



**33**rd Fiscal Period

Securities code 8955

# Japan Prime Realty Investment Corporation

## Presentation Material

### For the 33rd Fiscal Period Ended June 2018

August 20, 2018

(Asset Manager)  
Tokyo Realty Investment Management, Inc.

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## Disclaimer

- This material contains information that constitutes forward-looking statements. Such forward-looking statements are made by Japan Prime Realty Investment Corporation (JPR) and Tokyo Realty Investment Management, Inc. (TRIM) based on information currently available, and are therefore not guarantees of future performance. Actual results may differ materially from those in the forward-looking statements as a result of various factors including known or unknown risks and uncertainties.
- This material is solely for the purpose of providing information, and is not intended for the purpose of offering or soliciting investment, or as a means of marketing activities. Please refer any inquiries for possible purchase of investment units or investment corporation bonds of JPR to your securities companies.
- Although JPR takes all possible measures to ensure the accuracy of the content provided in this material (including references to legislation and taxation), it makes no guarantee as to the accuracy or reliability of the content. Furthermore, the content may be subject to change without prior notice.
- The photos used in this material include those of the assets other than what JPR owns or plans to acquire. Please note that for assets indicated as land with leasehold interest, JPR owns only the land and does not own any building on it.
- Unless otherwise noted, the figures indicated in this material are rounded down to the nearest specified unit for monetary amounts and space areas, and rounded off to the nearest specified unit for percentages and other figures. Accordingly, the sum totals of monetary amounts or percentages of respective items may not match the sum totals of actual figures.





## Overview of JPR

Name	Japan Prime Realty Investment Corporation (abbreviated as JPR)
Securities code	8955
Listing date	June 14, 2002 (16 years since listing)
End of fiscal period	June and December
Operational standard of portfolio (Target investment ratio)	(Ratio by asset class) Office 70~90% / Retail 10~30% (Ratio by area) Tokyo 80~90% / Other cities 10~20%
Asset Manager	Tokyo Realty Investment Management Inc. (abbreviated as TRIM)
Sponsors (shareholding ratio)	Tokyo Tatemono (52%) Yasuda Real Estate (18%) Taisei Corporation (10%) Sompo Japan Nipponkoa Insurance (10%) Meiji Yasuda Life Insurance (10%)

## Characteristics of JPR

### 1 A track record of stable management for over 16 years

Since listing, JPR has steadily expanded its asset size while enhancing the quality of its portfolio.

### 2 A portfolio focused on office properties in Tokyo

JPR has established a portfolio that is focused on office properties in Tokyo, which feature growth potential, with urban retail properties and office properties in regional cities to complement profitability.

### 3 Superiority of a developer-sponsored REIT

JPR has exerted its superiority of a developer-sponsored REIT to acquire properties having excellent location characteristics centering on large-scale development projects.

### 4 Continuous internal growth through high occupancy rate and upward revision of rents

The average occupancy rate of the entire portfolio has stayed at 97% or higher since the 26th fiscal period ended December 2014, and upward revision of rents continued to surpass downward revision by value for 8 straight fiscal periods.

### 5 Establishment of a financial base that is stable over the long term

With a credit rating of AA- (Stable), JPR has established a financial base centering on long-term, fixed-interest rate debts with a focus on stability.

Asset size

(After the asset replacement)

**62 properties 435.0 bn. yen**

Ratio by asset

(After the asset replacement)

(Area) Tokyo **84.5 %**

(Asset class) Office **76.8 %**

(planned) acquisition price and ratio of properties from sponsor pipelines

(After the asset replacement)

**315.4 bn. yen · 72.5 %**

Upward revision of rents

**8 consecutive fiscal periods**

(Dec. '14 ~ June. '18)

LTV

**40.6 %**

Ratio of long-term, fixed interest rate debts

**100.0%**

Credit rating

R&I **AA- (stable)**

S&P **A (stable)**

1. The indicated figures are as of the date of this document. For Asset size, Investment ratios and (Planned) acquisition price and ratio of properties from sponsor pipelines, the indicated figures are those after the Asset Replacement is completed.

2. Properties from sponsor pipelines refer to properties acquired from sponsors, etc. and properties acquired based on information provided by sponsors. Sponsors, etc. represent the five sponsor companies of JPR, their affiliated companies and special purpose companies (SPCs) in which the sponsors have made equity investment. Ratio of properties from sponsor pipelines refers to the ratio of (planned) acquisition price of properties from sponsor pipelines over the total (planned) acquisition price of the entire portfolio.



# Distribution per unit (DPU) and NAV per unit have continued to increase stably over a long period of time

**DPU 7,245 yen**

Continuing a record high since listing

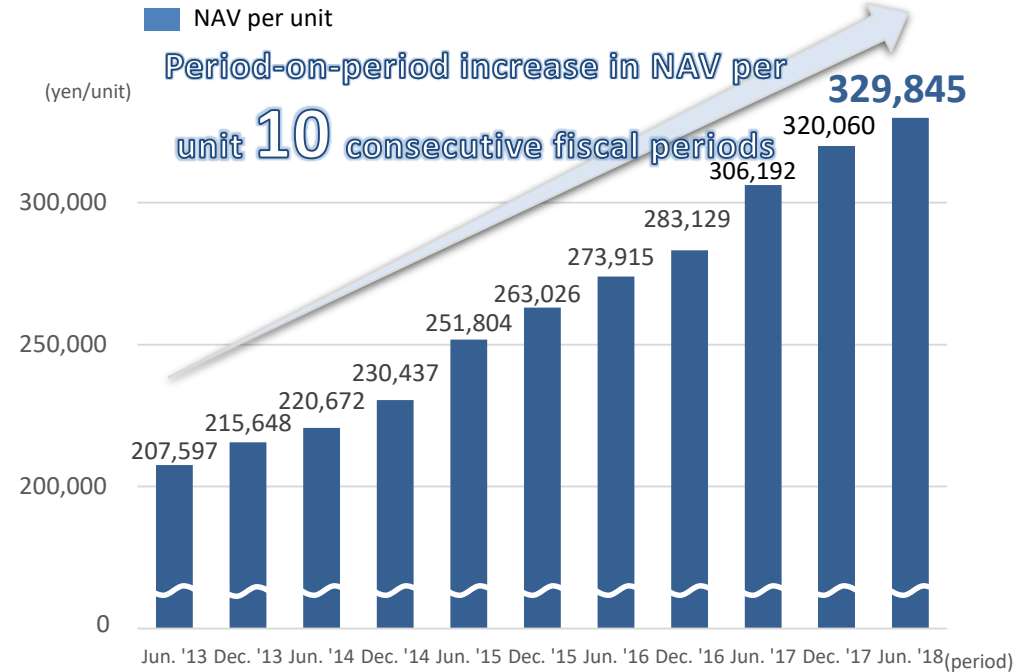
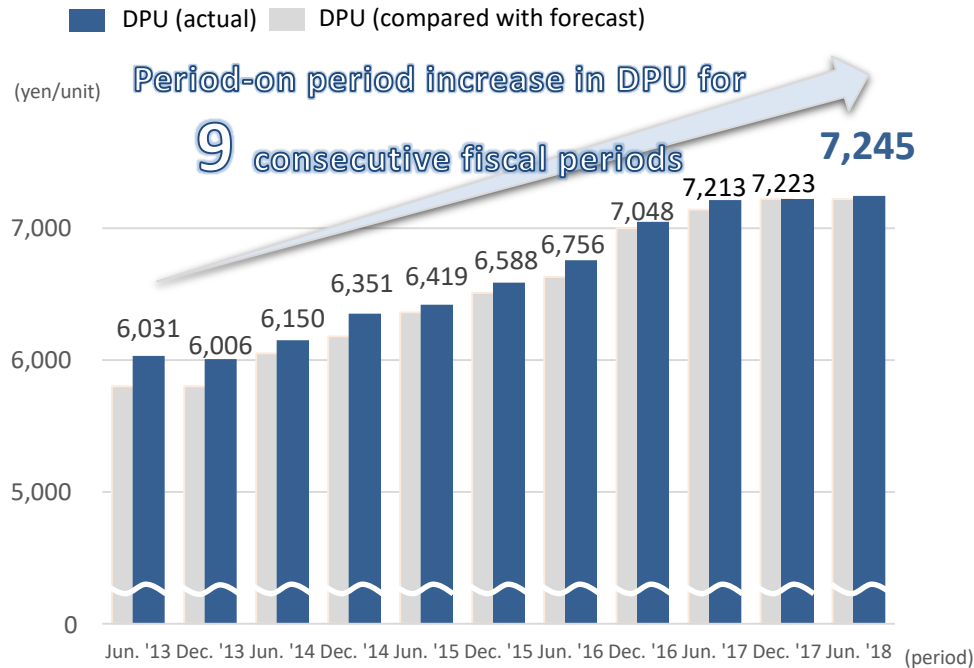
Compared with forecast at beginning of period **+25 yen**

Period-on-period comparison **+22 yen / +0.3 %**  
(Forecast DPU: 7,220 yen)

**NAV per Unit 329,845 yen**

Period-on-period increase in NAV per unit for **10 consecutive fiscal periods since Jun. '13**

Period-on-period comparison **+9,785 yen / +3.1 %**



## With plans for the 33rd fiscal period ended Jun. 2018 progressing steadily, JPR continued to achieve stable growth by securing higher DPU than in the previous period.

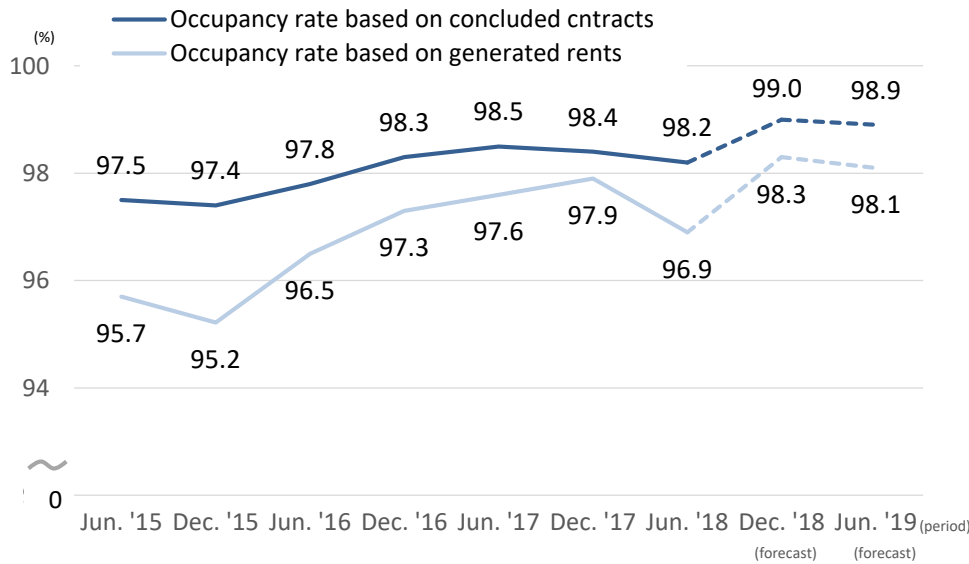
Emphasis was placed on “continuation of contract renewals with upward revision of rents,” “measures to increase NOI,” “continuous external growth” and “stable fund procurement.”

	Internal Growth Strategy	External Growth Strategy	Financial Strategy
Business environment perception	<ul style="list-style-type: none"> <li>Office demand from companies is still robust.</li> <li>Leasing of large-scale office properties scheduled for completion by 2019 in Central Tokyo appears to be progressing steadily</li> <li>With vacancy rates on a downward trend nationwide, rents are also continuing an upward trend</li> </ul>	<ul style="list-style-type: none"> <li>Real estate prices in Central Tokyo have mostly reached the upper limit</li> <li>Properties in regional cities are also hard to acquire at appropriate prices, with their cap rates dropping further</li> </ul>	<ul style="list-style-type: none"> <li>The Bank of Japan (BOJ) continues its monetary easing measures amid continuous cutbacks of monetary easing schemes in the U.S. and Europe</li> <li>While the long-term interest rate rose slightly due to the revision of the monetary policy by the Bank of Japan (BOJ) in July, interest rates are expected to remain stable under the control of BOJ.</li> </ul>
Results	<ul style="list-style-type: none"> <li>Occupancy rate based on conclude contracts <b>98.2%</b> (previous period 98.4%)</li> <li>Upward revision upon contract renewal (monthly rent, net) <b>+20.1 million yen</b></li> <li>Raising of rents upon tenant replacement (monthly rent, net) <b>+4.3 million yen</b></li> <li>While the occupancy rate declined slightly in the Jun. '18 period due to the concentration of move-outs, it is expected to recover in the Dec. '18 period.</li> <li>The revision of rents made progress as planned.</li> </ul>	<ul style="list-style-type: none"> <li>Not much information was available in the for-sale real estate market on properties that suit JPR's acquisition criteria</li> <li>Despite collecting and investigating property information from the sponsors and through proprietary channels like close business connections, no acquisition was closed and completed</li> </ul>	<p><b>【Debt procurement result in the 33rd fiscal period (Jun. '18)】</b></p> <ul style="list-style-type: none"> <li>Average maturity (Before refinancing) 5.5 years ⇒ (After refinancing) <b>7.6</b> years</li> <li>Average debt interest rate (Before refinancing) 0.99% ⇒ (After refinancing) <b>0.57%</b></li> <li>Number of lender 29 institutions ⇒ <b>30</b> institutions</li> <li>10-year investment corporation bonds of 3 billion yen were issued for the first time in three and a half years.</li> </ul>
Outlook	<ul style="list-style-type: none"> <li>The favorable market environment is assumed to continue.</li> <li>The high occupancy rate is expected to be maintained, and the revision of rents is assumed to make steady progress.</li> <li>Endeavor to reduce costs amid concerns about rising management costs associated with increasing personnel expenses, in addition to the rising cost of holding properties.</li> </ul>	<ul style="list-style-type: none"> <li>Continue vigorously selective investments in office properties in Tokyo and urban retail properties, with a focus on their location and quality.</li> <li>With the number of properties in the sponsors' pipelines steadily increasing, discussions on acquisition will be made after discerning the occupancy status, etc. of the properties</li> <li>Revise the space standards for investment targets in July.</li> <li>Also investigate the addition of asset types.</li> </ul>	<ul style="list-style-type: none"> <li>Focus on refinances with an emphasis on flattening of repayment amount of each fiscal period and lengthening the maturity of debts</li> <li>Expand the scope of financial institutions to deal with</li> <li>Enhance refinance risk tolerance by expanding liquidity on hand and other measures</li> </ul>

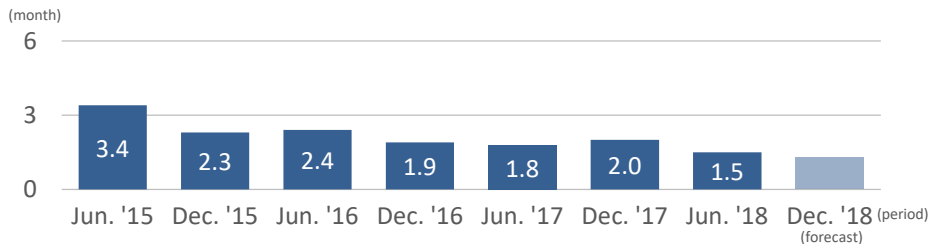
Move-outs were concentrated in the Jun. '18 period, but the early leasing up of vacancies has been achieved.

Occupancy rate based on generated rents are expected to remain stable at a high level in and after the Dec. '18 period.

**Occupancy Rate**



**Average rent free period**



1. Occupancy rate based on concluded contracts and occupancy rate based on generated rents represent period-average figures.  
 2. The figures for the occupancy rate based on concluded contracts and the occupancy rate based on generated rents for the 34th fiscal period (Dec. '18) are estimates that reflect consents regarding move-ins and move-outs that will become effective in the fiscal period. The respective figures for the 35th fiscal period (Jun. '19) are estimates based on assumptions by JPR regarding move-ins and move-outs becoming effective in the fiscal period.

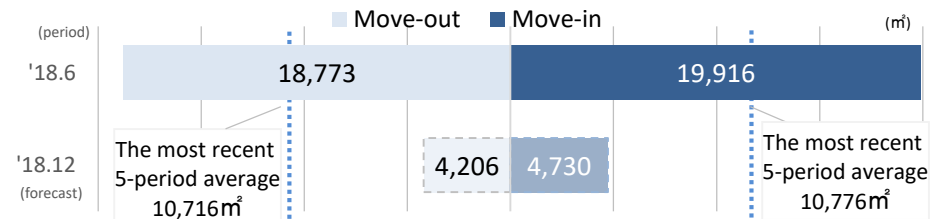
**Move-Ins/Move-Outs**

- Far more move-outs than the average for the most recent five periods occurred in the Jun. '18 period, but the early leasing up of vacancies has been achieved.
- In the Dec. '18 period, more move-ins than move-outs have been secured as of now.

(Change in move-in/ move-out spaces and forecast)

End of Dec. '17 period	Jun. '18	Dec. '18	End of Dec. '18 period
Vacancy space	Move-in/move-out net space	Move-in/move-out net space	assumed vacancy space
6,982㎡	-1,143㎡	-524㎡	5,310㎡

(Move-in/ move-out spaces and major move-in/move-out properties)

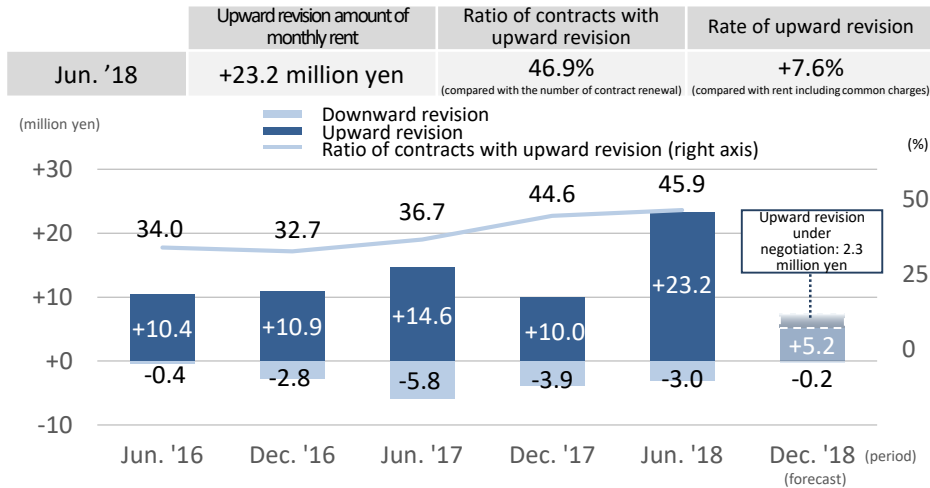


(period)	Major Move-out	Major Move-in
Jun. '18	Olinas Tower	Olinas Tower
	4,185㎡	3,850㎡
	Yakuin Business Garden	Yakuin Business Garden
	3,429㎡	3,521㎡
	JPR Ueno East Bldg.	JPR Ueno East Bldg.
	2,359㎡	2,337㎡
Dec. '18 (forecast)	Gotanda First Bldg.	Gotanda First Bldg.
	1,179㎡	1,179㎡
	Tokyo Tatemono Yokohama Bldg.	Tokyo Tatemono Yokohama Bldg.
	1,096㎡	797㎡
	Kawasaki DICE Bldg.	Tokyo Tatemono Honmachi Bldg.
Dec. '18 (forecast)		JPR Shinsaibasi Bldg.
		1,670㎡
Dec. '18 (forecast)	Kawasaki DICE Bldg.	1,592㎡

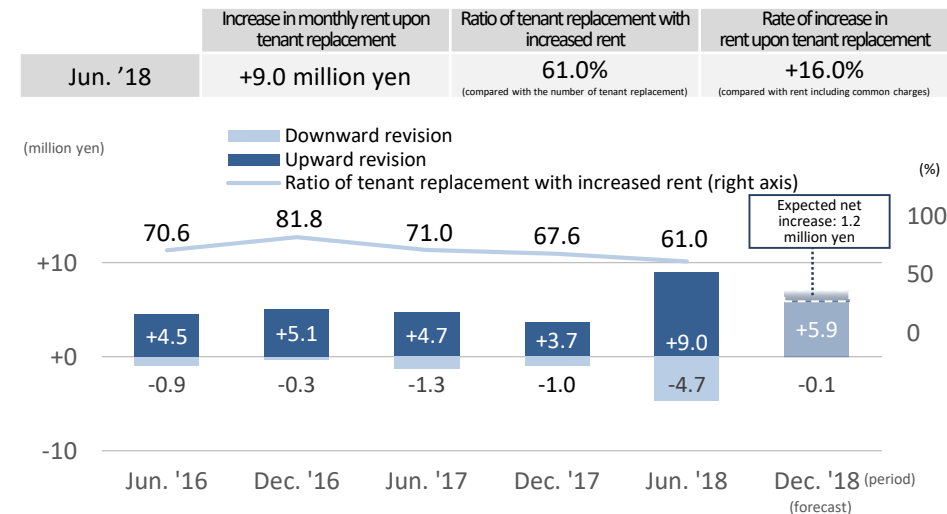


# With steady progress made in upward revision of rents and raising of rents upon tenant replacement, office rents continued to increase

## Rent Revisions

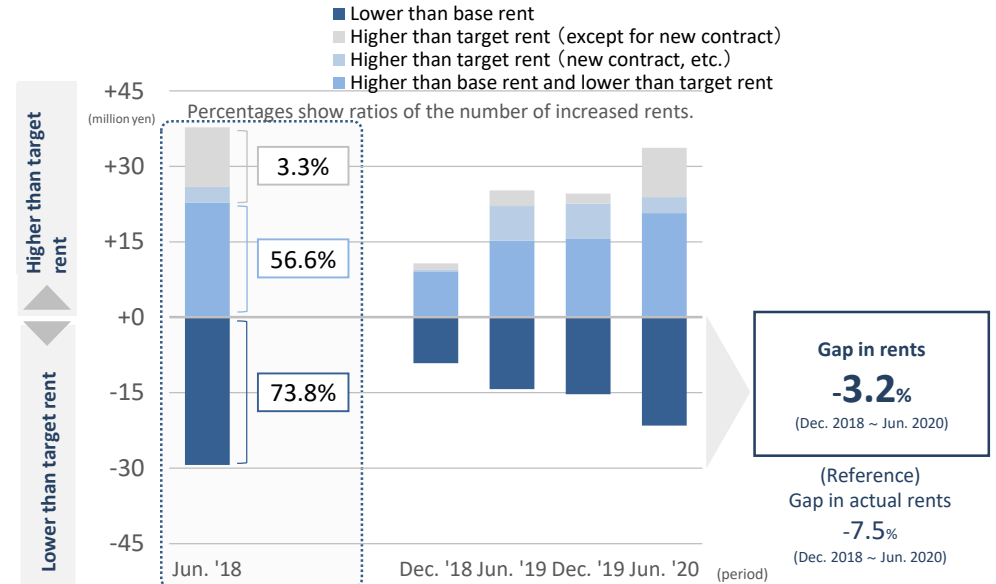


## Rent upon Tenant Replacement (increase/decrease of rent through tenant replacement)



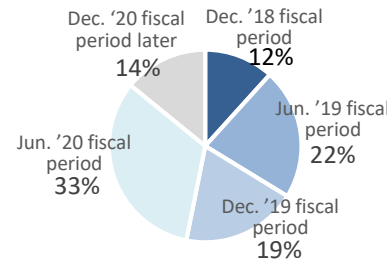
1. Figures in "Rent Revisions" are values excluding the land rent of the Otemachi Tower (Land with Leasehold Interest).

