

Report on Operating and Management Results

Twenty-Seventh Fiscal Period
Semi-Annual Report
January 1, 2015 – June 30, 2015

27th



8955



Japan Prime Realty Investment Corporation

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

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

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

Features of JPR

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

Cash Distribution per Unit

Determined cash distribution (for the 27th fiscal period)

¥6,419

(Distribution starting on September 10, 2015)

Assets Held

¥409.5 billion

(End of 27th fiscal period)

Properties Owned

62 properties

(End of 27th fiscal period)

Occupancy Rate at End of Period

96.7%

(End of 27th fiscal period)



Olinas Tower

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Message to Our Unitholders



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



Japan Prime Realty
Investment Corporation

Hirohito Kaneko
Executive Officer

Sosuke Yasuda
Supervising Officer

Masato Denawa
Supervising Officer

Dear Investors,

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

Having settled the 27th fiscal period (January 1, 2015 – June 30, 2015) at the end of June 30, 2015, we renew our heartfelt appreciation for your patronage and support.

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

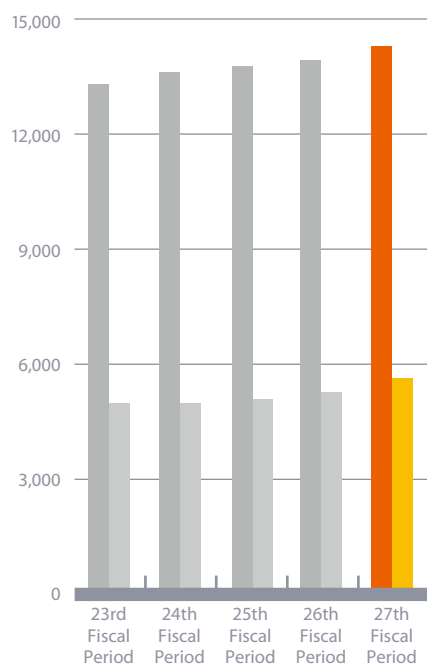
We ask for your continued understanding and support of our operations.

1. Operating Performance Topics

(All amounts in millions of yen unless otherwise stated)

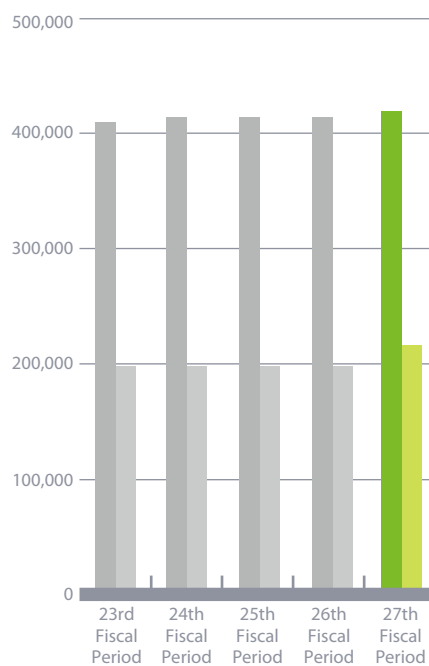
	23rd Fiscal Period ended June 2013	24th Fiscal Period ended December 2013	25th Fiscal Period ended June 2014	26th Fiscal Period ended December 2014	27th Fiscal Period ended June 2015
Operating revenues	13,278	13,591	13,734	13,902	14,251
Ordinary income	4,975	4,899	5,073	5,239	5,566
Net income	4,974	4,954	5,072	5,238	5,603
Total cash distributions	4,975	4,954	5,073	5,239	5,603
Total assets	409,715	413,974	414,104	414,091	418,778
Total unitholders' equity	197,116	197,095	197,213	197,378	216,092
Equity ratio (%)	48.1	47.6	47.6	47.7	51.6
Unitholders' equity per unit (yen)	238,929	238,903	239,046	239,246	247,529
Cash distribution per unit (yen)	6,031	6,006	6,150	6,351	6,419

Operating Revenues and Net Income



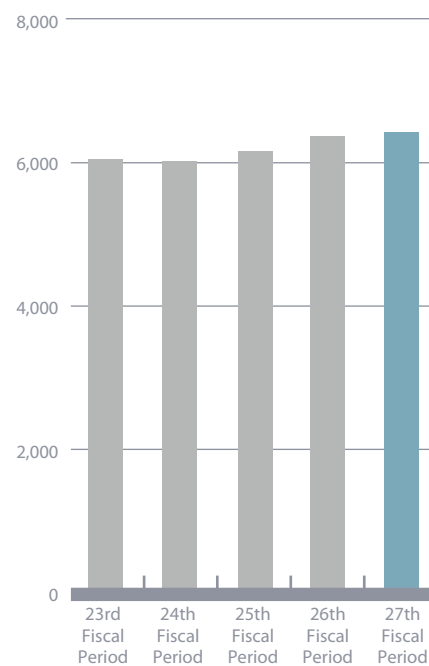
Operating Revenues (million yen)
Net Income (million yen)

Total Assets and Total Unitholders' Equity



Total Assets (million yen)
Total Unitholders' Equity (million yen)

Cash Distribution per Unit



Cash Distribution (yen)

2. Message from Asset Manager



Satoshi Okubo

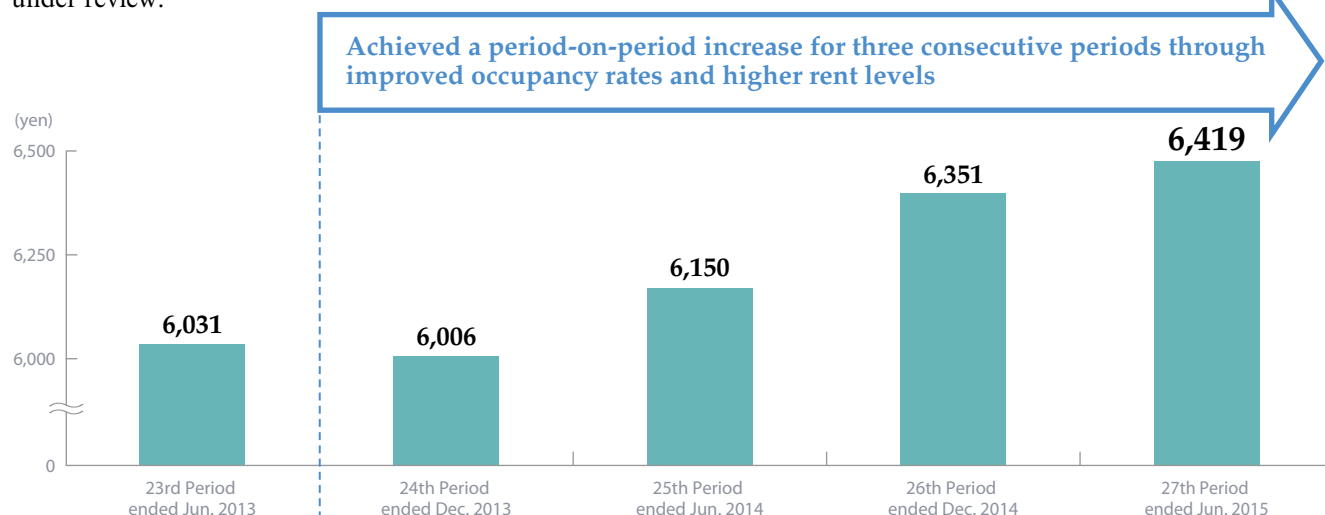
President and Chief Executive Officer (CEO)
Tokyo Realty Investment Management, Inc.
(the Asset Manager of JPR)

Distribution per unit grew steadily toward the medium-term target of 6,500 yen, backed by the internal growth ability through improved occupancy rates and higher rent levels.

We will work to achieve stable growth over the long term as we continue our efforts to “maximize unitholder value.”

1 Distribution per Unit for the 27th Fiscal Period Ended June 2015

With our continued endeavors for strategic leasing, we achieved an increase in cash distributions for the fiscal period under review.



2 Issuance of New Investment Units through Public Offering Conducted in the 27th Fiscal Period

JPR's property acquisition capacity was expanded as a result of issuing new investment units through public offering in the fiscal period under review.

Going forward, we will work on vigorously selective investments in blue-chip properties by dynamically utilizing the acquisition capacity.

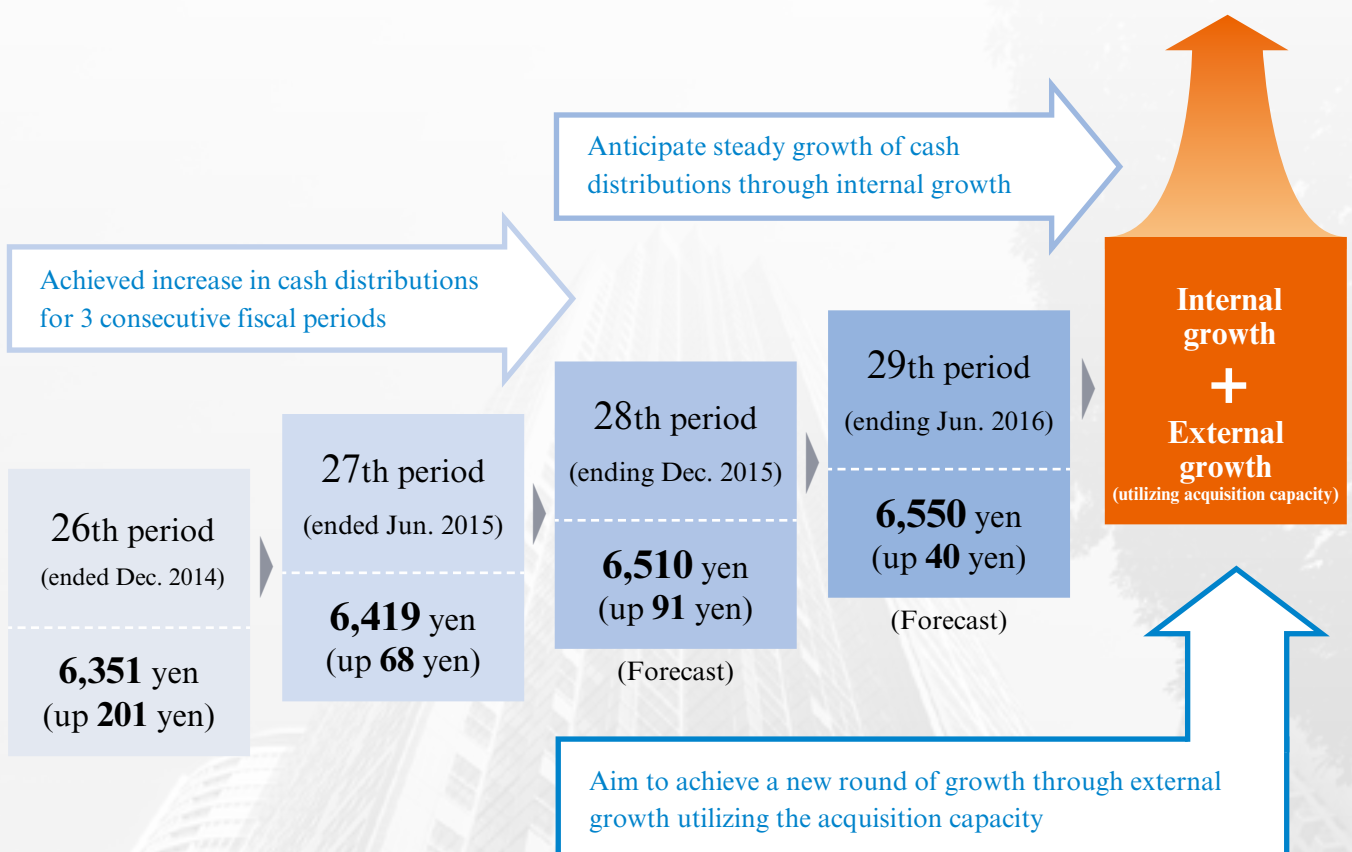
Overview of Issuance of New Investment Units through Public Offering

① Number of new investment units issued	48,000 units
② Issue price	394,875 yen
③ Paid-in amount	382,320 yen
④ Procured amount	18.3 billion yen (① × ③)
⑤ Payment date	June 16, 2015

Expansion of Acquisition Capacity

End of 26th period (Dec. 2014)	After issuing new investment units
32.0 billion yen	▶ 65.0 billion yen

Purpose of public offering ▶ **Growth potential for the future**



We Appreciate Your Visiting JPR's New Website.

<http://www.jpr-reit.co.jp/en/> (securities code)

The design and composition of the website has been totally renewed so that visitors find it easier to view and can use it more comfortably.

