



JPR

JAPAN PRIME REALTY INVESTMENT
CORPORATION

Presentation Material

for the **22nd** Fiscal Period Ended December **2012**

Japan Prime Realty Investment Corporation
(Securities Code: 8955 TSE)

URL: http://www.jpr-reit.co.jp/jpr_e/



(Asset Manager)

Tokyo Realty Investment Management, Inc.

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Financial Highlights

| | Previous (21st) Period | Current (22nd) Period (Forecast) | Current (22nd) Period (Results) | Change from previous period | Change from forecast | Next (23rd) Period (Forecast) | Change from previous period |
|---|------------------------|----------------------------------|---------------------------------|-----------------------------|----------------------|-------------------------------|-----------------------------|
| Operating revenue | JPY12,345 mn | JPY12,859 mn | JPY12,963 mn | 5.0% | 0.8% | JPY13,017 mn | 0.4% |
| Operating income | JPY6,393 mn | JPY6,624 mn | JPY6,765 mn | 5.8% | 2.1% | JPY6,193 mn | -8.4% |
| Net income | JPY4,596 mn | JPY4,950 mn | JPY5,025 mn | 9.3% | 1.5% | JPY4,785 mn | -4.8% |
| Distribution per unit (DPU) | JPY6,430 | JPY6,000 | JPY6,093 | -5.2% | 1.6% | JPY5,800 | -4.8% |
| Total number of investment units outstanding | 715,000 | 825,000 | 825,000 | 15.4% | — % | 825,000 | — % |
| Properties owned at end of fiscal period | 58 properties | 59 properties | 59 properties | 1 property | — property | 59 properties | — property |
| Total acquisition price | JPY380,984 mn | JPY391,980 mn | JPY391,980 mn | 2.9% | — % | JPY391,980 mn | — % |
| Period-end occupancy rate | 94.1% | 93.7% | 94.9% | 0.8%p | 1.2%p | 94.8% | -0.1%p |
| Period-average occupancy rate at end of month | 94.8% | 93.9% | 94.4% | -0.4%p | 0.5%p | 94.9% | 0.5%p |
| LTV (based on unitholders' capital) | 53.2% | 48.5% | 48.5% | -4.7%p | — %p | 48.4% | -0.1%p |
| LTV (based on gains or losses from valuation) | 52.2% | | 47.5% | -4.7%p | — %p | | |

(Note 1) The forecast for the current (22nd) fiscal period was made upon the announcement of financial results of the previous

(Note 2) LTV (based on unitholders' capital) = Interest-bearing debts / (interest-bearing debts + Unitholders' capital); LTV (based on gains or losses from valuation) = Interest-bearing debts / (Total assets at end of period + Gains or losses from real estate valuation)

(Note 3) Amounts have been rounded down to the nearest specified unit, and the percentage figures such as occupancy rates, LTVs and period-on-period changes have been rounded to the first decimal place.

■ Overview of Financial Results for Current (22nd) Period

- Achieved period-on-period increase both in revenues and profits thanks to full-period operation of property acquired in the previous period and acquisition of new property in the current period contributing to earnings, but DPU was set at JPY 6,093 due to increase in the number of investment units resulting from public offering.
- As operating income surpassed forecast for the current period due to larger-than-assumed improvement in occupancy rate, JPR implemented repayment of borrowings before maturity in order to bolster earnings for the next period and after
- Property acquisition: Acquired Yakuin Business Garden (located in Fukuoka City) in August 2012 for JPY 10.9 billion (excluding acquisition costs and other expenses) by taking advantage of sponsors' pipelines
- Equity financing: Conducted in July 2012, number of investment units issued: 110,000 units, procured amount: JPY 20.7 billion

■ Overview of Forecast for Next (23rd) Period

- Operating income forecast to decrease period-on-period due to recording of property and other taxes (JPY 788 million) for properties acquired in the previous and current periods as expenses
- Anticipates DPU to be JPY 5,800 as a result of compensating the decrease in income, caused by the recording of the said expenses, by JPY 548 million through improvement in NOI and reduction of financial costs, among other things
- With occupancy rate showing a trend of gradual recovery, period-average occupancy rate at end of period based on confirmed contract status reflecting newly concluded contracts and already notified cancellations, etc. is expected to surpass the current period results

Statement of Income and Retained Earnings

(JPY mn)

| | Previous (21st) Period (Jan. 1, 2012 - Jun. 30, 2012) | | Current (22nd) Period (Jul. 1, 2012 - Dec. 31, 2012) | | Change | |
|--|--|--------|---|--------|----------|--------|
| | Amount | % | Amount | % | Amount | % |
| Rental Revenues | 11,626 | 94.2% | 12,160 | 93.8% | 533 | 4.6% |
| Other rental revenues | 719 | 5.8% | 803 | 6.2% | 84 | 11.7% |
| Rent revenue - real estate (1) | 12,345 | 100.0% | 12,963 | 100.0% | 617 | 5.0% |
| Operating revenue | 12,345 | 100.0% | 12,963 | 100.0% | 617 | 5.0% |
| Property and other taxes | 1,031 | 8.4% | 1,025 | 7.9% | -6 | -0.6% |
| Other expenses related to rent business | 2,432 | 19.7% | 2,663 | 20.5% | 230 | 9.5% |
| Outsourcing expenses | 496 | 4.0% | 510 | 3.9% | 13 | 2.8% |
| Utilities expenses | 682 | 5.5% | 833 | 6.4% | 151 | 22.2% |
| Casualty insurance | 27 | 0.2% | 28 | 0.2% | 0 | 2.0% |
| Repairs and maintenance | 347 | 2.8% | 378 | 2.9% | 31 | 9.0% |
| Property management fees | 214 | 1.7% | 208 | 1.6% | -6 | -2.9% |
| Management association accounts | 555 | 4.5% | 563 | 4.3% | 7 | 1.3% |
| Others | 107 | 0.9% | 139 | 1.1% | 32 | 30.5% |
| Depreciation | 1,754 | 14.2% | 1,831 | 14.1% | 77 | 4.4% |
| Expenses related to rent business (2) | 5,217 | 42.3% | 5,519 | 42.6% | 301 | 5.8% |
| Asset management fees | 443 | 3.6% | 465 | 3.6% | 21 | 4.9% |
| Adm. service/custody fees | 74 | 0.6% | 77 | 0.6% | 3 | 4.0% |
| Directors' compensation | 6 | 0.1% | 6 | 0.1% | - | - |
| Trust fees | 42 | 0.3% | 40 | 0.3% | -2 | -5.9% |
| Other operating expenses | 167 | 1.4% | 89 | 0.7% | -78 | -46.7% |
| Operating expenses | 5,952 | 48.2% | 6,198 | 47.8% | 246 | 4.1% |
| Operating income | 6,393 | 51.8% | 6,765 | 52.2% | 371 | 5.8% |
| Profits ((1) - (2)) | 7,127 | 57.7% | 7,443 | 57.4% | 315 | 4.4% |
| Net operating income (NOI) | 8,882 | 71.9% | 9,275 | 71.5% | 392 | 4.4% |
| Non-operating income | 62 | 0.5% | 10 | 0.1% | -52 | -83.5% |
| Interest expenses (incl. investment corporation bonds) | 1,459 | 11.8% | 1,368 | 10.6% | -91 | -6.2% |
| Borrowing expenses | 373 | 3.0% | 260 | 2.0% | -113 | -30.3% |
| Amortization of investment corporation bond issuance costs | 23 | 0.2% | 20 | 0.2% | -3 | -14.3% |
| Investment unit issuance costs | - | - | 98 | 0.8% | 98 | - |
| Other non-operating expenses | 2 | 0.0% | 2 | 0.0% | 0 | -7.3% |
| Non-operating expenses | 1,858 | 15.1% | 1,749 | 13.5% | -109 | -5.9% |
| Ordinary income | 4,597 | 37.2% | 5,026 | 38.8% | 429 | 9.3% |
| Income before income taxes | 4,597 | 37.2% | 5,026 | 38.8% | 429 | 9.3% |
| Net income | 4,596 | 37.2% | 5,025 | 38.8% | 429 | 9.3% |
| Unappropriated retained earnings | 4,622 | 37.4% | 5,050 | 39.0% | 428 | 9.3% |
| Distributions per unit (Note 1) | 6,430 yen | | 6,093 yen | | -337 yen | |
| Total number of units outstanding at end of period | 715,000 | | 825,000 | | 110,000 | |

■ Rent revenues

- Properties owned at end of 20th period — 337 mn yen
- Increase by new move-ins: + 186 mn yen
- Decrease by cancellation: — 370 mn yen
- Increase/decrease by contract revision: — 152 mn yen

(Note) The increase/decrease includes variations in 22nd period due to factors changed in 21st period.

- Properties acquired in 21st period: + 563 mn yen
- Properties acquired in 22nd period: + 306 mn yen

■ Other rental revenues

- Properties owned at end of 21st period: + 32 mn yen
- Incidental income: + 86 mn yen
- Properties acquired in 22nd period: + 51 mn yen

■ Expenses related to rent business

- Properties owned at end of 21st period: + 150 mn yen
- Utilities expenses: + 107 mn yen
- Repairs and maintenance: + 30 mn yen
- Properties acquired in 22nd period: + 151 mn yen

■ Other operating expenses

- Undeductible consumption taxes: — 56 mn yen

■ Non-operating income

- Settlement of management association accounts: — 48 mn yen

■ Interest expenses

- Interest expenses for loans: — 27 mn yen
- Interest expenses on investment corporation bonds: — 63 mn yen

■ Borrowing expenses

- Fees for early repayment: — 115 mn yen

(Note 1) With regard to the distributions per unit, JPR includes part of the retained earnings brought forward that were internally reserved through the previous 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 income taxes, etc., and distributes the amount that is an integral multiple of the number of investment units outstanding as profit distributions.

(Note 2) Amounts have been rounded down to the nearest specified unit and percentages have been rounded to the first decimal place.

Balance Sheet

(JPY mn)

| | Previous (21st) Period (as of Jun. 30 2012) | | Current (22nd) Period (as of Dec. 31, 2012) | | Change | |
|--|--|--------|--|--------|---------|---------|
| | Amount | % | Amount | % | Amount | % |
| Current assets | 25,075 | 6.3% | 20,696 | 5.1% | -4,379 | -17.5% |
| Cash and deposits | 12,750 | 3.2% | 8,402 | 2.1% | -4,347 | -34.1% |
| Cash and deposits in trust | 11,910 | 3.0% | 11,596 | 2.9% | -314 | -2.6% |
| Other current assets | 414 | 0.1% | 697 | 0.2% | 282 | 68.1% |
| Noncurrent assets | 370,795 | 93.6% | 381,111 | 94.8% | 10,315 | 2.8% |
| Property, plant and equipment | 365,368 | 92.3% | 375,722 | 93.5% | 10,354 | 2.8% |
| Real estate | 150,681 | 38.0% | 161,564 | 40.2% | 10,882 | 7.2% |
| Buildings and structures | 44,012 | 11.1% | 49,594 | 12.3% | 5,582 | 12.7% |
| Land | 106,669 | 26.9% | 111,970 | 27.9% | 5,300 | 5.0% |
| Real estate in trust | 214,686 | 54.2% | 214,157 | 53.3% | -528 | -0.2% |
| Buildings and structures | 55,807 | 14.1% | 55,278 | 13.8% | -528 | -0.9% |
| Land | 158,879 | 40.1% | 158,879 | 39.5% | — | — |
| Intangible assets | 4,800 | 1.2% | 4,799 | 1.2% | -0 | -0.0% |
| Leasehold rights | 4,794 | 1.2% | 4,794 | 1.2% | — | — |
| Other intangible assets | 5 | 0.0% | 5 | 0.0% | -0 | -10.0% |
| Investments and other assets | 627 | 0.2% | 589 | 0.1% | -38 | -6.1% |
| Lease and guarantee deposits | 49 | 0.0% | 49 | 0.0% | — | — |
| Others | 577 | 0.1% | 539 | 0.1% | -38 | -6.6% |
| Deferred assets | 146 | 0.0% | 176 | 0.0% | 30 | 20.7% |
| Investment corporation bond issuance cost | 146 | 0.0% | 176 | 0.0% | 30 | 20.7% |
| Total assets | 396,017 | 100.0% | 401,984 | 100.0% | 5,966 | 1.5% |
| Current liabilities | 54,346 | 13.7% | 35,659 | 8.9% | -18,687 | -34.4% |
| Accounts payable - other | 3,875 | 1.0% | 2,580 | 0.6% | -1,295 | -33.4% |
| Advances received | 2,328 | 0.6% | 2,461 | 0.6% | 132 | 5.7% |
| Short-term loans payable | 20,600 | 5.2% | — | — | -20,600 | -100.0% |
| Current portion of long-term loans payable | 18,543 | 4.7% | 30,618 | 7.6% | 12,075 | 65.1% |
| Current portion of investment corporation bonds | 9,000 | 2.3% | — | — | -9,000 | -100.0% |
| Noncurrent liabilities | 165,635 | 41.8% | 169,156 | 42.1% | 3,520 | 2.1% |
| Tenant leasehold and security deposits | 18,697 | 4.7% | 19,217 | 4.8% | 519 | 2.8% |
| Long-term loans payable | 104,438 | 26.4% | 100,439 | 25.0% | -3,999 | -3.8% |
| Investment corporation bonds | 42,500 | 10.7% | 49,500 | 12.3% | 7,000 | 16.5% |
| Total liabilities | 219,981 | 55.5% | 204,815 | 51.0% | -15,166 | -6.9% |
| Unitholders' capital | 171,339 | 43.3% | 192,044 | 47.8% | 20,704 | 12.1% |
| Surplus | 4,696 | 1.2% | 5,124 | 1.3% | 428 | 9.1% |
| Total unitholders' equity | 176,035 | 44.5% | 197,168 | 49.0% | 21,132 | 12.0% |
| Total liabilities and unitholders' equity | 396,017 | 100.0% | 401,984 | 100.0% | 5,966 | 1.5% |

■ Cash and deposits status

(JPY mn)

| | End of 21st Period | End of 22nd Period | Change |
|--|--------------------|--------------------|--------|
| Cash and deposits | 24,660 | 19,998 | -4,661 |
| Tenant leasehold and security deposits (except tenant leasehold and security deposits) ^(Note) | 11,197 | 9,717 | -1,480 |

(Note) Amount equivalent to leasehold deposits released from tenants (7,500 million yen at end of 21st period and 9,500 million yen at end of 22nd period) are excluded.

■ Noncurrent assets

(JPY mn)

| | |
|--------------------------|----------------|
| Property acquisition | +11,493 |
| Buildings and structures | +6,193 |
| Land | +5,300 |
| Capital expenditure | +679 |
| Depreciation | -1,831 |
| Others | -25 |
| Total | +10,315 |

■ Interest-bearing debt status

(JPY mn)

| | New procurement | Repayment/redemption | Change |
|------------------------------|-----------------|----------------------|----------------|
| Short-term loans payable | — | 20,600 | -20,600 |
| Long-term loans payable | 15,900 | 7,824 | +8,076 |
| Investment corporation bonds | 7,000 | 9,000 | -2,000 |
| Total | 22,900 | 37,424 | -14,524 |

■ Unitholders' equity

(JPY mn)

| | |
|---|----------------|
| Unitholders' capital | +20,704 |
| (Fund procurement through equity financing) | |
| Cash distribution payment | -4,597 |
| Net income | +5,025 |
| Total | +21,132 |

(Note) Amounts have been rounded down to the nearest specified unit and percentages have been rounded to the first decimal place.

New Property Acquisition (22nd Period)

Yakuin Business Garden

1. Property Overview

| | |
|-------------------|--|
| Location | 1-1, Yakuin 1-chome, Chuo-ku, Fukuoka-shi, Fukuoka |
| Completion | January 2009 |
| Total floor space | 22,286.35m ² |
| Type of ownership | Ownership |

2. Transaction Summary

| | |
|-------------------|---|
| Seller | Yakuin Holdings TMK (an SPC invested in by Tokyo Tatemono) |
| Asset type | Real Estate |
| Acquisition price | 10,996 million yen |
| Appraisal value | 11,300 million yen (as of December 31, 2012) |
| Acquisition date | August 8, 2012 |

3. Yield (Current Base)

| | |
|---------------------------------|--|
| NOI yield (Note) | 6.5% (Reference) Portfolio average: 4.7% |
| Yield after depreciation (Note) | 4.7% (Reference) Portfolio average: 3.8% |

(Note) NOI yield is calculated by dividing the NOI results for the 22nd period by the acquisition price, and yield after depreciation is calculated by dividing the rental income results (NOI subtracted by depreciation) by the acquisition price, with the figures rounded to the first decimal place.

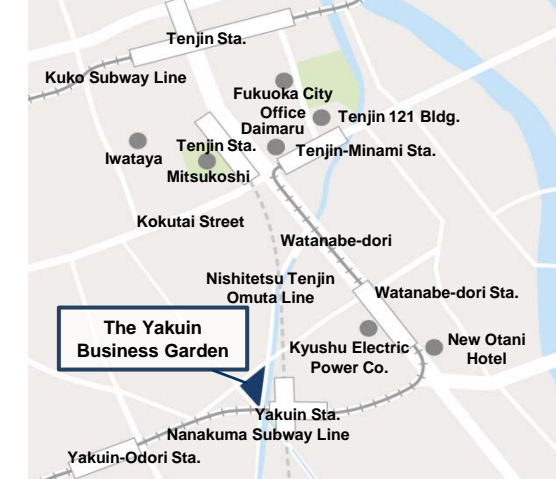
Property characteristics

- Blue-chip companies place their hub offices in the area where the property is situated, and the location features excellent traffic access with multiple train lines and bus routes.
- The property has a floor space that is among the largest in the area (400 tsubos for a standard floor), features high specification facilities as well as high seismic performance, and offers an improved office environment through greening.
- The DBJ Green Building Certification (certification level of Gold) was granted to the property in 2012.
- The property allows expectations for enhanced earnings through internal growth in the future.

