess of earnings as stipulated in Article 30 (4) of the Articles of Incorporation.</p>

## (5) Statements of Cash Flows

(Thousands of Yen)

	<b>25th Fiscal Period (Jan. 1, 2014 – Jun. 30, 2014)</b>	<b>26th Fiscal Period (Jul. 1, 2014 – Dec. 31, 2014)</b>
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes	¥5,073,570	¥5,239,275
Depreciation and amortization	1,834,573	1,841,516
Amortization of investment corporation bond issuance costs	28,409	29,815
Interest income	(2,183)	(2,191)
Interest expenses	1,259,478	1,142,872
Decrease (increase) in operating accounts receivable	(65,696)	75,843
Decrease (increase) in prepaid expenses	48,616	(34,205)
Increase (decrease) in operating accounts payable	151,017	211,110
Increase (decrease) in accounts payable-other	(922)	4,584
Increase (decrease) in accrued consumption taxes	134,962	(47,477)
Increase (decrease) in advances received	167,781	(48,740)
Other, net	90,066	44,499
Subtotal	8,719,673	8,456,902
Interest income received	2,183	2,191
Interest expenses paid	(1,289,939)	(1,176,354)
Income taxes (paid) refund	(625)	(606)
Net cash provided by (used in) operating activities	7,431,292	7,282,132
<b>Net cash provided by (used in) investing activities</b>		
Purchase of property, plant and equipment	(237,814)	(187,215)
Purchase of property, plant and equipment in trust	(353,419)	(1,321,470)
Payment of tenant leasehold and security deposits	(2,067)	(42,251)
Repayments of tenant leasehold and security deposits	(51,612)	(261,689)
Proceeds from tenant leasehold and security deposits	208,409	125,187
Repayments of tenant leasehold and security deposits in trust	(241,336)	(390,772)
Proceeds from tenant leasehold and security deposits in trust	246,435	375,367
Net cash provided by (used in) investing activities	(431,404)	(1,702,844)
<b>Net cash provided by (used in) financing activities</b>		
Increase in short-term loans payable	–	10,000,000
Decrease in short-term loans payable	–	(12,000,000)
Proceeds from long-term loans payable	11,500,000	4,000,000
Repayment of long-term loans payable	(12,069,000)	(166,000)
Proceeds from issuance of investment corporation bonds	4,961,866	8,929,218
Redemption payment of investment corporation bonds	(5,000,000)	(11,000,000)
Dividends paid	(4,955,077)	(5,073,621)
Net cash provided by (used in) financing activities	(5,562,210)	(5,310,403)
<b>Net changes in cash and cash equivalents</b>	1,437,676	268,885
<b>Cash and cash equivalents at beginning of current period</b>	21,637,805	23,075,482
<b>Cash and cash equivalents at end of current period</b>	23,075,482	23,344,367

## (6) Notes to the Going Concern Assumption

No relevant items.

## (7) Notes to Significant Accounting Policies

The disclosure is omitted as there are no significant changes from the descriptions in the latest securities report (submitted on September 26, 2014).

## (8) Notes to Financial Statements

**Notes to Balance Sheets**

## 1. Assets Pledged as Collateral and Secured Liabilities

Assets pledged as collateral are as follows:

	(Thousands of yen)	
	<b>End of 25th Fiscal Period</b>	<b>End of 26th Fiscal Period</b>
	<b>(as of June 30, 2014)</b>	<b>(as of December 31, 2014)</b>
Buildings (net)	¥118,902	¥117,033
Machinery and equipment(net)	3,253	3,081
Land	399,183	399,183
<b>Total</b>	<b>¥521,339</b>	<b>¥519,299</b>

Secured liabilities are as follows:

	(Thousands of yen)	
	<b>End of 25th Fiscal Period</b>	<b>End of 26th Fiscal Period</b>
	<b>(as of June 30, 2014)</b>	<b>(as of December 31, 2014)</b>
Tenant leasehold and security deposits	¥15,536	¥15,536
<b>Total</b>	<b>¥15,536</b>	<b>¥15,536</b>

## 2. Balance of Unused Commitment Line

JPR has executed a commitment line agreement with its principal banks primarily to minimize refinancing risks and enhance financial stability.

	(Thousands of yen)	
	<b>End of 25th Fiscal Period</b>	<b>End of 26th Fiscal Period</b>
	<b>(as of June 30, 2014)</b>	<b>(as of December 31, 2014)</b>
Credit limit	¥28,000,000	¥28,000,000
Outstanding debt at end of period	—	—
Unused commitment line at end of period	¥28,000,000	¥28,000,000

## 3. Minimum Total Unitholders' Equity Designated in Article 67- 4 in the Act on Investment Trusts and Investment Corporations

	(Thousands of yen)	
	<b>End of 25th Fiscal Period</b>	<b>End of 26th Fiscal Period</b>
	<b>(as of June 30, 2014)</b>	<b>(as of December 31, 2014)</b>
	¥50,000	¥50,000

**Notes to Statements of Income and Retained Earnings****Breakdown of Rent Revenue-Real Estate and Expenses Related to Rent Business**

	(Thousands of yen)	
	<b>25th Fiscal Period</b> <b>(January 1, 2014 -</b> <b>June 30, 2014)</b>	<b>26th Fiscal Period</b> <b>(July 1, 2014 -</b> <b>December 31, 2014)</b>
<b>A. Rent Revenue-Real Estate</b>		
Rent Revenue		
Rents	¥9,196,674	¥9,306,026
Land rents	1,499,750	1,530,000
Common charges	1,866,927	1,838,471
Parking revenues	255,983	257,212
Advertising expenses	59,318	60,179
Antenna use fees	18,084	18,139
Other	34,992	33,804
Subtotal	12,931,730	13,043,834
Other rental revenues		
Incidental income	715,023	810,460
Time-based parking revenues	5,159	5,184
Cancellation charges	23,686	15,366
Income equivalent to expenses for restoration to original condition	24,841	6,780
Other miscellaneous income	33,749	21,217
Subtotal	802,461	859,008
Total rent revenue-real estate	¥13,734,191	¥13,902,843
<b>B. Expenses Related to Rent Business</b>		
Outsourcing expenses	¥524,536	¥529,363
Utilities expenses	860,650	983,434
Property and other taxes	1,990,821	1,985,098
Casualty insurance	27,210	27,645
Repairs and maintenance	444,215	445,005
Property management fees	227,181	231,909
Management association accounts	562,213	556,026
Depreciation	1,834,057	1,841,016
Other	128,596	134,034
Total expenses related to rent business	¥6,599,484	¥6,733,535
<b>C. Profits (A-B)</b>	¥7,134,706	7,169,307



## Financial Instruments

### 1. Matters Concerning Status of Financial Instruments

#### (1) Policy for Financial Instruments

In an aim to proactively expand asset size and maintain stable cash distributions to unitholders, JPR adopts the asset management policy of paying heed to efficiently combining the procurement of long-term funds that are stable and the procurement of short-term funds that emphasize flexibility.

There may be cases where JPR will engage in derivative transactions, but such will be limited to management for interest rate fluctuation risk and other hedging purposes. Please note that JPR is not engaged in derivative transactions at present.

#### (2) Description of Financial Instruments and Associated Risks, and Risk Management Structure

Tokyo Realty Investment Management, Inc. (TRIM), the asset management company of JPR, strives for risk management by complying with the JPR Asset Management Guidelines and other rules and regulations. The following outlines the description of individual financial instruments and the associated risks, and the risk management.

Deposits are exposed to risks of failure of the financial institutions holding the deposits and other credit risks, but risks are managed through such measures as setting a minimum credit rating for the financial institutions holding the deposits.

Loans payable and investment corporation bonds are exposed to liquidity risks at the time of repayment/redemption, but liquidity risks are managed through such measures as procuring funds from the capital market by increasing capital, executing a commitment line agreement with the main lending financial institutions, and also having statements of cash receipts and disbursements prepared by the financial division.