The screenshot shows the J-PRIME website interface. At the top, the navigation menu includes 'About Us', 'Characteristics and Strategies', 'Portfolio', 'Financials', and 'Investor Relations'. The 'Portfolio' link is highlighted with a purple dashed box and a callout labeled 'Point 2'. The main banner features a large image of a modern building with the text 'J-PRIME High quality portfolio'. Below the banner, the 'Fund Information' section is highlighted with a green dashed box and a callout labeled 'Point 3'. This section includes 'Distribution per unit' (actual and forecast) and 'Portfolio' information. To the right, the 'Latest Financial Materials' section is highlighted with a blue dashed box and a callout labeled 'Point 4', listing recent news releases and financial reports. The footer contains logos for sponsors: TOKYO TATEMONO, Taisei Corporation, YASUDA REAL ESTATE, Sampo Japan Nipponkoa, and MEIJI YASUDA.



Point 1 For Retail Investors (Japanese only)

JPR’s history to date, characteristics, strategies and other aspects are provided in “For Retail Investors” in eight categories.



Point 2 Property Overview

Features of the owned properties are explained, with more photos of their external and internal views as well as their specifications, revenues and expenses and floor plans. In addition, access maps have been newly added, which allow the visitors to search the routes to properties from the nearest stations.



Point 3 Briefing Sessions and Events

Not only the latest press releases but also notices of briefing sessions and events, starting dates of cash distribution payments and other JPR-related information are disclosed in a proactive manner.

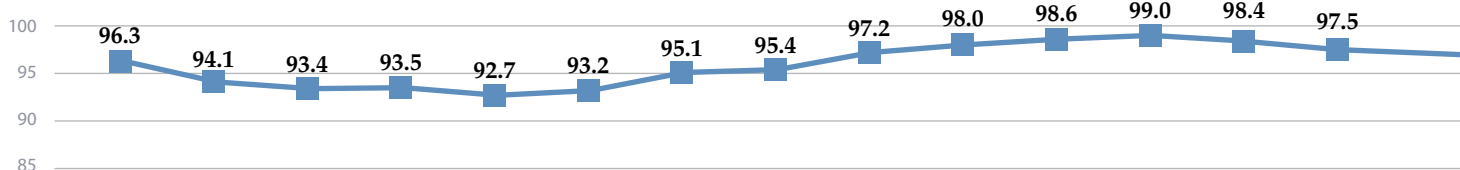


Point 4 Digest of Financial Results

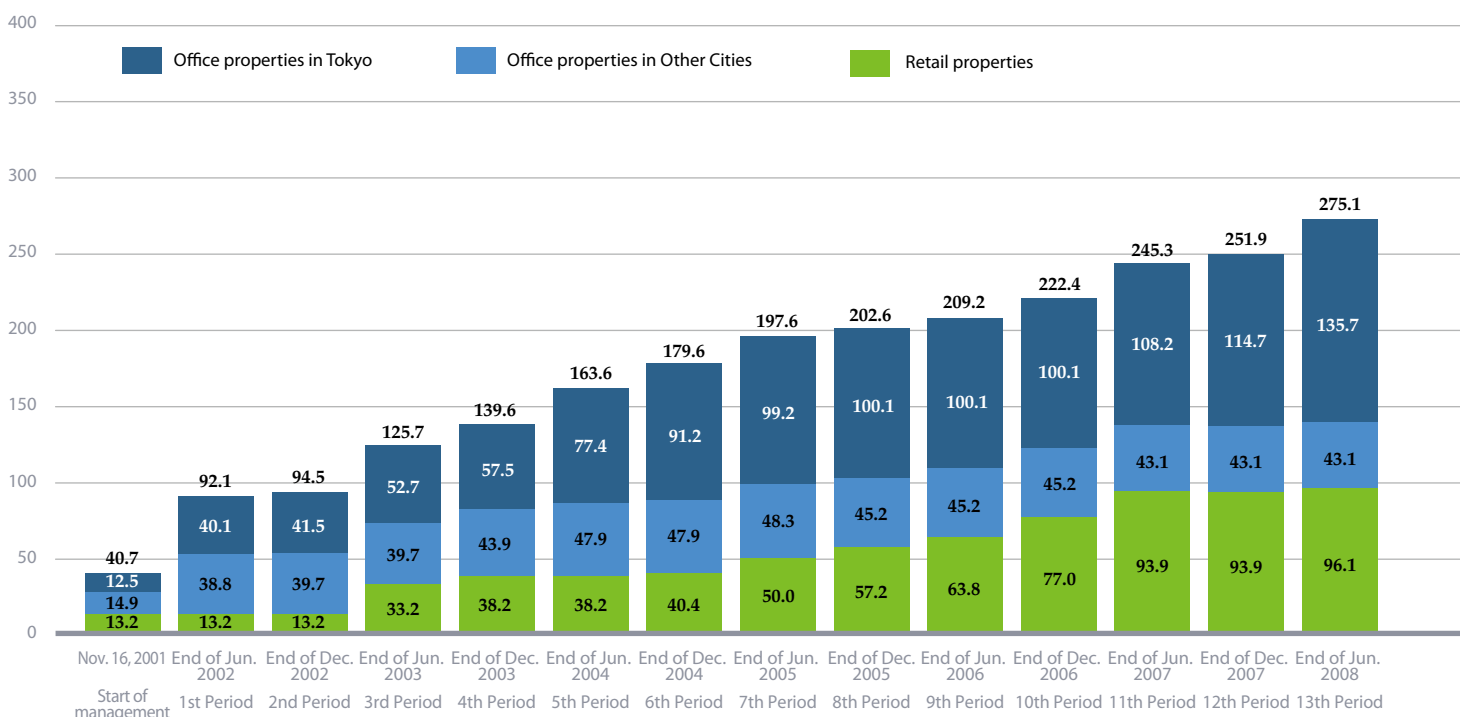
A digest version (movie) of JPR’s management status explained at the financial results briefing session is provided.

1. Portfolio Growth

Occupancy Rate at End of Period (%)

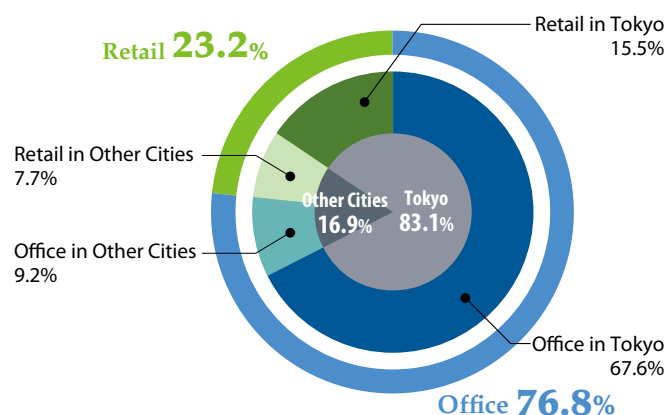


Asset Size, etc. and Results of Distributions per Unit (billions of yen)



Number of properties	13	25	27	30	32	38	42	42	42	44	46	48	49	50
Total number of tenants	133	281	311	324	357	437	496	459	441	462	479	491	517	537
Leasable floor space (m ²)	94,935	162,739	168,987	201,808	218,734	256,329	273,330	281,408	308,205	315,156	337,382	361,574	373,609	383,491
Distribution per unit (yen)	-	2,545	6,912	6,873	5,738	6,081	6,671	6,370	6,411	6,509	6,873	6,996	6,671	7,122

Property Diversification



Portfolio Management Standards

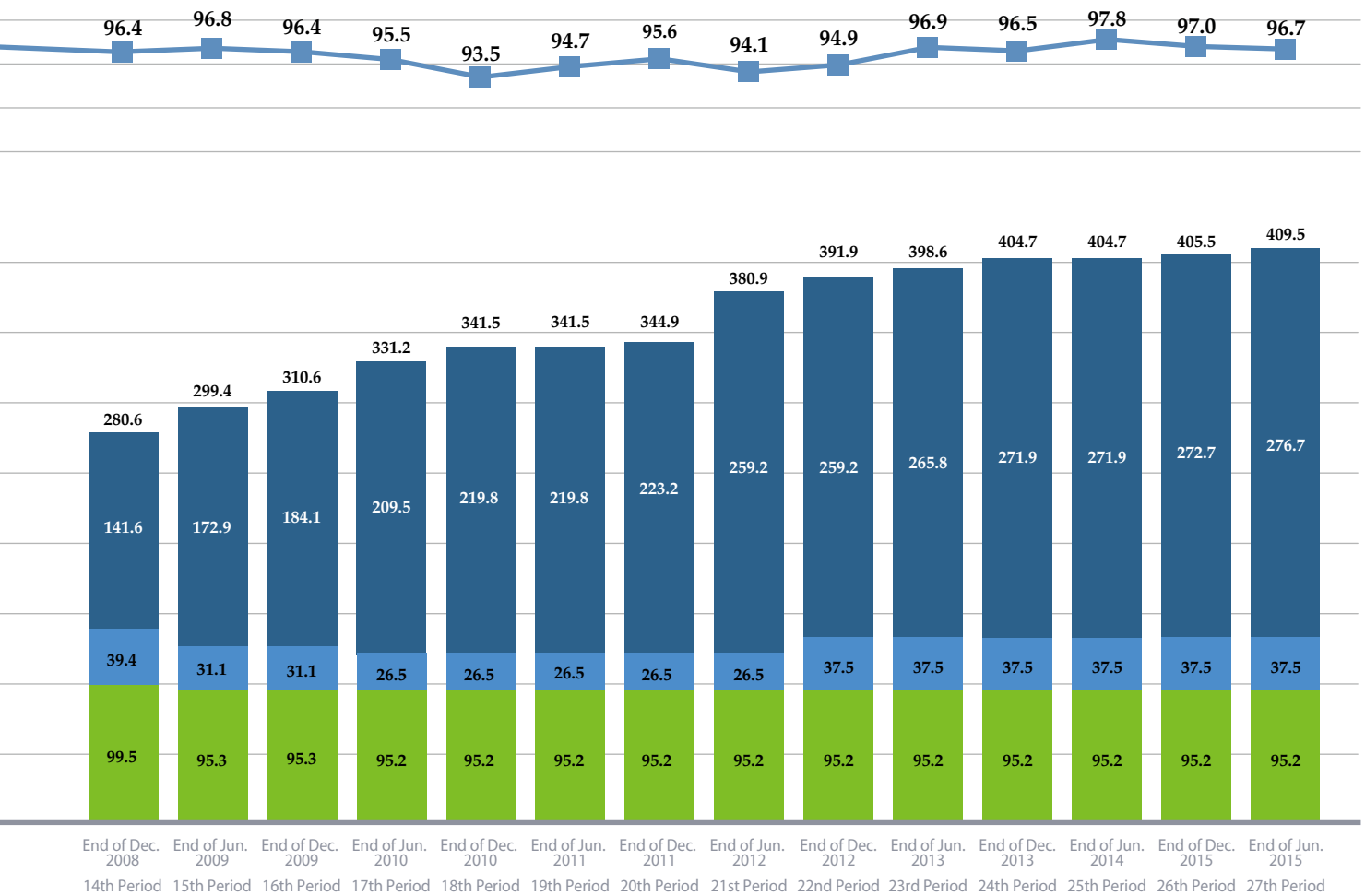
Target investment ratio by area

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

Target investment ratio by asset class

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

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



52	51	53	55	56	56	57	58	59	60	62	62	62	62
499	476	476	460	479	493	501	502	534	564	610	628	632	647
383,215	393,532	400,751	410,326	420,544	421,371	423,311	434,340	450,943	460,452	467,207	467,175	468,232	457,007
7,092	3,731	6,933	6,770	5,680	5,611	5,876	6,430	6,093	6,031	6,006	6,150	6,351	6,419

(Note 1) The asset size represents the aggregate acquisition price of the respective properties in JPR's portfolio as of the relevant date, rounded off to the nearest 100 million yen.
 (Note 2) The number of tenants at end of period is counted as follows: when a single tenant leases multiple rooms, it is counted as one if the tenant uses the same property. If the leased rooms are in multiple buildings, the tenant is counted in plural.
 (Note 3) For Shinjuku Square Tower, each compartmentalized owner leases respective exclusive space to Tokyo Tatemono Co., Ltd. in a lump sum, and Tokyo Tatemono subleases the space to sublessees. Accordingly, the leasable floor space of the building is calculated by multiplying the total contracted space of offices, shops and warehouses that are leased by Tokyo Tatemono and can be sublet, by JPR's rent distribution rate, while the leased floor space for calculating the occupancy rate is calculated by multiplying the floor space sublet to sublessees by the 1tribution rate. Both figures are rounded to the second decimal place. The rent distribution rate as of the end of the 27th fiscal period was 64.88799%. In addition, the number of sublessees is deemed to be the number of tenants for the building.
 (Note 4) The tenants of Shinjuku Center Bldg., the residential section of Science Plaza – Yonbancho Plaza, Rise Arena Bldg. and Kawasaki Dice Bldg. have sublet space to sublessees and lease agreements have been executed where the rent paid by the tenants fluctuates in accordance with the lease conditions of the sublessee. Accordingly, the total leasable floor space and the occupancy rate of these buildings indicate those for the sublessees of the tenants, and the number of the sublessees is deemed as the number of their tenants.
 (Note 5) When the contracted floor space and the floor space for calculating rents differ, the latter was treated as the leased floor space through the 10th fiscal period. Since the 11th fiscal period, however, the contracted floor space has been used as the leased floor space.
 (Note 6) The occupancy rate at end of period has been rounded to the first decimal place.
 (Note 7) The total leasable floor space has been rounded off to the nearest integer.