## Status of Rent Levels by Fiscal Period with Contract Renewal (office properties)

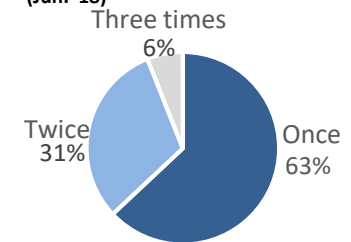


- "Gap in rents" refers to the difference between the base rent and the ongoing rent, and "Gap in actual rents" refers to the difference between the target rent and the ongoing rent.
- "Gap in rents" in the Jun. '18 period is the gap in rents of contracts that were scheduled to be renewed in the Jun. '18 period as of the end of the Dec. '17 period.

## Percentages of space by the time of contract renewal

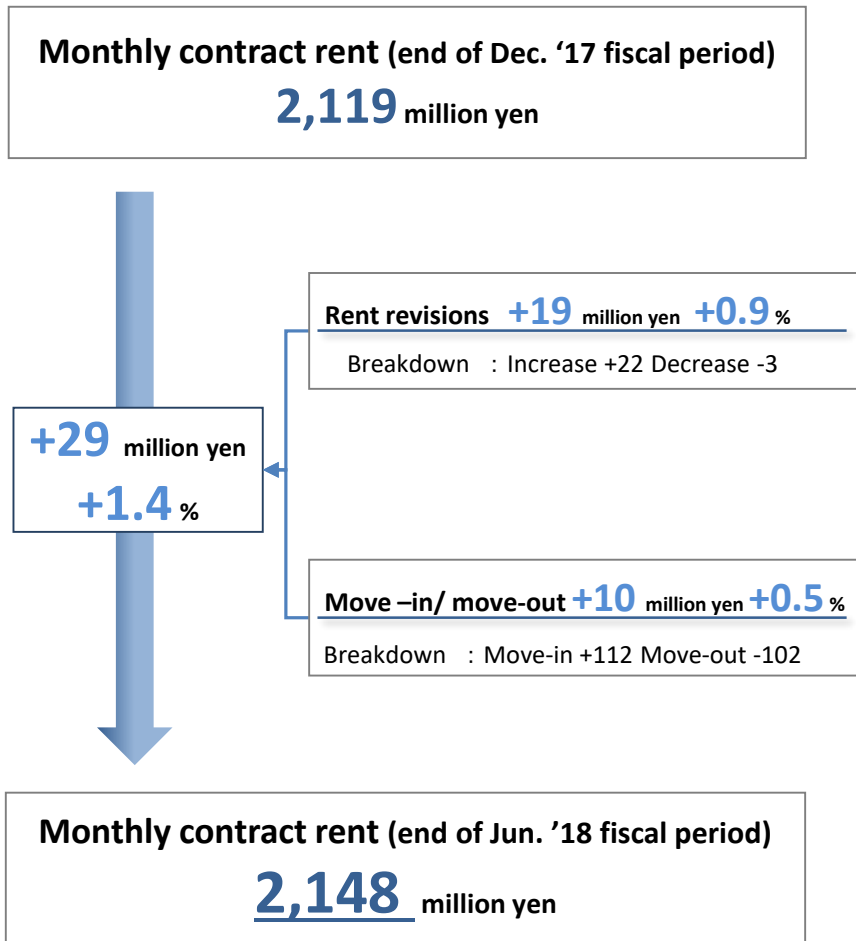


## Ratio of change in upward revision (Jun. '18)

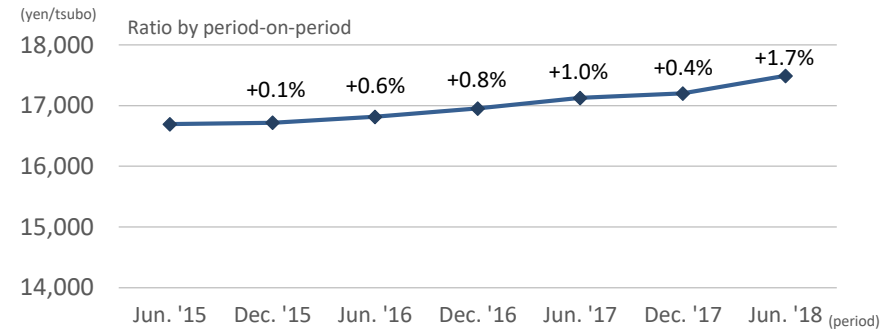


## Rent levels rose in all areas including Central Tokyo with large supply.

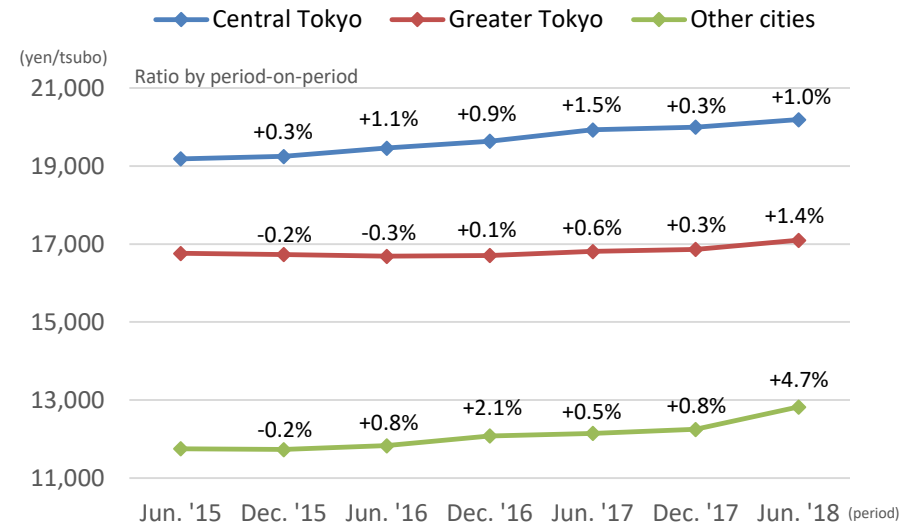
### ■ Increase/ Decrease of Monthly Contract Rents



### ■ Status of Average Rent (existing office properties, all area)



### ■ Change in Average Rents by Area (existing office properties)



1. Figures in "Increase/Decrease of Monthly Contract Rents" are values excluding the land rent of the Otemachi Tower (Land with Leasehold Interest).

1. "Existing office properties" refer to properties held continuously since the Jun. '15 period.  
2. Average rent indicates the assumed average rent at full occupancy.

# On top of measures to achieve continuous raising of rents, energetically endeavor to increase other revenues and reduce expenses

## Basic Strategy

<p>1. Strategically utilize target rents</p>	<p>Set target rents, the target for raising rents for new contracts and contract renewals, for respective office properties. By clarifying the target, aim to conduct strategic negotiations for raising rents and maximizing rents upon tenant replacement</p>
<p>2. Reinforce investments for value enhancement</p>	<p>In addition to reinforcing property competitiveness, proactively invest in interior fittings and facilities, etc. that meets tenant needs, with an intention to raise rents for new contracts</p>
<p>3. Continuously enhance tenant satisfaction</p>	<p>Deliberately responding to tenants and creating safe and secured environments are important initiatives that positively affect rent negotiations as well as help prevent contract cancellations from happening</p>
<p>4. Increase NOI by reviewing property management and operation methods</p>	<p>Review property management and operation methods while paying attention to maintaining and improving the management quality, in an effort to promote reduction of rental expenses and increasing incidental revenues</p>

## Initiatives for Increasing NOI

- Reduction of power charges  
Conducted bidding by several power providers to switch power supply contracts

	Subject properties	Reductions in power charges (annual estimate)	Effect of reductions (annual estimate)
Conducted in the Dec. '17 period - Jun. '18 period	27 properties	Approx. 63 million yen	-9.7 %
To be conducted in the Dec. '18 period	10 properties	Approx. 39 million yen	-15.1 %

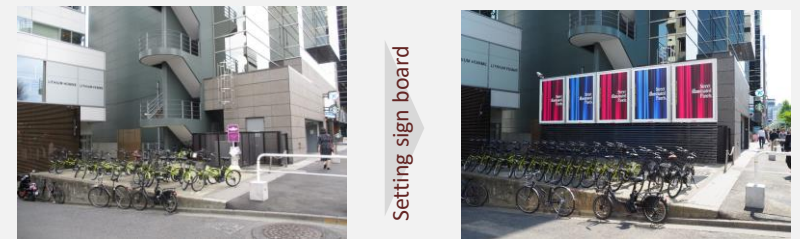
- Took measures to increase earnings, including promoting the effective use of common-use spaces.

1. The reduction amount indicates the difference the past results of power use at the subject buildings and the estimated amount after switching power providers based on the past results  
 2. The reduction of power charges to be made in the Dec. '18 period is not included in the forecasts of financial results in this material.

## Example of construction works for value enhancement in the 33rd fiscal period (Tokyo Tatemono Yokohama Bldg.)

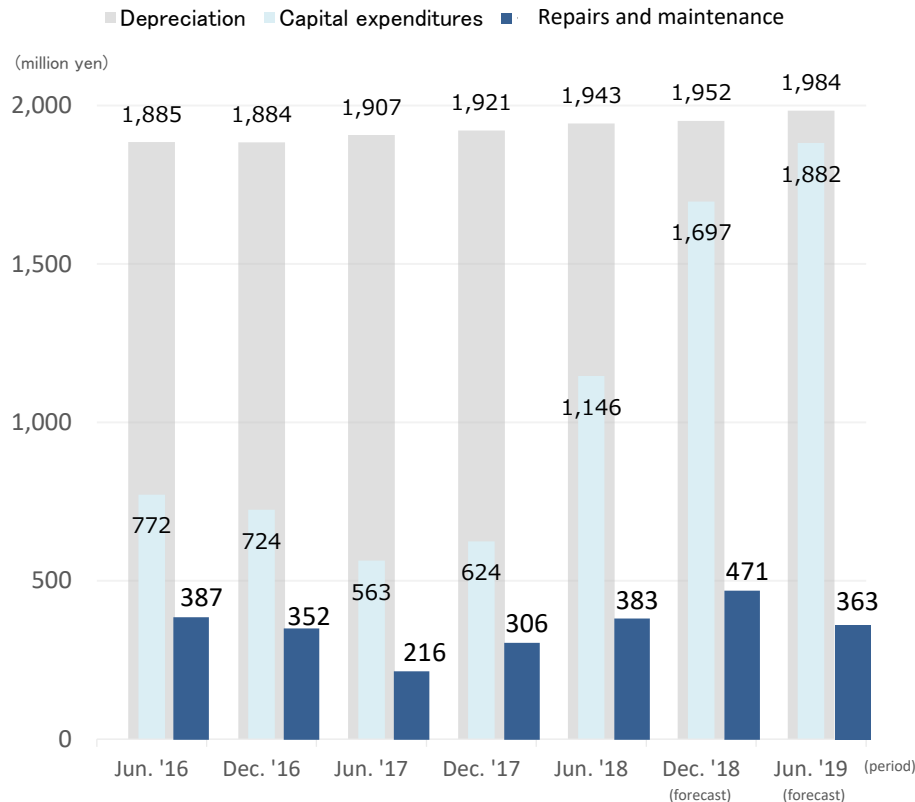


## Effective use of common-use spaces (JPR Harajuku Bldg.)



# JPR maintained and enhanced property competitiveness through continuous maintenance operations based on appropriate repair plans as well as through investments for value enhancement

## Changes in Construction Costs and Depreciation



## Summary of Construction Works in the 33rd Fiscal Period (Jun. '18)

- Total construction costs **1,530 million yen**
- ⇒ Of which, works for value enhancement **863 million yen**
- ⇒ Of which, works to switch to LED lamp, etc. **343 million yen**

- Tokyo Tatemono Honmachi Bldg. (297 million yen RN・air condition, etc.)
- Kawaguchi Center Bldg. (236 million yen air condition, etc.)
- JPR Shinsaibashi Bldg. (138 million yen the expansion of floor space, etc.)
- Olinas Tower (82 million yen LED, etc.)

## Summary of Construction Works (planned) in the 34th Fiscal Period (Dec. '18)

- Tokyo Tatemono Yokohama Bldg. (370 million yen RN・EV, etc.)
- Kawaguchi Center Bldg. (214 million yen air condition, etc.)
- Tokyo Tatemono Honmachi Bldg. (135 million yen RN・LED, etc.)
- Shinjuku Center Bldg. (125 million yen air condition・ESL, etc.)
- Kawasaki DICE Bldg. (116 million yen RN・air condition, etc.)

## Summary of Construction Works (planned) in the 35th Fiscal Period (Jun. '19)

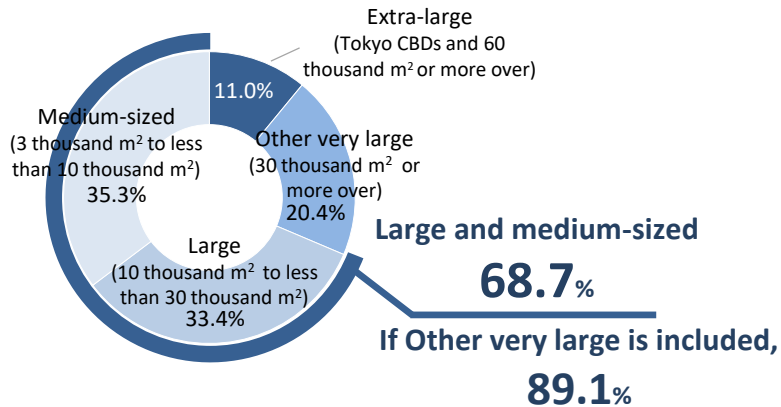
- Kanematsu Bldg. (211 million yen toilet・LED, etc.)
- Tokyo Tatemono Honmachi Bldg. (197 million yen air condition, etc.)
- Olinas Tower (189 million yen air condition, etc.)
- Kawaguchi Center Bldg. (183 million yen air condition, etc.)
- MS Shibaura Bldg. (138 million yen emergency power source, etc.)

■ Work for value enhancement, etc. □ Work for other

1. Repairs and maintenance expenses indicate the amount obtained by deducting the repairs and maintenance expenses equivalent to the expenses for restoration to original condition, paid by tenants, from the amount actually recorded for each fiscal period.  
 2. RN, EV and ESL represent "renovation," "work on elevators" and "work on escalator", respectively.  
 3. Each of the construction costs indicates the amount that includes construction management fees.  
 4. Construction works (planned) are extracts from long-term plans and do not guarantee implementation.

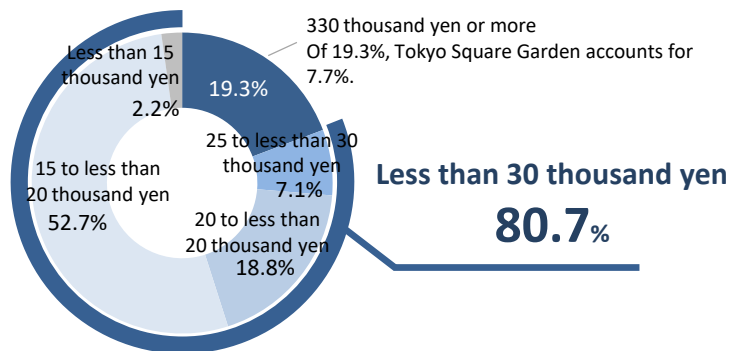
## Amid office supply centered on very large properties in Central Tokyo in recent years, JPR is building a portfolio centered on large and medium-sized office properties.

### Ratio by Asset Size (Office properties)



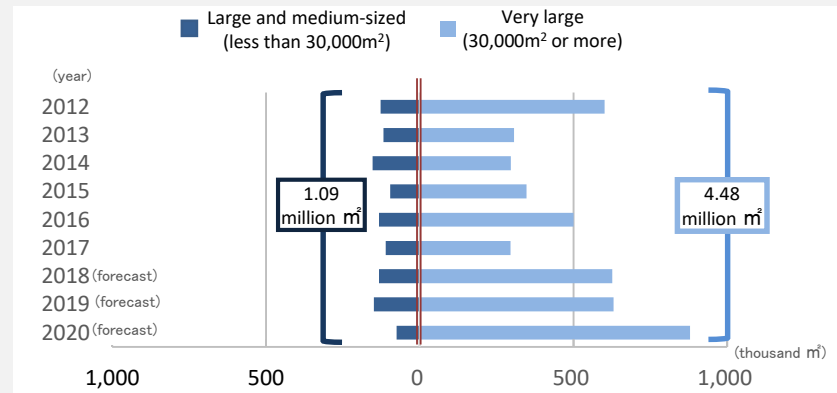
1. Ratio by Size (Office properties) indicates the ratios based on the total leased space of office properties in each size category, which is classified by the total leasable space of an entire office property. Furthermore, The Otomachi Tower (Land with Leasehold Interest) is excluded from the calculation as it is a land property.

### Ratio by Rent Zone (Central Tokyo, Greater Tokyo)



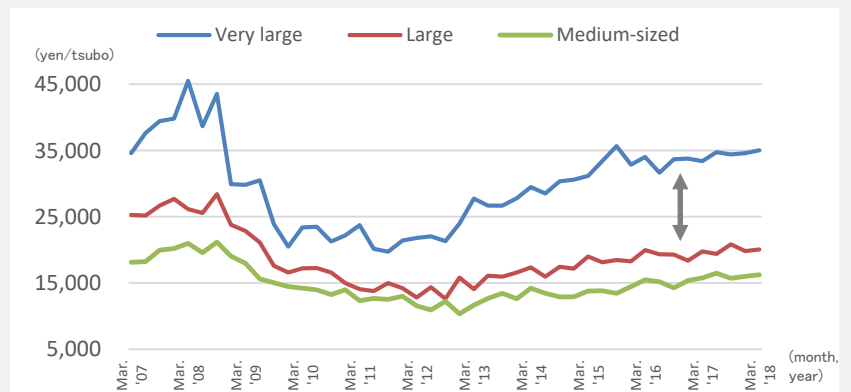
1. Ratio of JPR office properties by rent level refers to the ratio of acquisition price, by average unit rent (including common charges) zone, against the total acquisition price of office properties JPR owns in Central Tokyo and Greater Tokyo.

### Office Supply (Increase in Leasable Floor in Tokyo's Five Central Wards)



1. Prepared by TRIM based on market research agency.  
 2. The figures indicate the sum total of the increase in leasable floor, caused by the supply of newly-built office properties, for each year.

### Changes in the average rent of the 23 wards of Tokyo



1. Prepared by TRIM based on the statistics data published by Sanko Estate Co., Ltd. and NLI Research Institute.

# JPR's retail properties are situated in prime locations or in areas close to stations and with high commercial potential

The 14 properties comprising the retail portfolio are all located within a 5-minute walk from the nearest station

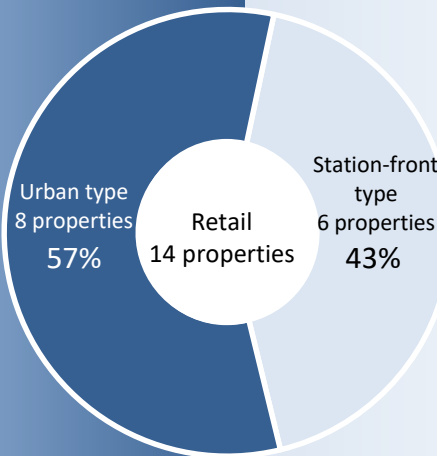
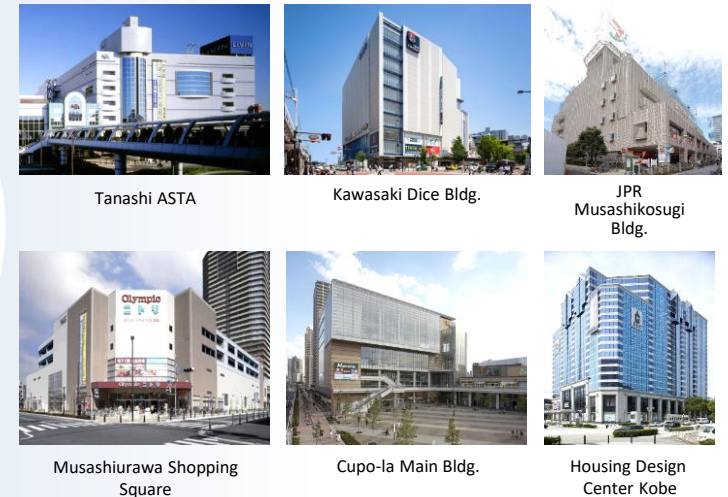
Portfolio breakdown

Type	Urban type	Station-front type
Characteristics	Urban retail properties situated on prime locations in Tokyo and Osaka	Retail properties located in front of stations near Tokyo and in major regional cities
NOI yield (acquisition price)	4.1%	5.9%

8 properties / 54.76 billion yen (asset size)

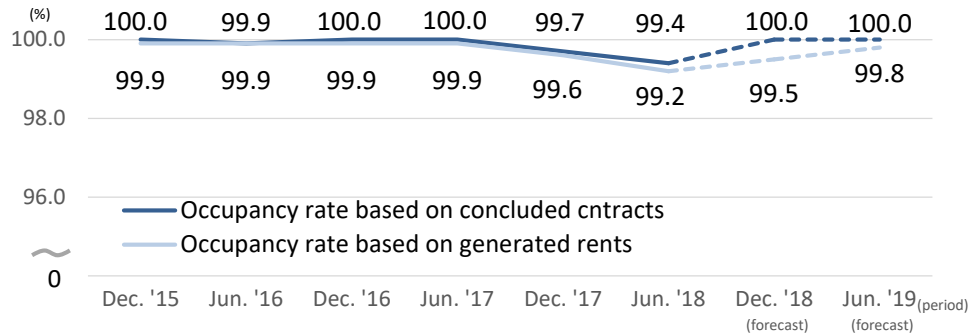


6 properties / 46.18 billion yen (asset size)



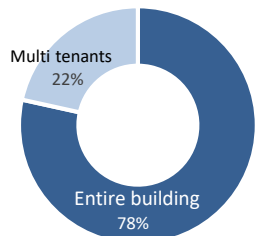
# The occupancy rate of JPR's retail properties remains stable at almost full occupancy.

## Occupancy Rate (Retail properties)

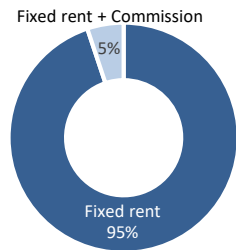


## Status of Lease Contract (Retail properties)

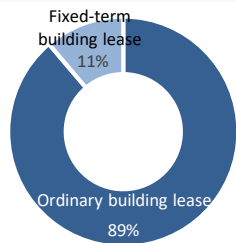
### Type of tenant (space ratio)



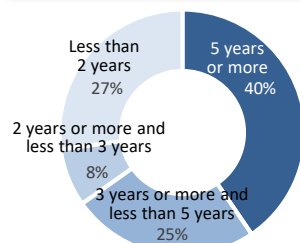
### Type of rent (space ratio)



### Type of contract (space ratio)



### Remaining contract period (space ratio)



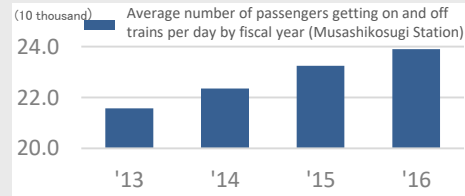
## Commercial Potential of Station-Front Type properties

### JPR Musashikosugi Bldg.



Acquisition and date	7,254 million yen / Sep. 2006
Nearest station	2-minute walk from Musashikosugi Station on the Tokyu Toyoko Line 7-minute walk from Musashikosugi Station on the JR Line
Total floor space/ Building ownership ratio	18,394m <sup>2</sup> / 100.0%

- Further potential is expected given increased activity and convenience because the number of passengers is increasing year by year and the development of tower condominiums and the opening of a new station on the JR Yokosuka Line will occur one after another.