#### (3) Supplementary Explanation on Matters Concerning Estimated Fair Value, etc. of Financial Instruments

The estimated fair value of financial instruments, aside from values based on market price, include values based on reasonable calculations when there is no market price. Certain assumptions, etc. are used in calculating those values and there may be cases where the values will vary when different assumptions, etc. are used.

### 2. Matters Concerning Estimated Fair Value, etc. of Financial Instruments

The following are the carrying values and estimated fair values as of June 30, 2014, and the difference between these amounts. Please note that the following tables do not include those for which discerning of estimated fair value is recognized to be extremely difficult (please refer to Note 3).

	(Thousands of yen)		
	Carrying Value (Note 1)	Estimated Fair Value (Note 1)	Difference
1) Cash and deposits	¥11,557,849	¥11,557,849	¥-
2) Cash and deposits in trust	11,517,632	11,517,632	-
3) Short-term loans payable	(2,000,000)	(2,000,000)	-
4) Current portion of long-term loans payable	(6,332,000)	(6,409,432)	77,432
5) Current portion of investment corporation bonds	(24,000,000)	(24,231,152)	231,152
6) Investment corporation bonds	(32,500,000)	(33,577,888)	1,077,888
7) Long-term loans payable	(¥126,358,000)	(¥128,680,083)	¥2,322,083

The following are the carrying values and estimated fair values as of December 31, 2014, and the difference between these amounts. Please note that the following tables do not include those for which discerning of estimated fair value is recognized to be extremely difficult (please refer to Note 3).

	(Thousands of yen)		
	<b>Carrying Value</b> (Note 1)	<b>Estimated Fair Value</b> (Note 1)	<b>Difference</b>
1) Cash and deposits	¥12,117,339	¥12,117,339	¥-
2) Cash and deposits in trust	11,227,028	11,227,028	-
3) Short-term loans payable	-	-	-
4) Current portion of long-term loans payable	(19,732,000)	(19,818,454)	86,454
5) Current portion of investment corporation bonds	(13,000,000)	(13,046,800)	46,800
6) Investment corporation bonds	(41,500,000)	(42,938,833)	1,438,833
7) Long-term loans payable	(¥116,792,000)	(¥119,165,205)	¥2,373,205

(Note 1) Items stated under liabilities are shown in parentheses.

(Note 2) Method of calculation of estimated fair value of financial instruments

(1) Cash and deposits, and (2) Cash and deposits in trust

As these financial instruments are settled within a short period of time, the estimated fair value is approximately the same as the book value and is thus stated at that book value.

(3) Short-term loans payable

As these financial instruments are settled within a short period of time and have floating interest rates, the estimated fair value is approximately the same as the book value and is thus stated at that book value.

(4) Current portion of long-term loans payable, and (7) Long-term loans payable

Of the estimated fair value of these financial instruments, the fair value of long-term loans payable with floating interest rates is based on the book value, as it reflects the market interest rate within a short period of time and thus is considered to be nearly equal to the book value. The fair value of long-term loans payable with fixed interest rates is based on the method of calculating by discounting the total amount of principal and interest by the rate assumed as being applicable in the event of a new drawdown corresponding to the remaining loan term.

(5) Current portion of investment corporation bonds, and (6) Investment corporation bonds

Of the estimated fair value of these financial instruments, those with market price are calculated based on market price and those with no market price are calculated according to the fair value of long-term loans payable with fixed interest rates in (4) and (7) above.

(Note 3) Financial instruments for which discerning of estimated fair value is recognized to be extremely difficult.

Tenant leasehold and security deposits and tenant leasehold and security deposits in trust that are deposited by lessees of lease rental properties are not subject to disclosure of estimated fair value because reasonable estimation of cash flows is recognized to be extremely difficult since there is no market price and also since it is difficult to calculate the actual deposit period from when lessees move in to when they move out. The following is the carrying value of tenant leasehold and security deposits and the carrying value of tenant leasehold and security deposits in trust.

	(Thousands of yen)	
	<b>End of 25th Fiscal Period</b> (as of June 30, 2014)	<b>End of 26th Fiscal Period</b> (as of December 31, 2014)
Tenant leasehold and security deposits	¥7,624,960	¥7,364,647
Tenant leasehold and security deposits in trust	¥12,508,179	¥12,636,178

(Note 4) Scheduled redemption of monetary claims as of June 30, 2014 and December 31, 2014

End of 25th Fiscal Period (as of June 30, 2014)

	(Thousands of yen)					
	<b>Due in One Year or Less</b>	<b>Due after One Year through Two Years</b>	<b>Due after Two Years through Three Years</b>	<b>Due after Three Years through Four Years</b>	<b>Due after Four Years through Five Years</b>	<b>Due after Five Years</b>
Cash and deposit	¥11,557,849	¥-	¥-	¥-	¥-	¥-
Cash and deposit in trust	¥11,517,632	¥-	¥-	¥-	¥-	¥-

End of 26th Fiscal Period (as of December 31, 2014)

	(Thousands of yen)					
	<b>Due in One Year or Less</b>	<b>Due after One Year through Two Years</b>	<b>Due after Two Years through Three Years</b>	<b>Due after Three Years through Four Years</b>	<b>Due after Four Years through Five Years</b>	<b>Due after Five Years</b>
Cash and deposit	¥12,117,339	¥-	¥-	¥-	¥-	¥-
Cash and deposit in trust	¥11,227,028	¥-	¥-	¥-	¥-	¥-

(Note 5) Scheduled redemption and repayment of short-term loans payable, investment corporation bonds and long-term loans payable as of June 30, 2014 and December 31, 2014

End of 25th Fiscal Period (as of June 30, 2014)

(Thousands of yen)						
	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Short-term loans payable	¥2,000,000	¥-	¥-	¥-	¥-	¥-
Investment corporation bonds	¥24,000,000	¥-	¥7,000,000	¥10,000,000	¥2,000,000	¥13,500,000
Long-term loans payable	¥6,332,000	¥26,732,000	¥23,732,000	¥20,374,000	¥17,200,000	¥38,320,000

End of 26th Fiscal Period (as of December 31, 2014)

(Thousands of yen)						
	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Short-term loans payable	¥-	¥-	¥-	¥-	¥-	¥-
Investment corporation bonds	¥13,000,000	¥7,000,000	¥5,000,000	¥7,000,000	¥4,000,000	¥18,500,000
Long-term loans payable	¥19,732,000	¥18,332,000	¥32,632,000	¥16,408,000	¥17,100,000	¥32,320,000

### Investment and Rental Properties

JPR owns office properties (urban commercial facilities), retail properties and complex properties for leasing in Tokyo and other regions. The following is the carrying value on the balance sheets, amount of increase (decrease) during the period and estimated fair value of these investment and rental properties.

(Thousands of yen)		
	25th Fiscal Period (January 1, 2014 – June 30, 2014)	26th Fiscal Period (July 1, 2014 – December 31, 2014)
Carrying Value on the Balance Sheets		
Balance at Beginning of Period	¥391,225,225	390,001,463
Amount of Increase (Decrease) during the Period	(¥1,223,761)	(276,927)
Balance at End of Period	¥390,001,463	389,724,535
Estimated Fair Value at End of Period	¥379,917,000	387,697,000

(Note 1) The carrying value on the balance sheets is the cost of acquisition less accumulated depreciation.

(Note 2) Of the amount of change during the 25th fiscal period, the amount of decrease is primarily attributable to depreciation (1,834,057 thousand yen). Of the amount of change during the 26th fiscal period, the amount of increase is primarily attributable to the additional acquisition of Shibadaimon Center Building (826,787 thousand yen), and the amount of decrease is primarily attributable to depreciation (1,841,016 thousand yen).

(Note 3) The estimated fair value at end of the period is the appraisal value or survey value as appraised by an outside real estate appraiser.

The income (loss) in the 25th and 26th fiscal periods for investment and rental properties are as presented in the “Notes to Statements of Income and Retained Earnings.”