Exterior



Location map



Approx. 2-minute walk from Yakuin Station on the Nishitetsu Tenjin-Omuta Line and Fukuoka City Subway Nanakuma Line

Inside of an office



Seismic damping braces

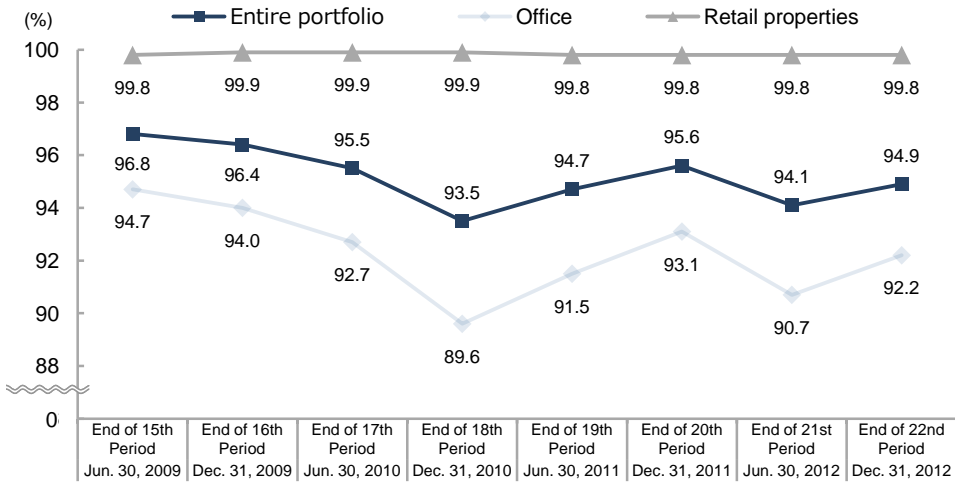


Exterior greenery



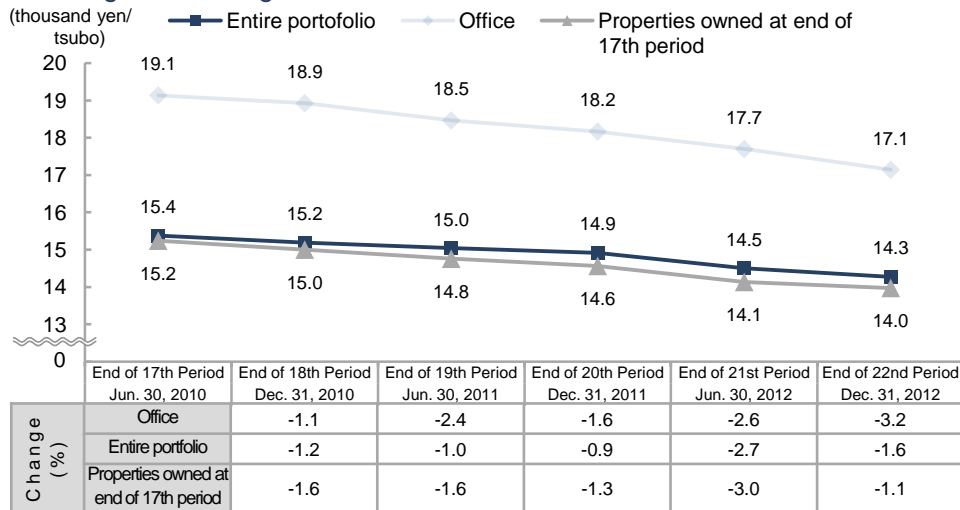
Leasing Status

Changes in Period-End Occupancy Rates of Properties



(Note 1) The figures represent the ratio of total leased space to total leasable space.
 (Note 2) The figures have been rounded to the first decimal place.

Changes in Average Rent



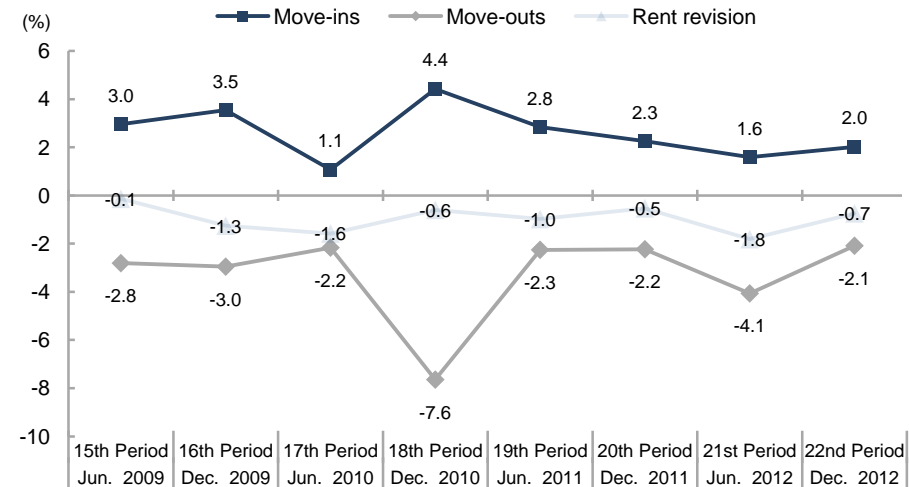
(Note) The graph shows the monthly rent revenue per tsubo of occupied spaces including common charges at each point in time. Values for the properties owned at end of 17th period are the average unit rent for properties owned as of the end of the 17th fiscal period. Period-on-period changes have been rounded to the first decimal place.

Changes in Occupancy Rate at End of Period by Property

| Property name | End of 21st Period (Jun. 30, 2012) | End of 22nd Period (Dec. 31, 2012) | Change (%) |
|--------------------------------------|------------------------------------|------------------------------------|------------|
| 【Properties with an increase】 | | | |
| JPR Ningyo-cho Bldg. | 45.9 | 100.0 | +54.1p |
| JPR Nihonbashi-horidome Building | 88.1 | 100.0 | +11.9p |
| JPR Ueno East Bldg. | 83.6 | 94.3 | +10.7p |
| JPR Chiba Bldg. | 78.9 | 89.4 | +10.5p |
| JPR Jingumae 432 | 89.8 | 100.0 | +10.2p |
| 【Properties with a decrease】 | | | |
| JPR Daikanyama | 100.0 | 76.5 | -23.5p |
| Shinyokohama 2nd Center Bldg. | 90.4 | 80.6 | -9.8p |
| Arca East | 84.3 | 77.5 | -6.8p |
| Kawaguchi Center Bldg. | 82.3 | 77.8 | -4.5p |
| Yume-ooka Office Tower | 91.1 | 86.9 | -4.2p |

(Note 1) The figures represent the ratio of total leased space to total leasable space.
 (Note 2) The figures have been rounded to the first decimal place.

Changes in Move-ins, Move-outs and Revision of Rents



(Note) The figures represent the ratio of changes in monthly rent due to move-ins, move-outs or rent revisions to the total monthly rent (including common charges) for each fiscal period. The ratio of changes due to rent revisions includes upward revisions under escalation rent and other reasons. Figures have been rounded to the first decimal place.

Financial Strategy (1)

Financial Data

(as of February 15, 2013)

| | End of 21st Period Jun. 30, 2012 | Feb. 15, 2013 | Change |
|--|-------------------------------------|---------------|-------------|
| LTV (based on unitholders' capital) | 53.2% | 48.5% | -4.7%p |
| LTV (based on total assets at end of period) | 49.3% | 44.9% | -4.4%p |
| LTV (based on gains or losses from valuation at end of period) | 52.2% | 47.5% | -4.7%p |
| Ratio of long-term, fixed-ratio borrowings | 75.3% | 84.2% | +8.9%p |
| Average maturity of long-term interest-bearing debts | 3.77 years | 3.95 years | +0.18 years |
| Average interest rate of long-term interest-bearing debts | 1.56% | 1.42% | -0.14%p |

- (Note 1) LTV (based on unitholders' capital) (%) = Interest-bearing debts / (interest-bearing debts + Unitholders' capital)
 LTV (based on total assets at end of period) (%) = Interest-bearing debts / Total assets at end of period
 LTV (based on gains or losses from valuation at end of period) (%) = Interest-bearing debts / (Total assets at end of period + Gains or losses from real estate valuation)
- (Note 2) The LTV (based on total assets at end of period) and the LTV (based on gains or losses from valuation at end of period) as of February 15, 2013 are figures as of the end of the 22nd period (December 31, 2012).
- (Note 3) Average maturity of long-term interest-bearing debts is a weighted average of the remaining period to maturity at the respective dates, calculated in accordance with the balance of respective debts, for long-term interest-bearing debts maturing in more than one year.
- (Note 4) Average interest rate of long-term interest-bearing debts is a weighted average of interest rate at the respective dates, calculated in accordance with the balance of respective debts.
- (Note 5) Figures have been rounded to the nearest specified unit.

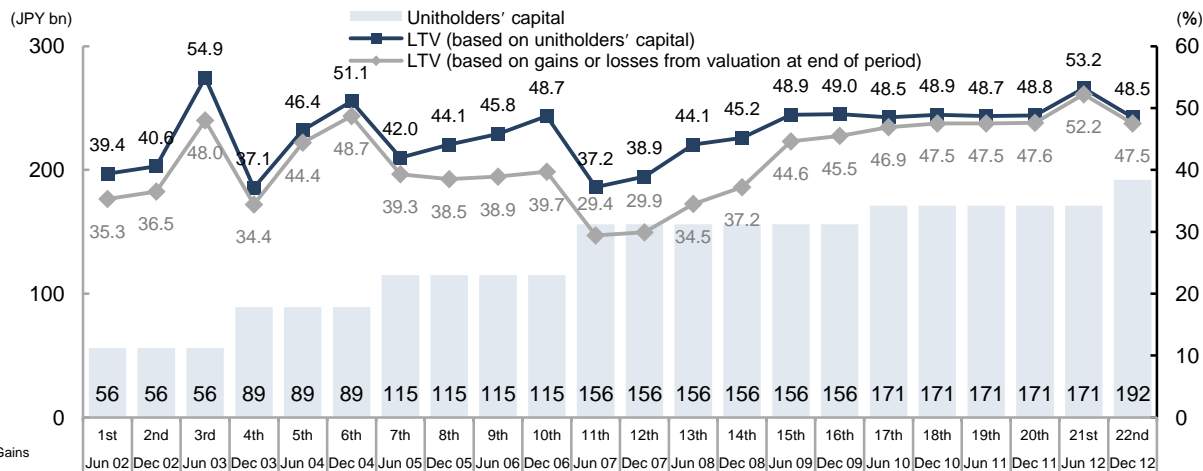
Corporate Credit Rating

(as of February 15, 2013)

| Credit Rating Agency | Corporate Credit Rating (Outlook) |
|---|--|
| Rating and Investment Information, Inc. (R&I) | AA- (Stable) |
| Standard & Poor's Ratings Japan K.K. (S&P) | Long-term: A (Stable) Short-term: A-1 |
| Moody's Japan K.K. (Moody's) | A3 (Stable) (Note) |

(Note) The rating outlook was changed from "negative" to "stable" on February 4, 2013.

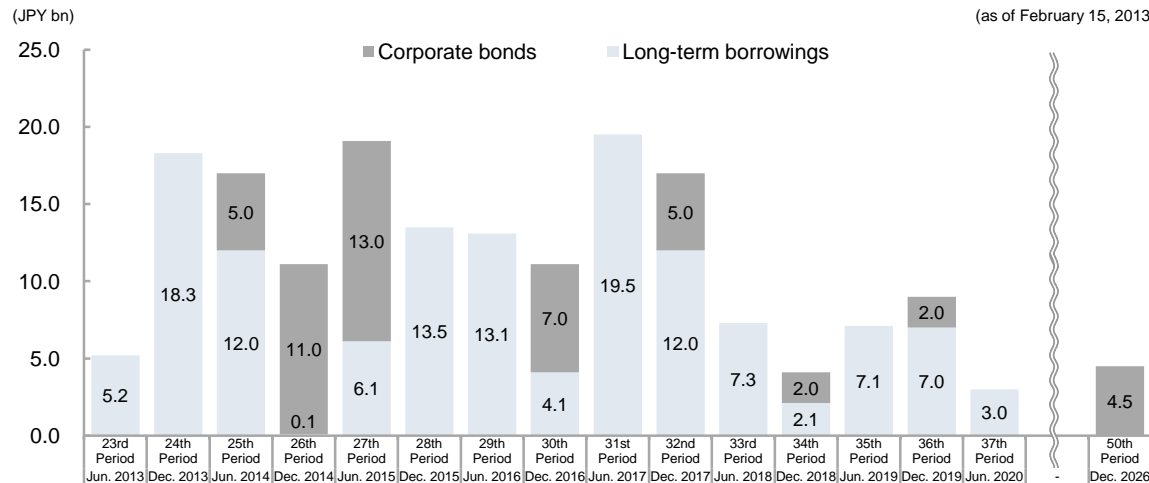
Changes in Unitholders' Capital and Ratio of Interest-Bearing Debts (LTV)



(Note) Unitholders' capital has been rounded down to the nearest specified unit, and LTVs have been rounded to the first decimal place.

Diversification of Repayment Dates of Interest-Bearing Debts

(as of February 15, 2013)



(Note) Figures have been rounded down to the nearest 100 million yen.

Financial Strategy (2)

Status of Borrowings

(JPY mn)

| Lender | Balance as of Dec. 31, 2012 | Security |
|---|-----------------------------|---|
| Mizuho Corporate Bank, Ltd. | 22,300 | Unsecured Unguaranteed Non- subordinated |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 18,419 | |
| Sumitomo Mitsui Bank Corporation | 13,050 | |
| Aozora Bank, Ltd. | 7,900 | |
| Shinsei Bank, Limited | 7,000 | |
| Mizuho Trust & Banking Co., Ltd. | 7,000 | |
| Mitsubishi UFJ Trust and Banking Corporation | 7,000 | |
| The Bank of Fukuoka, Ltd. | 5,000 | |
| Development Bank of Japan Inc. | 4,120 | |
| Sumitomo Life Insurance Company | 4,000 | |
| Sompo Japan Insurance Inc. | 4,000 | |
| Meiji Yasuda Life Insurance Company | 3,868 | |
| ORIX Bank Corporation | 3,000 | |
| The Shinkumi Federation Bank | 3,000 | |
| Taiyo Life Insurance Company | 3,000 | |
| The Chugoku Bank, Ltd. | 3,000 | |
| The Nishi-Nippon City Bank, Ltd. | 3,000 | |
| Zenkyoren (The National Mutual Insurance Federation of Agricultural Cooperatives) | 2,000 | |
| Daido Life Insurance Company | 2,000 | |
| The Hachijuni Bank, Ltd. | 2,000 | |
| Resona Bank, Limited | 2,000 | |
| The Iyo Bank, Ltd. | 1,000 | |
| Tokyo Tomin Bank Limited (Note 2) | 1,000 | |
| The Bank of Yokohama, Ltd. (Note 2) | 1,000 | |
| The Minato Bank, Ltd. (Note 2) | 800 | |
| The Yamaguchi Bank, Ltd. (Note 2) | 500 | |
| The Chiba Kogyo Bank, Ltd. (Note 2) | 100 | |
| Total borrowings | 131,057 | |

Status of Corporate Bonds

(JPY mn)

| Name | Balance as of Dec. 31, 2012 | Security | |
|---|-----------------------------|---|--|
| 3rd Series of Corporate Bonds | 5,000 | Unsecured Unguaranteed Non- subordinated | |
| 6th Series of Corporate Bonds | 5,000 | | |
| 7th Series of Corporate Bonds | 4,500 | | |
| 9th Series of Corporate Bonds | 6,000 | | |
| 11th Series of Corporate Bonds | 6,000 | | |
| 12th Series of Corporate Bonds | 7,000 | | |
| 13th Series of Corporate Bonds | 7,000 | | |
| 14th Series of Corporate Bonds | 2,000 | | |
| 15th Series of Corporate Bonds | 5,000 | | |
| 16th Series of Corporate Bonds | 2,000 | | |
| Balance of corporate bonds | 49,500 | | |
| Total interest-bearing liabilities | 180,557 | | |

Status of Commitment Line Contract

(JPY mn)

| Lenders | Limit | Security |
|--|---------------|---------------------------|
| Mizuho Corporate Bank, Ltd. | 4,000 | Unsecured Unguaranteed |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 4,000 | |
| Sumitomo Mitsui Bank Corporation | 4,000 | |
| Aozora Bank, Ltd. | 4,000 | |
| Mizuho Trust & Banking Co., Ltd. | 4,000 | |
| Mitsubishi UFJ Trust and Banking Corporation | 4,000 | |
| Resona Bank, Limited | 4,000 | |
| Total commitment line | 28,000 | |

Borrowing Record (22nd Period and After; Long-Term Borrowings Only)

(JPY mn)

| Drawdown date | Lender | Loan amount | Term | Interest rate |
|---------------|--|---------------|---------|---------------|
| Jul. 3, 2012 | Aozora Bank, Ltd. | 900 | 5 years | 0.994% |
| Aug. 8, 2012 | Aozora Bank, Ltd. | 2,000 | 7 years | 1.178% |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 1,000 | 7 years | 1.178% |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 1,000 | 5 years | 0.948% |
| Aug. 27, 2012 | Aozora Bank, Ltd. | 2,000 | 5 years | 0.985% |
| Aug. 30, 2012 | Aozora Bank, Ltd. | 2,000 | 6 years | 1.146% |
| Sep. 5, 2012 | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 3,000 | 5 years | 0.919% |
| Dec. 5, 2012 | Mizuho Corporate Bank, Ltd. | 2,000 | 7 years | 1.027% |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 1,000 | 7 years | 1.027% |
| | Sumitomo Mitsui Bank Corporation | 1,000 | 7 years | 1.027% |
| Feb. 4, 2013 | Mizuho Trust & Banking Co., Ltd. | 3,000 | 7 years | 1.076% |
| | The Shinkumi Federation Bank | 3,000 | 5 years | 0.786% |
| | ORIX Bank Corporation | 1,000 | 5 years | 0.786% |
| Total | | 22,900 | | |

Issuance of Corporate Bonds (22nd Period)

(JPY mn)

| Issue date | Name | Issue amount | Redemption | Interest rate |
|---------------|--------------------------------|--------------|------------|---------------|
| Nov. 22, 2012 | 15th Series of Corporate Bonds | 5,000 | 5 years | 0.68% |
| | 16th Series of Corporate Bonds | 2,000 | 7 years | 1.03% |
| Total | | 7,000 | | |

Equity Financing (22nd Period)

| | | |
|---------------------------------------|--------------------|---|
| Total number of units issued | 110,000 units | (Public offering: 101,420 units, over-allotment: 8,580 units) |
| Paid-in amount (purchase price) | JPY 188,222 | |
| Gross proceeds (total purchase price) | JPY 20,704 million | |
| Resolution day of issuance | Jul. 9, 2012 | |
| Pricing date | Jul. 23, 2012 | |
| Payment date | Jul. 30, 2012 | |

(Note 1) All long-term borrowings except for those in (Note 2) are fixed interest rate debts.

(Note 2) These are borrowings made through originating a syndicated loan.