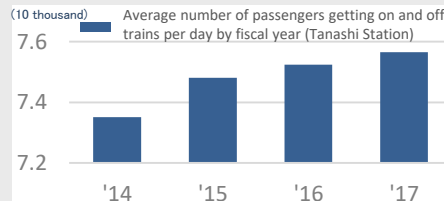


### Tanashi ASTA



Acquisition and date	10,200 million yen / Nov. 2001
Nearest station	Proximity from Tanashi Station on the Seibu Shinjuku Line
Total floor space	80,675m <sup>2</sup>
Building ownership ratio	52.9%

- Area with one of the largest numbers of passengers along the line and an increasing population at a high rate.
- One of the largest properties in the area with a store floor area of more than 9,000 tsubo, while it is in close proximity to the station.



1. "Average number of passengers getting on and off trains per day by fiscal year" is prepared by TRIM based on the published data of railway companies and the "prefecture handbook" of Kanagawa.

**Continue vigorously selective investments focusing on quality, mainly in office properties in Tokyo.**

**Proceed with the review of investment space and add urban hotel property with the intention of expanding acquisition opportunities.**

### ■ Basic Policy

#### Investment Target

Basic Operation	(Asset)		(Area)	
	Office	Urban retail property	Tokyo	Other cities
	<u>70 ~ 90 %</u>	<u>10 ~ 30 %</u>	<u>80 ~ 90 %</u>	<u>10 ~ 20 %</u>
	(76.8 %)	(23.2 %)	(84.5 %)	(15.5 %)

Figures in parentheses are investment ratios as of the date of this material.

- Continue to build a portfolio centered on office properties in Tokyo with excellent location characteristics that offer the prospect of competitiveness.
- Promote initiatives to expand acquisition opportunities while continuing vigorously selective investments focusing on quality.

### ■ Investment Strategy

- Utilize the pipelines such as preferential negotiation rights held by JPR and the sponsor to investigate acquisitions through negotiated deals.
- Investigate asset replacement that will contribute to the portfolio with the sponsor.

### ■ Initiatives to expand acquisition opportunities

- Ease space standards for investment targets (revision on July 1, 2018)

Change the standards so that investments in office properties of less than a certain size (total floor area of 3,300m<sup>2</sup> or more) will become possible based on a comprehensive judgment of the location characteristics, the business categories of tenants and equipment specifications, etc., while maintaining the policy of building a portfolio centered on properties of a certain size.

- Investigate the addition of asset types (urban hotels, etc.)

### ■ Acquisition Capacity by Debt

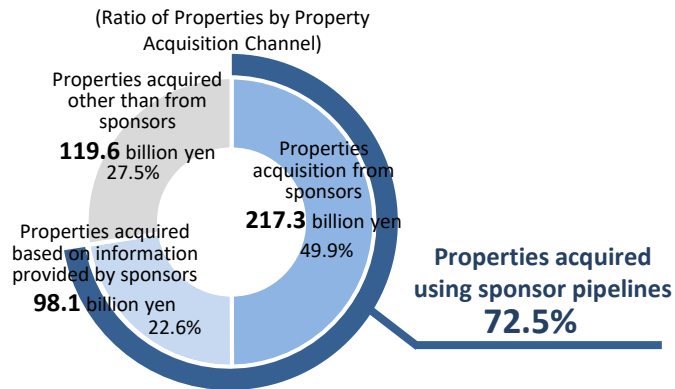
LTV (based on total assets)	40.6%
Acquisition capacity (maximum LTV of 45%)	35.8 billion yen



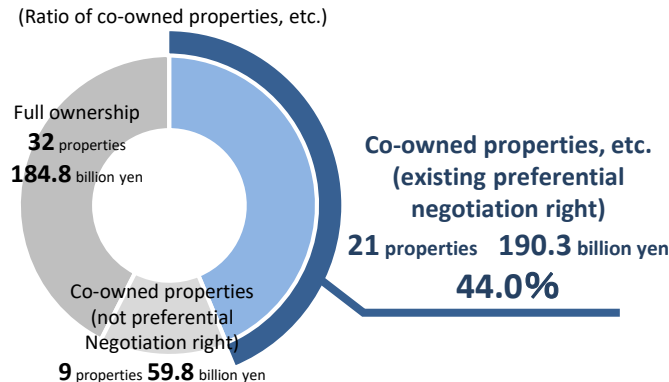
# Promote vigorously selective investments and asset replacement by utilizing the sponsor pipelines and preferential negotiation rights.

## Investigation of acquisitions through negotiated deals

### Utilizing sponsor pipeline



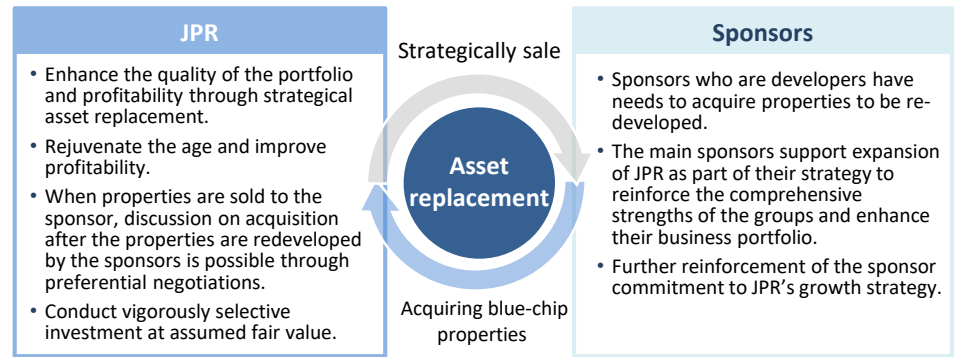
### Utilizing preferential negotiation right



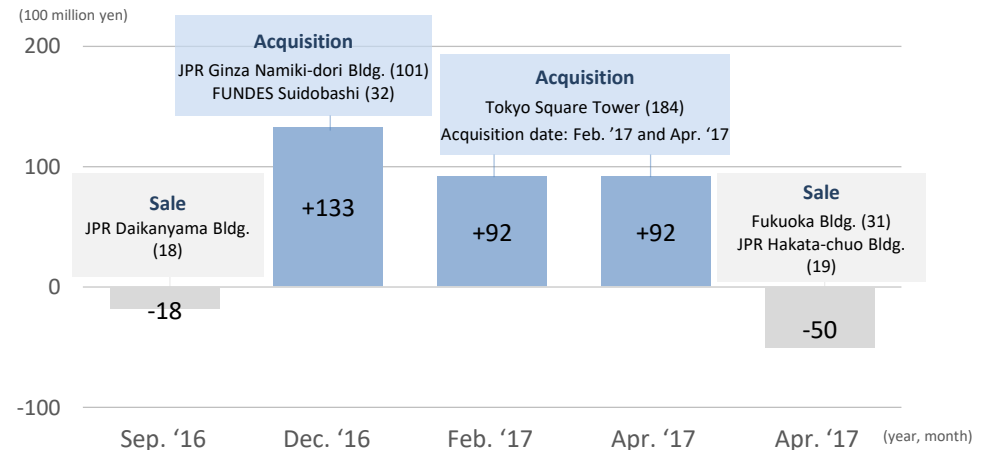
## Continue External Growth by Utilizing Asset Replacement

(Asset replacement policy)

- Aim to build a strong and solid portfolio by promoting asset replacement.



### (Recent asset replacement record)

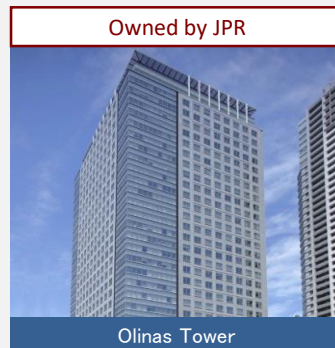
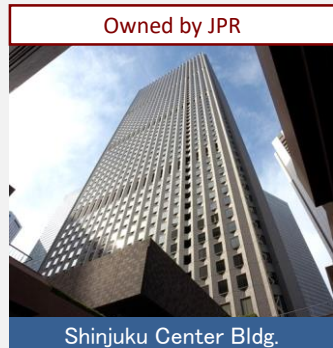


1. Figures in parentheses indicate the acquisition price or the sale price.

## Urban development business of the main sponsor

### Examples of development projects by Tokyo Tatemono Co., Ltd.

#### Large-scale redevelopment projects



#### Urban compact retail properties (FUNDES series)

Property name	Total floor area (㎡)	Completion/planned completion
FUNDES Suidobashi (Owned by JPR)	1,477	2015/7
FUNDES Jinbocho	1,348	2016/11
FUNDES Ueno	2,249	2017/7
TENJIN249	999	2018/7
(Tentative name) FUNDES Gotanda	Unfixed	2019/7
(Tentative name) FUNDES Ginza	Unfixed	2019/10



#### Urban hotels

Hotel name	Total floor area (㎡)	No. guestroom	Completion/planned completion
Candeo Hotels Tokyo Roppongi	4,700	149	2017/9
The Square Hotel Ginza	5,700	182	2018/8
(Tentative name) Hotel Gracery Asakusa	3,700	125	2018/9
(Tentative name) The b Osaka Shinsaibashi	10,700	309	2019/2
(Tentative name) Candeo Hotels Omiya	10,110	321	2019/8
(Name to be determined) Kyoto Shijo	Unfixed	Unfixed	Summer 2020
(Name to be determined) Kyoto Sanjo	Unfixed	Unfixed	Unfixed



## Flatten repayment amount for each fiscal period and reduce debt costs

### Debt Procurement Results in the 33rd Fiscal Period (13.2 billion yen)



### Financial Indicators and Credit Rating Status

(Status of Borrowings by Fiscal Period)	Dec. 2017	Jun. 2018	Change
New debt	17.9 bn. yen	13.2 bn. yen	-4.7 bn. Yen
Average maturity (change)	7.9 years (+2.7 years)	7.6 years (+2.1 years)	-0.3 years
Average borrowing interest rate (change)	0.61% (-0.31%pt)	0.57% (-0.43%pt)	+0.04%pt

#### (Status of entire interest-bearing debts)

Total interest-bearing debts	181.2 bn. yen	181.1 bn. yen	-0.1 bn. yen
Average maturity	4.6 years	4.6 years	±0.0 years
Average debt cost	0.96%	0.94%	-0.02% pt
Ratio of long-term, fixed interest rate debts	100%	100%	±0% pt

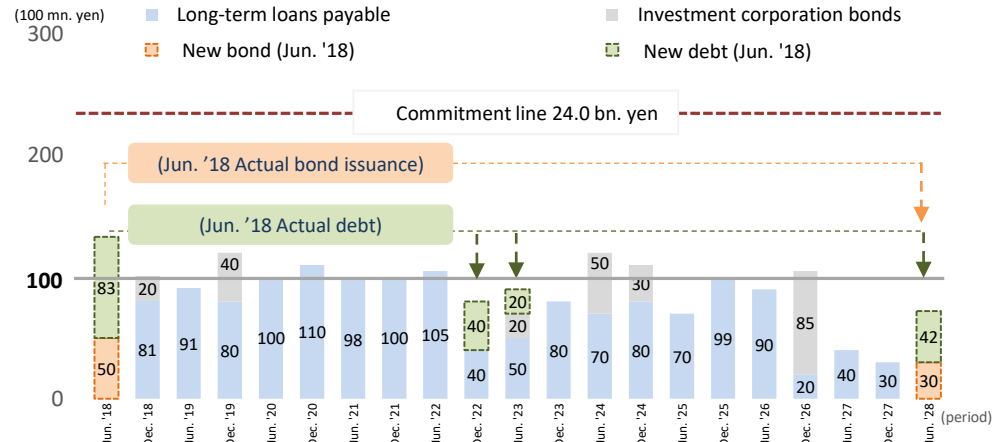
#### (LTV)

LTV (based on total assets)	40.6%	40.6%	±0% pt
Acquisition capacity (maximum LTV of 45%)	35.8 bn. yen	35.8 bn. yen	±0 bn. yen

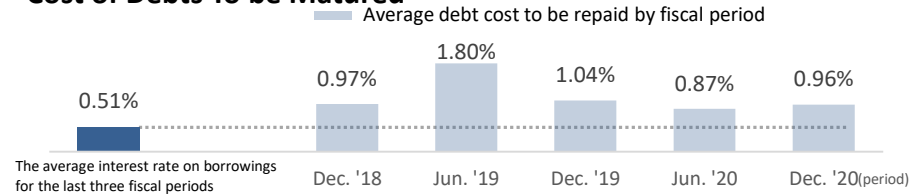
#### (Credit rating)

R&I	AA- (Stable)
S&P	Long-term: A (Stable), Short-term : A-1

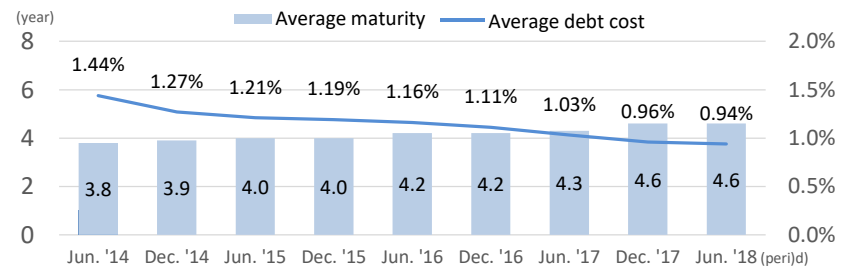
### Lengthening of Maturity and Flattening of Repayment Amount for Each Fiscal Period to Around 10 Billion Yen



### Average Interest on Debt for Last Three Fiscal Periods and Average Cost of Debts To be Matured



### Average Maturity and Average Debt Cost



## Consistent Initiatives on Behalf of Sustainability

### ■ Sustainability Policy

Based on its corporate philosophy of working with integrity and commitment to responsibilities, TRIM is resolved to contribute to the sustainable development of society and the investment management business through discussion and cooperation with its stakeholders (including investors and tenants), while aiming to maximize value for JPR's unitholders.

#### 1. Initiatives on Behalf of Tenants

We will work with integrity and responsibility in responding to tenants, and endeavor to provide them with new and distinct values as well as enhancing their satisfaction.

#### 2. Initiatives on Behalf of the Environment

Recognizing the importance of addressing environmental issues, we will aim to reduce environmental load through managing the assets owned by JPR.

- We will promote energy saving and reduction of greenhouse gas emissions.
- We will endeavor for effective use of water resources and work on the "3Rs" (reuse, reduce and recycle) of waste.
- We will strive to proactively disclose information on environmental issues.

#### 3. Initiatives on Behalf of Local Communities

We will work to coordinate with local communities through managing the assets owned by JPR, in an effort to contribute to enhancing the brand value of the entire area in which such assets are located.

#### 4. Initiatives on Behalf of the Employees

We will respect each one of our employees to realize an employee-friendly workplace, helping them to enhance abilities in their specialties.

#### 5. Initiatives on Behalf of the Society

We will abide by laws and regulations as well as the rules of society, and conduct business operations with a focus on transparency and objectivity while holding on to our high moral standards.

### ■ Sustainability Promotion System

Established the Sustainability Committee with a view to sustainable growth.

- Set goals and conduct monitoring and assessment for the purpose of increasing sustainability.
- The members are the President and CEO (chairman), the general managers of the Financial Division, the Investment Management Division, the Corporate Planning/Administration Division and the Compliance Office and the Executive Office.
- Meetings of the Executive Office are held monthly to report on progress in terms of goals, collect information and work on educational activities in the company.
- The Sustainability Committee is held twice or more each year and makes a report to TRIM's board of directors and JPR's board of directors once or more each year.

### ■ DBJ Green Building

17 properties in total have been certified, representing 37.7% of the portfolio based on book value

Tokyo Square Garden was granted a 5-star assessment in 2017



Tokyo Square Garden

Properties with a 3-star assessment or more

Property name	Evaluation
Tokyo Square Garden	★★★★★
Olinas Tower	★★★★★
Yakuin Business Garden	★★★★★
Shinagawa Canal Bldg.	★★★
JPR Sendagaya Bldg.	★★★
Rise Arena Bldg.	★★★
Yume-ooka Office Tower	★★★
Omiya Prime East	★★★

### ■ GRESB

Acquisition of "Green Star," the highest ranking, for four consecutive years



### ■ CASBEE Certification

Yakuin Business Garden was granted a A-rank assessment in 2018

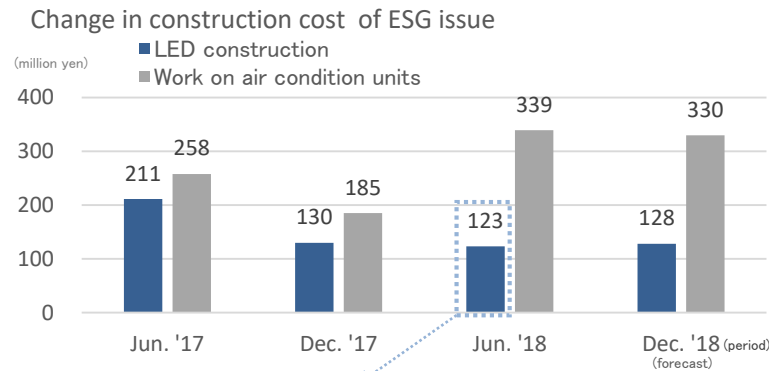


Yakuin Business Garden

## Reinforcing Continuous Improvement Initiatives on Environmental Issues

### Construction Works for Reducing Environmental Load

Systematically implement refurbishment to highly energy-efficient facilities



LED lamps were adopted at 14 properties (Jun. '18)

Effect of adopting LED lamps (annual estimate)

Item	Before	After	Balance	Reduction rate
Electricity use (kwh)	890,218	430,774	-459,443	-51.6%
Power charge (thousand yen)	14,576	7,086	-7,490	-51.4%
CO <sub>2</sub> emissions (t-CO <sub>2</sub> )	450.83	219.94	-231	-51.2%

### CO<sub>2</sub> Emission Data

Item, units		2016 (fiscal year)	2017 (fiscal year)	Balance
CO <sub>2</sub> emissions	Total (t-CO <sub>2</sub> )	52,957	50,215	-2,742
	Intensity (t-CO <sub>2</sub> /m <sup>2</sup> )	0.084	0.078	-0.006

### Initiatives for battling the heat (Tokyo Square Garden)

- Tokyo Square Garden has installed energy-saving cooling systems to reduce the surrounding temperature by spraying mist.
- It has also added heat-reducing materials to benches to ensure that they do not transfer much heat.
- It has obtained a subsidy for a project to promote countermeasures against heat from the Tokyo metropolitan government on the grounds of creating cooling areas.



### Cooperation with tenants

Introduction of green lease

Adopted a green lease clause in the basic contract in both operation and facility renovation to contribute to the environment in cooperation with tenants.

### Cooperation with PM and BM

Formulation of a green procurement policy

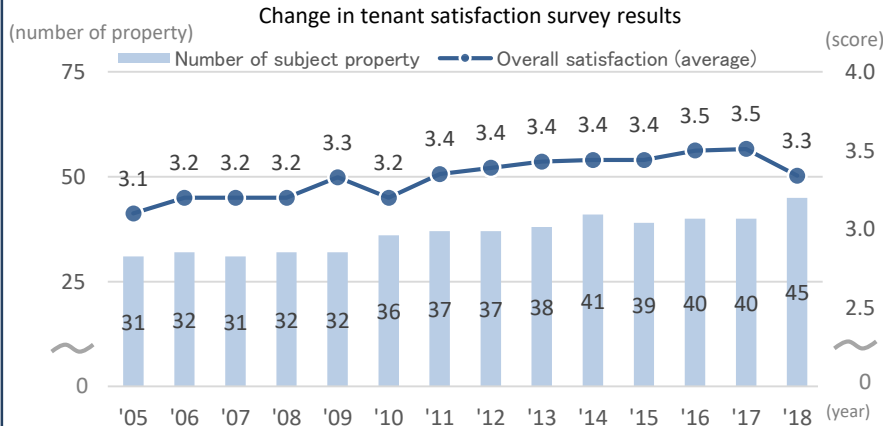
JPR and TRIM have formulated a green procurement policy to focus on the procurement of equipment in consideration of the environment, health and amenity, in addition to quality, price, delivery time and compliance with laws and regulations. They promote the policy in cooperation with PM and BM by providing training for education.

# Initiatives for Enhancement of Tenant Satisfaction

## Initiatives on Behalf of Tenants

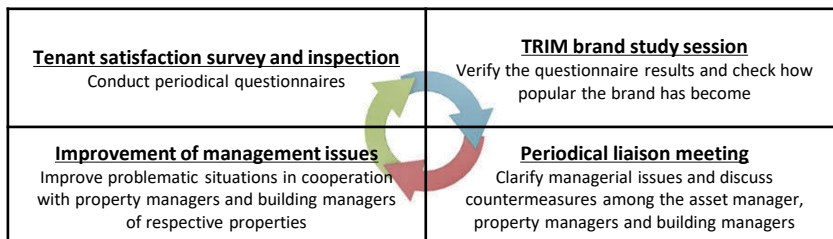
### Periodical Tenant Satisfaction Surveys

- Overall satisfaction declined due to an increase in new subject properties.
- At properties about which dissatisfaction was expressed, communication with tenants was promoted.



[Overview of the 2018 CS survey]  
 Average value with 4 points being the highest  
 Survey period: Apr.-Jun. 2018  
 Surveyed building: 45 building with 498 tenant  
 Questionnaire item: management and administration, responses to tenants, crime prevention and safety, emergency responses and environmental preservation, etc.

### Inspection Flow Chart for CS



## Social Contribution and Disaster Drill

### Initiative of Tokyo Square Garden

TRIM's officers and employees participated as carriers of Mikoshi at the festival in Kyobashi 3-chome where the property is located. They contributed to the invigoration of the community with the local neighborhood association.



### Morning Clean-up Activity

Regularly conduct cleaning activity in the Nihonbashi, Yaesu and Kyobashi areas with Tokyo Tatemono. Take initiatives for achieving interactions with the local people and making contributions to local communities.



### Initiative of Olinas Tower

Held the Machikado Concert in the common-use area by inviting the New Japan Philharmonic headquartered in Sumida-ku.



### Disaster Drill

TRIM undertakes an earthquake drill exercise twice a year, in principle. It works to improve its disaster response skills by dealing with issues at the time of the exercise.



## Endeavor to secure and enhance the soundness of business management as an investment corporation and an asset management company that are reliable and trustworthy

### JPR's Corporate Governance

#### JPR's decision-making organs

It is stipulated (Article 18 of the regulations) that JPR shall have up to two executive officers and up to four supervising officers (there must be at least one more supervising officer than executive officers).

#### Criteria for appointing investment corporation officers and remuneration

- None of the grounds for disqualification stipulated in the laws concerning investment trusts and investment corporations
- Officers are appointed by means of a resolution of the General Meeting of Unitholders.
- The remuneration for executive officers and supervising officers is stipulated in the investment corporation regulations as the amount decided by the Board of Directors (up to a maximum of 500,000 yen per month for each executive officer and 400,000 yen per month for each supervising officer).

