Disclaimers

This document has been prepared solely for the purpose of providing U.K. and Dutch investors with certain information under Article 23 of the European Alternative Investment Fund Managers Directive (European Directive 2011/61/EU) (the “AIFMD”) as implemented in their respective jurisdictions. Accordingly, you should not use this document for any other purpose.

Netherlands

The units of Japan Prime Realty Investment Corporation (“JPR” or the “AIF”) are being marketed in the Netherlands under Section 1:13b of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, or the “Wft”). In accordance with this provision, Tokyo Realty Investment Management, Inc. (the “AIFM”) has submitted a notification with the Dutch Authority for the Financial Markets. The units of JPR will not, directly or indirectly, be offered, sold, transferred or delivered in the Netherlands, except to or by individuals or entities that are qualified investors (*gekwalificeerde beleggers*) within the meaning of Article 1:1 of the Wft. As a consequence, neither the AIFM nor JPR is subject to the license requirement for investment institutions (*beleggingsinstellingen*) or their managers pursuant to the Wft. Consequently, the AIFM and JPR are only subject to the supervision of the Dutch Central Bank (*De Nederlandsche Bank*, “DNB”) or the Netherlands Authority for Financial Markets (*Autoriteit Financiële Markten*, the “AFM”) for the compliance with the ongoing regulatory requirements as referred to in the Dutch law implementation of article 42 of the AIFMD. According to Article 23 the prospectus is not subject to approval by the AFM. No approved prospectus is required to be published in the Netherlands pursuant to Article 3 of the Regulation (EU) 2017/1129 (the “Prospectus Regulation”) as amended and applicable in the Netherlands.

United Kingdom

Units of JPR are being marketed in the United Kingdom pursuant to Article 59 of the United Kingdom Alternative Investment Fund Managers Regulations 2013. In accordance with this provision, the AIFM has notified the Financial Conduct Authority (the “FCA”) of its intention to offer these units in the United Kingdom.

For the purposes of the United Kingdom Financial Services and Markets Act 2000 (as amended, “FSMA”) JPR is an unregulated collective investment scheme which has not been authorized by the FCA.

Accordingly, any communication of an invitation or inducement to invest in JPR may only be made to (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or "the Order"; or (ii) high net worth companies falling within Articles 49(2)(a) to (d) of the Order and other persons to whom it may lawfully be communicated (all such persons referred to under (i) and (ii) of this paragraph, together being referred to as "Relevant Persons").

In the United Kingdom, this document and its contents are directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. The transmission of this document and its contents in the United Kingdom to any person other than a Relevant Person is unauthorized and may contravene the FSMA and other United Kingdom securities laws and regulations.

Prohibition of Sales to UK Retail Investors

In addition to the restrictions under the AIFMD, as retained by the United Kingdom in its domestic laws, the Units of JPR are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes of this provision, a "retail investor" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the EUWA; and the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the international units to be offered so as to enable an investor to decide to purchase or subscribe the international units.

Consequently no key information document required by Regulation (EU) No 1286/2014, as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation"), for offering or selling the international units or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the international units or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

European Economic Area

In addition to the restrictions under the AIFMD, the Units of JPR are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive(EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation, as amended. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Units of JPR or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Units of JPR or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Article 23 (1)(a)	
Objectives of the AIF	With the fundamental concept of "investment in urban commercial real estate," JPR invests primarily in real estate comprising superior urban office buildings (urban commercial facilities), retail properties found in thriving commercial areas, multi-use facilities and the land on which they are located, as well as in asset-backed securities that have such real estate as their primary investments. In addition, in consideration of returns and risks of these investment targets, JPR operates pursuant to a basic policy of investing not only in Tokyo, but also in other regional cities to maximize the benefits from its portfolio management.
Investment strategy	JPR is resolved to continuously work on investment focused on office properties in Tokyo in order to enhance its growth potential over the long term, while conducting vigorously selective investment in retail properties as well as office properties in regional cities that are expected to generate relatively high yields. In addition, JPR seeks to invest in hotels in busy areas that are expected to attract business travelers or tourists.
Types of assets the AIF may invest in	Real estate, trust beneficiary interests in real estate, real estate securities, specified assets and other assets.
Techniques it may employ and all associated risks	JPR focuses on investing in office properties in Tokyo, which allows expectations for more stable occupancy and higher rent levels, and are believed to offer large rooms for an upward turn of rents when the leasing market starts to recover. The principal risks with respect to investment in JPR are as follows: • any adverse conditions in the Japanese economy could adversely affect JPR; • an epidemic such as SARS, MERS and COVID-19 may have a significant long-term adverse impact on economic activities, including as a result of self-isolation measures, which in turn may adversely affect the performance of the portfolio and market price of the units; • JPR may not be able to acquire properties to execute the growth and investment strategy in a manner that is accretive to earnings; • illiquidity in the real estate market may limit the ability to grow or adjust the portfolio; • the past experience of the asset manager (the “AIFM”) in the Japanese real estate market is not an indicator or guarantee of the future results; • JPR’s reliance on JPR’s related parties, sponsors, the AIFM and other third party service providers could have a material adverse effect on its business; • JPR may change its detailed investment policy without a formal amendment of the articles of incorporation. • there are potential conflicts of interest between JPR, JPR’s related parties and sponsors as well as the AIFM;