Appraisal

■ Overview of Appraisal Results at End of 22nd Period

| | End of 21st Period Jun 30, 2012 | End of 22nd Period Dec 31, 2012 | Change | End of 22nd Period (Excluding property acquired in the period) | Change |
|---|------------------------------------|------------------------------------|--------------------|--|-------------------|
| Number of properties | 58 | 59 | +1 | 58 | - |
| Appraisal value | JPY347,558 million | JPY358,816 million | +JPY11,258 million | JPY347,516 million | -JPY42 million |
| Book Value | JPY370,163 million | JPY380,518 million | +JPY10,355 million | JPY369,102 million | -JPY1,061 million |
| Unrealized gains | -JPY22,605 million | -JPY21,702 million | +JPY903 million | -JPY21,586 million | +JPY1,019 million |
| Ratio of unrealized gains or losses (Note) | -6.1% | -5.7% | +0.4%pt | -5.8% | +0.3%pt |

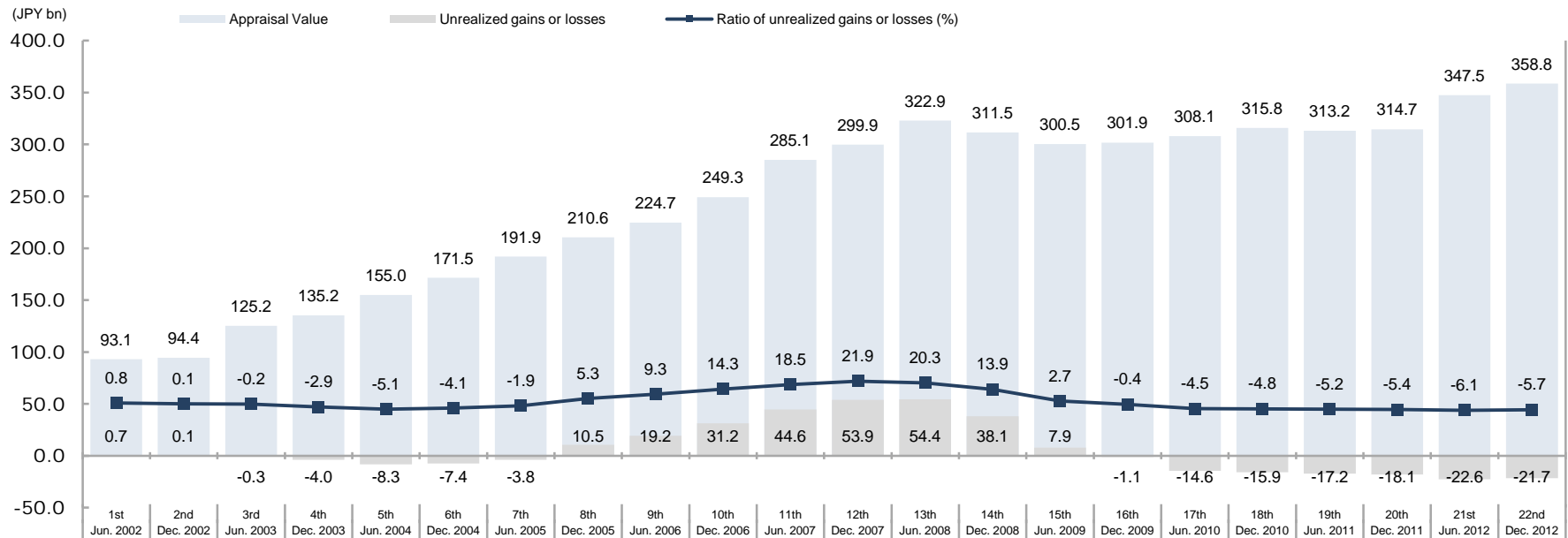
(Note 1) Ratio of unrealized gains or loss = Unrealized gains or losses / book value x 100

(Note 2) Amounts have been rounded down to the nearest million yen, and the ratio of unrealized gains or losses have been rounded to the first decimal place.

| | | End of 22nd Period Dec 31, 2012 | Ratio (%) |
|--|-----------|---------------------------------------|-----------|
| Period-on-period comparison of appraisal value at end of period | Increase | 22 | 37.3% |
| | Unchanged | 18 | 30.5% |
| | Decrease | 19 | 32.2% |
| Period-on-period comparison of cap rate | Decrease | 17 | 28.8% |
| | Unchanged | 38 | 64.4% |
| | Increase | 4 | 6.8% |

(Note) The figures represent the number and ratio of properties that had changes from the previous fiscal period in their appraisal values and cap rates at the end of the 22nd period. For the property acquired in the 22nd period, the comparison was made with the appraisal value as of the acquisition.

■ Change in Appraisal Value and Unrealized Gains

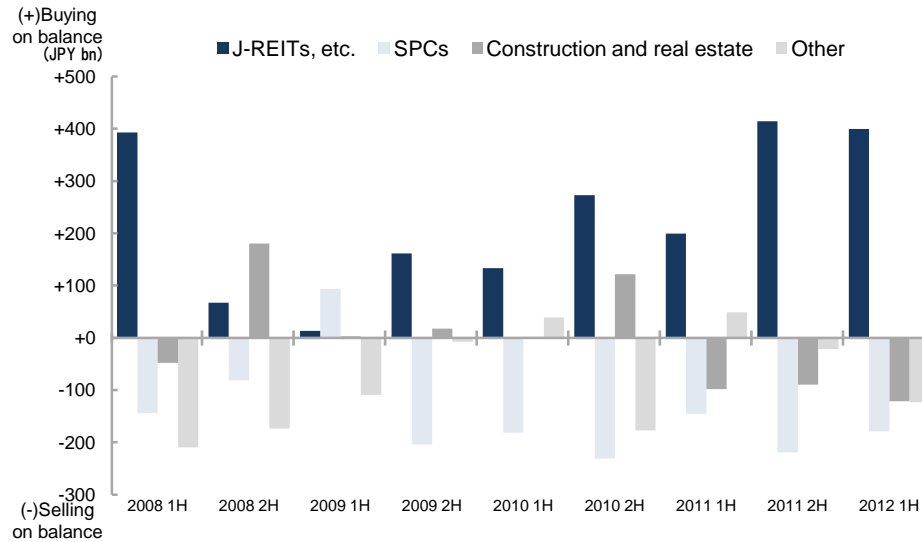


(Note) Amounts have been rounded down to the nearest hundred million yen, and the ratio of unrealized gains or losses have been rounded to the first decimal place.



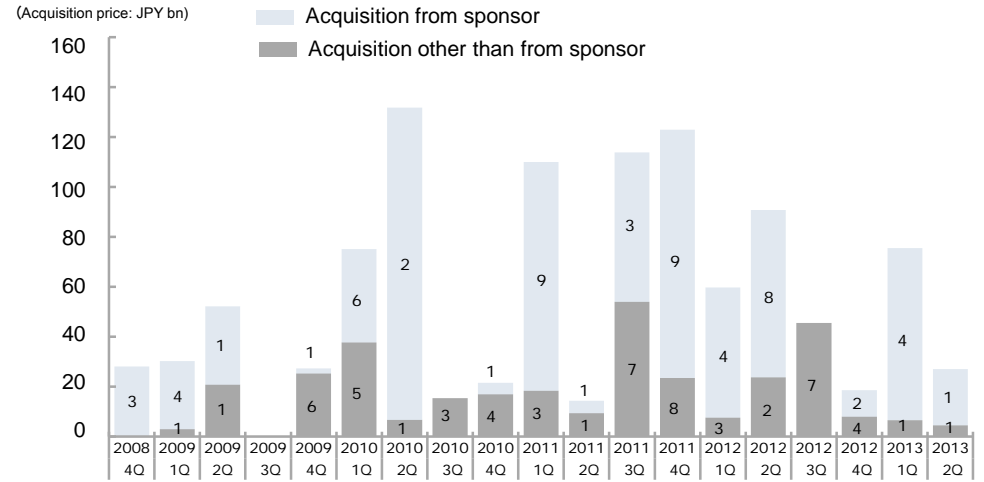
Office Trading Market Trends

Changes in Amount of Buying/Selling Balance by Business Sector



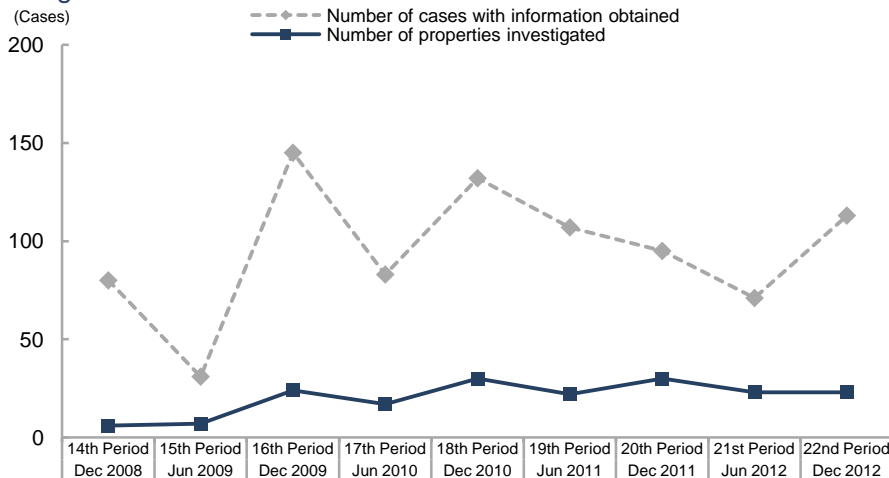
(Note) Prepared by Tokyo Realty Investment Management, Inc. based on Survey on Actual Real Estate Transactions by Urban Research Institute Corporation

Changes in Acquisition Results of Office Buildings in Tokyo by J-REITs

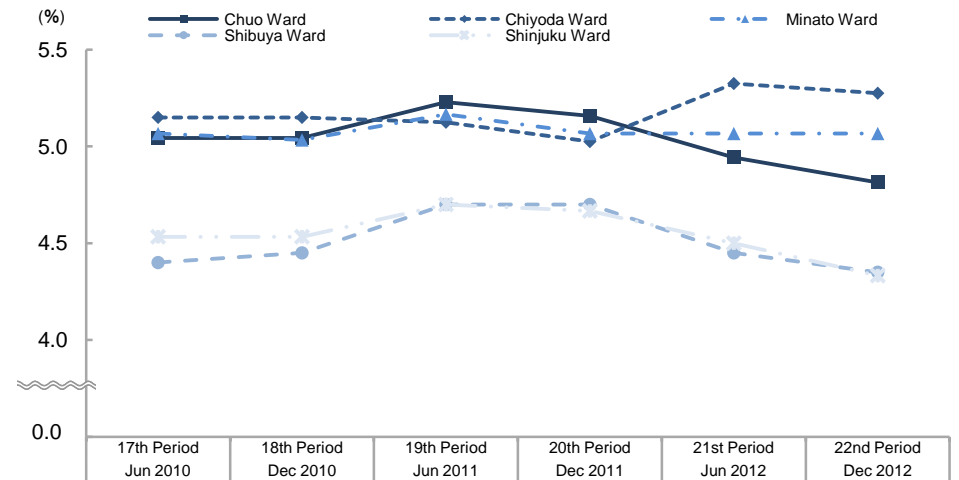


(Note) Prepared by Tokyo Realty Investment Management, Inc. based on press releases by respective J-REITs, with acquisition prices rounded off to the nearest specified unit. 1Q refers to the period from January to March and subsequent quarters refer to the 3-month periods thereafter.

Changes in Number of Cases with Property Information Obtained and Investigated



Changes in Appraisal Cap Rates of Properties JPR Owns

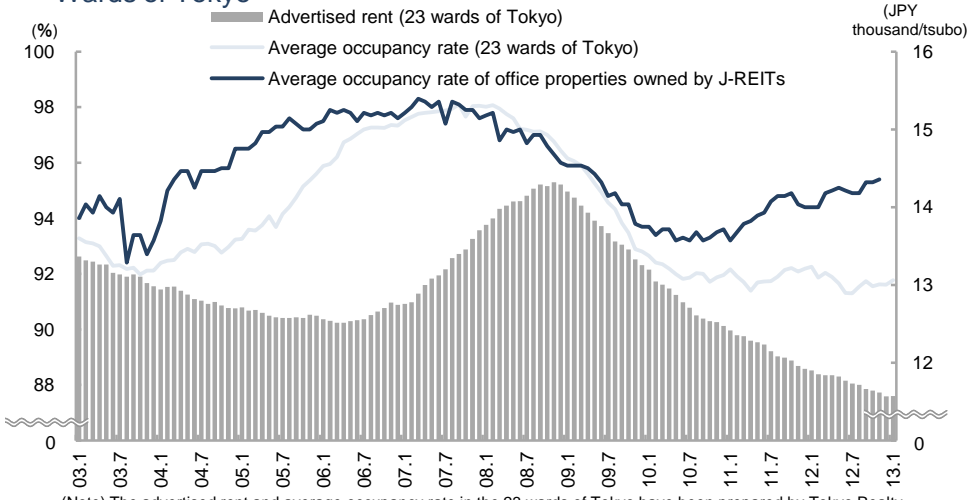


(Note) The graph shows changes in appraisal cap rates (simple average) of properties JPR owns in the 5 central wards of Tokyo since the 17th fiscal period.



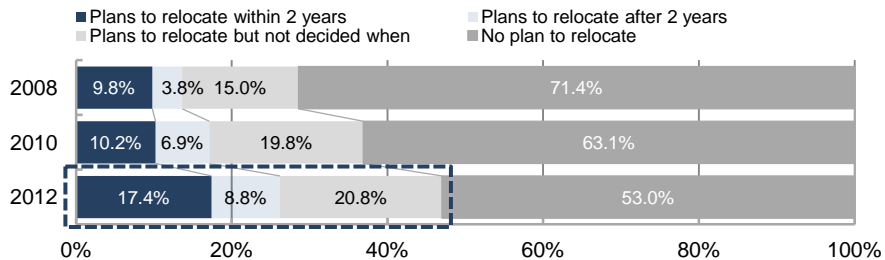
Office Leasing Market Trends

Changes in Average Occupancy Rate and Average Advertised Rent in 23 Wards of Tokyo

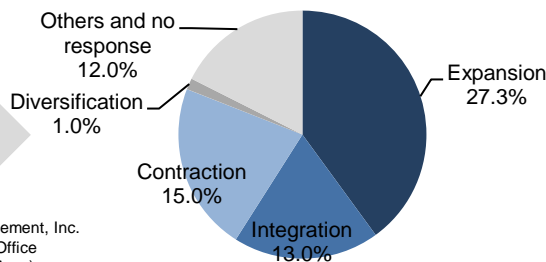


(Note) The advertised rent and average occupancy rate in the 23 wards of Tokyo have been prepared by Tokyo Realty Investment Management, Inc. based on the Office Rent Data 2013 and the Office Market Survey Monthly Report published by Sanko Estate. The average occupancy rate of office buildings owned by J-REITs has been prepared by Tokyo Realty Investment Management, Inc. based on the Statistics on Real Estate Investment Corporations published by The Investment Trust Association, Japan.

Relocation Needs of Tenants

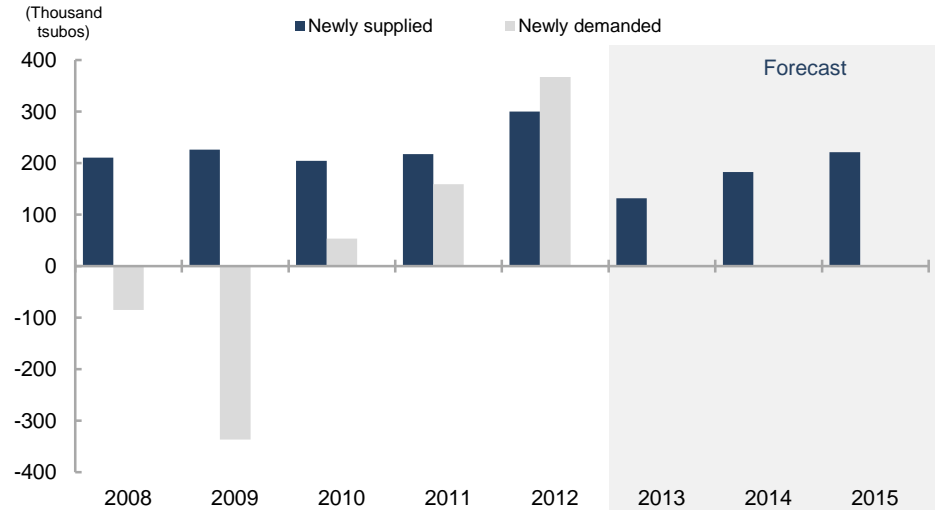


- 47% of tenant companies have some needs to relocate
- By reason of relocation, "expansion" is largest in number



(Note) Prepared by Tokyo Realty Investment Management, Inc. based on the Results Overview of Survey of Office Market Sentiment 2012 (Tokyo Metropolitan Area) published by CBRE

Changes in New Supply and New Demand in 23 Wards of Tokyo



(Note) Prepared by Tokyo Realty Investment Management, Inc. based on the Office Rent Data 2013 and the Office Market Survey Monthly Report published by Sanko Estate

Views on the Market by an Independent Institution (Outlook of Office Market in 23 Wards of Tokyo)

- New supply in 2013 will decrease to approximately one third of the results in 2012, marking the smallest volume in last 10 years
- Demand has continued to show an increasing trend since the second half of 2010, with the trend strengthened after entering 2012. The demand is driven by IT-related companies, but the demand for expansion is being observed in a wide range of industries.
- While new demand in 2013 will remain almost the same as in 2011 (168 thousand tsubos), new supply will be at the smallest level in last 10 years. Accordingly, the vacancy rate in 2013 is forecast to be 5.9%.
- Average contract rent hit the bottom in 2012, and will head for bottoming out in 2013. However, as some buildings may continue to require rent adjustments, the average rent in 2013 will increase only slightly (by 2%).
- It is anticipated that, in 2014, the economy will record a relatively high growth primarily driven by exports with the yen's depreciation continuing under an easing monetary environment, and the increasing trend of demand will be strengthened again. The vacancy rate, which is forecast to be 4.5% in 2014, will drop relatively sharply in the two years of 2013 and 2014.
- The average contract rent hit the bottom in 2012. After a slight increase in 2013, it will increase by around 6% annually both in 2014 and 2015, given a relatively sharp decrease in the vacancy rate and the economic recovery.

(Note) Prepared by Tokyo Realty Investment Management, Inc. based on the Real Estate Market Research Report (surveyed in Oct. 2012) by Sumitomo Mitsui Trust Research Institute Co., Ltd.