**Per Unit Information**

(Yen)

	<b>25th Fiscal Period</b> <b>(January 1, 2014 – June 30, 2014)</b>	<b>26th Fiscal Period</b> <b>(July 1, 2014 – December 31, 2014)</b>
Total net assets per unit	¥239,046	¥239,246
Net income per unit	¥6,149	¥6,349

(Note 1) Net income per unit is calculated by dividing net income by the weighted-average number of units outstanding during the current fiscal period.

Diluted net income per unit has not been presented since no warrants and convertible bonds are outstanding.

(Note 2) Net income per unit was calculated based on the following data.

(Thousands of yen)

	<b>25th Fiscal Period</b> <b>(January 1, 2014 – June 30, 2014)</b>	<b>26th Fiscal Period</b> <b>(July 1, 2014 – December 31, 2014)</b>
Net income	¥5,072,965	¥5,238,670
Amounts not attributable to ordinary unitholders	–	–
Net income attributable to ordinary investment units	¥5,072,965	¥5,238,670
Average number of units	825,000 units	825,000 units

**Subsequent Events**

There are no material subsequent events for this fiscal period.

**Omission of Disclosure**

JPR omits the disclosure of notes to statements of unitholders' equity, statements of cash flows, lease transactions, securities, derivative transactions, transactions with affiliated parties, tax effect accounting, retirement benefits, asset retirement obligations and segment information, etc. as it does not find substantial need for disclosure in the Fiscal Period Results report.

**(9) Changes in Investment Units Issued and Outstanding**

Capital increases and other changes in the status of unitholders' capital since inception through the 26th fiscal period are summarized as follows.

Date	Event	Number of Units Outstanding		Unitholders' Capital (million yen)		Remarks
		Variation	Balance	Variation	Balance	
September 14, 2001	Established by private placement	240	240	120	120	(Note 1)
November 16, 2001	Additional private placement	62,000	62,240	31,000	31,120	(Note 2)
January 22, 2002	Split of investment units	93,360	155,600	–	31,120	(Note 3)
June 14, 2002	Initial public offering	134,000	289,600	25,862	56,982	(Note 4)
July 15, 2003	Additional public offering	134,400	424,000	30,758	87,740	(Note 5)
August 9, 2003	Third-party allotment	6,000	430,000	1,373	89,113	(Note 6)
February 1, 2005	Additional public offering	95,000	525,000	25,001	114,115	(Note 7)
March 1, 2005	Third-party allotment	5,000	530,000	1,315	115,431	(Note 8)
February 6, 2007	Additional public offering	90,000	620,000	39,120	154,552	(Note 9)
March 7, 2007	Third-party allotment	5,000	625,000	2,173	156,725	(Note 10)
February 8, 2010	Additional public offering	82,000	707,000	13,315	170,040	(Note 11)
March 12, 2010	Third-party allotment	8,000	715,000	1,299	171,339	(Note 12)
July 30, 2012	Additional public offering	101,420	816,420	19,089	190,429	(Note 13)
August 29, 2012	Third-party allotment	8,580	825,000	1,614	192,044	(Note 14)

(Note 1) JPR was formed by the investment of three companies Tokyo Tatemono Co., Ltd. (100 units), Taisei Corporation (100 units), and Tokyo Realty Investment Management, Inc. (40 units) at 500,000 yen per unit.

(Note 2) An additional offering was made via private placement at 500,000 yen per unit. JPR then acquired 13 beneficiary interests in real estate trust and started management.

(Note 3) A single investment unit was split into 2.5 units.

(Note 4) New investment units were issued through a public offering at 200,000 yen per unit (underwriting price of 193,000 yen per unit) to repay short-term debt, finance the acquisition of new specific assets, etc.

(Note 5) New investment units were issued through a public offering at 237,160 yen per unit (underwriting price of 228,859 yen per unit) to repay short-term debt, acquire new specific assets, etc.

(Note 6) New investment units were issued through a third-party allotment at 228,859 yen per unit to repay short-term debt, acquire new specific assets, etc.

(Note 7) New investment units were issued through a public offering at 272,440 yen per unit (underwriting price of 263,177 yen per unit) to repay short-term debt, acquire new specific assets, etc.

(Note 8) New investment units were issued through a third-party allotment at 263,177 yen per unit to repay short-term debt, acquire new

- specific assets, etc.
- (Note 9) New investment units were issued through a public offering at 449,820 yen per unit (underwriting price of 434,673 yen per unit) to repay debt, acquire new specific assets, etc.
- (Note 10) New investment units were issued through a third-party allotment at 434,673 yen per unit to repay debt, acquire new specific assets, etc.
- (Note 11) New investment units were issued through a public offering at 168,101 yen per unit (underwriting price of 162,382 yen per unit) to repay short-term debt, redeem investment corporation bonds, acquire new specific assets, etc.
- (Note 12) New investment units were issued through a third-party allotment at 162,382 yen per unit to repay short-term debt, redeem investment corporation bonds, acquire specific assets, etc.
- (Note 13) New investment units were issued through a public offering at 194,610 yen per unit (underwriting price of 188,222 yen per unit) to partly fund acquisition of new specific assets and repay debts.
- (Note 14) New investment units were issued through a third-party allotment at 188,222 yen per unit to partly fund acquisition of new specific assets and repay debts.

#### 4. Change of Directors

##### (1) JPR Directors

There was no change in the directors of JPR during the 26th fiscal period.

The Executive Officer (one person) and Supervising Officers (two persons) are as follows.

Position	Name	Other Concurrent Assignments	Number of Owned Units
Executive Officer	Hirohito Kaneko	Representative Counsel, Hirohito Kaneko Law Office	—
Supervising Officers	Sosuke Yasuda	Adviser, Gyosei Audit Corporation Group representative partner, GYOSEI Certified Public Tax & Accountants' Co. Auditor, MS&AD Insurance Group Holdings	—
	Masato Denawa	Partner Attorney, Spring Partners	—

(Note) Supervising officers may be directors of corporations other than those indicated above, but have no conflict of interest with JPR at those and the above.

##### (2) Directors of the Asset Management Company

###### A. Change of Director

###### (1) Assumption of office

Director Shinichi Haruta (as of January 1, 2015)  
(non-executive)

###### (2) Retirement

Director Kiyohide Kumakura (as of December 31, 2014)  
(non-executive)

Career summary of the new directors is as follows.

Name	Career Highlights, Representation of Other Entities, Etc.	Number of Owned Units
Shinichi Haruta	Jan. 2015	Appointed as Director (non-executive) of Tokyo Realty Investment Management, Inc. (current position)
	Sep. 2014	Appointed as Group Leader, Related Business Group, Corporate Planning Department of Tokyo Tatemono Co., Ltd. (current position)
		Appointed as Auditor of SEIAIEN (current position)
	Jul. 2014	Appointed as Auditor of Tokyo Tatemono Senior Life Support Co., Ltd. (current position)
	Mar. 2014	Appointed as Auditor of E-State Online Co., Ltd. (current position)
	May 2012	Appointed as Manager, Related Business Group, Corporate Planning Department of Tokyo Tatemono Co., Ltd.
	Mar. 2012	Appointed as Auditor of Parking Support Center Co., Ltd. (current position)
	Jun. 2011	Appointed as Auditor of Nihon Parking Corporation (current position)
	Apr. 2011	Appointed as Auditor-Secretary of Tokyo Tatemono (Shanghai) Real Estate Consulting Co., Ltd (current position)
	Apr. 2011	Appointed as Manager, Related Business Group, Corporate Planning Department of Tokyo Tatemono Co., Ltd.
Dec. 2009	Appointed as Auditor of J-Golf, Inc. (current position)	

	Mar. 2008	Appointed as Deputy Manager, Related Business Group, Corporate Planning Department of Tokyo Tatemono Co., Ltd.	
	Nov. 2004	Joined Tokyo Tatemono Co., Ltd.	
	Apr. 1996	Joined Long-Term Credit Bank of Japan (currently Shinsei Bank, Limited)	

## B. Change of Auditor

No relevant items.

