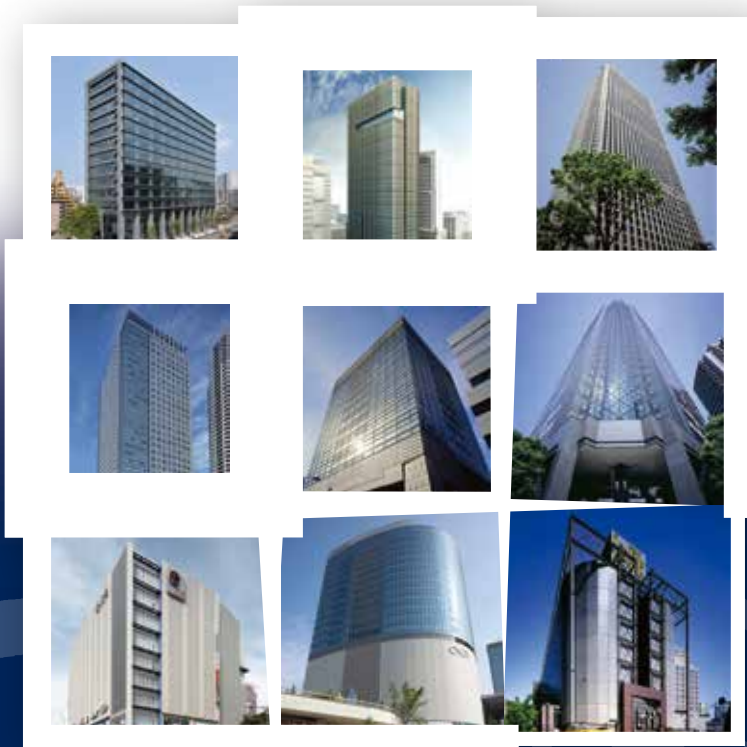


23 rd



J P R

**Report on Operating and Management Results
Twenty-Third Fiscal Period Semi-Annual Report
January 1, 2013 – June 30, 2013
Japan Prime Realty Investment Corporation**



Japan Prime Realty Investment Corporation

Japan Prime Realty Investment Corporation (JPR) is a J-REIT having one of the largest asset holdings in Japan with a combined portfolio that is focused on office properties in Tokyo* and complemented by urban retail properties.

Since its listing in 2002, JPR has steadily expanded its asset size while maintaining stable cash distributions. Going forward, JPR will endeavor to further improve the quality of its portfolio and manage its assets so that steady growth and enhancement of unitholder value is secured as it moves ahead.

*"Office properties in Tokyo" represent office properties located in Central Tokyo (Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya Wards) and Greater Tokyo (all other areas of Tokyo, Chiba, Kanagawa and Saitama Prefectures) (the same applies throughout this report).

Features of JPR

1. Proven ten-year track record in achieving steady growth and stable management since listing
2. High-quality portfolio of assets centering on office properties in Tokyo
3. Stable financial operations
4. Strong support from five sponsor companies including Tokyo Tatemono

Cash Distribution per Unit

Determined cash distribution (for the 23rd fiscal period)

¥6,031

(Distribution starting on September 10, 2013)

Assets Held

¥398.6 billion

Properties Owned

60 properties

Occupancy Rate at End of Period

96.9%



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Message to Our Unitholders



(from left to right) Masato Denawa, Hirohito Kaneko and Sosuke Yasuda

Japan Prime Realty
Investment Corporation

Hirohito Kaneko
Executive Officer

Sosuke Yasuda
Supervising Officer

Masato Denawa
Supervising Officer

Dear Investors,

We at Japan Prime Realty Investment Corporation (JPR) would like to express our sincere gratitude for the continued loyal patronage you have extended to us.

Having settled the 23rd fiscal period (January 1, 2013 – June 30, 2013) at the end of June 2013, we renew our heartfelt appreciation for your advocacy and encouragement.

Going forward, JPR will continue working with Tokyo Realty Investment Management, Inc. (TRIM), to which we entrust asset management, to realize stable growth of our portfolio over the medium to long term while taking into full account the governance of JPR as an investment corporation.

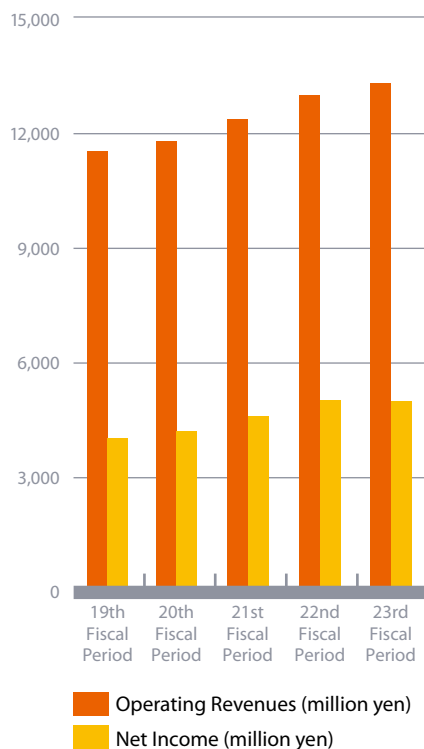
We ask for your continued understanding and support of our operations.

1. Operating Performance Topics

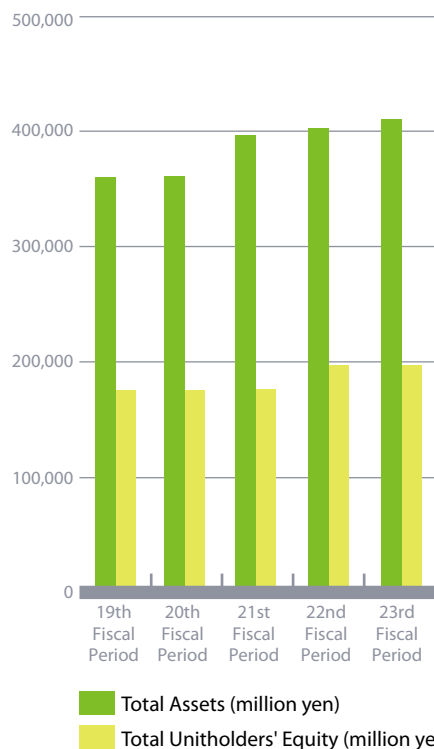
(All amounts in millions of yen unless otherwise stated)

	19th Fiscal Period ended June 2011	20th Fiscal Period ended December 2011	21st Fiscal Period ended June 2012	22nd Fiscal Period ended December 2012	23rd Fiscal Period ended June 2013
Operating revenues	11,529	11,772	12,345	12,963	13,278
Ordinary income	4,075	4,201	4,597	5,026	4,975
Net income	4,010	4,200	4,596	5,025	4,974
Total cash distributions	4,011	4,201	4,597	5,026	4,975
Total assets	360,004	360,699	396,017	401,984	409,715
Total unitholders' equity	175,452	175,640	176,035	197,168	197,116
Equity ratio (%)	48.7	48.7	44.5	49.0	48.1
Unitholders' equity per unit (yen)	245,387	245,651	246,204	238,992	238,929
Cash distribution per unit (yen)	5,611	5,876	6,430	6,093	6,031

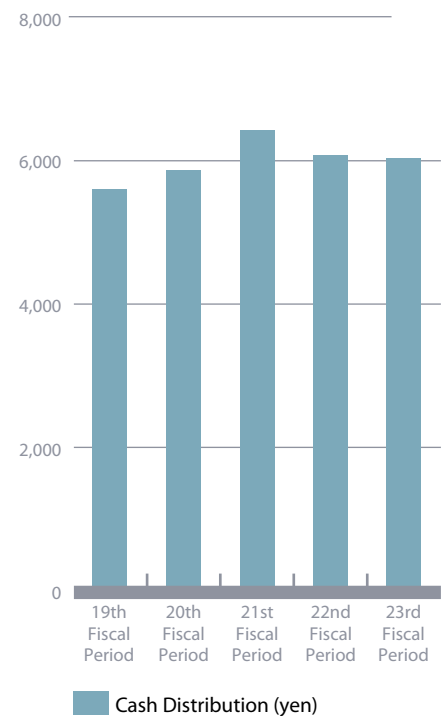
Operating Revenues and Net Income



Total Assets and Total Unitholders' Equity



Cash Distribution per Unit



2. Message from Asset Manager



Satoshi Okubo

President and Chief Executive Officer (CEO)
Tokyo Realty Investment Management, Inc.

Career Highlights

- 2010: Took office as President and CEO of Tokyo Realty Investment Management, Inc.
- 2005: Appointed Director and Head of Kansai Branch Office
- 1998: Appointed General Manager of Residential Management Department
- 1977: Joined Tokyo Tatemono Co., Ltd.

Acquisition of blue-chip office properties, which contribute to increased earnings of the portfolio, and recovery in occupancy helped reinforce JPR's revenue base. We aim to enhance JPR's ability to produce stable earnings by working to expand the asset size through steady external growth.

I would like to extend my heartfelt gratitude to you, our unitholders, for the support you have given to Japan Prime Realty Investment Corporation (JPR).

In the 23rd fiscal period that ended June 2013, JPR acquired two blue-chip office properties that contribute to increased earnings of the portfolio. In addition, the occupancy rate of the portfolio at end of period increased to 96.9%, surpassing the initial forecast. Endeavors were also made to further strengthen the stable financial base by reducing interest-bearing debt costs and promoting a shift to long-term, fixed interest rate debts.

These developments led to a period-on-period increase in operating revenue for the fifth consecutive fiscal period, and helped revise the distribution per unit upward from the forecasted ¥5,800 (as announced in February 2013) to ¥6,031.

Below, on behalf of Tokyo Realty Investment Management, Inc. (TRIM), the Asset Manager of JPR, I would like to give an overview of management results for the 23rd fiscal period and future outlook of JPR.

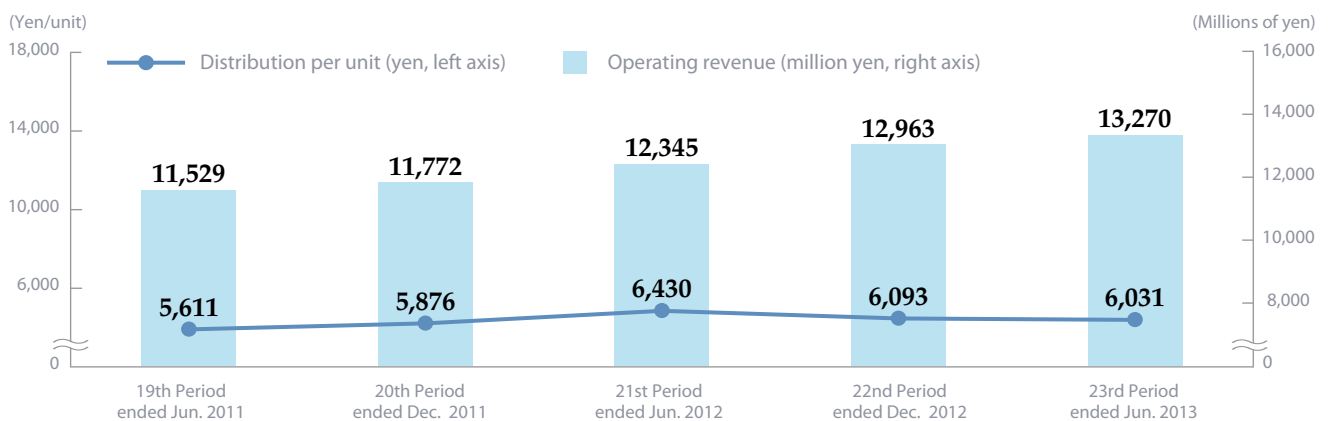
Q1: Can you brief us on the operating results for the 23rd fiscal period ended June 2013?

A1: Revenues increased period-on-period for the fifth consecutive fiscal period, and distribution per unit was set at ¥6,031.

Distribution per unit was ¥6,031, up by approximately 4% from the ¥5,800 that was initially announced and keeping the 6,000-yen level for three consecutive periods since the 21st fiscal period.

Revenues increased period-on-period for the fifth consecutive fiscal period, thanks to the acquisition of two blue-chip office properties that contribute to increased earnings of the portfolio and because of the occupancy rate significantly surpassing the initial assumption, which enabled the existing portfolio to generate more revenues.

Changes in Distribution per Unit and Operating Revenue



Q2: What is the background of the increased occupancy rate?

A2: Strengthened leasing ability resulted in an increase in the occupancy rate.

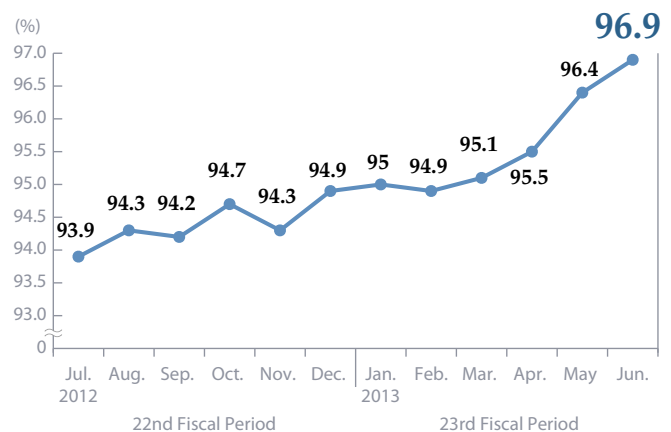
The occupancy rate at the end of the 23rd fiscal period rose to 96.9%, significantly surpassing what was initially assumed. Earlier, tenants relocated their offices primarily for the purpose of reducing costs. Thanks to the “Abenomics” effect and other factors, however, tenant companies have improved their business confidence, which has led to increased relocations for expansion and larger leased spaces within the same building. Meanwhile, TRIM formed a new team last year to strengthen leasing. Continuously working proactively, the team can perceive the changes in the market, which has started to make positive moves, ahead of others and accurately respond to tenant needs. This has also helped increase the occupancy rate.

We are proud that we picked up and responded to tenant needs ahead of others.



Masaki Handou
Leasing Team Leader
Group Head, Asset Management 2 Group
Investment Management Division

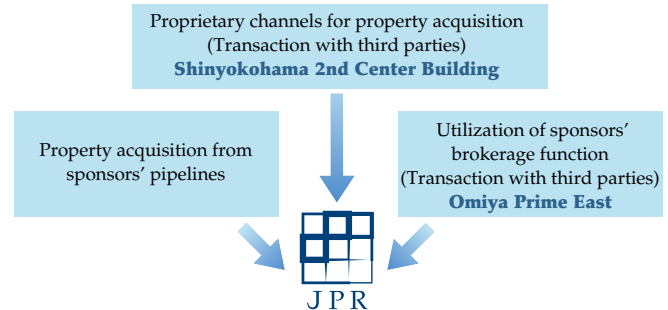
Changes in the Occupancy Rate of JPR Properties



Q3: What reasons are behind the successful acquisition of highly profitable properties?

A3: We conducted professional activities for acquisition.

During the 23rd fiscal period, we worked for JPR to newly acquire Omiya Prime East with an NOI yield of 7.0% that significantly surpassed the average figure of 4.6% for the entire portfolio, and acquire additional ownership of Shinyokohama 2nd Center Building with an NOI yield of 9.0%. Both properties were acquired from the general for-sale market, and we are proud that our professional activities to acquire properties enabled the acquisition.



Omiya Prime East: Recognition of Information Collection Ability and Assuredness of Transaction



The city of Omiya has good traffic accessibility with multiple railway lines including the Shinkansen bullet trains, and features location characteristics as the gateway from Tokyo to the Joshinetsu and Tohoku regions. JPR had long paid attention to the city as a target area and endeavored to dig for and collect information. Furthermore, the seller appreciated the assuredness and creditworthiness of transaction with JPR. These and other factors have enabled smooth implementation of the transaction.

The Omiya area has solid demand for office spaces and commands high occupancy rates even when compared with those in central Tokyo.



Masahiro Araki
In charge of acquisitions
Deputy Manager
Investment Group
Investment Management Division

Shinyokohama 2nd Center Building: Use of Preferential Negotiation Rights and Relationship of Mutual Trust over Many Years



As JPR already has 50% co-ownership of the property, the latest acquisition represents additional ownership by taking advantage of preferential negotiation rights. Nevertheless, the firm relationship of mutual trust with the counterparty established through the co-ownership and management operations over the years made no small contribution to the closing of the deal. JPR holds many buildings that are co-owned with other parties, and has realized acquisitions of additional ownership through the use of preferential negotiation rights or based on

As we had long been fully aware of the property, the knowledge was of great help when actually acquiring it.



Chisei Kaji
In charge of acquisitions
Senior Manager
Investment Group Investment
Management Division

the relationship of mutual trust with the counterparties, as in the latest case of Shinyokohama 2nd Center Bldg., for BYGS Shinjuku Bldg. and other properties. As such, this approach has proven to be effective as a means for achieving external growth.

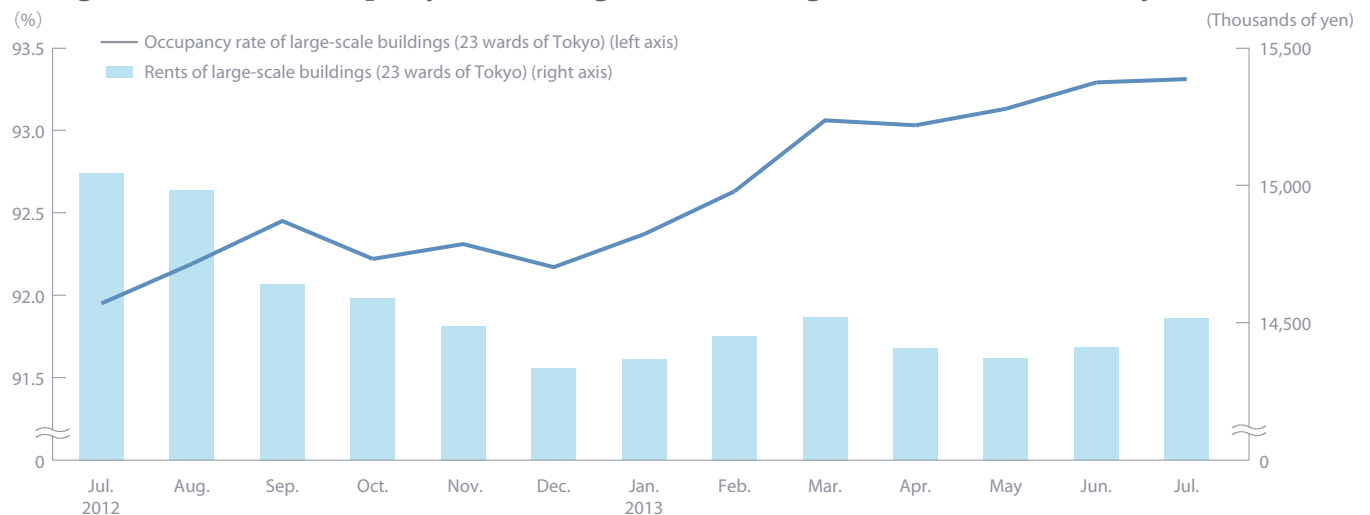
JPR has steadily achieved external growth even through the periods when it faced difficult market conditions. We believe that the latest acquisition of the two properties is extremely significant in that the acquisition was made without failing to take precious acquisition opportunities and without being involved in excessive price competition. As we move forward, we will continue to make strategic acquisition activities in a diligent manner as professionals.

Q4: What is the current situation of the office property leasing market?

A4: The office property leasing market in the Tokyo area is gradually recovering.

The office property leasing market in the 23 wards of Tokyo is on track to recovery, due to expansion in new demand, including increased office space within the same buildings, in accordance with the recovery of business confidence due to Abenomics and other factors, on top of new supply becoming more controlled. Moreover, the rent levels for new contracts took an upward turn for large-scale buildings. Meanwhile, tenants continue to take a stringent attitude in terms of requirements for facility levels, such as measures for energy saving and disaster prevention, as well as cost consciousness. Accordingly, the market will make a modest recovery going forward, with polarization by property further advancing. Given such a situation, recognition of the facility levels of the properties owned by REITs as well as the high level of tenant satisfaction at those properties will be renewed.

Changes in Rents and Occupancy Rate of Large-Scale Buildings in the 23 Wards of Tokyo



(Note) Prepared by TRIM based on "Monthly Office Market Survey Report (23 Wards of Tokyo)" by Sanko Estate Co., Ltd.

Q5: What strategies do you intend to employ for JPR in the future?

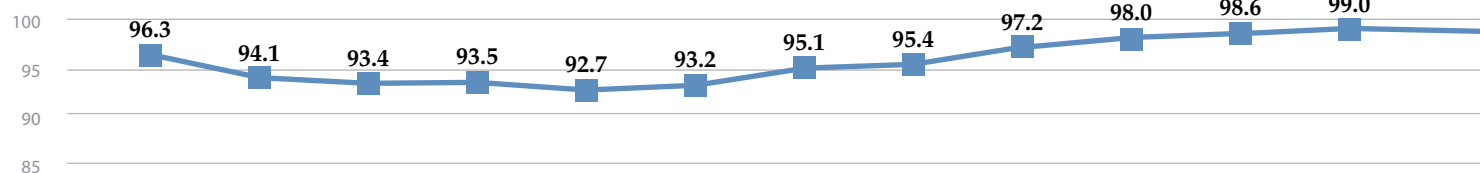
A5: We aim to enter the next stage of growth by steadily achieving internal growth and external growth.

Positive changes are becoming increasingly notable, as the occupancy rate of JPR's portfolio has recovered quickly and requests from tenants for reduced rents have decreased significantly.

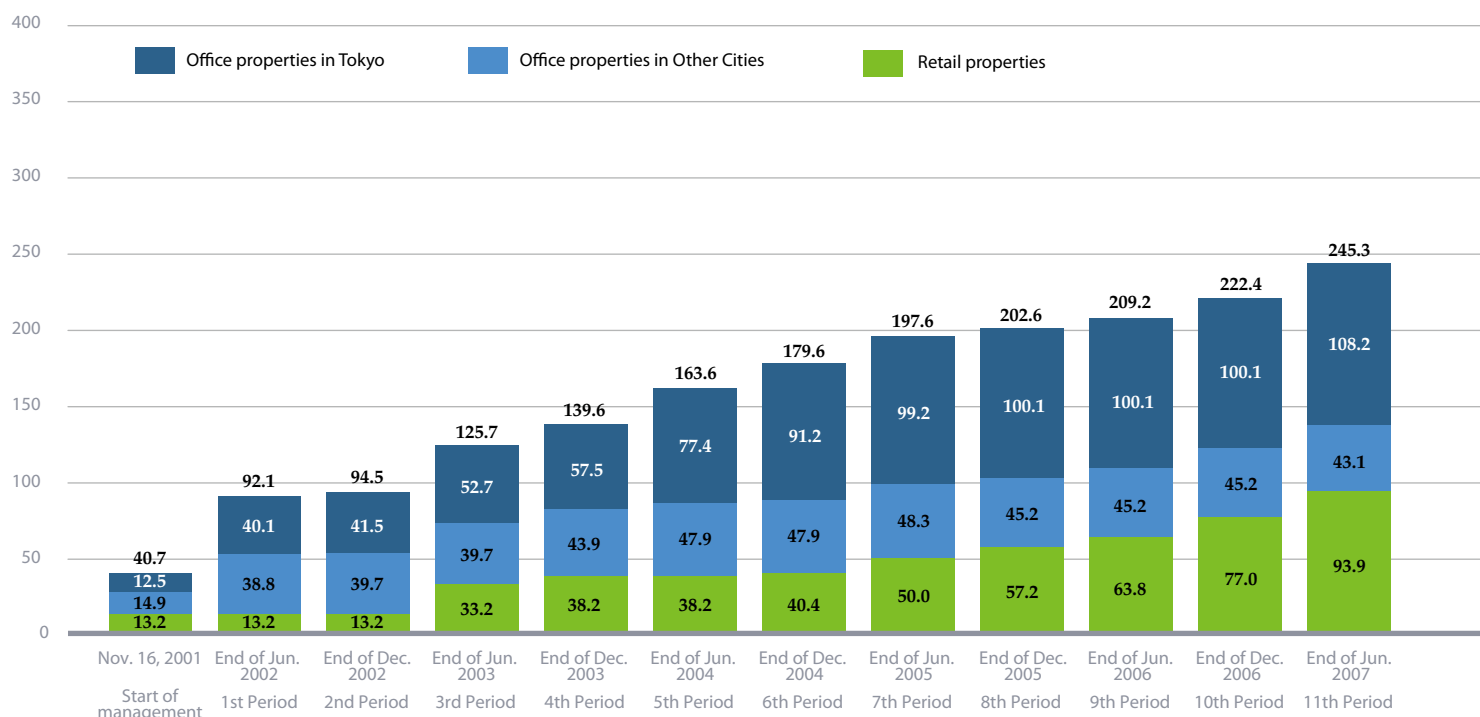
JPR will endeavor to improve its earnings by reducing the period of vacancy and increasing the rent levels at its properties while working to prevent contract cancellation by tenants. At the same time, JPR will aim to enter the next stage of growth by achieving external growth that should contribute to increased revenues and profits.

1. Portfolio Growth

Occupancy Rate at End of Period (%)

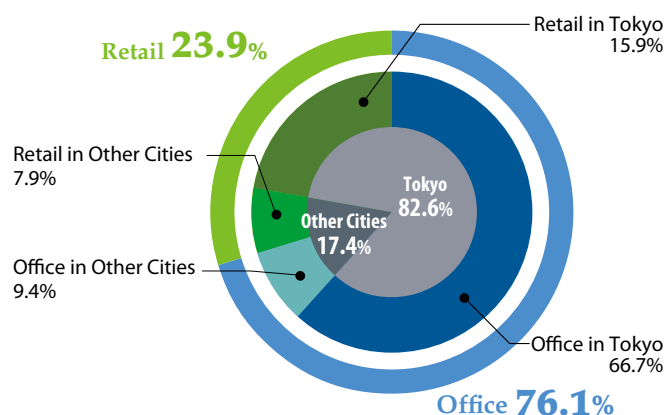


Asset Size, etc. and Results of Distributions per Unit (billions of yen)



Number of properties	13	25	27	30	32	38	42	42	42	44	46	48
Total number of tenants	133	281	311	324	357	437	496	459	441	462	479	491
Leasable floor space (m ²)	94,935	162,739	168,987	201,808	218,734	256,329	273,330	281,408	308,205	315,156	337,382	361,574
Distribution per unit (yen)	-	2,545	6,912	6,873	5,738	6,081	6,671	6,370	6,411	6,509	6,873	6,996

Property Diversification



Portfolio Management Standards

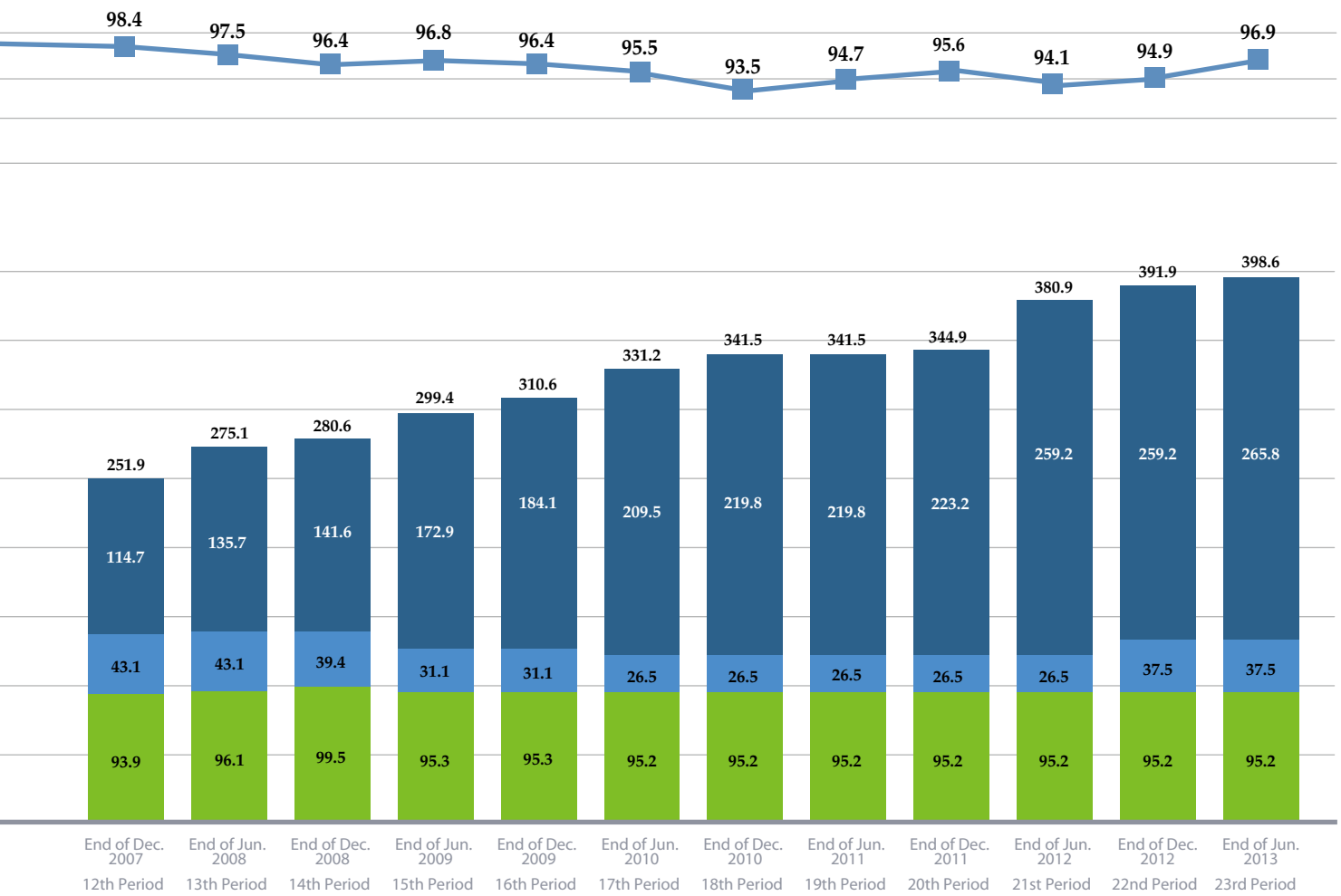
Target investment ratio by area

Tokyo: 80 - 90%
Other Cities: 20 - 10%

Target investment ratio by asset class

Office: 70 - 90%
Retail: 30 - 10%

(Note) The figures in the graph to the left show the investment ratios, which represent the ratios of the total acquisition price of properties in respective categories to the total acquisition price of the entire portfolio, rounded to the first decimal place.