Future Management Policies

In preparation for the positive turn of the market, further reinforce the earnings base by conducting vigorously selective investment in properties that should contribute to the portfolio's earnings and by further improving the occupancy rate

External Growth Strategy

- Given an easing financing environment, investors' willingness to invest is returning to the level before the Lehman Shock, and the conditions for the transaction market to get activated are being met
- The transaction market is being led by deals by J-REITs utilizing their sponsors' pipelines, while the number of blue-chip properties worth investigating is increasing in the secondary market as well
- With some cases observed where prices are set in anticipation of future rise in rents, there is a sign of shrinking in the gap of price targets between sellers and buyers

Under the basic strategy of focused investment in Tokyo offices, conduct vigorously selective investment in properties that should contribute to the portfolio's earnings

- Good opportunities will continue to remain for some time to acquire blue-chip properties
- Secure acquisitions of scarce properties worth investigating through a variety of information channels while utilizing preferential negotiation rights, etc.
- Reinforce the sponsors' pipelines
- Vigorously evaluate properties suitable for the characteristics and targets of JPR by conducting careful examination of their investment values including future prospects

Internal Growth Strategy

- In the rental market of Tokyo offices, the vacancy rate shows a decreasing trend primarily for excellent office properties, bolstered by strong demand for relocations
- A full on recovery will require improvements in the real economy and corporate performances on top of controlled supply in 2013 and after, and close monitoring of future trends is needed
- While a move for decelerating reductions in rents is observed in JPR's portfolio of properties, the outcome of rental revenues is impacted by the down time from contract cancellation to new contracts as well as by the time lag the rent-free periods create before contributing to earnings

Endeavor to reinforce leasing activities centering on major Tokyo office properties to improve the occupancy rate of office properties, so as to offset the decrease in earnings caused by cancellations and rent-free periods

- Continue working to recover the occupancy rate through reinforced leasing
- Strengthen measures to improve tenant relation and customer satisfaction for preventing cancellations in advance
- Strategically conduct upgrading construction work that should lead to solicitation of new tenants and improved customer satisfaction
- Carefully set up appropriate leasing terms and conditions on the premise of concluding long-term contracts

Financial and IR Strategy

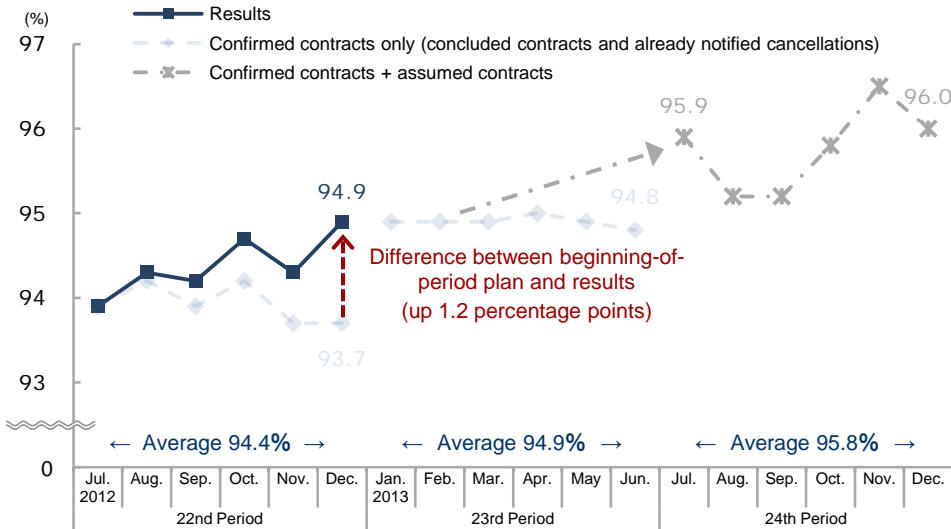
- The debt financing environment remains to be favorable, and there is a growing demand for new deals with J-REITs primarily by regional banks
- In the investment corporation bond market, demand from investors remains strong and the spread tends to be compressed
- The recovery of the equity market and the IPOs and POs conducted one after another are attracting the inflow of new monies from investors both in Japan and abroad

Reinforce the stable fund procurement framework of equity financing and debt financing, and implement the financial strategy that serves as the basis of the positive spiral of growth

- While maintaining the stable lender formation, expand transaction with new lenders by utilizing syndicated loans and other measures
- Reduce interest-bearing debt costs and promote a shift to long-term, fixed interest rate loans
- Implement appropriate cash management
- Implement the IR strategy based on investor targeting

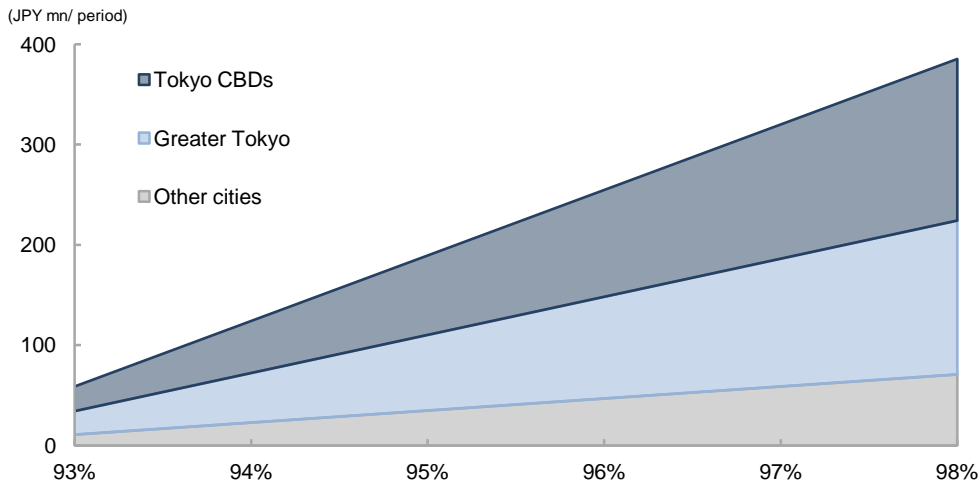
Internal Growth Strategy

Perspective of Occupancy Rates



(Note 1) The graph shows the ratio of total leased space to total leasable space at each point in time. Occupancy rate for the 23rd fiscal period covers only the contract status confirmed as of the beginning of the period, including newly concluded contracts and already notified cancellations. Occupancy rate for the 24th fiscal period assumes some new contracts, etc. on top of the assumptions for the 23rd fiscal period.
 (Note 2) The figures have been rounded to the first decimal place.

Assumed Contribution of Increased Occupancy Rates of Office Properties to Earnings



(Note) The graph represents the amount of full-period contributions (unit: JPY mn) of assumed rents and other revenues (excluding would-be rents for the rent-free periods, etc.) when the average occupancy rate of office properties increases from the assumed occupancy rate (confirmed contracts only) as of the end of the 23rd fiscal period (ending June 2013).

Forecast Occupancy Rate by Property (Confirmed Contracts)

(%)

| Property name | End of 22nd Period (Dec 31, 2012) | End of 23rd Period (Jun 30, 2013) | Change |
|--------------------------------------|-----------------------------------|-----------------------------------|--------|
| 【Properties with an increase】 | | | |
| Arca East | 77.5 | 93.1 | +15.6p |
| JPR Crest Takebashi Bldg. | 58.5 | 70.6 | +12.1p |
| JPR Sendagaya Building | 94.1 | 100.0 | +5.9p |
| Shinyokohama 2nd Center Bldg. | 80.6 | 85.1 | +4.5p |
| Tachikawa Business Center Bldg. | 97.7 | 100.0 | +2.3p |
| 【Properties with a decrease】 | | | |
| Shinagawa Canal Building | 100.0 | 81.4 | -18.6p |
| JPR Dojima Bldg. | 100.0 | 83.6 | -16.4p |
| Yume-ooka Office Tower | 86.9 | 80.1 | -6.8p |
| JPR Ichigaya Bldg. | 100.0 | 95.2 | -4.8p |
| Shinjuku Center Building | 92.5 | 88.5 | -4.0p |

Minami Azabu Building Full occupancy since July 2013 (contracts concluded in January 2013)

(Note 1) The table shows the ratio of total leased space to total leasable space for each property, and covers only the confirmed contract status including newly concluded contracts and already notified cancellations.
 (Note 2) The figures have been rounded to the second decimal place.

Properties Subject to Reinforced Leasing Activities

| Property name | Occupancy at end of 22nd period (%) | Current status and future approach |
|----------------------------------|-------------------------------------|---|
| Tokyo Tatemono Kyobashi Building | 100.0 | Received a notice of cancellation for some spaces from a major tenant in January 2013. Started soliciting new tenants in order to minimize the vacant period after the move-out. |
| Kawaguchi Center Bldg. | 77.8 | As some tenants that suspended setting up of new principal offices last year have resumed consideration, work to grasp relocation needs for integration of local companies and a variety of other tenants. |
| Olinas Tower | 92.7 | Continue reinforced marketing activities by demonstrating the superiority of specifications, which are comparable to those in large buildings in Tokyo CBDs, in order to attract relocation needs of tenants from a wide geographical area. |
| Yume-ooka Office Tower | 86.9 | Given the superiority of the area, work to improve occupancy by absorbing demand for relocation from neighboring offices while ensuring to catch up with the needs for expanded spaces within the building. |
| JPR Crest Takebashi Bldg. | 58.5 | As the property is highly evaluated for the grade of offices, work to further enhance and widen the property recognition among brokerage firms, etc. The occupancy rate at the end of the 23rd fiscal period is anticipated to rise to 70.6%. |

(Note) The above five properties are assumed to contribute to earnings by approximately JPY 260 million in a full period when the occupancy rate increases to up to 98%.

Forecasts of Financial Results for the 23rd Fiscal Period

Anticipates DPU to be JPY 5,800 as JPR works to compensate the decrease in profits due to lack of property and city planning taxes to be included in the deductible acquisition costs of new property, by improving NOI and decreasing financial costs and through other measures

(unit: JPY mn)

| | 22nd Period (Results) (Jul. 1, 2012 - Dec. 31, 2012) | | 23rd Fiscal Period Forecast (Jan. 1, 2013 - Jun. 30, 2013) | | Change | |
|--|---|--------|---|--------|----------|--------|
| | Amount | % | Amount | % | Amount | % |
| Rental Revenues | 12,160 | 93.8% | 12,283 | 94.4% | 123 | 1.0% |
| Other rental revenues | 803 | 6.2% | 733 | 5.6% | -69 | -8.7% |
| Rent revenue - real estate (1) | 12,963 | 100.0% | 13,017 | 100.0% | 53 | 0.4% |
| Operating revenue | 12,963 | 100.0% | 13,017 | 100.0% | 53 | 0.4% |
| Property and other taxes | 1,025 | 7.9% | 1,822 | 14.0% | 797 | 77.8% |
| Other expenses related to rent business | 2,663 | 20.5% | 2,459 | 18.9% | -203 | -7.7% |
| Outsourcing expenses | 510 | 3.9% | 501 | 3.9% | -9 | -1.8% |
| Utilities expenses | 833 | 6.4% | 775 | 6.0% | -57 | -6.9% |
| Casualty insurance | 28 | 0.2% | 26 | 0.2% | -1 | -3.7% |
| Repairs and maintenance | 378 | 2.9% | 255 | 2.0% | -123 | -32.6% |
| Property management fees | 208 | 1.6% | 209 | 1.6% | 0 | 0.4% |
| Management association accounts | 563 | 4.3% | 566 | 4.3% | 3 | 0.5% |
| Others | 139 | 1.1% | 123 | 1.0% | -16 | -11.5% |
| Depreciation | 1,831 | 14.1% | 1,849 | 14.2% | 18 | 1.0% |
| Expenses related to rent business (2) | 5,519 | 42.6% | 6,131 | 47.1% | 612 | 11.1% |
| Asset management fees | 465 | 3.6% | 459 | 3.5% | -6 | -1.3% |
| Adm. service/custody fees | 77 | 0.6% | 79 | 0.6% | 2 | 2.8% |
| Directors' compensation | 6 | 0.1% | 6 | 0.1% | - | - |
| Trust fees | 40 | 0.3% | 36 | 0.3% | -3 | -9.5% |
| Other operating expenses | 89 | 0.7% | 109 | 0.8% | 20 | 23.2% |
| Operating expenses | 6,198 | 47.8% | 6,823 | 52.4% | 625 | 10.1% |
| Operating income | 6,765 | 52.2% | 6,193 | 47.6% | -571 | -8.4% |
| Profits ((1) - (2)) | 7,443 | 57.4% | 6,885 | 52.9% | -558 | -7.5% |
| Net operating income (NOI) | 9,275 | 71.5% | 8,735 | 67.1% | -540 | -5.8% |
| Non-operating income | 10 | 0.1% | 50 | 0.4% | 39 | 387.3% |
| Interest expenses (incl. investment corporation bonds) | 1,368 | 10.6% | 1,295 | 10.0% | -72 | -5.3% |
| Borrowing expenses | 260 | 2.0% | 137 | 1.1% | -122 | -47.1% |
| Amortization of investment corporation bond issuance costs | 20 | 0.2% | 22 | 0.2% | 2 | 14.1% |
| Investment unit issuance costs | 98 | 0.8% | - | - | -98 | - |
| Other non-operating expenses | 2 | 0.0% | 1 | 0.0% | 0 | -18.7% |
| Non-operating expenses | 1,749 | 13.5% | 1,458 | 11.2% | -291 | -16.7% |
| Ordinary income | 5,026 | 38.8% | 4,786 | 36.8% | -240 | -4.8% |
| Income before income taxes | 5,026 | 38.8% | 4,786 | 36.8% | -240 | -4.8% |
| Net income | 5,025 | 38.8% | 4,785 | 36.8% | -240 | -4.8% |
| Unappropriated retained earnings | 5,050 | 39.0% | 4,810 | 37.0% | -240 | -4.8% |
| Distributions per unit | 6,093 yen | | 5,800 yen | | -293 yen | |
| Total number of units outstanding at end of period | 825,000 | | 825,000 | | - | |

Rent revenues

| | |
|---|--------------|
| • Properties owned at end of 21st period: | + 46 mn yen |
| Increase by new move-ins: | + 202 mn yen |
| Decrease by cancellation: | - 187 mn yen |
| Increase/decrease by contract revision: | + 33 mn yen |

(Note) The increase/decrease includes variations in 22nd period due to factors changed in 21st period)

| | |
|---------------------------------------|-------------|
| • Properties acquired in 22nd period: | + 76 mn yen |
|---------------------------------------|-------------|

Other rental revenues

| | |
|---|-------------|
| • Properties owned at end of 21st period: | - 77 mn yen |
| Incidental income: | - 63 mn yen |
| • Properties acquired in 22nd period: | + 8 mn yen |

Expenses related to rent business

| | |
|--|--------------|
| • Properties owned at end of 21st period: | + 550 mn yen |
| Utilities expenses: | - 63 mn yen |
| Property taxes: | + 758 mn yen |
| (Otemachi 1-6 Plan (Land with Leasehold Interest) (tentative name) | + 756 mn yen |
| Repairs and maintenance: | - 126 mn yen |
| • Properties acquired in 22nd period: | + 61 mn yen |

Non-operating income

| | |
|--|-------------|
| • Settlement of management association accounts: | + 42 mn yen |
|--|-------------|

Interest expenses

| | |
|---|--------------|
| • Interest expenses for loans: | - 81 mn yen |
| (Decrease in interest expenses due to early repayment | - 25 mn yen) |
| • Interest expenses for investment corporation bonds: | + 9 mn yen |

Borrowing expenses

| | |
|-----------------------------|--------------|
| • Fees for early repayment: | - 104 mn yen |
|-----------------------------|--------------|

(Note) Amounts have been rounded down to the nearest specified unit and percentages have been rounded to the first decimal place.

Assumptions for the 23rd Fiscal Period Forecast

- Assets owned: Total of 59 properties (owned as of the end of the 22nd fiscal period)
- Average Monthly Occupancy during Period: 94.9% (based on confirmed contract status only, reflecting newly concluded contracts and already notified cancellations, etc.)

- Total units outstanding: 825,000 units

- Ratio of interest-bearing debts (on a unitholders' capital basis): 48.4% (at end of 23rd fiscal period)

The forecasts for the 23rd fiscal period were calculated based on the left "Assumptions for the 23rd Fiscal Period Forecast." Actual operating revenue, ordinary income, net income and cash distributions per unit may change as a result of the acquisition of new properties or the sale of owned properties, etc. Furthermore, the forecasts are in no way a guarantee of cash distribution amounts.

Forecasts of Rent Revenue – Real Estate and Expenses Related to Rent Business for the 24th Fiscal Period

While a steady increase in the occupancy rate is assumed, profits related to rent business is anticipated to decrease period-on-period, impacted by contract cancellation and rent-free periods that create a time lag before earnings recover

(unit: JPY mn)

| | 23rd Fiscal Period (forecast) (Jan. 1, 2013 - Jun. 30, 2013) | | 24th Fiscal Period (reference) (Jul. 1, 2013 - Dec. 31, 2013) | | Change | |
|--|---|---------------|--|---------------|-------------|--------------|
| | Amount | % | Amount | % | Amount | % |
| Rental revenues | 12,283 | 94.4% | 12,170 | 93.6% | -112 | -0.9% |
| Other rental revenues | 733 | 5.6% | 839 | 6.4% | 105 | 14.3% |
| Rent revenue - real estate (1) | 13,017 | 100.0% | 13,009 | 100.0% | -7 | -0.1% |
| Property and other taxes | 1,822 | 14.0% | 1,815 | 14.0% | -6 | -0.4% |
| Other expenses related to rent business | 2,459 | 18.9% | 2,672 | 20.5% | 212 | 8.7% |
| Outsourcing expenses | 501 | 3.9% | 508 | 3.9% | 6 | 1.3% |
| Utilities expenses | 775 | 6.0% | 856 | 6.6% | 80 | 10.4% |
| Casualty insurance | 26 | 0.2% | 27 | 0.2% | 0 | 1.3% |
| Repairs and maintenance | 255 | 2.0% | 316 | 2.4% | 61 | 24.1% |
| Property management fees | 209 | 1.6% | 210 | 1.6% | 0 | 0.4% |
| Management association accounts | 566 | 4.3% | 567 | 4.4% | 1 | 0.2% |
| Others | 123 | 1.0% | 185 | 1.4% | 61 | 49.8% |
| Depreciation | 1,849 | 14.2% | 1,824 | 14.0% | -25 | -1.4% |
| Expenses related to rent business (2) | 6,131 | 47.1% | 6,312 | 48.5% | 180 | 2.9% |
| Profits ((1) - (2)) | 6,885 | 52.9% | 6,697 | 51.5% | -187 | -2.7% |
| Net operating income (NOI) | 8,735 | 67.1% | 8,522 | 65.5% | -213 | -2.4% |
| Capital expenditure | 734 | 5.6% | 1,244 | 9.6% | 510 | — |
| Net cash flow (NCF) | 8,000 | 61.5% | 7,277 | 55.9% | -723 | -9.0% |

■ Rent revenues

Increase by new move-ins: +259 mn yen

Decrease by cancellation: -305 mn yen

Increase/decrease by contract revision: -102 mn yen

(Note) The increase/decrease includes variations in 24rd period due to factors changed in 23rd period)

■ Other rental revenues

Incidental income +93 mn yen

Cancellation penalty, etc. +10 mn yen

(Note) Amounts have been rounded down to the nearest specified unit and percentages have been rounded to the first decimal place.