	• JPR's revenues largely comprise leasing revenues from the portfolio properties, which may be negatively affected by factors including vacancies, decreases in rent, and late or missed payments by tenants; • JPR may suffer the circumstances of a single tenant because JPR invests in commercial buildings many of which are used by a single tenant; • JPR's may be exposed to hotel-specific risks, including from reliance on hotel operators and difficulty of converting hotels for other uses; • JPR faces significant competition in seeking tenants and it may be difficult to find replacement tenants; • increases in interest rates may increase the interest expense and may result in a decline in the market price of the units; • JPR may suffer large losses if any of the properties incurs damage from a natural or man-made disaster; • properties in the portfolio may be concentrated in certain areas; • any inability to obtain financing from issuance of investments units, loan and issuance of investment corporation bonds for future acquisitions could adversely affect the growth of the portfolio; • JPR's failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify JPR from certain taxation benefits and significantly reduce the cash distributions to the unitholders; • the ownership rights in some of the properties may be declared invalid or limited; and • execution of JPR's external growth strategy based on support from sponsors may not achieve the anticipated results. In addition, JPR is subject to the following risks: • risks related to increasing operating costs; • risks related to JPR's dependence on the efforts of the AIFM's key personnel; • risks related to the restrictive covenants under debt financing arrangement; • risks related to entering into forward commitment contracts; • risks related to third party leasehold interests in the land underlying JPR's properties; • risks related to holding property in the form of compartmentalized ownership (*kubun shoyū*) interests or co-ownership interests (*kyōyū-mochibun*); • risks related to holding property in the form of limited proprietary right of land (as it called "*soko-chi*") • risks related to holding property on sites designated as provisionally allocated land (*kari kanchi*); • risks related to holding property through trust beneficiary interests;

	• risks related to properties not in operation (including properties under development); • risks related to the defective title, design, construction or other defects or problems in the properties including non-conformity to agreements; • risks related to suffering impairment losses relating to the properties; • risks related to decreasing tenant leasehold deposits and/or security deposits; • risks related to tenants' default as a result of financial difficulty or insolvency; • risks related to the insolvency of the master lessee; • risks related to acquisition of property from an insolvent seller; • risks related to relying on expert appraisals and engineering, environmental and seismic reports as well as industry and market data; • risks related to the presence of hazardous or toxic substances in the properties, or the failure to properly remediate such substances; • risks related to the strict environmental liabilities for the properties; • risks related to the amendment of the applicable administrative laws and local ordinances; • risks related to holding interests in properties through preferred shares of special purpose companies *(tokutei mokuteki kaisha)*; • risks related to investments in trust beneficiary interest; • risks related to the tight supervision by the regulatory authorities and compliance with applicable rules and regulations; • regulatory and financial risks related to climate change, including as a result of global warming countermeasures; • risks related to the tax authority disagreement with the AIFM's interpretations of the Japanese tax laws and regulations; • risks related to being unable to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs; • risks related to changes in Japanese tax laws; and • the risk of dilution as a result of further issuances of units; and • risks related to the difference between unitholders' rights and shareholders' rights; • risks related to the AIFM's management of multiple J-REITs; • risks related to global warming countermeasures; and • risk related to increase in tax burden due to discrepancies between accounting treatment and tax treatment.
Any applicable investment restrictions	JPR is subject to investment restrictions under Japanese laws and regulations (e.g., the Act on Investment Trusts and Investment Corporations (the "ITA"), the Financial Instruments and Exchange Act (the "FIEA")) as well as its articles of incorporation.