End of Dec. 2007 12th Period End of Jun. 2008 13th Period End of Dec. 2008 14th Period End of Jun. 2009 15th Period End of Dec. 2009 16th Period End of Jun. 2010 17th Period End of Dec. 2010 18th Period End of Jun. 2011 19th Period End of Dec. 2011 20th Period End of Jun. 2012 21st Period End of Dec. 2012 22nd Period End of Jun. 2013 23rd Period

49 50 52 51 53 55 56 56 57 58 59 60

517 537 499 476 476 460 479 493 501 502 534 564

373,609 383,491 383,215 393,532 400,751 410,326 420,544 421,371 423,311 434,340 450,943 460,452

6,671 7,122 7,092 3,731 6,933 6,770 5,680 5,611 5,876 6,430 6,093 6,031

(Note 1) The asset size represents the aggregate acquisition price of the respective properties in JPR's portfolio as of the relevant date, rounded off to the nearest 100 million yen.
 (Note 2) The number of tenants at end of period is counted as follows: when a single tenant leases multiple rooms, it is counted as one if the tenant uses the same property. If the leased rooms are in multiple buildings, the tenant is counted in plural.
 (Note 3) For Shinjuku Square Tower, each compartmentalized owner leases respective exclusive space to Tokyo Tatemono Co., Ltd. in a lump sum, and Tokyo Tatemono subleases the space to sublessees. Accordingly, the leasable floor space of the building is calculated by multiplying the total contracted space of offices, shops and warehouses that are leased by Tokyo Tatemono and can be sublet, by JPR's rent distribution rate (39.70457% through June 30, 2008 and 40.31465% since the 14th fiscal period in accordance with the additional acquisition in September 2008), while the leased floor space for calculating the occupancy rate is calculated by multiplying the floor space sublet to sublessees by the rent distribution rate. Both figures are rounded to the second decimal place.
 In addition, the number of the sublessees is deemed to be the number of tenants for the building.
 (Note 4) The tenants of Shinjuku Center Bldg., Rise Arena Bldg. and Kawasaki Dice Bldg. have sublet space to sublessees and lease agreements have been executed where the rent paid by the tenants fluctuates in accordance with the lease conditions of the sublessees. Accordingly, the total leasable floor space, total leased floor space and the occupancy rate of the building indicate those for the sublessees of the tenants, and the number of the sublessees is deemed as the number of its tenants.
 (Note 5) When the contracted floor space and the floor space for calculating rents differ, the latter was treated as the leased floor space through the 10th fiscal period. Since the 11th fiscal period, however, the contracted floor space has been used as the leased floor space.
 (Note 6) The occupancy rate at end of period has been rounded to the first decimal place.
 (Note 7) The total leasable floor space has been rounded off to the nearest integer.

2. 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.

Focused investment in office properties in Tokyo

Improve the quality of the portfolio by making investment focused on office properties in Tokyo that are expected to contribute to long-term growth

Compared with other regional cities, Tokyo allows expectations for more stable occupancy and higher rent levels, and is believed to offer larger rooms for an upward turn of rents when the leasing market starts to recover. Looking ahead, JPR will continue to make investment focused on office properties in Tokyo, with an aim to further improve the quality of its portfolio and enhance its growth potential in the recovery cycle of the market.

Vigorously selective investment in retail properties as well as office properties in regional cities

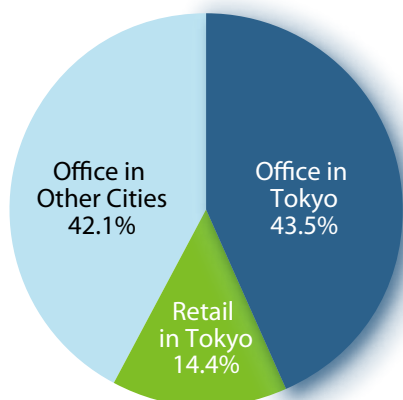
For retail properties as well as office properties in regional cities, which allow JPR to expect higher yields, work to invest in strictly selected blue-chip properties that can keep stable revenues at a certain level

Retail properties as well as office properties in regional cities tend to have relatively higher yields than office properties in Tokyo, although there are some properties that are somewhat less stable in terms of earnings subject to the market situation. While securing growth potential by making focused investment in office properties in Tokyo, JPR will make vigorously selective investment in urban retail properties with long-term, fixed-rent contracts and in large office properties in regional cities having a high competitive advantage in the areas, in order to complement the stability of earnings from the entire portfolio.

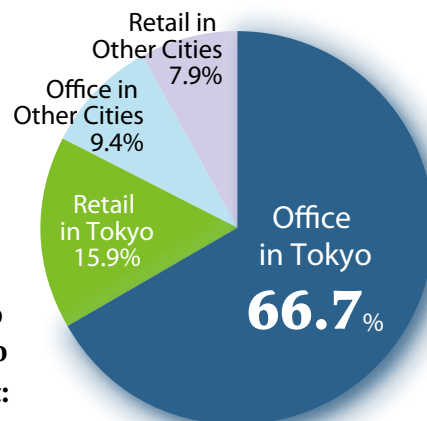
Changes in Investment Ratios by Asset Class and Area

Over the last five years, JPR made investments in 15 office properties in Tokyo totaling 130 billion yen (acquisition price), enhancing the quality of its portfolio.

End of 1st Fiscal Period (June 30, 2002)



End of 23rd Fiscal Period (June 30, 2013)



Increase in investment ratio of office properties in Tokyo through focused investment:

+23.2%

(Note) The figures in the graphs show the investment ratios, which represent the ratios of the total acquisition price of properties in respective categories to the total acquisition price of the entire portfolio, rounded to the first decimal place.

Portfolio Management Standards of JPR

Target investment ratio by area

Tokyo: 80 - 90%
Other Cities: 20 - 10%

Target investment ratio by asset class

Office: 70 - 90%
Retail: 30 - 10%

In the for-sale real estate market, transactions of blue-chip properties have been rather limited. Given the situation, JPR will work to invest in blue-chip properties by fully implementing various acquisition strategies based on its high sourcing abilities while utilizing sponsor support.

Utilization of sponsor support from the Fuyo Group companies including Tokyo Tatemono

Supply of blue-chip properties among office properties in Tokyo is still inadequate in the for-sale real estate market, and their acquisition opportunities are rather limited. JPR will take advantage of support from Tokyo Tatemono Co., Ltd. and other sponsors to secure opportunities to invest in blue-chip properties at reasonable price levels without being exposed to excessive competition in the market.



Investment strategies based on diversified property acquisition methods and high sourcing abilities

To acquire properties from third parties other than the sponsors, JPR exercises its high sourcing abilities and takes advantage of various information channels to make access to wide-ranging property information. For properties with co-ownership or compartmentalized ownership, JPR implements various methods to acquire properties, including acquisition of additional equity by utilizing preferential negotiation rights.

Cases in which JPR Acquired Properties by Utilizing Sponsor Support

JPR has displayed its strength of having sponsors comprising real estate developers, a general contractor and financial institutions in acquiring blue-chip properties.

<Sponsors>

The Otemachi Tower
(Land with Leasehold Interest)*

The Otemachi Tower (Land with Leasehold Interest) was acquired from an SPC in which Tokyo Tatemono and Taisei Corporation had equity interests.

Yakuin Business Garden

Yakuin Business Garden was acquired from an SPC in which Tokyo Tatemono has equity interests.

Japan Prime Realty Investment Corporation
(securities code: 8955)

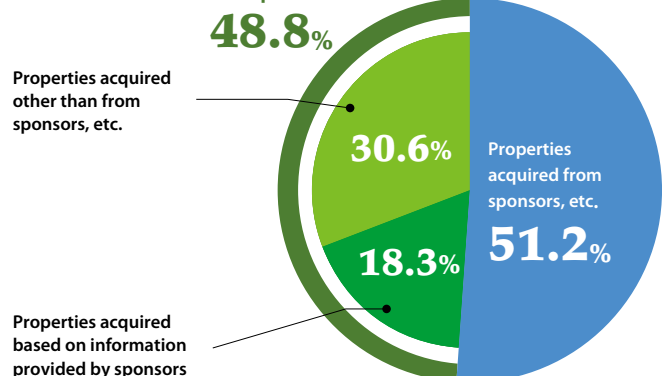
Property Acquisition Results by Channel

At JPR, the ratio of properties acquired from its sponsors, etc. ^(Note) and that of properties acquired from third parties (total of properties acquired based on the information provided by the sponsors and those acquired other than from the sponsors, etc.) are almost equal, standing at 51.2% for the former and 48.8% for the latter (on an acquisition price basis).

JPR will work to increase property acquisition opportunities and conduct vigorously selective investment in blue-chip properties by building sourcing abilities on its own instead of depending solely on sponsor support.

(Note) Sponsors, etc. represent the five sponsor companies of JPR, their affiliate companies and special purpose companies (SPCs) in which the sponsors have made equity investment.

Transactions with third parties



*The property was renamed from "Otemachi 1-6 Plan (Land with Leasehold Interest) (tentative name)" to "The Otemachi Tower (Land with Leasehold Interest)" as of August 30, 2013.

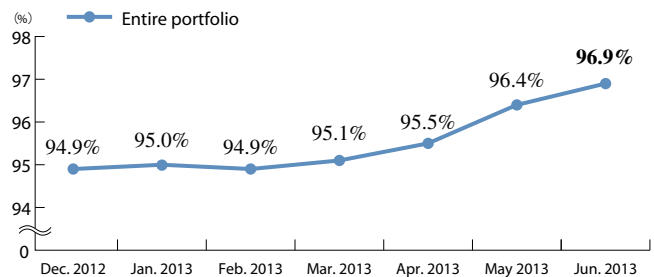
3. Operational Strategy

JPR endeavors to implement its leasing strategies focused on maintaining and increasing the occupancy rate, with an aim to keep revenues from the portfolio stable in a continuous manner.

<p>Organizational reinforcement of leasing activities</p>	<p>Tokyo Realty Investment Management, Inc. (TRIM) has established a group that supervises leasing, which implements leasing strategies that are based on property characteristics. Endeavors are being exerted to enhance the leasing framework by not only reinforcing coordination with property management companies but also receiving support on leasing and obtaining market information from major brokerage firms, so that JPR can provide lease terms and conditions that take into account the market conditions, accelerate decision-making and take other measures to strengthen leasing.</p>
<p>Maintenance and improvement of tenant satisfaction</p>	<p>TRIM periodically conducts questionnaire surveys to tenants, and works to improve tenant satisfaction by grasping comments, requests and other feedback from tenants and promptly responding. By doing so, TRIM aims to prevent move-outs of existing tenants and encourage them to expand office spaces in the same buildings, so as to secure stable earnings of JPR over a medium to long term.</p>
<p>Strategic value enhancement works</p>	<p>TRIM has established a group dedicated to construction management, reinforcing its responses to business continuity plans, promotion of energy saving and other initiatives that are strongly requested by society. In addition, while working to enhance NOI and tenant satisfaction, TRIM strategically conducts value enhancement works that should strengthen competitive advantages of properties as well as help attract tenants.</p>

Changes in the Occupancy Rate

The initiatives on reinforcing leasing activities and improving tenant satisfaction successfully bore fruit, achieving a significant increase in the occupancy rate of office properties for the 23rd fiscal period. As a result, the occupancy rate of the entire portfolio stood at 96.9% as of June 30, 2013, an increase of 2.0 percentage points from the end of the previous fiscal period.



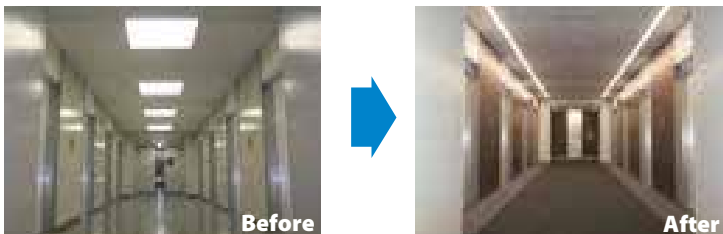
Strategic Value Enhancement Works

JPR has been strategically conducting value enhancement works that should lead to invitation of new tenants and improvement in tenant satisfaction.

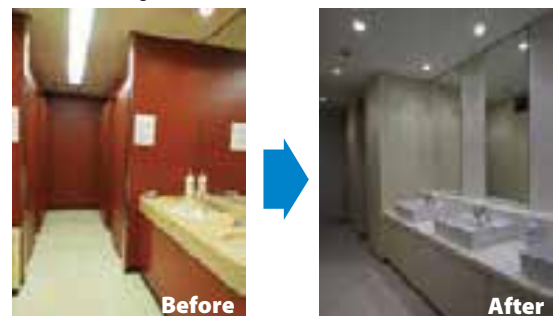
Renovation works have been implemented for common use areas at such properties as Shinjuku Center Bldg. and MS Shibaura Bldg., which have proven effective in tenant leasing.

■ Examples of value enhancement works for common use areas

Shinjuku Center Bldg.



MS Shibaura Bldg.



4. Financial Strategy

JPR maintains AA-rank credit ratings, with recognition given to its conservative financial operations such as heightening the ratio of long-term, fixed interest rate debts while stably controlling the ratio of interest-bearing debt (LTV).

LTV <small>(Note 1)</small>	JPR makes it a basic policy to conservatively control LTV, which has stably remained at or below 50% since listing.
45.7%	
Ratio of long-term, fixed interest rate debts <small>(Note 2)</small>	Under the basic policy of procuring interest-bearing debts with fixed interest over a long term, JPR keeps the ratio of long-term, fixed interest rate debts at a high level (which stands at 98.2% when including the current portion of long-term interest-bearing debts).
79.2%	
Average interest rate of long-term interest-bearing debts <small>(Note 3)</small>	JPR endeavors to reduce interest-bearing debt costs, taking advantage of the favorable fund procurement environment to the utmost.
1.30%	

(Note 1) LTV (ratio of interest-bearing debts to total assets) = Interest-bearing debts / total assets

(Note 2) Ratio of long-term, fixed interest rate debt = Long-term interest-bearing debts with fixed interest (excluding current portion) / total interest-bearing debt

(Note 3) Average interest rate of long-term interest-bearing debts is a weighted average of interest rate as of the end of the 23rd fiscal period, calculated in accordance with the balance of respective interest-bearing debts, for long-term interest-bearing debts maturing in more than one year.

Status of Corporate Credit Ratings Assigned to JPR

JPR maintains high credit ratings, with recognition given to its conservative financial operations.

R&I (Rating and Investment Information, Inc.)	S & P (Standard & Poor's Ratings Japan K.K.)		Moody's (Moody's Japan K.K.)
AA-	A (Long-term)	A-1 (Short-term)	A3

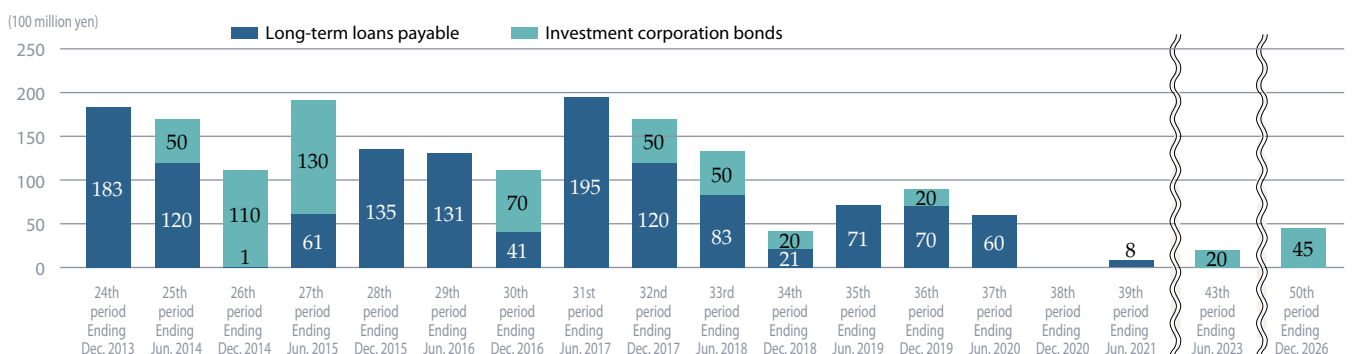
Issuance of Investment Corporation Bonds

JPR issued the following investment corporation bonds in the 23rd fiscal period, in a continuous effort to reduce interest costs and promote a shift to longer-term funding.

Name	Issue Date	Issue Amount	Coupon Rate	Maturity Date	Redemption Method
Seventeenth Series of Investment Corporation Bonds (5-year bonds)	May 31, 2013	5 billion yen	0.65%	May 31, 2018	Bullet repayment upon maturity
Eighteenth Series of Investment Corporation Bonds (10-year bonds)	May 31, 2013	2 billion yen	1.46%	May 31, 2023	

Diversification of Repayment Dates of Interest-Bearing Debts

JPR works to mitigate refinance risks by establishing a commitment line totaling 28 billion yen while having repayment dates of debts more diversified.



5. Initiatives on Governance

In the belief that it is essential to secure sound and efficient operations of JPR in order to realize its continuous growth, consistent efforts have been made to reinforce and sustain corporate governance of JPR and TRIM, the Asset Manager.

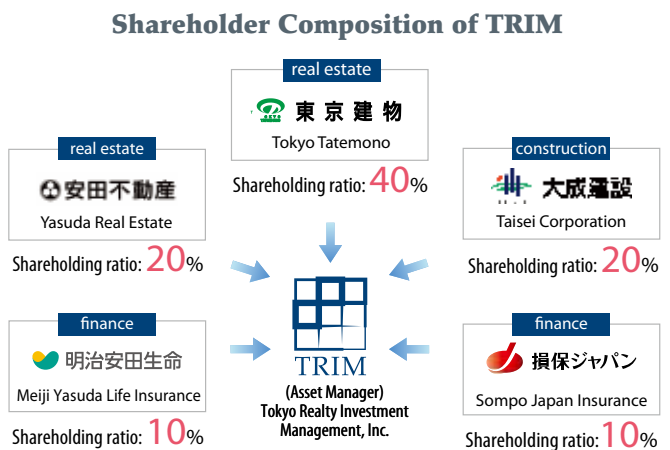
Highly Independent Board Composition

- At JPR, the executive officer as well as the supervising officers has no concurrent assignment as officer of TRIM so as to firmly secure the independence of JPR, the investment corporation.
- The JPR officers comprise attorneys and a certified public accountant with various experiences and high expertise, who have a thorough knowledge of the REIT industry as well.

Members of the Board of JPR	
Executive Officer:	Hirohito Kaneko (attorney)
Supervising Officer:	Sosuke Yasuda (certified public accountant)
Supervising Officer:	Masato Denawa (attorney)

Diversified Shareholder Composition and Reinforced Independence

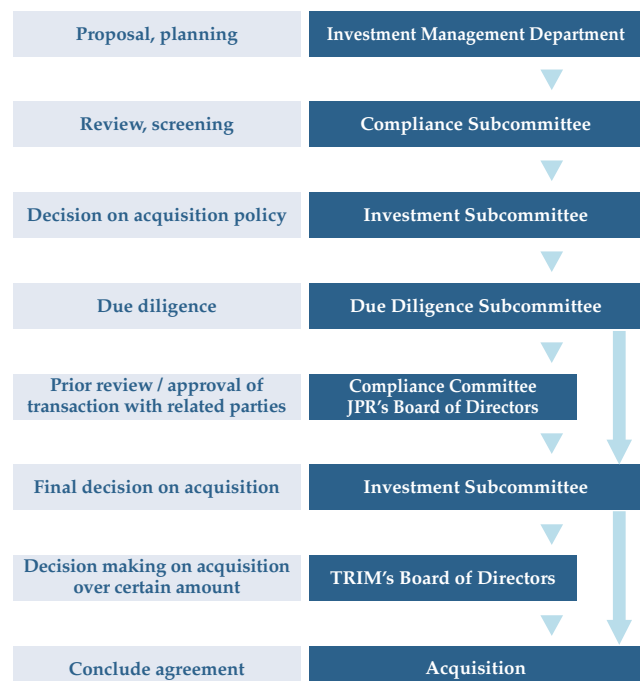
- With the sponsors comprising five companies, the diversified shareholder composition also contributes to securing the independence of the Asset Manager.
- TRIM President and CEO has assumed office after having his employment transferred to TRIM, instead of being seconded from the sponsor company he belonged to.
- The Compliance Office general manager in charge of internal control is a career employee, not seconded from the sponsor company he belonged to.



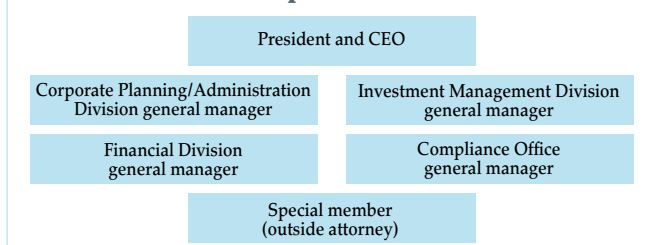
Decision Making Based on Stringent Processes

- Upon making decisions on property acquisitions, asset management and other issues, TRIM conducts stringent screening and takes other procedures from various perspectives through designated committees and other institutions.
- In particular, material transaction matters conducted with the sponsors, etc. are screened and verified by the Compliance Committee as to their adequacy and rationality. The Committee employs unanimous vote for approvals in principle.
- An outside attorney has been appointed as a special member of the Compliance Committee.

Stringent Decision-Making Process (for property acquisitions)



Members of the Compliance Committee of TRIM



6. Initiatives on Environmental Friendliness

From early on, JPR has implemented various initiatives on environmental friendliness.

JPR has proactively worked on effective reduction of energy costs, enhancement of greening in consideration of urban environment and other measures under the basic concept of “environmentally friendly buildings.” Such endeavors have also been recognized by external organizations.

Acquisition of DBJ Green Building Certification

- JPR has obtained the DBJ Green Building Certification, a system by Development Bank of Japan Inc. (DBJ) to certify real estate properties evincing high environmental and social awareness, for multiple properties it owns.



Properties with exceptionally high environmental & social awareness



Olinas Tower



Yakuin Business Garden



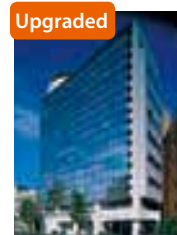
Properties with excellent environmental & social awareness



JPR Sendagaya Bldg.



Properties with high environmental & social awareness



JPR Crest Takebashi Bldg.



JPR Ueno East Bldg.



Properties with sufficient environmental & social awareness



JPR Nihonbashi Horidome Bldg.

DBJ Green Building Certification

DBJ awards five levels of certification (Platinum, Gold, Silver, Bronze and Certified) to office buildings in accordance with the degree of environmental and social awareness they demonstrate.

Continuous Participation in GRESB Survey

- JPR participated in the GRESB Survey, which evaluates and analyzes environmental considerations and sustainability, for two consecutive years in 2011 and 2012 and each time obtained a certain appreciation for its approach to environment-friendly initiatives.
- JPR believes that its endeavors have been recognized as a result of having diligently worked to reduce energy consumption by establishing a consistent system among all business partners involved in building operations, from the Asset Manager to property managers and building maintenance companies, under a clear environmental policy as well as asking for cooperation with tenants.



GRESB, which stands for Global Real Estate Sustainability Benchmark, is a benchmark system for analyzing and evaluating sustainability in terms of environmental friendliness and social nature. It is based on surveys conducted by a private sector group established primarily by major pension funds in Europe.

Taking Advantage of Environmental Friendliness Know-How of Sponsors

- JPR and TRIM have consigned operations related to environmental laws and regulations to Tokyo Tatemono Co., Ltd., one of the sponsors, and established a system early on to receive know-how and advices from Tokyo Tatemono.
- TRIM has reinforced its initiatives on environmental friendliness by allocating dedicated staff to the section in charge of construction planning for the portfolio properties, bolstered by the technological know-how of Taisei Corporation, one of the sponsors.

7. Overview of Portfolio Properties

List of Properties (60 Properties for the Entire Portfolio)

Central Tokyo (28 Properties)

	Property Number	Property Name	Location	Acquisition Date	Acquisition Price (in millions)	Percentage of Portfolio Acquisition Price (%)	Leasable Floor Space (m ²)	PML (%)
Office	A-1	Kanematsu Bldg.	Chuo-ku, Tokyo	Dec. 27, 2001	¥16,276	4.1	7,994.02	2.9
	A-2	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 27, 2001	2,874	0.7	2,291.13	7.4
	A-3	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 16, 2001	2,100	0.5	2,804.56	5.8
	A-4	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 16, 2001	2,420	0.6	3,319.60	8.6
				Nov. 21, 2002				
				Nov. 12, 2004				
	A-5	JPR Crest Takebashi Bldg.	Chiyoda-ku, Tokyo	Jun. 21, 2002	4,000	1.0	3,265.34	6.8
	A-6	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 28, 2003	11,200	2.8	14,469.72	4.0
	A-7	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 23, 2003	2,920	0.7	4,243.58	4.4
	A-8	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 15, 2003	2,920	0.7	1,937.40	7.1
				Apr. 15, 2005				
	A-9	JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	May 28, 2004	5,100	1.3	4,224.96	8.0
	A-10	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 1, 2004	3,500	0.9	4,088.44	1.6
	A-11	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2, 2004	10,180	2.6	11,150.78	2.0
				Sep. 26, 2008				
				Nov. 9, 2004				
	A-12	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Apr. 12, 2005	15,121	3.8	15,196.08	3.7
				Jul. 13, 2010				
				Nov. 9, 2004				
	A-13	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 26, 2004	710	0.2	1,253.39	5.0
	A-14	Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Mar. 27, 2008	21,000	5.3	8,863.98	2.4
	A-15	Minami Azabu Bldg.	Minato-ku, Tokyo	Jul. 14, 2008	3,760	0.9	3,405.73	4.3
	A-16	Shinagawa Canal Bldg.	Minato-ku, Tokyo	Dec. 19, 2008	1,870	0.5	1,700.57	6.8
A-17	Rokubancho Bldg.	Chiyoda-ku, Tokyo	Dec. 2, 2009	2,800	0.7	2,488.36	4.4	
A-18	JPR Harajuku Bldg.	Shibuya-ku, Tokyo	Dec. 25, 2009	8,400	2.1	4,760.09	7.1	
A-19	Tokyo Tatemono Kyobashi Bldg.	Chuo-ku, Tokyo	Feb. 12, 2010	5,250	1.3	3,499.31	7.7	
A-20	JPR Nihonbashi-horidome Bldg.	Chuo-ku, Tokyo	Mar. 31, 2010	5,100	1.3	5,299.89	4.7	
A-21	JPR Sendagaya Bldg.	Shibuya-ku, Tokyo	May 31, 2010	15,050	3.8	6,177.74	4.7	
A-22	Ginza Sanwa Bldg.	Chuo-ku, Tokyo	Aug. 29, 2011	3,400	0.9	1,899.27	8.2	
A-23	The Otemachi Tower (Land with Leasehold Interest)	Chiyoda-ku, Tokyo	Mar. 13, 2012	36,000	9.0	11,034.78	—	
Retail	A-1	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 30, 2003	12,000	3.0	8,076.85	5.0
	A-2	JPR Daikanyama	Shibuya-ku, Tokyo	Oct. 5, 2004	2,160	0.5	651.29	11.1
	A-3	JPR Jingumae 432	Shibuya-ku, Tokyo	Mar. 24, 2006	4,275	1.1	1,027.33	3.0
	A-4	Shinjuku Sanchome East Bldg.	Shinjuku-ku, Tokyo	Mar. 14, 2007	2,740	0.7	2,347.81	2.0
				Apr. 24, 2008				
A-5	Yurakucho Ekimae Bldg. (Yurakucho Itocia)	Chiyoda-ku, Tokyo	Aug. 27, 2008	3,400	0.9	1,101.92	2.3	
Subtotal					¥206,526	51.8	138,573.92	—

(Note 1) The table above shows properties owned by JPR as of June 30, 2013.