## 5. Reference Information

### (1) JPR's Asset Structure

Asset Type	Category of Investment Area	25th Fiscal Period (as of June 30, 2014)		26th Fiscal Period (as of December 31, 2014)	
		Assets Owned by JPR (thousands of yen)	Percentage of Total Assets (%)	Assets Owned by JPR (thousands of yen)	Percentage of Total Assets (%)
Real Estate	Central Tokyo	79,506,311	19.2	79,435,093	19.2
	Greater Tokyo	61,416,499	14.8	58,865,744	14.2
	Other Cities	21,724,252	5.2	21,546,427	5.2
Real Estate in Trust	Central Tokyo	132,687,363	32.0	133,519,662	32.2
	Greater Tokyo	50,751,325	12.3	52,555,983	12.7
	Other Cities	43,915,711	10.6	43,801,624	10.6
Deposits and Other Assets	—	24,103,193 (—)	5.8 (—)	24,367,034 (—)	5.9 (—)
Total Assets	—	414,104,657 (390,001,463)	100.0 (94.2)	414,091,570 (389,724,535)	100.0 (94.1)

(Note 1) Total assets owned are based on the amounts appropriated on the balance sheets as of the settlement date (book values after depreciation for real estate and real estate in trust).

(Note 2) Figures in parenthesis are portions that practically fall on real estate owned in the object assets.

(Note 3) As for the category of investment area, please refer to (2) Investment Assets 1) Overview of Investment Assets below.

### (2) Investment Assets

#### 1) Overview of Investment Assets

The overview of the real estate and beneficiary interest in real estate in which JPR invests are as follows. All of the real estate and beneficiary interests in real estate are shown in the table below.

Descriptions in the table below are based on the following policies.

- The table below indicates the properties JPR owned as of the end of the 26th fiscal period.
- JPR defines the categories of investment areas as designated below.

Category	Investment Area
Central Tokyo	Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya Wards
Greater Tokyo	All other areas of Tokyo, Chiba, Kanagawa and Saitama Prefectures
Other Cities	All other areas in Japan

- “Location,” “Site Area,” “Total Floor Space,” “Structure/Floors” and “Completed” are based on data recorded in the real estate registry.
- “Site Area” and “Total Floor Space” indicate the areas of the entire building sites and the entire buildings, respectively, including the portions owned by other sectional owners, etc. except for the following properties:

MS Shibaura Bldg.: The site area includes land of the Trinity Shibaura, which was developed together with the property.

Shinjuku Square Tower: The site area and the total floor space are for the entire redevelopment area.

Rise Arena Bldg.: The site area is for the entire redevelopment area including the residential

building, and the total floor space includes the space of the residential building.

Olinas Tower: The site area and the total floor space are for the entire property including the retail and residential buildings.

Cupo-la Main Bldg.: The site area is for the entire redevelopment area.

- The abbreviations in the “Structure/Floors” represent the following phrases, respectively.

S: Steel-framed,      RC: Reinforced concrete,      SRC: Steel-framed reinforced concrete

Area	Type	Property Name	Location	Site Area (m <sup>2</sup> )	Total Floor Space (m <sup>2</sup> )	Structure/ Floors	Completed
Central Tokyo	Office	Kanematsu Bldg.	Kyobashi 2-chome, Chuo-ku, Tokyo	1,751.13	14,995.09	S, RC, SRC B2/13F	Feb. 1993
		Kanematsu Bldg. Annex	Kyobashi 2-chome, Chuo-ku, Tokyo	679.06	4,351.46	SRC B1/8F	Feb. 1993
		JPR Ningyo-cho Bldg.	Ningyocho 1-chome, Chuo-ku, Tokyo	550.06	4,117.70	SRC, RC B1/8F	Dec. 1989
		Shin-Kojimachi Bldg.	Kojimachi 4-chome, Chiyoda-ku, Tokyo	657.80	5,152.98	SRC B1/9F	Oct. 1984
		JPR Crest Takebashi Bldg.	Kanda-Nishikicho 3-chome, Chiyoda-ku, Tokyo	636.90	4,790.68	SRC B1/9F	Sep. 1999
		MS Shibaura Bldg.	Shibaura 4-chome Minato-ku, Tokyo	8,992.18	31,020.21	SRC, RC, S B2/13F	Feb. 1988
		Gotanda First Bldg.	Nishi-Gotanda 2-chome, Shinagawa-ku, Tokyo	1,551.19	10,553.34	SRC, RC B2/11F	Jul. 1989
		Fukuoka Bldg.	Yaesu 2-chome, Chuo-ku, Tokyo	1,302.17	11,627.74	SRC B2/10F	May 1990
		JPR Ichigaya Bldg.	Kudan-Minami 4-chome, Chiyoda-ku, Tokyo	1,058.04	5,888.82	SRC B1/9F	Mar. 1989
		Oval Court Ohsaki Mark West	Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo	4,006.00	28,575.80	S, SRC B2/17F	Jun. 2001
		Shinjuku Square Tower	Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo	8,409.52	78,796.00	S, RC, SRC B4/30F	Oct. 1994
		BYGS Shinjuku Bldg.	Shinjuku 2-chome, Shinjuku-ku, Tokyo	3,522.46	25,733.10	SRC B2/14F	Apr. 1985
		Across Shinkawa Bldg. Annex	Shinkawa 1-chome, Chuo-ku, Tokyo	858.48	5,535.90	S, SRC B2/10F	Jun. 1994
		Shinjuku Center Bldg.	Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo	14,917.11	176,607.89	SRC, RC, S B5/54F	Oct. 1979
		Minami Azabu Bldg.	Minami-Azabu 2-chome, Minato-ku, Tokyo	778.09	4,570.63	S 9F	Jun. 1992
		Shinagawa Canal Bldg.	Konan 2-chome, Minato-ku, Tokyo	828.82	5,216.21	S B1/8F	Jul. 2008
		Rokubancho Bldg.	Rokubancho, Chiyoda-ku, Tokyo	716.95	4,205.09	SRC B3/7F	Oct. 1991
		JPR Harajuku Bldg.	Jingumae 6-chome, Shibuya-ku, Tokyo	1,205.07	6,466.94	SRC B1/9F	Mar. 1989
		Tokyo Tatemono Kyobashi Bldg.	Kyobashi 3-chome, Chuo-ku, Tokyo	547.10	4,419.79	SRC, S B1/10F	Jan. 1981
		JPR Nihonbashi-horidome Bldg.	Nihonbashi-Horidomecho 1-chome, Chuo-ku, Tokyo	937.59	7,190.82	SRC B1/9F	Jun. 2002
		JPR Sendagaya Bldg.	Sendagaya 4-chome, Shibuya-ku, Tokyo	2,217.49	7,683.19	S 8F	May 2009
		Ginza Sanwa Bldg.	Ginza 4-chome, Chuo-ku, Tokyo	1,119.27	8,851.00	SRC B2/9F	Oct. 1982
	Otemachi Tower (Land with Leasehold Interest)	Otemachi 1-chome, Chiyoda-ku, Tokyo	11,034.78	-	-	-	
	Science Plaza -Yonbancho Plaza	Yonbancho 9-chome, Chiyoda-ku, Tokyo	5,289.01	24,560.36	S, RC, SRC B2/12F	Feb. 1995	
	Shibadaimon Center Bldg.	Shibadaimon 1-chome, Minato-ku, Tokyo	1,915.50	11,419.93	S, SRC B1/10F	Jul. 1993	
	Retail	JPR Shibuya Tower Records Bldg.	Jinnan 1-chome, Shibuya-ku, Tokyo	1,010.47	8,449.56	SRC, S B3/8F	Feb. 1992
JPR Daikanyama		Daikanyamacho, Shibuya-ku, Tokyo	277.12	668.09	RC B2/2F	Jul. 2002	
JPR Jingumae 432		Jingumae 4-chome, Shibuya-ku, Tokyo	198.10	1,066.81	S, SRC B1/7F	Feb. 2006	
Shinjuku Sanchome East Bldg.		Shinjuku 3-chome, Shinjuku-ku, Tokyo	2,578.69	24,617.65	S, SRC, RC B3/14F	Jan. 2007	
Yurakucho Ekimae Bldg. (Yurakucho Itocia)		Yurakucho 2-chome, Chiyoda-ku, Tokyo	6,808.12	71,957.65	S, SRC B4/20F	Oct. 2007	