	JPR must invest primarily in specified assets as defined in the ITA. Specified assets include, but are not limited to, securities, real estate, leaseholds of real estate, surface rights (*chijō-ken*) (i.e., right to use land for the purpose of having a structure on it) or trust beneficiary interests for securities or real estate, leaseholds of real estate or surface rights. Furthermore, a listed J-REIT must invest substantially all of its assets in real estate, real estate-related assets and liquid assets as provided by the listing requirements. Real estate in this context includes, but is not limited to, real estate, leaseholds of real estate, surface rights, and trust beneficiary interests for these assets, and real estate-related assets in this context include, but are not limited to, anonymous association (*tokumei kumiai*) interests for investment in real estate. Pursuant to the ITA, investment corporations may not independently develop land for housing or to construct buildings, but may outsource such activities in certain circumstances.
Circumstances in which the AIF may use leverage	JPR may take out loans or issue long-term or short-term investment corporation bonds for the purpose of investing in properties, conducting repairs, paying cash distributions, repaying obligations (including repayment of tenant leasehold or security deposits, and obligations related to loans or long-term or short-term investment corporation bonds) and other activities.
The types and sources of leverage permitted and associated risks	Loans or investment corporation bonds. JPR currently does not have any outstanding guarantees, but may be subject to restrictive covenants in connection with any future indebtedness that may restrict the operations and limit the ability to make cash distributions to unitholders, to dispose of the properties or to acquire additional properties. Furthermore, JPR may violate restrictive covenants contained in the loan agreements JPR executes, such as the maintenance of debt service coverage or loan-to-value ratios, which may entitle the lenders to require JPR to collateralize the properties or demand that the entire outstanding balance be paid. Further, in the event of an increase in interest rates, to the extent that JPR has any debt with unhedged floating rates of interest or JPR incurs new debt, interest payments may increase, which in turn could reduce the amount of cash available for distributions to unitholders. Higher interest rates may also limit the capacity for short- and long-term borrowings, which would in turn limit the ability to acquire properties, and could cause the market price of the units to decline.
Any restrictions on leverage	The maximum amount of each loan and investment corporation bond issuance will be one trillion yen, and the aggregate amount of all such debt will not exceed one trillion yen.
Any restrictions on collateral and asset reuse arrangements	No applicable arrangements.

Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	JPR has set an upper limit of 55% as a general rule for its loan-to-value, or LTV, ratio in order to operate with a stable financial condition. Additionally, JPR strives to maintain its LTV at not more than 50%. JPR may, however, temporarily exceed any such levels as a result of property acquisitions or other events.
Article 23(1) (b)	
Procedure by which the AIF may change its investment strategy / investment policy	Amendment of the articles of incorporation. Amendment requires a quorum of a majority of the total issued units and at least a two-thirds vote of the voting rights represented at the meeting. Unitholders should note, however, that under the ITA and our articles of incorporation, unitholders who do not attend and exercise their voting rights at a general meeting of unitholders are deemed to be in agreement with proposals submitted at the meeting, except in cases where contrary proposals are also being submitted. Additionally, the guidelines of the AIFM, which provide more detailed policies within JPR's overall investment strategy and policy, can be modified without such formal amendment of the articles of incorporation.
Article 23(1) (c)	
Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including jurisdiction, applicable law, and the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	JPR is a corporate-type investment trust in the form of investment corporation (*toshi hojin*) provided for under the ITA. Therefore, the relationship between JPR and its unitholders is governed by JPR' articles of incorporation (as opposed to individual agreements), which can be amended from time to time upon resolution of a general unitholders' meeting. JPR' articles of incorporation stipulate rules relating to general unitholders' meetings, including the convocation, setting of record date, exercise of voting rights, resolutions and election of JPR' directors. The relationship between JPR and its unitholders is also governed by, and is subject to the provisions of, Japanese law, including the ITA. The courts in Japan would recognize as a valid judgment any final and conclusive civil judgment for monetary claims (which, for this purpose, are limited to those of a purely civil nature and do not include monetary claims of the nature of criminal or administrative sanction, such as punitive damages, even though they take the form of civil claims) against JPR obtained in a foreign court provided that (i) the jurisdiction of such foreign court is admitted under the laws of Japan, (ii) JPR has received service of process for the commencement of the relevant proceedings, otherwise than by a public notice or any method comparable thereto, or has appeared without any reservation before such foreign court, (iii) neither such judgment nor the relevant proceeding is repugnant to public policy as applied in Japan, (iv) there exists reciprocity as to the recognition by such foreign court of a final judgment obtained in a Japanese court and (v) there is no conflicting judgement on the subject matter by any Japanese court.