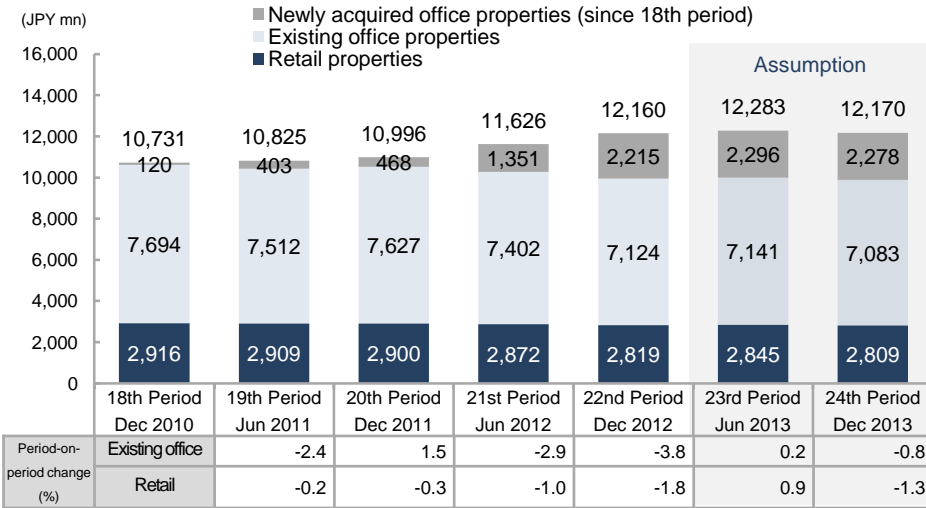
Assumptions for the 24th Fiscal Period Forecast

- Assets owned: Total of 59 properties (owned as of the end of the 22nd fiscal period)
- Average Monthly Occupancy during Period: 95.8% (Assumes some new contracts, etc. in addition to the assumptions for the 23rd fiscal period)

The forecasts of rent revenue – real estate and expenses related to the rent business for the 24th fiscal period were calculated based on the left "Assumptions for the 24th Fiscal Period Forecast." Actual rent revenue – real estate, expenses related to the rent business, profits, net operating income (NOI), net cash flow and other figures may change as a result of the acquisition of new properties or the sale of owned properties, etc.

Changes and Future Outlook of Rent Revenues

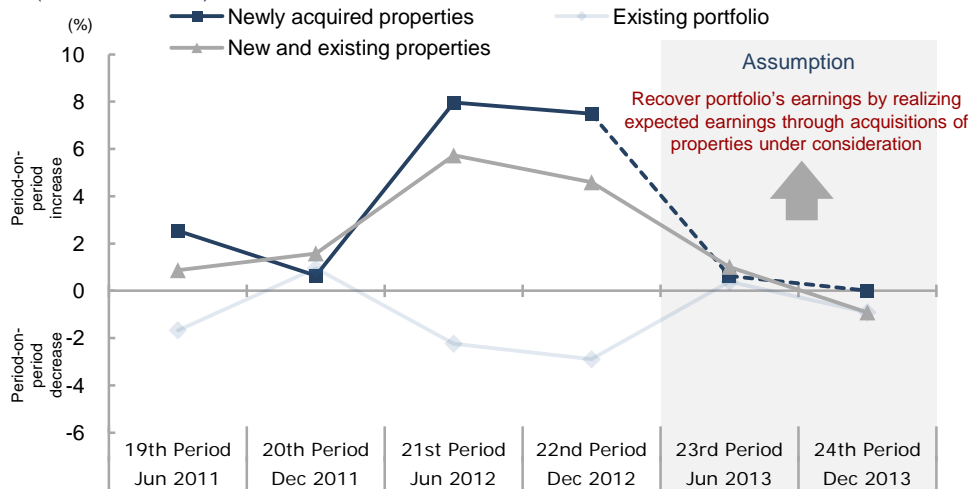
Changes in Rent Revenues of the Portfolio



(Note 1) Rent revenues are the sum of rents, common charges, parking rates and other revenues (excluding such variable revenues as incidental income) for each fiscal period. For existing office properties, the figures represent the rent revenues of office properties owned as of the end of the 17th fiscal period.

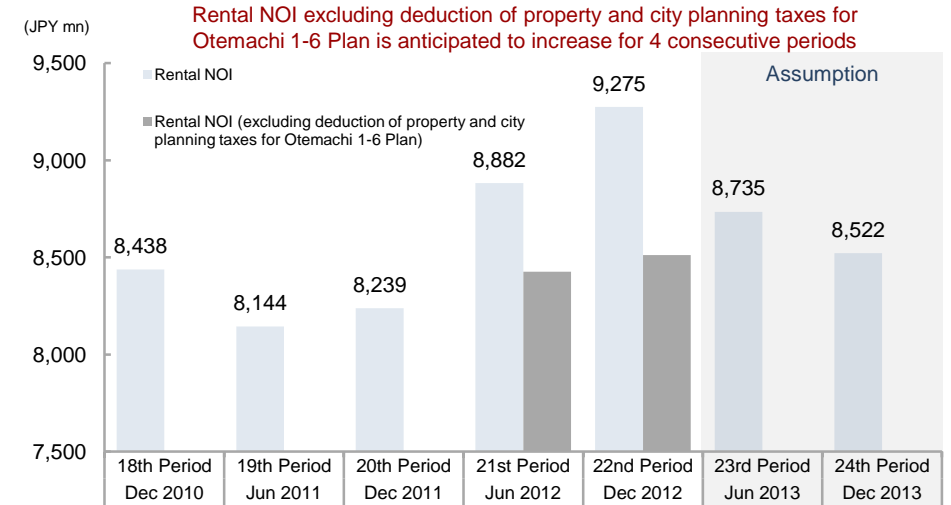
(Note 2) Values have been rounded down to million yen, and the rates of period-on-period change have been rounded to the first decimal place.

Changes in Increase/Decrease of Rent Revenues through External Growth and Internal Growth (Period-on-Period)



(Note) Newly acquired properties: Period-on-period increase in rent revenues through property acquisitions / Total rent revenues for the previous fiscal period
Existing portfolio: Period-on-period increase in rent revenues of existing portfolio for each period / Total rent revenues for the previous fiscal period

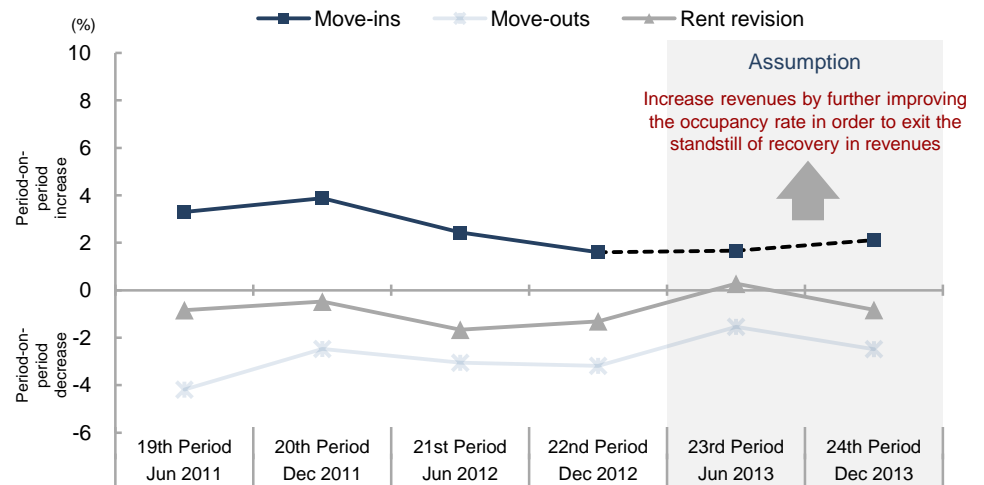
Changes in Rental NOI



(Note 1) Rental NOI (excluding deduction of property and city planning taxes for Otemachi 1-6 Plan) is the rental NOI assumed when the property taxes for Otemachi 1-6 Plan (Land with Leasehold Interest) (tentative name), which JPR acquired in the 21st fiscal period, are recorded as deductible expenses. (For the 21st and 22nd fiscal periods, the property taxes settled with the previous owner upon acquisition were included in the acquisition costs.)

(Note 2) Figures have been rounded down to the nearest million yen.

Changes in Rent Revenues by Factor of Tenant Moves (Period-on-Period)



(Note) Period-on-period increase or decrease in rent revenues due to tenant moves (move-ins, move-outs, rent revisions) in the existing portfolio / Total rent revenues for the previous fiscal period



Japan Prime Realty Investment Corporation

Appendix

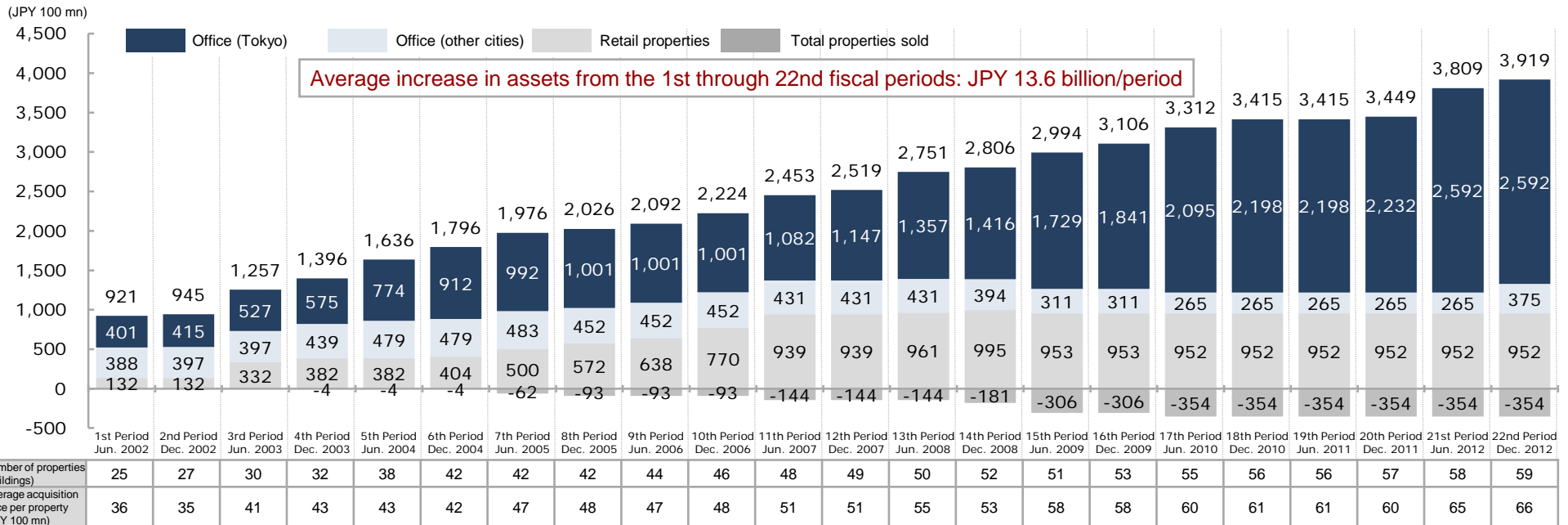
Fund Summary

| | 21st Period Jun 2012 | 22nd Period Dec 2012 |
|---|-------------------------|-------------------------|
| 1 Operating revenue | 12,345 mn yen | 12,963 mn yen |
| 2 Rent revenue – real estate | 12,345 mn yen | 12,963 mn yen |
| 3 Expenses related to rent business | 5,217 mn yen | 5,519 mn yen |
| 4 Profits | 7,127 mn yen | 7,443 mn yen |
| 5 Depreciation | 1,754 mn yen | 1,831 mn yen |
| 6 Net income | 4,596 mn yen | 5,025 mn yen |
| 7 Total assets | 396,017 mn yen | 401,984 mn yen |
| 8 Short-term loans payable | 20,600 mn yen | - mn yen |
| 9 Long-term loans payable | 122,981 mn yen | 131,057 mn yen |
| 10 Investment corporation bonds | 51,500 mn yen | 49,500 mn yen |
| 11 Capital expenditure | 610 mn yen | 679 mn yen |
| 12 Total unitholders' equity | 176,035 mn yen | 197,168 mn yen |
| 13 Unitholders' capital | 171,339 mn yen | 192,044 mn yen |
| 14 NOI | 8,882 mn yen | 9,275 mn yen |
| 15 NOI yield (based on acquisition price) | 4.9% | 4.7% |
| 16 NOI yield (based on book value) | 5.1% | 4.8% |
| 17 NOI yield (based on appraisal value) | 5.4% | 5.2% |
| 18 Implied cap rate | 5.4% | 4.5% |
| 19 FFO (annualized) | 12,736 mn yen | 13,602 mn yen |
| 20 AFFO | 5,740 mn yen | 6,177 mn yen |
| 21 EBITDA | 8,148 mn yen | 8,596 mn yen |
| 22 DSCR | 5.4 times | 6.0 times |
| 23 LTV (end of period, based on total assets) | 49.3% | 44.9% |
| 24 LTV (end of period, based on gains or losses from valuation) | 52.2% | 47.5% |
| 25 LTV (end of period, based on unitholders' capital) | 53.2% | 48.5% |
| 26 Ratio of long-term interest-bearing debts | 75.3% | 83.0% |
| 27 Average interest rate of long-term interest-bearing debts | 1.56% | 1.47% |
| 28 Average maturity of long-term interest-bearing debts | 3.77 years | 3.89 years |

| | 21st Period Jun 2012 | 22nd Period Dec 2012 |
|--|-------------------------|-------------------------|
| 29 Number of units outstanding | 715,000 | 825,000 |
| 30 Total cash distributions | 4,597 mn yen | 5,026 mn yen |
| 31 Distribution per unit (fiscal period) | 6,430 yen | 6,093 yen |
| 32 Distribution per unit (annualized) | 12,895 yen | 12,086 yen |
| 33 Unitholders' equity per unit | 246,204 yen | 238,992 yen |
| 34 FFO per unit (annualized) | 17,814 yen | 16,487 yen |
| 35 AFFO payout ratio | 80.1% | 81.4% |
| 36 Investment unit price (immediately before the ex-rights date) | 224,600 yen | 256,300 yen |
| 37 PER | 17.42 times | 21.21 times |
| 38 FFO multiple | 12.61 times | 15.54 times |
| 39 PBR | 0.91 times | 1.07 times |
| 40 Distribution yield (%) | 5.7% | 4.7% |
| 41 NAV | 153,430 mn yen | 175,465 mn yen |
| 42 NAV per unit | 214,588 yen | 212,685 yen |
| 43 NAV multiple | 1.0 time | 1.2 times |
| 44 Appraisal value | 347,558 mn yen | 358,816 mn yen |
| 45 Book value | 370,163 mn yen | 380,518 mn yen |
| 46 Unrealized gains or losses | -22,605 mn yen | -21,702 mn yen |
| 47 PML value | 3.5% | 3.4% |
| 48 Acquisition price | 380,984 mn yen | 391,980 mn yen |
| Next fiscal period (forecast) | | |
| 49 Operating revenue | 12,859 mn yen | 13,017 mn yen |
| 50 Net income | 4,950 mn yen | 4,785 mn yen |
| 51 Distribution per unit | 6,000 yen | 5,800 yen |
| 52 Distribution per unit (annualized) | 11,902 yen | 11,696 yen |

Track Records of JPR (1)

History of Growth of Portfolio Size



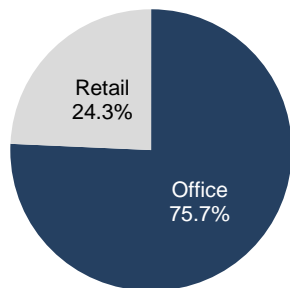
(Note 1) Portfolio size represents the sum total amount of acquisition price of the properties included in the JPR portfolio as of respective dates, rounded down to the nearest hundred million yen. Furthermore, the acquisition price is the deal price (rounded down to the nearest hundred million yen) described in the transaction contracts with the sellers for respective properties, and does not include expenses related to acquisitions and consumption taxes.

(Note 2) The accumulated amount of total properties sold represents the accumulated amount of acquisition prices at which JPR had acquired the respective properties that were sold by the respective dates.

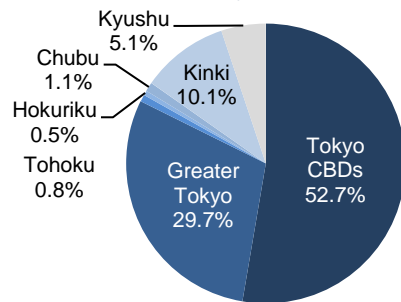
(Note 3) Average acquisition price per property is rounded down to the nearest hundred million yen.

Investment Ratio (End of 22nd Period, Based on Acquisition Price)

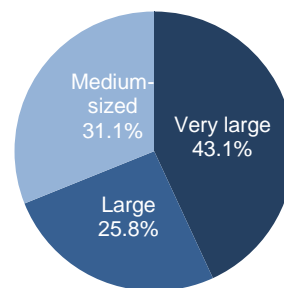
by Asset Class



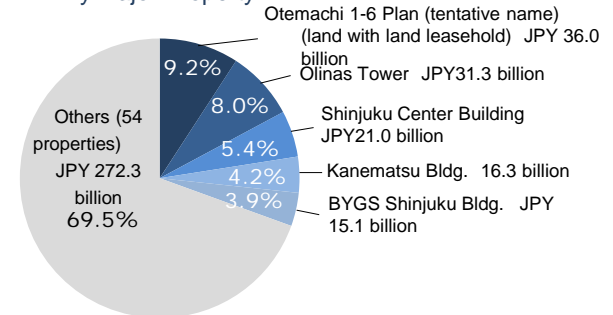
by Area



By size (office properties only)



By Major Property

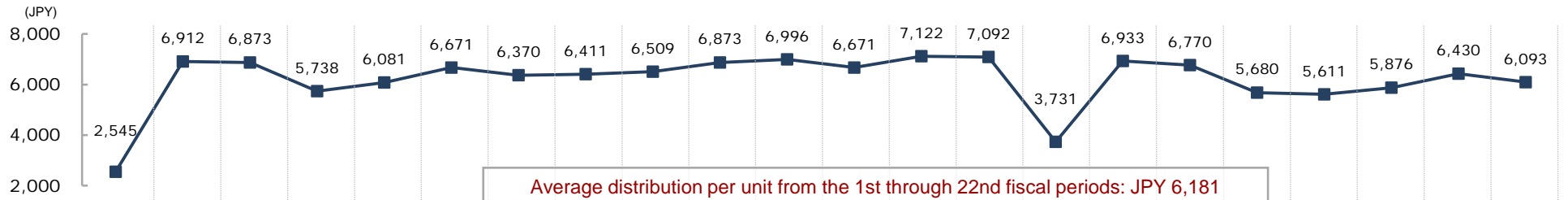


(Note) Figures in the graphs represent investment ratio by area and by asset class, or the ratio of the total acquisition prices of properties in respective categories to the total acquisition prices of the entire portfolio, and are rounded to the first decimal place.