Area	Type	Property Name	Location	Site Area (m <sup>2</sup> )	Total Floor Space (m <sup>2</sup> )	Structure/ Floors	Completed
Greater Tokyo	Office	Arca East	Kinshi 3-chome, Sumida-ku, Tokyo	3,755.01	34,281.86	S, SRC B3/19F	Mar. 1997
		JPR Chiba Bldg.	Shinmachi, Chuo-ku, Chiba, Chiba	1,382.35	9,072.57	S, SRC B1/13F	Jan. 1991
		JPR Yokohama Nihon Odori Bldg.	Nihon-Odori, Naka-ku, Yokohama, Kanagawa	1,100.59	9,146.52	SRC B1/11F	Oct. 1989
		Shinyokohama 2nd Center Bldg.	Shinyokohama 3-chome, Kohoku-ku, Yokohama, Kanagawa	841.71	7,781.93	S, SRC B2/12F	Aug. 1991
		Kawaguchi Center Bldg.	Honcho 4-chome, Kawaguchi, Saitama	4,524.61	28,420.85	S, SRC B2/15F	Feb. 1994
		JPR Ueno East Bldg.	Matsugaya 1-chome, Taito-ku, Tokyo	1,242.97	8,490.44	S, SRC B1/8F	Oct. 1992
		Tachikawa Business Center Bldg.	Akebonocho 2-chome, Tachikawa, Tokyo	2,047.22	14,706.36	S, SRC B1/12F	Dec. 1994
		Rise Arena Bldg.	Higashi-Ikebukuro 4-chome, Toshima-ku, Tokyo	9,377.28	91,280.94	RC, SRC, S B3/42F	Jan. 2007
		Yume-ooka Office Tower	Kamiooka Nishi 1-chome, Konan-ku, Yokohama, Kanagawa	12,011.00	185,974.87	S, SRC, RC B3/27F	Mar. 1997
		Olinas Tower	Taihei 4-chome, Sumida-ku, Tokyo	27,335.29	257,842.41	SRC, RC, S B2/45F	Feb. 2006
		Tokyo Tatemono Yokohama Bldg.	Kitasaiwai 1-chome, Nishi-ku, Yokohama, Kanagawa	1,110.28	8,772.51	SRC B1/9F	May 1981
		Omiya Prime East	Shimocho 2-chome, Omiya-ku, Saitama, Saitama	2,268.09	9,203.98	S 9F	Feb. 2009
	Retail	Tanashi ASTA	Tanashicho 2-chome, Nishitokyo, Tokyo	12,326.30	80,675.27	SRC B2/17F	Feb. 1995
		Cupo-la Main Bldg.	Kawaguchi 1-chome, Kawaguchi, Saitama	15,008.28	48,321.96	S, RC, SRC B2/10F	Jan. 2006
		JPR Musashikosugi Bldg.	Kosugimachi 3-chome, Nakahara-ku, Kawasaki, Kanagawa	4,761.62	18,394.32	SRC, RC, S B1/6F	Mar. 1983
Musashiurawa Shopping Square		Bessho 7-chome, Saitama, Saitama	8,317.99	28,930.36	S B1/4F	Oct. 2005	
Kawasaki Dice Bldg.		Ekimae-Honcho, Kawasaki, Kanagawa	4,475.45	36,902.01	S, SRC, RC B2/11F	Aug. 2003	
Other Cities	Office	Niigata Ekinan Center Bldg.	Yoneyama 1-chome, Chuo-ku, Niigata, Niigata	2,706.99	19,950.42	S, SRC B1/10F	Mar. 1996
		Tokyo Tatemono Honmachi Bldg.	Honmachi 3-chome, Chuo-ku, Osaka, Osaka	1,432.64	14,619.52	SRC B3/9F	Feb. 1970
		JPR Hakata Bldg.	Hakataeki-mae 1-chome, Hakata-ku, Fukuoka, Fukuoka	1,214.63	9,828.73	(Office) S, RC B1/12F (Parking) S 1F	(Office) Jun. 1985 (Parking) Nov. 2003 Expanded
		JPR Naha Bldg.	Matsuyama 1-chome, Naha, Okinawa	959.87	5,780.71	SRC, S 12F	Oct. 1991
		Sompo Japan Sendai Bldg.	Tsutsujigaoka 3-chome, Miyagino-ku, Sendai, Miyagi	1,895.67	10,783.52	SRC B1/12F	Dec. 1997
		Sompo Japan Wakayama Bldg.	Misonocho 3-chome, Wakayama, Wakayama	1,128.45	6,715.07	S 9F	Jul. 1996
		Tenjin 121 Bldg.	Tenjin 1-chome, Chuo-ku, Fukuoka, Fukuoka	1,164.39	8,690.95	S, SRC 13F	Jul. 2000
		JPR Dojima Bldg.	Sonezaki-Shinchi 2-chome, Kita-ku, Osaka, Osaka	668.11	5,696.01	SRC B2/9F	Oct. 1993
		JPR Hakata-chuo Bldg.	Hakataeki-mae 2-chome, Hakata-ku, Fukuoka, Fukuoka	680.63	3,874.81	SRC 8F	Feb. 1993
		JPR Nagoya Fushimi Bldg.	Sakae 1-chome, Naka-ku, Nagoya, Aichi	1,610.38	10,201.44	SRC B1/9F	Mar. 1991
	Yakuin Business Garden	Yakuin 1-chome, Chuo-ku, Fukuoka, Fukuoka	4,348.43	22,286.35	SRC 14F	Jan. 2009	
	Retail	JPR Umeda Loft Bldg.	Chayamachi, Kita-ku, Osaka, Osaka	3,518.68	17,897.56	SRC B1/8F	Apr. 1990
		Benetton Shinsaibashi Bldg.	Minami-Senba 4-chome, Chuo-ku, Osaka, Osaka	609.31	5,303.98	S B2/10F	Feb. 2003 Jan. 2005 Expanded
		Housing Design Center Kobe	Higashi-Kawasakicho 1-chome, Chuo-ku, Kobe, Hyogo	3,994.47	33,877.71	SRC, S B2/11F	Jun. 1994
JPR Chayamachi Bldg.		Chayamachi, Kita-ku, Osaka, Osaka	592.45	3,219.36	S, SRC 9F	Jun. 1994	

## 2) Price and Investment Ratio

- “Acquisition Price” is the deal price (rounded down to the nearest million yen) described in the real estate transaction contracts or trust beneficiary interest transfer contracts, and does not include expenses related to acquisitions of the relevant properties and consumption taxes. Furthermore, the total amount is also rounded down to the nearest million yen after summing up respective acquisition prices including fractions.
- For “Appraisal Value at End of Period,” JPR adopts the assessed value in the real estate appraisal reports or the survey value in the real estate price survey reports, prepared by the real estate appraisers indicated below, based on the asset evaluation method designated by JPR and the rules of The Investment Trusts Association, Japan. The adopted appraisal value has been rounded down to the nearest million yen.