(Note 2) The leasable floor space indicates only the portions owned by JPR. For co-owned properties, the figure indicates the portions corresponding to the equity interest held by JPR.

Greater Tokyo (17 Properties)

	Property Number	Property Name	Location	Acquisition Date	Acquisition Price (in millions)	Percentage of Portfolio Acquisition Price (%)	Leasable Floor Space (m ²)	PML (%)
Office	B-1	Arca East	Sumida-ku, Tokyo	Nov. 16, 2001	¥5,880	1.5	7,022.76	3.2
	B-2	JPR Chiba Bldg.	Chiba, Chiba	Dec. 13, 2001	2,350	0.6	5,536.38	2.6
	B-3	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 16, 2001	2,927	0.7	6,066.53	10.2
	B-5	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 25, 2002 Mar. 28, 2013	1,490	0.4	5,284.75	6.4
	B-6	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 13, 2004	8,100	2.0	15,455.90	4.7
	B-7	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 1, 2004	3,250	0.8	6,490.05	3.1
	B-8	Tachikawa Business Center Bldg.	Tachikawa, Tokyo	Sep. 30, 2005 Feb. 28, 2007	3,188	0.8	4,731.04	5.2
	B-9	Rise Arena Bldg.	Toshima-ku, Tokyo	Mar. 22, 2007	5,831	1.5	6,023.39	2.5
	B-10	Yume-ooka Office Tower	Yokohama, Kanagawa	Jul. 10, 2007	6,510	1.6	12,014.32	1.2
	B-11	Olinas Tower	Sumida-ku, Tokyo	Jun. 29, 2009	31,300	7.9	23,987.40	3.3
	B-12	Tokyo Tatemono Yokohama Bldg.	Yokohama, Kanagawa	Dec. 27, 2010	7,000	1.8	6,494.09	9.5
	B-13	Omiya Prime East	Saitama, Saitama	Mar. 22, 2013	6,090	1.5	6,871.45	4.4
	Retail	B-1	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 16, 2001	10,200	2.6	31,121.71
B-3		Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 31, 2006	2,100	0.5	5,963.00	6.3
B-4		JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Sep. 28, 2006	7,260	1.8	19,740.95	10.9
B-5		Musashiurawa Shopping Square	Saitama, Saitama	Mar. 19, 2007	4,335	1.1	14,960.69	8.0
B-6		Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 12, 2007	15,080	3.8	13,066.69	4.0
Subtotal					¥122,891	30.8	190,831.10	—

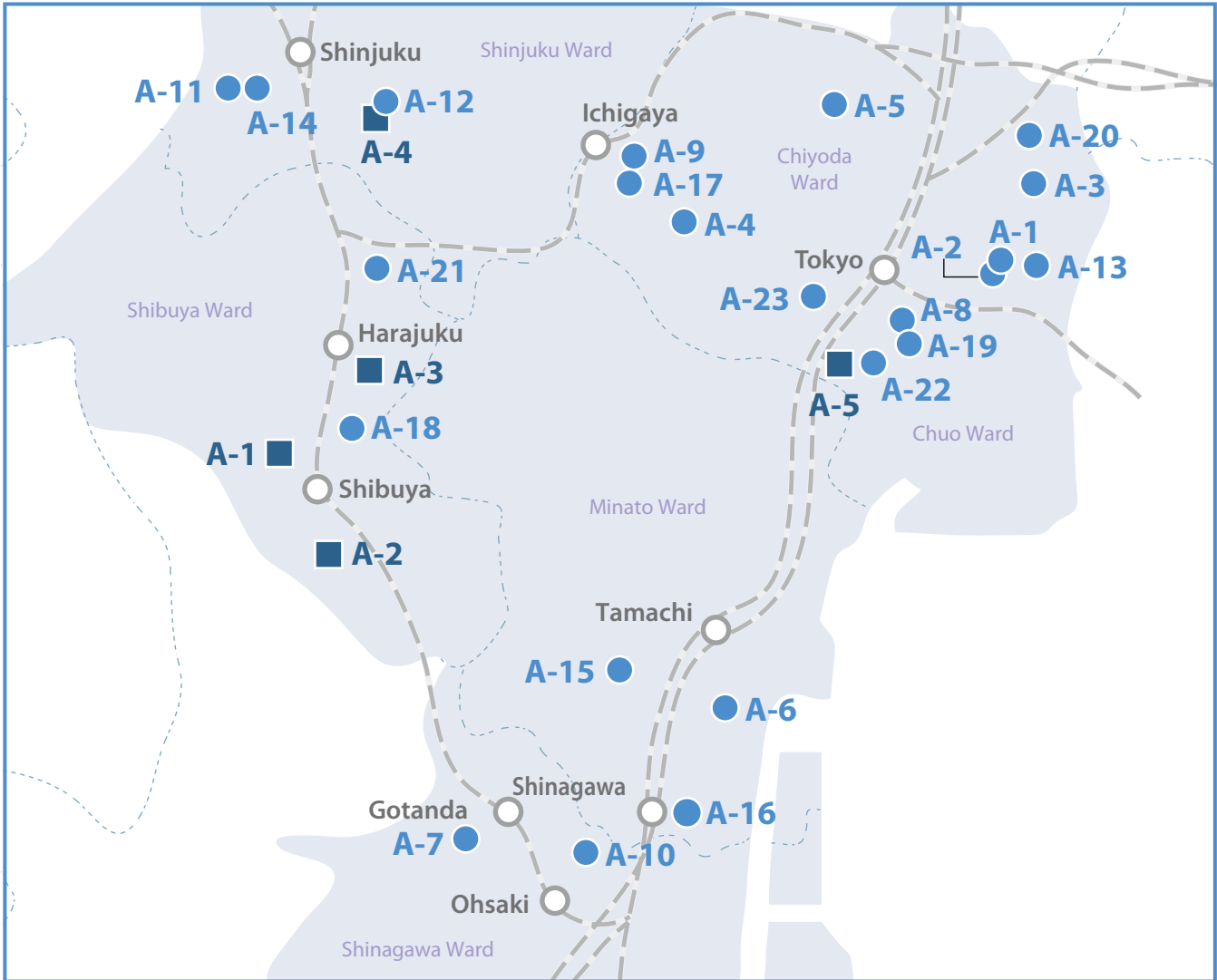
Other Cities (15 Properties)

	Property Number	Property Name	Location	Acquisition Date	Acquisition Price (in millions)	Percentage of Portfolio Acquisition Price (%)	Leasable Floor Space (m ²)	PML (%)
Office	C-1	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 16, 2001	¥2,140	0.5	5,326.88	1.9
	C-4	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 16, 2001	4,150	1.0	7,163.08	10.5
	C-7	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 16, 2001	2,900	0.7	6,568.43	1.1
	C-9	JPR Naha Bldg.	Naha, Okinawa	Nov. 16, 2001	1,560	0.4	3,946.36	4.5
	C-12	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 26, 2002	3,150	0.8	7,129.05	0.5
	C-13	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 26, 2002	1,670	0.4	4,875.12	11.2
	C-14	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 21, 2002	2,810	0.7	3,257.73	1.3
	C-17	JPR Dojima Bldg.	Osaka, Osaka	Jan. 23, 2004	2,140	0.5	3,930.21	11.1
	C-18	JPR Hakata-chuo Bldg.	Fukuoka, Fukuoka	Jun. 11, 2004	1,920	0.5	3,290.42	1.6
	C-19	JPR Nagoya Fushimi Bldg.	Nagoya, Aichi	Mar. 22, 2005	4,137	1.0	7,086.37	10.0
	C-20	Yakuin Business Garden	Fukuoka, Fukuoka	Aug. 8, 2012	10,996	2.8	16,654.33	1.4
Retail	C-1	JPR Umeda Loft Bldg.	Osaka, Osaka	May 15, 2003 Jul. 16, 2003	13,000	3.3	18,586.97	11.6
	C-3	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May 30, 2005	5,430	1.4	5,303.98	12.7
	C-4	Housing Design Center Kobe	Kobe, Hyogo	Sep. 28, 2005	7,220	1.8	35,444.13	4.8
	C-5	JPR Chayamachi Bldg.	Osaka, Osaka	Aug. 30, 2006	6,000	1.5	2,484.39	14.8
Subtotal					¥69,223	17.4	131,047.45	—
Total					¥398,640	100.0	460,452.47	3.4

(Note 3) The PML indicates the figures stated in the Portfolio Earthquake PML Valuation Report prepared by Sompo Japan Nipponkoa Risk Management Inc., rounded off to the second decimal place.

Portfolio Map

A Central Tokyo



Office

- 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.

- 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 The Otemachi Tower (Land with Leasehold Interest)

Retail

- A-1 JPR Shibuya Tower Records Bldg.
- A-2 JPR Daikanyama
- A-3 JPR Jingumae 432
- A-4 Shinjuku Sanchoe East Bldg.
- A-5 Yurakucho Ekimae Bldg. (Yurakucho Itocia)

A Central Tokyo

Chiyoda Ward
Chuo Ward
Minato Ward
Shinjuku Ward
Shinagawa Ward
Shibuya Ward

B Greater Tokyo

All other areas of Tokyo and
Chiba, Kanagawa and
Saitama Prefectures

C Other Cities

All other areas in Japan

B Greater Tokyo (all other areas of Tokyo, Chiba, Kanagawa and Saitama Prefectures)



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 Musashinurawa Shopping Square
- B-6 Kawasaki Dice Bldg.

23rd Fiscal Period Acquisitions

- B-5 Shinyokohama 2nd Center Bldg. (additional acquisition)
- B-13 Omiya Prime East

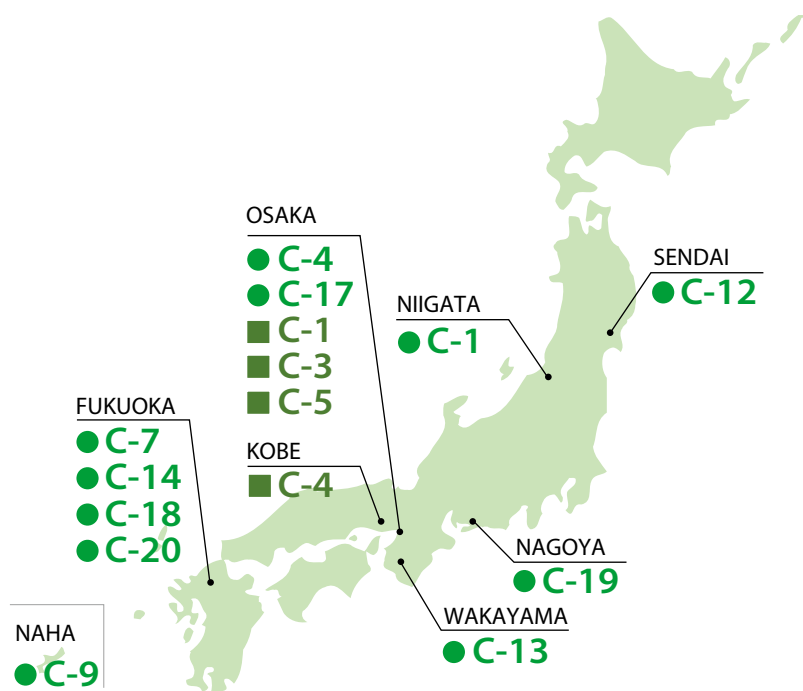
C Other Cities

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.



Properties Newly Acquired in the 23rd Fiscal Period

Omiya Prime East

B-13



Entrance



Elevator hall

JPR acquired a relatively-newly built property that features comparatively high specifications, located in the Omiya area where demand for office spaces is solid and the vacancy rate is kept as low as in central Tokyo.

1. Property Overview

Location	1-1, etc. 2-chome, Shimo-cho, Omiya-ku, Saitama-Shi, Saitama
Completion	February 2009
Structure/Floors	S/9F
Total site area	2,268.09m ²
Total floor space	9,203.98m ²
Use	office

2. Transaction Summary

Seller	Domestic operating company
Acquisition price	¥6,090 million
Appraisal value	6,270 million yen (as of March 1, 2013)
Acquisition date	March 22, 2013

3. Assumed Income

NOI yield	6.1%
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(Note) The NOI yield of the property has been calculated by dividing the assumed income for the 12 months in which the acquisition was made, based on the rent level, the occupancy rate and other factors upon acquisition, by the acquisition price.

Shinyokohama 2nd Center Building (additional ownership)

B-5



JPR successfully acquired additional ownership at a price far lower than the appraisal value by utilizing preferential negotiation rights, achieving JPR's full ownership of the property.

1. Property Overview

Location	19-5, etc. 3-chome, Shinyokohama, Kohoku-ku, Yokohama-shi, Kanagawa
Completion	August 1991
Structure/Floors	S, SRC B2/12F
Total site area	841.71m ²
Total floor space	7,781.93m ²
Use	office

2. Transaction Summary

Seller	Domestic special purpose entity
Acquisition price	¥570 million
Appraisal value	Market value based on special consideration (assemblage or component value) 870 million yen (as of February 1, 2013)
Acquisition date	March 28, 2013

3. Assumed Income

NOI yield	7.9%
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(Note) The NOI yield of the property has been calculated by dividing the assumed income for the 12 months in which the acquisition was made, based on the rent level, the occupancy rate and other factors upon acquisition, by the acquisition price.

Portfolio Properties

Central Tokyo Office Retail

Kanematsu Bldg.

A-1

Chuo Ward, Tokyo



Acquisition Price	¥16,276 million	Structure/Floors	S/RC/SRC B2/13F
Site Area	1,751.13 m ²	Completed	February 1993
Total Floor Space	14,995.09 m ²	Property Manager	Tokyo Tatemono Co., Ltd.

Kanematsu Bldg. Annex

A-2

Chuo Ward, Tokyo



Acquisition Price	¥2,874 million
Site Area	679.06 m ²
Total Floor Space	4,351.46 m ²
Structure/Floors	SRC B1/8F
Completed	February 1993
Property Manager	Tokyo Tatemono Co., Ltd.

JPR Ningyo-cho Bldg.

A-3

Chuo Ward, Tokyo



Acquisition Price	¥2,100 million
Site Area	550.06 m ²
Total Floor Space	4,117.70 m ²
Structure/Floors	SRC/RC B1/8F
Completed	December 1989
Property Manager	Tokyo Tatemono Co., Ltd.

Shin-Kojimachi Bldg.

A-4

Chiyoda Ward, Tokyo



Acquisition Price	¥2,420 million
Site Area	657.80 m ²
Total Floor Space	5,152.98 m ²
Structure/Floors	SRC B1/9F
Completed	October 1984
Property Manager	Tokyo Tatemono Co., Ltd.

MS Shibaura Bldg.

A-6

Minato Ward, Tokyo



Acquisition Price	¥11,200 million	Structure/Floors	SRC/RC/S B2/13F
Site Area (Note)	8,992.18 m ²	Completed	February 1988
Total Floor Space	31,020.21 m ²	Property Manager	Tokyo Tatemono Co., Ltd.

(Note) Includes land of the Trinity Shibaura property, which was developed together with the MS Shibaura Bldg.

JPR Crest Takebashi Bldg.

DBJ Green Building
Bronze
2013

A-5

Chiyoda Ward, Tokyo



Acquisition Price	¥4,000 million
Site Area	636.90 m ²
Total Floor Space	4,790.68 m ²
Structure/Floors	SRC B1/9F
Completed	September 1999
Property Manager	Yasuda Real Estate Co., Ltd.

Portfolio Properties

Central Tokyo Office Retail

Gotanda First Bldg.

A-7



Shinagawa Ward, Tokyo

Acquisition Price	¥2,920 million
Site Area	1,551.19 m ²
Total Floor Space	10,553.34 m ²
Structure/Floors	SRC/RC B2/11F
Completed	July 1989
Property Manager	Tokyo Tatemono Co., Ltd.

Fukuoka Bldg.

A-8



Chuo Ward, Tokyo

Acquisition Price	¥2,920 million
Site Area	1,302.17 m ²
Total Floor Space	11,627.74 m ²
Structure/Floors	SRC B2/10F
Completed	May 1990
Property Manager	Tokyo Tatemono Co., Ltd.

JPR Ichigaya Bldg.

A-9



Chiyoda Ward, Tokyo

Acquisition Price	¥5,100 million
Site Area	1,058.04 m ²
Total Floor Space	5,888.82 m ²
Structure/Floors	SRC B1/9F
Completed	March 1989
Property Manager	Tokyo Tatemono Co., Ltd.

Oval Court Ohsaki Mark West

A-10



Shinagawa Ward, Tokyo

Acquisition Price	¥3,500 million
Site Area	4,006.00 m ²
Total Floor Space	28,575.80 m ²
Structure/Floors	S/SRC B2/17F
Completed	June 2001
Property Manager	Tokyo Tatemono Co., Ltd.

Shinjuku Square Tower

A-11



Shinjuku Ward, Tokyo

Acquisition Price	¥10,180 million
Site Area	8,409.52 m ² (entire redevelopment project)
Total Floor Space	78,796.00 m ² (entire redevelopment project)
Structure/Floors	S/RC/SRC B4/30F
Completed	October 1994
Property Manager	Tokyo Tatemono Co., Ltd.

BYGS Shinjuku Bldg.

A-12



Shinjuku Ward, Tokyo

Acquisition Price	¥15,121 million	Structure/Floors	SRC B2/14F
Site Area	3,522.46 m ²	Completed	April 1985
Total Floor Space	25,733.10 m ²	Property Manager	Tokyo Tatemono Co., Ltd.

Across Shinkawa Bldg. Annex

A-13



Chuo Ward, Tokyo

Acquisition Price	¥710 million
Site Area	858.48 m ²
Total Floor Space	5,535.90 m ²
Structure/Floors	S/SRC B2/10F
Completed	June 1994
Property Manager	Tokyo Tatemono Co., Ltd.

Central Tokyo Office Retail

Shinjuku Center Bldg.

A-14

Shinjuku Ward, Tokyo



Acquisition Price	¥21,000 million	Structure/Floors	SRC/RC/S B5/54F
Site Area	14,917.11 m ²	Completed	October 1979
Total Floor Space	176,607.89 m ²	Property Manager	Tokyo Tatemono Co., Ltd.

Minami Azabu Bldg.

A-15

Minato Ward, Tokyo



Acquisition Price	¥3,760 million
Site Area	778.09 m ²
Total Floor Space	4,570.63 m ²
Structure/Floors	S 9F
Completed	June 1992
Property Manager	Tokyo Tatemono Co., Ltd.

Shinagawa Canal Bldg.

A-16

Minato Ward, Tokyo



Acquisition Price	¥1,870 million
Site Area	828.82 m ²
Total Floor Space	5,216.21 m ²
Structure/Floors	S B1/8F
Completed	July 2008
Property Manager	Tokyo Tatemono Co., Ltd.

Rokubancho Bldg.

A-17

Chiyoda Ward, Tokyo



Acquisition Price	¥2,800 million
Site Area	716.95 m ²
Total Floor Space	4,205.09 m ²
Structure/Floors	SRC B3/7F
Completed	October 1991
Property Manager	Tokyo Tatemono Co., Ltd.

JPR Harajuku Bldg.

A-18

Shibuya Ward, Tokyo



Acquisition Price	¥8,400 million	Structure/Floors	SRC B1/9F
Site Area	1,205.07 m ²	Completed	March 1989
Total Floor Space	6,466.94 m ²	Property Manager	Tokyo Tatemono Co., Ltd.

Tokyo Tatemono Kyobashi Bldg.

A-19

Chuo Ward, Tokyo



Acquisition Price	¥5,250 million
Site Area	547.10 m ²
Total Floor Space	4,419.79 m ²
Structure/Floors	SRC/S B1/10F
Completed	January 1981
Property Manager	Tokyo Tatemono Co., Ltd.

Portfolio Properties

Central Tokyo Office Retail

JPR Nihonbashi-horidome Bldg.

DBJ Green Building
Certified 2013 **A-20**



Chuo Ward, Tokyo

Acquisition Price	¥5,100 million
Site Area	937.59 m ²
Total Floor Space	7,190.82 m ²
Structure/Floors	SRC B1/9F
Completed	June 2002
Property Manager:	Tokyo Tatemono Co., Ltd.

JPR Sendagaya Bldg.

DBJ Green Building
Silver 2013 **A-21**



Shibuya Ward, Tokyo

Acquisition Price	¥15,050 million	Structure/Floors	S 8F
Site Area	2,217.49 m ²	Completed	May 2009
Total Floor Space	7,683.19 m ²	Property Manager	Tokyo Tatemono Co., Ltd.

Ginza Sanwa Bldg.

A-22



Chuo Ward, Tokyo

Acquisition Price	¥3,400 million
Site Area	1,119.27 m ²
Total Floor Space	8,851.00 m ²
Structure/Floors	SRC B2/9F
Completed	October 1982
Property Manager	Mitsubishi Jisho Property Management Co., Ltd.

The Otemachi Tower (Land with Leasehold Interest)

A-23



Chiyoda Ward, Tokyo

Acquisition Price	—	Structure/Floors	—
Site Area	11,034.78 m ²	Completed	—
Total Floor Space	—	Property Manager	*

* Since the property consists of land with leasehold interest only, no property management company has been appointed.

JPR Shibuya Tower Records Bldg.

A-1



Shibuya Ward, Tokyo

Acquisition Price	¥12,000 million	Structure/Floors	SRC/S B3/8F
Site Area	1,010.47 m ²	Completed	February 1992
Total Floor Space	8,449.56 m ²	Property Manager	Tokyo Tatemono Co., Ltd.

Central Tokyo Office Retail / Greater Tokyo Office Retail

JPR Daikanyama

A-2



Shibuya Ward, Tokyo

Acquisition Price	¥2,160 million
Site Area	277.12 m ²
Total Floor Space	668.09 m ²
Structure/Floors	RC B2/2F
Completed	July 2002
Property Manager	Jones Lang LaSalle K.K.

**Yurakucho Ekimae Bldg.
(Yurakucho Itocia)**

A-5



Chiyoda Ward, Tokyo

Acquisition Price	¥3,400 million	Structure/Floors	S/SRS B4/20F
Site Area	6,808.12 m ²	Completed	October 2007
Total Floor Space	71,957.65 m ²	Property Manager	Tokyo Tatemono Co., Ltd.

JPR Jingumae 432

A-3



Shibuya Ward, Tokyo

Acquisition Price	¥4,275 million
Site Area	198.10 m ²
Total Floor Space	1,066.81 m ²
Structure/Floors	S/SRC B1/7F
Completed	February 2006
Property Manager	Jones Lang LaSalle K.K.

Shinjuku Sanchome East Bldg.

A-4



Shinjuku Ward, Tokyo

Acquisition Price	¥2,740 million
Site Area	2,578.69 m ²
Total Floor Space	24,617.65 m ²
Structure/Floors	S/SRC/RC B3/14F
Completed	January 2007
Property Manager	Tokyo Tatemono Co., Ltd.

Arca East

B-1



Sumida Ward, Tokyo

Acquisition Price	¥5,880 million
Site Area	3,755.01 m ²
Total Floor Space	34,281.86 m ²
Structure/Floors	S/SRC B3/19F
Completed	March 1997
Property Manager	Tokyo Tatemono Co., Ltd.

JPR Chiba Bldg.

B-2



Chiba City, Chiba

Acquisition Price	¥2,350 million
Site Area	1,382.35 m ²
Total Floor Space	9,072.57 m ²
Structure/Floors	S/SRC B1/13F
Completed	January 1991
Property Manager	Tokyo Tatemono Co., Ltd.

JPR Yokohama Nihon Odori Bldg.

B-3



Yokohama City, Kanagawa

Acquisition Price	¥2,927 million
Site Area	1,100.59 m ²
Total Floor Space	9,146.52 m ²
Structure/Floors	SRC B1/11F
Completed	October 1989
Property Manager	Tokyo Tatemono Co., Ltd.

Portfolio Properties

Greater Tokyo

Office

Retail

Shinyokohama 2nd Center Bldg.

B-5



Yokohama City, Kanagawa

Acquisition Price	¥920 million
Site Area	841.71 m ²
Total Floor Space	7,781.93 m ²
Structure/Floors	S/SRC B2/12F
Completed	August 1991
Property Manager	Nomura Building Management Co., Ltd.

Kawaguchi Center Bldg.

B-6



Kawaguchi City, Saitama

Acquisition Price	¥8,100 million
Site Area	4,524.61 m ²
Total Floor Space	28,420.85 m ²
Structure/Floors	S/SRC B2/15F
Completed	February 1994
Property Manager	Nomura Building Management Co., Ltd.

JPR Ueno East Bldg.

DBJ Green Building
Bronze
2013

B-7



Taito Ward, Tokyo

Acquisition Price	¥3,250 million
Site Area	1,242.97 m ²
Total Floor Space	8,490.44 m ²
Structure/Floors	S/SRC B1/8F
Completed	October 1992
Property Manager	Yasuda Real Estate Co., Ltd.

Tachikawa Business Center Bldg.

B-8



Tachikawa City, Tokyo

Acquisition Price	¥3,188 million
Site Area	2,047.22 m ²
Total Floor Space	14,706.36 m ²
Structure/Floors	S/SRC B1/12F
Completed	December 1994
Property Manager	Tokyo Tatemono Co., Ltd.

Rise Arena Bldg.

B-9



Toshima Ward, Tokyo

Acquisition Price	¥5,831 million
Site Area	9,377.28 m ² (entire redevelopment project)
Total Floor Space	91,280.94 m ² (including residential tower)
Structure/Floors	RC/SRC/S B3/42F*
Completed	January 2007
Property Manager	Taisei-Yuraku Real Estate Co., Ltd.

*The commercial tower portion has 2 basement floors and 15 floors above ground.

Yume-ooka Office Tower

B-10



Yokohama City, Kanagawa

Acquisition Price	¥6,510 million
Site Area	12,011.00 m ²
Total Floor Space	185,974.87 m ²
Structure/Floors	S/SRC/RC B3/27F
Completed	March 1997
Property Manager	Tokyo Tatemono Co., Ltd.

Olinas Tower

DBJ Green Building
Gold
2013

B-11



Sumida Ward, Tokyo

Acquisition Price	¥31,300 million	Structure/Floors	SRC/RC/S B2/45F*
Site Area	27,335.29 m ² (entire site area)	Completed	March 2006
Total Floor Space	257,842.41 m ² (includes commercial tower and residential tower)	Property Manager	Tokyo Tatemono Co., Ltd.