Position	Name	Other Current Assignments	Fee (Jun. '18) (thousand yen)	Owned units
Executive Officer	Satoshi Okubo	Tokyo Realty Investment Management Inc. Director	2,400	1
Supervising Officer	Masato Denawa	Partner Attorney, Spring Partners	4,200	—
	Nobuhisa Kusanagi	Gyosei Certified Public Tax Accountants' Co. Group Representative Partner		—
Independent Auditor	Ernst & Young ShinNihon LLC	—	16,200	—

#### Remuneration System of the Asset Manager

- Employing a management fee system that matches unitholder's interests and benefits of the asset management company

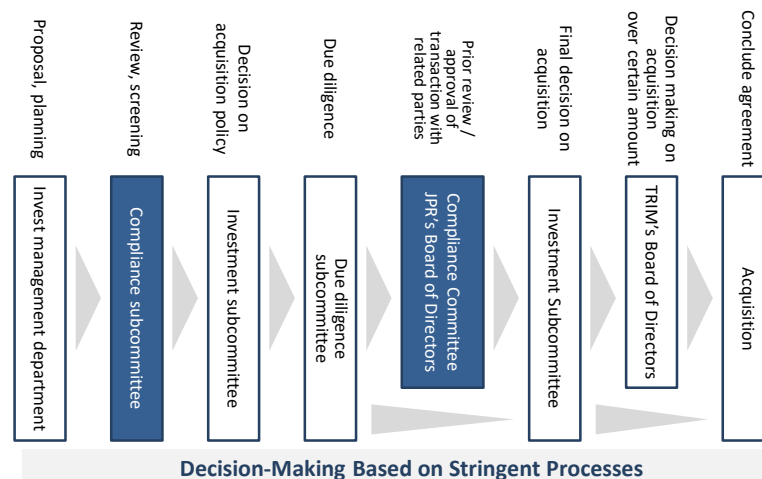
Item	Calculation of Compensation	Remuneration (Jun. '18)	Share
Fixed fee	12.5 million yen per month	75 million yen	13.5%
Incentive Fee 1	2% of JPR's total revenue (1.5% for 8 billion yen or higher)	271 million yen	49.1%
Incentive Fee 2	3% of JPR's income before income taxes (income before income taxes before deducting Incentive Fee 2)	206 million yen	37.4%
Incentive Fee 3	0.25% of the acquisition price upon new acquisition	—	—

### TRIM's Corporate Governance

#### Decision-making process for property acquisitions

The following procedures are taken for cases of transactions with interested parties:

- An outside attorney is appointed as a special member of the Compliance Committee and examines and verifies the adequacy and rationality of transactions at the Committee.
- Upon implementing the approved transactions, approval by JPR's board of directors, comprising directors who are independent from the shareholders of TRIM, must be obtained in advance.



#### Decision-making based on stringent processes

(Interested parties: 5 sponsor companies and their parent companies, subsidiaries and affiliates)

- Acquisition of properties or assets from interested parties
- Sale of properties or assets to interested parties
- Consignment of property management to interested parties
- Brokerage or agency by interested parties for transactions
- Placement of orders for construction works (costing over 10 million yen) to interested parties
- Leasing of properties to interested parties

A large, empty rectangular box with rounded corners and a thin blue border, intended for writing a memo.





## Results of the 33rd fiscal period ended June 2018

### DPU:7,245 yen (up22 yen, period-on-period)

Rent revenue continued to increase.

The posting of non-operating income and the reduction of financial costs contributed to the achievement of a period-on-period increase in cash distributions for the 9th consecutive fiscal period, despite a significant increase in the burden of property and planning taxes.

Item		32nd Period (Dec. 31, 2017)	33rd Period (Jun. 30, 2018)	Change
Revenue and profit (million yen)	Operating revenue	15,141	15,204	+63
	Operating expenses	7,572	7,869	+296
	Operating income	7,569	7,335	-233
	Non-operating income	8	227	+219
	Non-operating expenses	910	877	-33
	Ordinary income	6,666	6,685	+19
	Net income	6,665	6,686	+20
DPU (yen)	(per unit)	7,223	7,245	+22
Operating indicators (million yen)	NOI	10,252	10,033	-218
	NOI yield (book value)	4.9%	4.9%	-%pt
	Rental income - real estate	8,331	8,090	-240
	After-depreciation yield (book value)	4.0%	4.0%	-%pt
	Depreciation	1,921	1,943	+22
	Capital expenditures	624	1,146	+521
	Repairs and maintenance	329	473	+144
	Average occupancy rate	98.4%	98.2%	-0.2%pt
	Period-end occupancy rate	98.5%	98.8%	+0.3%pt
Number of units outstanding (units)		923,000	923,000	-

### Major Factors of Period-on-Period Changes

Net income	+20	(JPY mn)
* Impacts on net income indicated by plus and minus		
<b>Rental income</b>	<b>-240</b>	
<u>Increase in rents and common charges</u>		+68
<u>Increase in rent (The Otemachi Tower (land with leasehold interest))</u>		+49
<u>Increase in cancellation penalty, etc. and income equivalent to expense for restoration to original condition</u>		+50
Improvement in the balance of utilities expenses (incidental income expenses - utilities expenses)		+15
Decrease in incidental income		-115
Decrease in utilities expense		+130
Decrease in outsourcing fees		+11
<u>Increase in property and other taxes (property and planning taxes)</u>		-173
<u>Increase in repairs and maintenance utilities expenses</u>		-144
<u>Increase in brokerage fee and compensation for upward revision rents</u>		-96
Increase in depreciation		-22
<b>Nonoperating income</b>	<b>+252</b>	
<u>Posting of settlement on management association accounts (for ordinary accrual: usually, posting in the June period every year)</u>		+59
<u>Posting of settlement on management association accounts (for extraordinary accrual)</u>		+152
<u>Decrease in interest expense on loans and investment corporation bonds</u>		+30

1. In addition to net income per share, some of the profit carried forward, which is internally reserved, is reversed to be appropriated to DPU to minimize the burden on investors due to the accrual of income taxes.

## Results of the 33rd fiscal period ended June 2018

Total assets: 446.2 billion yen, NAV per unit: 258,546 yen

Item		32nd Period (Dec. 31, 2017)	33rd Period (Jun. 30, 2018)	Change
Balance Sheets (million yen)	Current Asset	33,265	33,836	+570
	Cash and deposits	20,773	21,115	+342
	Cash and deposits in trust	12,091	12,066	-25
	Other current asset	401	655	+253
	Noncurrent assets	413,075	412,314	-760
	Property, plant and equipment	397,895	397,104	-791
	Intangible assets	14,690	14,690	-0
	Investments and other assets	489	519	+30
	Deferred assets	146	146	+0
	Investment corporation bond issuance costs	109	123	+14
	Investment unit issuance expenses	36	22	-14
	<b>Total assets</b>	<b>446,487</b>	<b>446,297</b>	<b>-189</b>
	Current liabilities	29,002	24,889	-4,113
	Short-term loans payable	-	-	-
	Current portion of long-term loans payable	16,408	17,200	+792
	Current portion of investment corporation bonds	7,000	2,000	-5,000
	Other current liabilities	5,594	5,689	+94
	Noncurrent liabilities	178,865	182,769	+3,904
	Long-term loans payable	135,320	136,420	+1,100
	Investment corporation bonds	22,500	25,500	+3,000
	Tenant leasehold and security deposits	21,045	20,849	-195
	<b>Total liabilities</b>	<b>207,868</b>	<b>207,659</b>	<b>-209</b>
	Unitholders' capital	231,653	231,653	-
Surplus	6,966	6,985	+19	
Reserve for reduction entry	284	284	-	
Unappropriated retained earnings	6,681	6,701	+19	
<b>Total net assets</b>	<b>238,619</b>	<b>238,638</b>	<b>+19</b>	

## Major Factors of Period-on-Period Changes

(JPY mn)

## Other current asset +253

Increase in operating accounts receivable

+271

## Property, plant and equipment -791

Depreciation and loss on retirement of noncurrent assets

-1,946

Capital expenditure

+1,146

## Current liabilities -4,113

Repayment of long-term loans payable (including amortization)

-8,308

Transfer of long-term loan payable (noncurrent ⇒ current)

+ 9,100

Maturity of seventeen series of investment corporation bonds

-5,000

## Noncurrent liabilities +3,904

Refinancing of long-term loans payable

+10,200

Transfer of long-term loan payable (noncurrent ⇒ current)

-9,100

Issue of twenty-third series of investment corporation bonds

+3,000

Decrease in tenant leasehold and security deposit

-195

## Results of the 33rd fiscal period ended June 2018

### DPU compared with the forecast at beginning of period: up 25 yen

DPU eventually reached the level surpassing the forecast at beginning of period due to such factors as an increase in operating revenue and cancellation penalty, etc.

Item		33rd Period (Forecast)	33rd Period (Result)	Change
Revenue and profit (million yen)	Operating revenue	15,085	15,204	+119
	Operating expenses	7,757	7,869	+111
	Operating income	7,327	7,335	+7
	Non-operating income	213	227	+13
	Non-operating expenses	877	877	+0
	Ordinary income	6,664	6,685	+20
	Net income	6,664	6,686	+22
DPU (yen)	(per unit)	7,220	7,245	+25
Operating indicators (million yen)	NOI	10,028	10,033	+5
	NOI yield (book value)	4.9%	4.9%	-%pt
	Rental income - real estate	8,080	8,090	+9
	After-depreciation yield (book value)	4.0%	4.0%	-%pt
	Depreciation	1,947	1,943	-4
	Capital expenditures	1,521	1,146	-374
	Repairs and maintenance	373	473	+100
	Average occupancy rate	97.9%	98.2%	+0.3%pt
	Period-end occupancy rate	97.9%	98.8%	+0.9%pt
Number of units outstanding (units)		923,000	923,000	-

#### Major Factors of Changes from Forecasts

(JPY mn)

<b>Net income</b>	<b>+22</b>	* Impacts on net income indicated by plus and minus
<b>Rental income</b>	<b>+9</b>	
<u>Increase in rents and common charge</u>		<b>+46</b>
<u>Increase in cancellation penalty, etc. and income equivalent to expense for restoration to original condition</u>		<b>+92</b>
Decrease in other income		<b>-19</b>
Increase in property and other taxes (property and planning taxes)		<b>-8</b>
<u>Increase in repairs and maintenance utilities expenses</u>		<b>-100</b>
<u>Increase in brokerage fee and compensation for upward revision rents</u>		<b>-32</b>
Decrease in other expenses		<b>+32</b>
<b>Nonoperating income</b>	<b>+13</b>	
Increase in settlement on management association accounts		<b>+4</b>
Increase in income of insurance		<b>+7</b>

1. Forecasts of financial results for the 33rd fiscal period ended June 2018 are the figures announced on February 14, 2018, based on the following assumptions.  
Investment properties owned: Total 62 properties (the properties owned at end of the 32nd period ended December 2017)  
Average occupancy rate: 97.9% (an estimate that reflect consents regarding move-ins and move-outs that will become effective in the fiscal period)  
LTV (based on total assets): 40.6% (end of 33rd period (Jun. '18))

## Forecast of the 34th fiscal period ending December 2018

### DPU: 7,280 yen (up 35 yen from 33rd period (Jun. '18) actual results)

With the upward revision of rents and the leasing up of vacancies making steady progress, rent revenue is projected to show a significant period-on-period increase. DPU is likely to increase by filling the lack of non-operating income recorded in the previous period.

Item		33rd Period (Jun. 30, 2018)	34th Period (Forecast) (Dec. 31, 2018)	Change
Revenue and profit (million yen)	Operating revenue	15,204	15,540	+335
	Operating expenses	7,869	7,970	+100
	Operating income	7,335	7,569	+234
	Non-operating income	227	4	-223
	Non-operating expenses	877	852	-24
	Ordinary income	6,685	6,720	+35
	Net income	6,686	6,720	+34
DPU (yen)	(per unit)	7,245	7,280	+35
Operating indicators (million yen)	NOI	10,033	10,301	+268
	NOI yield (book value)	4.9%	5.0%	+0.1%pt
	Rental income - real estate	8,090	8,348	+258
	After-depreciation yield(book value)	4.0%	4.0%	- %pt
	Depreciation	1,943	1,952	+9
	Capital expenditures	1,146	1,697	+551
	Repairs and maintenance	473	471	-2
	Average occupancy rate	98.2%	99.0%	+0.8%pt
Period-end occupancy rate	98.8%	98.9%	+0.1%pt	
Number of units outstanding (units)		923,000	923,000	-

#### Major Factors of Period-on-Period Changes

(JPY mn)

<b>Net income</b>	<b>+34</b>	* Impacts on net income indicated by plus and minus
<b>Rental income</b>	<b>+258</b>	
		Increase in rents and common charge
		Increase in rent (The Otemachi Tower (land with leasehold interest))
		Lack of cancellation penalty, etc. and income equivalent to expense for restoration to original condition
		Improvement in the balance of utilities expenses (incidental income expenses - utilities expenses)
		Increase in incidental income
		Increase in utilities expense
		Increase in outsourcing fees
		Decrease in brokerage fee and compensation for upward revision rents
		Increase in depreciation
<b>Nonoperating income</b>	<b>-198</b>	
		Lack of settlement on management association accounts
		Decrease in interest expense on loans and investment corporation bonds

1. Forecasts of financial results for the 34th fiscal period ending December 2018 based in the following assumption.  
Investment properties owned: Total 62 properties (end of the 33rd period (Jun. '18))  
Average occupancy rate: 99.0% (an estimate that reflect consents regarding move-ins and move-outs that will become effective in the fiscal period)  
LTV (based on total assets): 40.6% (end of 34th period (Dec. '18))

## Forecast of the 35th fiscal period ending June 2019

### DPU: 7,300 yen (up 20 yen from 34th period (Dec. '18) forecast)

DPU is expected to continue to increase.

Aim to achieve the medium-term targets through the reduction of financial costs and cost control, in addition to continued efforts to increase rents.

Item		34th Period (Forecast) (Dec. 31, 2018)	35th Period (Forecast) (Jun. 30, 2019)	Change
Revenue and profit (million yen)	Operating revenue	15,540	15,449	-90
	Operating expenses	7,970	7,945	-24
	Operating income	7,569	7,503	-65
	Non-operating income	4	53	+49
	Non-operating expenses	852	818	-34
	Ordinary income	6,720	6,739	+18
	Net income	6,720	6,738	+18
DPU (yen)	(per unit)	7,280	7,300	+20
Operating indicators (million yen)	NOI	10,301	10,264	-36
	NOI yield (book value)	5.0%	5.0%	- %pt
	Rental income - real estate	8,348	8,279	-68
	After-depreciation yield(book value)	4.0%	4.1%	+0.1%pt
	Depreciation	1,952	1,984	+31
	Capital expenditures	1,697	1,882	+184
	Repairs and maintenance	471	363	-108
	Average occupancy rate	99.0%	98.9%	-0.1%pt
	Period-end occupancy rate	98.9%	98.4%	-0.5%pt
Number of units outstanding (units)		923,000	923,000	-

#### Major Factors of Period-on-Period Changes

		(JPY mn)
<b>Net income</b>	<b>+18</b>	* Impacts on net income indicated by plus and minus
<b>Rental income</b>	<b>-68</b>	
	Decrease in rents and common charge	-35
	<u>Increase in rent (The Otemachi Tower (land with leasehold interest))</u>	<u>+47</u>
	Deterioration in the balance of utilities expenses (incidental income expenses - utilities expenses)	-23
	Decrease in incidental income	-99
	Decrease in utilities expense	+75
	<u>Increase in property and other taxes (property and planning taxes)</u>	<u>-139</u>
	<u>Decrease in repair and maintenance utilities expenses</u>	<u>+108</u>
	Increase in depreciation	-31
<b>Nonoperating income</b>	<b>+84</b>	
	<u>Appropriation of settlement on management association accounts</u>	<u>+49</u>
	<u>Decrease in interest expense on loans and investment corporation bonds</u>	<u>+29</u>

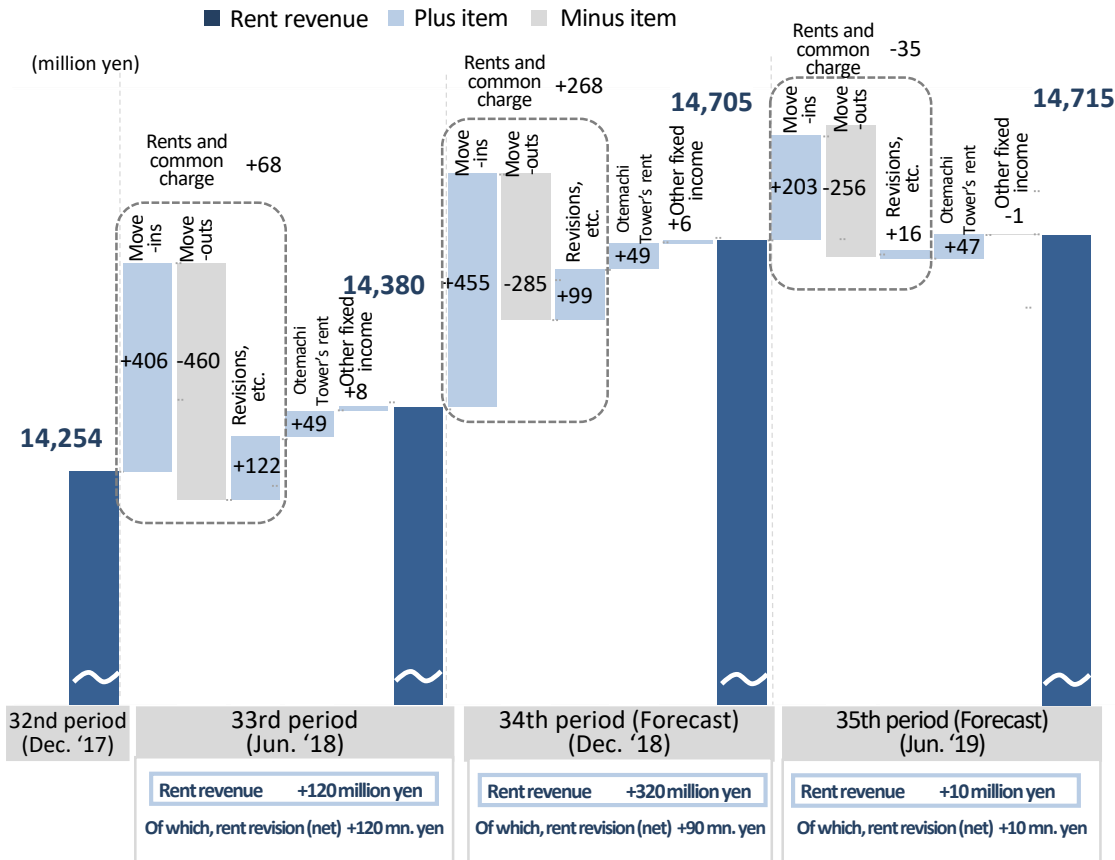
1. Forecasts of financial results for the 35th fiscal period ending June 2019 based in the following assumption.  
Investment properties owned: Total 62 properties (forecast for end of the 34th period (Dec. '18))  
Average occupancy rate: 98.9% (an estimate that reflect consents regarding move-ins and move-outs that will become effective in the fiscal period)  
LTV (based on total assets): 40.6% (end of 35th period (Jun. '19))

An upward trend in rent revenue will continue, reflecting steady progress in internal growth.

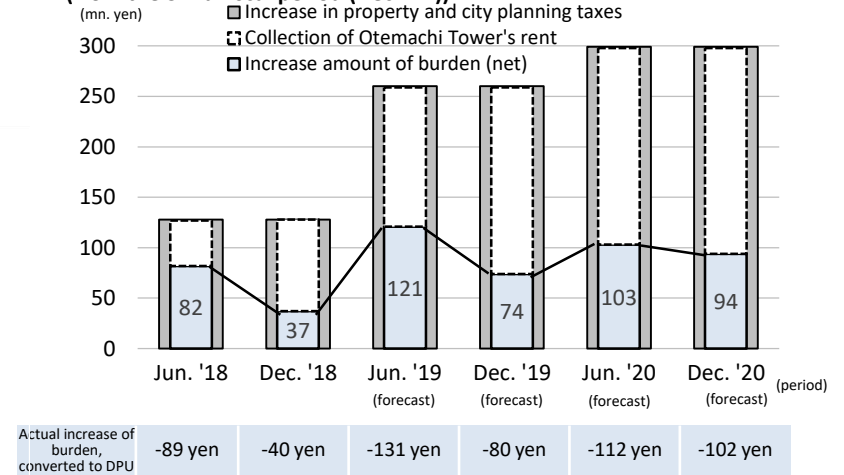
Item		31st Period (Jun. 30, 2017)	32nd Period (Dec. 31, 2017)	33rd Period (Jun. 30, 2018)	34th Period (Forecast) (Dec. 31, 2018)	35th Period (Forecast) (Jun. 30, 2019)
Rental business profits (million yen)	Rental revenue - real estate	14,907	15,141	15,204	15,540	15,449
	Rent revenue (fixed income)	14,123	14,254	14,380	14,705	14,715
	Rents and common charges	12,149	12,275	12,343	12,612	12,576
	Land rents	1,580	1,580	1,630	1,679	1,726
	Other fixed income	393	398	406	413	411
	Other rental revenue (variable income)	783	887	824	835	734
	Incidental income	682	788	673	805	706
	Cancellation penalty, etc.	31	35	14	2	-
	Income equivalent to expenses for restoration to original condition	35	29	101	-	-
	Other variable income	34	33	35	26	28
	Expenses related to rent business (excluding depreciation)	4,691	4,889	5,171	5,238	5,184
	Outsourcing fees	575	598	586	600	592
	Utilities expenses	770	878	748	877	801
	Property and other taxes	2,061	2,044	2,217	2,211	2,350
	Insurance premiums	25	25	24	25	24
	Repairs and maintenance	246	329	473	471	363
	Property management fees	259	268	289	274	273
	Management association accounts	578	584	567	570	567
	Other expenses related to rent business	172	160	262	207	210
	NOI	10,216	10,252	10,033	10,301	10,264
Depreciation	1,907	1,921	1,943	1,952	1,984	
Expenses related to rent business	6,599	6,810	7,114	7,191	7,169	
Rental income - real estate (a)	8,308	8,331	8,090	8,348	8,279	
Gain or loss on sale of real estate (million yen)	Gain on sale of real estate (b)	210	-	-	-	-
	Loss on sale of real estate (c)	-	-	-	-	-
Rental income - real estate, etc. (million yen, a + b - c)		8,518	8,331	8,090	8,348	8,279

Rent revenue will increase by 320 million yen (from the 33rd fiscal period (Jun. '18)) for the 34th fiscal period (Dec. '18) and by 10 million yen (from the 34th fiscal period (Dec. '18)) for the 35th fiscal period (Jun. '19)

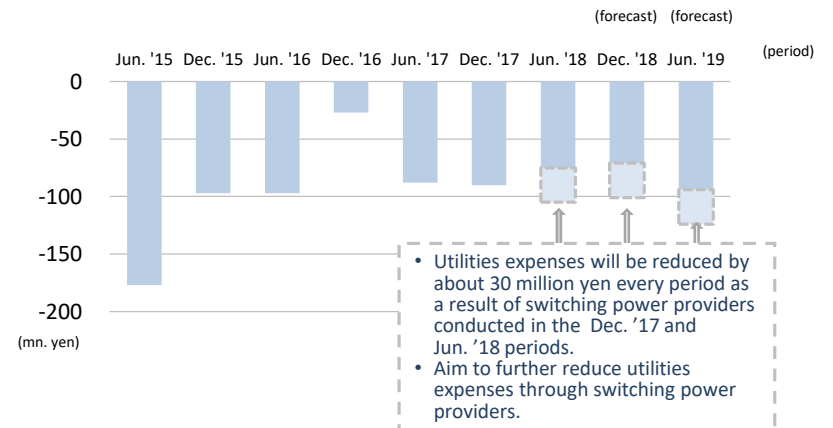
■ Rent revenue (factor for period-on-period changes)