Japan Real Estate Institute	JPR Ningyo-cho Bldg., Shin-Kojimachi Bldg., MS Shibaura Bldg., Gotanda First Bldg., Shinjuku Center Bldg., Minami Azabu Bldg., Shinagawa Canal Bldg., Rokubancho Bldg., Tokyo Tatemono Kyobashi Bldg., Science Plaza-Yonbancho Plaza, Shibadaimon Center Bldg., JPR Shibuya Tower Records Bldg., Shinjuku Sanchoe East Bldg., Yurakucho Ekimae Bldg. (Yurakucho Itocia), Arca East, Shinyokohama 2nd Center Bldg., Kawaguchi Center Bldg., JPR Ueno East Bldg., Tachikawa Business Center Bldg., Yume-ooka Office Tower, Olinas Tower, Tokyo Tatemono Yokohama Bldg., Omiya Prime East, Cupo-la Main Bldg., Tokyo Tatemono Honmachi Bldg., Sampo Japan Sendai Bldg., Sampo Japan Wakayama Bldg., Tenjin 121 Bldg., JPR Dojima Bldg., JPR Hakata-chuo Bldg., Yakuin Business Garden
Tanizawa Sogo Appraisal Co., Ltd.	JPR Daikanyama, JPR Jingumae 432, Kawasaki Dice Bldg., Niigata Ekinan Center Bldg., JPR Hakata Bldg., JPR Naha Bldg.
CBRE KK	Rise Arena Bldg., JPR Nagoya Fushimi Bldg., Benetton Shinsaibashi Bldg., Housing Design Center Kobe, JPR Chayamachi Bldg.
Daiwa Real Estate Appraisal Co., Ltd.	Kanematsu Bldg., Kanematsu Bldg. Annex, JPR Crest Takebashi Bldg., Fukuoka Bldg., JPR Ichigaya Bldg., Oval Court Ohsaki Mark West, BYGS Shinjuku Bldg., Across Shinkawa Bldg. Annex, Otemachi Tower (Land with Leasehold Interest), JPR Chiba Bldg., JPR Yokohama Nihon Odori Bldg., Tanashi ASTA
Japan Valuers Co., Ltd.	Shinjuku Square Tower, JPR Harajuku Bldg., JPR Nihonbashi-horidome Bldg., JPR Sendagaya Bldg., Ginza Sanwa Bldg., JPR Musashikosugi Bldg., Musashiurawa Shopping Square, JPR Umeda Loft Bldg.

- The “Investment Ratio” in terms of the “Acquisition Price” and the “Appraisal Value at End of Period” represents the ratio of the Acquisition Price and the Appraisal Value at End of Period of respective properties, including fractions not indicated herein, to the total amounts of the Acquisition Price or the Appraisal Value at End of Period of the properties owned by JPR at end of the 26th fiscal period, indicated in a percentage rounded to the first decimal place.

Area	Type	Property Name	Acquisition Date	Acquisition Price		Appraisal Value at End of Period	
				Price (million yen)	Investment Ratio (%)	Appraisal Value (million yen)	Investment Ratio (%)
Central Tokyo	Office	Kanematsu Bldg.	Dec. 27, 2001	16,276	4.0	12,100	3.1
		Kanematsu Bldg. Annex	Dec. 27, 2001	2,874	0.7	2,240	0.6
		JPR Ningyo-cho Bldg.	Nov. 16, 2001	2,100	0.5	2,340	0.6
		Shin-Kojimachi Bldg.	Nov. 16, 2001	1,670	0.6	2,940	0.8
			Nov. 21, 2002	550			
			Nov. 12, 2004	200			
		JPR Crest Takebashi Bldg.	Jun. 21, 2002	4,000	1.0	2,840	0.7
		MS Shibaura Bldg.	Mar. 28, 2003	11,200	2.8	11,000	2.8
		Gotanda First Bldg.	Jul. 23, 2003	2,920	0.7	2,020	0.5
		Fukuoka Bldg.	Oct. 15, 2003	1,800	0.7	2,860	0.7
			Apr. 15, 2005	1,120			
		JPR Ichigaya Bldg.	May 28, 2004	5,100	1.3	4,700	1.2
		Oval Court Ohsaki Mark West	Jun. 1, 2004	3,500	0.9	4,540	1.2
		Shinjuku Square Tower	Jul. 2, 2004	10,000	2.5	7,393	1.9
		Shinjuku Square Tower (additional acquisition in 14th Period)	Sep. 26, 2008	180	0.0	99	0.0
		BYGS Shinjuku Bldg.	Nov. 9, 2004	2,900	3.7	13,900	3.6
			Apr. 12, 2005	8,921			
			Jul. 13, 2010	3,300			
		Across Shinkawa Bldg. Annex	Nov. 26, 2004	710	0.2	825	0.2
		Shinjuku Center Bldg.	Mar. 27, 2008	21,000	5.2	13,100	3.4
		Minami Azabu Bldg.	Jul. 14, 2008	3,760	0.9	2,500	0.6
		Shinagawa Canal Bldg.	Dec. 19, 2008	1,870	0.5	1,770	0.5
		Rokubancho Bldg.	Dec. 2, 2009	2,800	0.7	3,200	0.8
		JPR Harajuku Bldg.	Dec. 25, 2009	8,400	2.1	7,330	1.9
		Tokyo Tatemono Kyobashi Bldg.	Feb. 12, 2010	5,250	1.3	5,560	1.4
		JPR Nihonbashi-horidome Bldg.	Mar. 31, 2010	5,100	1.3	6,160	1.6
		JPR Sendagaya Bldg.	May 31, 2010	15,050	3.7	11,100	2.9
		Ginza Sanwa Bldg.	Aug. 29, 2011	3,400	0.8	3,450	0.9
		Otemachi Tower (Land with Leasehold Interest)	Mar. 13, 2012	36,000	8.9	39,800	10.3
		Science Plaza-Yonbancho Plaza	Dec. 6, 2013	2,660	0.7	2,930	0.8
		Shibadaimon Center Bldg.	Dec. 6, 2013	3,420	1.0	4,840	1.2
			Jul. 30, 2014	800			
Retail	JPR Shibuya Tower Records Bldg.	Jun. 30, 2003	12,000	3.0	13,200	3.4	
	JPR Daikanyama	Oct. 5, 2004	2,160	0.5	1,540	0.4	
	JPR Jingumae 432	Mar. 24, 2006	4,275	1.1	3,600	0.9	
	Shinjuku Sanchome East Bldg.	Mar. 14, 2007	540	0.7	2,620	0.7	
		Apr. 24, 2008	2,200				
	Yurakucho Ekimae Bldg. (Yurakucho Itocia)	Aug. 27, 2008	3,400	0.8	2,860	0.7	
Subtotal of Central Tokyo				213,406	52.6	195,357	50.4