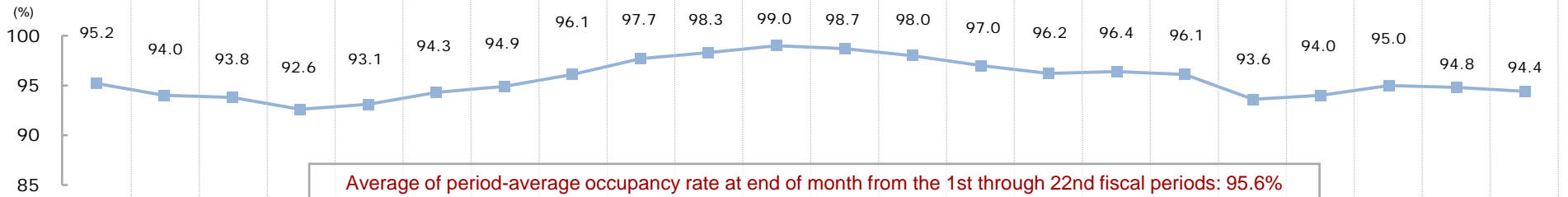
| Size category | Description |
|---------------|---|
| Very Large | With total floor space of at least 30,000m ² |
| Large | With total floor space of 10,000m ² or more and less than 30,000m ² |
| Medium-sized | With total floor space of 3,000m ² or more and less than 10,000m ² |

Track Records of JPR (2)

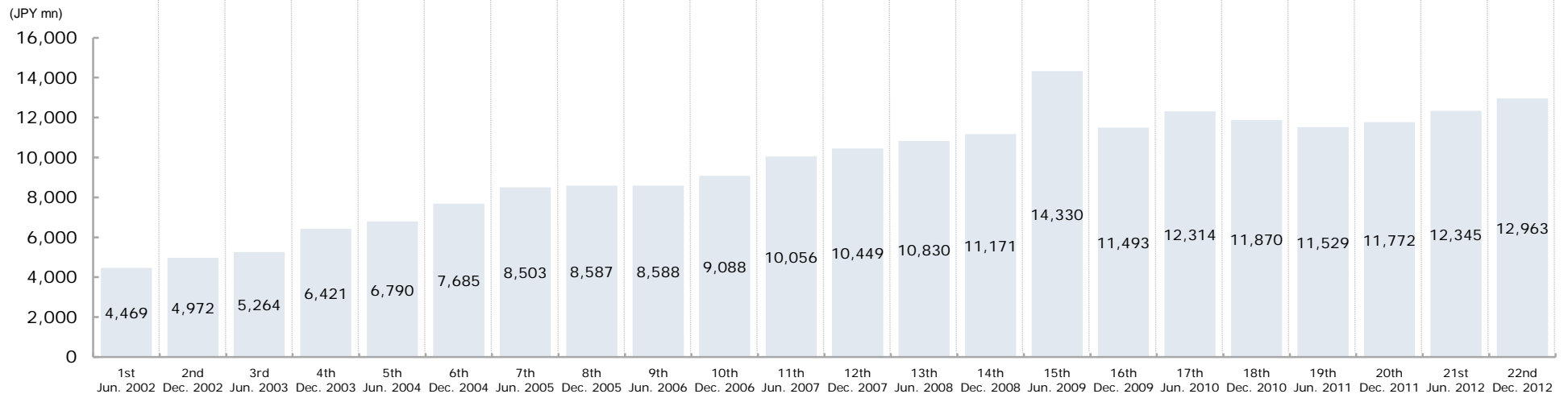
Changes in Distribution per Unit



Changes in Period-Average Occupancy Rate at End of Month



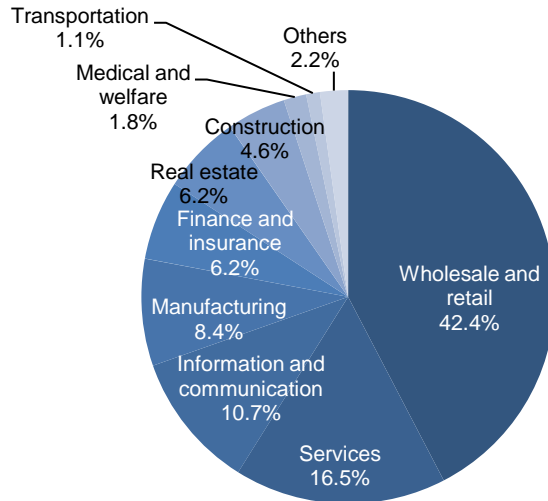
Changes in Operating Revenue



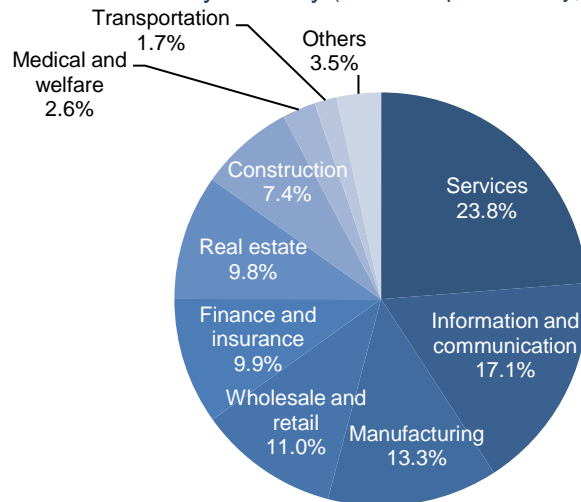
(Note) Period-average occupancy rate at end of month has been rounded to the first decimal place. Operating revenue has been rounded down to the nearest million yen.

Tenant Diversification

Tenant Ratio by Industry (Entire Portfolio, End of 22nd Period)



Tenant Ratio by Industry (Office Properties Only, End of 22nd Period)



(Note) Figures in the graphs are ratios by leased spaces, which are ratios of total leased spaces by relevant category to the total leased spaces of the entire portfolio and are rounded to the first decimal place.

20 Largest Tenants (Based on Leased Space)

| Rank | Tenant Name | Name of Occupying Property | Leased Space at End of 22nd Period (m ²) | Ratio to Total Leased Space at End of Period |
|------|---|---|--|--|
| 1 | ABC Development Corporation | Housing Design Center Kobe | 35,444.13 | 8.3% |
| 2 | Tokyo Tatemono Co., Ltd. | Shinjuku Square Tower 1 | 33,215.95 | 7.7% |
| | | Shinjuku Square Tower 2 | | |
| | | Shinjuku Center Building | | |
| | | Kawasaki Dice Bldg. | | |
| 3 | Seiyu GK | Tanashi ASTA | 31,121.71 | 7.2% |
| 4 | Ito-Yokado Co., Ltd. | JPR Musashikosugi Bldg. | 19,740.95 | 4.6% |
| 5 | The LOFT Co., Ltd. | JPR Umeda Loft Bldg. | 18,586.97 | 4.3% |
| 6 | YK Tokyo Prime Stage | Otemachi 1-6 Plan (tentative name) (land with land leasehold) | 11,034.78 | 2.6% |
| 7 | Olympic Corporation | Musashiurawa Shopping Square | 9,558.51 | 2.2% |
| 8 | Tower Records Japan Inc. | JPR Shibuya Tower Records Bldg. | 8,076.85 | 1.9% |
| 9 | Sompo Japan Insurance Inc. | Kawaguchi Center Bldg. | 7,461.38 | 1.7% |
| | | Yume-ooka Office Tower | | |
| | | Sompo Japan Sendai Bldg. | | |
| | | Sompo Japan Wakayama Bldg. | | |
| 10 | Taisei-Yuraku Real Estate Co.,Ltd. | Rise Arena Bldg. | 6,023.39 | 1.4% |
| 11 | The Maruetsu, Inc. | Cupo-la Main Bldg. | 5,963.00 | 1.4% |
| 12 | BENETTON JAPAN CO., LTD. | Benetton Shinsaibashi Bldg. | 5,303.98 | 1.2% |
| 13 | Nitori Holdings Co., Ltd. | Musashiurawa Shopping Square | 5,285.40 | 1.2% |
| 14 | Level-5 Inc. | Shinagawa Canal Building | 5,146.03 | 1.2% |
| | | Yakuin Business Garden | | |
| 15 | Hitachi Systems, Ltd. | JPR Nagoya Fushimi Bldg. | 4,904.64 | 1.1% |
| 16 | ATM Japan, Ltd. | Olinas Tower | 4,255.56 | 1.0% |
| 17 | CMIC HOLDINGS Co., Ltd. | Gotanda First Bldg. | 4,236.65 | 1.0% |
| 18 | Canon Imaging Systems Inc. | Niigata Ekinan Center Bldg. | 4,078.97 | 0.9% |
| 19 | Mitsubishi Electric Information Systems Corporation | MS Shibaura Bldg. | 3,922.74 | 0.9% |
| 19 | Deloitte Touche Tohmatsu LLC | MS Shibaura Bldg. | 3,922.74 | 0.9% |

(Note 1) The ratio has been rounded to the first decimal place.

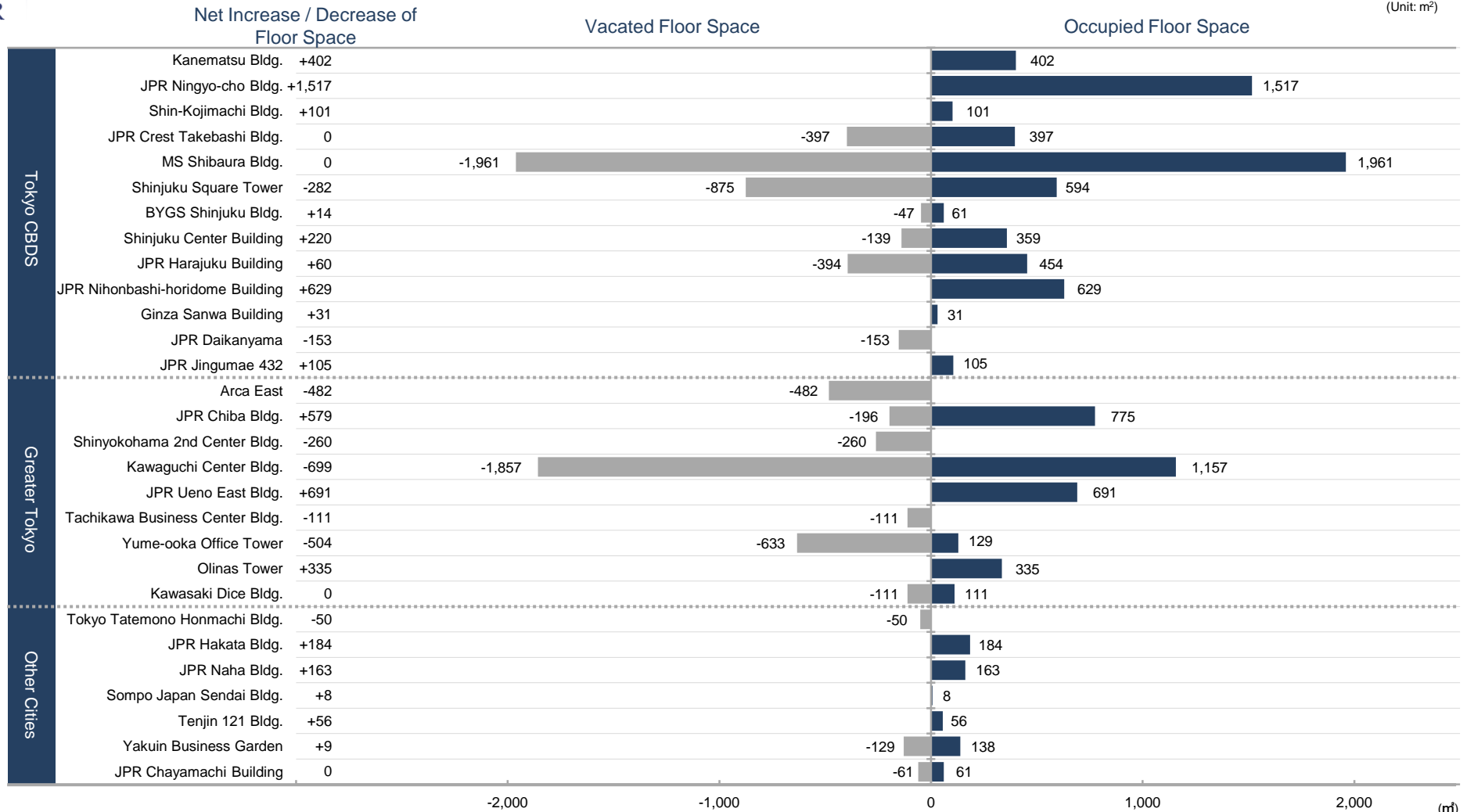
(Note 2) Figures for buildings under co-ownership, etc. represent the space in proportion to the ownership of JPR.



JPR

Contracting Status of Tenants by Property (22nd Fiscal Period)

(Unit: m²)

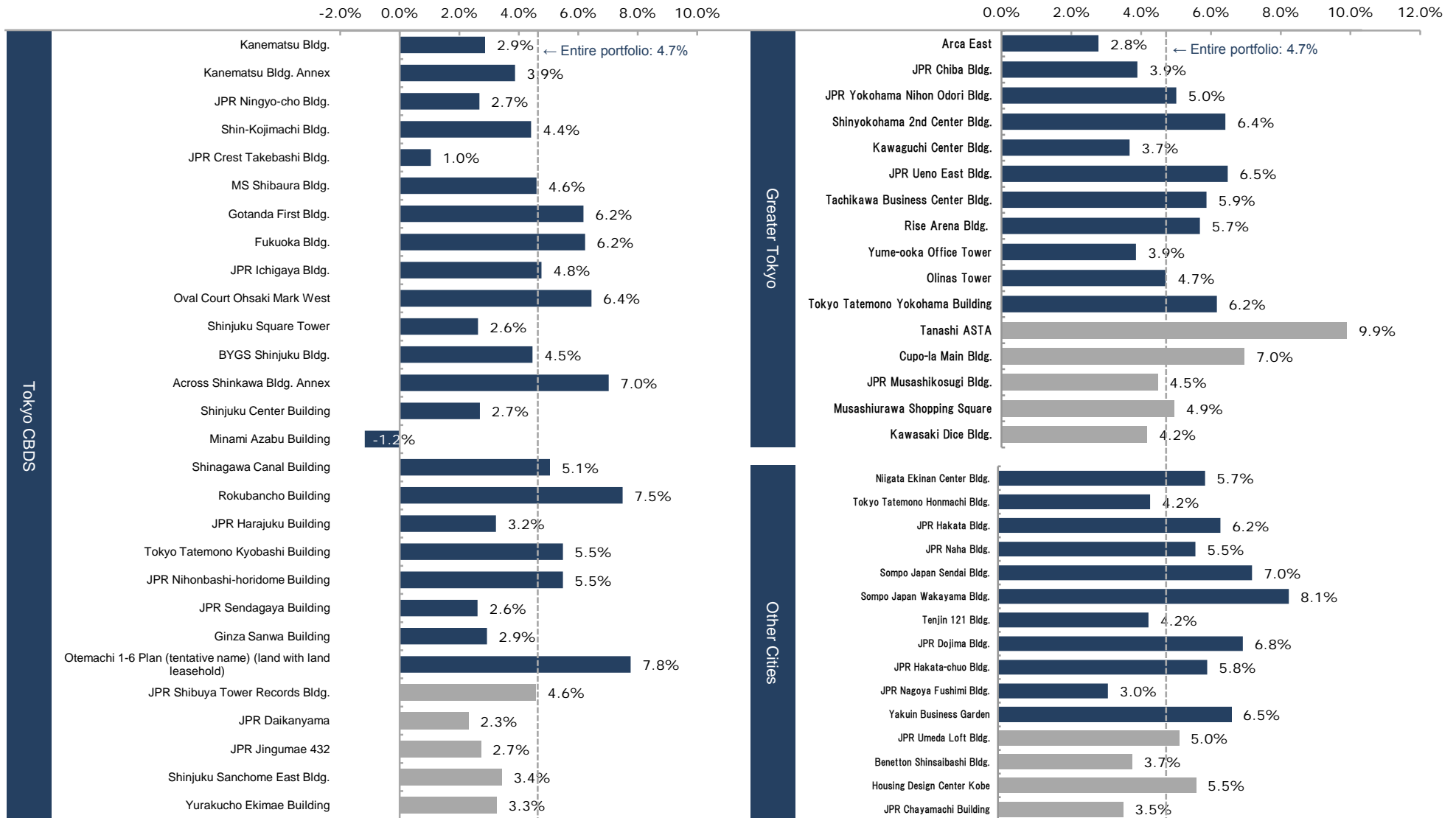


(Note) The above graphs exclude properties at which there were no changes in tenants during the 22nd fiscal period, but include changes in tenants from the amendment of lease contracts, etc.

| | Occupied Floor Space | Vacated Floor Space | Net Increase / Decrease of Floor Space |
|------------------------|----------------------|---------------------|--|
| Office (Tokyo CBDs) | 6,505 | 3,814 | +2,691 |
| Office (Greater Tokyo) | 3,087 | 3,538 | -451 |
| Office (Other cities) | 609 | 240 | +369 |
| Retail | 216 | 264 | -48 |
| Total | 10,417 | 7,856 | +2,561 |

NOI Yield by Property (22nd Fiscal Period)

Portfolio NOI: 4.7% Office building NOI: 4.7% Retail property NOI: 4.9%



(Note) NOI yield = (Operating revenues - Operating expenses + Depreciation) x 365 / 184 ÷ Acquisition price. However, for properties acquired during the fiscal period, the annualized NOI yield has been calculated on a daily pro rata basis. The entered properties are those owned as of the end of the 22nd fiscal period.