2. Investment Strategy

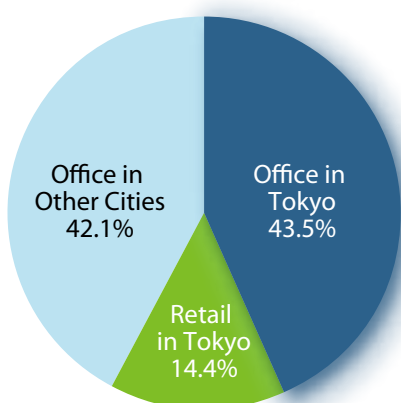
JPR is resolved to continuously work on investment focused on office properties in Tokyo in order to enhance its growth potential over the long term, while conducting vigorously selective investment in retail properties as well as office properties in regional cities that are expected to generate relatively high yields.

<p>Focused investment in office properties in Tokyo</p>	<p>Improve the quality of the portfolio by making investment focused on office properties in Tokyo that are expected to contribute to long-term growth</p> <p>Compared with other regional cities, Tokyo allows expectations for more stable occupancy and higher rent levels, and is believed to offer larger rooms for an increase of rents when the leasing market shows a recovery trend. Looking ahead, JPR will continue to make investment focused on office properties in Tokyo, with an aim to further improve the quality of its portfolio and enhance its growth potential in the recovery cycle of the market.</p>
<p>Vigorously selective investment in retail properties as well as office properties in regional cities</p>	<p>For retail properties as well as office properties in regional cities, work to invest in strictly selected blue-chip properties that can keep stable revenues at a certain level</p> <p>While securing growth potential by making focused investment in office properties in Tokyo, JPR will make vigorously selective investment in urban retail properties with long-term, fixed-rent contracts and in large office properties in regional cities having a high competitive advantage in the areas, in order to complement the stability of earnings from the entire portfolio.</p>

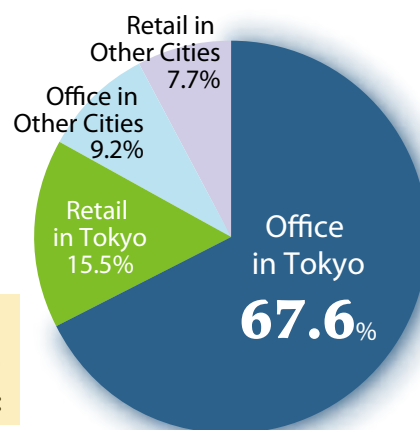
Changes in Investment Ratios by Asset Class and Area

Over the last five years, JPR made investments in 9 office properties in Tokyo totaling 67.2 billion yen (acquisition price), enhancing the quality of its portfolio.

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



End of 27th Fiscal Period (June 30, 2015)



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

+24.1%

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

Portfolio Management Standards of JPR

Target investment ratio by area

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

Target investment ratio by asset class

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

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

Utilization of sponsor support from the Fuyo Group companies including Tokyo Tatemono	Supply of blue-chip properties among office properties in Tokyo is inadequate in the for-sale real estate market, and their acquisition opportunities are rather limited. JPR will take advantage of support from Tokyo Tatemono Co., Ltd. and other sponsors to secure opportunities to invest in blue-chip properties at reasonable price levels without being exposed to excessive competition in the market.
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Investment strategies based on diversified property acquisition methods and high sourcing abilities	To acquire properties from third parties other than the sponsors, JPR exercises its high sourcing abilities and takes advantage of various information channels to make access to wide-ranging property information. For properties with co-ownership or compartmentalized ownership, JPR implements various methods to acquire properties, including acquisition of additional equity by utilizing preferential negotiation rights.
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Cases in which JPR Acquired Properties by Utilizing Sponsor Support

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

<Sponsors>



東京建物
Tokyo Tatemono



大成建設
Taisei Corporation



安田不動産
Yasuda Real Estate



損保ジャパン日本興亜
Sompo Japan Nipponkoa Insurance Inc.



明治安田生命
Meiji Yasuda Life Insurance

The Otemachi Tower
(Land with Leasehold Interest)



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

Yakuin Business Garden



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



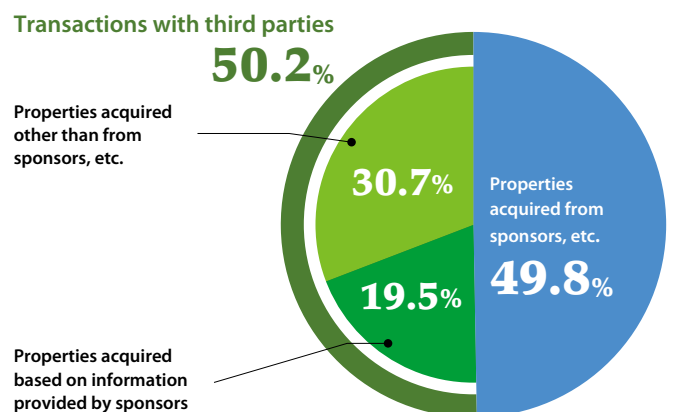
Japan Prime Realty
Investment Corporation
(securities code: 8955)

Property Acquisition Results by Channel

At JPR, the ratio of properties acquired from its sponsors, etc.^(Note) and that of properties acquired from third parties (total of properties acquired based on the information provided by the sponsors and those acquired other than from the sponsors, etc.) are almost equal, standing at 49.8% for the former and 50.2% for the latter (on an acquisition price basis).

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

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



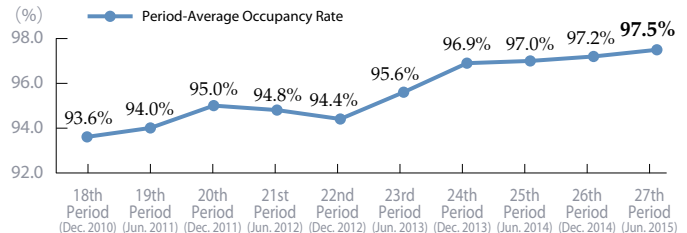
3. Operational Strategy

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

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

Changes in Occupancy Rate

Endeavors to reinforce leasing activities and enhance tenant satisfaction successfully generated results, with the period-average occupancy rate continuing to rise since the 23rd fiscal period. The figure stood at 97.5% in the 27th fiscal period, remaining at a high level.



Examples of Renewal Works

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

Examples of works conducted in the 27th fiscal period include renewal works at Shinjuku Center Bldg. and Kawaguchi Center Bldg., centering on refurbishment of interior furnishings at the common areas of each floor and enhancement of energy efficiency. At Shinjuku Center Bldg., polyvinyl chloride floor tiles were replaced with carpet tiles to enhance the high-grade atmosphere, which consequently helped improve customer satisfaction. At Kawaguchi Center Bldg., energy efficiency was improved through such measures as replacing lighting in the entrance hall with LED lamps.

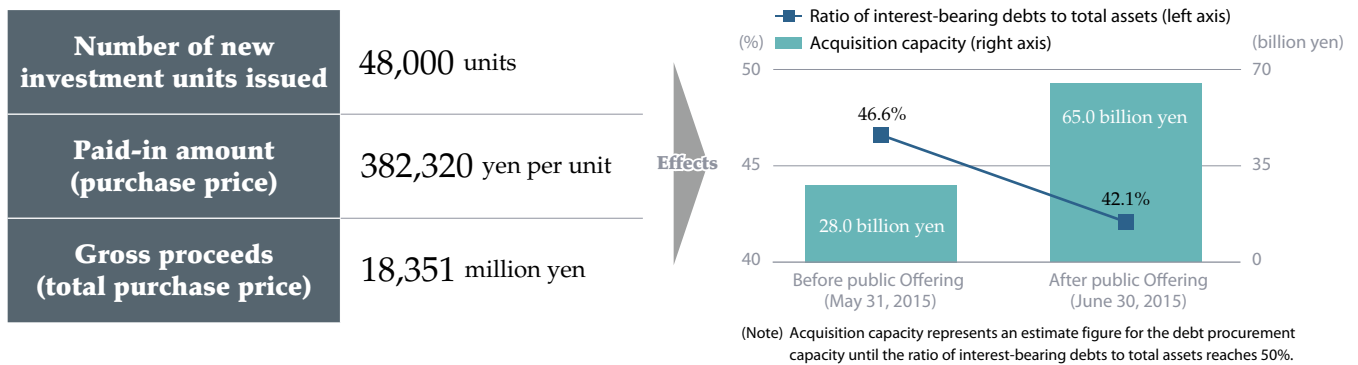
<p>Refurbishment of interior furnishings in the common areas at Shinjuku Center Bldg.</p>		<p>Replacement of lighting fixtures with LED lamps in the entrance hall of Kawaguchi Center Bldg.</p>	
<p>Before</p>	<p>After</p>	<p>Before</p>	<p>After</p>

4. Financial Strategy

In the 27th fiscal period, JPR procured 18.3 billion yen by issuing new investment units through public offering and used the proceeds to repay borrowings, while making further efforts to lengthen the maturity of debts and diversify repayment dates. With such stable and sound financial operations, JPR has established a strong and solid financial base.

Overview of Issuance of New Investment Units through Public Offering (conducted in June 2015)

JPR conducted public offering in order to lower the ratio of interest-bearing debts to total assets and expand the acquisition capacity through debt financing



Financial Status

JPR maintains high, AA-rank credit ratings, with recognition given to its stable and sound financial operations.

[Major Financial Indicators]

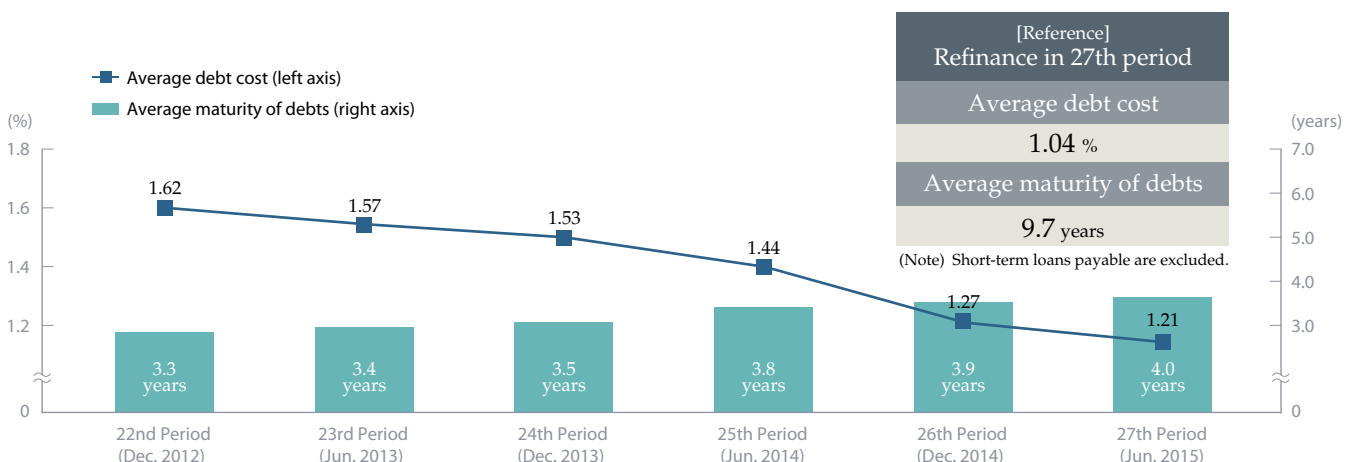
	End of 26th Period (Dec. 31, 2014)	End of 27th Period (Jun. 30, 2015)
Ratio of interest-bearing debts to total assets	46.1%	42.1%
Ratio of long-term, fixed interest rate debts	98.2%	99.4%

[Status of Corporate Credit Ratings Assigned to JPR]

Rating firm	Issuer rating (Outlook)
R&I (Rating and Investment Information, Inc.)	AA- (Stable)
S & P (Standard & Poor's Ratings Japan K.K.)	Long-term: A (Stable) Short-term: A-1

Changes in Average Maturity of Debts and Average Debt Cost

Making the best use of the favorable fund procurement environment, JPR is working to lengthen the maturity of debts, as exemplified by its borrowing of ten-year loans, and reduce the debt cost.