Area	Type	Property Name	Acquisition Date	Acquisition Price		Appraisal Value at End of Period	
				Price (million yen)	Investment Ratio (%)	Appraisal Value (million yen)	Investment Ratio (%)
Greater Tokyo	Office	Arca East	Nov. 16, 2001	5,880	1.4	6,220	1.6
		JPR Chiba Bldg.	Dec. 13, 2001	2,350	0.6	1,690	0.4
		JPR Yokohama Nihon Odori Bldg.	Nov. 16, 2001	2,927	0.7	2,380	0.6
		Shinyokohama 2nd Center Bldg.	Sep. 25, 2002	920	0.4	1,620	0.4
			Mar. 28, 2013	570			
		Kawaguchi Center Bldg.	Feb. 13, 2004	8,100	2.0	7,390	1.9
		JPR Ueno East Bldg.	Mar. 1, 2004	3,250	0.8	4,320	1.1
		Tachikawa Business Center Bldg.	Sep. 30, 2005	888	0.8	3,030	0.8
			Feb. 28, 2007	2,300			
		Rise Arena Bldg.	Mar. 22, 2007	5,831	1.4	6,990	1.8
		Yume-ooka Office Tower	Jul. 10, 2007	6,510	1.6	5,700	1.5
		Olinas Tower	Jun. 29, 2009	31,300	7.7	33,800	8.7
		Tokyo Tatemono Yokohama Bldg.	Dec. 27, 2010	7,000	1.7	7,280	1.9
	Omiya Prime East	Mar. 22, 2013	6,090	1.5	6,590	1.7	
	Retail	Tanashi ASTA	Nov. 16, 2001	10,200	2.5	12,900	3.3
		Cupo-la Main Bldg.	Mar. 31, 2006	2,100	0.5	2,620	0.7
		JPR Musashikosugi Bldg.	Sep. 28, 2006	7,260	1.8	5,410	1.4
		Musashiurawa Shopping Square	Mar. 19, 2007	4,335	1.1	4,100	1.1
		Kawasaki Dice Bldg.	Apr. 12, 2007	15,080	3.7	15,000	3.9
	Subtotal of Greater Tokyo				122,891	30.3	127,040
Other Cities	Office	Niigata Ekinan Center Bldg.	Nov. 16, 2001	2,140	0.5	2,300	0.6
		Tokyo Tatemono Honmachi Bldg.	Nov. 16, 2001	4,150	1.0	3,250	0.8
		JPR Hakata Bldg.	Nov. 16, 2001	2,900	0.7	2,700	0.7
		JPR Naha Bldg.	Nov. 16, 2001	1,560	0.4	1,350	0.3
		Sompo Japan Sendai Bldg.	Jun. 26, 2002	3,150	0.8	3,400	0.9
		Sompo Japan Wakayama Bldg.	Jun. 26, 2002	1,670	0.4	1,600	0.4
		Tenjin 121 Bldg.	Jun. 21, 2002	2,810	0.7	2,180	0.6
		JPR Dojima Bldg.	Jan. 23, 2004	2,140	0.5	2,160	0.6
		JPR Hakata-chuo Bldg.	Jun. 11, 2004	1,920	0.5	1,680	0.4
		JPR Nagoya Fushimi Bldg.	Mar. 22, 2005	4,137	1.0	2,880	0.7
		Yakuin Business Garden	Aug. 8, 2012	10,996	2.7	12,000	3.1
	Retail	JPR Umeda Loft Bldg.	May 15, 2003	8,000	3.2	13,700	3.5
			Jul. 16, 2003	5,000			
		Benetton Shinsaibashi Bldg.	May 30, 2005	5,430	1.3	4,450	1.1
		Housing Design Center Kobe	Sep. 28, 2005	7,220	1.8	6,660	1.7
		JPR Chayamachi Bldg.	Aug. 30, 2006	6,000	1.5	4,990	1.3
Subtotal of Other Cities				69,223	17.1	65,300	16.8
Total				405,520	100.0	387,697	100.0

## (3) Major Investment Assets

The following is the investment property with rental revenues exceeding 10% of total rental revenues of the entire portfolio of JPR for the 26th fiscal period.

<Property Name: Otemachi Tower (Land with Leasehold Interest)>

Total Number of Tenants	2	
Rental Revenues (Note 1)	1,530,000 thousand yen	
Percentage to Total Rental Revenues (Note 2)	11.0%	
Total Leased Floor Space (Note 3)	11,034.78m <sup>2</sup>	
Total Leasable Floor Space (Note 3)	11,034.78m <sup>2</sup>	
Changes in Occupancy Rate in Last 5 years (Note 2) (Note 4)	December 31, 2014	100.0%
	June 30, 2014	100.0%
	December 31, 2013	100.0%
	June 30, 2013	100.0%
	December 31, 2012	100.0%
	June 30, 2012	100.0%

(Note 1) Rental revenues represent the property's operating revenues for the 26th fiscal period, rounded down to the nearest thousand yen.

(Note 2) The figure has been rounded to the first decimal place.

(Note 3) The total leased floor space and total leasable floor space are those as of the end of the 26th fiscal period (December 31, 2014).

(Note 4) The changes in occupancy rate in last 5 years shows only the occupancy rates after JPR acquired it.

## (4) Information Concerning Tenants

## 1) Overview of Lease Status by JPR as a Whole

	No. of Properties	Total No. of Tenants	Total Leasable Floor Space	Occupancy Rate
June 30, 2010	55	460	410,326.04m <sup>2</sup>	95.5%
December 31, 2010	56	479	420,544.51m <sup>2</sup>	93.5%
June 30, 2011	56	493	421,371.51m <sup>2</sup>	94.7%
December 31, 2011	57	501	423,311.93m <sup>2</sup>	95.6%
June 30, 2012	58	502	434,340.04m <sup>2</sup>	94.1%
December 31, 2012	59	534	450,943.43m <sup>2</sup>	94.9%
June 30, 2013	60	564	460,452.47m <sup>2</sup>	96.9%
December 31, 2013	62	610	467,207.05m <sup>2</sup>	96.5%
June 30, 2014	62	628	467,175.54m <sup>2</sup>	97.8%
July 31, 2014	62	631	468,216.86m <sup>2</sup>	97.8%
August 31, 2014	62	632	468,215.52m <sup>2</sup>	97.2%
September 30, 2014	62	630	468,215.52m <sup>2</sup>	97.1%
October 31, 2014	62	630	468,232.88m <sup>2</sup>	97.0%
November 30, 2014	62	629	468,232.24m <sup>2</sup>	96.8%
December 31, 2014	62	632	468,232.24m <sup>2</sup>	97.0%

(Note) Occupancy rates have been rounded to the first decimal place.

Furthermore, the following table shows the total number of tenants, total leased floor space and total leasable floor space as of the end of the 26th fiscal period, as well as the total rental income for the 26th fiscal period.

Total Number of Tenants	632
Total Leased Floor Space	454,078.30m <sup>2</sup>
Total Leasable Floor Space	468,232.24m <sup>2</sup>
Total Rental Income	13,902,843 thousand yen

## 2) Overview of Lease Status for Respective Properties

Area	Type	Property Name	26th Fiscal Period (July 1, 2014 – December 31, 2014)					
			Information on Period End Floor Space, Etc.				Rental Revenues	
			Total Leasable Floor Space (m <sup>2</sup> )	Total Leased Floor Space (m <sup>2</sup> )	No. of Tenants (Note 1)	Occupancy Rate (%)	(thousand yen)	Ratio
Central Tokyo	Office	Kanematsu Bldg.	8,011.75	7,208.37	8	90.0	329,762	2.4
		Kanematsu Bldg. Annex	2,291.13	2,291.13	1	100.0	(Note 2)	(Note 2)
		JPR Ningyo-cho Bldg.	2,804.56	2,804.56	4	100.0	89,153	0.6
		Shin-Kojimachi Bldg.	3,317.48	3,142.62	15	94.2	96,989	0.7
		JPR Crest Takebashi Bldg.	3,265.34	3,265.34	6	100.0	93,053	0.7
		MS Shibaura Bldg.	14,468.38	10,546.98	7	72.9	330,889	2.4
		Gotanda First Bldg.	4,243.58	4,243.58	2	100.0	133,085	1.0
		Fukuoka Bldg.	1,937.40	1,937.40	1	100.0	(Note 2)	(Note 2)
		JPR Ichigaya Bldg.	4,224.32	3,724.96	9	88.2	161,786	1.2
		Oval Court Ohsaki Mark West	4,088.44	4,088.44	3	100.0	180,777	1.3
		Shinjuku Square Tower	10,982.03	10,314.77	24	93.9	194,868	1.4
		Shinjuku Square Tower (additional acquisition in 14th Period)	168.75	158.49		93.9	2,994	0.0
		BYGS Shinjuku Bldg.	15,216.93	15,134.94	25	99.5	549,039	3.9
		Across Shinkawa Bldg. Annex	1,253.39	1,253.39	4	100.0	35,739	0.3
		Shinjuku Center Bldg.	8,863.98	8,498.82	32	95.8	455,631	3.3
		Minami Azabu Bldg.	3,405.73	3,405.73	1	100.0	(Note 2)	(Note 2)
		Shinagawa Canal Bldg.	1,700.57	1,449.45	4	85.2	64,888	0.5
		Rokubancho Bldg.	2,488.36	2,488.36	1	100.0	(Note 2)	(Note 2)
		JPR Harajuku Bldg.	4,760.09	4,760.09	9	100.0	229,693	1.7
		Tokyo Tatemono Kyobashi Bldg.	3,551.01	2,797.28	7	78.8	140,787	1.0
	JPR Nihonbashi-horidome Bldg.	5,299.89	5,299.89	6	100.0	191,390	1.4	
	JPR Sendagaya Bldg.	6,177.74	6,177.74	6	100.0	268,966	1.9	
	Ginza Sanwa Bldg.	1,899.27	1,899.27	8	100.0	115,471	0.8	
	Otemachi Tower (Land with Leasehold Interest)	11,034.78	11,034.78	2	100.0	1,530,000	11.0	
	Science Plaza-Yonbancho Plaza	3,325.27	2,872.94	19	86.4	113,608	0.8	
	Shibadaimon Center Bldg.	5,401.46	5,401.46	9	100.0	162,510	1.2	
Retail	JPR Shibuya Tower Records Bldg.	8,076.85	8,076.85	1	100.0	(Note 2)	(Note 2)	
	JPR Daikanyama	651.29	651.29	4	100.0	34,016	0.2	
	JPR Jingumae 432	1,027.33	889.59	6	86.6	49,763	0.4	
	Shinjuku Sanchoe East Bldg.	2,347.81	2,347.81	1	100.0	(Note 2)	(Note 2)	
	Yurakucho Ekimae Bldg. (Yurakucho Itocia)	1,101.92	1,101.92	1	100.0	(Note 2)	(Note 2)	