■ Property Taxes and City Planning Taxes Expected to Increase (from the 32nd fiscal period (Dec. '17))



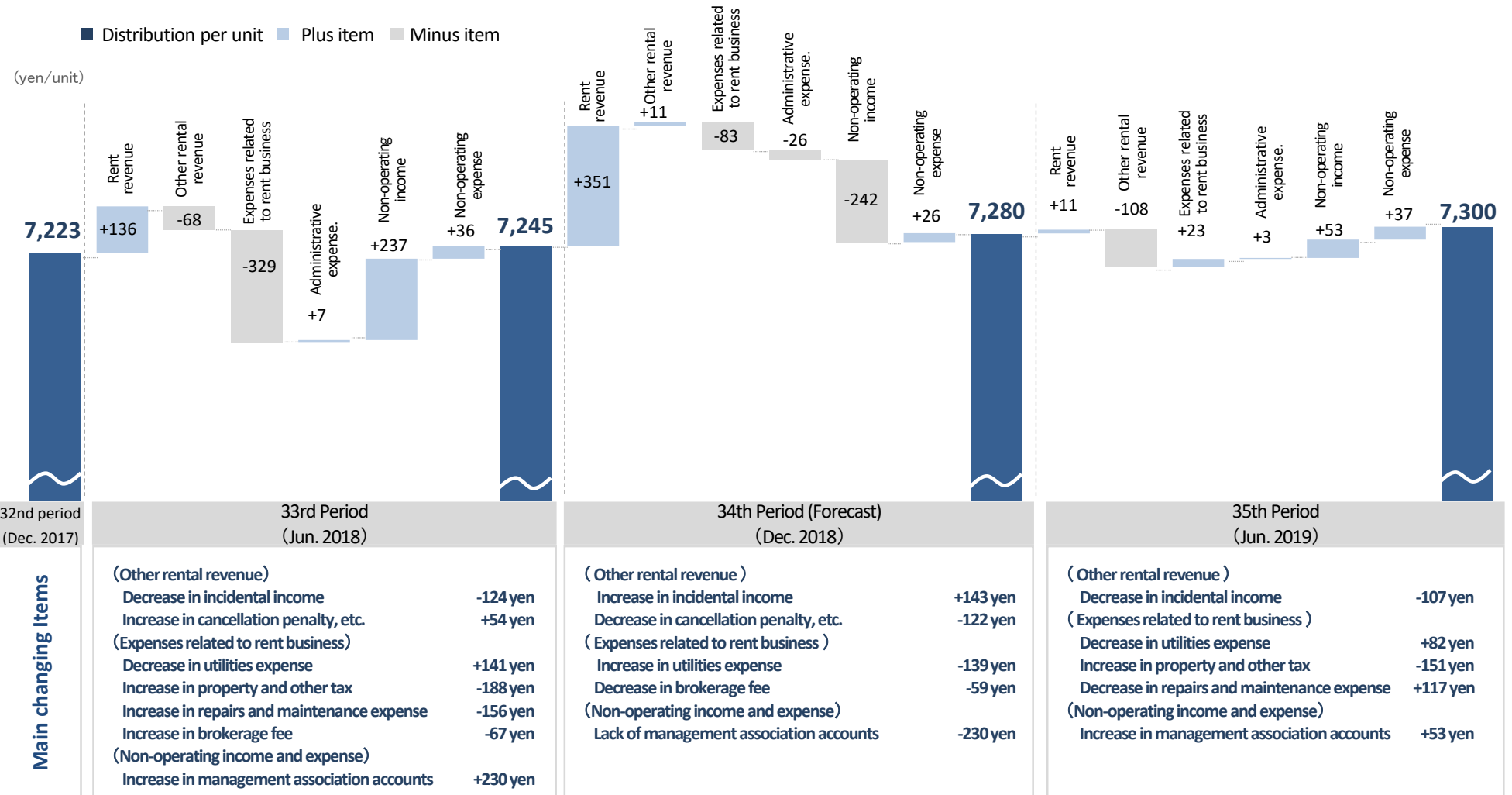
■ Balance of Utilities Expenses (incidental income-utilities expense)





Distribution per unit will maintain a firm upward trend driven by an increase in rent revenue, despite the expected lack of settlement on management association accounts in the 34th fiscal period (Dec. '18) and an expected increase in property and other taxes in the 35th fiscal period (Jun. '19).

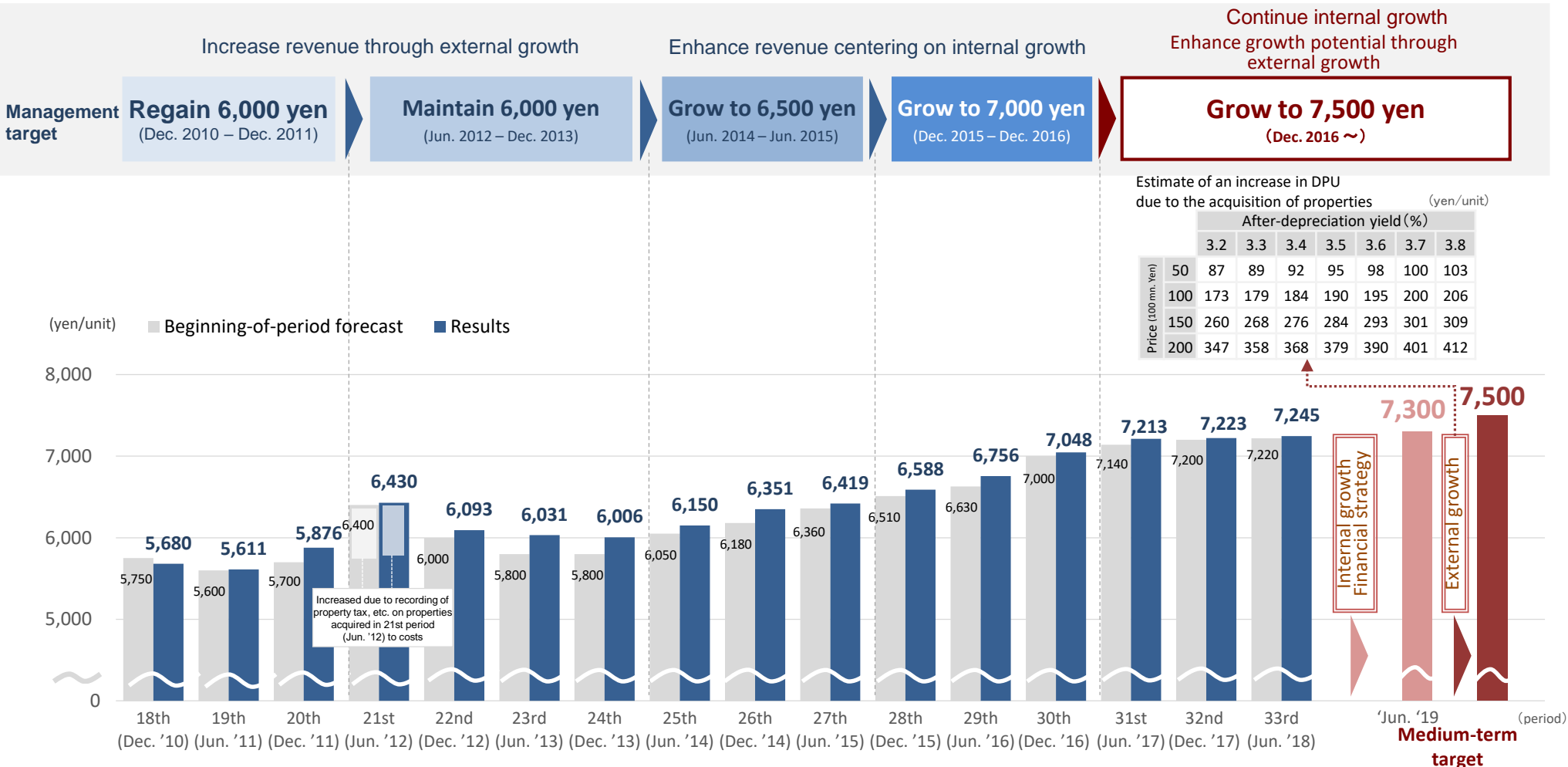
■ Distribution per Unit (factors for period-on-period changes)



# Realize Growth by Steadily Achieving Targets

Aim to achieve medium-term target by continuing stable growth centering on internal growth

## Results, Forecast and Medium-Term Target of Distribution per Unit



1. Distribution per unit as medium-term target is a management target set by TRIM, and there is no guarantee that the figure is achieved.

2. "Estimate of an increase in DPU due to the acquisition of properties" does not include fund procurement costs.



JAPAN PRIME REALTY INVESTMENT CORPORATION

**4. Appendix**

	28th Period (Dec. 2015)	29th Period (Jun. 2016)	30th Period (Dec. 2016)	31st Period (Jun. 2017)	32nd Period (Dec. 2017)	33rd Period (Jun. 2018)
LTV (total assets)	42.1%	42.1%	43.7%	40.7%	40.6%	40.6%
LTV (unrealized gains and losses)	40.3%	39.4%	40.3%	36.5%	35.5%	34.9%
NOI yield (acquisition value)	4.6%	4.6%	4.9%	4.8%	4.7%	4.7%
NOI yield (book value)	4.8%	4.9%	5.1%	5.0%	4.9%	4.9%
NOI yield (appraisal value)	4.5%	4.5%	4.7%	4.5%	4.3%	4.2%
After-depreciation yield (acquisition price)	3.7%	3.7%	4.0%	3.9%	3.8%	3.8%
After-depreciation yield (book value)	3.8%	3.9%	4.2%	4.1%	4.0%	4.0%
Implied cap rate	3.5%	3.7%	3.5%	3.8%	3.9%	3.7%
FFO	7,624 million yen	7,783 million yen	8,336 million yen	8,577 million yen	8,587 million yen	8,632 million yen
AFFO	6,778 million yen	7,010 million yen	7,612 million yen	8,014 million yen	7,962 million yen	7,485 million yen
FFO per unit	8,733 yen	8,915 yen	9,549 yen	9,293 yen	9,303 yen	9,352 yen
EPS	6,586 yen	6,754 yen	7,047 yen	7,440 yen	7,221 yen	7,243 yen
Cash distribution per unit	6,588 yen	6,756 yen	7,048 yen	7,213 yen	7,223 yen	7,245 yen
Dividend yield	3.1%	3.2%	3.0%	3.6%	3.9%	3.5%
ROE	5.3%	5.5%	5.6%	5.8%	5.6%	5.6%
Reserve for reduction entry per unit	84 yen	84 yen	84 yen	308 yen	308 yen	308 yen
Net asset per unit	247,696 yen	247,862 yen	248,154 yen	258,516 yen	258,525 yen	258,546 yen
NAV per unit	263,026 yen	273,915 yen	283,129 yen	306,192 yen	320,060 yen	329,845 yen
Investment unit price (immediately before the ex-right date)	420,500 yen	422,500 yen	465,000 yen	405,000 yen	367,000 yen	416,500 yen
NAV multiple	1.7 times	1.5 times	1.6 times	1.3 times	1.1 times	1.3 times
PBR	1.9 times	1.7 times	1.9 times	1.6 times	1.4 times	1.6 times
PER	31.9 times	31.3 times	33.0 times	27.2 times	25.4 times	28.7 times
FFO multiple	24.1 times	23.7 times	24.3 times	21.8 times	19.7 times	22.3 times
AFFO payout ratio	84.8%	84.1%	80.8%	83.1%	83.7%	89.3%
DSCR	8.7 times	8.7 times	9.1 times	10.7 times	11.2 times	11.6 times
Interest coverage ratio	6.9 times	7.2 times	7.7 times	8.7 times	9.0 times	9.0 times

1. Implied cap rate = NOI (annualized, forecast for the next fiscal period x 2) / (market capitalization + interest-bearing debts – cash and deposits + tenant leasehold and security deposits)

2. FFO = Net income + depreciation – gain on loss on sale of real estate properties (including loss on retirement of non-current assets)

3. AFFO = FFO – capital expenditures

4. EPS = Net income / number of units outstanding (end of period)

5. Dividend yield = Cash distribution per unit (annualized, most recent result x 2) / investment unit price

6. ROE (return on equity) = Net income (annualized, most recent result x 2) / net assets

7. NAV per unit = (Net assets + unrealized gains or losses – total cash distributions) / number of units outstanding (end of period)

8. NAV multiple = Investment unit price / NAV per unit

9. PBR (price book-value ratio) = Investment unit price / net assets per unit

10. PER (price earnings ratio) = Investment unit price / EPS (annualized, most recent result x 2)

11. FFO multiple = Investment unit price / FFO per unit (annualized, most recent result x 2)

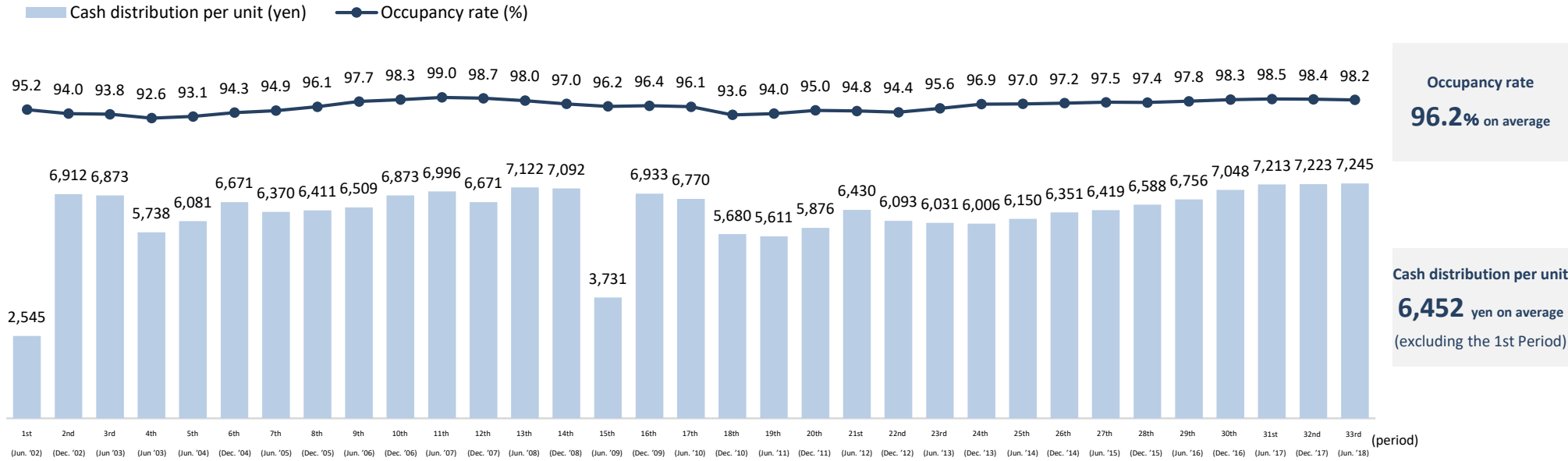
12. AFFO payout ratio = Total cash distributions / AFFO

13. DSCR = (Net income + depreciation + interest expenses) / interest expenses

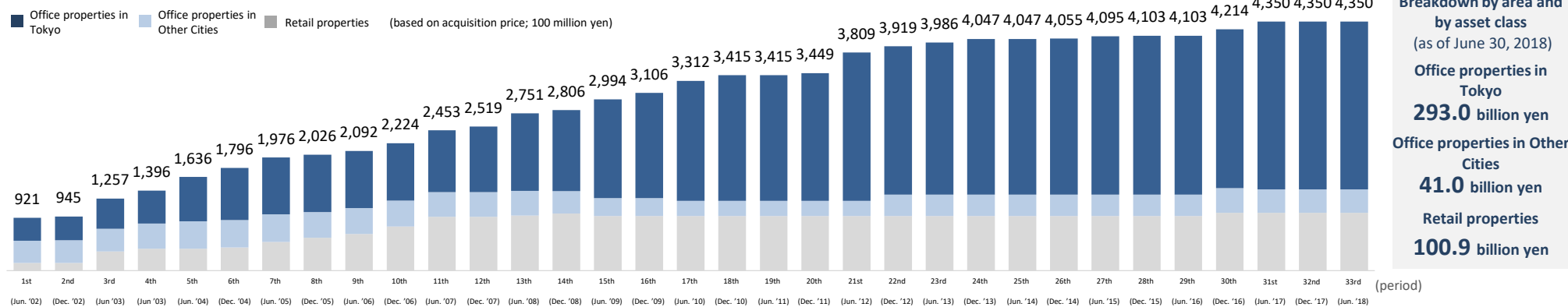
14. Interest coverage ratio = Operating revenue / interest expenses

15. Reserve for reduction entry indicates the figure calculated by adding or subtracting the amounts brought forward or reversed in the relevant fiscal period to or from the balance at the end of the fiscal period.

### Cash Distribution per Unit and Occupancy Rate

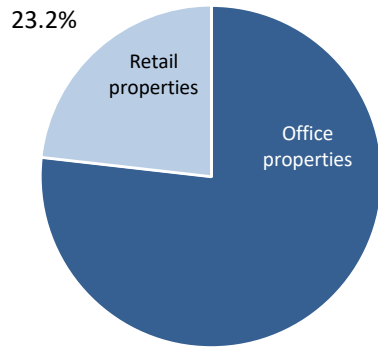


### Asset Size



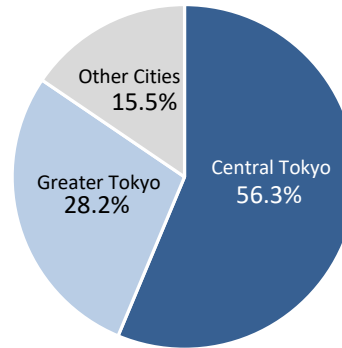
**Ratio by Asset Class**  
(Ratio of Acquisition Price)

- Portfolio management standards (target investment ratios): 70 - 90% for office properties / 30 - 10% for retail properties

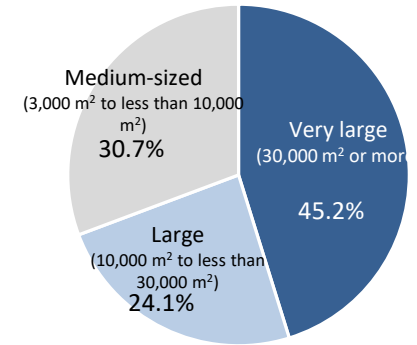


**Ratio by Area**  
(Ratio of Acquisition Price)

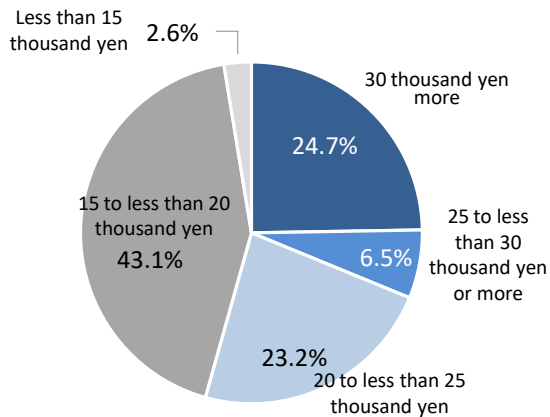
- Portfolio management standards (target investment ratios): 80 - 90% for Tokyo / 20 - 10% for Other Cities



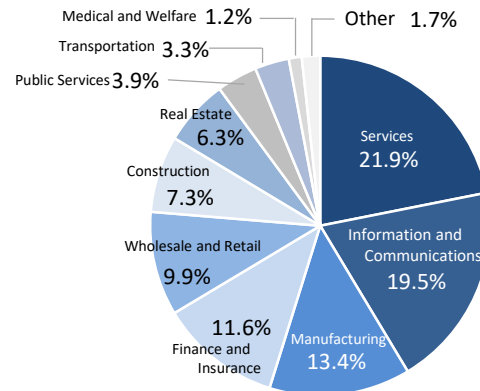
**Ratio by Asset Size**  
(Office Properties, Ratio of Acquisition Price)



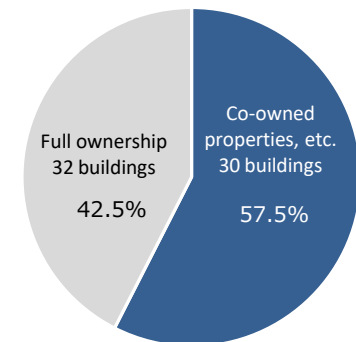
**Ratio by Rent Zone**  
(Office Properties in Central Tokyo, Ratio of Acquisition Price)



**Ratio by Tenant's Industry**  
(Office Properties, Area Ratio)

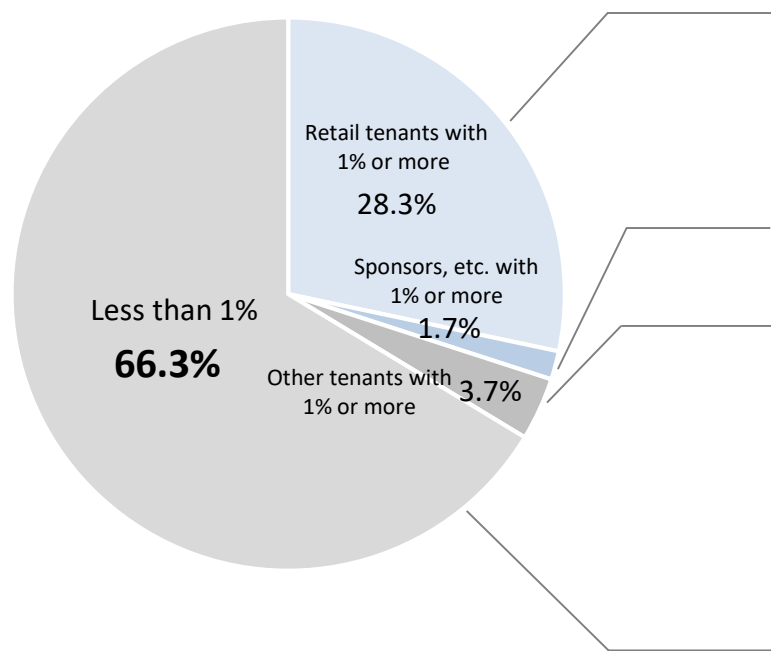


**Ratio of Co-Owned Properties, Etc.**  
(Ratio of Acquisition Price)



### Ratio of Tenant Occupancy (by property; based on end tenants)

- The number of office tenants other than the sponsors, etc. with tenant occupancy of 1% or more is only 3 (combined occupancy: 3.7%) (excluding property comprising land with leasehold interest).
- Many of the retail tenants have long-term lease contracts, and the possibility for them to cancel is rather small.