5. Initiatives on Governance

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

Highly Independent Board Composition

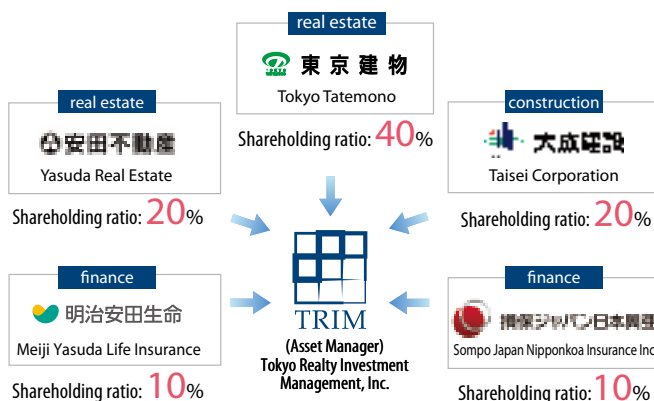
- At JPR, the executive officer as well as the supervising officers have no concurrent assignment as officer of TRIM so as to firmly secure the independence of JPR, the investment corporation.
- The JPR officers comprise attorneys and a certified public accountant with various experiences and high expertise,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

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

Diversified Shareholder Composition and Reinforced Independence

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

Shareholder Composition of TRIM



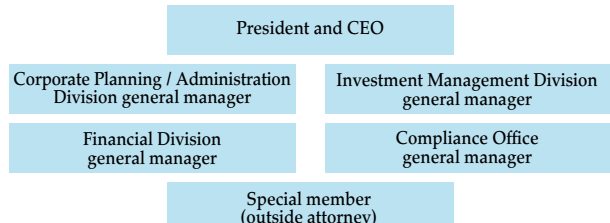
Decision Making Based on Stringent Processes

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

Stringent Decision-Making Process (for property acquisitions)



Members of the Compliance Committee of TRIM



In addition to the processes indicated in the above chart, there may be cases where approval by the Board of Directors and consent by JPR are required as designated in the Act on Investment Trusts and Investment Corporations.

6. Initiatives on Environmental Friendliness

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

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

Acquisition of DBJ Green Building Certification

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



DBJ Green Building Certification

DBJ awards five levels of certification to office buildings in accordance with the degree of environmental and social awareness they demonstrate.

Continuous Participation in GRESB Survey

- JPR has participated in the GRESB Survey, which analyzes and evaluates environmental considerations and sustainability, since 2011. In the survey conducted in 2014, JPR was designated as “Green Star,” the highest ranking of the four evaluation categories.
- JPR believes that its endeavors have been recognized as a result of having diligently worked to reduce energy consumption by establishing a consistent system among all business partners involved in building operations, from the Asset Manager to property managers and building maintenance companies, under a clear environmental policy as well as asking for cooperation with tenants.



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

Taking Advantage of Environmental Friendliness Know-How of Sponsors

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

7. Overview of Portfolio Properties

List of Properties (62 Properties for the Entire Portfolio)

Central Tokyo (30 Properties)

	Property Number	Property Name	Location	Acquisition Date	Acquisition Price (in millions)	Percentage of Portfolio Acquisition Price (%)	Leasable Floor Space (m ²)	PML (%)
Office	A-1	Kanematsu Bldg.	Chuo-ku, Tokyo	Dec. 27, 2001	¥16,276	4.0	8,029.47	3.9
	A-2	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 27, 2001	2,874	0.7	2,291.13	5.8
	A-3	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 16, 2001	2,100	0.5	2,804.56	3.7
	A-4	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 16, 2001	1,670	0.4	3,319.37	4.4
				Nov. 21, 2002	550	0.1		
				Nov. 12, 2004	200	0.0		
				Total	2,420	0.6		
	A-5	JPR Crest Takebashi Bldg.	Chiyoda-ku, Tokyo	Jun. 21, 2002	4,000	1.0	3,265.34	7.8
	A-6	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 28, 2003	11,200	2.7	14,468.38	6.8
	A-7	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 23, 2003	2,920	0.7	4,241.22	7.3
	A-8	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 15, 2003	1,800	0.4	1,937.40	5.2
				Apr. 15, 2005	1,120	0.3		
				Total	2,920	0.7		
	A-9	JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	May 28, 2004	5,100	1.2	4,224.32	4.9
	A-10	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 1, 2004	3,500	0.9	4,088.44	3.5
	A-11	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2, 2004	10,000	2.4	17,947.61	1.3
				Sep. 26, 2008	180	0.0		
				Mar. 25, 2015	4,000	1.0		
				Total	14,180	3.5		
	A-12	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 9, 2004	2,900	0.7	15,216.93	3.1
				Apr. 12, 2005	8,921	2.2		
				Jul. 13, 2010	3,300	0.8		
				Total	15,121	3.7		
	A-13	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 26, 2004	710	0.2	1,253.39	4.7
	A-14	Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Mar. 27, 2008	21,000	5.1	8,863.98	1.3
	A-15	Minami Azabu Bldg.	Minato-ku, Tokyo	Jul. 14, 2008	3,760	0.9	3,405.73	6.0
A-16	Shinagawa Canal Bldg.	Minato-ku, Tokyo	Dec. 19, 2008	1,870	0.5	1,700.57	5.3	
A-17	Rokubancho Bldg.	Chiyoda-ku, Tokyo	Dec. 2, 2009	2,800	0.7	2,488.36	7.7	
A-18	JPR Harajuku Bldg.	Shibuya-ku, Tokyo	Dec. 25, 2009	8,400	2.1	4,760.09	6.8	
A-19	Tokyo Tatemono Kyobashi Bldg.	Chuo-ku, Tokyo	Feb. 12, 2010	5,250	1.3	3,551.01	6.7	
A-20	JPR Nihonbashi-horidome Bldg.	Chuo-ku, Tokyo	Mar. 31, 2010	5,100	1.2	5,299.89	5.0	
A-21	JPR Sendagaya Bldg.	Shibuya-ku, Tokyo	May 31, 2010	15,050	3.7	6,177.74	2.6	
A-22	Ginza Sanwa Bldg.	Chuo-ku, Tokyo	Aug. 29, 2011	3,400	0.8	1,899.27	4.5	
A-23	The Otemachi Tower (Land with Leasehold Interest)	Chiyoda-ku, Tokyo	Mar. 13, 2012	36,000	8.8	11,034.78	—	
A-24	Science Plaza – Yonbancho Plaza	Chiyoda-ku, Tokyo	Dec. 6, 2013	2,660	0.6	3,325.27	3.1	
A-25	Shibadaimon Center Building	Minato-ku, Tokyo	Dec. 6, 2013	3,420	0.8	5,401.46	5.6	
			Jul. 30, 2014	800	0.2			
			Total	4,220	1.0			
Retail	A-1	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 30, 2003	12,000	2.9	8,076.85	5.8
	A-2	JPR Daikanyama	Shibuya-ku, Tokyo	Oct. 5, 2004	2,160	0.5	651.29	12.5
	A-3	JPR Jingumae 432	Shibuya-ku, Tokyo	Mar. 24, 2006	4,275	1.0	1,027.33	5.4
				Mar. 14, 2007	540	0.1		
	A-4	Shinjuku Sanchoe East Bldg.	Shinjuku-ku, Tokyo	Apr. 24, 2008	2,200	0.5	2,347.81	1.6
Total				2,740	0.7			
A-5	Yurakucho Ekimae Bldg. (Yurakucho Itocia)	Chiyoda-ku, Tokyo	Aug. 27, 2008	3,400	0.8	1,101.92	3.0	
Subtotal					¥217,406	53.1	154,200.91	—

(Note 1) The table above shows properties owned by JPR as of June 30, 2015.

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

Greater Tokyo (17 Properties)

	Property Number	Property Name	Location	Acquisition Date	Acquisition Price (in millions)	Percentage of Portfolio Acquisition Price (%)	Leasable Floor Space (m ²)	PML (%)
Office	B-1	Arca East	Sumida-ku, Tokyo	Nov. 16, 2001	¥5,880	1.4	7,022.76	3.2
	B-2	JPR Chiba Bldg.	Chiba, Chiba	Dec. 13, 2001	2,350	0.6	5,536.17	3.9
	B-3	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 16, 2001	2,927	0.7	6,066.53	6.7
	B-5	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 25, 2002	920	0.2	5,284.75	10.5
				Mar. 28, 2013	570	0.1		
				Total	1,490	0.4		
	B-6	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 13, 2004	8,100	2.0	15,420.09	6.8
	B-7	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 1, 2004	3,250	0.8	6,490.05	3.9
	B-8	Tachikawa Business Center Bldg.	Tachikawa, Tokyo	Sep. 30, 2005	888	0.2	4,683.40	4.1
				Feb. 28, 2007	2,300	0.6		
				Total	3,188	0.8		
	B-9	Rise Arena Bldg.	Toshima-ku, Tokyo	Mar. 22, 2007	5,831	1.4	6,023.39	1.3
	B-10	Yume-ooka Office Tower	Yokohama, Kanagawa	Jul. 10, 2007	6,510	1.6	11,974.67	3.4
B-11	Olinas Tower	Sumida-ku, Tokyo	Jun. 29, 2009	31,300	7.6	23,987.40	2.4	
B-12	Tokyo Tatemono Yokohama Bldg.	Yokohama, Kanagawa	Dec. 27, 2010	7,000	1.7	6,494.09	5.2	
B-13	Omiya Prime East	Saitama, Saitama	Mar. 22, 2013	6,090	1.5	6,871.45	2.4	
Retail	B-1	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 16, 2001	10,200	2.5	31,121.71	3.5
	B-3	Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 31, 2006	2,100	0.5	5,963.00	8.1
	B-4	JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Sep. 28, 2006	7,260	1.8	19,740.95	4.5
	B-5	Musashiurawa Shopping Square	Saitama, Saitama	Mar. 19, 2007	4,335	1.1	14,960.69	7.1
	B-6	Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 12, 2007	15,080	3.7	12,116.35	5.9
	Subtotal					¥122,891	30.0	189,757.45

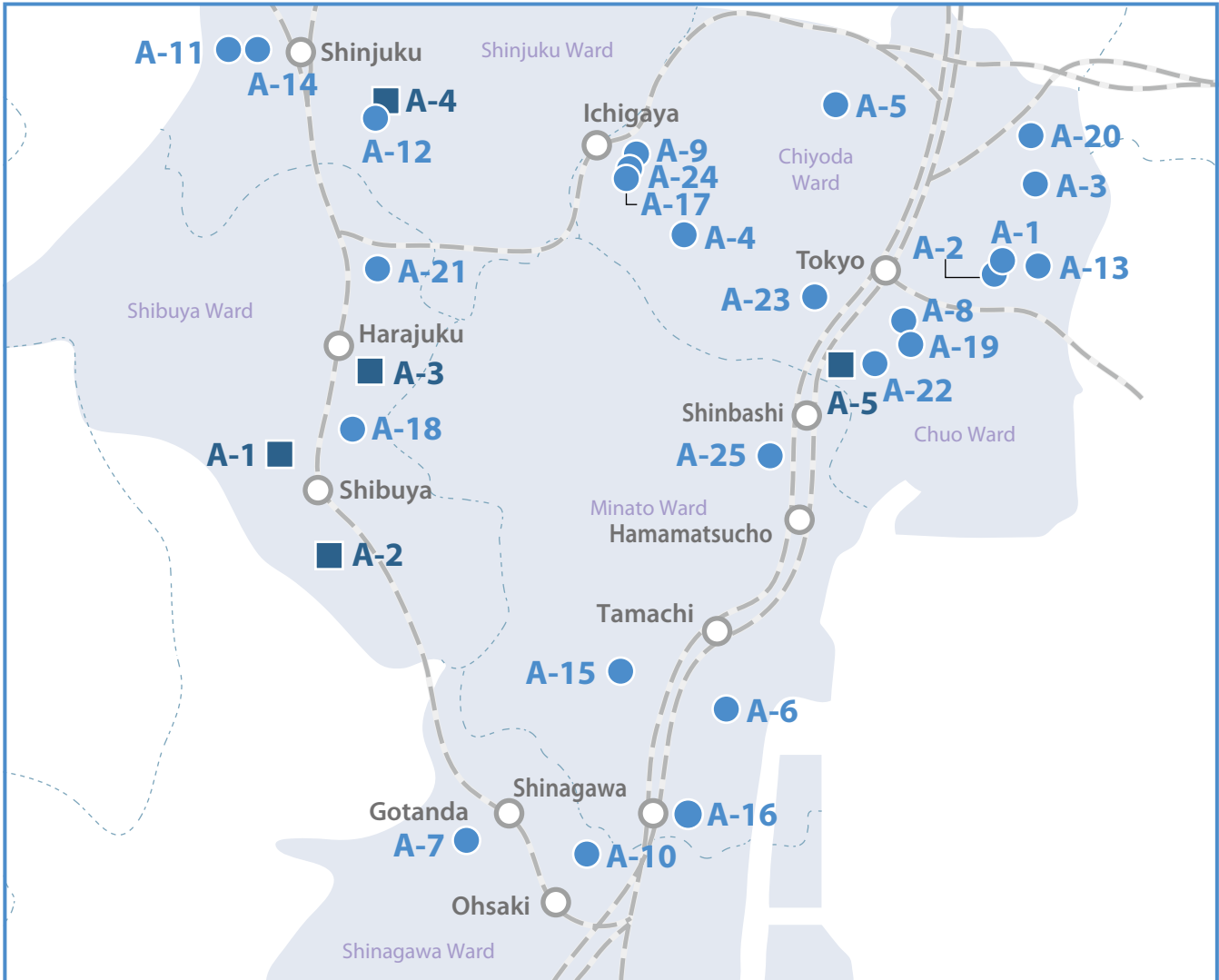
Other Cities (15 Properties)