*The office building has 31 floors above ground and 2 floors underground.

Greater Tokyo Office Retail / Other Cities Office Retail

Tokyo Tatemono Yokohama Bldg. B-12



Yokohama City, Kanagawa

Acquisition Price	¥7,000 million
Site Area	1,110.28 m ²
Total Floor Space	8,772.51 m ²
Structure/Floors	SRC B1/9F
Completed	May 1981
Property Manager	Tokyo Tatemono Co., Ltd.

Tanashi ASTA B-1



Nishitokyo City, Tokyo

Acquisition Price	¥10,200 million
Site Area	12,326.30 m ²
Total Floor Space	80,675.27 m ²
Structure/Floors	SRC B2/17F
Completed	February 1995
Property Manager	Tokyo Tatemono Co., Ltd.

Cupo-la Main Bldg. B-3



Kawaguchi City, Saitama

Acquisition Price	¥2,100 million
Site Area	15,008.28 m ² (entire redevelopment project)
Total Floor Space	48,321.96 m ²
Structure/Floors	S/RC/SRC B2/10F
Completed	January 2006
Property Manager	Tokyo Tatemono Co., Ltd.

JPR Musashikosugi Bldg. B-4



Kawasaki City, Kanagawa

Acquisition Price	¥7,260 million
Site Area	4,761.62 m ²
Total Floor Space	18,394.32 m ²
Structure/Floors	SRC/RC/S B1/6F
Completed	March 1983
Property Manager	Tokyo Tatemono Co., Ltd.

Musashiurawa Shopping Square B-5



Saitama City, Saitama

Acquisition Price	¥4,335 million
Site Area	8,317.99 m ²
Total Floor Space	28,930.36 m ²
Structure/Floors	S B1/4F
Completed	October 2005
Property Manager	Nippon Steel Kowa Real Estate Co., Ltd. Tokyo Tatemono Co., Ltd.

Kawasaki Dice Bldg. B-6



Kawasaki City, Kanagawa

Acquisition Price	¥15,080 million	Structure/Floors	S/SRC/RC B2/11F
Site Area	4,475.45 m ²	Completed	August 2003
Total Floor Space	36,902.01 m ²	Property Manager	Tokyo Tatemono Co., Ltd.

Niigata Ekinan Center Bldg. C-1



Niigata City, Niigata

Acquisition Price	¥2,140 million
Site Area	2,706.99 m ²
Total Floor Space	19,950.42 m ²
Structure/Floors	S/SRC B1/10F
Completed	March 1996
Property Manager	Jones Lang LaSalle K.K.

Portfolio Properties

Other Cities Office Retail

Tokyo Tatemono Honmachi Bldg. C-4



	Osaka City, Osaka
Acquisition Price	¥4,150 million
Site Area	1,432.64 m ²
Total Floor Space	14,619.52 m ²
Structure/Floors	SRC B3/9F
Completed	February 1970
Property Manager	Tokyo Tatemono Co., Ltd.

JPR Hakata Bldg. C-7



	Fukuoka City, Fukuoka
Acquisition Price	¥2,900 million
Site Area	1,214.63 m ²
Total Floor Space	9,828.73 m ²
Structure/Floors	S/SRC B1/12F
Completed	June 1985
Property Manager	Tokyo Tatemono Co., Ltd.

JPR Naha Bldg. C-9



	Naha City, Okinawa
Acquisition Price	¥1,560 million
Site Area	959.87 m ²
Total Floor Space	5,780.71 m ²
Structure/Floors	SRC/S 12F
Completed	October 1991
Property Manager	Tokyo Tatemono Co., Ltd.

Sompo Japan Sendai Bldg. C-12



	Sendai City, Miyagi
Acquisition Price	¥3,150 million
Site Area	1,895.67 m ²
Total Floor Space	10,783.52 m ²
Structure/Floors	SRC B1/12F
Completed	December 1997
Property Manager	Tokyo Tatemono Co., Ltd.

Sompo Japan Wakayama Bldg. C-13



	Wakayama City, Wakayama
Acquisition Price	¥1,670 million
Site Area	1,128.45 m ²
Total Floor Space	6,715.07 m ²
Structure/Floors	S 9F
Completed	July 1996
Property Manager	Tokyo Tatemono Co., Ltd.

Tenjin 121 Bldg. C-14



	Fukuoka City, Fukuoka
Acquisition Price	¥2,810 million
Site Area	1,164.39 m ²
Total Floor Space	8,690.95 m ²
Structure/Floors	S/SRC 13F
Completed	July 2000
Property Manager	Tokyo Tatemono Co., Ltd.

JPR Dojima Bldg. C-17



	Osaka City, Osaka
Acquisition Price	¥2,140 million
Site Area	668.11 m ²
Total Floor Space	5,696.01 m ²
Structure/Floors	SRC B2/9F
Completed	October 1993
Property Manager	Tokyo Tatemono Co., Ltd.

JPR Hakata-Chuo Bldg. C-18



	Fukuoka City, Fukuoka
Acquisition Price	¥1,920 million
Site Area	680.63 m ²
Total Floor Space	3,874.81 m ²
Structure/Floors	SRC 8F
Completed	February 1993
Property Manager	Tokyo Tatemono Co., Ltd.

Other Cities

Office

Retail

JPR Nagoya Fushimi Bldg.

C-19



Nagoya City, Aichi

Acquisition Price	¥4,137 million
Site Area	1,610.38 m ²
Total Floor Space	10,201.44 m ²
Structure/Floors	SRC B1/9F
Completed	March 1991
Property Manager	Tokyo Tatemono Co., Ltd.

Benetton Shinsaibashi Bldg.

C-3



Osaka City, Osaka

Acquisition Price	¥5,430 million
Site Area	609.31 m ²
Total Floor Space	5,303.98 m ²
Structure/Floors	S B2/10F
Completed	February 2003 expansion in January 2005
Property Manager	Tokyo Tatemono Co., Ltd.

JPR Umeda Loft Bldg.

C-1



Osaka City, Osaka

Acquisition Price	¥13,000 million	Structure/Floors	SRC B1/8F
Site Area	3,518.68 m ²	Completed	April 1990
Total Floor Space	17,897.56 m ²	Property Manager	Tokyo Tatemono Co., Ltd.

Yakuin Business Garden

DBJ Green Building
Gold
2013

C-20



Fukuoka City, Fukuoka

Acquisition Price	¥10,996 million	Structure/Floors	SRC/14F
Site Area	4,348.43 m ²	Completed	January 2009
Total Floor Space	22,286.35 m ²	Property Manager	Tokyo Tatemono Co., Ltd.

Housing Design Center Kobe

C-4



Kobe City, Hyogo

Acquisition Price	¥7,220 million
Site Area	3,994.47 m ²
Total Floor Space	33,877.71 m ²
Structure/Floors	SRC/S B2/11F
Completed	June 1994
Property Manager	Tokyo Tatemono Co., Ltd.

JPR Chayamachi Bldg.

C-5



Osaka City, Osaka

Acquisition Price	¥6,000 million
Site Area	592.45 m ²
Total Floor Space	3,219.36 m ²
Structure/Floors	S/SRC 9F
Completed	June 1994
Property Manager	Tokyo Tatemono Co., Ltd.

8. Structure and History of JPR

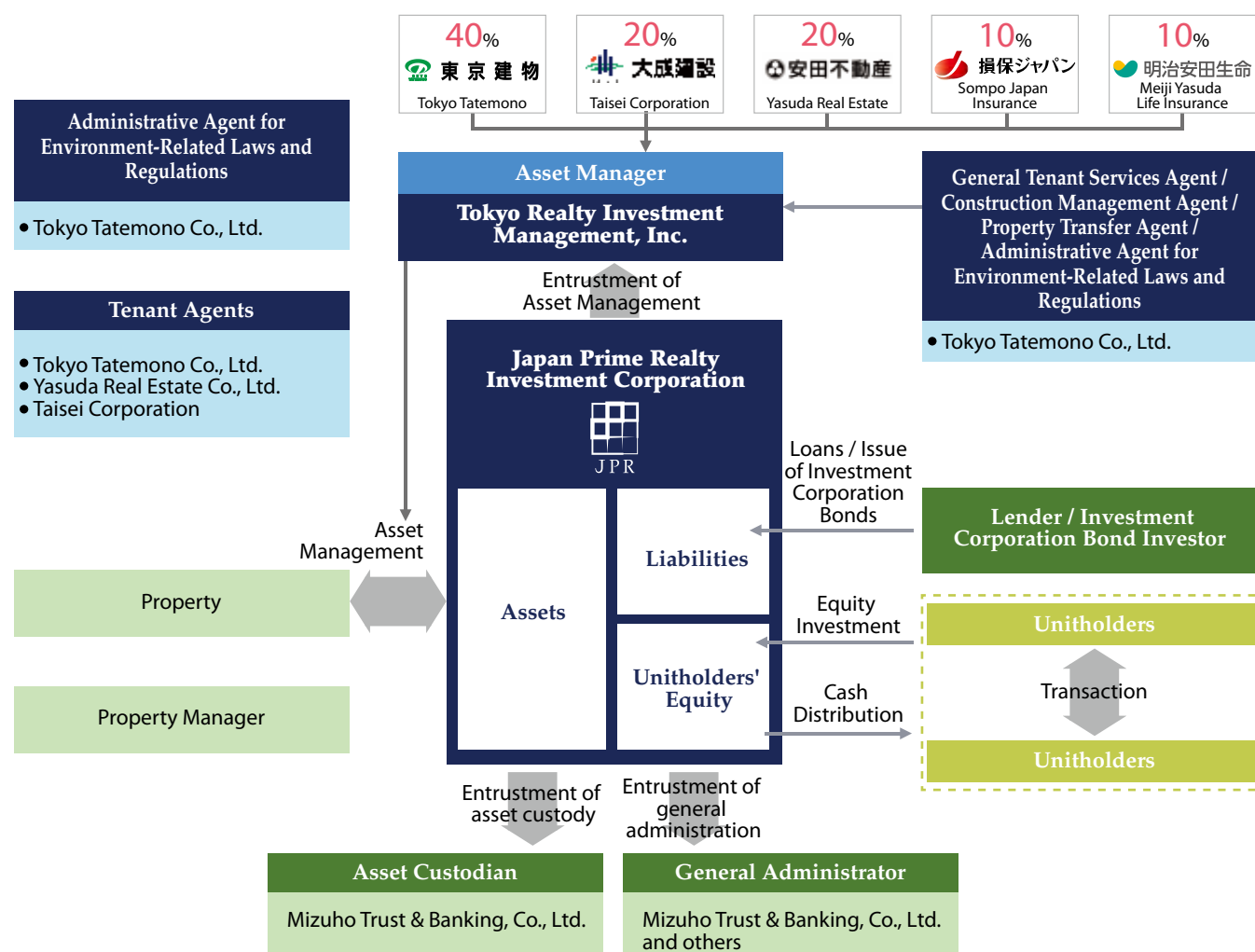
The Objective and Basic Characteristics of JPR

With the basic concept of “investing in urban commercial real estate,” JPR’s investment targets are primarily comprised of superior office properties (urban work facilities), retail properties located in thriving commercial areas, the land on which they are located and asset-backed securities that have such real estate as their primary investment. JPR also makes it a basic policy to diversify its investment geographically by not limiting properties to Tokyo but also considering assets in other regional cities, after carefully considering the risks and returns of the investment, so that the benefits of portfolio management can be demonstrated.

Corporate History

Date	Description
September 6, 2001	The founder (Tokyo Realty Investment Management, Inc.) filed for establishment of the investment corporation under Article 69-1 of the Act on Investment Trusts and Investment Corporations (Investment Trusts Act)
September 14, 2001	Japan Prime Realty Investment Corporation was registered and established under Article 166 of the Investment Trusts Act
November 16, 2001	Started asset management (acquisition of real estate beneficiary interests in trust for 13 underlying trust assets comprising 11 office properties and 2 retail properties) (¥40,730 million in total)
January 22, 2002	Investment unit split (2.5 units for 1 existing unit) pursuant to Article 87 of the Investment Trusts Act
June 14, 2002	Listed on the Real Estate Investment Trust Section of the Tokyo Stock Exchange and started trading

Structure of JPR



9. Overview of Asset Manager

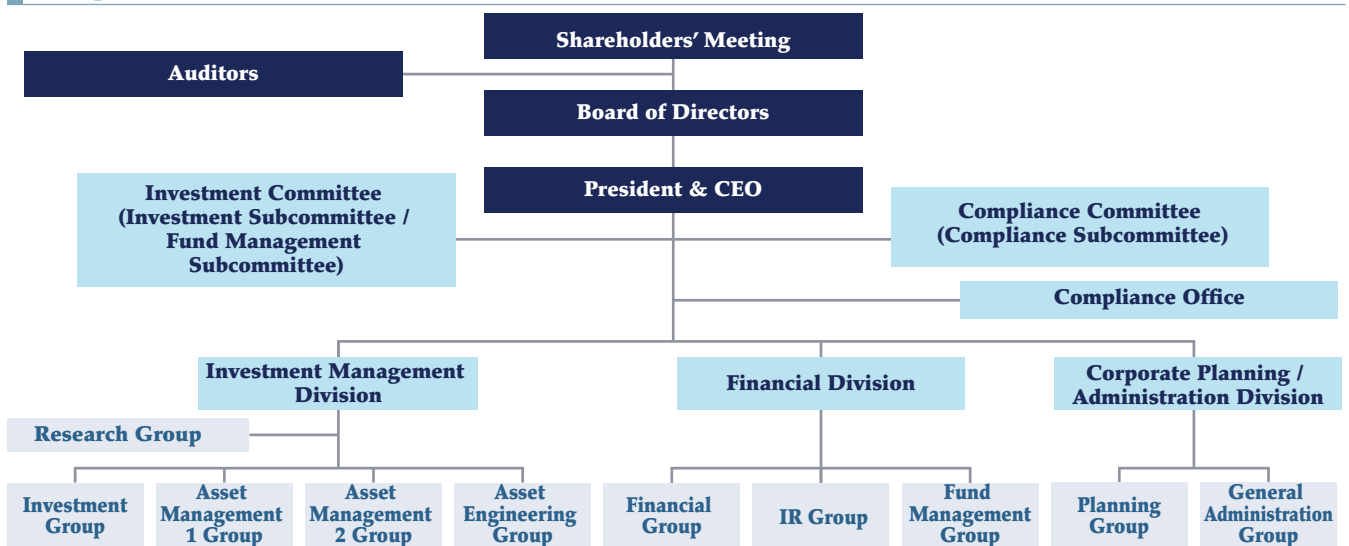
Overview

Name	Tokyo Realty Investment Management, Inc. (TRIM)
Business Description	Asset management for investment corporation
Capitalization	¥350 million
Shareholder Composition (Note 1)	Tokyo Tatemono Co., Ltd. (40%) Taisei Corporation (20%) Yasuda Real Estate Co., Ltd. (20%) Sompo Japan Insurance Inc. (10%) Meiji Yasuda Life Insurance Company (10%)
Corporate History	
April 28, 2000	Established
October 13, 2000	Obtained license as real estate transaction agent (currently: No. (3) 79025 licensed by Governor of Tokyo)
March 16, 2001	Obtained license as discretionary transaction agent under the Building Lots and Building Transactions Business Act (Approval Number: No. 3)
June 20, 2001	Obtained license as asset management agent for investment corporation under the Act on Investment Trusts and Investment Corporations (Approval Number: No. 7 licensed by the Prime Minister)
September 30, 2007	Registered for financial instruments exchange business (investment management business) (Registration Number: No.362 (Kinsho) Head of Kanto Local Finance Bureau) (Note 2)
November 28, 2007	Applied for registration and submitted application form for financial instruments exchange business

(Note 1) The percentage represents the ratio of the number of respective shares with voting rights to the total number of shares with voting rights.

(Note 2) Tokyo Realty Investment Management, Inc. was deemed to have been registered as investment management business, applicable to the Supplementary Provisions Article 159-1 of the Act for Partial Revision of the Securities and Exchange Act, etc. (Act No. 65 of 2006).

Organization Chart



Decision-Making Institutions for Investment Management

TRIM has established the Investment Committee as the institution to make investment management decisions, as well as the Investment Subcommittee (including the Due Diligence Subcommittee) and the Fund Management Subcommittee as subsidiary bodies of the Committee. These committees comprise the President and CEO, Investment Management Division General Manager, Financial Division General Manager, and Corporate Planning / Administration Division General Manager. The Compliance Office General Manager also participates in these committees to enhance confirmation in terms of legal compliance.

Matters concerning the targets and policies of investment management are decided by the Board of Directors, and matters concerning planning and implementation of asset management are decided by the Investment Committee. Matters concerning acquisition, disposition or management of individual properties are decided by the Investment Subcommittee or the Fund Management Committee, respectively. Moreover, the Board of Directors has final decision-making authority for acquisitions and dispositions of individual assets having over a certain amount of value.

1. Overview of Asset Management

(1) Changes in Operating Results and Other Management Data

Fiscal Period		Unit	19th Fiscal Period	20th Fiscal Period	21st Fiscal Period	22nd Fiscal Period	23rd Fiscal Period
			(Jan. 1, 2011 - Jun. 30, 2011)	(Jul. 1, 2011 - Dec. 31, 2011)	(Jan. 1, 2012 - Jun. 30, 2012)	(Jul. 1, 2012 - Dec. 31, 2012)	(Jan. 1, 2013 - Jun. 30, 2013)
Operating Performance	Operating Revenue	Million yen	11,529	11,772	12,345	12,963	13,278
	Rent revenue – real estate	Million yen	11,529	11,772	12,345	12,963	13,278
	Operating Expenses	Million yen	5,926	6,009	5,952	6,198	6,893
	Expenses related to rent business	Million yen	5,296	5,357	5,217	5,519	6,208
	Operating Income	Million yen	5,603	5,763	6,393	6,765	6,385
	Ordinary Income	Million yen	4,075	4,201	4,597	5,026	4,975
	Net Income	Million yen	4,010	4,200	4,596	5,025	4,974
Assets, etc.	Total Assets	Million yen	360,004	360,699	396,017	401,984	409,715
	(Period-on-period variation)	%	(-0.2)	(+0.2)	(+9.8)	(+1.5)	(+1.9)
	Interest-bearing Debt	Million yen	162,763	163,005	195,081	180,557	187,158
	Total Unitholders Equity	Million yen	175,452	175,640	176,035	197,168	197,116
	(Period-on-period variation)	%	(-0.0)	(+0.1)	(+0.2)	(+12.0)	(-0.0)
	Unitholders' Capital	Million yen	171,339	171,339	171,339	192,044	192,044
Cash Distribution per Unit, Etc.	Total Cash Distributions	Million yen	4,011	4,201	4,597	5,026	4,975
	Dividend payout ratio	%	100.0	100.0	100.0	100.0	100.0
	Number of Units Outstanding	Units	715,000	715,000	715,000	825,000	825,000
	Total Unitholders' Equity per Unit	Yen	245,387	245,651	246,204	238,992	238,929
	Cash Distribution per Unit	Yen	5,611	5,876	6,430	6,093	6,031
	Distribution amount	Yen	5,611	5,876	6,430	6,093	6,031
	Exceeding profit distribution amount	Yen	–	–	–	–	–
Financial Indices	Ordinary Income on Total Assets (Note 1)	%	1.1	1.2	1.2	1.3	1.2
	Annualized (Note 10)	%	2.3	2.3	2.4	2.5	2.5
	Net Income on Total Unitholders' Equity (Note 2)	%	2.3	2.4	2.6	2.7	2.5
	Annualized (Note 10)	%	4.6	4.7	5.2	5.3	5.1
	Total unitholders' equity at beginning of period	Million yen	175,502	175,452	175,640	176,035	197,168
	Unitholders' Equity Ratio at End of Period (Note 3)	%	48.7	48.7	44.5	49.0	48.1
	(Period-on-period variation)		(+0.1)	(-0.0)	(-4.2)	(+4.6)	(-0.9)
	Interest-bearing Debt to Total Assets at End of Period (Note 4)	%	45.2	45.2	49.3	44.9	45.7
	DSCR (Note 5)	Times	5.1	5.3	5.4	6.0	6.3
	Net income before interest and amortization (Note 6)	Million yen	7,438	7,427	7,811	8,226	8,163
	Interest expenses	Million yen	1,451	1,402	1,459	1,368	1,304
	NOI from Leasing (Note 7)	Million yen	8,144	8,239	8,882	9,275	8,953
	Annualized NOI yield (Notes 9 and 10)	%	4.8	4.7	4.7	4.7	4.5
NCF from Leasing (Note 8)	Million yen	7,597	7,628	8,271	8,595	8,359	
Annualized NCF yield (Notes 9 and 10)	%	4.5	4.4	4.4	4.4	4.2	
Reference Information	Investment Properties Owned (Note 11)		56	57	58	59	60
	Number of Tenants		493	501	502	534	564
	Total Leasable Floor Space	m ²	421,371.51	423,311.93	434,340.04	450,943.43	460,452.47
	Occupancy Rate	%	94.7	95.6	94.1	94.9	96.9

Notes:

- Ordinary income / (total assets at beginning of period + total assets at end of period) / 2
- Net income / (total unitholders' equity at beginning of period + total unitholders' equity at end of period) / 2
- Total unitholders' equity at end of period / total assets at end of period x 100
- Interest-bearing debt / total assets at end of period x 100
- Net income before interest and amortization / interest expenses (including interest expenses on investment corporation bonds)
- Net income - gain on sale of real estate + loss on sale of real estate + loss on sale of investment securities + extraordinary loss + interest expenses (including interest expenses on investment corporation bonds) + depreciation
- (Real estate rental revenues - real estate rental expenses) + depreciation
- NOI from leasing - capital expenditures
- Annualized NOI from leasing / property acquisition price (19th fiscal period: ¥341.58 billion, 20th fiscal period: ¥344.98 billion, 21st fiscal period: ¥380.98 billion, 22nd fiscal period: ¥391.98 billion and 23rd fiscal period: ¥398.64 billion)
- Annualized NCF from leasing / property acquisition price
- Annualization is based on 365 days for a year and calculated by using the following management days: 19th fiscal period: 181 days, 20th fiscal period: 184 days, 21st fiscal period: 182 days, 22nd fiscal period: 184 days and 23rd fiscal period: 181 days.
- Shin-Kojimachi Bldg., Fukuoka Bldg., Shinjuku Square Tower, BYGS Shinjuku Bldg., Shinjuku Sanhome East Bldg., Shinyokohama 2nd Center Bldg., Tachikawa Business Center Bldg. and JPR Umeda Loft Bldg. were acquired at multiple times but are calculated as one property.
- Total leasable floor space in this table indicates the contracted area.
- Any ratio indicated on financial indices is rounded to the first decimal place (except for the dividend payout ratio, which is rounded off to the first decimal place).

(2) 23rd Fiscal Period Asset Management

1) Milestones of JPR

Japan Prime Realty Investment Corporation (JPR) was established on September 14, 2001 under the Act on Investment Trusts and Investment Corporations (hereafter, the Investment Trusts Act), and was listed on the Tokyo Stock Exchange Real Estate Investment Trust Section (securities code: 8955) on June 14, 2002 with 289,600 outstanding investment units. Subsequently, JPR conducted five public offerings and other equity financing measures, with the number of investment units issued and outstanding totaling 825,000 units at present. JPR has assigned the asset management of its portfolio to Tokyo Realty Investment Management, Inc., through which JPR aims to maximize unitholder value by efficiently managing the portfolio of office properties and retail properties.

2) Management Environment

At the beginning of the 23rd fiscal period, the market saw a shift in trends for the weakening yen and higher stock prices due to expectations for the “Abenomics” comprising the three pillars of bold monetary easing, dynamic fiscal stimulus package and growth strategies, and the trends continued throughout the period. Consequently, the Japanese economy maintained positive growth, led primarily by an increase in consumer spending in line with the recovering business confidence. On the other hand, the large-scale monetary easing measures were accompanied by wide fluctuations in interest rates, foreign exchange rates and stock prices.

The Office Property Leasing Market

In the 23 wards of Tokyo, an improving trend was observed in the supply and demand balance in the office property leasing market due to expansion in new demand, including increased office space within the same buildings, in accordance with the recovery of business confidence, on top of new supply becoming more controlled. Given this situation, the rent levels for new contracts took an upward turn for Class S and Class A buildings. Nevertheless, tenants continue to take a stringent attitude in terms of requirements for office specifications, such as considerations for energy saving and business continuity plans, as well as cost consciousness.

The Retail Property Leasing Market

Recovery of business confidence helped improve consumers’ willingness to buy, with consumption of luxury goods remaining strong particularly due to the financial assets effect as a result of higher stock prices. Urban retail properties in good locations, such as Ginza and Shinjuku, are presumably en route for bottoming out and about to take an upward turn. On other hand, there has arisen a gap among tenants in terms of their ability to bear rent burdens, as the positive impact of the recovery in consumer spending has not yet spread across all retail businesses.

The For-Sale Real Estate Market

The transaction volume expanded, including deals of large-scale projects, as initial public offerings and public offerings by REITs took place one after another against the backdrop of a favorable fund procurement environment. However, with a distinct trend of acquisitions of blue-chip properties by REITs being made from their sponsors, the supply and demand situation in the for-sale real estate market is becoming increasingly tighter, mainly for quality properties. Under such circumstances, the transaction price of real properties started to be formed with the anticipated recovery in the leasing market taken into account.

3) Portfolio Management Status

New Property Acquisitions and Asset Replacement

JPR investigates possible investments mainly in office properties in the Tokyo area, plus retail properties and office properties in regional cities, with the primary aim of improving the quality and stabilizing earnings of the portfolio while paying attention to balancing diversification of the portfolio, both in terms of location and asset class.

During the 23rd fiscal period, JPR acquired Omiya Prime East (acquisition price: 6.09 billion yen) and Shinyokohama 2nd Center Building (additional ownership) (acquisition price; 570 million yen), resulting in the balance of assets under management now totaling 60 properties, or 398.6 billion yen on an acquisition price basis, as of the end of June 2013. The total leasable floor space is now 460,452m² and the number of tenants has reached 564.

Operational Management of Portfolio

The vacancy rate in the office property leasing market showed a downward trend in the 23rd fiscal period, given the supply and demand balance improving in Tokyo and other areas. Under such circumstances, JPR endeavored to attract new tenants through strategic leasing activities and enhance the satisfaction of existing tenants by keeping close cooperation with property management companies and brokers, with an aim of improving occupancy rates. As a result, JPR successfully secured new leases and expansion of office space in the same buildings by existing tenants primarily for office properties in central Tokyo and the greater Tokyo area, with the period-end occupancy rate increasing significantly by two percentage points to 96.9% from 94.9% at end of the previous fiscal period.

In terms of property management, based on JPR’s brand concept A/3S (Amenity/Service, Safety and Save Energy), JPR continued to proactively implement renovations in an aim to create spaces where the workers feel satisfaction. As an endeavor to implement energy-saving measures, JPR conducted replacement of lighting equipment in the common areas with LED lamps and renovation of air-conditioning systems, which are expected to be effective in saving energy, at its multiple properties. Furthermore, JPR is proactively engaged in environmental friendliness, continuously working to obtain environmental certifications (the DBJ Green Building Certification^{*1} and the recognition by GRESB^{*2}).

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

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

Fund Procurement

During the 23rd fiscal period, JPR continued to pursue further financial stability by issuing unsecured investment corporation bonds and conducting bank borrowings at long-term fixed interest rates with an eye on avoiding future interest rate fluctuation risks and remaining attentive to the diversification of repayment and redemption maturity dates. By doing so, JPR pursued further financial stability.

As a result, the balance of total outstanding borrowings as of the end of the fiscal period was 130.6 billion yen, with unsecured corporate bonds of 56.5 billion yen. With regard to JPR's overall interest-bearing debt, the average interest rate as of the end of the fiscal period (Note 1) was 1.4%, the interest-bearing debt ratio (Note 2) was 49.4% and the LTV (ratio of interest-bearing debt to total assets) at end of the period (Note 3) was 45.7%.

Of these, the non-current portion of long-term interest-bearing debt now comprises 79.2% of all interest-bearing debt, and the average maturity (Note 4) is 4.0 years. The current portion of long-term interest-bearing debt is 35.4 billion yen.