List of Property Prices

(JPY mn, %)

| Property name | Acquisition Price | End of 21st Period | | Book Value at End of 22nd Period | End of 22nd Period | | Change | |
|---|-------------------|--------------------|-------|----------------------------------|--------------------|-------|-----------------|----------|
| | | Appraisal Value | Yield | | Appraisal Value | Yield | Appraisal Value | Cap Rate |
| Kanematsu Bldg. | 16,276 | 10,600 | 4.6 | 14,853 | 11,700 | 4.3 | 1,100 | -0.3 |
| Kanematsu Bldg. Annex | 2,874 | 2,040 | 5.1 | 2,468 | 2,220 | 4.7 | 180 | -0.4 |
| JPR Ningyo-cho Bldg. | 2,100 | 2,100 | 5.1 | 1,991 | 2,130 | 5.1 | 30 | - |
| Shin-Kojimachi Bldg. | 2,420 | 3,050 | 4.8 | 2,404 | 3,030 | 4.8 | -20 | - |
| JPR Crest Takebashi Bldg. | 4,000 | 3,410 | 4.7 | 3,450 | 3,310 | 4.6 | -100 | -0.1 |
| MS Shibaura Bldg. | 11,200 | 12,300 | 4.9 | 10,897 | 11,800 | 4.9 | -500 | - |
| Gotanda First Bldg. | 2,920 | 2,770 | 5.0 | 2,694 | 2,700 | 5.0 | -70 | - |
| Fukuoka Bldg. | 2,920 | 3,170 | 4.5 | 2,918 | 3,060 | 4.5 | -110 | - |
| JPR Ichigaya Bldg. | 5,100 | 4,770 | 4.6 | 5,296 | 4,770 | 4.5 | - | -0.1 |
| Oval Court Ohsaki Mark West | 3,500 | 4,200 | 4.8 | 3,115 | 4,200 | 4.7 | - | -0.1 |
| Shinjuku Square Tower | 10,180 | 7,685 | 4.6 | 9,039 | 7,388 | 4.2 | -297 | -0.4 |
| BYGS Shinjuku Bldg. | 15,121 | 13,400 | 4.6 | 15,760 | 13,400 | 4.5 | - | -0.1 |
| Across Shinkawa Bldg. Annex | 710 | 813 | 5.5 | 619 | 813 | 5.4 | - | -0.1 |
| Shinjuku Center Building | 21,000 | 12,500 | 4.3 | 21,804 | 12,500 | 4.3 | - | - |
| Minami Azabu Building | 3,760 | 2,830 | 5.4 | 3,860 | 2,630 | 5.4 | -200 | - |
| Shinagawa Canal Building | 1,870 | 1,780 | 4.9 | 1,817 | 1,810 | 4.9 | 30 | - |
| Rokubancho Building | 2,800 | 3,110 | 7.2 | 2,902 | 3,120 | 7.2 | 10 | - |
| JPR Harajuku Building | 8,400 | 6,830 | 4.5 | 8,734 | 6,900 | 4.4 | 70 | -0.1 |
| Tokyo Tatemono Kyobashi Building | 5,250 | 5,210 | 4.9 | 5,253 | 5,210 | 4.9 | - | - |
| JPR Nihonbashi-horidome Building | 5,100 | 5,630 | 4.9 | 5,104 | 5,730 | 4.8 | 100 | -0.1 |
| JPR Sendagaya Building | 15,050 | 10,300 | 4.4 | 15,248 | 10,600 | 4.3 | 300 | -0.1 |
| Ginza Sanwa Building | 3,400 | 3,230 | 3.8 | 3,636 | 3,260 | 3.8 | 30 | - |
| Otemachi 1-6 Plan (tentative name) (land with land leasehold) | 36,000 | 36,800 | 3.6 | 38,388 | 36,800 | 3.6 | - | - |
| JPR Shibuya Tower Records Bldg. | 12,000 | 12,100 | 4.4 | 11,656 | 12,100 | 4.4 | - | - |
| JPR Daikanyama | 2,160 | 1,270 | 5.1 | 2,199 | 1,430 | 4.4 | 160 | -0.7 |
| JPR Jingumae 432 | 4,275 | 3,700 | 3.5 | 4,340 | 3,350 | 4.1 | -350 | 0.6 |
| Shinjuku Sanchoe East Bldg. | 2,740 | 2,390 | 4.4 | 2,728 | 2,400 | 4.4 | 10 | - |
| Yurakucho Ekimae Building (Yurakucho Itocia) | 3,400 | 2,620 | 4.2 | 3,377 | 2,620 | 4.2 | - | - |
| Tokyo CBDs | 206,526 | 180,608 | | 206,563 | 180,981 | | 373 | |
| Arca East | 5,880 | 5,750 | 4.7 | 4,605 | 5,830 | 4.7 | 80 | - |
| JPR Chiba Bldg. | 2,350 | 1,550 | 6.1 | 2,420 | 1,610 | 6.1 | 60 | - |
| JPR Yokohama Nihon Odori Bldg. | 2,927 | 2,400 | 5.7 | 2,661 | 2,380 | 5.7 | -20 | - |
| Shinyokohama 2nd Center Bldg. | 920 | 840 | 6.0 | 909 | 865 | 6.2 | 25 | 0.2 |
| Kawaguchi Center Bldg. | 8,100 | 7,700 | 6.0 | 7,164 | 7,610 | 6.0 | -90 | - |
| JPR Ueno East Bldg. | 3,250 | 4,570 | 5.1 | 3,116 | 4,420 | 5.1 | -150 | - |
| Tachikawa Business Center Bldg. | 3,188 | 2,890 | 5.6 | 2,973 | 2,890 | 5.6 | - | - |

| Property name | Acquisition Price | End of 21st Period | | Book Value at End of 22nd Period | End of 22nd Period | | Change | |
|----------------------------------|-------------------|--------------------|-------|----------------------------------|--------------------|-------|-----------------|----------|
| | | Appraisal Value | Yield | | Appraisal Value | Yield | Appraisal Value | Cap Rate |
| Rise Arena Bldg. | 5,831 | 6,030 | 5.4 | 5,558 | 6,020 | 5.3 | -10 | -0.1 |
| Yume-ooka Office Tower | 6,510 | 5,260 | 5.6 | 5,896 | 5,230 | 5.6 | -30 | - |
| Olinas Tower | 31,300 | 32,300 | 4.7 | 29,820 | 32,300 | 4.7 | - | - |
| Tokyo Tatemono Yokohama Building | 7,000 | 6,910 | 5.7 | 6,983 | 6,860 | 5.6 | -50 | -0.1 |
| Tanashi ASTA | 10,200 | 12,500 | 5.7 | 7,774 | 12,500 | 5.7 | - | - |
| Cupo-la Main Bldg. | 2,100 | 2,500 | 5.9 | 1,888 | 2,500 | 5.9 | - | - |
| JPR Musashikosugi Bldg. | 7,260 | 5,270 | 5.2 | 7,240 | 5,270 | 5.2 | - | - |
| Musashirawa Shopping Square | 4,335 | 3,960 | 5.4 | 4,065 | 3,960 | 5.4 | - | - |
| Kawasaki Dice Bldg. | 15,080 | 14,560 | 4.7 | 14,411 | 14,300 | 4.8 | -260 | 0.1 |
| Greater Tokyo | 116,231 | 114,990 | | 107,491 | 114,545 | | -445 | |
| Niigata Ekinan Center Bldg. | 2,140 | 2,090 | 6.7 | 1,799 | 2,170 | 6.7 | 80 | - |
| Tokyo Tatemono Honmachi Bldg. | 4,150 | 3,210 | 5.7 | 4,159 | 3,210 | 5.7 | - | - |
| JPR Hakata Bldg. | 2,900 | 2,770 | 6.0 | 3,189 | 2,780 | 6.0 | 10 | - |
| JPR Naha Bldg. | 1,560 | 1,460 | 6.7 | 1,431 | 1,390 | 6.7 | -70 | - |
| Sompo Japan Sendai Bldg. | 3,150 | 3,300 | 6.3 | 2,388 | 3,280 | 6.3 | -20 | - |
| Sompo Japan Wakayama Bldg. | 1,670 | 1,660 | 7.5 | 1,287 | 1,590 | 7.2 | -70 | -0.3 |
| Tenjin 121 Bldg. | 2,810 | 2,080 | 5.7 | 2,298 | 2,100 | 5.7 | 20 | - |
| JPR Dojima Bldg. | 2,140 | 2,050 | 5.4 | 2,053 | 2,090 | 5.4 | 40 | - |
| JPR Hakata-chuo Bldg. | 1,920 | 1,650 | 5.7 | 1,791 | 1,630 | 5.7 | -20 | - |
| JPR Nagoya Fushimi Bldg. | 4,137 | 2,770 | 6.2 | 4,178 | 2,780 | 6.2 | 10 | - |
| JPR Umeda Loft Bldg. | 13,000 | 13,600 | 4.8 | 12,572 | 13,600 | 4.6 | - | -0.2 |
| Benetton Shinsaibashi Bldg. | 5,430 | 4,340 | 4.8 | 5,250 | 4,340 | 4.8 | - | - |
| Housing Design Center Kobe | 7,220 | 6,430 | 6.2 | 6,630 | 6,450 | 6.3 | 20 | 0.1 |
| JPR Chayamachi Building | 6,000 | 4,550 | 5.0 | 6,014 | 4,580 | 5.0 | 30 | - |
| Other cities | 58,227 | 51,960 | | 55,047 | 51,990 | | 30 | |
| Total | 380,984 | 347,558 | | 369,102 | 347,516 | | -42 | |

Property Acquired in the 22nd Period

| | | | | | | | | |
|------------------------------------|--------|--|--|--------|--------|-----|-----|------|
| Yakuin Business Garden (Note 1, 2) | 10,996 | | | 11,416 | 11,300 | 5.4 | 300 | -0.1 |
|------------------------------------|--------|--|--|--------|--------|-----|-----|------|

Difference between Appraisal Value and Book Value at the end of 22nd fiscal period -21,702

(Note 1) The acquisition price is the deal price (rounded down to the nearest hundred million yen) described in the transaction contracts with the sellers for respective properties, and does not include expenses related to acquisitions and consumption taxes.

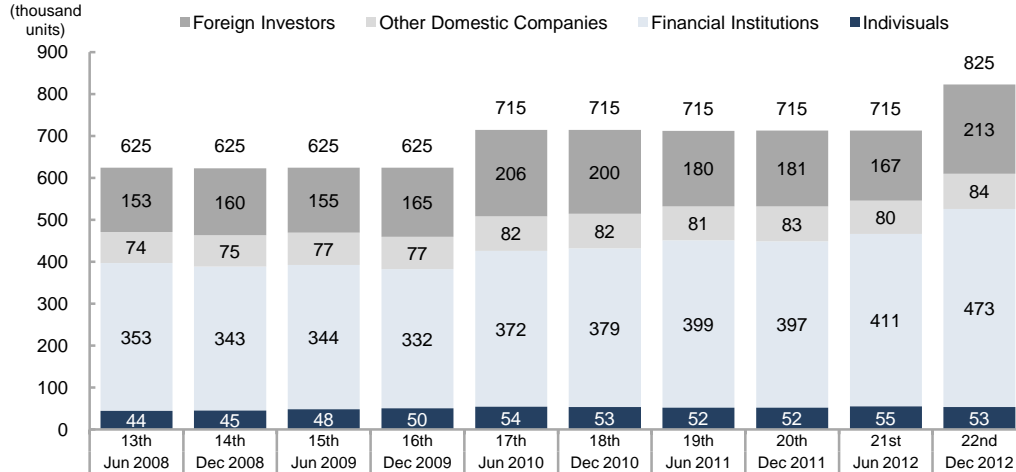
(Note 2) For the property acquired in the 22nd fiscal period, the appraisal value obtained upon its acquisition (as of May 1, 2012) has been entered as the appraisal value at the end of the 21st fiscal period.

(Note 3) The yield is the capitalization rate based on the Direct Capitalization Method.

The Direct Capitalization Method is a method for determining income using the capitalization method (a method that determines the price of targeted real estate by determining the sum of the current price of the net income that the targeted real estate is expected to produce in the future), which discounts the net income for a set period using the cap rate.

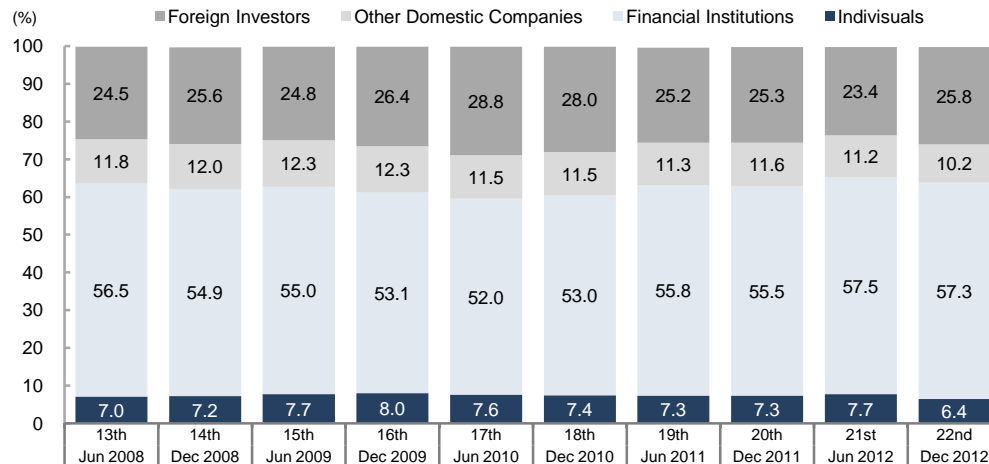
Status of Unitholders

Number of Units by Investor Type



(Note) The number of units outstanding has been rounded to the nearest thousand units.

Unitholder Ratio (by Number of Investment Units)



(Note) The ratio of the number of investment units owned to the total number of investment units outstanding has been rounded to the first decimal place.

Top 10 of Principle Unitholders

| Top 10 of Principle Unitholders | End of 21st Period Jun 30, 2012 | | End of 22nd Period Dec 31, 2012 | |
|---|------------------------------------|-------------|------------------------------------|-------------|
| | Number of Units Owned | (%) | Number of Units Owned | (%) |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 143,607 | 20.1 | 174,026 | 21.1 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 26,858 | 3.8 | 46,855 | 5.7 |
| Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account) | 39,390 | 5.5 | 42,955 | 5.2 |
| The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) | 44,278 | 6.2 | 40,156 | 4.9 |
| Tokyo Tatemono Co., Ltd. | 29,300 | 4.1 | 29,300 | 3.6 |
| Northern Trust Company (AVFC), Account Singapore Clients (Standing Proxy: The Hongkong and Shanghai Banking Corporation Ltd., Tokyo Branch) | 27,258 | 3.8 | 27,258 | 3.3 |
| Kawasaki Gakuen | 25,000 | 3.5 | 25,000 | 3.0 |
| Meiji Yasuda Life Insurance Company | 24,000 | 3.4 | 24,000 | 2.9 |
| Nomura Bank (Luxembourg) S. A. (Standing Proxy: Sumitomo Mitsui Banking Corporation) | 17,832 | 2.5 | 23,121 | 2.8 |
| The Bank of New York Mellon as Agent BNYM AS EA Dutch Pension Omnibus 140016 (Standing Proxy: Mizuho Corporate Bank, Ltd.) | 6,865 | 1.0 | 10,163 | 1.2 |
| Total | 384,388 | 53.8 | 442,834 | 53.7 |

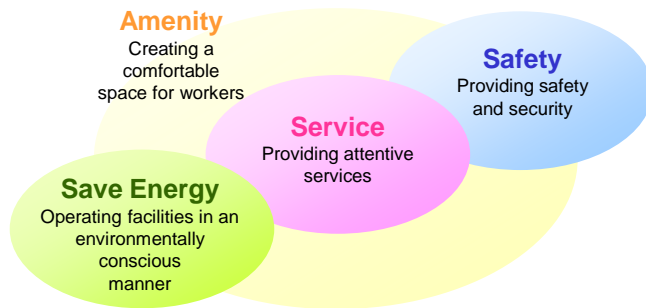
(Note) The ratio of the number of investment units owned to the total number of investment units outstanding has been rounded to the first decimal place.

Continuous Implementation of JPR Brand Strategy

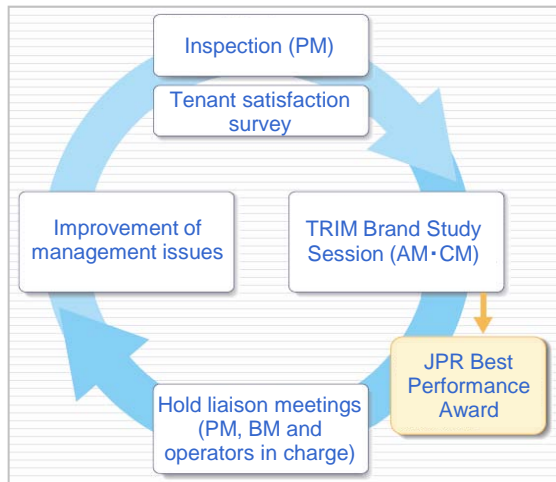
JPR is implementing the JPR Brand Strategy with the aim of perpetually enhancing the tenant satisfaction and the asset values of its properties.

■ JPR Brand Strategy

The “JPR Brand Strategy” is positioned as one of our internal strategies for improving tenant satisfaction, and increase the earnings ratios and asset values of our properties. This brand strategy is based on the brand concept of “A/3S,” which offers the ultimate in “**Amenity**” and optimal space by focusing on “**Service**,” “**Safety**” and “**Save Energy (environment)**.” Our office building brand strategy is built around the active promotion of these objectives.



For the tenant services implemented in accordance with the JPR Brand Strategy Management Standard Manual, confirmation is made each year as to how far the services are conducted, management issues for respective properties are identified, and their countermeasures are discussed.

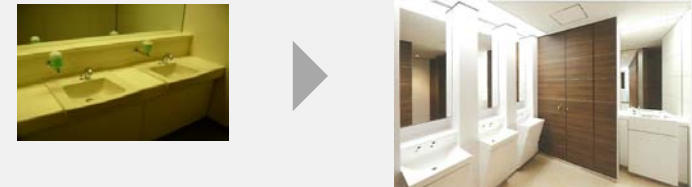


■ Major measures implemented

- Reporting of results of tenant satisfaction survey questionnaires
- Issue of the JPR Brand Bulletin
- Implementation of inspections and holding of TRM Brand Study Session and liaison meetings
- Preparation of novelty goods and check of good manners
- Entrance performances

■ Example of renewal work

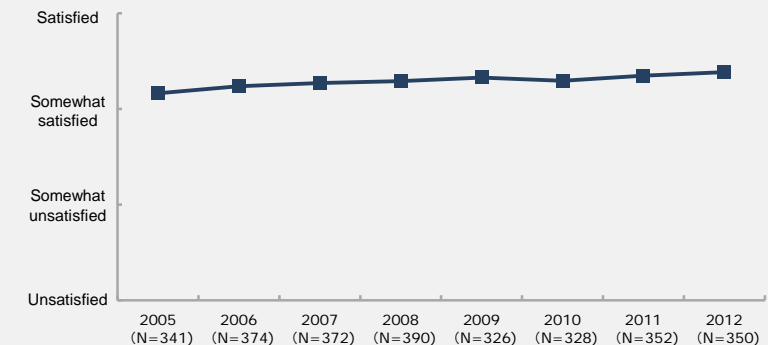
Renovation of toilets at Shinjuku Center Bldg.



Renovation of the entrance at Shin-Kojimachi Bldg.