	Property Number	Property Name	Location	Acquisition Date	Acquisition Price (in millions)	Percentage of Portfolio Acquisition Price (%)	Leasable Floor Space (m ²)	PML (%)
Office	C-1	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 16, 2001	¥2,140	0.5	5,326.88	1.7
	C-4	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 16, 2001	4,150	1.0	7,163.07	4.3
	C-7	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 16, 2001	2,900	0.7	6,568.43	0.5
	C-9	JPR Naha Bldg.	Naha, Okinawa	Nov. 16, 2001	1,560	0.4	3,946.36	5.7
	C-12	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 26, 2002	3,150	0.8	7,129.14	2.0
	C-13	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 26, 2002	1,670	0.4	4,875.12	10.6
	C-14	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 21, 2002	2,810	0.7	3,257.73	1.6
	C-17	JPR Dojima Bldg.	Osaka, Osaka	Jan. 23, 2004	2,140	0.5	3,930.71	5.0
	C-18	JPR Hakata-chuo Bldg.	Fukuoka, Fukuoka	Jun. 11, 2004	1,920	0.5	3,290.42	0.8
	C-19	JPR Nagoya Fushimi Bldg.	Nagoya, Aichi	Mar. 22, 2005	4,137	1.0	7,086.37	6.3
	C-20	Yakuin Business Garden	Fukuoka, Fukuoka	Aug. 8, 2012	10,996	2.7	16,654.33	1.6
Retail	C-1	JPR Umeda Loft Bldg.	Osaka, Osaka	May 15, 2003	8,000	2.0	18,586.97	4.3
				Jul. 16, 2003	5,000	1.2		
				Total	13,000	3.2		
	C-3	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May 30, 2005	5,430	1.3	5,303.98	11.5
	C-4	Housing Design Center Kobe	Kobe, Hyogo	Sep. 28, 2005	7,220	1.8	35,444.13	7.2
C-5	JPR Chayamachi Bldg.	Osaka, Osaka	Aug. 30, 2006	6,000	1.5	2,485.79	8.4	
Subtotal					¥69,223	16.9	131,049.43	—
Total					¥409,520	100.0	475,007.79	2.0

(Note 3) The PML indicates the figures stated in the Portfolio Earthquake PML Valuation Report prepared by Sompo Japan Nipponkoa Risk Management Inc., rounded off to the second decimal place. Furthermore, as the company revised its evaluation method to analyze the risk of earthquakes in October 2014, the indicated figures have also been revised accordingly.

Portfolio Map

A Central Tokyo



Office

- A-1 Kanematsu Bldg.
- A-2 Kanematsu Bldg. Annex
- A-3 JPR Ningyo-cho Bldg.
- A-4 Shin-Kojimachi Bldg.
- A-5 JPR Crest Takebashi Bldg.
- A-6 MS Shibaura Bldg.
- A-7 Gotanda First Bldg.
- A-8 Fukuoka Bldg.
- A-9 JPR Ichigaya Bldg.
- A-10 Oval Court Ohsaki Mark West
- A-11 Shinjuku Square Tower
- A-12 BYGS Shinjuku Bldg.
- A-13 Across Shinkawa Bldg. Annex

- A-14 Shinjuku Center Bldg.
- A-15 Minami Azabu Bldg.
- A-16 Shinagawa Canal Bldg.
- A-17 Rokubancho Bldg.
- A-18 JPR Harajuku Bldg.
- A-19 Tokyo Tatemono Kyobashi Bldg.
- A-20 JPR Nihonbashi-horidome Bldg.
- A-21 JPR Sendagaya Bldg.
- A-22 Ginza Sanwa Bldg.
- A-23 The Otemachi Tower (Land with Leasehold Interest)
- A-24 Science Plaza – Yonbancho Plaza
- A-25 Shibadaimon Center Building

Retail

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

A Central Tokyo

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

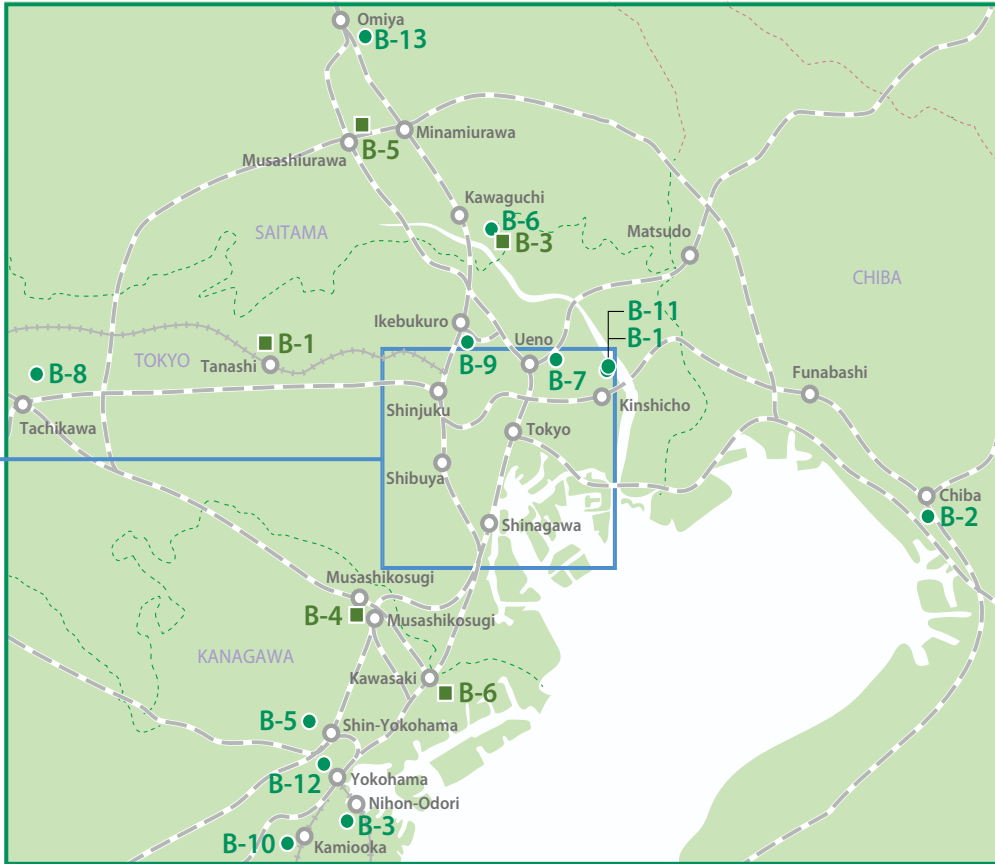
B Greater Tokyo

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

C Other Cities

All other areas in Japan

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



Office

- B-1 Arca East
- B-2 JPR Chiba Bldg.
- B-3 JPR Yokohama Nihon Odori Bldg.
- B-5 Shinyokohama 2nd Center Bldg.
- B-6 Kawaguchi Center Bldg.
- B-7 JPR Ueno East Bldg.
- B-8 Tachikawa Business Center Bldg.
- B-9 Rise Arena Bldg.
- B-10 Yume-ooka Office Tower
- B-11 Olinas Tower
- B-12 Tokyo Tatemono Yokohama Bldg.
- B-13 Omiya Prime East

Retail

- B-1 Tanashi ASTA
- B-3 Cupo-la Main Bldg.
- B-4 JPR Musashikosugi Bldg.
- B-5 Musashiurawa Shopping Square
- B-6 Kawasaki Dice Bldg.

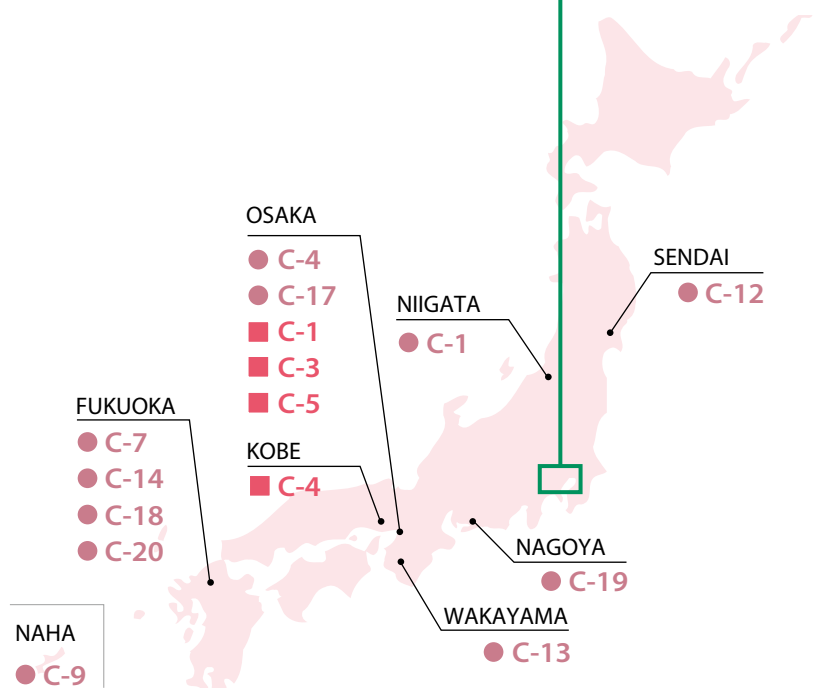
C Other Cities

Office

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

Retail

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



Property Acquired in the 27th Fiscal Period

A-11 Shinjuku Square Tower (additional ownership)

Shinjuku Ward, Tokyo



JPR realized additional acquisition of a blue-chip office property in central Tokyo by utilizing the preferential negotiation rights among co-owners.

1. Property Overview

Location	22-1 Nishishinjuku 6-chome, Shinjuku-ku, Tokyo
Total Site Area	8,409.52 m ² (for the entire redevelopment project)
Total Floor Space	78,796.00 m ² (for the entire redevelopment project)
Structure/Floors	S, RC, SRC B4/30F
Completion	October 1994
Property Manager	Tokyo Tatemono Co., Ltd.

2. Transaction Summary

Seller	Sumitomo Life Insurance Company
Acquisition Price	¥4,000 million
Appraisal Value	¥4,580 million (as of March 1, 2015)
Acquisition Date	March 25, 2015

3. Assumed Income

NOI Yield	4.4 %
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(Note) The NOI yield of the property has been calculated by dividing the assumed income for 12 months based on the rent level, the occupancy rate and other factors upon acquisition, by the acquisition price.



A courtyard full of greenery



The entrance with a sense of spaciousness



Common area space with ample room and comfort



An 8 to 9-minute walk from Nishishinjuku Station on the Tokyo Metro Marunouchi Line

A 7 to 8-minute walk from Nishishinjuku 5-chome Station on the Toei Subway Oedo Line

Portfolio Properties

Central Tokyo Office Retail

A-1 Kanematsu Bldg.

Chuo Ward, Tokyo



DBI Green Building
2014

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

A-2 Kanematsu Bldg. Annex

Chuo Ward, Tokyo



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

A-3 JPR Ningyo-cho Bldg.

Chuo Ward, Tokyo



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

A-4 Shin-Kojimachi Bldg.

Chiyoda Ward, Tokyo



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

A-5 JPR Crest Takebashi Bldg.

Chiyoda Ward, Tokyo



DBI Green Building
2014

Acquisition Price	¥4,000 million
Site Area	636.90 m ²
Total Floor Space	4,790.68 m ²
Structure/Floors	SRC B1/9F
Completed	September 1999
Property Manager	Tokyo Tatemono Co., Ltd. (Note)
(Note) Changed from Yasuda Real Estate Co., Ltd. as of September 1, 2015	

A-6 MS Shibaura Bldg.