	JPR has entered into the following agreements with Tokyo Tatemono Co., Ltd.: • Open tenant agent agreement; • Property management agreements JPR has entered into the following agreements with several sponsors other than Tokyo Tatemono Co., Ltd. (its sponsors are Tokyo Tatemono Co., Ltd., Taisei Corporation, Yasuda Real Estate Co., Ltd. and Meiji Yasuda Life Insurance Company): • Open tenant agent agreement with Taisei Corporation; • Open tenant agent agreement with Yasuda Real Estate Co., Ltd. JPR has entered into the following agreements with Mizuho Trust & Banking Co., Ltd.: • A custody and administrative agent agreement regarding JPR's assets; • A transfer agent agreement regarding the units JPR has entered into various agreements related to JPR's investment corporation bond offerings with Mizuho Bank, Ltd. All of the above agreements are governed by Japanese law. JPR is not involved in or threatened by any legal arbitration, administrative or other proceedings, the results of which might, individually or in the aggregate, be material.
Article 23(1) (d)	
The identity of the AIFM, AIF's depositary, auditor and any other service providers and a description of their duties and the investors' rights thereto	• AIFM (Asset Manager): Tokyo Realty Investment Management, Inc. The AIFM manages and operates the operating assets. • Auditor: Ernst & Young ShinNihon LLC The auditor audits financial statements and prepare audit reports. • Custodian and Transfer Agent: Mizuho Trust & Banking Co., Ltd. • General Administrators: Mizuho Trust & Banking Co., Ltd. The custodian provides administrative services related to custody of assets. The general administrator provides administrative services related to unitholders' roster, investment units and management of institutions. Service providers owe contractual obligations under their respective agreements with the AIF or AIFM, as the case may be. In addition, the FIEA provides that the Asset Manager owes the AIF a fiduciary duty and must conduct its activities as the asset manager in good faith.

	The FIEA also prohibits the Asset Manager from engaging in certain specified conduct, including entering into transactions outside the ordinary course of business or with related parties of the Asset Manager that are contrary to or violate the AIF's interests. Pursuant to the ITA, the unitholders have the right to approve the execution or termination of the asset management agreement at a general meeting of unitholders.
Article 23(1) (e)	
Description of how the AIFM complies with the requirements to cover professional liability risks (own funds / professional indemnity insurance)	Not applicable.
Article 23(1) (f)	
Description of any delegated management function such as portfolio management or risk management and of any safekeeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations	Not applicable. There is no delegation of such functions beyond the AIFM, which is responsible for portfolio and risk management, and the Custodian, which is responsible for safekeeping activities.
Article 23(1) (g)	
Description of the AIF's valuation procedure and pricing methodology, including the methods used in valuing hard-to-value assets	JPR makes investment decisions based on the valuation of properties, upon consideration of the property appraisal value. JPR shall evaluate assets in accordance with its Article of Incorporation. The methods and standards that JPR uses for the evaluation of assets shall be based on the Regulations Concerning the Calculations of Investment Corporations, as well as the Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations and other regulations stipulated by ITA, in addition to Japanese GAAP.

	J-REITs may only use the valuation methods prescribed in the rules of the Investment Trusts Association, Japan, which emphasize market price valuation.
Article 23(1) (h)	
Description of the AIF's liquidity risk management, including redemption rights in normal and exceptional circumstances and existing redemption arrangements with investors	The AIFM stipulates basic provisions of risk management in its risk management rules. Additionally, the AIF uses various financing methods, including investment corporation bonds and long-term loans, to finance acquisitions and repayment obligations. JPR controls related risk by maintaining the ratio of interest-bearing debt to total assets under a certain percentage, diversifying repayment deadlines, and retaining a certain amount of highly liquid cash and deposits. For floating rate borrowings exposed to the risk of interest rate fluctuations, JPR closely monitors the movement of interest rates, and intends to increase the proportion of its obligations subject to fixed rate loans and similar instruments. Risks related to deposits are managed through the use of liquid deposits. As JPR is a closed-end investment corporation, unitholders are not entitled to request the redemption of their investment.
Article 23(1) (i)	
Description of all fees, charges and expenses and a maximum amount which is directly / indirectly borne by the investors	<u>Compensation</u>: The articles of incorporation provide that JPR may pay its executive officer and each of the supervisory officers up to 400,000 to 500,000 yen per month. The board of officers is responsible for determining a reasonable compensation amount for the executive officer and each of the supervisory officers. <u>Asset Manager</u>: • Asset Management Fee: JPR will pay the Asset Manager an asset management fee as follows: ○ Until December 31, 2023 1. Management Fee #1 The amount equivalent to total acquisition price x 0.05% (any amount less than 1 yen will be truncated), where total acquisition price refers to the total acquisition price of assets under management held as of the end of the immediately preceding fiscal period (net of any acquisition costs, consumption tax and local consumption tax). When the relevant fiscal period is less than six months, the fee shall be calculated on a pro-rata basis based on the actual number of days. Management Fee #1 is payable within three months from the end of each fiscal period. 2. Management Fee #2 The amount equivalent to 1.2% of JPR's total revenue of the fiscal period (any amount less than 1 yen will be truncated). Total revenue shall be the total of rent revenue,