### 20 Largest Tenants (by property; based on end tenants)

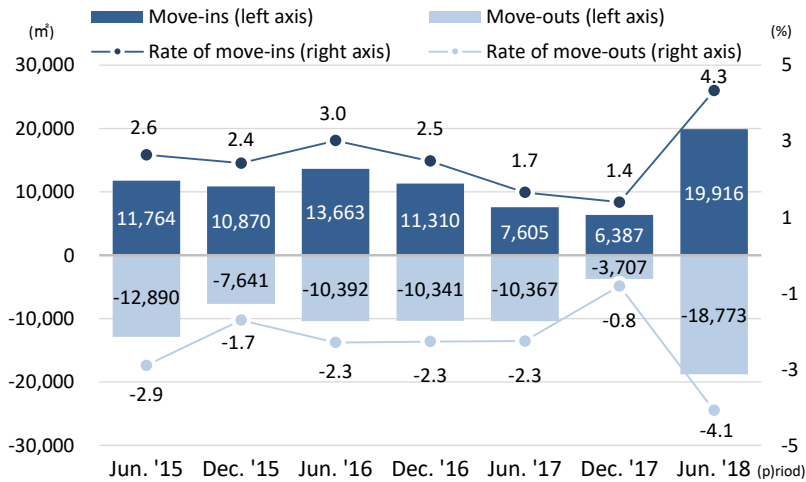
Category (No. of tenants)	Tenant	Occupying property	Leased space (m <sup>2</sup> )	Ratio of occupancy (%)
Retail tenants with 1% or more (8 companies)	ABC Development Corporation	Housing Design Center Kobe	35,444.13	7.5
	Seiyu GK	Tanashi ASTA	31,121.71	6.6
	Ito-Yokado Co., Ltd.	JPR Musashikosugi Bldg.	19,740.95	4.2
	The LOFT, Co., Ltd.	JPR Umeda Loft Bldg.	18,586.97	3.9
	Olympic Group Corporation	Musashiurawa Shopping Square	9,558.51	2.0
	Tower Records Japan Inc.	JPR Shibuya Tower Records Bldg.	8,076.85	1.7
	The Maruetsu, Inc.	Cupo-la Main Bldg.	5,963.00	1.3
	A company	Musashiurawa Shopping Square	5,285.40	1.1
Sponsors, etc. with 1% or more (1 company)	Tokyo Prime Stage Inc.	The Otemachi Tower (land with Leasehold Interest)	7,875.50	1.7
Other tenants with 1% or more (3 companies)	B company	Rise Arena Bldg.	6,023.39	1.3
	C company	Yakuin Business Garden	6,019.95	1.3
	D company	JPR Nagoya Fushimi Bldg.	5,313.36	1.1
Less than 1% (735 companies)	E company	Olinas Tower	4,561.87	1.0
	Sompo Japan Nipponkoa Inc.	Sompo Japan Sendai Bldg.	4,400.03	0.9
	F company	Olinas Tower	4,255.56	0.9
	G company	Shinjuku Square Tower	4,242.48	0.9
	H company	Niigata Ekinan Center Bldg.	4,078.97	0.9
	I company	Omiya Prime East	4,005.05	0.9
	J company	MS Shibaura Bldg.	3,922.74	0.8
	K company	Gotanda First Bldg.	3,869.35	0.8

■ Breakdown and Changes in Move-Ins and Move-Outs

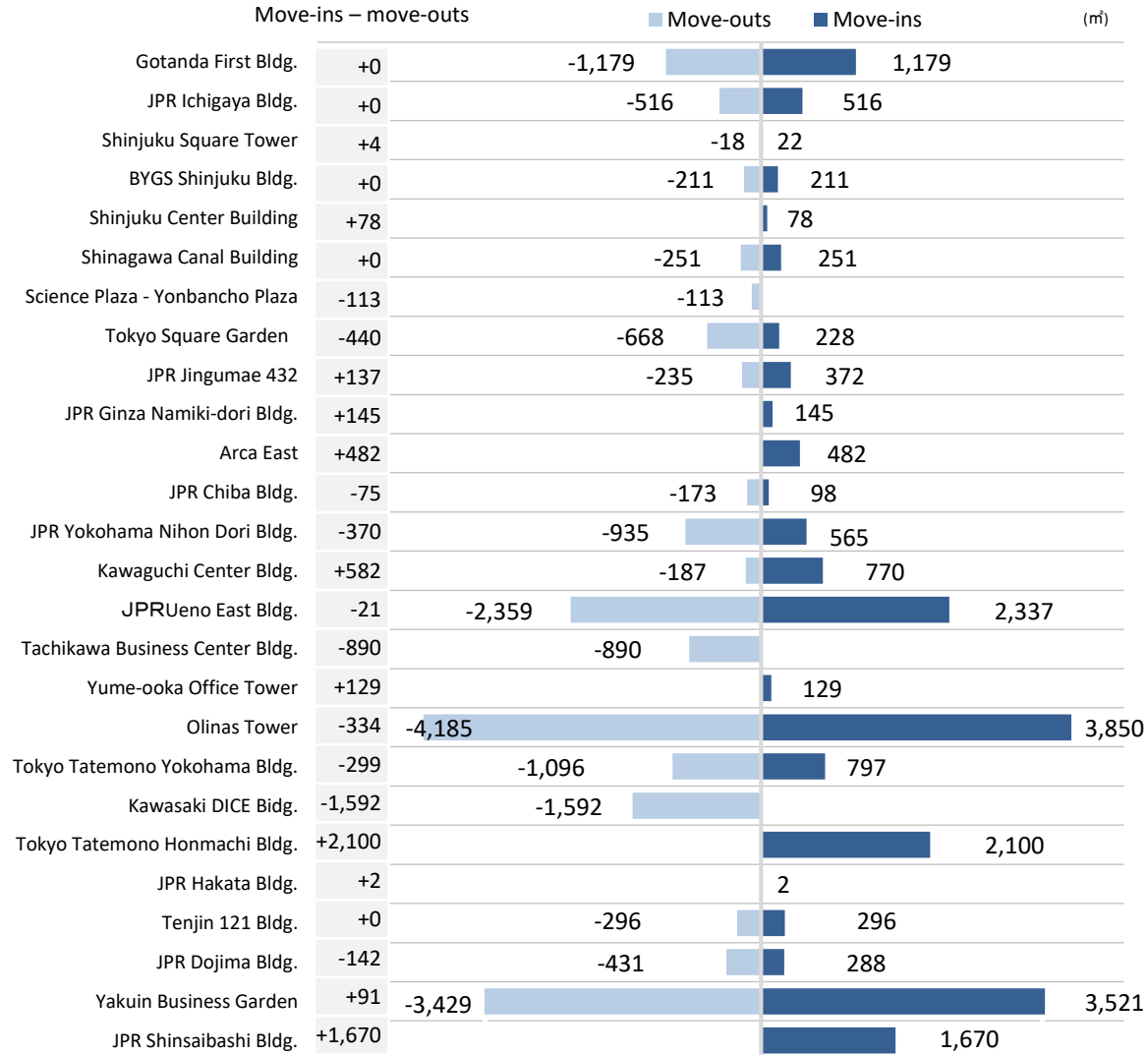
(Move-in/move-out spaces by area and asset class: m<sup>2</sup>)

	Move-Ins	Move-Outs	Net Increase /Decrease
Office properties in Central Tokyo	2,487	-2,959	-471
Office properties in Greater Tokyo	9,030	-9,828	-798
Office properties in Other Cities	7,879	-4,157	+3,722
Retail properties	518	-1,828	-1,309
<b>Total</b>	<b>19,916</b>	<b>-18,773</b>	<b>+1,143</b>

(Changes in move-in/move-out spaces and rate of move-ins/move-outs)



■ Move-In/Move-Out Spaces by Property





### Changes in Occupancy Rate, Average Downtime and Rents

Item	Dec. 2015 (28th period)	Jun. 2016 (29th period)	Dec. 2016 (30th period)	Jun. 2017 (31st period)	Dec. 2017 (32nd period)	Jun. 2018 (33rd period)	(forecast)	(forecast)
							Dec. 2018 (34th period)	Jun. 2019 (35th period)
Occupancy rate based on conclude contract (office), %	96.1	96.8	97.5	97.8	97.8	97.6	98.6	98.9
Occupancy rate based on conclude contract (retail), %	100.0	99.9	100.0	100.0	99.7	99.4	100.0	100.0
Occupancy rate based on generated rents (office), %	92.9	94.7	96.0	96.5	97.1	95.8	97.7	97.9
Occupancy rate based on generated rents (retail), %	99.9	99.9	99.9	99.9	99.6	99.2	99.5	99.8
Average downtime, month	8.5	7.9	3.8	4.3	9.5	3.1	8.8	13.7
Base rent (existing properties), yen	15,127	15,602	15,933	16,031	16,196	16,802	17,229	-
Average rent (existing properties), yen	16,717	16,814	16,952	17,127	17,199	17,490	17,582	-
Target rent (existing properties), yen	16,456	16,886	17,206	17,380	17,561	18,157	18,573	-
Gap in actual rent, yen	-	-6.3	-4.1	-4.7	-7.0	-7.5	-	-

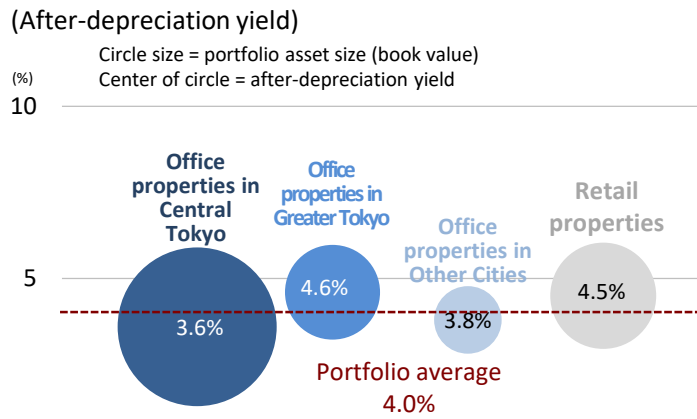
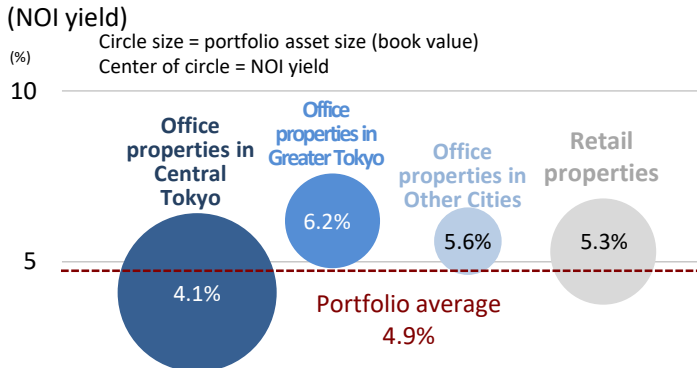
### Status of Rent by Area (Jun. 2018)

Item	Central Tokyo	Change	Greater Tokyo	Change	Other cities	Change
Base rent (existing properties), yen	19,845	+416	15,274	+372	13,286	+1,356
Average rent (existing properties), yen	20,189	+195	17,097	+233	12,825	+575
Target rent (existing properties), yen	21,136	+295	16,801	+411	14,492	+1,489

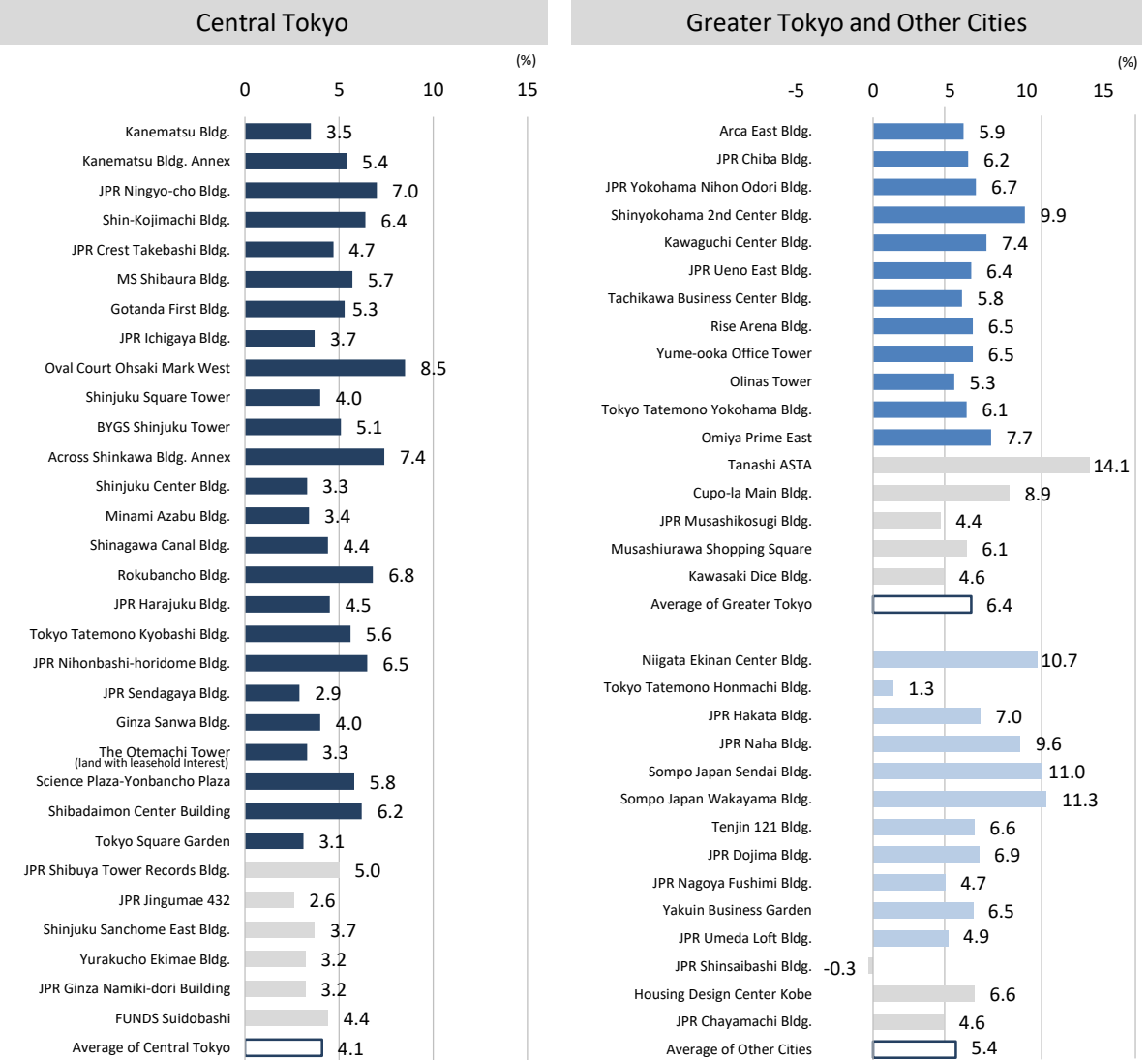
### Status of Rent revision, Rent Through Tenant Replacement and Contribution Rate (Jun. 2018)

Item	Amount of monthly rent, million yen	Number of cases	Percentage of cases, %
Upward revision	+23.2	96	+7.6%
Downward revision	-3.0	6	-4.2%
Not change revision	0.0	107	0.0%
Subtotal rent revision	+20.2	209	+2.9%
Increase in rent upon tenant replacement	+9.0	25	+16.0%
Decrease in rent upon tenant replacement	-4.7	16	-9.2%
Subtotal tenant replacement	+4.3	41	+4.0%
Total (rent revision and tenant replacement)	+24.5	250	

■ Yields by Area and by Asset Class (based on book value)



■ NOI Yield by Property (based on book value)

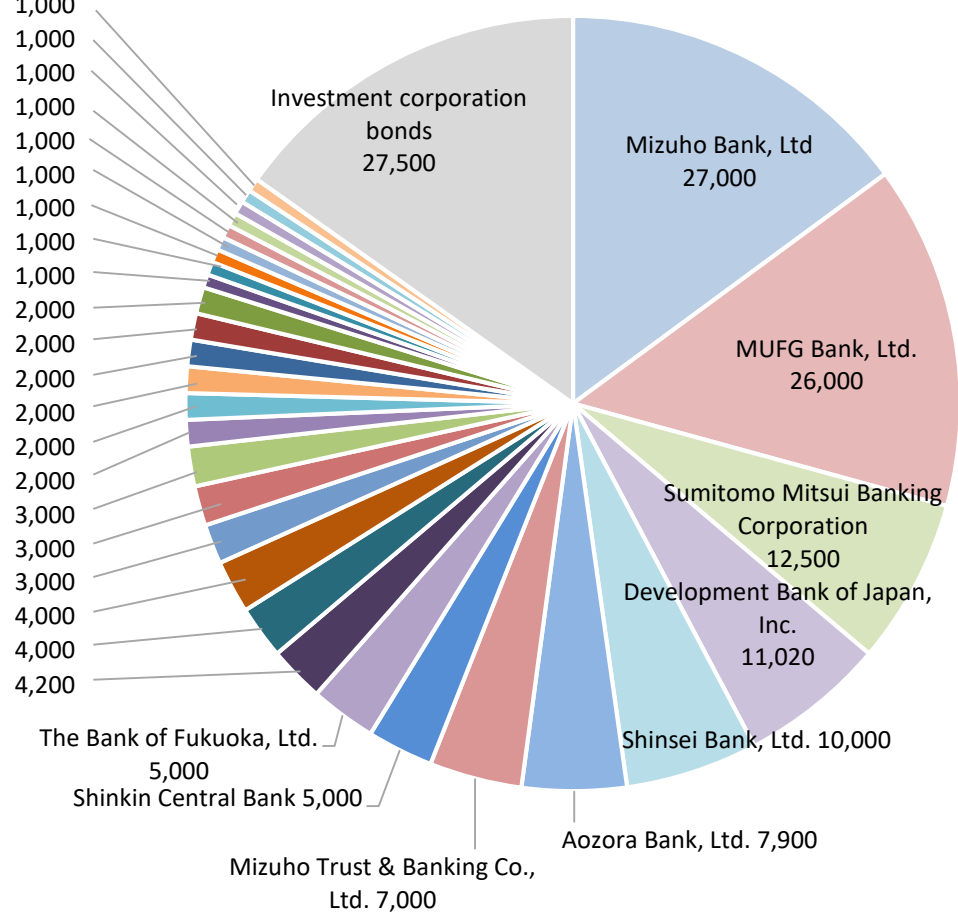


## Diversifying fund procurement sources with a lender formation comprising 30 financial institutions and through issuance of investment corporation bonds

Interest-bearing debt balance: 181,120 million yen

(million yen)

- The 77 Bank, Ltd. (new borrower) 1,000
- NTT FINANCE CORPORATION(new borrower) 1,000
- Yamaguchi Bank, Ltd. 1,000
- Sumitomo Mitsui Trust Bank, Ltd 1,000
- Hiroshima Bank, Ltd. 1,000
- Tokyo Marine & Nichido Fire Insurance 1,000
- Daido Life Insurance Company 1,000
- Daishi Bank, Ltd 1,000
- The Iyo Bank, Ltd 1,000
- Resona Bank, Ltd 2,000
- The Hachijuni Bank, Ltd 2,000
- Sompo Japan Nipponkoa Insurance Inc. 2,000
- National Mutual Insurance Federation of Agricultural Cooperatives 2,000
- Sumitomo Life Insurance Company 2,000
- ORIX Bank Corporation 2,000
- The Norinchukin Bank 3,000
- The Chugoku Bank, Ltd 3,000
- Taiyo Life Insurance Company 3,000
- The Nishi-Nippon City Bank, Ltd. 4,000
- The Shinkumi Federation Bank 4,000
- Meiji Yasuda Life Insurance Company 4,200



(Breakdown of investment corporation bonds)

Seventh series of bonds	4,500
Fourteenth series of bonds	2,000
Sixteenth series of bonds	2,000
Eighteenth series of bonds	2,000
Nineteenth series of bonds	5,000
Twentieth series of bonds	2,000
Twenty-first series of bonds	4,000
Twenty-second series of bonds	3,000
Twenty-third series of bonds	3,000

(Status of commitment line)

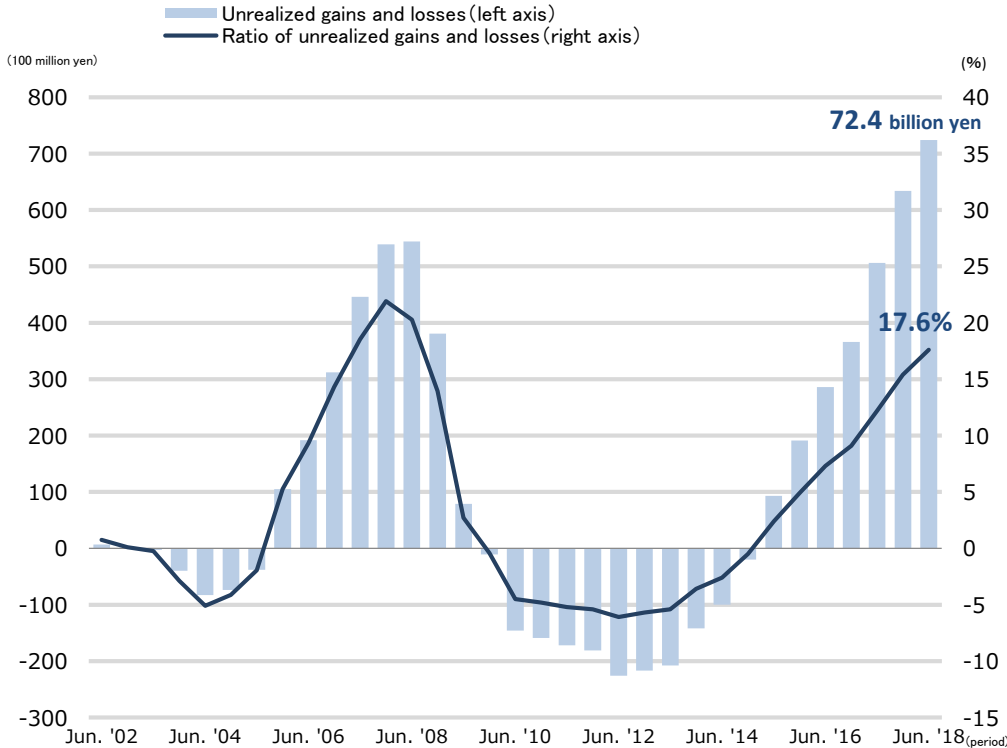
Lender	Credit Limit
Mizuho Bank, Ltd.	4,000
MUFG Bank, Ltd.	4,000
Sumitomo Mitsui Banking Corporation	4,000
Aozora Bank, Ltd	4,000
Mizuho Trust & Banking Co, Ltd.	4,000
Resona Bank, Ltd	4,000
<b>Total</b>	<b>24,000</b>

**An Increase in Unrealized Gains**

- Unrealized gains expanded to 72.4 billion yen due to an increase in appraisal value
- Appraisal value increased for 48 properties with direct cap rate falling for 39 properties (out of 62 properties in total)

Appraisal value	Unrealized gains	Ratio of unrealized gains
484.2 billion yen (up 8.2 billion yen from 32nd period (Dec. '17))	72.4 billion yen (up 9.0 billion yen from 32nd period (Dec. '18))	17.6% (up 2.2% pt from 32nd period (Dec. '18))

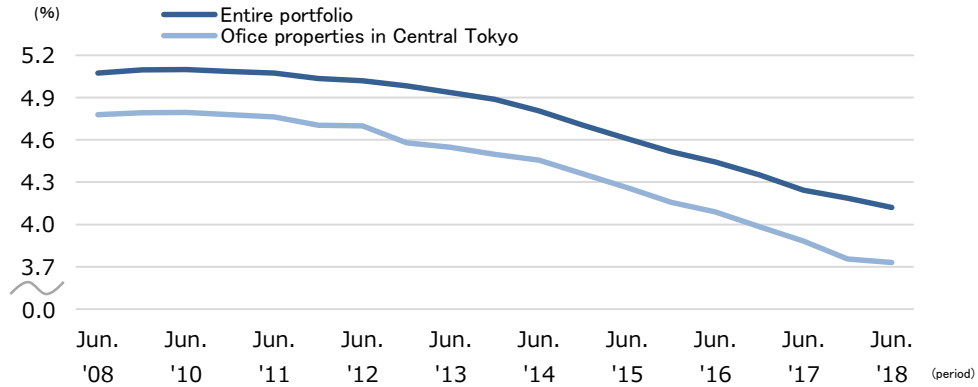
(Changes in unrealized gains and losses)



**Factors of Change in Appraisal Value**

(Changes in direct cap rate)

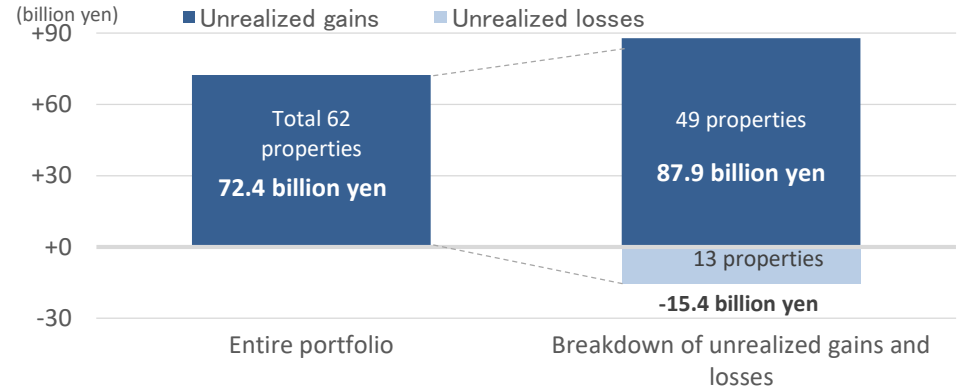
- Decreased by 1.1 percentage points from the 17th period ended June 2010 (4.8%), the peak period for office properties in Central Tokyo



1. The changes in direct cap rate indicate the figures for the 48 properties JPR has owned since the end of June 2009 for the "Entire portfolio," and for the 15 properties JPR owns since the date for "Office properties in Central Tokyo," respectively.