Minato Ward, Tokyo



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

Portfolio Properties

Central Tokyo Office Retail

A-7 Gotanda First Bldg.

Shinagawa Ward, Tokyo



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

A-8 Fukuoka Bldg.

Chuo Ward, Tokyo



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

A-9 JPR Ichigaya Bldg.

Chiyoda Ward, Tokyo



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

A-10 Oval Court Ohsaki Mark West

Shinagawa Ward, Tokyo



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



A-11 Shinjuku Square Tower

Shinjuku Ward, Tokyo



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

A-12 BYGS Shinjuku Bldg.

Shinjuku Ward, Tokyo



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



A-13 Across Shinkawa Bldg. Annex

Chuo Ward, Tokyo



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

Central Tokyo **Office** **Retail**

A-14 **Shinjuku Center Bldg.**
Shinjuku Ward, Tokyo



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

A-15 **Minami Azabu Bldg.**
Minato Ward, Tokyo



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

A-16 **Shinagawa Canal Bldg.**
Minato Ward, Tokyo



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

A-17 **Rokubancho Bldg.**
Chiyoda Ward, Tokyo



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

A-18 **JPR Harajuku Bldg.**
Shibuya Ward, Tokyo



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

A-19 **Tokyo Tatemono Kyobashi Bldg.**
Chuo Ward, Tokyo



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

A-20 **JPR Nihonbashi-horidome Bldg.**
Chuo Ward, Tokyo



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

Portfolio Properties

Central Tokyo Office Retail

A-21 JPR Sendagaya Bldg.

Shibuya Ward, Tokyo



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

A-22 Ginza Sanwa Bldg.

Chuo Ward, Tokyo



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

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

Chiyoda Ward, Tokyo



Acquisition Price	¥36,000 million	Structure/Floors	—
Site Area	11,034.78 m ²	Completed	—
Total Floor Space	—	Property Manager	— (Note)

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

A-24 Science Plaza - Yonbancho Plaza

Chiyoda Ward, Tokyo



Acquisition Price	¥2,660 million
Site Area	5,289.01 m ²
Total Floor Space	24,560.36 m ²
Structure/Floors	S/SRC/RC B2/12F
Completed	February 1995
Property Manager	Nomura Real Estate Partners Co., Ltd. (Note)
(Note) Changed from Yasuda Real Estate Co., Ltd. as of September 1, 2015	

A-25 Shibadaimon Center Building

Minato Ward, Tokyo



Acquisition Price	¥4,220 million
Site Area	1,915.50 m ²
Total Floor Space	11,419.93 m ²
Structure/Floors	S/SRC B1/10F
Completed	July 1993
Property Manager	Nomura Real Estate Partners Co., Ltd. (Note)
(Note) Changed from Yasuda Real Estate Co., Ltd. as of September 1, 2015	

A-2 JPR Daikanyama

Shibuya Ward, Tokyo



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

Central Tokyo Office Retail / Greater Tokyo Office Retail
A-1 JPR Shibuya Tower Records Bldg.
 Shibuya Ward, Tokyo


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

A-3 JPR Jingumae 432
 Shibuya Ward, Tokyo


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

A-4 Shinjuku Sanchome East Bldg.
 Shinjuku Ward, Tokyo


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

A-5 Yurakucho Ekimae Bldg. (Yurakucho Itocia)
 Chiyoda Ward, Tokyo


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

B-1 Arca East
 Sumida Ward, Tokyo


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

B-2 JPR Chiba Bldg.
 Chiba City, Chiba


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

B-3 JPR Yokohama Nihon Odori Bldg.
 Yokohama City, Kanagawa


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

Portfolio Properties

Greater Tokyo Office Retail

B-5 Shinyokohama 2nd Center Bldg.

Yokohama City, Kanagawa



Acquisition Price	¥1,490 million
Site Area (Note)	841.71 m ²
Total Floor Space	7,781.93 m ²
Structure/Floors	S/SRC B2/12F
Completed	August 1991
Property Manager	Nomura Real Estate Partners Co., Ltd.

B-6 Kawaguchi Center Bldg.

Kawaguchi City, Saitama



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

B-7 JPR Ueno East Bldg.

Taito Ward, Tokyo



Acquisition Price	¥3,250 million
Site Area	1,242.97 m ²
Total Floor Space	8,490.44 m ²
Structure/Floors	S/SRC B1/8F
Completed	October 1992
Property Manager	Jones Lang LaSalle K.K. (Note)
(Note) Changed from Yasuda Real Estate Co., Ltd. as of September 1, 2015	



B-8 Tachikawa Business Center Bldg.

Tachikawa City, Tokyo



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

B-9 Rise Arena Bldg.

Toshima Ward, Tokyo



Acquisition Price	¥5,831 million
Site Area	9,377.28 m ² (entire redevelopment project)
Total Floor Space	91,280.94 m ² (including residential tower)
Structure/Floors	RC/SRC/S B3/42F (Note)
Completed	January 2007
Property Manager	Taisei-Yuraku Real Estate Co., Ltd.
(Note) The commercial tower portion has 2 basement floors and 15 floors above ground.	



B-11 Olinas Tower

Sumida Ward, Tokyo



Acquisition Price	¥31,300 million	Structure/Floors	SRC/RC/S B2/45F (Note)
Site Area	27,335.29 m ² (entire site area)	Completed	February 2006
Total Floor Space	257,842.41 m ²	Property Manager	Tokyo Tatemono Co., Ltd.
(Note) The office building has 31 floors above ground and 2 floors underground.			



B-10 Yume-ooka Office Tower

Yokohama City, Kanagawa



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



Greater Tokyo **Office** **Retail**

B-12 **Tokyo Tatemono Yokohama Bldg.**
Yokohama City, Kanagawa



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

B-13 **Omiya Prime East**
Saitama City, Saitama



Acquisition Price	¥6,090 million
Site Area	2,268.09 m ²
Total Floor Space	9,203.98 m ²
Structure/Floors	S 9F
Completed	February 2009
Property Manager	Tokyo Tatemono Co., Ltd.

B-1 **Tanashi ASTA**
Nishitokyo City, Tokyo



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

B-3 **Cupo-la Main Bldg.**
Kawaguchi City, Saitama



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

B-4 **JPR Musashikosugi Bldg.**
Kawasaki City, Kanagawa



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

B-6 **Kawasaki Dice Bldg.**
Kawasaki City, Kanagawa



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

B-5 **Musashiurawa Shopping Square**
Saitama City, Saitama



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

Portfolio Properties

Other Cities Office Retail

C-1 Niigata Ekinan Center Bldg.

Niigata City, Niigata



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

C-4 Tokyo Tatemono Honmachi Bldg.

Osaka City, Osaka



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

C-7 JPR Hakata Bldg.

Fukuoka City, Fukuoka



Acquisition Price	¥2,900 million
Site Area	1,214.63 m ²
Total Floor Space	9,828.73 m ²
Structure/Floors	S/SRC B1/12F
Completed	June 1985 expansion in November 2003
Property Manager	Tokyo Tatemono Co., Ltd.

C-9 JPR Naha Bldg.

Naha City, Okinawa



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

C-12 Sompo Japan Sendai Bldg.

Sendai City, Miyagi



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

C-13 Sompo Japan Wakayama Bldg.

Wakayama City, Wakayama



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

C-14 Tenjin 121 Bldg.

Fukuoka City, Fukuoka



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

C-17 JPR Dojima Bldg.

Osaka City, Osaka



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

Other Cities

Office

Retail

C-18

JPR Hakata-Chuo Bldg.

Fukuoka City, Fukuoka



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

C-19

JPR Nagoya Fushimi Bldg.

Nagoya City, Aichi



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

C-1

JPR Umeda Loft Bldg.

Osaka City, Osaka



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

C-20

Yakuin Business Garden

Fukuoka City, Fukuoka



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

C-3

Benetton Shinsaibashi Bldg.

Osaka City, Osaka



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

C-4

Housing Design Center Kobe

Kobe City, Hyogo



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

C-5

JPR Chayamachi Bldg.

Osaka City, Osaka



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

8. Structure and History of JPR

The Objective and Basic Characteristics of JPR

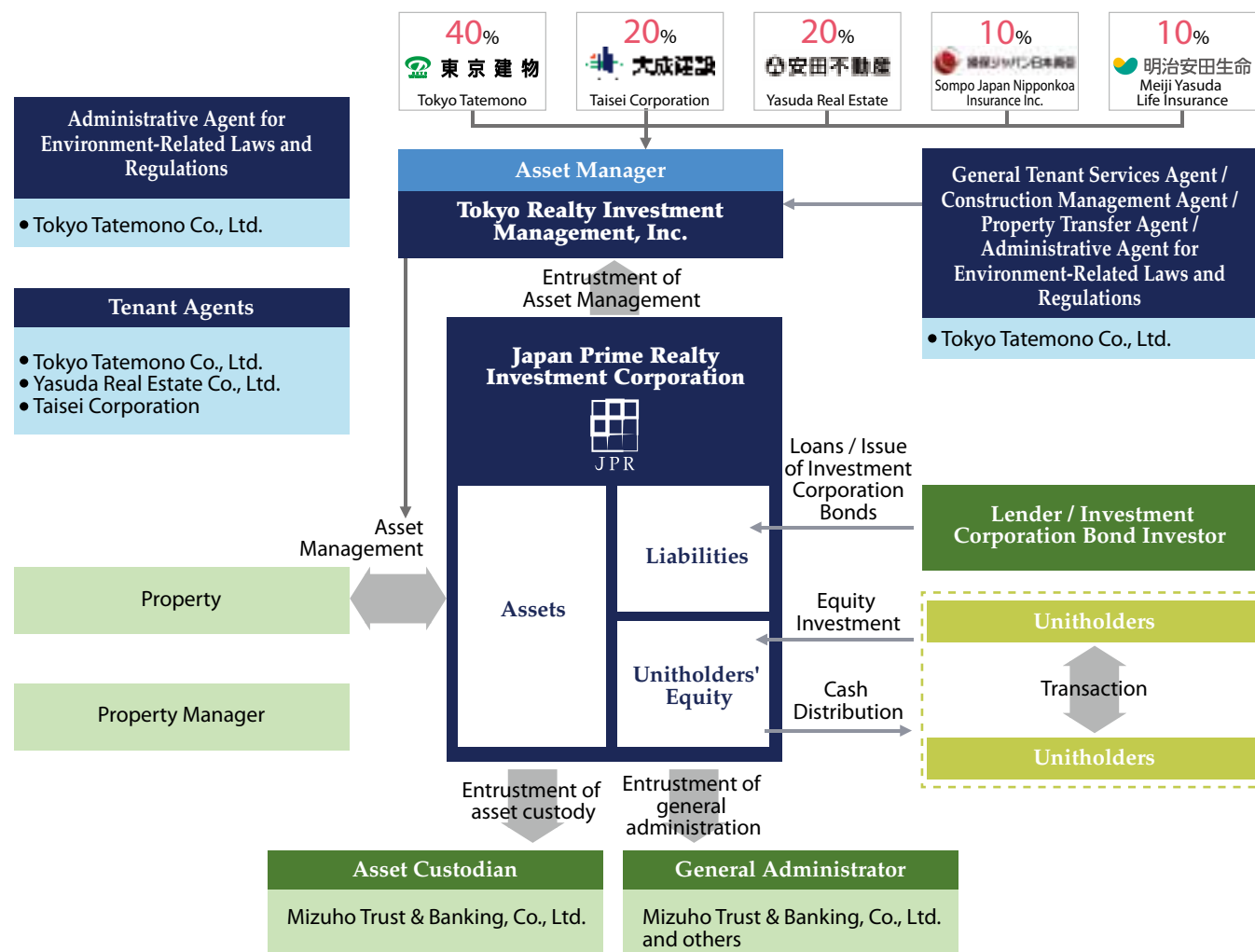
With the fundamental concept of “investment in urban commercial real estate,” JPR shall invest primarily in real estate, which comprises superior urban office buildings (urban commercial facilities), retail properties found in thriving commercial areas, multi-use facilities and the land on which they are located as well as in asset-backed securities that have such real estate as their primary investments.

In addition, in light of the returns and risks of these investment targets, JPR shall make it a basic policy to invest not only in Tokyo, but also strive to diversify into other regional cities so as to maximize the advantages of portfolio management.