	common charges, parking revenue, incidental income, fee for use of facilities, installation fees, late charges, cancellation penalty arising from cancellation of lease and any other income, interest or distribution arising from our real estate assets and other related income from the rent business. Management Fee #2 is payable within three months from the end of each fiscal period. 3. Management Fee #3 The amount equivalent to the distributable base amount x 3.8% x variance in the distributable base amount per unit (any amount less than 1 yen will be truncated), where (i) the distributable base amount refers to income before income taxes prior to deduction of Management Fee #3 as of the end of the relevant fiscal period and non-deductible consumption taxes, but after recognizing any gain or loss on sale of assets under management; and (ii) variance in the distributable base amount per unit refers to the distributable base amount per unit for the relevant fiscal period, divided by the average of the distributable base amount per unit for the most recent three fiscal periods exclusive of the relevant fiscal period. The distributable base amount per unit for a fiscal period shall be calculated by dividing the distributable base amount by the total number of units issued at the end of such fiscal period (excluding any treasury units that are unappropriated or unamortized at the end of any fiscal period). In addition, if any of the following circumstances become effective and the total number of units issued increases or decreases in the most recent four fiscal periods inclusive of the relevant fiscal period, the total number of units issued at the end of each fiscal period for the most recent four fiscal periods inclusive of the relevant fiscal period shall be adjusted by the following methods to factor out the impact of such increase or decrease on distributable base amount per unit: (i) Unit consolidation or split The total number of units issued at the end of each fiscal period shall be adjusted for any unit consolidation or split conducted in the most recent four fiscal periods by treating it as if it became effective at the beginning of the most recent four fiscal periods inclusive of the relevant fiscal period. (ii) Issuance of new units upon exercise of options allotted to unitholders for no consideration The number of units issued upon any exercise, multiplied by the amount calculated by dividing the relevant exercise price per unit (or an equivalent price

	determined at a meeting of the board of directors) by the market price per unit, shall be deemed to be new units issued at the market price. The number of new units issued upon any such exercise, minus such number of units deemed to have been issued at the market price, will be treated as if issued pursuant to a unit split, and the rule described in (i) shall apply. Variation of the distributable base amount per unit shall be no less than 80% and no more than 120%. Management Fee #3 is payable within three months from the end of each fiscal period. 4. Management Fee #4 For each real estate property or security that is primarily backed by real estate that JPR acquires, the Asset Manager receives a fee equal to 0.5% of the acquisition price (net of any acquisition costs, consumption tax and local consumption tax) (any amount less than 1 yen will be truncated). If the Asset Manager conducts an investigation and valuation of the assets held by the counterparty to a consolidation-type merger or an absorption-type merger involving JPR (regardless of whether JPR is the corporation surviving the absorption-type merger or the corporation disappearing in the absorption-type merger) or other merger-related services for JPR and the merger becomes effective, the amount equivalent to 0.5% of the total appraisal value as of the effective date of the merger of the real estate-related assets held by the counterparty to the merger that are succeeded to or held by the corporation incorporated in the consolidation-type merger or the corporation surviving the absorption-type merger (any amount less than 1 yen will be truncated). Management Fee #4 is payable by the end of the month immediately following the month of acquisition. 5. Management Fee #5 The amount equivalent to 0.5% of the sale price of any real estate-related assets that JPR owns (net of any acquisition costs, consumption tax and local consumption tax) (any amount less than 1 yen will be truncated); except that the Asset Manager shall not be entitled to any Management Fee #5 if charging JPR with the amount calculated in accordance with the foregoing rule would result in JPR incurring a loss on the sale of such real estate-related assets.