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

Details of Corporate Credit Ratings as of June 30, 2013

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

(Note 1) Average interest is arrived at by calculating a weighted average of interest rates as of the end of the 23rd fiscal period based on the balance of each debt.

(Note 2) Interest-bearing debt ratio (%): interest-bearing debt / (interest-bearing debt + unitholders' capital) x 100 (unitholders' capital: 192.00 billion yen)

(Note 3) LTV at end of period (%): interest-bearing debt/total assets at end of period x 100 (total assets at the end of the 23rd fiscal period: 409.7 billion yen)

(Note 4) Average maturity of long-term interest-bearing debt is arrived at by calculating a weighted average of maturities from the end of the 23rd fiscal period to the repayment deadlines for long-term interest-bearing debt with repayment periods of more than one year, based on the balance of each debt.

(3) Additional Offerings, etc.

The table below indicates additional offerings, etc. JPR has conducted since inception through the 23rd fiscal period.

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

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

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

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

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

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

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

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

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

(Note 9) New investment units were issued through a public offering at 449,820 yen per unit (underwriting price of 434,673 yen per unit) to repay debt, acquire new specific assets, etc.

(Note 10) New investment units were issued through a third-party allotment at 434,673 yen per unit to repay debt, acquire new specific assets, etc.

(Note 11) New investment units were issued through a public offering at 168,101 yen per unit (underwriting price of 162,382 yen per unit) to repay short-term debt, redeem investment corporation bonds, acquire new specific assets, etc.

(Note 12) New investment units were issued through a third-party allotment at 162,382 yen per unit to repay short-term debt, redeem investment corporation bonds, acquire new specific assets, etc.

(Note 13) New investment units were issued through a public offering at 194,610 yen per unit (underwriting price of 188,222 yen per unit) to partly fund acquisition of new specific assets and repay debts.

(Note 14) New investment units were issued through a third-party allotment at 188,222 yen per unit to partly fund acquisition of new specific assets and repay debts.

(4) Cash Distribution

With regard to the cash distributions, JPR decided to distribute part of the retained earnings brought forward that had been internally reserved through the 22nd fiscal period, with the aim of having the profit distributions deducted as expenses based on application of the special provision on taxation of investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation) and in order to minimize the burden to unitholders incurred by accrual of corporate income tax, etc. As a result, the cash distribution per unit came to 6,031 yen for the 23rd fiscal period.

(Thousands of yen unless otherwise indicated)

Fiscal Period		19th Fiscal Period (Jan. 1, 2011 - Jun. 30, 2011)	20th Fiscal Period (Jul. 1, 2011 - Dec. 31, 2011)	21st Fiscal Period (Jan. 1, 2012 - Jun. 30, 2012)	22nd Fiscal Period (Jul. 1, 2012 - Dec. 31, 2012)	23rd Fiscal Period (Jan. 1, 2013 - Jun. 30, 2013)
Unappropriated Retained Earnings at End of Period		4,038,287	4,226,806	4,622,149	5,050,424	4,998,468
Internal Reserves		26,422	25,466	24,699	23,699	22,893
Total Cash Distributions (Cash distribution per unit)		4,011,865 (5,611 yen)	4,201,340 (5,876 yen)	4,597,450 (6,430 yen)	5,026,725 (6,093 yen)	4,975,575 (6,031 yen)
Breakdown	Total Cash Distributions from Net Income (Cash distribution from net income per unit)	4,011,865 (5,611 yen)	4,201,340 (5,876 yen)	4,597,450 (6,430 yen)	5,026,725 (6,093 yen)	4,975,575 (6,031 yen)
	Repayment of Paid-in Capital	—	—	—	—	—
	(Repayment of paid-in capital per unit)	(-yen)	(-yen)	(-yen)	(-yen)	(-yen)

(5) Future Management Policies and Vital Issues

As for the prospects of the Japanese economy, expectations are placed on the emergency economic measures proving effective as well as private capital investment increasing in line with the recovery of corporate performances. Whether the economic recovery, which has been preceded by expectations, will turn out to be a continuous recovery in the economy accompanied by actual demand will require monitoring.

In the office property leasing market, the general recovery in the market situation will presumably be a modest one, as polarization by property will further advance even though the supply and demand condition will continue to improve. In Osaka, despite relatively solid demand for office spaces, the supply and demand balance worsened as multiple large-scale redevelopment properties were supplied; it will take a certain amount of time for the situation to recover on a full scale.

When conducting real estate transactions in the market where polarization of earnings by property will further advance, it is likely to become increasingly important to discern the growth potential of earnings of respective properties.

Currently, REITs are positioned as powerful buyers of properties. However, their ability to procure funds will be largely affected by the interest rate levels. As such, it will be required to keep attentive monitoring of the future trends in interest rates.

1) Acquisition of New Properties and Asset Replacement

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

JPR will continue to make investment decisions after a proactive collection of information through such sources as sponsors of the Asset Manager, accurately grasping market trends and carefully researching investment value, including the future potential of candidate properties. Moreover, JPR will continue to investigate asset replacement, centering on properties that do not allow us to expect sustainable growth in the future or those that may be sold under better terms and conditions.

2) Management of Portfolio

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

- Strengthen coordination with property management companies and respective tenant brokers
- Propose leasing terms and conditions in anticipation of the recovery in the leasing market and accelerate decision making
- Conduct strategic value enhancement works with the intent to improve property earnings and tenant satisfaction
- Reinforce responses to energy saving, business continuity plans and other matters commanding high social requests

(6) Fund Procurement

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

(7) Information Disclosure

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

(8) Significant Subsequent Events

There is no relevant matter.

2. Overview of the Investment Corporation

(1) Unitholders' Capital

	19th Fiscal Period as of June 30, 2011	20th Fiscal Period as of December 31, 2011	21st Fiscal Period as of June 30, 2012	22nd Fiscal Period as of December 31, 2012	23rd Fiscal Period as of June 30, 2013
Total number of authorized units	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total number of units issued and outstanding	715,000	715,000	715,000	825,000	825,000
Unitholders' capital (millions of yen)	171,339	171,339	171,339	192,044	192,044
Total number of unitholders	14,576	14,513	14,148	14,525	13,965

(2) Matters Related to Investment Units (Primary Investors)

The following table shows the 10 largest investors according to the percentage of their owned investment units to the total number of units outstanding as of the end of the 23rd fiscal period.

Name	Address	Number of Owned Units	Percentage of Total Units Outstanding (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11 Harumi, Chuo-ku, Tokyo	175,603	21.28
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	44,644	5.41
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	44,503	5.39
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Harumi Island Triton Square Office Tower Z Building 1-8-12 Harumi, Chuo-ku, Tokyo	43,329	5.25
Tokyo Tatemono Co., Ltd.	1-9-9 Yasesu, Chuo-ku, Tokyo	29,300	3.55
Kawasaki Gakuen	577 Matsushima, Kurashiki-shi, Okayama	25,000	3.03
Meiji Yasuda Life Insurance Company	2-1-1 Marunouchi, Chiyoda-ku, Tokyo	24,000	2.90
Nomura Bank (Luxembourg) S. A. (Standing Proxy: Sumitomo Mitsui Banking Corporation)	Batiment A, 33, Rue de Gasperich, L-5826, Luxembourg (1-2-3 Otemachi, Chiyoda-ku, Tokyo)	21,733	2.63
State Street Bank and Trust Company (Standing Proxy: The Hongkong and Shanghai Banking Tokyo Branch)	P. O. Box 351, Boston, Massachusetts 02101 U. S. A. (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	11,009	1.33
SIX SIS LTD. (Standing Proxy: The Bank of Tokyo Mitsubishi UFJ, Ltd.)	Baslerstrasse 100, CH-4600, Olten, Switzerland (2-7-1, Marunouchi, Chiyoda-ku, Tokyo)	10,065	1.22
Total		429,186	52.02

(Note) Percentage of total units outstanding is rounded off to the second decimal place.

(3) Items Related to Directors

A. The Executive Officer, Supervising Officers and Independent Auditors as of the end of the 23rd fiscal period are as follows.

Position	Name	Other Current Assignments	Total Directors' Fee during the 23rd Fiscal Period (thousands of yen)	Number of Owned Units
Executive Officer	Hirohito Kaneko	Representative Counsel, Hirohito Kaneko Law Office	2,400	–
Supervising Officers (Note 1)	Sosuke Yasuda	Adviser, Gyosei Audit Corporation Group representative partner, GYOSEI Certified Public Tax & Accountants' Co. Outside Auditor, Nomura Research Institute, Ltd. (part-time) Outside Auditor, MS&AD Insurance Group Holdings (part-time)	4,200	–
	Masato Denawa	Partner Attorney, Spring Partners		–
Independent Auditor (Note 2)	Ernst & Young ShinNihon LLC	–	16,200	–

(Note 1) Supervising officers may be directors of corporations other than those indicated above, but have no conflict of interest with JPR at those and the above positions.

(Note 2) The independent auditor fees include fees regarding auditing of JPR's English financial statements and fees regarding preparation of comfort letters for issuance of investment corporation bonds.

B. Policy on Dismissing and Deciding Not to Reappoint the Independent Auditor

The dismissal of independent auditors shall be considered in accordance with the designations of the Investment Trust Act. The decision to reappoint the auditor shall be studied at JPR's Board of Directors Meetings following comprehensive consideration of circumstances including audit quality, audit fee and other various conditions.

(4) Asset Manager, Asset Custodian and Administrative Agent

The asset manager, asset custodian and administrative agents of JPR at the end of the 23rd fiscal period are as follows.

Outsourcing Category	Name
Asset management company	Tokyo Realty Investment Management, Inc.
Asset custodian	Mizuho Trust & Banking Co., Ltd.
Administrative agent (administration, etc. concerning unitholders' list, etc.)	Mizuho Trust & Banking Co., Ltd.
Administrative agent (administration concerning corporate bonds)	Mizuho Trust & Banking Co., Ltd.
	Mizuho Corporate Bank, Ltd. (presently Mizuho Bank, Ltd.)
	Merrill Lynch Japan Securities Co., Ltd.
	Mizuho Securities Co., Ltd.
	Shinkin Securities Co., Ltd.
	Nomura Securities Co., Ltd.

3. Status of JPR's Assets Under Management

(1) JPR's Asset Structure

Asset Type	Area	22nd Fiscal Period (as of December 31, 2012)		23rd Fiscal Period (as of June 30, 2013)	
		Assets owned by JPR (thousands of yen)	Percentage of total assets (%)	Assets owned by JPR (thousands of yen)	Percentage of total assets (%)
Real estate	Central Tokyo	80,527,907	20.0	80,640,667	19.7
	Greater Tokyo	63,605,799	15.8	62,240,380	15.2
	Other Cities	22,225,682	5.5	22,051,788	5.4
Real estate in trust	Central Tokyo	126,035,548	31.4	125,720,443	30.7
	Greater Tokyo	43,885,908	10.9	51,343,259	12.5
	Other Cities	44,237,996	11.0	44,090,258	10.8
Deposits and other assets	—	21,465,473 (—)	5.3 (—)	23,628,900 (—)	5.8 (—)
Total assets	—	401,984,316 (380,518,842)	100.0 (94.7)	409,715,697 (386,086,796)	100.0 (94.2)

(Note 1) Total assets owned are based on the amounts appropriated on the balance sheet as of the end of the fiscal period (book values after depreciation for real estate and real estate in trust).

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

(2) Major Assets Owned by JPR

The following is an overview of the major assets (ten largest properties by book value at end of period) owned by JPR as of the end of the 23rd fiscal period.

Property Name	Book Value (thousands of yen)	Leasable Floor Space (m ²)	Leased Floor Space (m ²)	Occupancy Rate (%)	Rate of Monthly Contracted Rent at End of Period (%)	Asset Class
The Otemachi Tower (Land with Leasehold Interest)	38,388,259	11,034.78	11,034.78	100.0	12.5	Office
Olinas Tower	29,574,967	23,987.40	23,769.88	99.1	7.1	Office
Shinjuku Center Bldg.	21,974,636	8,863.98	7,944.81	89.6	3.2	Office
BYGS Shinjuku Bldg.	15,720,719	15,196.08	15,022.56	98.9	3.9	Office
JPR Sendagaya Bldg.	15,209,889	6,177.74	6,177.74	100.0	2.0	Office
Kanematsu Bldg.	14,809,990	7,994.02	7,994.02	100.0	2.8	Office
Kawasaki Dice Bldg.	14,301,778	13,066.69	12,911.37	98.8	2.9	Retail
JPR Umeda Loft Bldg.	12,541,505	18,586.97	18,586.97	100.0	3.0	Retail
JPR Shibuya Tower Records Bldg.	11,636,159	8,076.85	8,076.85	100.0	2.6	Retail
Yakuin Business Garden	11,324,229	16,654.33	16,644.71	99.9	3.0	Office
Total	185,482,135	129,638.84	128,163.69	98.9	42.8	

(Note 1) Rate of monthly contracted rent at end of period is the rate arrived at by dividing the monthly contracted rent at end of period for each property by the total rents for all properties.

(Note 2) The tenants of Shinjuku Center Bldg. and Kawasaki Dice Bldg. have sublet space to a sub-lessee and a lease agreement has been executed where the rent paid by the tenant fluctuates in accordance with the lease conditions of the sub-lessee. Therefore, the leasable floor space, leased floor space and occupancy rate entered for each of these buildings are the figures concerning the sub-lessee of the tenant.

(3) Itemized Portfolio Assets

The following table provides overview of the real estate properties and beneficiary interests in real estate owned by JPR as of the end of the 23rd fiscal period (June 30, 2013).

Area	Type	Property Name	Location	Form of Ownership	Book Value As of June 30, 2013 (thousands of yen)	Appraisal Value as of June 30, 2013 (thousands of yen) (Note)		
Central Tokyo	Office	Kanematsu Bldg.	14-1 Kyobashi 2-chome, Chuo-ku, Tokyo	Beneficiary interest	14,809,990	11,700,000		
		Kanematsu Bldg. Annex	17-5 Kyobashi 2-chome, Chuo-ku, Tokyo	Beneficiary interest	2,458,010	2,250,000		
		JPR Ningyo-cho Bldg.	17-4 Nihonbashi Ningyocho 1-chome, Chuo-ku, Tokyo	Beneficiary interest	1,980,195	2,200,000		
		Shin-Kojimachi Bldg.	3-3 Kojimachi 4-chome, Chiyoda-ku, Tokyo	Beneficiary interest	2,398,551	2,970,000		
		JPR Crest Takebashi Bldg.	21-4, etc., Kanda-Nishikicho 3-chome, Chiyoda-ku, Tokyo	Beneficiary interest	3,421,259	3,090,000		
		MS Shibaura Bldg.	13-23 Shibaura 4-chome, Minato-ku, Tokyo	Beneficiary interest	10,858,250	11,300,000		
		Gotanda First Bldg.	8-1 Nishi-Gotanda 2-chome, Shinagawa-ku, Tokyo	Beneficiary interest	2,683,160	2,700,000		
		Fukuoka Bldg.	8-7 Yaesu 2-chome, Chuo-ku, Tokyo	Beneficiary interest	1,773,904	2,790,000		
		Fukuoka Bldg. (additional acquisition in 7th period)		Real estate	1,141,782			
		JPR Ichigaya Bldg.	7-15 Kudan-Minami 4-chome, Chiyoda-ku, Tokyo	Beneficiary interest	5,281,239	4,660,000		
		Oval Court Ohsaki Mark West	17-1 Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo	Beneficiary interest	3,085,398	4,370,000		
		Shinjuku Square Tower	22-1 Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo	Beneficiary interest	8,814,573	7,361,000		
		Shinjuku Square Tower (additional acquisition in 14th period)		Real estate	177,302			
		BYGS Shinjuku Bldg.	19-1 Shinjuku 2-chome, Shinjuku-ku, Tokyo	Real estate	15,720,719	13,400,000		
		Across Shinkawa Bldg. Annex	16-14 Shinkawa 1-chome, Chuo-ku, Tokyo	Real estate	613,863	813,000		
		Shinjuku Center Bldg.	25-1 Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo	Real estate	21,974,636	12,800,000		
		Minami Azabu Bldg.	12-3 Minami-Azabu 2-chome, Minato-ku, Tokyo	Real estate	3,930,851	2,290,000		
		Shinagawa Canal Bldg.	12-33 Konan 2-chome, Minato-ku, Tokyo	Real estate	1,810,289	1,800,000		
		Rokubancho Bldg.	2-9, etc., Rokubancho, Chiyoda-ku, Tokyo	Real estate	2,893,834	3,120,000		
		JPR Harajuku Bldg.	17-11 Jingumae 6-chome, Shibuya-ku, Tokyo	Beneficiary interest	8,728,974	6,760,000		
		Tokyo Tatemono Kyobashi Bldg.	6-18 Kyobashi 3-chome, Chuo-ku, Tokyo	Real estate	5,244,204	4,580,000		
		JPR Nihonbashi-horidome Bldg.	11-12 Nihonbashi-Horidomecho 1-chome, Chuo-ku, Tokyo	Beneficiary interest	5,068,243	5,760,000		
		JPR Sendagaya Bldg.	23-5 Sendagaya 4-chome, Shibuya-ku, Tokyo	Real estate	15,209,889	10,600,000		
		Ginza Sanwa Bldg.	6-1 Ginza 4-chome, Chuo-ku, Tokyo	Real estate	3,637,070	3,250,000		
		The Otemachi Tower (Land with Leasehold Interest)	6-6, etc., Otemachi 1-chome, Chiyoda-ku, Tokyo	Beneficiary interest	38,388,259	36,800,000		
		JPR Shibuya Tower Records Bldg.	22-14 Jinnan 1-chome, Shibuya-ku, Tokyo	Beneficiary interest	11,636,159	12,300,000		
Greater Tokyo	Retail	JPR Daikanyama	20-5 Daikanyamacho, Shibuya-ku, Tokyo	Real estate	2,197,589	1,450,000		
		JPR Jingumae 432	32-13 Jingumae 4-chome, Shibuya-ku, Tokyo	Beneficiary interest	4,334,271	3,320,000		
		Shinjuku Sanchoe East Bldg.	1-25, Shinjuku 3-chome, Shinjuku-ku, Tokyo	Real estate	2,717,355	2,440,000		
		Yurakucho Ekimae Bldg. (Yurakucho Itocia)	7-1 Yurakucho 2-chome, Chiyoda-ku, Tokyo	Real estate	3,371,277	2,670,000		
		Arca East	2-1 Kinshi 3-chome, Sumida-ku, Tokyo	Beneficiary interest	4,547,971	5,980,000		
Greater Tokyo	Office	JPR Chiba Bldg.	1-7, etc., Shimmachi, Chuo-ku, Chiba, Chiba	Beneficiary interest	2,395,259	1,640,000		
		JPR Yokohama Nihon Odori Bldg.	17 Nihon-Odori, Naka-ku, Yokohama, Kanagawa	Beneficiary interest	2,639,515	2,380,000		
		Shinyokohama 2nd Center Bldg.	19-5, etc., Shinyokohama 3-chome, Kohoku-ku, Yokohama, Kanagawa	Beneficiary interest	1,489,911	1,730,000		
		Kawaguchi Center Bldg.	1-8 Honcho 4-chome, Kawaguchi, Saitama	Beneficiary interest	7,147,644	7,400,000		
		JPR Ueno East Bldg.	3-5 Matsugaya 1-chome, Taito-ku, Tokyo	Real estate	3,094,556	4,420,000		
		Tachikawa Business Center Bldg.	38-5 Akebonocho 2-chome, Tachikawa, Tokyo	Beneficiary interest	783,132	2,890,000		
		Tachikawa Business Center Bldg. (additional acquisition in 11th period)		Real estate	2,190,871			
		Rise Arena Bldg.	5-2 Higashi-Ikebukuro 4-chome, Toshima-ku, Tokyo	Real estate	5,531,192	6,240,000		
		Yume-ooka Office Tower	6-1 Kamiooka Nishi 1-chome, Konan-ku, Yokohama, Kanagawa	Real estate	5,801,159	5,240,000		
		Olinas Tower	1-3 Taihei 4-chome, Sumida-ku, Tokyo	Real estate	29,574,967	32,700,000		
		Tokyo Tatemono Yokohama Bldg.	5-10 Kitasaiwai 1-chome, Nishi-ku, Yokohama, Kanagawa	Real estate	6,958,109	6,880,000		
		Omiya Prime East	1-1, etc., Shimocho 2-chome, Omiya-ku, Saitama, Saitama	Beneficiary interest	6,287,358	6,270,000		
		Other Cities	Retail	Tanashi ASTA	1-1 Tanashicho 2-chome, Nishitokyo, Tokyo	Beneficiary interest	7,721,627	12,500,000
				Cupo-la Main Bldg.	1-1 Kawaguchi 1-chome, Kawaguchi, Saitama	Real estate	1,872,249	2,540,000
JPR Musashikosugi Bldg.	420-1, etc., Kosugimachi 3-chome, Nakahara-ku, Kawasaki, Kanagawa			Real estate	7,217,274	5,140,000		
Musashirawa Shopping Square	3-1 Besho 7-chome, Saitama, Saitama			Beneficiary interest	4,029,059	3,990,000		
Kawasaki Dice Bldg.	8-3, etc., Ekimae-Honcho, Kawasaki, Kanagawa			Beneficiary interest	14,301,778	14,400,000		
Niigata Ekinan Center Bldg.	24 Yoneyama 1-chome, Chuo-ku, Niigata, Niigata			Beneficiary interest	1,781,172	2,180,000		
Tokyo Tatemono Honmachi Bldg.	4-8 Honmachi 3-chome, Chuo-ku, Osaka, Osaka			Beneficiary interest	4,145,290	3,220,000		
JPR Hakata Bldg.	4-4 Hakataeki-mae 1-chome, Hakata-ku, Fukuoka, Fukuoka			Beneficiary interest	3,160,029	2,780,000		
JPR Naha Bldg.	1-19 Matsuyama 1-chome, Naha, Okinawa			Beneficiary interest	1,419,849	1,370,000		
Sompo Japan Sendai Bldg.	7-35 Tsutsujigaoka 3-chome, Miyagino-ku, Sendai, Miyagi			Beneficiary interest	2,346,606	3,280,000		
Other Cities	Office	Sompo Japan Wakayama Bldg.	31-1, etc., Misonocho 3-chome, Wakayama, Wakayama	Beneficiary interest	1,279,412	1,580,000		
		Tenjin 121 Bldg.	3-38 Tenjin 1-chome, Chuo-ku, Fukuoka, Fukuoka	Beneficiary interest	2,273,348	2,060,000		
		JPR Dojima Bldg.	1-23 Sonezaki-Shinchi 2-chome, Kita-ku, Osaka, Osaka	Beneficiary interest	2,134,764	2,090,000		
		JPR Hakata-chuo Bldg.	6-12 Hakataeki-mae 2-chome, Hakata-ku, Fukuoka, Fukuoka	Beneficiary interest	1,781,703	1,640,000		
		JPR Nagoya Fushimi Bldg.	24-15 Sakae 1-chome, Naka-ku, Nagoya, Aichi	Real estate	4,144,956	2,800,000		
		Yakuin Business Garden	1-1 Yakuin 1-chome, Chuo-ku, Fukuoka, Fukuoka	Real estate	11,324,229	11,300,000		
		JPR Umeda Loft Bldg.	16-7 Chayamachi, Kita-ku, Osaka, Osaka	Beneficiary interest	12,541,505	13,600,000		
		Benetton Shinsaibashi Bldg.	2-11 Minami-Senba 4-chome, Chuo-ku, Osaka, Osaka	Beneficiary interest	5,224,126	4,360,000		
		Housing Design Center Kobe	2-2 Higashi-Kawasakicho 1-chome, Chuo-ku, Kobe, Hyogo	Real estate	6,582,601	6,460,000		
		JPR Chayamachi Bldg.	2-19 Chayamachi, Kita-ku, Osaka, Osaka	Beneficiary interest	6,002,450	4,610,000		
Total					386,086,796	365,214,000		

(Note) The appraisal values at end of period are either appraisal values or survey values by real estate appraisers, based on the Cabinet Office Order on "Regulations on calculations of investment corporations."

The following table provides changes in rental business results for each of JPR's real estate properties and beneficiary interests in real estate.

Area	Type	Property Name	22nd Fiscal Period (from Jul. 1, 2012 to Dec. 31, 2012)				23rd Fiscal Period (from Jan. 1, 2013 to Jun. 30, 2013)			
			Number of Tenants at Period End	Occupancy Rate at Period End (%)	Rental Revenues throughout Period (thousands of yen)	Ratio to Total Rental Revenues (%)	Number of Tenants at Period End	Occupancy Rate at Period End (%)	Rental Revenues throughout Period (thousands of yen)	Ratio to Total Rental Revenues (%)
Central Tokyo	Office	Kanematsu Bldg.	10	100.0	357,220	2.8	10	100.0	365,544	2.8
		Kanematsu Bldg. Annex	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
		JPR Ningyo-cho Bldg.	5	100.0	61,423	0.5	4	100.0	63,883	0.5
		Shin-Kojimachi Bldg.		100.0	76,240	0.6				
		Shin-Kojimachi Bldg. (additional acquisition in 2nd period)	12	78.6	19,037	0.1	15	100.0	99,340	0.7
		Shin-Kojimachi Bldg. (additional acquisition in 6th period)		32.4	659	0.0				
		JPR Crest Takebashi Bldg.	5	58.5	63,452	0.5	6	70.6	70,725	0.5
		MS Shibaura Bldg.	7	93.2	404,818	3.1	7	93.2	356,555	2.7
		Gotanda First Bldg.	2	100.0	136,987	1.1	2	100.0	131,419	1.0
		Fukuoka Bldg.		100.0	(Note 2)	(Note 2)		100.0	(Note 2)	(Note 2)
		Fukuoka Bldg. (additional acquisition in 7th period)	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
		JPR Ichigaya Bldg.	9	100.0	173,734	1.3	9	100.0	163,324	1.2
		Oval Court Ohsaki Mark West	3	100.0	180,287	1.4	3	100.0	178,310	1.3
		Shinjuku Square Tower		94.0	195,681	1.5		100.0	184,459	1.4
		Shinjuku Square Tower (additional acquisition in 14th period)	24	94.0	3,006	0.0	26	100.0	2,834	0.0
		BYGS Shinjuku Bldg.	23	97.3	538,555	4.2	24	98.9	546,651	4.1
		Across Shinkawa Bldg. Annex	4	100.0	37,508	0.3	4	100.0	39,701	0.3
		Shinjuku Center Bldg.	25	92.5	440,956	3.4	29	89.6	441,255	3.3
		Minami Azabu Bldg.	0	0.0	-	0.0	0	0.0	5	0.0
		Shinagawa Canal Bldg.	4	100.0	67,717	0.5	4	89.9	62,276	0.5
		Rokubancho Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
		JPR Harajuku Bldg.	9	100.0	199,084	1.5	8	98.1	208,392	1.6
		Tokyo Tatemono Kyobashi Bldg.	2	100.0	(Note 2)	(Note 2)	2	100.0	(Note 2)	(Note 2)
		JPR Nihonbashi-horidome Bldg.	7	100.0	179,262	1.4	7	100.0	185,498	1.4
		JPR Sendagaya Bldg.	6	94.1	248,531	1.9	6	100.0	244,790	1.8
		Ginza Sanwa Bldg.	8	100.0	108,903	0.8	8	100.0	116,486	0.9
	The Otemachi Tower (Land with Leasehold Interest)	1	100.0	1,408,500	10.9	1	100.0	1,439,171	10.8	
	Retail	JPR Shibuya Tower Records Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
		JPR Daikanyama	3	76.5	31,686	0.2	3	76.5	28,360	0.2
		JPR Jinguemae 432	6	100.0	74,795	0.6	6	100.0	89,478	0.7
		Shinjuku Sanchoe East Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
		Yurakucho Ekimae Bldg. (Yurakucho Itocia)	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
Greater Tokyo	Office	Arca East	4	77.5	216,562	1.7	5	93.1	226,951	1.7
		JPR Chiba Bldg.	36	89.4	115,133	0.9	39	95.1	122,356	0.9
		JPR Yokohama Nihon Odori Bldg.	13	100.0	131,830	1.0	13	100.0	129,936	1.0
		Shinyokohama 2nd Center Bldg.	13	80.6	51,039	0.4	14	85.1	71,016	0.5
		Kawaguchi Center Bldg.	37	77.8	328,551	2.5	41	92.9	338,039	2.5
		JPR Ueno East Bldg.	7	94.3	160,810	1.2	7	94.3	161,409	1.2
		Tachikawa Business Center Bldg.		100.0	59,322	0.5		100.0	58,826	0.4
		Tachikawa Business Center Bldg. (additional acquisition in 11th period)	17	96.3	93,601	0.7	18	100.0	89,990	0.7
		Rise Arena Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
		Yume-ooka Office Tower	32	86.9	311,513	2.4	32	91.3	313,429	2.4
		Olinas Tower	11	92.7	999,168	7.7	10	99.1	1,020,694	7.7
		Tokyo Tatemono Yokohama Bldg.	13	100.0	302,589	2.3	14	100.0	297,704	2.2
		Omiya Prime East	-	-	-	-	4	100.0	145,286	1.1
		Tanashi ASTA	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
	Retail	Cupo-la Main Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
		JPR Musashikosugi Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
		Musashiurawa Shopping Square	3	100.0	129,061	1.0	3	100.0	129,222	1.0
		Kawasaki Dice Bldg.	20	98.8	470,658	3.6	20	98.8	479,832	3.6
		Niigata Ekinan Center Bldg.	8	100.0	127,564	1.0	8	100.0	127,810	1.0
		Tokyo Tatemono Honmachi Bldg.	9	77.6	146,599	1.1	10	94.9	147,400	1.1
Other Cities	Office	JPR Hakata Bldg.	27	90.5	137,764	1.1	30	94.0	141,758	1.1
		JPR Naha Bldg.	16	80.8	76,449	0.6	19	93.2	76,662	0.6
		Sompo Japan Sendai Bldg.	13	98.4	192,530	1.5	13	95.3	183,731	1.4
		Sompo Japan Wakayama Bldg.	12	84.9	104,175	0.8	12	98.3	98,672	0.7
		Tenjin 121 Bldg.	16	100.0	95,343	0.7	16	100.0	98,765	0.7
		JPR Dojima Bldg.	8	100.0	120,388	0.9	7	83.6	92,754	0.7
		JPR Hakata-chuo Bldg.	5	100.0	80,822	0.6	5	100.0	80,294	0.6
		JPR Nagoya Fushimi Bldg.	3	89.7	117,937	0.9	3	89.7	128,462	1.0
		Yakuin Business Garden	17	99.9	358,308	2.8	18	99.9	471,730	3.6
		JPR Umeda Loft Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
		Benetton Shinsaibashi Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
		Housing Design Center Kobe	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
JPR Chayamachi Bldg.	6	100.0	137,387	1.1	6	100.0	135,829	1.0		
Total			534	94.9	12,963,538	100.0	564	96.9	13,278,813	100.0

(Note 1) The number of tenants at end of period is counted as follows except for Shinjuku Square Tower, Shinjuku Center Bldg., Rise Arena Bldg. and Kawasaki Dice Bldg.: when a single tenant leases multiple rooms, it is counted as one if the tenant uses the same property. If the leased rooms are in multiple buildings, the tenant is counted in plural.