■ Results of Tenant Satisfaction Survey Questionnaires



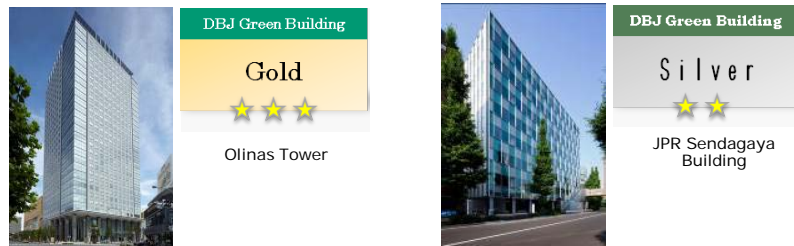
Environmental Initiatives

Environmental initiatives are being proactively taken, such as acquiring DBJ Green Building Certification and GRESB Ranking

■ Acquisition of DBJ Green Building Certification

- DBJ Green Building Certification is a certification system designed to select superior real estate that meets the demand of the times, by scoring the properties using the scoring model developed originally by Development Bank of Japan Inc.
- Evaluation is made on the three categories of Ecology (environment), Amenity (comfort) & Risk Management (crime prevention/disaster prevention) and Community (local community/landscape) & Partnership (coordination with stakeholders). Five levels of certification, namely Platinum, Gold, Silver, Bronze and Certified, are awarded depending on the evaluation.
- JPR acquired Gold certification, the first achievement among J-REITs, for Olinas Tower in 2011, and acquired additional certifications for four properties in 2012.

Acquisition of DBJ Green Building certification in 2011



Acquisition of DBJ Green Building certification in 2012



■ Acquisition of GRESB Ranking

- 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.
- JPR started to participate in the survey in 2011, and has obtained relatively high evaluation as a result of having worked to reduce energy consumption, etc. by establishing a consistent promotion system at the Asset Manager and other business partners involved in building operations under a clear environment policy.



Members

Investors and Managers



Governance Initiatives

JPR sets reinforcement of “governance” as one of the most important themes in the sound and efficient operation of a corporation, and has consequently been establishing such a structure from the listing criteria stage.

JPR (the investment corporation) and TRIM (the Asset Manager) have poised for stringent monitoring of transactions with interested parties, such as property acquisitions from the sponsors, through checks and controls from inside and outside, based on the governance system that features the officer composition and the decision-making function that focus on mutual independence.

Independence of JPR

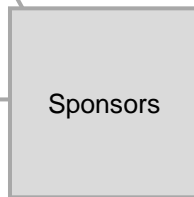
At JPR, neither the executive officer nor the supervising officers serve concurrently as officers of the Asset Manager (TRIM). Human resources with high expertise, such as attorneys and accountants, have been appointed as the officers so that the independence of the Investment Corporation is firmly secured.

| JPR Officers | | |
|---------------------|-----------------|-------------------------------|
| Executive Officer | Hirohito Kaneko | (attorney) |
| Supervising Officer | Sosuke Yasuda | (certified public accountant) |
| Supervising Officer | Masato Denawa | (attorney) |



Stringent Screening System for Transactions with Sponsors, Etc.

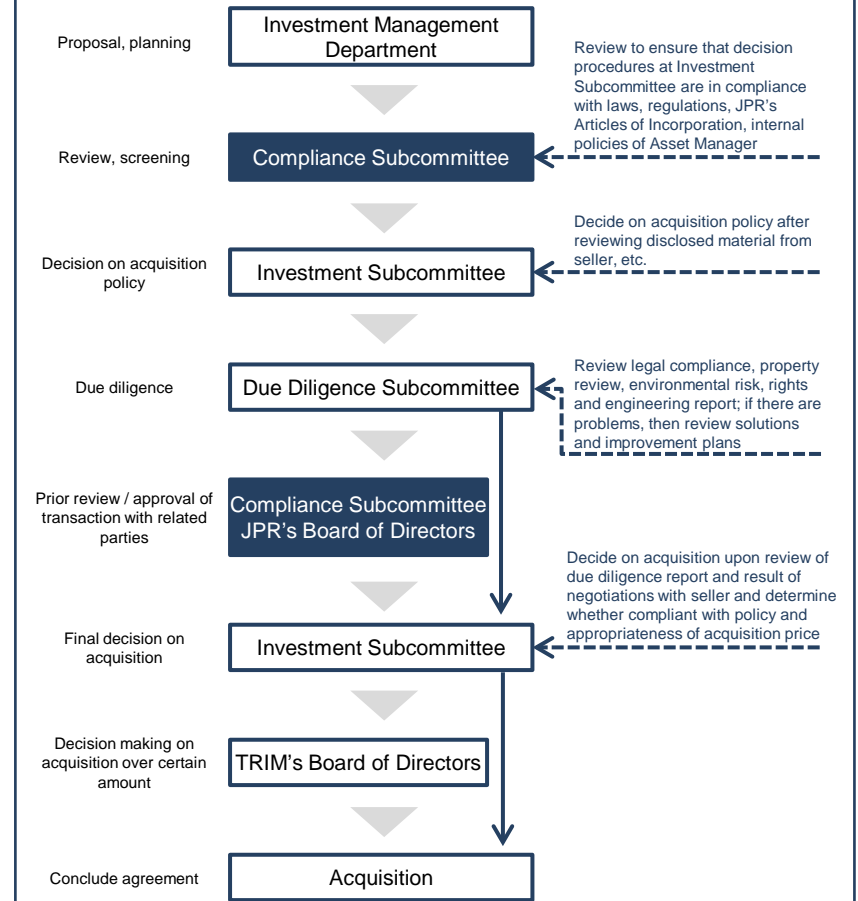
- Transactions between JPR and its sponsor companies are screened and verified by the Compliance Committee, in which an outside attorney participates as a special member. The Committee employs unanimous vote, not majority vote, for approvals as a rule.
- Executing transaction matters approved by the Compliance Committee requires approval in advance by JPR’s Board of Directors which comprises independent directors.



Independence of TRIM

- The shareholder composition is diversified among the five sponsor companies, taking into account the independence of TRIM.
- TRIM President and CEO has assumed office after having his employment transferred to TRIM, instead of being seconded from the sponsor company he belonged to.
- The position of Compliance Office general manager in charge of internal control is assumed by a career employee.
- With a high proportion of career employees, the personnel structure of TRIM also serves to help secure independence as an asset manager.

Governance System of Asset Manager





J P R
Japan Prime Realty Investment Corporation

Entrust the asset management



TRIM
Tokyo Realty Investment Management, Inc.

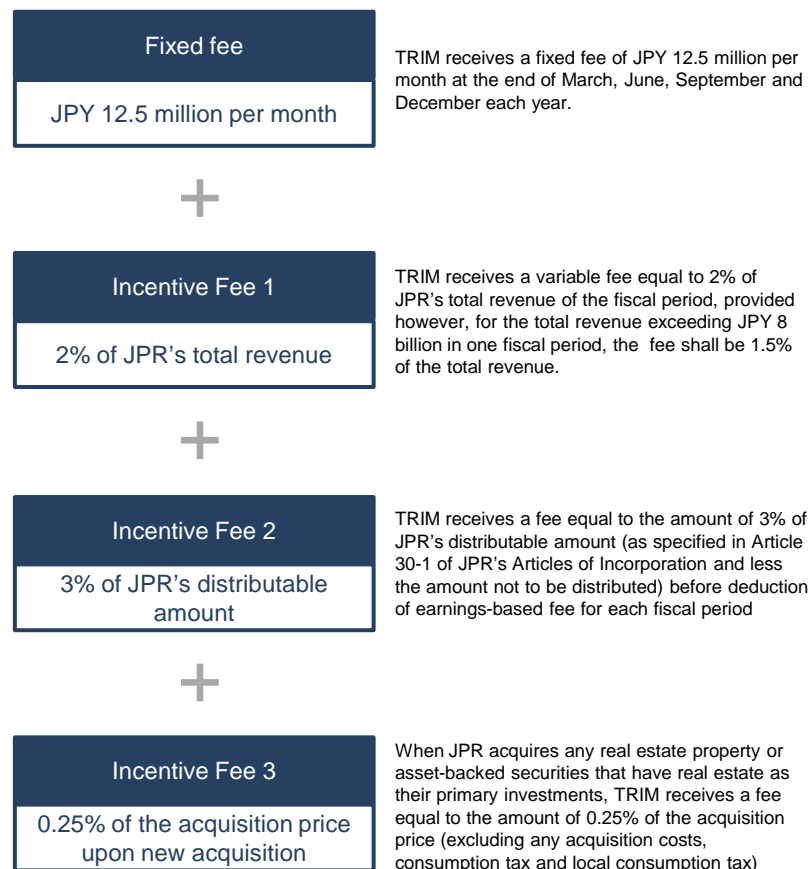
- Support on human resources through dispatching personnel to TRIM and other measures
- Provision of know-how on real estate management in general, including tenant leasing and technical support
- Supply of properties and provision of information on property acquisitions
- Fund procurement support including funding through debt finance



*Figures represent the ratio of shares owned by the respective sponsor companies against the number of shares outstanding of the Asset Manager.

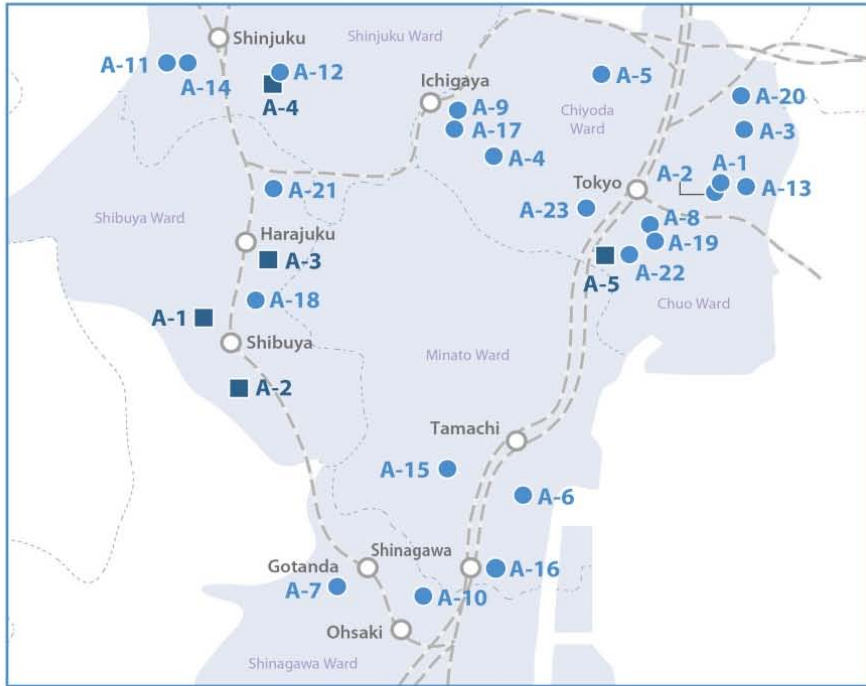
Remuneration System of Asset Manager

The Asset Manager receives an asset management fee which consists of a fixed fee and incentive fees.



Portfolio Map

A Central Tokyo



- | | | |
|---|--|--|
| <p>Office</p> <ul style="list-style-type: none"> ● A-1 Kanematsu Bldg. ● A-2 Kanematsu Bldg. Annex ● A-3 JPR Ningyo-cho Bldg. ● A-4 Shin-Kojimachi Bldg. ● A-5 JPR Crest Takebashi Bldg. ● A-6 MS Shibaura Bldg. ● A-7 Gotanda First Bldg. ● A-8 Fukuoka Bldg. ● A-9 JPR Ichigaya Bldg. ● A-10 Oval Court Ohsaki Mark West ● A-11 Shinjuku Square Tower ● A-12 BYGS Shinjuku Bldg. | <ul style="list-style-type: none"> ● A-13 Across Shinkawa Bldg. Annex ● A-14 Shinjuku Center Bldg. ● A-15 Minami Azabu Bldg. ● A-16 Shinagawa Canal Bldg. ● A-17 Rokubancho Bldg. ● A-18 JPR Harajuku Bldg. ● A-19 Tokyo Tatemono Kyobashi Bldg. ● A-20 JPR Nihonbashi-horidome Bldg. ● A-21 JPR Sendagaya Bldg. ● A-22 Ginza Sanwa Bldg. ● A-23 Ottemachi 1-6 Plan (tentative name) (land with land leasehold) | <p>Retail</p> <ul style="list-style-type: none"> ■ A-1 JPR Shibuya Tower Records Bldg. ■ A-2 JPR Daikanyama ■ A-3 JPR Jingumae 432 ■ A-4 Shinjuku Sanhome East Bldg. ■ A-5 Yurakucho Ekimae Bldg. (Yurakucho Itocia) |
|---|--|--|

A Central Tokyo

Chiyoda Ward
Chuo Ward
Minato Ward

B Greater Tokyo

Shinjuku Ward
Shinagawa Ward
Shibuya Ward

C Other Cities

All other areas in Japan

B Greater Tokyo

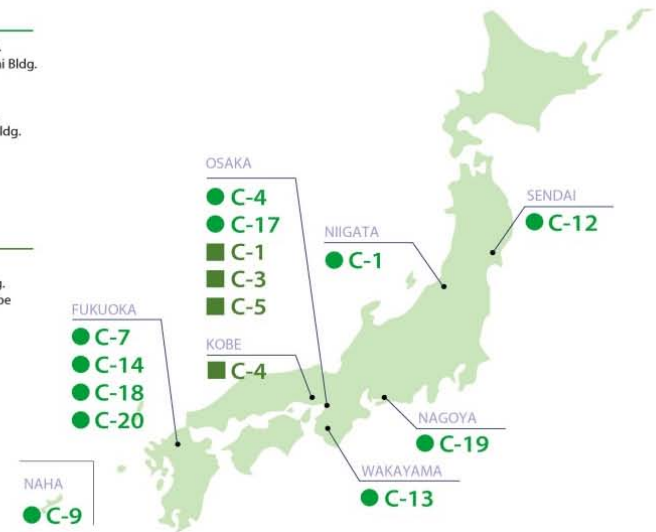


- Office**
- B-1 Arca East
 - B-2 JPR Chiba Bldg.
 - B-3 JPR Yokohama Nihon Odori Bldg.
 - B-5 Shinyokohama 2nd Center Bldg.
 - B-6 Kawaguchi Center Bldg.
 - B-7 JPR Ueno East Bldg.
 - B-8 Tachikawa Business Center Bldg.
 - B-9 Rise Arena Bldg.
 - B-10 Yume-ooka Office Tower
 - B-11 Olinas Tower
 - B-12 Tokyo Tatemono Yokohama Bldg.
- Retail**
- B-1 Tanashi ASTA
 - B-3 Cupo-la Main Bldg.
 - B-4 JPR Musashikosugi Bldg.
 - B-5 Musashirawa Shopping Square
 - B-6 Kawasaki Dice Bldg.

C Other Cities

- Office**
- C-1 Niigata Ekinan Center Bldg.
 - C-4 Tokyo Tatemono Honmachi Bldg.
 - C-7 JPR Hakata Bldg.
 - C-9 JPR Naha Bldg.
 - C-12 Sompo Japan Sendai Bldg.
 - C-13 Sompo Japan Wakayama Bldg.
 - C-14 Tenjin 121 Bldg.
 - C-17 JPR Dojima Bldg.
 - C-18 JPR Hakata-chuo Bldg.
 - C-19 JPR Nagoya Fushimi Bldg.
 - C-20 Yakuin Business Garden

- Retail**
- C-1 JPR Umeda Loft Bldg.
 - C-3 Benetton Shinsaibashi Bldg.
 - C-4 Housing Design Center Kobe
 - C-5 JPR Chayamachi Bldg.



Portfolio List (Central Tokyo)



A-1 Kanematsu Bldg.



A-2 Kanematsu Bldg. Annex



A-3 JPR Ningyo-cho Bldg.



A-4 Shin-Kojimachi Bldg.



A-5 JPR Crest Takebashi Bldg.



A-6 MS Shibaura Bldg.



A-7 Gotanda First Bldg.



A-8 Fukuoka Bldg.



A-9 JPR Ichigaya Bldg.



A-14 Shinjuku Center Building



A-10 Oval Court Ohsaki Mark West



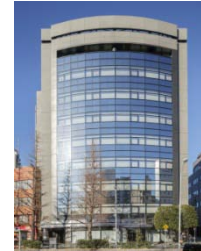
A-11 Shinjuku Square Tower



A-12 BYGS Shinjuku Bldg.



A-13 Across Shinkawa Bldg. Annex



A-15 Minami Azabu Building



A-16 Shinagawa Canal Building



A-17 Rokubancho Building



A-18 JPR Harajuku Building



A-19 Tokyo Tatemono Kyobashi Building



A-20 JPR Nihonbashi-horidome Building



A-21 JPR Sendagaya Building



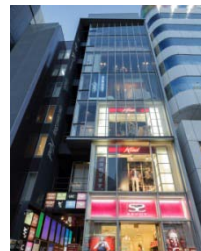
A-22 Ginza Sanwa Building



A-1 JPR Shibuya Tower Records Bldg.



A-2 JPR Daikanyama



A-3 JPR Jingumae 432



A-4 Shinjuku Sanchose East Bldg.



A-5 Yurakucho Ekimae Building (Yurakucho Itocia)



A-23 Otemachi 1-6 Plan (tentative name) (land with land leasehold)

Portfolio List (Greater Tokyo and Other Cities)



B-1 Arca East



B-2 JPR Chiba Bldg.



B-3 JPR Yokohama Nihon Odori Bldg.



B-5 Shinyokohama 2nd Center Bldg.



B-6 Kawaguchi Center Bldg.



B-7 JPR Ueno East Bldg.



B-8 Tachikawa Business Center Bldg.



B-9 Rise Arena Bldg.



B-10 Yume-oka Office Tower



B-11 Olinas Tower



B-12 Tokyo Tatemono Yokohama Building



B-1 Tanashi ASTA



B-3 Cupo-la Main Bldg.



B-4 JPR Musashikosugi Bldg.



B-5 Musashiurawa Shopping Square



B-6 Kawasaki Dice Bldg.



C-1 Niigata Ekinan Center Bldg.



C-4 Tokyo Tatemono Honmachi Bldg.



C-7 JPR Hakata Bldg.



C-9 JPR Naha Bldg.



C-12 Sampo Japan Sendai Bldg.



C-13 Sampo Japan Wakayama Bldg.



C-14 Tenjin 121 Bldg.



C-17 JPR Dojima Bldg.



C-18 JPR Hakata-chuo Bldg.



C-19 JPR Nagoya Fushimi Bldg.



C-20 Yakuin Business Garden



C-1 JPR Umeda Loft Bldg.



C-3 Benetton Shinsaibashi Bldg.



C-4 Housing Design Center Kobe



C-5 JPR Chayamachi Building



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