	Management Fee #5 is payable by the end of the month immediately following the month of acquisition. ○ On and after January 1, 2024 1. Management Fee #1 The amount is the total of the values in (1) to (4) below (any amount less than 1 yen will be truncated). (1) Total acquisition price x 0.045% (2) Total acquisition price x 0.002% x multiplier determined based on the percentage of GHG emission reduction (3) Acquisition price of each portfolio asset x 0.001% x multiplier determined based on the property certification evaluation (4) Total acquisition price x 0.001% x multiplier determined based on the GRESB evaluation * Acquisition price shall be the acquisition price of each portfolio asset at the end of the immediately preceding fiscal period (excludes consumption tax, local consumption tax or expenses associated with the acquisition). Total acquisition price shall be the total amount of the acquisition prices of portfolio assets at the end of the immediately preceding fiscal period. * When the relevant fiscal period is less than six months, the fee shall be calculated on a pro-rata basis based on the actual number of days. * Management Fee #1 is payable within three months from the end of each fiscal period. 2. Management Fee #2 The amount equivalent to 1.2% of JPR’s total revenue of the fiscal period (any amount less than 1 yen will be truncated). * Total revenue shall be the total of rent revenue, common charges, parking revenue, incidental income, fee for use of facilities, installation fees, late charges, cancellation penalty arising from cancellation of lease and any other income, interest or distribution arising from our real estate assets and other related income from the rent business. * Management Fee #2 is payable within three months from the end of each fiscal period.

	3. Management Fee #3 The amount equivalent to the distributable base amount x 3.8% x variance in the distributable base amount per unit (any amount less than 1 yen will be truncated). * The distributable base amount shall be income before income taxes prior to deduction of Management Fee #3 as of the end of the relevant fiscal period and non-deductible consumption taxes (it does not include gain or loss on sale, gain on exchange or loss on exchange, or other gain or loss related to the transfer of portfolio assets). * Variance in the distributable base amount per unit shall be the distributable base amount per unit for the relevant fiscal period, divided by the average of the distributable base amount per unit for the most recent three fiscal periods exclusive of the relevant fiscal period. The distributable base amount per unit for a fiscal period shall be calculated by dividing the distributable base amount by the total number of units issued at the end of such fiscal period (excluding any treasury units that are unappropriated or unamortized at the end of any fiscal period). * In addition, if any of the following circumstances become effective and the total number of units issued increases or decreases in the most recent four fiscal periods inclusive of the relevant fiscal period, the total number of units issued at the end of each fiscal period for the most recent four fiscal periods inclusive of the relevant fiscal period shall be adjusted by the following methods to factor out the impact of such increase or decrease on distributable base amount per unit: (i) Unit consolidation or split The total number of units issued at the end of each fiscal period shall be adjusted for any unit consolidation or split conducted in the most recent four fiscal periods by treating it as if it became effective at the beginning of the most recent four fiscal periods inclusive of the relevant fiscal period. (ii) Issuance of new units upon exercise of options allotted to unitholders for no consideration The number of units issued upon any exercise, multiplied by the amount calculated by dividing the relevant exercise price per unit (or an equivalent price determined at a meeting of the board of directors) by the market price per unit, shall be deemed to be new units issued at the market price. The number of new units issued upon any such exercise, minus such number of units deemed to have been issued at the market price, will be treated as if issued pursuant to a unit split, and the rule described in (i) shall apply. * Variation of the distributable base amount per unit shall be no less than 80% and no more than 120%.

	*Management Fee #3 is payable within three months from the end of each fiscal period. 4. Management Fee #4 For each real estate property or security that is primarily backed by real estate that JPR acquires, the Asset Manager receives a fee equal to 0.1% (or 0.5% in the case of acquisition from a related party as defined in the Board of Director's Regulations) of the acquisition price (net of any acquisition costs, consumption tax and local consumption tax) (any amount less than 1 yen will be truncated). If the Asset Manager conducts an investigation and valuation of the assets held by the counterparty to a consolidation-type merger or an absorption-type merger involving JPR (regardless of whether JPR is the corporation surviving the absorption-type merger or the corporation disappearing in the absorption-type merger) or other merger-related services for JPR and the merger becomes effective, the amount equivalent to 0.5% of the total appraisal value as of the effective date of the merger of the real estate-related assets held by the counterparty to the merger that are succeeded to or held by the corporation incorporated in the consolidation-type merger or the corporation surviving the absorption-type merger (any amount less than 1 yen will be truncated). *Management Fee #4 is payable by the end of the month immediately following the month of acquisition. 5. Management Fee #5 The amount equivalent to 12.5% of the gain on sale of real estate, etc. (any amount less than 1 yen will be truncated). * Gain on sale of real estate, etc. shall be the amount obtained in the event of the sale of a real estate-related asset when the book value at the time of sale and sale expenses before recognition of Management Fee #5 are deducted from the sale price. Management Fee #5 does not arise if this amount is negative. The fee amount is calculated for each asset sold. * The amount obtained when the sale price is multiplies by 0.5% shall be the minimum fee and the fee amount shall be whichever is larger out of the amount calculated in accordance with the above and the minimum fee, provided that, if the minimum fee is applied, the fee shall be not exceed the gain on sale of real estate,

etc.