The tenants of Shinjuku Square Tower, Shinjuku Center Bldg., Rise Arena Bldg. and Kawasaki Dice Bldg. have sublet space to sublessees and lease agreements have been executed where the rent paid by the tenants fluctuates in accordance with the lease conditions of the sublessees and thus the numbers of sublessees have been entered as the numbers of tenants.

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

(4) Status of Other Assets

Beneficiary interests with real estate as major entrusted properties have been entered under (3) Itemized Portfolio Assets above. There is no incorporation of main specific assets which are main investment targets of JPR other than those listed under (3) above as of the end of the 23rd fiscal period.

4. Capital Expenditures of Owned Real Estate

(1) Planned Capital Expenditures

The following are major items of capital expenditures for currently planned renovations, etc. for JPR-owned real estate and entrusted real estate regarding beneficiary interests in real estate. Furthermore, the planned construction expenses include portions that are classified as expenses in accounting.

Property Name	Location	Purpose	Schedule	Planned (millions of yen)		
				Total Value	Payment during the 23rd Fiscal Period	Amount Already Paid
MS Shibaura Bldg.	Minato Ward, Tokyo	Replacement of toilets and common-use corridors	Jan. 2013 ~ Aug. 2013	155	3	–
Tokyo Tatemono Kyobashi Bldg.	Chuo Ward, Tokyo	Renovation of common-use and exclusive areas	Jul. 2013 ~ Aug. 2013	152	–	–
JPR Hakata-chuo Bldg.	Fukuoka City, Fukuoka	Replacement of air conditioning units	May 2013 ~ Sep. 2013	105	–	–
Kawasaki Dice Bldg.	Kawasaki City, Kanagawa	Refurbishment and value enhancement	Sep. 2013 ~ Oct. 2013	84	–	–
JPR Dojima Bldg.	Osaka City, Osaka	2nd phase of replacement of air conditioning units	Jul. 2013 ~ Dec. 2013	73	–	–
MS Shibaura Bldg.	Minato Ward, Tokyo	Renewal of humidifier units	Sep. 2013 ~ Dec. 2013	61	–	–
JPR Harajuku Bldg.	Shibuya Ward, Tokyo	Replacement of exterior walls	Aug. 2013 ~ Dec. 2013	40	–	–
Fukuoka Bldg. (additional acquisition in 7th period)	Chuo Ward, Tokyo	1st phase of replacement of air conditioning units, etc.	Jul. 2013 ~ Dec. 2013	34	–	–
Tokyo Tatemono Honmachi Bldg.	Osaka City, Osaka	Renewal of central monitor boards	Oct. 2013 ~ Dec. 2013	32	–	–

(2) Capital Expenditures during the 23rd Fiscal Period

The following are the capital expenditure amounts JPR invested in real estate and entrusted real estate during the 23rd fiscal period.

Among major capital expenditures, JPR conducted replacement of air conditioning units to maintain and enhance tenant satisfaction, as well as renovation of common-use areas and installation of office automation floors for leased offices with the aim of attracting new tenants. In addition, aside from these constructions, JPR conducted construction of 249 million yen (Note), which was appropriated as expenditures for repair and maintenance.

Property Name	Location	Purpose	Period	Construction Expenses (millions of yen)
JPR Dojima Bldg.	Osaka City, Osaka	1st phase of replacement of air conditioning units	May 2013 ~ Jun. 2013	89
Minami Azabu Bldg.	Minato Ward, Tokyo	Replacement of air conditioning units	Jun. 2013 ~ Jun. 2013	79
Shinjuku Center Bldg.	Shinjuku Ward, Tokyo	3rd phase of renewal of passenger elevators	Jul. 2011 ~ Mar. 2013	71
Shinjuku Center Bldg.	Shinjuku Ward, Tokyo	4th and 5th phases of replacement of toilets	Aug. 2012 ~ Jun. 2013	64
Shinjuku Center Bldg.	Shinjuku Ward, Tokyo	2nd phase of replacement of substation facilities	Oct. 2011 ~ Mar. 2013	42
Other Properties		Repair of common areas, installation of office automation floors, replacement of air conditioning units, etc.		246
Total				594

(Note) Expenditures for repair and maintenance included 5 million yen of construction management fees paid to construction management companies as well as the amounts for repair and maintenance constructions themselves.

(3) Amounts Reserved for Long-Term Repairs and Maintenance Plans

JPR has deposited the following amounts from the redundant cash flow (including one accompanying internal reserve of profits) such as depreciation in order to conduct large-scale repairs and maintenance work, based on medium- to long-term repairs and maintenance plans for individual properties.

(Millions of yen)

Operation Period	19th Fiscal Period (Jan. 1, 2011 - Jun. 30, 2011)	20th Fiscal Period (Jul. 1, 2011 - Dec. 31, 2011)	21st Fiscal Period (Jan. 1, 2012 - Jun. 30, 2012)	22nd Fiscal Period (Jul. 1, 2012 - Dec. 31, 2012)	23rd Fiscal Period (Jan. 1, 2013 - Jun. 30, 2013)
Balance of deposits at beginning of current period	737	767	764	799	810
Deposits during the period	404	389	410	376	376
Amounts used from deposits during the period	374	410	357	365	370
Deposits carried forward to the next period	767	746	799	810	816

5. Expenses and Liabilities

(1) Details of Expenses Related to Management

Item	22nd Fiscal Period (Jul. 1, 2012 - Dec. 31, 2012)	23rd Fiscal Period (Jan. 1, 2013 - Jun. 30, 2013)
(a) Asset Management Fees (Note)	465,059	468,829
Fixed compensation	75,000	75,000
Incentive-based compensation 1	234,593	239,945
Incentive-based compensation 2	155,465	153,883
(b) Administrative Service and Custodian Fees	77,588	78,883
(c) Directors' Fee	6,600	6,600
(d) Trust Fees	40,194	36,752
(e) Other Expenses	89,011	94,250
Total	678,454	685,315

(Note 1) Aside from the amounts of the asset management fees entered above, a total of 27,490 thousand yen for the 22nd fiscal period and a total of 16,650 thousand yen for the 23rd fiscal period have been paid for asset management of the acquired properties and have been included in the book value of each property.

(2) Status of Loans Payable

As of June 30, 2013 JPR has the following loans payable.

Category	Lender	Drawdown Date	Balance as of Jan. 1, 2013 (millions of yen)	Balance as of Jun. 30, 2013 (millions of yen)	Average Interest Rate (%) (Note 1) (Note 2)	Repayment Date	Repayment Method	Use	Remarks
Current Portion of Long-Term Loans Payable	Development Bank of Japan Inc.	Mar. 31, 2009	820	–	1.740	(Note 5)	(Note 5)	(Note 4)	Unsecured Unguaranteed Non-Subordinated
		Jun. 26, 2009	200	200	3.190	(Note 6)	(Note 6)		
	Mizuho Corporate Bank, Ltd. (Note 11)	Jun. 26, 2009	200	5,200	2.449	(Note 7)	(Note 7)		
	Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 26, 2009	166	4,336	2.390	(Note 8)	(Note 8)		
	Sumitomo Mitsui Banking Corporation	Jun. 29, 2009	100	2,600	2.440	(Note 9)	(Note 9)		
	Meiji Yasuda Life Insurance Company	Jun. 21, 2011	132	132	1.800	(Note 10)	(Note 10)		
	Taiyo Life Insurance Company	Dec. 26, 2006	1,000	1,000	1.858	Dec. 27, 2013	Principal lump sum repayment on maturity		
		Jun. 4, 2008	1,000	–	2.035	Jun. 4, 2013			
	Daido Life Insurance Company	Dec. 26, 2006	1,000	1,000	1.858	Dec. 27, 2013			
	Sumitomo Life Insurance Company	Dec. 27, 2006	2,000	2,000	1.858	Dec. 27, 2013			
	ORIX Bank Corporation	Feb. 4, 2010	1,000	–	1.376	Feb. 4, 2013			
		May 28, 2010	2,000	2,000	1.281	Nov. 27, 2013			
	The Shinkumi Federation Bank	Feb. 4, 2010	3,000	–	1.376	Feb. 4, 2013			
	Mizuho Trust & Banking Co., Ltd.	Feb. 4, 2010	3,000	–	1.376	Feb. 4, 2013			
	Aozora Bank, Ltd.	Mar. 30, 2010	1,000	1,000	1.322	Sep. 30, 2013			
	Mizuho Corporate Bank, Ltd. (Note 11)	May 28, 2010	3,000	3,000	1.279	Nov. 27, 2013			
	Bank of Tokyo-Mitsubishi UFJ, Ltd.	May 28, 2010	3,000	3,000	1.279	Nov. 27, 2013			
	Sumitomo Mitsui Banking Corporation	Jul. 8, 2010	3,000	–	1.190	Jun. 27, 2013			
	Shinsei Bank, Ltd.	Sep. 24, 2010	2,000	2,000	1.070	Sep. 24, 2013			
	The Chugoku Bank, Ltd.	Sep. 24, 2010	1,000	1,000	1.070	Sep. 24, 2013			
The Hachijuni Bank, Ltd.	Sep. 24, 2010	1,000	1,000	1.070	Sep. 24, 2013				
The Bank of Fukuoka, Ltd.	Sep. 24, 2010	1,000	1,000	1.070	Sep. 24, 2013				
Total			30,618	30,468					

Category	Lender	Drawdown Date	Balance as of Jan. 1, 2013 (millions of yen)	Balance as of Jun. 30, 2013 (millions of yen)	Average Interest Rate (%) (Note 1) (Note 2)	Repayment Date	Repayment Method	Use	Remarks	
Long-Term Loans Payable	Daido Life Insurance Company	Feb. 5, 2008	1,000	1,000	1.666	Feb. 5, 2015	Principal lump sum repayment on maturity	(Note 4)	Unsecured Unguaranteed Non-Subordinated	
		Mar. 26, 2008	2,000	2,000	1.725	Mar. 26, 2015				
	Zenkyoren (National Mutual Insurance Federation of Agricultural Cooperatives)	Mar. 26, 2008	2,000	2,000	1.725	Mar. 26, 2015				
	Sumitomo Life Insurance Company	Jun. 4, 2008	2,000	2,000	2.257	Jun. 4, 2015	(Note 7)			
		Jun. 26, 2009	5,100	–	2.449	(Note 7)	(Note 7)			
	Mizuho Corporate Bank, Ltd. (Note 11)	Feb. 4, 2011	5,000	5,000	1.414	Feb. 4, 2016	Principal lump sum repayment on maturity			
		Mar. 30, 2012	7,000	7,000	1.093	Mar. 30, 2017				
		Dec. 5, 2012	2,000	2,000	1.027	Dec. 5, 2019				
	Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 26, 2009	4,253	–	2.390	(Note 8)	Principal lump sum repayment on maturity			
		Mar. 25, 2011	5,000	5,000	1.198	Mar. 25, 2016				
		Aug. 8, 2012	1,000	1,000	1.178	Aug. 8, 2019				
		Aug. 8, 2012	1,000	1,000	0.948	Aug. 8, 2017				
		Sep. 5, 2012	3,000	3,000	0.919	Sep. 5, 2017				
	Development Bank of Japan Inc.	Dec. 5, 2012	1,000	1,000	1.027	Dec. 5, 2019	(Note 6)			
		Jun. 26, 2009	3,100	3,000	3.190	(Note 6)	(Note 6)			
	Sumitomo Mitsui Banking Corporation	Jun. 27, 2013	–	820	1.449	Jun. 25, 2021	Principal lump sum repayment on maturity			
		Jun. 29, 2009	2,550	–	2.440	(Note 9)	(Note 9)			
		Mar. 30, 2012	6,400	6,400	1.093	Mar. 30, 2017	Principal lump sum repayment on maturity			
		Dec. 5, 2012	1,000	1,000	1.027	Dec. 5, 2019				
	Taiyo Life Insurance Company	Jun. 27, 2013	–	3,000	1.265	Jun. 26, 2020	Principal lump sum repayment on maturity			
		Sep. 24, 2010	1,000	1,000	1.275	Sep. 24, 2015				
	The Nishi-Nippon City Bank, Ltd.	Jun. 4, 2013	–	1,000	0.949	Jun. 4, 2018	(Note 10)			
	Meiji Yasuda Life Insurance Company	May 27, 2011	3,000	3,000	1.149	May 27, 2016	(Note 10)			
	The Bank of Fukuoka, Ltd.	Jun. 21, 2011	3,736	3,670	1.800	(Note 10)	(Note 10)			
		Jul. 7, 2011	2,000	2,000	1.170	Jul. 7, 2016	Principal lump sum repayment on maturity			
	Mitsubishi UFJ Trust and Banking Corporation	Apr. 11, 2012	2,000	2,000	0.902	Oct. 9, 2015				
		Aug. 29, 2011	5,000	5,000	1.184	Aug. 29, 2017				
		Aug. 29, 2011	1,000	1,000	0.924	Aug. 31, 2015				
	Mizuho Trust & Banking Co., Ltd.	Jun. 27, 2012	1,000	1,000	0.843	Jun. 26, 2015				
		Mar. 30, 2012	4,000	4,000	1.093	Mar. 30, 2017				
	Resona Bank, Limited	Feb. 4, 2013	–	3,000	1.076	Feb. 4, 2020				(Note 10)
	The Tokyo Tomin Bank, Limited (Note 3)	Mar. 30, 2012	2,000	2,000	1.093	Mar. 30, 2017				(Note 10)
The Bank of Yokohama, Ltd. (Note 3)	Mar. 30, 2012	1,000	1,000	0.738	Sep. 30, 2015	(Note 10)				
The Minato Bank, Ltd. (Note 3)	Mar. 30, 2012	1,000	1,000	0.738	Sep. 30, 2015	(Note 10)				
The Yamaguchi Bank, Ltd. (Note 3)	Mar. 30, 2012	800	800	0.738	Sep. 30, 2015	(Note 10)				
The Chiba Kogyo Bank, Ltd. (Note 3)	Mar. 30, 2012	500	500	0.738	Sep. 30, 2015	(Note 10)				
The Hachijuni Bank, Ltd.	Mar. 30, 2012	100	100	0.738	Sep. 30, 2015	(Note 10)				
Shinsei Bank, Ltd.	Apr. 5, 2012	5,000	5,000	1.397	Apr. 5, 2019	(Note 10)				
Sompo Japan Insurance Inc.	Apr. 11, 2012	2,000	2,000	0.981	Oct. 11, 2016	(Note 10)				
	Jun. 27, 2012	2,000	2,000	0.874	Dec. 25, 2015	(Note 10)				
The Chugoku Bank, Ltd.	Apr. 11, 2012	2,000	2,000	0.902	Oct. 9, 2015	(Note 10)				
The Iyo Bank, Ltd.	Apr. 11, 2012	1,000	1,000	0.902	Oct. 9, 2015	(Note 10)				
Aozora Bank, Ltd.	Apr. 11, 2012	1,000	1,000	0.902	Oct. 9, 2015	(Note 10)				
	Jul. 3, 2012	900	900	0.994	Jul. 3, 2017	(Note 10)				
	Aug. 8, 2012	2,000	2,000	1.178	Aug. 8, 2019	(Note 10)				
	Aug. 27, 2012	2,000	2,000	0.985	Aug. 25, 2017	(Note 10)				
The Shinkumi Federation Bank	Aug. 30, 2012	2,000	2,000	1.146	Aug. 30, 2018	(Note 10)				
	Feb. 4, 2013	–	3,000	0.786	Feb. 5, 2018	(Note 10)				
ORIX Bank Corporation	Feb. 4, 2013	–	1,000	0.786	Feb. 5, 2018	(Note 10)				
Total			100,439	100,190						

(Note 1) The average interest rates are weighted-average figures during the period and are rounded to the third decimal place. Furthermore, fees related to loan arrangement paid to the above lenders are not included.

(Note 2) Long-term loans payable are fixed-rate loans payable, except those that fall under the category of Note 3.

(Note 3) The loans are with floating interest rates.

(Note 4) Funds are used for purchasing real estate or real estate beneficiary interests in trust (including accompanying expenses), repaying loans payable and redemption of investment corporation bonds.

(Note 5) The loans payable were subject to repayment of 25 million yen on June 27, 2009, thereafter, every 6 months. In addition, repayment of 820 million yen was made on maturity date June 27, 2013.

(Note 6) The loans payable are subject to repayment of 100 million yen on December 27, 2009, thereafter, every 6 months. In addition, repayment of 2,100 million yen will be made on maturity date June 27, 2019.

(Note 7) The loans payable are subject to repayment of 100 million yen on December 25, 2009, thereafter, every 6 months. In addition, repayment of 5,100 million yen will be made on maturity date June 27, 2014.

(Note 8) The loans payable are subject to repayment of 83 million yen on December 27, 2009, thereafter, every 6 months. In addition, repayment of 4,253 million yen will be made on maturity date June 27, 2014.

(Note 9) The loans payable are subject to repayment of 50 million yen on December 25, 2009, thereafter, every 6 months. In addition, repayment of 2,550 million yen will be made on maturity date June 27, 2014.

(Note 10) The loans payable are subject to repayment of 66 million yen on June 24, 2012, thereafter, every 6 months. In addition, repayment of 3,208 million yen will be made on maturity date June 21, 2018.

(Note 11) Mizuho Corporate Bank, Ltd. was renamed to Mizuho Bank, Ltd. on July 1, 2013 in accordance with the merger with Mizuho Bank, Ltd.

(3) Investment Corporation Bonds

Details of JPR's investment corporation bonds outstanding as of June 30, 2013 are as follows.

Name	Issue Date	Balance as of Jan. 1, 2013 (millions of yen)	Balance as of Jun. 30, 2013 (millions of yen)	Coupon Rate (%)	Maturity Date	Redemption	Use	Remarks	
Third Series of Investment Corporation Bonds	Feb. 12, 2004	5,000	5,000	2.32	Feb. 12, 2014	Bullet repayment	Purchase of properties and repayment of loans	(Note 1)	
Sixth Series of Investment Corporation Bonds	Nov. 4, 2004	5,000	5,000	2.00	Nov. 4, 2014			(Note 2)	
Seventh Series of Investment Corporation Bonds	Dec. 14, 2006	4,500	4,500	2.90	Dec. 14, 2026		Repayment of loans	(Note 3)	
Ninth Series of Investment Corporation Bonds	Jul. 23, 2007	6,000	6,000	2.10	Jul. 23, 2014				
Eleventh Series of Investment Corporation Bonds	Mar. 12, 2010	6,000	6,000	1.68	Mar. 12, 2015				
Twelfth Series of Investment Corporation Bonds	May 21, 2010	7,000	7,000	1.27	May 21, 2015		Purchase of properties		
Thirteenth Series of Investment Corporation Bonds	Oct. 25, 2011	7,000	7,000	0.95	Oct. 25, 2016		Redemption of investment corporation bonds and repayment of loans		
Fourteenth Series of Investment Corporation Bonds	Oct. 25, 2011	2,000	2,000	1.34	Oct. 25, 2018				
Fifteenth Series of Investment Corporation Bonds	Nov. 22, 2012	5,000	5,000	0.68	Nov. 22, 2017		Repayment of loans		
Sixteenth Series of Investment Corporation Bonds	Nov. 22, 2012	2,000	2,000	1.03	Nov. 22, 2019				
Seventeenth Series of Investment Corporation Bonds	May 31, 2013	–	5,000	0.65	Mar. 31, 2018				
Eighteenth Series of Investment Corporation Bonds	May 31, 2013	–	2,000	1.46	Mar. 31, 2023				
Total		49,500	56,500						

(Note 1) These investment corporation bonds are equipped with the same rank rider limited among investment corporation bonds, and with limitations on private placement among a small number of investors and on resale among qualified institutional investors.

(Note 2) These investment corporation bonds are equipped with the same rank rider limited among investment corporation bonds and limitations on resale among qualified institutional investors.

(Note 3) These investment corporation bonds are equipped with the same rank rider limited among certain investment corporation bonds.

6. Acquisitions and Sales during the 23rd Fiscal Period

(1) Acquisition and Sale of Real Estate and Asset-Backed Securities, etc.

Type of Assets	Real Estate Name	Acquisition			Sale				
		Acquisition Date	Acquisition Price (thousands of yen) (Note)	Sale Date	Sale Price (A) (thousands of yen) (Note)	Book Value (B) (thousands of yen)	Difference (C) (A) – (B) (thousands of yen)	Sale Expenses (D) (thousands of yen)	Sale Profit and Loss (C) – (D) (thousands of yen)
Beneficiary interest in real estate	Omiya Prime East	March 22, 2013	6,090,000	–	–	–	–	–	–
Beneficiary interest in real estate	Shinyokohama 2nd Center Building (additional ownership)	March 28, 2013	570,000	–	–	–	–	–	–
Total		–	6,660,000	–	–	–	–	–	–

(Note) Values of "acquisition price" or "sale price" are amounts (transaction price indicated in the transaction contract) excluding expenses (such as real estate transaction brokerage fees) required for acquisition or sale of the relevant real estate.

(2) Acquisition and Sale of Other Assets

JPR made no acquisition or sale of other assets in the 23rd fiscal period.

(3) Survey on Values of Specified Assets, etc.

Acquisition or Sale	Type of Assets	Real Estate Name	Transaction Date	Acquisition Price or Sale Price (Note 1) (thousands of yen)	Real Estate Appraisal Value (Note 2) (thousands of yen)	Real Estate Appraiser	Appraisal Date
Acquisition	Beneficiary interest in real estate	Omiya Prime East	March 22, 2013	6,090,000	6,270,000	Japan Real Estate Institute	March 1, 2013
Acquisition	Beneficiary interest in real estate	Shinyokohama 2nd Center Building (additional ownership)	March 28, 2013	570,000	870,000	Japan Real Estate Institute	February 1, 2013

(Note 1) Values of "acquisition price" or "sale price" are amounts (transaction price indicated in the transaction contract) excluding expenses (such as real estate transaction brokerage fees) required for acquisition or sale of the relevant real estate.

(Note 2) The appraisals in the table above were conducted by applying to the "Real Estate Appraisal Standards, Specific Thesis Chapter 3: Appraisal on Prices of Real Estate Subject to Securitization."

(4) Transactions with Interested Parties and Major Shareholders

1) Transaction Status

No transaction of specified assets or other deals with interested parties and major shareholders were conducted during the 23rd fiscal period.

2) Value of Fee Expenses

Category	Total Paid Fees (A)	Breakdown of Transaction with Interested Parties and Major Shareholders		Ratio to Total Amount (B/A)
		Paid Party	Paid Amount (B)	
Property Brokerage Fees	182,700	Tokyo Tatemono Co., Ltd.	182,700	100.0%
Management Fees (Note 2)	227,936	Tokyo Tatemono Co., Ltd.	201,490	88.4%
		Yasuda Real Estate Co., Ltd.	5,781	2.5%
		Taisei-Yuraku Real Estate Co., Ltd.	3,279	1.4%
Outsourcing Fees	506,374	Tokyo Tatemono Co., Ltd.	408,448	80.7%
		Yasuda Real Estate Co., Ltd.	22,051	4.4%
Tenant Brokerage Fees	23,241	Tokyo Tatemono Co., Ltd.	2,475	10.6%
Advertising Cost of the Company	5,965	E-State Online Co., Ltd.	223	3.7%

(Note 1) Interested parties and major shareholders refers to the interested parties of the asset management company who has concluded an asset management agreement with JPR and is regulated as designated in Article 123 of the Enforcement Order of the Act on Investment Trusts and Investment Corporations and article 26-27 of the regulation on management reports in regard to investment trusts and investment corporations of The Investment Trusts Association, Japan and the major shareholders of the asset management company defined in Article 29-4-2 of the Financial Instruments and Exchange Act.

(Note 2) The management fees indicated in the above table include construction management fees (total of 14,200 thousand yen) appropriated as assets and not handled as expenses.

(Note 3) Aside from transactions indicated in the above table, JPR paid the following amounts for repairs, etc. conducted by below parties who are interested parties or major shareholders during the 23rd fiscal period.

Tokyo Tatemono Co., Ltd.	255,557 thousand yen
Yasuda Real Estate Co., Ltd.	2,274 thousand yen
Shinjuku Center Building Management Co., Ltd.	311,229 thousand yen
Taisei-Yuraku Real Estate Co., Ltd.	372 thousand yen
Tokyo Real Estate Management Co., Ltd.	96,000 thousand yen
Tokyo Tatemono Techno-build Co., Ltd.	90,200 thousand yen

Furthermore, Tokyo Tatemono Techno-build Co., Ltd. was merged by Tokyo Real Estate Management Co., Ltd. as of July 1, 2013 after transferring part of its businesses to Tokyo Tatemono Amenity Support Co., Ltd. through absorption-type split on the same date.

(5) Transactions with the Asset Management Company regarding Concurrent Work Conducted by the Asset Management Company

Tokyo Realty Investment Management, Inc., the asset management company of JPR, does not concurrently conduct class 1 financial instruments transaction business, class 2 financial instruments transaction business, land and building transaction business, or real estate syndication business, and has no such transactions with JPR.

7. Overview of Accounting

(1) Assets, Liabilities, Principal, and Profits and Loss

Please refer to the Balance Sheets, Statements of Income and Retained Earnings, Statements of Unitholders' Equity and Notes to Financial Statements as well as Distribution Information on later pages of this report.

(2) Changes in Calculation Method of Depreciation

No change has been made.