Corporate History

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

Structure of JPR



9. Overview of Asset Manager

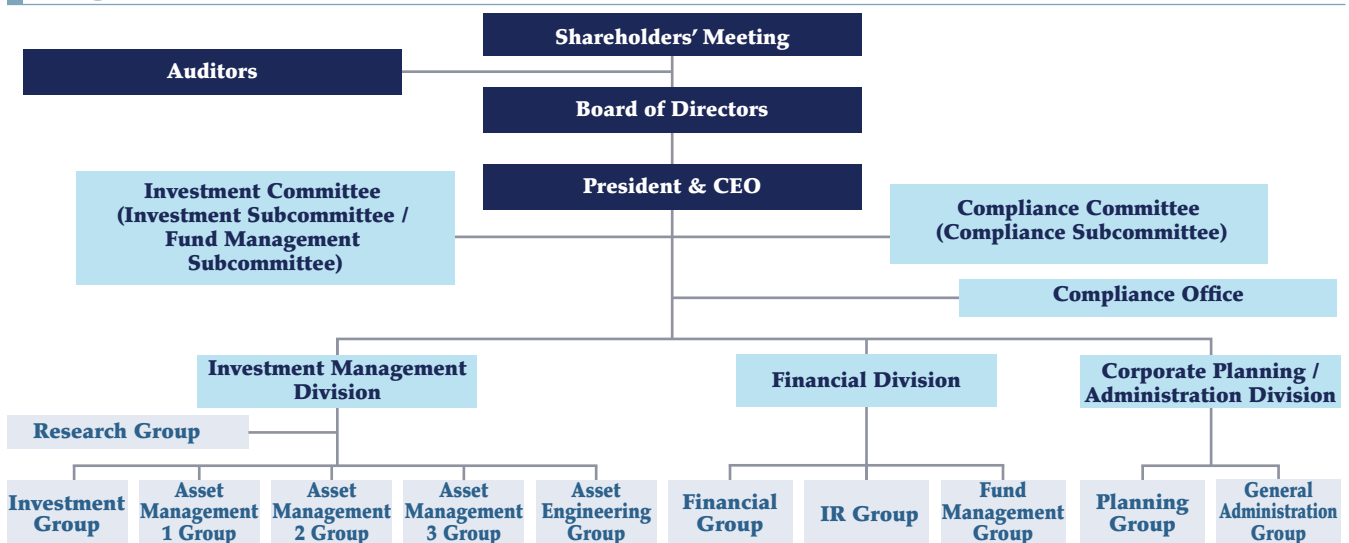
Overview

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

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

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

Organization Chart



Decision-Making Institutions for Investment Management

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

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

1. Overview of Asset Management

(1) Changes in Operating Results and Other Management Data

	Fiscal Period	Unit	23rd Fiscal Period (Jan. 1, 2013 - Jun. 30, 2013)	24th Fiscal Period (Jul. 1, 2013 - Dec. 31, 2013)	25th Fiscal Period (Jan. 1, 2014 - Jun. 30, 2014)	26th Fiscal Period (Jul. 1, 2014 - Dec. 31, 2014)	27th Fiscal Period (Jan. 1, 2015 - Jun. 30, 2015)
Operating Performance	Operating Revenue	Million yen	13,278	13,591	13,734	13,902	14,251
	Rent revenue – real estate	Million yen	13,278	13,591	13,734	13,902	14,251
	Operating Expenses	Million yen	6,893	7,223	7,308	7,425	7,554
	Expenses related to rent business	Million yen	6,208	6,534	6,599	6,733	6,845
	Operating Income	Million yen	6,385	6,368	6,425	6,477	6,697
	Ordinary Income	Million yen	4,975	4,899	5,073	5,239	5,566
	Net Income	Million yen	4,974	4,954	5,072	5,238	5,603
Assets, etc.	Total Assets	Million yen	409,715	413,974	414,104	414,091	418,778
	(Period-on-period variation)	%	(+1.9)	(+1.0)	(+0.0)	(-0.0)	(+1.1)
	Interest-bearing Debts	Million yen	187,158	191,759	191,190	191,024	176,458
	Total Unitholders Equity	Million yen	197,116	197,095	197,213	197,378	216,092
	(Period-on-period variation)	%	(-0.0)	(-0.0)	(+0.1)	(+0.1)	(+9.5)
	Unitholders' Capital	Million yen	192,044	192,044	192,044	192,044	210,395
Cash Distribution per Unit, etc.	Total Cash Distributions	Million yen	4,975	4,954	5,073	5,239	5,603
	Dividend payout ratio	%	100.0	100.0	100.0	100.0	100.0
	Number of Units Outstanding	Units	825,000	825,000	825,000	825,000	873,000
	Total Unitholders' Equity per unit	Yen	238,929	238,903	239,046	239,246	247,529
	Cash Distribution per Unit	Yen	6,031	6,006	6,150	6,351	6,419
	Distribution amount	Yen	6,031	6,006	6,150	6,351	6,419
	Exceeding profit distribution amount	Yen	—	—	—	—	—
Financial Indices	Ordinary Income on Total Assets (Note 1)	%	1.2	1.2	1.2	1.3	1.3
	Annualized (Note 10)	%	2.5	2.4	2.5	2.5	2.7
	Net Income on Total Unitholders' Equity (Note 2)	%	2.5	2.5	2.6	2.7	2.7
	Annualized (Note 10)	%	5.1	5.0	5.2	5.3	5.5
	Total unitholders' equity at beginning of period	Million yen	197,168	197,116	197,095	197,213	197,378
	Unitholders' Equity Ratio at End of Period (Note 3)	%	48.1	47.6	47.6	47.7	51.6
	(Period-on-period variation)		(-0.9)	(-0.5)	(+0.0)	(+0.0)	(+3.9)
	Interest-bearing Debts to Total Assets at End of Period (Note 4)	%	45.7	46.3	46.2	46.1	42.1
	DSCR (Note 5)	Times	6.3	6.1	6.5	7.2	7.9
	Net income before interest and amortization (Note 6)	Million yen	8,163	8,149	8,167	8,223	8,531
	Interest expenses	Million yen	1,304	1,325	1,259	1,142	1,073
	NOI from Leasing (Note 7)	Million yen	8,953	8,925	8,968	9,010	9,260
	Annualized NOI yield (Notes 9 and 10)	%	4.5	4.4	4.5	4.4	4.6
	NCF from Leasing (Note 8)	Million yen	8,359	8,080	8,287	8,303	8,599
	Annualized NCF yield (Notes 9 and 10)	%	4.2	4.0	4.1	4.1	4.2
	Reference Information	Investment Properties Owned (Note 11)		60	62	62	62
Number of Tenants			564	610	628	632	647
Total Leasable Floor Space		m ²	460,452.47	467,207.05	467,175.54	468,232.24	475,007.79
Occupancy Rate		%	96.9	96.5	97.8	97.0	96.7

(Note 1) Ordinary income / (total assets at beginning of period + total assets at end of period) / 2

(Note 2) Net income / (total unitholders' equity at beginning of period + total unitholders' equity at end of period) / 2

(Note 3) Total unitholders' equity at end of period / total assets at end of period x 100

(Note 4) Interest-bearing debts / total assets at end of period x 100

(Note 5) Net income before interest and amortization / interest expenses (including interest expenses on investment corporation bonds)

(Note 6) Net income - gain on sale of real estate + loss on sale of real estate + loss on sale of investment securities + extraordinary loss + interest expenses (including interest expenses on investment corporation bonds) + depreciation

(Note 7) (Real estate rental revenues - real estate rental expenses) + depreciation

(Note 8) NOI from leasing - capital expenditures

(Note 9) Annualized NOI from leasing / property acquisition price (23rd fiscal period: ¥398.64 billion, 24th fiscal period: ¥404.72 billion, 25th fiscal period: ¥404.72 billion, 26th fiscal period: ¥405.52 billion and 27th fiscal period: ¥409.52 billion)

Annualized NCF from leasing / property acquisition price

(Note 10) Annualization is based on 365 days for a year and calculated by using the following management days: 23rd fiscal period: 181 days, 24th fiscal period: 184 days, 25th fiscal period: 181 days, 26th fiscal period: 184 days and 27th fiscal period: 181 days.

(Note 11) Shin-Kojimachi Bldg., Fukuoka Bldg., Shinjuku Square Tower, BYGS Shinjuku Bldg., Shibadaimon Center Bldg., Shinjuku Sanhome East Bldg., Shinyokohama 2nd Center Bldg., Tachikawa Business Center Bldg. and JPR Umeda Loft Bldg. were acquired at multiple times but are calculated as one property.

(Note 12) Total leasable floor space in this table indicates the contracted area.

(Note 13) Any ratio indicated on financial indices is rounded to the first decimal place (except for the dividend payout ratio, which is rounded off to the first decimal place).

(2) 27th Fiscal Period Asset Management

1) Milestones of JPR

Japan Prime Realty Investment Corporation (JPR) was established on September 14, 2001 under the Act on Investment Trusts and Investment Corporations (hereafter, the Investment Trusts Act), and was listed on the Tokyo Stock Exchange Real Estate Investment Trust Section (securities code: 8955) on June 14, 2002 with 289,600 outstanding investment units. Subsequently, JPR conducted public offerings and other equity financing measures, with the number of investment units issued and outstanding totaling 873,000 units at present. JPR has assigned the asset management of its portfolio to Tokyo Realty Investment Management, Inc. (hereafter, the Asset Manager), through which JPR aims to maximize unitholder value by efficiently managing the portfolio primarily comprising office properties and retail properties.

2) Management Environment

The Japanese economy remained on a modest recovery trend during the 27th fiscal period, with capital investment and consumer spending observed to pick up. Corporate performances took a favorable turn, given the yen's exchange rate on a weaker side under the influence of the additional monetary easing the Bank of Japan initiated last year. An increase in the number of inbound tourists visiting Japan also had a positive impact on the economy.

The Office Property Leasing Market

The supply and demand balance in the office property leasing market of the 23 wards of Tokyo further improved due to new demand for such positive development as setting up new offices, expanding the office spaces and moving to better locations continuing to be strong, which steadily absorbed the newly-supplied office spaces. Given this situation, the upward swing of the rent levels for new contracts is increasingly spreading through the entire market.

The Retail Property Leasing Market

Tenant's needs to open stores remained to be strong for urban retail properties in which JPR targets to invest. Rents continued to increase for urban retail properties in good locations, such as Ginza, Omotesando and Shinsaibashi, where consumption by inbound foreign tourists is anticipated.

The For-Sale Real Estate Market

Transactions by REITs remained at a high level, centering on acquisitions of properties from their sponsors, as they made initial public offerings and public offerings one after another against the backdrop of a favorable fund procurement environment. Moreover, competition over transactions in the market has become more intensified as the market participants become increasingly diversified, including foreign investors, causing the property transaction price to be formed at an even higher level. There is also a notable expansion of investment targets, such as investing in projects located in regional cities and investigating development projects.

3) Portfolio Management Status

New Property Acquisitions

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

During the 27th fiscal period, JPR acquired Shinjuku Square Tower (additional acquisition) at the acquisition price of 4.0 billion yen. As a result, the balance of assets under management totaled 62 properties, or 409.5 billion yen on an acquisition price basis, as of the end of June 2015, with the total leasable floor space standing at 475,007m² and the number of tenants reaching 647.

Operational Management of Portfolio

In the office property leasing market in the 27th fiscal period, the vacancy rate stayed at a low level, given a more advanced improvement in the supply and demand balance in Tokyo and other areas. Under such circumstances, JPR endeavored to attract new tenants through strategic leasing activities and enhance the satisfaction of existing tenants by keeping close cooperation with property management companies and brokers, with an aim of enhancing earnings from the entire portfolio and improving occupancy rates. As a result, the occupancy rate stood at 96.7% at the end of the fiscal period, still remaining at a high level although the figure decreased 0.3 points from the 97.0% at the end of the 26th fiscal period due to move-outs of certain large tenants.

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

In addition, JPR is continuously working to obtain environmental certifications (the DBJ Green Building Certification^{*1} and the recognition by GRESB^{*2}). In the 27th fiscal period, JPR applied for the DBJ Green Building Certification for another property in its portfolio, which is being examined, and worked to obtain GRESB assessment (2015 survey).

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

*2 GRESB, which stands for Global Real Estate Sustainability Benchmark, is a benchmark system for analyzing and evaluating sustainability of real estate companies, REITs and real estate private placement funds, in terms of environmental friendliness and social nature. It is based on surveys conducted by a group of the same name composed of more than 50 organizations worldwide such as European pension asset managers.

Fund Procurement

JPR is engaged in conservative financial operations, working to control the ratio of interest-bearing debts to total assets (Note 1) largely at 50% at a maximum.