* Management Fee #5 is payable within three months after the end of fiscal period.

Custodian/ General Administrator:

- Custodian Fee and General Administrators Fee: JPR will pay the Custodian/General Administrator a fee per fiscal period calculated by adding the following amounts:
    1. One-half of the amount of assets at the end of the previous fiscal period multiplied by the following proportions.

Amount of Assets at End of the Previous Fiscal Period (JPY billion)	Rates
Portions not exceeding 200	0.040%
Over 200 to 400	0.020%
Over 400 to 600	0.018%
Over 600	0.016%

    2. One-half of the number of real estate properties held directly by JPR (not through a trust structure) at end of the previous fiscal period multiplied by an amount up to 1 million yen and determined through discussions among JPR, the Custodian and General Administrator.

Transfer Agent:

- Transfer Agent Fee (Standard Fee):
  Standard transfer agent fees are for services such as preparation, maintenance and storage of JPR's unitholder register; preparation and reporting of the end-of-fiscal period unitholders register and unitholder statistical data.
  The monthly standard fees will be the total of the amount calculated using the following table divided by 6, with a minimum monthly fee of 200,000 yen.

Number of Unitholders	Fees per Unitholder
first 5,000 unitholders	480 yen
over 5,000 to 10,000	420 yen
over 10,000 to 30,000	360 yen
over 30,000 to 50,000	300 yen
over 50,000 to 100,000	260 yen
over 100,000	225 yen

- Other fees:

	JPR pays the transfer agent other fees for various other services, including in connection with the issuance of dividends. <u>Auditor</u>: • Auditor Fee: JPR may pay the independent auditor up to 15 million yen per fiscal period. The board of officers is responsible for determining the actual compensation amount. The AIF may also incur other miscellaneous fees in connection with property management, issuance of units, investment corporation bonds and the operation, acquisition or disposition of properties.
Article 23(1) (j)	
Description of the AIFM's procedure to ensure fair treatment of investors and details of any preferential treatment received by investors, including detailing the type of investors and their legal or economic links with the AIF or AIFM	Under Article 77 paragraph 4 of the Act on Investment Trusts and Investment Corporations of Japan, which applies the requirements of Article 109 paragraph 1 of the Companies Act to investment corporations, investment corporations are required to treat unitholders equally depending on the number and content of units held. In addition, upon liquidation, the allotment of residual assets to unitholders is required to be made equally depending on the number units held under Article 77 paragraph 2 item 2 and Article 158 of the ITA.
Article 23(1) (k)	
The latest annual report referred to in Article 22(1)	Additional information may be found in our most recent semi-annual report prepared in accordance with Article 22 of the AIFMD, which is available at the Asset Manager's office located at 4-16 Yaesu 1-Chome, Chuo-ku, Tokyo.
Article 23(1) (l)	
The procedure and conditions for the issue and sale of the units	JPR is authorized under the articles of incorporation to issue up to 5,000,000 units. Its units have been listed on the Tokyo Stock Exchange since June 14, 2002. Secondary market sales and transfers of units will be conducted in accordance with the rules of the Tokyo Stock Exchange. Unit prices on the Tokyo Stock Exchange are determined

	on a real-time basis by the equilibrium between bids and offers. The Tokyo Stock Exchange sets daily price limits, which limit the maximum range of fluctuation within a single trading day. Daily price limits are set according to the previous day's closing price or special quote.
Article 23(1) (m)	
Latest net asset value of the AIF or latest market price of the unit or share of the AIF	JPR's unit's latest market price is publicly available at the Tokyo Stock Exchange or from financial information venders (including Reuters, which can be viewed at https://www.reuters.com/markets/companies/8955.T
Article 23(1) (n)	
Details of the historical performance of the AIF, where available	The units of JPR were listed on the Tokyo Stock Exchange on June 14, 2002. The most recent five fiscal periods' performance of the units is as follows.
Article 23(1) (o)	
Identity of the prime broker, any material arrangements of the AIF with its prime brokers, how conflicts	No applicable prime broker.