(3) Changes in Valuation Method of Real Estate

No change has been made.

8. Overview of Self-Managed Investment Trust Beneficiary Certificates

(1) Acquisition

Tokyo Realty Investment Management, Inc., the asset management company of JPR, acquired and holds JPR's investment units as indicated below.

Acquisition Date	Number of Units Acquired	Number of Units Disposed	Number of Units Held
September 14, 2001	40	–	40
January 22, 2002 (Note)	60	–	100
Accumulated Total	100	–	100

(Note) The acquisition was due to the investment unit split (2.5 units for one existing unit).

(2) Units Held

	Number of Units Held at End of Period	Total Investment at End of Period (Note) (millions of yen)	Ratio to Total Units Issued and Outstanding (%)
14th Fiscal Period (Jul. 1, 2008 – Dec. 31, 2008)	100	20	0.0
15th Fiscal Period (Jan. 1, 2009 – Jun. 30, 2009)	100	20	0.0
16th Fiscal Period (Jul. 1, 2009 – Dec. 31, 2009)	100	20	0.0
17th Fiscal Period (Jan. 1, 2010 – Jun. 30, 2010)	100	20	0.0
18th Fiscal Period (Jul. 1, 2010 – Dec. 31, 2010)	100	20	0.0
19th Fiscal Period (Jan. 1, 2011 – Jun. 30, 2011)	100	20	0.0
20th Fiscal Period (Jul. 1, 2011 – Dec. 31, 2011)	100	20	0.0
21st Fiscal Period (Jan. 1, 2012 – Jun. 30, 2012)	100	20	0.0
22nd Fiscal Period (Jul. 1, 2012 – Dec. 31, 2012)	100	20	0.0
23rd Fiscal Period (Jan. 1, 2013 – Jun. 30, 2013)	100	20	0.0

(Note) Total investment at end of period represents the acquisition price.

9. Other

(1) Notice

Major issues related to the execution and modification, etc. of major agreements approved at JPR's Board of Directors meeting include the following:

Date of Board of Directors Meeting	Approved Item	Overview
May 9, 2013	Consignment of administrative services concerning the issuance of the Seventeenth Series and the Eighteenth Series of Unsecured Bonds (Note)	JPR consigned the administrative services related to the issuance of the Seventeenth Series and the Eighteenth Series of Unsecured Bonds to Mizuho Securities Co., Ltd., SMBC Nikko Securities Inc., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Mizuho Corporate Bank, Ltd (presently Mizuho Bank, Ltd.) based on the decision by the executive director to issue these bonds.

(Note) The comprehensive resolution regarding the issuance of these investment corporation bonds was made at the Board of Directors meeting held on April 25, 2013. The Seventeenth Series and the Eighteenth Series of Unsecured Bonds were issued on May 31, 2013 based on this resolution.

(2) Other

Unless otherwise stated, monetary amounts are rounded down and percentage figures are rounded off to the nearest specified unit in this Asset Management Report.

(1) Balance Sheets

(Thousands of yen)

	End of 22nd Fiscal Period (Dec. 31, 2012)	End of 23rd Fiscal Period (Jun. 30, 2013)
Assets		
Current assets		
Cash and deposits	8,402,885	10,852,097
Cash and deposits in trust	11,596,061	11,568,818
Operating accounts receivable	229,329	321,458
Prepaid expenses	203,381	145,408
Consumption taxes receivable	259,150	–
Other	5,689	8,023
Total current assets	20,696,498	22,895,806
Noncurrent assets		
Property, plant and equipment		
Buildings	57,328,085	56,930,266
Accumulated depreciation	(8,339,934)	(8,971,882)
Buildings, net	*1 48,988,151	*1 47,958,383
Buildings in trust	75,979,066	80,339,792
Accumulated depreciation	(21,257,423)	(22,438,604)
Buildings in trust, net	54,721,643	57,901,188
Structures	44,461	44,858
Accumulated depreciation	(9,160)	(10,165)
Structures, net	35,300	34,692
Structures in trust	111,925	113,070
Accumulated depreciation	(49,146)	(53,337)
Structures in trust, net	62,778	59,733
Machinery and equipment	720,700	713,742
Accumulated depreciation	(283,078)	(293,404)
Machinery and equipment, net	*1 437,622	*1 420,338
Machinery and equipment in trust	1,442,809	1,567,896
Accumulated depreciation	(990,861)	(1,039,658)
Machinery and equipment in trust, net	451,947	528,237
Tools, furniture and fixtures	42,589	44,529
Accumulated depreciation	(23,853)	(24,556)
Tools, furniture and fixtures, net	18,735	19,972
Tools, furniture and fixtures in trust	119,049	127,009
Accumulated depreciation	(80,300)	(85,579)
Tools, furniture and fixtures in trust, net	38,749	41,429
Land	*1 111,970,153	*1 111,638,476
Land in trust	158,879,372	162,616,535
Construction in progress	114,764	66,329
Construction in progress in trust	3,399	5,319
Total property, plant and equipment	375,722,618	381,290,637
Intangible assets		
Leasehold right	4,794,109	4,794,109
Other	5,359	4,763
Total intangible assets	4,799,469	4,798,872
Investments and other assets		
Lease and guarantee deposits	49,520	49,520
Long-term prepaid expenses	539,667	475,065
Total investments and other assets	589,187	524,585
Total noncurrent assets	381,111,275	386,614,096
Deferred assets		
Investment corporation bond issuance costs	176,542	205,794
Total deferred assets	176,542	205,794
Total assets	401,984,316	409,715,697

(Thousands of yen)

	End of 22nd Fiscal Period (Dec. 31, 2012)	End of 23rd Fiscal Period (Jun. 30, 2013)
Liabilities		
Current liabilities		
Operating accounts payable	1,722,706	1,824,580
Current portion of long-term loans payable	30,618,000	30,468,000
Current portion of investment corporation bonds	–	5,000,000
Accounts payable-other	581,266	694,658
Accrued expenses	211,449	208,428
Income taxes payable	605	605
Accrued consumption taxes	64,194	191,538
Advances received	2,461,001	2,515,043
Total current liabilities	35,659,223	40,902,854
Noncurrent liabilities		
Investment corporation bonds	49,500,000	51,500,000
Long-term loans payable	100,439,000	100,190,000
Tenant leasehold and security deposits	*1 7,871,730	*1 7,959,356
Tenant leasehold and security deposits in trust	11,345,751	12,046,833
Total noncurrent liabilities	169,156,482	171,696,190
Total liabilities	204,815,706	212,599,044
Net assets		
Unitholders' equity		
Unitholders' capital	192,044,238	192,044,238
Surplus		
Voluntary deposits		
Deposits for advanced depreciation	73,946	73,946
Total voluntary deposits	73,946	73,946
Unappropriated retained earnings (undisposed losses)	5,050,424	4,998,468
Total surplus	5,124,371	5,072,414
Total unitholders' equity	197,168,609	197,116,653
Total net assets	*3 197,168,609	*3 197,116,653
Total liabilities and net assets	401,984,316	409,715,697

(2) Statements of Income and Retained Earnings

(Thousands of yen)

	22nd Fiscal Period (Jul. 1, 2012 – Dec. 31, 2012)		23rd Fiscal Period (Jan. 1, 2013 – Jun. 30, 2013)	
Operating revenue				
Rent revenue-real estate	*1	12,963,538	*1	13,278,813
Total operating revenue		12,963,538		13,278,813
Operating expenses				
Expenses related to rent business	*1	5,519,704	*1	6,208,456
Asset management fee		465,059		468,829
Administrative service and asset custody fees		77,588		78,883
Directors' compensation		6,600		6,600
Trust fees		40,194		36,752
Other operating expenses		89,011		94,250
Total operating expenses		6,198,159		6,893,772
Operating income		6,765,379		6,385,040
Non-operating income				
Interest income		2,665		2,012
Income on settlement of management association accounts		5,570		48,287
Other		2,082		9,713
Total non-operating income		10,318		60,013
Non-operating expenses				
Interest expenses		972,379		896,962
Borrowing expenses		260,539		138,013
Interest expenses on investment corporation bonds		396,043		408,001
Amortization of investment corporation bond issuance costs		20,070		23,356
Unit-issuance costs		98,328		–
Other		2,005		3,346
Total non-operating expenses		1,749,367		1,469,680
Ordinary income	*1	5,026,329	*1	4,975,373
Income before income taxes		5,026,329		4,975,373
Income taxes-current		605		605
Total income taxes		605		605
Net income		5,025,724		4,974,768
Retained earnings brought forward		24,699		23,699
Unappropriated retained earnings (undisposed losses)		5,050,424		4,998,468

(3) Statements of Unitholders' Equity

(Thousands of yen)

	22nd Fiscal Period (Jul. 1, 2012 – Dec. 31, 2012)	23rd Fiscal Period (Jan. 1, 2013 – Jun. 30, 2013)
Unitholders' equity		
Unitholders' capital		
Balance at beginning of current period	171,339,818	192,044,238
Changes of items during the period		
Issuance of units	20,704,420	–
Total changes of items during the period	20,704,420	–
Balance at end of current period	192,044,238	192,044,238
Surplus		
Voluntary deposits		
Balance at beginning of current period	73,946	73,946
Changes of items during the period		
Total changes of items during the period	–	–
Balance at end of current period	73,946	73,946
Unappropriated retained earnings (undisposed losses)		
Balance at beginning of current period	4,622,149	5,050,424
Changes of items during the period		
Dividends from surplus	(4,597,450)	(5,026,725)
Net income	5,025,724	4,974,768
Total changes of items during the period	428,274	(51,956)
Balance at end of current period	5,050,424	4,998,468
Total surplus		
Balance at beginning of current period	4,696,096	5,124,371
Changes of items during the period		
Total changes of items during the period	428,274	(51,956)
Balance at end of current period	5,124,371	5,072,414
Total unitholders' equity		
Balance at beginning of current period	176,035,914	197,168,609
Changes of items during the period		
Total changes of items during the period	21,132,694	(51,956)
Balance at end of current period	197,168,609	197,116,653
Total net assets		
Balance at beginning of current period	176,035,914	197,168,609
Changes of items during the period		
Total changes of items during the period	21,132,694	(51,956)
Balance at end of current period	197,168,609	197,116,653

(4) Statements of Cash Distributions

	22nd Fiscal Period (Jul. 1, 2012 – Dec. 31, 2012)	23rd Fiscal Period (Jan. 1, 2013 – Jun. 30, 2013)
I. Unappropriated retained earnings	5,050,424,442 yen	4,998,468,027 yen
II. Distribution amount	5,026,725,000 yen	4,975,575,000 yen
(Distribution amount per unit)	(6,093 yen)	(6,031 yen)
III. Retained earnings carried forward	23,699,442 yen	22,893,027 yen
Method for calculating distribution amount	Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, JPR decided to pay out distributions of earnings of 5,026,725,000 yen, which is the largest integral multiple of the number of investment units issued and outstanding (825,000 units) in an amount not in excess of unappropriated retained earnings while minimizing the burden to unitholders incurred by accrual of corporate income tax, etc. Furthermore, JPR shall not distribute cash in excess of earnings as stipulated in Article 30 (4) of the Articles of Incorporation.	Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, JPR decided to pay out distributions of earnings of 5,026,725,000 yen, which is the largest integral multiple of the number of investment units issued and outstanding (825,000 units) in an amount not in excess of unappropriated retained earnings while minimizing the burden to unitholders incurred by accrual of corporate income tax, etc. Furthermore, JPR shall not distribute cash in excess of earnings as stipulated in Article 30 (4) of the Articles of Incorporation.

(5) Statements of Cash Flows

(Thousands of yen)

	22nd Fiscal Period (Jul. 1, 2012 – Dec. 31, 2012)	23rd Fiscal Period (Jan. 1, 2013 – Jun. 30, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	5,026,329	4,975,373
Depreciation and amortization	1,831,992	1,884,122
Amortization of investment corporation bond issuance costs	20,070	23,356
Unit-issuance costs	98,328	–
Interest income	(2,665)	(2,012)
Interest expenses	1,368,423	1,304,963
Decrease (increase) in operating accounts receivable	27,458	(92,129)
Decrease (increase) in consumption taxes receivable	(259,150)	259,150
Decrease (increase) in prepaid expenses	(49,948)	57,973
Increase (decrease) in operating accounts payable	(112,886)	437,933
Increase (decrease) in accounts payable-other	21,530	39,369
Increase (decrease) in accrued consumption taxes	(58,020)	127,344
Increase (decrease) in advances received	132,927	54,041
Other, net	25,222	21,798
Subtotal	8,069,613	9,091,286
Interest income received	2,665	2,012
Interest expenses paid	(1,459,576)	(1,307,984)
Income taxes (paid) refund	0	124
Net cash provided by (used in) operating activities	6,612,702	7,785,438
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(11,867,274)	(343,297)
Purchase of property, plant and equipment in trust	(1,122,899)	(7,446,034)
Repayments of tenant leasehold and security deposits	(289,918)	(256,076)
Proceeds from tenant leasehold and security deposits	631,339	506,908
Repayments of tenant leasehold and security deposits in trust	(371,566)	(190,202)
Proceeds from tenant leasehold and security deposits in trust	310,522	842,206
Net cash provided by (used in) investing activities	(12,709,796)	(6,886,496)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	23,600,000	7,000,000
Decrease in short-term loans payable	(44,200,000)	(7,000,000)
Proceeds from long-term loans payable	15,900,000	11,820,000
Repayment of long-term loans payable	(7,824,000)	(12,219,000)
Proceeds from issuance of investment corporation bonds	6,949,644	6,947,523
Redemption of investment corporation bonds	(9,000,000)	–
Proceeds from issuance of units	20,606,594	–
Dividends paid	(4,596,962)	(5,025,496)
Net cash provided by (used in) financing activities	1,435,276	1,523,026
Net changes in cash and cash equivalents	(4,661,817)	2,421,968
Cash and cash equivalents at beginning of current period	24,660,764	19,998,947
Cash and cash equivalents at end of current period	*1 19,998,947	*1 22,420,916

(6) Notes to Financial Statements

(Basis of Presenting Financial Statements)

Japan Prime Realty Investment Corporation (JPR) maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in Japan (Japanese GAAP), including provisions set forth in the Financial Instrument and Exchange Act of Japan, the Act on Investment Trusts and Investment Corporations (ITA), the Companies Act and the related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are basically a translation of the financial statements of JPR, which were prepared in accordance with Japanese GAAP. In preparing the accompanying financial statements, certain reclassifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to financial statements include information which might not be required under Japanese GAAP but is presented herein as additional information.

JPR's accounting period ends at the end of June and December.

(Significant Accounting Policies)

1. Depreciation Method for Property and Equipment

(1) Property and Equipment (including entrusted properties)

Depreciation is calculated using the straight-line method. The estimated useful lives of major property and equipment ranges are as follows:

Buildings	3 - 65 years
Structures	10 - 35 years
Machinery and equipment	3 - 17 years
Tools, furniture and fixtures	3 - 20 years

Assets with acquisition prices of 100,000 yen or more but less than 200,000 yen are depreciated in three years based on the Corporation Tax Act.

(2) Intangible Assets

Intangible assets are amortized utilizing the straight-line method.

(3) Long-term Prepaid Expenses

Long-term prepaid expenses are amortized utilizing the straight-line method.

2. Accounting for Deferred Assets

Investment Corporation Bond Issuance Costs

Investment corporation bond issuance costs are amortized utilizing the straight-line method over the redemption periods.

3. Standards for Recording Revenues and Expenses

Accounting Treatment of Taxes on Properties and Equipment

In connection with property taxes, city planning taxes and depreciated asset taxes, JPR uses the method of charging the corresponding amounts of assessed taxes to the current fiscal period as real estate rental expenses.

Furthermore, JPR included an amount equivalent to the property taxes paid to the sellers during the first fiscal period as an acquisition cost, not as expenses, in connection with the acquisition of real estate or entrusted beneficiary interests in real estate as entrusted property. Taxes on property and equipment capitalized amounted to 25,739 thousand yen and 36,206 thousand yen for the fiscal periods ended December 31, 2012 and June 30, 2013, respectively.

4. Scope of Cash and Cash Equivalents in the in the Statements of Cash Flows

Cash and cash equivalents in the Statements of Cash Flows include the following:

- (1) Cash on hand and cash in trust
- (2) Deposits placed with banks and deposits in trust that can be withdrawn at any time
- (3) Short-term investments that are readily convertible to cash and have insignificant risk of price fluctuation and original maturities of three months or less from the acquisition date.

5. Other Significant Items Fundamental to Preparing the Financial Statements

(1) Accounting Policies on Trust Beneficiary Interests in Real Estate as Property in Trust

Regarding trust beneficiary interests in real estate, all asset and liability accounts of entrusted properties as well as all revenue and expense accounts generated by the property in trust are recorded in relevant accounts on the balance sheets and statements of income and retained earnings.

Furthermore, the following material accounts are separately stated in the balance sheet for properties in trust recorded in relevant accounts.

- a. Cash and deposits in trust
- b. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust
- c. Tenant leasehold and security deposits in trust

(2) Accounting for Consumption Taxes

National and local consumption taxes are accounted with the consumption taxes excluded.

(Notes to Balance Sheets)

*1. Assets Pledged as Collateral and Secured Liabilities
Assets pledged as collateral are as follows:

(Thousands of yen)

	End of 22nd Fiscal Period (as of December 31, 2012)	End of 23rd Fiscal Period (as of June 30, 2013)
Buildings (net)	124,508	122,639
Machinery and equipment (net)	3,766	3,595
Land	399,183	399,183
Total	527,458	525,418

Secured liabilities are as follows:

(Thousands of yen)

	End of 22nd Fiscal Period (as of December 31, 2012)	End of 23rd Fiscal Period (as of June 30, 2013)
Tenant leasehold and security deposits	15,536	15,536
Total	15,536	15,536

2. Balance of Unused Commitment Line

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

	End of 22nd Fiscal Period (as of December 31, 2012)	End of 23rd Fiscal Period (as of June 30, 2013)
Credit limit	28,000,000 thousand yen	28,000,000 thousand yen
Outstanding debt at end of period	–	–
Unused commitment line at end of period	28,000,000 thousand yen	28,000,000 thousand yen

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

End of 22nd Fiscal Period (as of December 31, 2012)	End of 23rd Fiscal Period (as of June 30, 2013)
50,000 thousand yen	50,000 thousand yen

(Notes to Statements of Income and Retained Earnings)

*1. Breakdown of Rent Revenue-Real Estate and Expenses Related to Rent Business

(Thousands of yen)

	22nd Fiscal Period (Jul. 1, 2012 – Dec. 31, 2012)	23rd Fiscal Period (Jan. 1, 2013 – Jun. 30, 2013)
A. Rent Revenue-Real Estate		
Rent Revenue		
Rents	8,662,183	8,922,614
Land rents	1,408,500	1,439,000
Common charges	1,802,419	1,847,619
Parking revenues	219,381	230,708
Advertising expenses	21,936	21,670
Antenna use fees	12,221	14,256
Other	33,412	34,008
Subtotal	12,160,054	12,509,879
Other rental revenues		
Incidental income	763,264	684,413
Time-based parking revenues	5,226	5,541
Cancellation charges	12,144	29,323
Income equivalent to expenses for restoration to as is condition	4,800	29,730
Other miscellaneous income	18,048	19,925
Subtotal	803,483	768,934
Total rent revenue-real estate	12,963,538	13,278,813
B. Expenses Related to Rent Business		
Outsourcing expenses	510,545	505,069
Utilities expenses	833,900	768,052
Property and other taxes	1,025,198	1,884,698
Casualty insurance	28,033	26,666
Repairs and maintenance	378,880	244,149
Property management fees	208,729	213,735
Management association accounts	563,215	563,301
Depreciation	1,831,461	1,883,591
Other	139,740	119,191
Total expenses related to rent business	5,519,704	6,208,456
C. Profits		
(A–B)	7,443,833	7,070,356

(Notes to Statements of Unitholders' Equity)

	22nd Fiscal Period (Jul. 1, 2012 – Dec. 31, 2012)	23rd Fiscal Period (Jan. 1, 2013 – Jun. 30, 2013)
Total number of authorized units and the number of units outstanding		
Total number of authorized units	5,000,000 units	5,000,000 units
The number of units outstanding	825,000 units	825,000 units

(Notes to Statements of Cash Flows)

*1. Relationship between the Cash and Cash Equivalents at End of Period in the Statements of Cash Flows and the Amounts of the Corresponding Accounts on the Balance Sheets

	22nd Fiscal Period (Jul. 1, 2012 – Dec. 31, 2012)	23rd Fiscal Period (Jan. 1, 2013 – Jun. 30, 2013)
Cash and deposits	8,402,885 thousand yen	10,852,097 thousand yen
Cash and deposits in trust	11,596,061 thousand yen	11,568,818 thousand yen
Cash and cash equivalents	19,998,947 thousand yen	22,420,916 thousand yen

(Leases)

Future lease revenues under non-cancelable operating leases

	End of 22nd Fiscal Period (as of December 31, 2012)	End of 23rd Fiscal Period (as of June 30, 2013)
Due within one year	6,489,594 thousand yen	6,112,479 thousand yen
Due after one year	22,043,187 thousand yen	20,398,477 thousand yen
Total	28,532,781 thousand yen	26,510,957 thousand yen

(Financial Instruments)

1. Matters Concerning Status of Financial Instruments

(1) Policy on Handling Financial Instruments

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

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

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

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

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

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

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

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

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

The following are the carrying values and estimated fair values as of December 31, 2012, and the difference between these amounts. Please note that the following tables do not include those for which discerning of estimated fair value is recognized to be extremely difficult (please refer to Note 3).

(Thousands of yen)

	Carrying Value (Note 1)	Estimated Fair Value (Note 1)	Difference
(1) Cash and deposits	8,402,885	8,402,885	–
(2) Cash and deposits in trust	11,596,061	11,596,061	–
(3) Current portion of long-term loans payable	(30,618,000)	(30,781,610)	163,610
(4) Current portion of investment corporation bonds	–	–	–
(5) Investment corporation bonds	(49,500,000)	(50,236,953)	736,953
(6) Long-term loans payable	(100,439,000)	(102,100,426)	1,661,426

The following are the carrying values and estimated fair values as of June 30, 2013, and the difference between these amounts. Please note that the following tables do not include those for which discerning of estimated fair value is recognized to be extremely difficult (please refer to Note 3).

(Thousands of yen)

	Carrying Value (Note 1)	Estimated Fair Value (Note 1)	Difference
(1) Cash and deposits	10,852,097	10,852,097	–
(2) Cash and deposits in trust	11,568,818	11,568,818	–
(3) Current portion of long-term loans payable	(30,468,000)	(31,024,288)	556,288
(4) Current portion of investment corporation bonds	(5,000,000)	(5,105,525)	105,525
(5) Investment corporation bonds	(51,500,000)	(52,397,133)	897,133
(6) Long-term loans payable	(100,190,000)	(101,514,029)	1,324,029

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

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

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

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

(3) Current portion of long-term loans payable, and (6) Long-term loans payable

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

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

Of the estimated fair value of these financial instruments, those with market price are calculated based on market price and those with no market price are calculated according to the fair value of long-term loans payable with fixed interest rates in (3) and (6) above.

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

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

IV. Financial Statements

(Thousands of yen)

Category	End of 22nd Fiscal Period (as of December 31, 2012)	End of 23rd Fiscal Period (as of June 30, 2013)
Tenant leasehold and security deposits	7,871,730	7,959,356
Tenant leasehold and security deposits in trust	11,345,751	12,046,833

(Note 4) Scheduled redemption of monetary claims to be due after the account closing date of the 22nd fiscal period (December 31, 2012)

(Thousands of yen)

	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Cash and deposits	8,402,885	–	–	–	–	–
Cash and deposits in trust	11,596,061	–	–	–	–	–

Scheduled redemption of monetary claims to be due after the account closing date of the 23rd fiscal period (June 30, 2013)

(Thousands of yen)

	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Cash and deposits	10,852,097	–	–	–	–	–
Cash and deposits in trust	11,568,818	–	–	–	–	–

(Note 5) Amount of repayment or redemption of investment corporation bonds and long-term loans payable scheduled to be due after the account closing date of the 22nd fiscal period (December 31, 2012)

(Thousands of yen)

	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Investment corporation bonds	–	16,000,000	13,000,000	7,000,000	5,000,000	8,500,000
Long-term loans payable	30,618,000	12,235,000	19,732,000	17,332,000	31,632,000	19,508,000

Amount of repayment or redemption of investment corporation bonds and long-term loans payable scheduled to be due after the account closing date of the 23rd fiscal period (June 30, 2012)

(Thousands of yen)

	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Investment corporation bonds	5,000,000	24,000,000	–	7,000,000	10,000,000	10,500,000
Long-term loans payable	30,468,000	6,332,000	26,732,000	23,732,000	20,374,000	23,020,000

(Securities)

22nd fiscal period (as of December 31, 2012)

Not applicable

23rd fiscal period (as of June 30, 2013)

Not applicable

(Derivative Transactions)

22nd fiscal period (as of December 31, 2012)

Not applicable as JPR conducted no derivative transactions

23rd fiscal period (as of June 30, 2013)

Not applicable as JPR conducted no derivative transactions

(Retirement Benefits)

22nd fiscal period (as of December 31, 2012)

Not applicable as JPR does not have any retirement benefit plan

23rd fiscal period (as of June 30, 2013)

Not applicable as JPR does not have any retirement benefit plan

(Tax Effect Accounting)

1. Breakdown of Main Items that caused Differences between the Effective Statutory Tax Rate and the Effective Tax Rate after Applying Tax Effect Accounting

	22nd Fiscal Period (Jul. 1, 2012 – Dec. 31, 2012)	23rd Fiscal Period (Jan. 1, 2013 – Jun. 30, 2013)
Effective statutory tax rate	36.59%	36.59%
(Adjustment)		
Deductible cash distributions	(36.59%)	(36.59%)
Other	0.01%	0.01%
Effective tax rate after applying tax effect accounting	0.01%	0.01%

(Equity Method Income and Retained Earnings)

22nd fiscal period (July 1, 2012 – December 31, 2012)

Not applicable as JPR does not have any affiliated companies

23rd fiscal period (January 1, 2013 – June 30, 2013)

Not applicable as JPR does not have any affiliated companies

(Transactions with Affiliated Parties)

1. Parent Company and Major Corporation Unitholders

22nd fiscal period (July 1, 2012 – December 31, 2012)

Not applicable

23rd fiscal period (January 1, 2013 – June 30, 2013)

Not applicable

2. Subsidiaries

22nd fiscal period (July 1, 2012 – December 31, 2012)

Not applicable

23rd fiscal period (January 1, 2013 – June 30, 2013)

Not applicable

3. Sister Companies

22nd fiscal period (July 1, 2012 – December 31, 2012)

Not applicable

23rd fiscal period (January 1, 2013 – June 30, 2013)

Not applicable

4. Directors and Major Individual Unitholders

22nd fiscal period (July 1, 2012 – December 31, 2012)

Not applicable

23rd fiscal period (January 1, 2013 – June 30, 2013)

Not applicable

(Asset Retirement Obligations)

22nd fiscal period (July 1, 2012 – December 31, 2012)

Not applicable

23rd fiscal period (January 1, 2013 – June 30, 2013)

Not applicable

(Segment Information)

[Segment Information]

Disclosure is omitted as JPR is comprised of a single reportable segment engaged in the property rental business.

[Related Information]

22nd Fiscal Period (July 1, 2012 – December 31, 2012)

1. Information about Products and Services

Disclosure is omitted as sales to external customers for the single product and service segment is in excess of 90% of operating revenue on the Statements of Income and Retained Earnings.

2. Information about Geographic Areas

(1) Revenues from Overseas Customers

Disclosure is omitted as sales to external customers attributed to Japan are in excess of 90% of operating revenue on the Statements of Income and Retained Earnings.

(2) Tangible Fixed Assets

Disclosure is omitted as tangible fixed assets located in Japan are in excess of 90% of total tangible fixed assets on the Balance Sheets.

3. Information about Major Customers

(Thousands of yen)

Customer Name	Operating Revenue	Related Segment
Y.K. Tokyo Prime Stage	1,408,500	Property rental business

23rd Fiscal Period (January 1, 2013 – June 30, 2013)

1. Information about Products and Services

Disclosure is omitted as sales to external customers for the single product and service segment is in excess of 90% of operating revenue on the Statements of Income and Retained Earnings.