**(Breakdown of unrealized gains and losses)**

- Amounts of both unrealized gains and unrealized losses improved from the end of the 32nd period (Dec. '17).





## Summary of Asset Manager

(as of June 30, 2018)

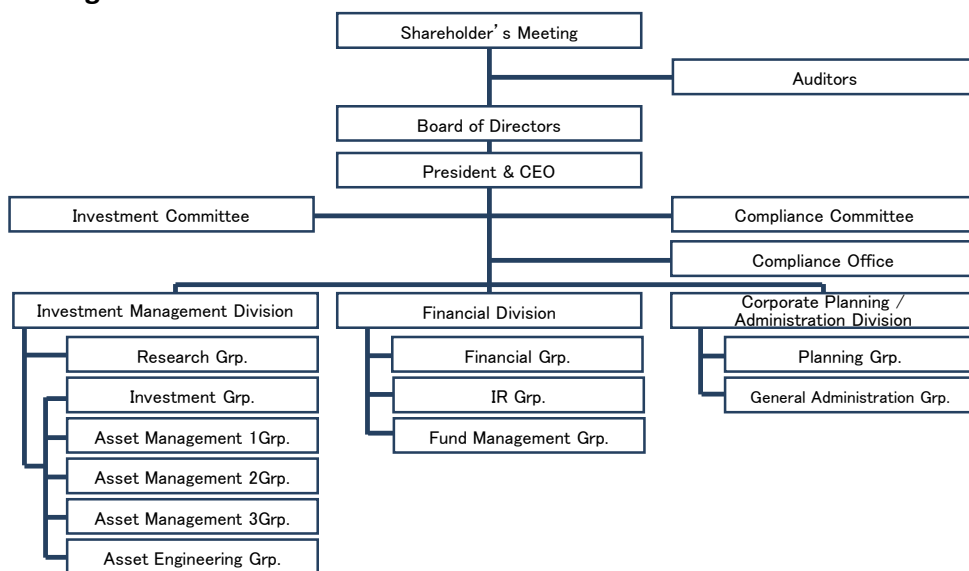
Name	Tokyo Realty Investment Management, Inc. (TRIM)
Address	4-16 Yaesu 1-Chome, Chuo-ku, Tokyo
Date of Foundation	April 28, 2000
Paid-in Capital	350 million yen
Business Description	Asset management for investment corporation
President and CEO	Yoshihiro Jozaki
Directors	10 (5 full-time and 5 part-time)
Number of Officers	36

## Sponsors

(as of June 30, 2018)

Name	Shareholding ratio	No. of seconded staff from sponsors
Tokyo Tatemono	52%	11
Yasuda Real Estate	18%	—
Taisei Corporation	10%	—
Sompo Japan Nipponkoa Insurance	10%	1
Meiji Yasuda Life Insurance	10%	1

## Organization Chart



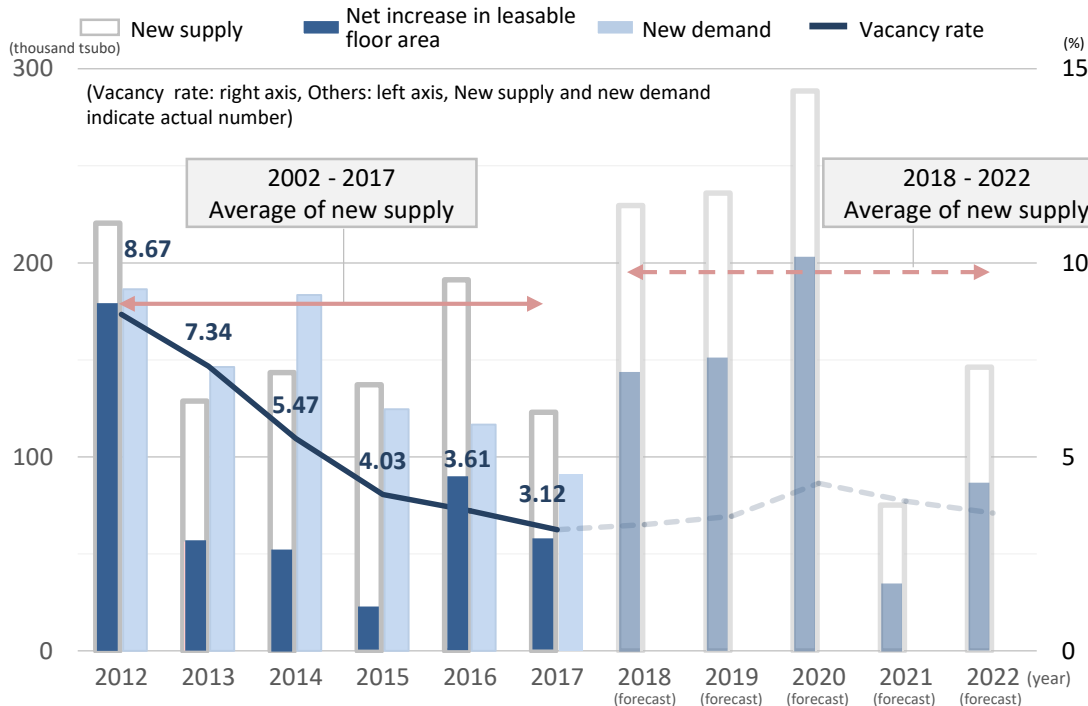
## Sponsors Support

no.	Summary of sponsors support
1	Personnel support through dispatching personnel to TRIM and other measures
2	Provision of know-how on real estate management in general, including tenant leasing and technical support
3	Supply of properties and provision on information on property acquisition
4	Fund procurement support including funding through debt finance

## Net Increase in Leasable Floor Area, Strong Demand and Impact on Vacancy Rate

### Changes in New Supply/Demand Area, Leasable Floor Area and Vacancy Rate (Tokyo CBDs)

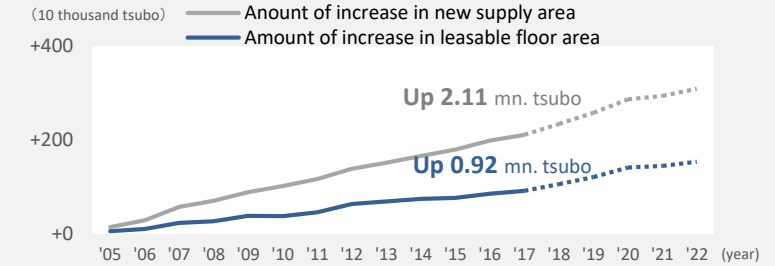
- Net increase in leasable floor area (in stock) over the new supply area is small.
- New demand has remained strong, surpassing the increase in leasable floor area by volume
- Employed population is on an upward trend, leading new demand in Tokyo. Increase in labor participation ratio, primarily by females and elderly people, is promoted by political initiatives and is likely to continue over the medium term.



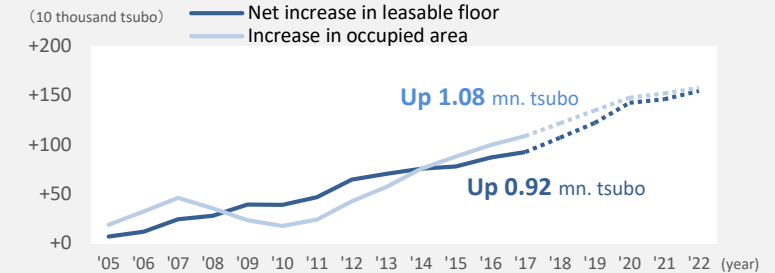
1. Actual results of the vacancy rate, leasable floor area and occupied area through December 2017 are based on the Office Report (Tokyo CBDs) by Miki Shoji Co., Ltd. New supply, new demand and loss areas as well as the leasable floor area and vacancy rate in 2018 and thereafter have been estimated based on surveys and simulations conducted by market research agency and TRIM. As an assumption for the simulation, the new supply area uses an estimate obtained by applying a certain multiplying factor to the average of the past results. The lost area is based on the average of the past results as assumption.

2. The employed population was prepared by TRIM based on the Labor Force Survey, the Ministry of Internal Affairs and Communications.

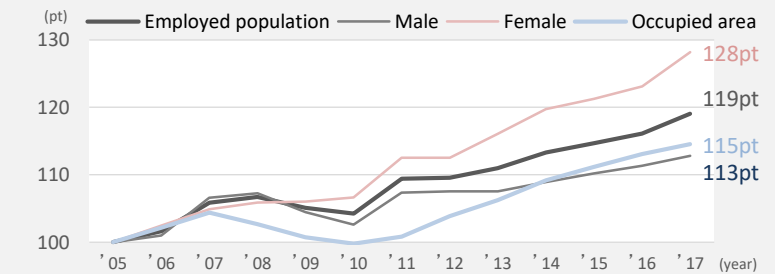
Comparison of increases in new supply area and leasable floor area



Comparison of increases in leasable floor area and occupied area

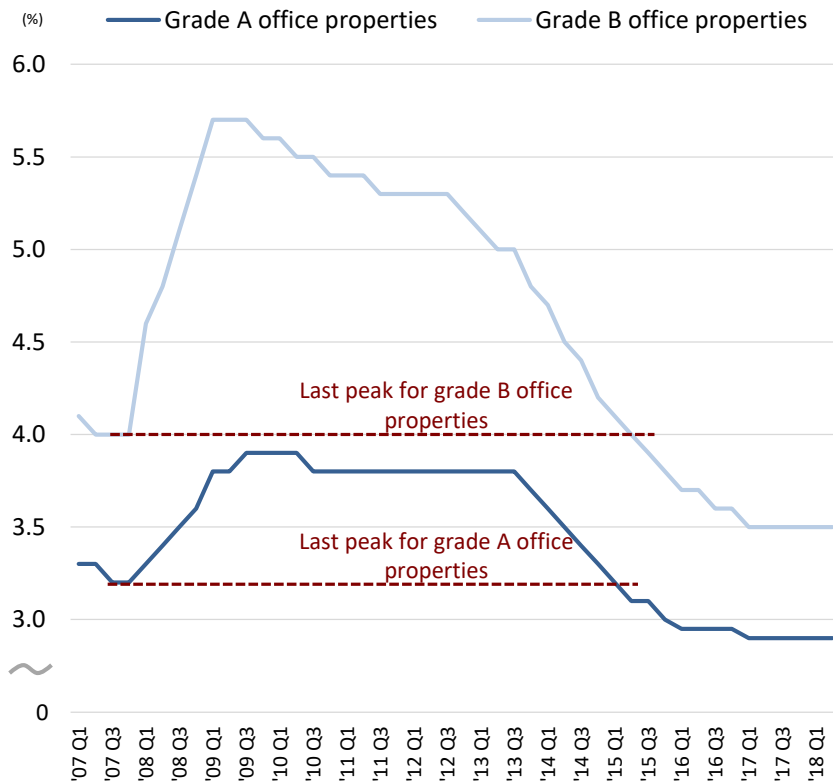


Comparison of employed population and occupied area ('05=100pt)

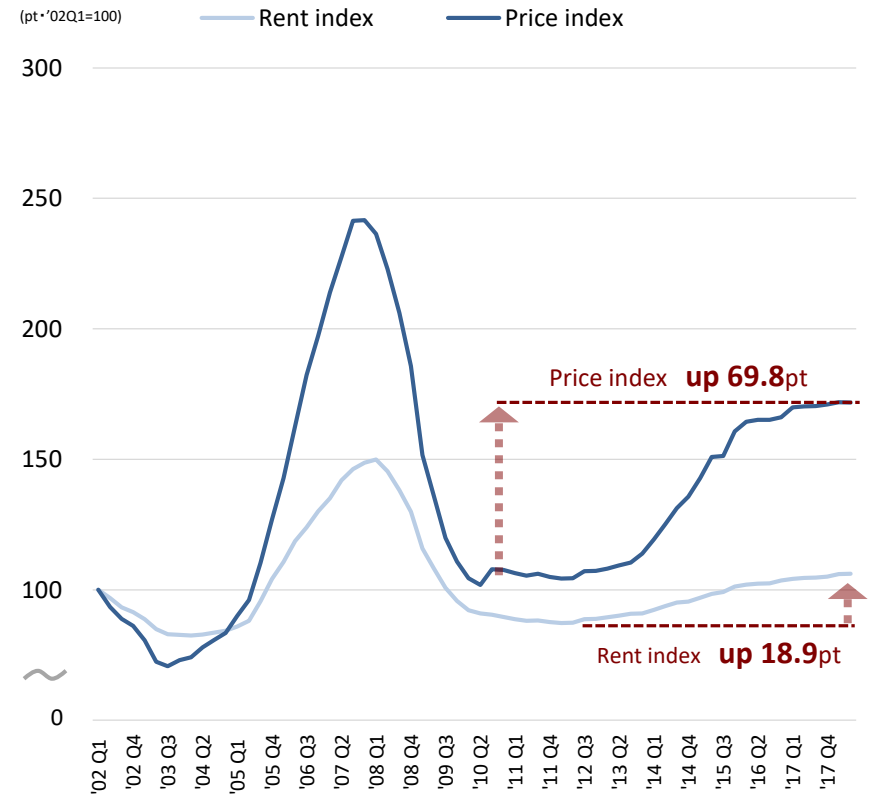


# Cap Rate of Tokyo Office Properties Continues to Drop

■ Cap Rates of Office Properties in Tokyo



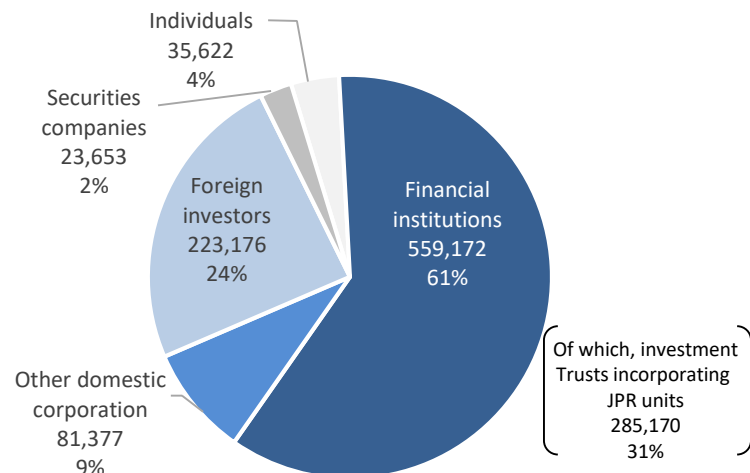
■ Correlation between Price and Rent of Grade A Office Properties in Tokyo



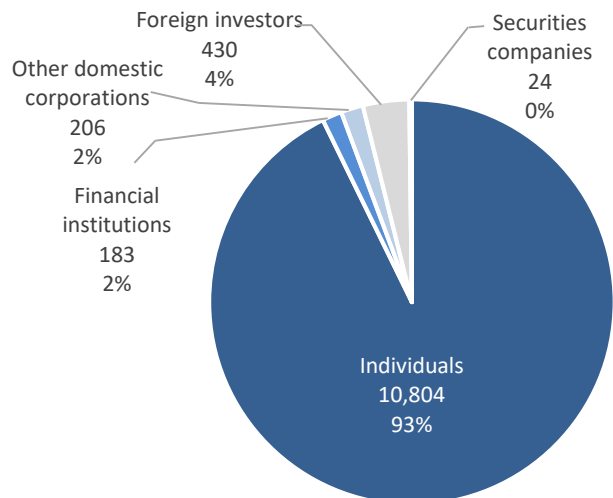
1. Prepared by TRIM based on reports published by Jones Lang LaSalle K.K



### Number of Units by Unitholder Type (923,000 units in total)



### Number of Unitholders by Unitholder Type (11,647 unitholders in total)



### Top Unitholders

	Name	Number of Owned Units	Share (%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	217,441	23.6
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	113,591	12.3
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	37,062	4.0
4	Tokyo Tatemono Co., Ltd.	29,300	3.2
5	State Street Bank West Client Treaty 505234	28,881	3.1
6	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	25,551	2.8
7	Kawasaki Gakuen	25,000	2.7
8	Meiji Yasuda Life Insurance Company	24,000	2.6
9	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	18,298	2.0
10	State Street Bank West Pension Fund Clients Exempt 505233	13,828	1.5
	<b>Total</b>	<b>532,952</b>	<b>57.7</b>

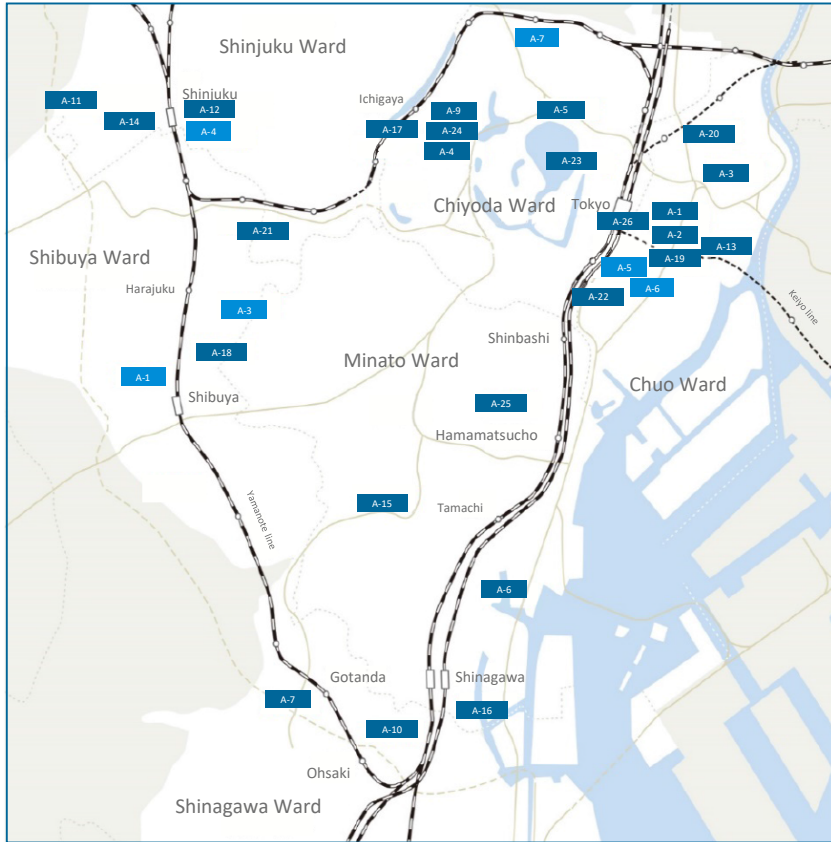
■ Changes in JPR Unit Price and Dividend Yield



1. Prepared by TRIM based on Bloomberg data.

### Central Tokyo

Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya Wards



- |   |   |   |
|---|---|---|
| <b>A-1</b> Kanematsu Bldg.              | <b>A-13</b> Across Shinkawa Bldg. Annex                       | <b>A-24</b> Science Plaza - Yonbancho Plaza             |
| <b>A-2</b> Kanematsu Bldg. Annex        | <b>A-14</b> Shinjuku Center Building                          | <b>A-25</b> Shibadaiemon Center Bldg.                   |
| <b>A-3</b> JPR Ningyo-cho Bldg.         | <b>A-15</b> Minami Azabu Bldg.                                | <b>A-26</b> Tokyo Square Garden                         |
| <b>A-4</b> Shin-Kojimachi Bldg.         | <b>A-16</b> Shinagawa Canal Bldg.                             | <b>A-1</b> JPR Shibuya Tower Records Bldg.              |
| <b>A-5</b> JPR Crest Takebashi Bldg.    | <b>A-17</b> Rokubancho Building                               | <b>A-3</b> JPR Jingumae 432                             |
| <b>A-6</b> MS Shibaura Bldg.            | <b>A-18</b> JPR Harajuku Bldg.                                | <b>A-4</b> Shinjuku Sanhome East Bldg.                  |
| <b>A-7</b> Gotanda First Bldg.          | <b>A-19</b> Tokyo Tatemono Kyobashi Building                  | <b>A-5</b> Yurakucho Ekimae Building (Yurakucho Itocia) |
| <b>A-9</b> JPR Ichigaya Bldg.           | <b>A-20</b> JPR Nihonbashi-horidome Building                  | <b>A-6</b> JPR Ginza Namiki-dori Building               |
| <b>A-10</b> Oval Court Ohsaki Mark West | <b>A-21</b> JPR Sendagaya Bldg.                               | <b>A-7</b> FUNDES Suidobashi                            |
| <b>A-11</b> Shinjuku Square Tower       | <b>A-22</b> Ginza Sanwa Bldg.                                 |   |
| <b>A-12</b> BYGS Shinjuku Bldg.         | <b>A-23</b> The Otemachi Tower (Land with Leasehold Interest) |   |