Area	Type	Property Name	26th Fiscal Period (July 1, 2014 – December 31, 2014)					
			Information on Period End Floor Space, Etc.				Rental Revenues	
			Total Leasable Floor Space (m <sup>2</sup> )	Total Leased Floor Space (m <sup>2</sup> )	No. of Tenants (Note 1)	Occupancy Rate (%)	(thousand yen)	Ratio
Greater Tokyo	Office	Arca East	7,022.76	6,540.64	5	93.1	258,436	1.9
		JPR Chiba Bldg.	5,536.82	5,292.65	37	95.6	132,504	1.0
		JPR Yokohama Nihon Odori Bldg.	6,066.53	6,066.53	13	100.0	130,945	0.9
		Shinyokohama 2nd Center Bldg.	5,284.75	5,122.98	19	96.9	96,146	0.7
		Kawaguchi Center Bldg.	15,420.09	14,903.91	43	96.7	395,026	2.8
		JPR Ueno East Bldg.	6,490.05	6,490.05	8	100.0	181,247	1.3
		Tachikawa Business Center Bldg.	4,683.40	4,593.16	19	98.1	150,000	1.1
		Rise Arena Bldg.	6,023.39	6,023.39	1	100.0	(Note 2)	(Note 2)
		Yume-ooka Office Tower	12,013.95	10,952.67	35	91.2	315,797	2.3
		Olinas Tower	23,987.40	22,941.07	11	95.6	997,732	7.2
		Tokyo Tatemono Yokohama Bldg.	6,494.09	6,494.09	14	100.0	295,254	2.1
	Omiya Prime East	6,871.45	6,871.45	4	100.0	264,917	1.9	
	Retail	Tanashi ASTA	31,121.71	31,121.71	1	100.0	(Note 2)	(Note 2)
		Cupo-la Main Bldg.	5,963.00	5,963.00	1	100.0	(Note 2)	(Note 2)
		JPR Musashikosugi Bldg.	19,740.95	19,740.95	1	100.0	(Note 2)	(Note 2)
Musashiurawa Shopping Square		14,960.69	14,960.69	3	100.0	126,996	0.9	
Kawasaki Dice Bldg.		12,116.35	11,579.18	27	95.6	483,257	3.5	
Other Cities	Office	Niigata Ekinan Center Bldg.	5,326.88	5,326.88	8	100.0	128,324	0.9
		Tokyo Tatemono Honmachi Bldg.	7,163.07	6,730.24	10	94.0	155,840	1.1
		JPR Hakata Bldg.	6,568.43	6,349.90	40	96.7	129,347	0.9
		JPR Naha Bldg.	3,946.36	3,946.36	22	100.0	91,601	0.7
		Sompo Japan Sendai Bldg.	7,129.14	6,797.20	13	95.3	180,099	1.3
		Sompo Japan Wakayama Bldg.	4,875.12	4,794.03	12	98.3	112,364	0.8
		Tenjin 121 Bldg.	3,257.73	3,257.73	16	100.0	99,194	0.7
		JPR Dojima Bldg.	3,930.71	3,930.71	8	100.0	114,423	0.8
		JPR Hakata-chuo Bldg.	3,290.42	3,290.42	6	100.0	78,520	0.6
		JPR Nagoya Fushimi Bldg.	7,086.37	6,291.29	3	88.8	131,144	0.9
		Yakuin Business Garden	16,654.33	16,644.71	17	99.9	437,735	3.1
	Retail	JPR Umeda Loft Bldg.	18,586.97	18,586.97	1	100.0	(Note 2)	(Note 2)
		Benetton Shinsaibashi Bldg.	5,303.98	5,303.98	1	100.0	(Note 2)	(Note 2)
		Housing Design Center Kobe	35,444.13	35,444.13	1	100.0	(Note 2)	(Note 2)
		JPR Chayamachi Bldg.	2,484.39	2,484.39	6	100.0	141,162	1.0
Total			468,232.24	454,078.30	632	97.0	13,902,843	100.0

(Note 1) The number of tenants at end of period is counted as follows except for Shinjuku Square Tower, Shinjuku Center Bldg., Residential part of Science Plaza-Yonbancho Plaza, Rise Arena Bldg. and Kawasaki Dice Bldg.: when a single tenant leases multiple rooms, it is counted as one if the tenant uses the same property. If the leased rooms are in multiple buildings, the tenant is counted in plural. The tenants of Shinjuku Square Tower, Shinjuku Center Bldg., Residential part of Science Plaza-Yonbancho Plaza, Rise Arena Bldg. and Kawasaki Dice Bldg. have sublet space to sublessees and lease agreements have been executed where the rent paid by the tenants fluctuates in accordance with the lease conditions of the sublessees and thus the numbers of sublessees have been entered as the numbers of tenants.

(Note 2) JPR does not disclose the rental revenues and their ratio of the properties due to inevitable reasons.

## 3) Ten Largest Tenants

The following table shows the ten largest tenants in terms of leased floor space as of December 31, 2014.

Rank	Tenant	Property Name	Leased Floor Space at End of Period (m <sup>2</sup> )	Percentage to Total Leased Floor Space at End of Period (Note 1)
1	Tokyo Tatemono Co., Ltd	Kanematsu Bldg. Shinjuku Square Tower Shinjuku Center Bldg. Olinas Tower Kawasaki Dice Bldg. Tokyo Tatemono Honmachi Bldg.	38,389.16	8.4%
2	ABC Development Corporation	Housing Design Center Kobe	35,444.13	7.8%
3	Seiyu GK	Tanashi ASTA	31,121.71	6.8%
4	Ito-Yokado Co., Ltd.	JPR Musashikosugi Bldg.	19,740.95	4.3%
5	The LOFT Co., Ltd.	JPR Umeda Loft Bldg.	18,586.97	4.1%
6	Olympic Group Corporation	Musashiurawa Shopping Square	9,558.51	2.1%
7	Sompo Japan Nipponkoa Insurance Inc.	Kawaguchi Center Bldg. Yume-ooka Office Tower Sompo Japan Sendai Bldg. Sompo Japan Wakayama Bldg.	8,253.43	1.8%
8	Tower Records Japan Inc.	JPR Shibuya Tower Records Bldg.	8,076.85	1.8%
9	Y.K. Tokyo Prime Stage	Otemachi Tower (Land with Leasehold Interest)	7,875.50	1.7%
10	Taisei-Yuraku Real Estate Co., Ltd.	Rise Arena Bldg.	6,023.39	1.3%

(Note 1) The figures have been rounded to the first decimal place.

(Note 2) The leased floor spaces of co-owned properties are portions owned by JPR.