2. Information about Geographic Areas

(1) Revenues from Overseas Customers

Disclosure is omitted as sales to external customers attributed to Japan are in excess of 90% of operating revenue on the Statements of Income and Retained Earnings.

(2) Tangible Fixed Assets

Disclosure is omitted as tangible fixed assets located in Japan are in excess of 90% of total tangible fixed assets on the Balance Sheets.

3. Information about Major Customers

(Thousands of yen)

Customer Name	Operating Revenue	Related Segment
Y.K. Tokyo Prime Stage	1,439,000	Property rental business

(Investment and Rental Properties)

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

(Thousands of yen)

	22nd Fiscal Period (Jul. 1, 2012 – Dec. 31, 2012)	23rd Fiscal Period (Jan. 1, 2013 – Jun. 30, 2013)
Carrying Value on the Balance Sheets		
Balance at Beginning of Period	370,163,234	380,518,842
Amount of Increase (Decrease) during the Period	10,355,608	5,567,954
Balance at End of Period	380,518,842	386,086,796
Estimated Fair Value at End of Period	358,816,000	365,214,000

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

(Note 2) Of the amount of increase (decrease) during the periods for investment and rental properties, the amount of increase for the 22nd fiscal period is primarily attributable to acquisition of Yakuin Business Garden (11,416,663 thousand yen), and the amount of increase for the 23rd fiscal period is primarily attributable to acquisition of Omiya Prime East (6,287,358 thousand yen) and Shinyokohama 2nd Center Building (additional ownership) (581,106 thousand yen).

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

The income (loss) in the 22nd and 23rd fiscal periods for investment and rental properties are as presented in the “Notes to Statements of Income and Retained Earnings.”

(Per Unit Information)

	22nd Fiscal Period (Jul. 1, 2012 – Dec. 31, 2012)	23rd Fiscal Period (Jan. 1, 2013 – Jun. 30, 2013)
Total net assets per unit	238,992 yen	238,929 yen
Net income per unit	6,233 yen	6,030 yen

(Note 1) Net income per unit was calculated by dividing net income by the weighted-average number of units outstanding during the current fiscal period. Diluted net income per unit has not been presented since no warrants and convertible bonds are outstanding.

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

	22nd Fiscal Period (Jul. 1, 2012 – Dec. 31, 2012)	23rd Fiscal Period (Jan. 1, 2013 – Jun. 30, 2013)
Net income (thousands of yen)	5,025,724	4,974,768
Amounts not attributable to ordinary unitholders (thousands of yen)	–	–
Net income attributable to ordinary investment units (thousands of yen)	5,025,724	4,974,768
Average number of units during the fiscal period	806,264 units	825,000 units

(Subsequent Events)

23rd Fiscal Period
(January 1, 2013 – June 30, 2013)

There are no material subsequent events for this fiscal period.

(7) Detailed Statements

1) Detailed statements on securities

Not applicable

2) Status of contract amounts, etc. and estimated fair value of derivative transactions and forward exchange transactions

Not applicable

3) Summary table from detailed statements on real estate

Asset Type	Balance as of January 1, 2013 (thousand yen)	Increase during the Period (thousand yen)	Decrease during the Period (thousand yen)	Balance as of June 30, 2013 (thousand yen)	Accumulated Or Amortized (thousand yen)	Depreciation	Net Balance as of June 30, 2013 (thousand yen)	Remarks
						during the Period (thousand yen)		
Current Assets	-	-	-	-	-	-	-	
Noncurrent Assets								
(Property, plant and equipment)								
Buildings	57,328,085	389,544	787,363	56,930,266	8,971,882	844,977	47,958,383	
Structures	44,461	1,541	1,145	44,858	10,165	1,260	34,692	
Machinery and equipment	720,700	8,870	15,828	713,742	293,404	21,912	420,338	
Tools, furniture and fixtures	42,589	3,439	1,498	44,529	24,556	1,948	19,972	
Land	111,970,153	-	331,676	111,638,476	-	-	111,638,476	
Construction in progress	114,764	27,385	75,820	66,329	-	-	66,329	
Subtotal	170,220,756	430,780	1,213,333	169,438,203	9,300,009	870,099	160,138,194	
(Beneficiary interests in trust)								
Buildings in trust	75,979,066	4,361,005	280	80,339,792	22,438,604	968,248	57,901,188	Property acquisitions
Structures in trust	111,925	1,145	-	113,070	53,337	3,934	59,733	
Machinery and equipment in trust	1,442,809	125,087	-	1,567,896	1,039,658	37,210	528,237	
Tools, furniture and fixtures in trust	119,049	7,960	-	127,009	85,579	4,033	41,429	
Land in trust	158,879,372	3,737,163	-	162,616,535	-	-	162,616,535	Property acquisitions
Construction in progress in trust	3,399	1,920	-	5,319	-	-	5,319	
Subtotal	236,535,622	8,234,281	280	244,769,624	23,617,180	1,013,426	221,152,443	
Total	406,756,378	8,665,062	1,213,613	414,207,827	32,917,189	1,883,526	381,290,637	
Intangible Assets								
Leasehold rights	4,794,109	-	-	4,794,109	-	-	4,794,109	
Other	7,917	-	-	7,917	3,154	596	4,763	
Total	4,802,027	-	-	4,802,027	3,154	596	4,798,872	

(Note 1) The "Increase during the Period" is due to property acquisitions and construction works, etc. For buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust, the increase includes the transfer from real estate to beneficiary interests in trust as a result of executing an additional trust agreement.

(Note 2) The "Decrease during the Period" in construction in progress and buildings in trust is due to the transfer to relevant accounts as a result of construction completion for the former and asset retirement for the latter. For structures, machinery and equipment, tools, furniture and fixtures and land, the decrease is due to the transfer from real estate to beneficiary interests in trust as a result of executing an additional trust agreement. For building, the decrease is due to the transfer from real estate to beneficiary interests in trust as a result of executing an additional trust agreement and asset retirement.

4) Detailed statements on other specified assets

Not applicable

5) Status of investment corporation bonds

Name	Issue Date	Balance as of Jan. 1, 2013 (thousands of yen)	Decrease during the Period (thousands of yen)	Balance as of Jun. 30, 2013 (thousands of yen)	Coupon Rate (%)	Maturity Date	Use	Remarks	
Third Series of Investment Corporation Bonds (Note 1)	Feb. 12, 2004	5,000,000	–	5,000,000	2.32	Feb. 12, 2014	Purchase of properties and repayment of loans	Unsecured	
Sixth Series of Investment Corporation Bonds (Note 2)	Nov. 4, 2004	5,000,000	–	5,000,000	2.00	Nov. 4, 2014			
Seventh Series of Investment Corporation Bonds (Note 3)	Dec. 14, 2006	4,500,000	–	4,500,000	2.90	Dec. 14, 2026	Repayment of loans		
Ninth Series of Investment Corporation Bonds (Note 3)	Jul. 23, 2007	6,000,000	–	6,000,000	2.10	Jul. 23, 2014			
Eleventh Series of Investment Corporation Bonds (Note 3)	Mar. 12, 2010	6,000,000	–	6,000,000	1.68	Mar. 12, 2015			
Twelfth Series of Investment Corporation Bonds (Note 3)	May 21, 2010	7,000,000	–	7,000,000	1.27	May 21, 2015	Purchase of properties		
Thirteenth Series of Investment Corporation Bonds (Note 3)	Oct. 25, 2011	7,000,000	–	7,000,000	0.95	Oct. 25, 2016	Redemption of investment corporation bonds and repayment of loans		
Fourteenth Series of Investment Corporation Bonds (Note 3)	Oct. 25, 2011	2,000,000	–	2,000,000	1.34	Oct. 25, 2018	Repayment of loans		
Fifteenth Series of Investment Corporation Bonds (Note 3)	Nov. 22, 2012	5,000,000	–	5,000,000	0.68	Nov. 22, 2017			
Sixteenth Series of Investment Corporation Bonds (Note 3)	Nov. 22, 2012	2,000,000	–	2,000,000	1.03	Nov. 22, 2019			
Seventeenth Series of Investment Corporation Bonds (Note 3)	May 31, 2013	–	–	5,000,000	0.65	May 31, 2018			
Eighteenth Series of Investment Corporation Bonds (Note 3)	May 31, 2013	–	–	2,000,000	1.46	May 31, 2023			
Total		49,500,000	–	56,500,000					

(Note 1) These investment corporation bonds are equipped with the same rank rider limited among investment corporation bonds, and with limitations on private placement among a small number of investors and on resale among qualified institutional investors.

(Note 2) These investment corporation bonds are equipped with the same rank rider limited among investment corporation bonds and limitations on resale among qualified institutional investors.

(Note 3) These investment corporation bonds are equipped with the same rank rider limited among certain investment corporation bonds.

(Note 4) Amounts of investment corporation bonds to be redeemed within five years after the date of the balance sheet are as follows.

	Due in One Year or Less (thousands of yen)	Due after One Year through Two Years (thousands of yen)	Due after Two Years through Three Years (thousands of yen)	Due after Three Years through Four Years (thousands of yen)	Due after Four Years through Five Years (thousands of yen)
Investment corporation bonds	5,000,000	24,000,000	–	7,000,000	10,000,000

IV. Financial Statements

6) Status of loans payable

Lender	Balance as of January 1, 2013 (thousand yen)	Increase during the Period (thousand yen)	Decrease during the Period (thousand yen)	Balance as of June 30, 2013 (thousand yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Short-term loans payable								
Mizuho Corporate Bank, Ltd. (Note 12) (Note 13)	–	5,000,000	5,000,000	–	0.506%	Jul. 5, 2013	(Note 4)	Unsecured/ Unguaranteed/ Non- Subordinated
Sumitomo Mitsui Banking Corporation (Note 12)	–	2,000,000	2,000,000	–	0.506%	Jul. 5, 2013		
Total	–	7,000,000	7,000,000	–				

Lender	Balance as of January 1, 2013 (thousand yen)	Increase during the Period (thousand yen)	Decrease during the Period (thousand yen)	Balance as of June 30, 2013 (thousand yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Current Portion of Long-Term Loans Payable								
Development Bank of Japan Inc.	820,000	–	820,000	–	1.740%	(Note 5)		Unsecured/ Unguaranteed/ Non- Subordinated
Development Bank of Japan Inc.	200,000	100,000	100,000	200,000	3.190%	(Note 6)		
Mizuho Corporate Bank, Ltd. (Note 13)	200,000	5,100,000	100,000	5,200,000	2.449%	(Note 7)		
Bank of Tokyo-Mitsubishi UFJ, Ltd.	166,000	4,253,000	83,000	4,336,000	2.390%	(Note 8)		
Sumitomo Mitsui Banking Corporation	100,000	2,550,000	50,000	2,600,000	2.440%	(Note 9)		
Meiji Yasuda Life Insurance Company	132,000	66,000	66,000	132,000	1.800%	(Note 10)		
Taiyo Life Insurance Company	1,000,000	–	–	1,000,000	1.858%	Dec. 27, 2013		
Taiyo Life Insurance Company	1,000,000	–	1,000,000	–	2.035%	Jun. 4, 2013		
Daido Life Insurance Company	1,000,000	–	–	1,000,000	1.858%	Dec. 27, 2013		
Sumitomo Life Insurance Company	2,000,000	–	–	2,000,000	1.858%	Dec. 27, 2013	(Note 4)	
ORIX Bank Corporation	1,000,000	–	1,000,000	–	1.376%	Feb. 4, 2013		
ORIX Bank Corporation	2,000,000	–	–	2,000,000	1.281%	Nov. 27, 2013		
The Shinkumi Federation Bank	3,000,000	–	3,000,000	–	1.376%	Feb. 4, 2013		
Mizuho Trust & Banking Co., Ltd.	3,000,000	–	3,000,000	–	1.376%	Feb. 4, 2013		
Aozora Bank, Ltd.	1,000,000	–	–	–	1.322%	Sep. 30, 2013		
Mizuho Corporate Bank, Ltd. (Note 13)	3,000,000	–	–	3,000,000	1.279%	Nov. 27, 2013		
Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000,000	–	–	3,000,000	1.279%	Nov. 27, 2013		
Sumitomo Mitsui Banking Corporation	3,000,000	–	3,000,000	–	1.190%	Jun. 27, 2013		
Shinsei Bank, Ltd.	2,000,000	–	–	2,000,000	1.070%	Sep. 24, 2013		
The Chugoku Bank, Ltd.	1,000,000	–	–	1,000,000	1.070%	Sep. 24, 2013		
The Hachijuni Bank, Ltd.	1,000,000	–	–	1,000,000	1.070%	Sep. 24, 2013		
The Bank of Fukuoka, Ltd.	1,000,000	–	–	1,000,000	1.070%	Sep. 24, 2013		
Total	30,618,000	12,069,000	12,219,000	30,468,000				

Lender	Balance as of January 1, 2013 (thousand yen)	Increase during the Period (thousand yen)	Decrease during the Period (thousand yen)	Balance as of June 30, 2013 (thousand yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Long-Term Loans Payable (Note 1)								
Daido Life Insurance Company	1,000,000	–	–	1,000,000	1.666%	Feb. 5, 2015		
Zenkyoren (National Mutual Insurance Federation of Agricultural Cooperatives)	2,000,000	–	–	2,000,000	1.725%	Mar. 26, 2015		
Sumitomo Life Insurance Company	2,000,000	–	–	2,000,000	2.257%	Jun. 4, 2015		
Mizuho Corporate Bank, Ltd. (Note 13)	5,100,000	–	5,100,000	–	2.449%	(Note 7)		
Mizuho Corporate Bank, Ltd. (Note 13)	5,000,000	–	–	5,000,000	1.414%	Feb. 4, 2016		
Mizuho Corporate Bank, Ltd. (Note 13)	7,000,000	–	–	7,000,000	1.093%	Mar. 30, 2017		
Mizuho Corporate Bank, Ltd. (Note 13)	2,000,000	–	–	2,000,000	1.027%	Dec. 5, 2019		
Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,253,000	–	4,253,000	–	2.390%	(Note 8)		
Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,000,000	–	–	5,000,000	1.198%	Mar. 25, 2016		
Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	–	–	1,000,000	1.178%	Aug. 8, 2019		
Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	–	–	1,000,000	0.948%	Aug. 8, 2017		
Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000,000	–	–	3,000,000	0.919%	Sep. 5, 2017		
Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	–	–	1,000,000	1.027%	Dec. 5, 2019		
Development Bank of Japan Inc.	3,100,000	–	100,000	3,000,000	3.190%	(Note 6)		
Development Bank of Japan Inc.	–	820,000	–	820,000	1.449%	Jun. 25, 2021		
Sumitomo Mitsui Banking Corporation	2,550,000	–	2,550,000	–	2.440%	(Note 9)		
Sumitomo Mitsui Banking Corporation	6,400,000	–	–	6,400,000	1.093%	Mar. 30, 2017		
Sumitomo Mitsui Banking Corporation	1,000,000	–	–	1,000,000	1.027%	Dec. 5, 2019	(Note 4)	Unsecured Unguaranteed/ Non-Subordinated
Sumitomo Mitsui Banking Corporation	–	3,000,000	–	3,000,000	1.265%	Jun. 26, 2020		
Taiyo Life Insurance Company	1,000,000	–	–	1,000,000	1.275%	Sep. 24, 2015		
Taiyo Life Insurance Company	–	1,000,000	–	1,000,000	0.949%	Jun. 4, 2018		
The Nishi-Nippon City Bank, Ltd.	3,000,000	–	–	3,000,000	1.149%	May 27, 2016		
Meiji Yasuda Life Insurance Company	3,736,000	–	66,000	3,670,000	1.800%	(Note 10)		
The Bank of Fukuoka, Ltd.	2,000,000	–	–	2,000,000	1.170%	Jul. 7, 2016		
The Bank of Fukuoka, Ltd.	2,000,000	–	–	2,000,000	0.902%	Oct. 9, 2015		
Mitsubishi UFJ Trust and Banking Corporation	5,000,000	–	–	5,000,000	1.184%	Aug. 29, 2017		
Mitsubishi UFJ Trust and Banking Corporation	1,000,000	–	–	1,000,000	0.924%	Aug. 31, 2015		
Mitsubishi UFJ Trust and Banking Corporation	1,000,000	–	–	1,000,000	0.843%	Jun. 26, 2015		
Mizuho Trust & Banking Co., Ltd.	4,000,000	–	–	4,000,000	1.093%	Mar. 30, 2017		
Mizuho Trust & Banking Co., Ltd.	–	3,000,000	–	3,000,000	1.076%	Feb. 4, 2020		
Resona Bank, Limited	2,000,000	–	–	2,000,000	1.093%	Mar. 30, 2017		
The Tokyo Tomin Bank, Limited (Note 11)	1,000,000	–	–	1,000,000	0.738%	Sep. 30, 2015		
The Bank of Yokohama, Ltd. (Note 11)	1,000,000	–	–	1,000,000	0.738%	Sep. 30, 2015		
The Minato Bank, Ltd. (Note 11)	800,000	–	–	800,000	0.738%	Sep. 30, 2015		
The Yamaguchi Bank, Ltd. (Note 11)	500,000	–	–	500,000	0.738%	Sep. 30, 2015		
The Chiba Kogyo Bank, Ltd. (Note 11)	100,000	–	–	100,000	0.738%	Sep. 30, 2015		
Shinsei Bank, Ltd.	5,000,000	–	–	5,000,000	1.397%	Apr. 5, 2019		

IV. Financial Statements

Lender	Balance as of January 1, 2013 (thousand yen)	Increase during the Period (thousand yen)	Decrease during the Period (thousand yen)	Balance as of June 30, 2013 (thousand yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Long-Term Loans Payable (Note 1)								
Sompo Japan Insurance Inc.	2,000,000	—	—	2,000,000	0.981%	Oct. 11, 2016	(Note 4)	Unsecured Unguaranteed/ Non-Subordinated
Sompo Japan Insurance Inc.	2,000,000	—	—	2,000,000	0.874%	Dec. 25, 2015		
The Chugoku Bank, Ltd.	2,000,000	—	—	2,000,000	0.902%	Oct. 9, 2015		
The Iyo Bank, Ltd.	1,000,000	—	—	1,000,000	0.902%	Oct. 9, 2015		
The Hachijuni Bank, Ltd.	1,000,000	—	—	1,000,000	0.902%	Oct. 9, 2015		
Aozora Bank, Ltd.	900,000	—	—	900,000	0.994%	Jul. 3, 2017		
Aozora Bank, Ltd.	2,000,000	—	—	2,000,000	1.178%	Aug. 8, 2019		
Aozora Bank, Ltd.	2,000,000	—	—	2,000,000	0.985%	Aug. 25, 2017		
Aozora Bank, Ltd.	2,000,000	—	—	2,000,000	1.146%	Aug. 30, 2018		
The Shinkumi Federation Bank	—	3,000,000	—	3,000,000	0.786%	Feb. 5, 2018		
ORIX Bank Corporation	—	1,000,000	—	1,000,000	0.786%	Feb. 5, 2018		
Total	100,439,000	11,820,000	12,069,000	100,190,000				

(Note 1) Amounts of long-term loans payable (excluding current portion of long-term loans payable) to be repaid within five years after the date of the balance sheet are as follows.

	Due after One Year through Two Years (thousands of yen)	Due after Two Years through Three Years (thousands of yen)	Due after Three Years through Four Years (thousands of yen)	Due after Four Years through Five Years (thousands of yen)
Long-term loans payable	6,332,000	26,732,000	23,732,000	20,374,000

(Note 2) The average interest rates are weighted-average figures during the period and are rounded to the third decimal place. Furthermore, fees related to loan arrangement paid to the above lenders are not included.

(Note 3) Short-term loans payable are floating-rate loans payable. Long-term loans payable are fixed-rate loans payable, except those that fall under the category of Note 11.

(Note 4) Funds are used for purchasing real estate or real estate beneficiary interests in trust (including accompanying expenses), repaying loans payable and redemption of investment corporation bonds, etc.

(Note 5) The loans payable were subject to repayment of 25 million yen on June 27, 2009 and thereafter every 6 months. In addition, repayment of 820 million yen was made on maturity date June 27, 2013.

(Note 6) The loans payable are subject to repayment of 100 million yen on December 27, 2009 and thereafter every 6 months. In addition, repayment of 2,100 million yen will be made on maturity date June 27, 2019.

(Note 7) The loans payable are subject to repayment of 100 million yen on December 25, 2009 and thereafter every 6 months. In addition, repayment of 5,100 million yen will be made on maturity date June 27, 2014.

(Note 8) The loans payable are subject to repayment of 83 million yen on December 27, 2009 and thereafter every 6 months. In addition, repayment of 4,253 million yen will be made on maturity date June 27, 2014.

(Note 9) The loans payable are subject to repayment of 50 million yen on December 25, 2009 and thereafter every 6 months. In addition, repayment of 2,550 million yen will be made on maturity date June 27, 2014.

(Note 10) The loans payable are subject to repayment of 66 million yen on June 24, 2012 and thereafter every 6 months. In addition, repayment of 3,208 million yen will be made on maturity date June 21, 2018.

(Note 11) The loans are with floating interest rates.

(Note 12) On May 31, 2013, JPR repaid 5,000 million yen in short-term loans payable to Mizuho Corporate Bank, Ltd. borrowed on March 21, 2013 prior to the repayment date. On May 31, 2013, JPR repaid 2,000 million yen in short-term loans payable to Sumitomo Mitsui Banking Corporation borrowed on March 21, 2013 prior to the repayment date.

(Note 13) Mizuho Corporate Bank, Ltd. was renamed to Mizuho Bank, Ltd. on July 1, 2013 in accordance with the merger with Mizuho Bank, Ltd.

(8) Report of Independent Auditors



Ernst & Young ShinNihon LLC
Hibiya Kokusai Bldg.
2-2-3 Uchisaiwai-cho, Chiyoda-ku
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Independent Auditor's Report

The Board of Directors
Japan Prime Realty Investment Corporation

We have audited the accompanying financial statements of Japan Prime Realty Investment Corporation, which comprise the balance sheet as of June 30, 2013 and the related statements of income and retained earnings, unitholders' equity, and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Japan Prime Realty Investment Corporation as of June 30, 2013 and its financial performance and cash flows for the six-month period then ended in conformity with accounting principles generally accepted in Japan.

Ernst & Young Shin Nihon LLC

September 20, 2013

Tokyo, Japan

(9) Other Notes (Information only)
(Property and Equipment Leased to JPR)

22nd Fiscal Period (July 1, 2012 – December 31, 2012) (Reference)	23rd Fiscal Period (January 1, 2013 – June 30, 2013)
No property and equipment was leased to JPR	No property and equipment was leased to JPR

(Transactions with Interested Parties)

22nd fiscal period (July 1, 2012 – December 31, 2012) (Reference)

Attribute	Name of Company, etc.	Business Description or Occupation	Percentage of Number of Investment Units Held Among Total Number of Investment Units	Transactions	Transaction Amount (thousands of yen)	Account	Balance at End of Period (thousands of yen)
Asset Custodian	Mizuho Trust & Banking Co., Ltd.	Banking business and trust business	–	Repayment of short-term loans payable	2,000,000	–	–
				Short-term loans payable	1,000,000	–	–
				–	–	Current portion of long-term loans payable	3,000,000
				–	–	Long-term loans payable	4,000,000
				Interest expenses	43,457	Accrued expenses	931

(Note) Transaction terms are determined based on prevailing market conditions.

23rd fiscal period (January 1, 2013 – June 30, 2013)

Attribute	Name of Company, etc.	Business Description or Occupation	Percentage of Number of Investment Units Held Among Total Number of Investment Units	Transactions	Transaction Amount (thousands of yen)	Account	Balance at End of Period (thousands of yen)
Asset Custodian	Mizuho Trust & Banking Co., Ltd.	Banking business and trust business	–	Repayment of long-term loans payable	3,000,000	–	–
				Long-term loans payable	3,000,000	Long-term loans payable	7,000,000
				Interest expenses	38,550	Accrued expenses	624

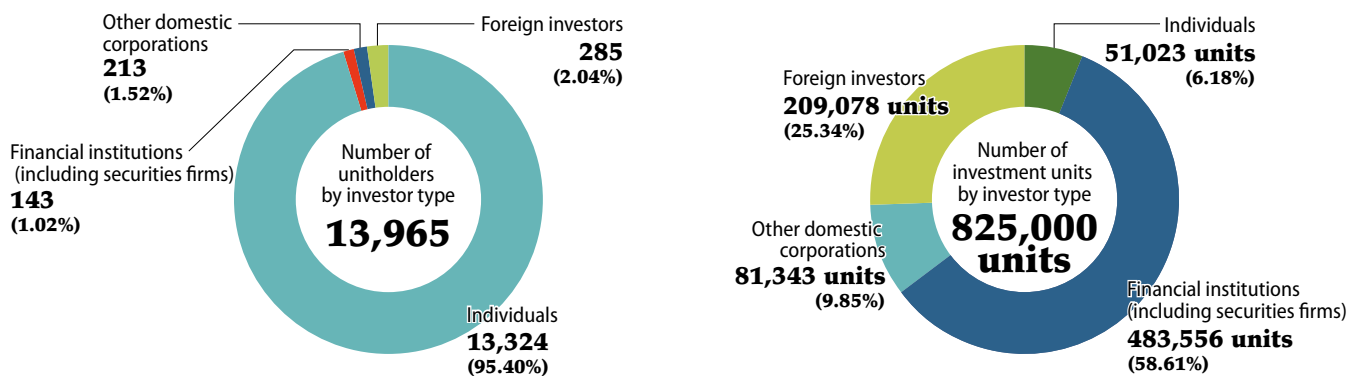
(Note) Transaction terms are determined based on prevailing market conditions.

Status of Investment Unit Price (as of August 6, 2013)



(Note) Unit prices are based on closing prices.

Breakdown of Unitholders (as of June 30, 2013)



(Note) The composition ratio is rounded to the second decimal place.

Annual Schedule (Provisional)





Japan Prime Realty Investment Corporation

Notes for Investors

Fiscal Period Ends	June 30 and December 31 of each year
General Meeting of Unitholders	More than once every two years
Base Date of General Meeting of Unitholders	The date designated pursuant to Article 12-2 of JPR's Articles of Incorporation
Cash Distribution Payment Eligibility	Unitholders of record as of June 30 and December 31 of each year
Transfer Agent	Mizuho Trust & Banking Co., Ltd. 2-1 Yaesu 1-chome, Chuo-ku, Tokyo
Location of Records	Main Branch, Stock Transfer Agency Division Mizuho Trust & Banking Co., Ltd. 2-1 Yaesu 1-chome, Chuo-ku, Tokyo
Mailing Address	Stock Transfer Agency Division Mizuho Trust & Banking Co., Ltd. 2-8-4 Izumi, Suginami-ku, Tokyo 168-8507
Contact by Phone	0120-288-324
Listing	Tokyo Stock Exchange (Securities Code: 8955)

Procedures for Change of Address

For filing or inquiring about a change of address, please contact your securities company with whom you have an account.

For unitholders who have not utilized Japan Securities Depository Center, Inc. before the dematerialization of stock certificates, accounts (special accounts) have been opened at Mizuho Trust & Banking Co., Ltd., JPR's transfer agent. For filing or inquiring about a change of address and other matters with regard to your special account, please direct them to the contact number indicated above.

Cash Distributions

Cash distributions can be collected by bringing the "unitholder dividend receipt" to the nearest Japan Post Bank main or branch office, sub-branch office or post office (bank agent) in Japan. If the collection period has elapsed, please make your collection by designating the collection method on the back of the "unitholder dividend receipt" and mailing it to Mizuho Trust & Banking's Stock Transfer Agency Division. Cash distributions can also be collected at the main or branch offices of Mizuho Trust & Banking (excluding the Trust Lounge) and Mizuho Bank, Ltd. (Mizuho Securities Co., Ltd. (excluding the Customer Plaza) only provides intermediation services).

If you wish to designate a transfer of cash distributions to a bank, etc., please contact your securities company (if you have an account with the company) or Mizuho Trust & Banking (if a special account has been opened), as in the case of changing the address, etc. above.

(Note) According to the provisions of JPR's Articles of Incorporation, cash distributions will become irretrievable if they remain unclaimed for three full years from the date on which payment commenced.
We advise that cash distributions be received as soon as possible.