Fiscal period	Total Assets (JPY million)	Total Net Assets (JPY million)	Total unitholders' equity per unit (base value) (JPY)
44th Fiscal Period (July 1, 2023 to December 31, 2023)	510,802	273,752	274,527
43rd Fiscal Period (January 1, 2023 to June 30, 2023)	510,069	273,974	274,749
42nd Fiscal Period (July 1, 2022 to December 31, 2022)	507,655	273,603	274,378
41st Fiscal Period (January 1, 2022 to June 30, 2022)	507,005	272,912	273,684
40th Fiscal Period (July 1, 2021 to December 31, 2021)	495,615	257,649	268,875

of interest are managed with the prime broker and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist	
Article 23(1) (p)	
Description of how and when periodic disclosures will be made in relation to leverage, liquidity and risk profile of the assets, pursuant to Articles 23(4) and 23(5)	The AIFM will disclose the matters described in Articles 23(4) and 23(5) periodically through the AIF Internet website and fiscal report.
Article 23(2)	
The AIFM shall inform the investors before they invest in the AIF of any arrangement made by the depositary to contractually discharge itself of liability in accordance with Article 21(13)	Not applicable.
The AIFM shall also inform investors of any changes with	Not applicable.

respect to depositary liability without delay	
Article 23(4)(a)	
Percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature. The percentage shall be calculated as the net value of those assets subject to special arrangements divided by the net asset value of the AIF concerned	There are no assets that are subject to special arrangements arising from their illiquid nature.
Overview of any special arrangements, including whether they relate to side pockets, gates or other arrangements	There are no such special arrangements.
Valuation methodology applied to assets which are subject to such arrangements	There are no such special arrangements.
How management and performance fees apply to such assets	There are no such special arrangements.
Article 23(4)(b)	
Any new arrangements for managing the liquidity of the AIF	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
For each AIF that the AIFM manages that is not an unleveraged	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

closed-end AIF, notify to investors whenever they make changes to its liquidity management systems (which enable an AIFM to monitor the liquidity risk of the AIF and to ensure the liquidity profile of the investments of the AIF complies with its underlying obligations) that are material in accordance with Article 106(1) of Regulation (EU) No 231/2013 (ie. there is a substantial likelihood that a reasonable investor, becoming aware of such information, would reconsider its investment in the AIF, including because such information could impact an investor’s ability to exercise its rights in relation to its investment, or otherwise prejudice the interests of one or more investors in the AIF).	

Immediately notify investors where they activate gates, side pockets or similar special arrangements or where they decide to suspend redemptions	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Overview of changes to liquidity arrangements, even if not special arrangements	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Terms of redemption and circumstances where management discretion applies, where relevant	JPR is a closed-end investment corporation, and unitholders are not entitled to request the redemption of their investment.
Also any voting or other restrictions exercisable, the length of any lock-up or any provision concerning 'first in line' or 'pro-rating' on gates and suspensions shall be included	There are no voting or other restrictions on the rights attaching to units.
Article 23(4)(c)	
The current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks	The AIFM stipulates basic provisions of risk management in their risk management rules. Investment corporation bonds and long-term loans are used to finance rehabilitation obligations, acquisition of real estate and repayment of loans. These financial instruments are exposed to liquidity risk. JPR manages such risk 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.

	For floating rate borrowings exposed to the risk of interest rate fluctuations, JPR, in order to reduce the impact caused by rising interest rates, closely monitors the movement of interest rates, and intends to increase the ratio of fixed rate loans compared to floating rate loans. Deposits are exposed to risks of failure of the financial institution holding the deposit and other credit risks, but such risks are managed through such measures as setting a minimum credit rating for the financial institutions holding the deposits.
Measures to assess the sensitivity of the AIF's portfolio to the most relevant risks to which the AIF is or could be exposed	No such measures have been implemented.
If risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded a description of the circumstances and the remedial measures taken	No such situation has occurred.
Article 23(5)(a)	
Any changes to the maximum amount of leverage which the AIFM may employ on behalf of the AIF, calculated in accordance with the gross and commitment methods. This shall include the original and revised maximum level of leverage	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

calculated in accordance with Articles 7 and 8 of Regulation (EU) No 231/2013,, whereby the level of leverage shall be calculated as the relevant exposure divided by the net asset value of the AIF.	
Any right of the reuse of collateral or any guarantee granted under the leveraging agreement, including the nature of the rights granted for the reuse of collateral and the nature of the guarantees granted	No such right or guarantee exists.
Details of any change in service providers relating to the above.	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Article 23(5)(b)	
Information on the total amount of leverage employed by the AIF calculated in accordance with the gross and commitment methods	The aggregate amount of debt with interest is JPY 205,400 million as of December 31, 2023.