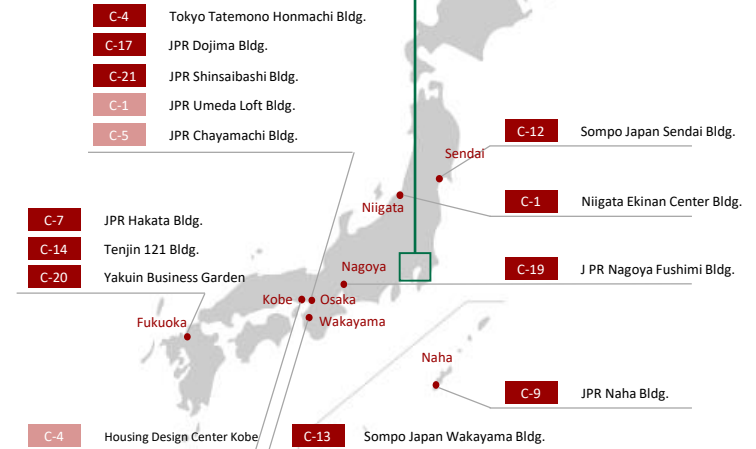
### Greater Tokyo

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




- |  |
|--|
| <b>B-1</b> Arca East                         |
| <b>B-2</b> JPR Chiba Bldg.                   |
| <b>B-3</b> JPR Yokohama Nihon Odori Bldg.    |
| <b>B-5</b> Shinyokohama 2nd Center Bldg.     |
| <b>B-6</b> Kawaguchi Center Bldg.            |
| <b>B-7</b> JPR Ueno East Bldg.               |
| <b>B-8</b> Tachikawa Business Center Bldg.   |
| <b>B-9</b> Rise Arena Bldg.                  |
| <b>B-10</b> Yume-ooka Office Tower           |
| <b>B-11</b> Olinas Tower                     |
| <b>B-12</b> Tokyo Tatemono Yokohama Building |
| <b>B-13</b> Omiya Prime East                 |
| <b>B-1</b> Tanashi ASTA                      |
| <b>B-3</b> Cupo-la Main Bldg.                |
| <b>B-4</b> JPR Musashikosugi Bldg.           |
| <b>B-5</b> Musashirawa Shopping Square       |
| <b>B-6</b> Kawasaki Dice Bldg.               |


### Other Cities



**A-1 Kanematsu Bldg.**



- ① Chuo-ku
- ② S・RC・SRC B2/13F
- ③ Feb. 1993
- ④ 14,995m<sup>2</sup>




DBJ Green Building  
2016

**A-2 Kanematsu Bldg. Annex**



- ① Chuo-ku
- ② SRC B1/8F
- ③ Feb. 1993
- ④ 4,351m<sup>2</sup>

**A-3 JPR Ningyo-cho Bldg.**



- ① Chuo-ku
- ② SRC・RC B1/8F
- ③ Dec. 1989
- ④ 4,117m<sup>2</sup>

**A-4 Shin-Kojimachi Bldg.**




- ① Chiyoda-ku
- ② SRC B1/9F
- ③ Oct. 1984
- ④ 5,152m<sup>2</sup>

**A-23 The Otemachi Tower (Land with Leasehold Interest)**




- ① Chiyoda-ku
- ② -
- ③ Apr. 2014
- ④ 11,034m<sup>2</sup> (ground area)

**A-5 JPR Crest Takebashi Bldg.**



- ① Chiyoda-ku
- ② SRC B1/9F
- ③ Sep. 1999
- ④ 4,790m<sup>2</sup>



DBJ Green Building  
2016

**A-6 MS Shibaura Bldg.**



- ① Minato-ku
- ② SRC・RC・S B2/13F
- ③ Feb. 1988
- ④ 31,020m<sup>2</sup>

**A-7 Gotanda First Bldg.**



- ① Shinagawa-ku
- ② SRC・RC B2/11F
- ③ Jul. 1989
- ④ 10,553m<sup>2</sup>

**A-9 JPR Ichigaya Bldg.**




- ① Chiyoda-ku
- ② SRC B1/9F
- ③ Mar. 1989
- ④ 5,888m<sup>2</sup>

**A-14 Shinjuku Center Building**



- ① Shinjuku-ku
- ② SRC・RC・S B5/54F
- ③ Oct. 1979
- ④ 176,607m<sup>2</sup>

**A-10 Oval Court Ohsaki Mark West**



- ① Shinagawa-ku
- ② S・SRC B2/17F
- ③ Jun. 2001
- ④ 28,575m<sup>2</sup>




DBJ Green Building  
2016

**A-11 Shinjuku Square Tower**




- ① Shinjuku-ku
- ② S・RC・SRC B4/30F
- ③ Oct. 1994
- ④ 78,796m<sup>2</sup> (entire redevelopment area)

**A-12 BYGS Shinjuku Bldg.**




- ① Shinjuku-ku
- ② SRC B2/14F
- ③ Apr. 1985
- ④ 25,733m<sup>2</sup>



DBJ Green Building  
2016

**A-13 Across Shinkawa Bldg. Annex**




- ① Chuo-ku
- ② S・SRC B2/10F
- ③ Jun. 1994
- ④ 5,535m<sup>2</sup>

**A-15 Minami Azabu Bldg.**




- ① Minato-ku
- ② S 9F
- ③ Jun. 1992
- ④ 4,570m<sup>2</sup>




DBJ Green Building  
2017

**A-16 Shinagawa Canal Bldg.**



- ① Minato-ku
- ② S B1/8F
- ③ Jul. 2008
- ④ 5,216m<sup>2</sup>



DBJ Green Building  
2016

**A-17 Rokubancho Building**



- ① Chiyoda-ku
- ② SRC B3/7F
- ③ Oct. 1991
- ④ 4,205m<sup>2</sup>

**A-18 JPR Harajuku Bldg.**



- ① Shibuya-ku
- ② SRC B1/9F
- ③ Mar. 1989
- ④ 6,466m<sup>2</sup>

1. The property overview indicates (1) location, (2) structure/floors, (3) completion, and (4) total floor space (entire building). The same applies hereafter.

A-19 Tokyo Tatemono Kyobashi Building



- ① Chuo-ku
- ② SRC B1/10F
- ③ Jan. 1981
- ④ 4,419m<sup>2</sup>

A-20 JPR Nihonbashi-horidome Building



- ① Chuo-ku
- ② SRC B1/9F
- ③ Jun. 2002
- ④ 7,190m<sup>2</sup>



A-21 JPR Sendagaya Bldg.



- ① Shibuya-ku
- ② S 8F
- ③ May 2009
- ④ 7,683m<sup>2</sup>



A-26 Tokyo Square Garden



- ① Chuo-ku
- ② SRC B4/24F
- ③ Feb. 2013
- ④ 112,645m<sup>2</sup>



A-22 Ginza Sanwa Bldg.



- ① Chuo-ku
- ② SRC B2/9F
- ③ Oct. 1982
- ④ 8,851m<sup>2</sup>

A-24 Science Plaza - Yonbancho Plaza



- ① Chiyoda-ku
- ② S·SRC·RC B2/12F
- ③ Feb. 1995
- ④ 24,560m<sup>2</sup>

A-25 Shibadaimon Center Bldg.



- ① Minato-ku
- ② S·SRC B1/10F
- ③ Jul. 1993
- ④ 11,419m<sup>2</sup>

A-1 JPR Shibuya Tower Records Bldg.



- ① Shibuya-ku
- ② SRC·S B3/8F
- ③ Feb. 1992
- ④ 8,449m<sup>2</sup>

A-3 JPR Jingumae 432



- ① Shibuya-ku
- ② S·SRC B1/7F
- ③ Feb. 2006
- ④ 1,066m<sup>2</sup>

A-4 Shinjuku Sanchoe East Bldg.



- ① Shinjuku-ku
- ② S·SRC·RC B3/14F
- ③ Jan. 2007
- ④ 24,617m<sup>2</sup>

A-5 Yurakucho Ekimae Building (Yurakucho Itocia)



- ① Chiyoda-ku
- ② S·SRC B4/20F
- ③ Oct. 2007
- ④ 71,957m<sup>2</sup>

A-7 FUNDES Suidobashi



- ① Chiyoda-ku
- ② S 9F
- ③ Jul. 2015
- ④ 1,477m<sup>2</sup>

A-6 JPR Ginza Namiki-dori Building



- ① Chuo-ku
- ② S 11F
- ③ Jun. 2008
- ④ 1,821m<sup>2</sup>

The name of the Ginza Gates was changed to JPR Ginza Namiki-dori Bldg. as of Aug. 1, 2018.

B-1 Arca East



- ① Sumida-ku
- ② S-SRC B3/19F
- ③ Mar. 1997
- ④ 34,281m<sup>2</sup>

B-2 JPR Chiba Bldg.



- ① Chiba, Chiba
- ② S-SRC B1/13F
- ③ Jan. 1991
- ④ 9,072m<sup>2</sup>



B-3 JPR Yokohama Nihon Odori Bldg.



- ① Yokohama, Kanagawa
- ② SRC B1/11F
- ③ Oct. 1989
- ④ 9,146m<sup>2</sup>

B-5 Shinyokohama 2nd Center Bldg.



- ① Yokohama, Kanagawa
- ② S-SRC B2/12F
- ③ Aug. 1991
- ④ 7,781m<sup>2</sup>

B-6 Kawaguchi Center Bldg.



- ① Kawaguchi, Saitama
- ② S-SRC B2/15F
- ③ Feb. 1994
- ④ 28,420m<sup>2</sup>

B-11 Olinas Tower



- ① Sumida-ku
- ② SRC-RC-S B2/45F
- ③ Feb. 2006
- ④ 257,842m<sup>2</sup>



B-7 JPR Ueno East Bldg.



- ① Taito-ku
- ② S-SRC B1/8F
- ③ Oct. 1992
- ④ 8,490m<sup>2</sup>



B-8 Tachikawa Business Center Bldg.



- ① Tachikawa, Tokyo
- ② S-SRC B1/12F
- ③ Dec. 1994
- ④ 14,706m<sup>2</sup>

B-9 Rise Arena Bldg.



- ① Toshima-ku
- ② RC-SRC-S B3/42F
- ③ Jan. 2007
- ④ 91,280m<sup>2</sup>



B-10 Yume-ooka Office Tower



- ① Yokohama, Kanagawa
- ② S-SRC-RC B3/27F
- ③ Mar. 1997
- ④ 185,976m<sup>2</sup>



B-12 Tokyo Tatemono Yokohama Building



- ① Yokohama, Kanagawa
- ② SRC B1/9F
- ③ May 1981
- ④ 8,772m<sup>2</sup>

B-13 Omiya Prime East



- ① Saitama, Saitama
- ② S 9F
- ③ Feb. 2009
- ④ 9,203m<sup>2</sup>



B-1 Tanashi ASTA



- ① Nishitokyo, Tokyo
- ② SRC B2/17F
- ③ Feb. 1995
- ④ 80,675m<sup>2</sup>

B-3 Cupo-la Main Bldg.



- ① Kawaguchi, Saitama
- ② S-RC-SRC B2/10F
- ③ Jan. 2006
- ④ 48,321m<sup>2</sup>

B-4 JPR Musashikosugi Bldg.



- ① Kawasaki, Kanagawa
- ② SRC-RC-S B1/6F
- ③ Mar. 1983
- ④ 18,394m<sup>2</sup>

B-5 Musashirawa Shopping Square



- ① Saitama, Saitama
- ② S B1/4F
- ③ Oct. 2005
- ④ 28,930m<sup>2</sup>

B-6 Kawasaki Dice Bldg.



- ① Kawasaki, Kanagawa
- ② S-SRC-RC B2/11F
- ③ Aug. 2003
- ④ 36,902m<sup>2</sup>

C-1 Niigata Ekinan Center Bldg.



- ① Niigata, Niigata
- ② S-SRC B1/10F
- ③ Mar. 1996
- ④ 19,950m<sup>2</sup>

C-4 Tokyo Tatemono Honmachi Bldg.



- ① Osaka, Osaka
- ② SRC B3/9F
- ③ Feb. 1970
- ④ 14,619m<sup>2</sup>

C-7 JPR Hakata Bldg.



- ① Fukuoka, Fukuoka
- ② S-RC B1/12F, S1F
- ③ Jun. 1985
- ④ 9,828m<sup>2</sup>

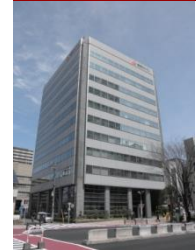
C-9 JPR Naha Bldg.



- ① Naha, Okinawa
- ② SRC-S 12F
- ③ Oct. 1991
- ④ 5,780m<sup>2</sup>



C-12 Sampo Japan Sendai Bldg.



- ① Sendai, Miyagi
- ② SRC B1/12F
- ③ Dec. 1997
- ④ 10,783m<sup>2</sup>

C-13 Sampo Japan Wakayama Bldg.



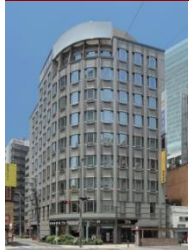
- ① Wakayama, Wakayama
- ② S 9F
- ③ Jul. 1996
- ④ 6,715m<sup>2</sup>

C-14 Tenjin 121 Bldg.



- ① Fukuoka, Fukuoka
- ② S-SRC 13F
- ③ Jul. 2000
- ④ 8,690m<sup>2</sup>

C-17 JPR Dojima Bldg.



- ① Osaka, Osaka
- ② SRC B2/9F
- ③ Oct. 1993
- ④ 5,696m<sup>2</sup>

C-19 JPR Nagoya Fushimi Bldg.



- ① Nagoya, Aichi
- ② SRC B1/9F
- ③ Mar. 1991
- ④ 10,201m<sup>2</sup>

C-20 Yakuin Business Garden



- ① Fukuoka, Fukuoka
- ② SRC 14F
- ③ Jan. 2009
- ④ 22,286m<sup>2</sup>



C-3 JPR Shinsaibashi Bldg.



- ① Osaka, Osaka
- ② S B2/10F
- ③ Feb. 2003
- ④ 5,303m<sup>2</sup>

The name of the Benetton Shinsaibashi Bldg. was changed to JPR Shinsaibashi Bldg. as of Aug. 1, 2018.

C-1 JPR Umeda Loft Bldg.



- ① Osaka, Osaka
- ② SRC B1/8F
- ③ Apr. 1990
- ④ 17,897m<sup>2</sup>

C-4 Housing Design Center Kobe



- ① Kobe, Hyogo
- ② SRC-S B2/11F
- ③ Jun. 1994
- ④ 33,877m<sup>2</sup>

C-5 JPR Chayamachi Bldg.



- ① Osaka, Osaka
- ② S-SRC 9F
- ③ Jun. 1994
- ④ 3,219m<sup>2</sup>

# Having expanded IR information by adding a variety of contents, JPR provides information in a timely manner

## IR Mail Delivery Service



The screenshot shows the JPR website interface. At the top, there's a navigation bar with 'JPRについて', '特徴と戦略', 'ポートフォリオ', '財務情報', and 'IR情報'. Below this is a large banner for 'J-PRIME High quality portfolio'. The main content area is divided into several sections: 'ファンド情報' (Fund Information) with financial data like '7,245円' and '7,280円'; 'お知らせ' (News) with recent announcements; 'ポートフォリオ' (Portfolio) with a list of properties and a '62物件' (62 properties) count; and 'JPRの主な物件' (Main Properties) with a featured image of a modern building. A sidebar on the right offers '個人投資家の皆様へ' (For individual investors) and '3分でわかる! 決算ダイジェスト動画' (3-minute digest video).

### Property Information

- [Occupancy Rate] Occupancy Rate: data for each property (Excel) updated monthly
- [Property Data Library] Property Data Book, Property Appraisal Summary, Historical Data
- [Portfolio data] Asset class, Area, Ratio of Properties by Property Acquisition Channel, Ratio of Tenant Occupancy
- [Video Presentation of Major Properties]

物件名	所在地	取得面積 (㎡)	総面積 (㎡)	延床面積 (㎡)	築年数 (年)	取得単価 (円/㎡)	ROI率 (%)
A-1 豊洲ビル	東京都中央区	16,276	4.0	12,100	22	8,011.75	2.6

地区	用途	物件名	第1期	第2期	第3期	第4期	第5期
東 京	商 業	豊洲ビル	100.0%	100.0%	100.0%	100.0%	100.0%
		豊洲ビル	100.0%	100.0%	100.0%	100.0%	100.0%
新 潟	商 業	豊洲ビル	100.0%	100.0%	100.0%	100.0%	100.0%
		豊洲ビル	100.0%	100.0%	100.0%	100.0%	100.0%

### Overview of Property・Access Map

- [Property Overview] Basic Information, Management Status, Major Characteristics
- [Access Map] Search function for routes from the nearest stations (applicable for mobile phones)
- Other than these, latest topics regarding management status are posted at any time

This section features a '再開発着目し京橋エリアのハイグレードビル' (High-grade building in the redevelopment target area of Kyobashi). It includes a photograph of the building and a detailed map showing its location relative to nearby stations and roads. A 'アクセスマップ' (Access Map) section provides a search function for routes from the nearest stations, with options for walking, cycling, and driving. A '周辺駅一覧' (Surrounding Stations) list includes '京橋駅' (Kyobashi Station) and '京橋駅西口' (Kyobashi Station West Exit).

### Information of initiatives on sustainability

- Sustainability policy & management
- Initiatives on behalf of tenants
- Initiatives on behalf of the environment
- Local community initiatives
- Safety and security initiatives
- Initiatives aimed at employees
- Initiatives aimed at unitholders/investors

The Sustainability section uses icons to represent different areas of focus: 'サステナビリティ' (Sustainability), 'サステナビリティ方針と推進体制' (Sustainability policy and promotion system), 'テナント満足度の向上' (Improvement of tenant satisfaction), '環境への取り組み' (Environmental initiatives), '地域コミュニティへの取り組み' (Initiatives for local community), '安全安心への取り組み' (Initiatives for safety and security), and 'CS推進結果の推移' (Trend of CS promotion results). A line graph at the bottom shows 'ESG評価結果 (平均)' (Average ESG evaluation results) from 2005 to 2022, with a score increasing from approximately 70 to 85.

Extensive ESG related information Regularly announce updated data



Term	Meaning
<b>Acquisition price</b>	The transaction price indicated in the sale and purchase agreement for acquisition of properties (hereafter, the "owned properties") or properties it plans to acquire (exclusive of expenses related to acquisition, property taxes and consumption taxes, etc.)
<b>Total (acquisition price)</b>	The asset size refers to the total amount of the acquisition prices of the owned properties.
<b>Investment ratio</b>	The investment ratio refers to the ratio of the acquisition price of relevant properties owned by JPR to the total acquisition price of its portfolio.
<b>Occupancy rate / occupancy rate based on concluded contracts</b>	Total leased space / total leasable space When simply stated as occupancy rate, it represents the occupancy rate based on concluded contracts. When occupancy rate for each fiscal period is indicated, it represents the average occupancy rate as of the end of each month that belongs to the relevant fiscal period (period average of occupancy rate at end of month). Furthermore, it may be described as "average occupancy rate" in order to distinguish it from "period-end occupancy rate."
<b>Occupancy rate based on generated rents</b>	(Total leased space – total leased space during rent-free and rent-holiday periods) / total leasable space
<b>Average unit rent</b>	Total monthly rent / total leased space Calculated based on the monthly rents (including common charges) indicated in the lease contracts with tenants; for certain properties, the figure includes common charges, etc. received by master lessees without being recorded as JPR's revenue
<b>Average downtime</b>	The average period of vacancy between the move-in dates stipulated in the new lease contracts becoming effective in each fiscal period and the move-out days of the previous tenants for the same leased spaces.
<b>Average rent-free period</b>	The average of the rent-free periods agreed upon in new lease contracts becoming effective in each fiscal period.
<b>Revised amount of monthly rent</b>	Revised amount of monthly rent indicates the sum total (including common charges) of monthly rent after revision minus monthly rent before revision upon contract renewal with rent revision in each fiscal period. For the revised amount of monthly rent for the 34th fiscal period (Dec. '18), the amount of increase is an estimate based on consents regarding rents becoming effective in the fiscal period, and the amount of decrease is an estimate assumed for the rents becoming effective in the fiscal period.
<b>Change amount in monthly rent upon tenant replacement</b>	Change amount in monthly rent upon tenant replacement indicates the sum total (including common charges) of monthly rent after tenant replacement minus monthly rent before tenant replacement in each fiscal period. The change amount of monthly rent upon tenant replacement for the 34th fiscal period (Dec. '18) is an estimate based on consents regarding move-ins/move-outs and rents becoming effective in the fiscal period.
<b>Target rent</b>	The rent level JPR sets on its own in order to raise rents
<b>Base rent</b>	Base rent refers to the rent level (the lowest limit) TRIM sets for each fiscal period as the base for inviting new tenants and revising rents for existing tenants, and are set at roughly the same level as market rent.
<b>Gap in actual rents</b>	Gap in actual rents refers to the ratio obtained by dividing the difference of monthly amount (or, of the difference of monthly amount after deducting the target rent from the ongoing rent for contracts to be renewed in the four fiscal periods through the 36th fiscal period ended Dec. 2019, the difference of monthly amount after deducting the rents higher than the target rent (excluding new contract rents) from the sum total of rents that are lower than the base rent and rents that are lower than the target rent but higher than the base rent) by the monthly rent that serves as the calculation base.

Term	Meaning
<b>Gap in rents</b>	Gap in rents refers to the ratio obtained by dividing the difference in the monthly amount (or the difference in the monthly amount after deducting the base rent from the ongoing rent for contracts to be renewed in the four fiscal periods through the 36th fiscal period ended Dec. 2019, the difference in the monthly amount after deducting the rents that are higher than the target rent (excluding new contract rents) from the rents that are lower than the base rent) by the monthly rent that serves as the calculation base.
<b>NOI yield</b>	(Rental revenue - real estate — expenses related to rent business + depreciation) / book value (or acquisition price, depending on the case) NOI yield is calculated using the above formula, by dividing the book value (or acquisition price) in the formula by 365 days and multiplying it by the number of business days of the relevant fiscal period.
<b>After-depreciation yield</b>	(Rental revenue - real estate — expenses related to rent business) / book value (or acquisition price, depending on the case)
<b>Number of tenants</b>	The number of tenants counts the parties with whom JPR has concluded lease contracts for the building floors. 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.
<b>Ratio of long-term, fixed interest rate debts</b>	Long-term interest-bearing debts with fixed interests / total interest-bearing debts
<b>Average maturity</b>	Weighted average calculated by dividing the remaining periods to the repayment dates and redemption dates of borrowings and investment corporation bonds at the end of each fiscal period by the balance of respective borrowings and investment corporation bonds at the end of each fiscal period. For borrowings with scheduled repayment in installments, the weighted average of the remaining period to the scheduled repayment dates of each installment payment in accordance with the relevant repayment amount
<b>Average debt cost</b>	Sum total of interest expenses on borrowings and investment corporation bonds, borrowing expenses (excluding expenses for early repayment of borrowings and for commitment line agreements), amortization of investment corporation bond issuance costs and issuance management expenses, divided by the number of business days for the relevant fiscal period and annualized by multiplying by 365 days / sum total of borrowings and investment corporation bonds
<b>LTV</b>	Interest-bearing debts / total assets at end of period (based on total assets) There are other calculation methods of LTV. • LTV based on unitholders' capital = Interest-bearing debts / (interest-bearing debts + unitholders' capital) • LTV (based on valuation) = Interest-bearing debts / (total assets at end of period + unrealized gains or losses from valuation) Unrealized gains or losses from valuation refer to the difference between appraisal value and book value.
<b>NAV per unit</b>	(Unitholders' value + reserve for reduction entry, etc. + unrealized gains or losses) / number of units outstanding
<b>Ratio of unrealized gains or losses</b>	(Appraisal value – book value) / book value
<b>Cap rate</b>	Capitalization rate by the direct capitalization method Direct capitalization method is one of the methods to calculate the value estimated by income approach (a method to estimate the value of the target property by calculating the sum total of present value of the net operating income which the target property is expected to generate in the future), and capitalizes the net operating income of a certain period by using the capitalization rate.
<b>Tokyo/ Other cities</b>	"Tokyo" defined by JPR as its investment area collectively, refers to "Central Tokyo" and "Greater Tokyo" as defined below, and "Other Cities" refers to other regions. • Central Tokyo: Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya Wards • Greater Tokyo: All other areas of Tokyo Prefecture, and Chiba, Kanagawa and Saitama Prefectures