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

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

In the 27th fiscal period, JPR procured 18.3 billion yen in total through issuing new investment units (refer to (3) Additional Offerings, etc. below) with the aim of raising funds to repay borrowings and expand the acquisition capacity with debts. All the proceeds obtained from the issuance of new investment units were used to repay borrowings. In addition, JPR refinanced 18.0 billion yen in total for loans and investment corporation bonds upon maturity, and borrowed 4.0 billion yen in total in long-term loans payable for property acquisition. As a result, the balance of total outstanding borrowings as of the end of the fiscal period was 134.9 billion yen, with investment corporation bonds of 41.5 billion yen.

As of the end of the 27th fiscal period, JPR had the ratio of interest-bearing debts to total assets of 42.1%, long-term and fixed interest-bearing debt ratio (Note 2) of 99.4%, average debt cost (Note 3) of 1.21%, and average maturity (Note 4) of 4.0 years.

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

Details of Corporate Credit Ratings as of June 30, 2015

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

(Note 1) Ratio of interest-bearing debts to total assets: (balance of borrowings + balance of investment corporation bonds) / total assets

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

(Note 3) Average debt cost: sum total of interest expenses, interest expenses on 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 investment corporation bond management expenses, divided by the number of business days for each fiscal period and annualized by multiplying by 365 days / average balance of borrowings and investment corporation bonds for each fiscal period

(Note 4) Average maturity is arrived at by calculating a weighted average of maturities from the end of the 27th fiscal period to the repayment deadlines for all interest-bearing debts based on the balance of each interest-bearing debt.

(3) Additional Offerings, etc.

The table below indicates additional offerings, etc. JPR has conducted since inception through the 27th fiscal period.

Date	Event	Number of Units Outstanding		Unitholders' Capital (millions of yen)		Remarks
		Variation	Balance	Variation	Balance	
September 14, 2001	Established by private placement	240	240	120	120	(Note 1)
November 16, 2001	Additional private placement	62,000	62,240	31,000	31,120	(Note 2)
January 22, 2002	Split of investment units	93,360	155,600	—	31,120	(Note 3)
June 14, 2002	Initial public offering	134,000	289,600	25,862	56,982	(Note 4)
July 15, 2003	Additional public offering	134,400	424,000	30,758	87,740	(Note 5)
August 9, 2003	Third-party allotment	6,000	430,000	1,373	89,113	(Note 6)
February 1, 2005	Additional public offering	95,000	525,000	25,001	114,115	(Note 7)
March 1, 2005	Third-party allotment	5,000	530,000	1,315	115,431	(Note 8)
February 6, 2007	Additional public offering	90,000	620,000	39,120	154,552	(Note 9)
March 7, 2007	Third-party allotment	5,000	625,000	2,173	156,725	(Note 10)
February 8, 2010	Additional public offering	82,000	707,000	13,315	170,040	(Note 11)
March 12, 2010	Third-party allotment	8,000	715,000	1,299	171,339	(Note 12)
July 30, 2012	Additional public offering	101,420	816,420	19,089	190,429	(Note 13)
August 29, 2012	Third-party allotment	8,580	825,000	1,614	192,044	(Note 14)
June 16, 2015	Additional public offering	45,700	870,700	17,472	209,516	(Note 15)
June 24, 2015	Third-party allotment	2,300	873,000	879	210,395	(Note 16)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Note 15) New investment units were issued through a public offering at 394,875 yen per unit (underwriting price of 382,320 yen per unit) to repay debts, etc.

(Note 16) New investment units were issued through a third-party allotment at 382,320 yen per unit to repay debts, etc.

(4) Cash Distributions

With regard to the cash distributions, JPR decided to distribute part of the retained earnings brought forward that had been internally reserved through the 26th fiscal period, with the aim of having the profit distributions deducted as expenses based on application of the special provision on taxation of investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation) and in order to minimize the burden to unitholders incurred by accrual of corporate income tax, etc. As a result, the cash distribution per unit came to 6,419 yen for the 27th fiscal period.

(Thousands of yen unless otherwise indicated)

Fiscal Period		23rd Fiscal Period (Jan. 1, 2013 - Jun. 30, 2013)	24th Fiscal Period (Jul. 1, 2013 - Dec. 30, 2013)	25th Fiscal Period (Jan. 1, 2014 - Jun. 30, 2014)	26th Fiscal Period (Jul. 1, 2014 - Dec. 31, 2014)	27th Fiscal Period (Jan. 1, 2015 - Jun. 30, 2015)
Unappropriated Retained Earnings at End of Period		4,998,468	4,976,931	5,094,946	5,259,866	5,623,366
Internal Reserves		22,893	21,981	21,196	20,291	19,579
Total Cash Distributions		4,975,575	4,954,950	5,073,750	5,239,575	5,603,787
(Cash Distribution per Unit)		(6,031 yen)	(6,006 yen)	(6,150 yen)	(6,351 yen)	(6,419 yen)
Breakdown	Total Cash Distributions from Net Income	4,975,575	4,954,950	5,073,750	5,239,575	5,603,787
	(Cash distribution from net income per unit)	(6,031 yen)	(6,006 yen)	(6,150 yen)	(6,351 yen)	(6,419 yen)
	Repayment of Paid-in Capital	—	—	—	—	—
	(Repayment of paid-in capital per unit)	(- yen)	(- yen)	(- yen)	(- yen)	(- yen)

(5) Future Management Policies and Vital Issues

Looking ahead, the Japanese economy is expected to remain on the track of modest recovery, given the continued improvement trend of the employment and income environments and positively affected by the drop in crude oil prices as well as corporate performances that are bolstered by the weaker yen. Caution should be taken, however, to the risks that may push the Japanese economy downward, such as a downside swing of the overseas economies.

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

1) Acquisition of New Properties and Asset Replacement

JPR will continue to make investment focused on the Tokyo office properties, with an aim to improve the quality of its portfolio and enhance its growth potential in the recovery cycle of the market. Real estate transactions remain brisk, as a decrease in purchase cap rate and expected cap rate levels has been observed in the transaction market along with the recovery in the office property leasing market conditions. For office properties in Tokyo in particular, there are deals closed at prices that have factored in rent increases in accordance with the economic recovery. Accordingly, JPR will fully investigate the growth potential of such properties when acquiring them. As for retail properties as well as office properties in regional cities, JPR will work to invest in strictly selected blue-chip properties that can keep stable revenues at a certain level in order to complement the stability of earnings from the entire portfolio. JPR will strive to acquire new properties under reasonable terms by negotiating prices based on detailed market studies and property due diligence in considering properties.

JPR will continue to make investment decisions after a proactive collection of information through such sources as sponsors of the Asset Manager, accurately grasping market trends and carefully researching investment value, including the future potential of candidate properties.

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

2) Management of Portfolio

JPR will aim to secure stable earnings over a medium to long term by working to prevent move-outs of existing tenants, encourage them to expand office spaces in the same buildings and renew contracts with upward revision of rents through

endeavors to enhance tenant satisfaction, while continuously inviting new tenants through strategic leasing activities. Specifically, JPR will conduct management and operations based on the following policies:

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

(6) Fund Procurement

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

(7) Information Disclosure

JPR has positioned the proactive voluntary disclosure of information as one of its key management policies and will voluntarily disclose information believed to be essential to investment decisions concerning JPR, along with the timely disclosure of items to the Tokyo Stock Exchange. JPR is proactively employing its website (<http://www.jpr-reit.co.jp/en/>) as a vital means for implementing voluntary disclosure and, in the 27th fiscal period, renewed the website in order to further enrich the information it provides and enhance the usability, among other purposes. Going forward, we are committed to further enriching the disclosure contents and providing information in a timely manner.

(8) Significant Subsequent Events

No relevant items.

2. Overview of the Investment Corporation

(1) Unitholders' Capital

	23rd Fiscal Period as of June 30, 2013	24th Fiscal Period as of December 31, 2013	25th Fiscal Period as of June 30, 2014	26th Fiscal Period as of December 31, 2014	27th Fiscal Period as of June 30, 2015
Total number of authorized units	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total number of units issued and outstanding	825,000	825,000	825,000	825,000	873,000
Unitholders' capital (millions of yen)	192,044	192,044	192,044	192,044	210,395
Total number of unitholders	13,965	12,877	12,425	11,836	15,689

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

The following table shows the ten largest investors according to the percentage of their owned investment units to the total number of investment units outstanding as of the end of the 27th fiscal period.

Name	Address	Number of Owned Units	Percentage of Total Units Outstanding (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11 Harumi, Chuo-ku, Tokyo	186,835	21.40
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	66,424	7.60
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Harumi Island Triton Square Office Tower Z Building, 1-8-12 Harumi, Chuo-ku, Tokyo	56,723	6.49
Tokyo Tatemono Co., Ltd.	1-9-9 Yaesu, Chuo-ku, Tokyo	29,300	3.35
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	29,115	3.33
Kawasaki Gakuen	577 Matsushima, Kurashiki-shi, Okayama	25,000	2.86
Meiji Yasuda Life Insurance Company	2-1-1 Marunouchi, Chiyoda-ku, Tokyo	24,000	2.74
State Street Bank West Client Treaty (Standing Proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, MA 02171 U.S.A. (4-16-13 Tsukishima, Chuo-ku, Tokyo)	16,816	1.92
Nomura Bank Luxembourg S. A. (Standing Proxy: Sumitomo Mitsui Banking Corporation)	Batiment A, 33, rue de Gasperich, L-5826, Luxembourg (1-2-3 Otemachi, Chiyoda-ku, Tokyo)	14,761	1.69
State Street Bank West Pension Fund Clients Exempt (Standing Proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, MA 02171 U. S. A. (4-16-13 Tsukishima, Chuo-ku, Tokyo)	13,268	1.51
Total		462,242	52.94

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

(3) Items Related to Directors

A. The Executive Officer, Supervising Officers and Independent Auditors as of the end of the 27th fiscal period are as follows.

Position	Name	Other Current Assignments	Total Directors' Fee during the 27th Fiscal Period (thousands of yen)	Number of Owned Units
Executive Officer	Hirohito Kaneko	Representative Counsel, Hirohito Kaneko Law Office	2,400	—
Supervising Officers (Note 1)	Sosuke Yasuda	Advisor, Gyosei Audit Corporation Group representative partner, GYOSEI Certified Public Tax & Accountants' Co. Outside Auditor, MS&AD Insurance Group Holdings	4,200	—
	Masato Denawa	Partner Attorney, Spring Partners		—
Independent Auditor (Note 2)	Ernst & Young ShinNihon LLC	—	16,600	—

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

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

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

The dismissal of independent auditors shall be considered in accordance with the designations of the Investment Trusts Act. The decision to not reappoint the auditor shall be studied at JPR's Board of Directors Meetings following comprehensive consideration of circumstances including audit quality, audit fee and other various conditions.

(4) Asset Manager, Asset Custodian and Administrative Agent

The asset manager, asset custodian and administrative agents of JPR at the end of the 27th fiscal period are as follows.

Outsourcing Category	Name
Asset management company	Tokyo Realty Investment Management, Inc.
Asset custodian	Mizuho Trust & Banking Co., Ltd.
Administrative agent (administration, etc. concerning unitholders' list, etc.)	Mizuho Trust & Banking Co., Ltd.
Administrative agent (administration concerning investment corporation bonds)	Mizuho Bank, Ltd.

3. Status of JPR's Assets Under Management

(1) JPR's Asset Structure

Asset Type	Area	26th Fiscal Period (as of December 31, 2014)		27th Fiscal Period (as of June 30, 2015)	
		Assets owned by JPR (thousands of yen)	Percentage of total assets (%)	Assets owned by JPR (thousands of yen)	Percentage of total assets (%)
Real estate	Central Tokyo	79,435,093	19.2	79,182,734	18.9
	Greater Tokyo	58,865,744	14.2	58,479,210	14.0
	Other Cities	21,546,427	5.2	21,367,962	5.1
Real estate in trust	Central Tokyo	133,519,662	32.2	137,634,395	32.9
	Greater Tokyo	52,555,983	12.7	52,214,251	12.5
	Other Cities	43,801,624	10.6	43,733,460	10.4
Deposits and other assets	—	24,367,034 (—)	5.9 (—)	26,166,855 (—)	6.2 (—)
Total assets	—	414,091,570 (389,724,535)	100.0 (94.1)	418,778,869 (392,612,013)	100.0 (93.8)

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

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

(2) Major Assets Owned by JPR

The following is an overview of the major assets (ten largest properties by book value at end of period) owned by JPR as of the end of the 27th fiscal period.

Property Name	Book Value (thousands of yen)	Leasable Floor Space (m ²)	Leased Floor Space (m ²)	Occupancy Rate (%)	Rate of Monthly Contracted Rent at End of Period (%)	Asset Class
Otemachi Tower (Land with Leasehold Interest)	38,388,259	11,034.78	11,034.78	100.0	12.1	Office
Olinas Tower	28,594,112	23,987.40	23,987.40	100.0	7.3	Office
Shinjuku Center Bldg.	22,216,775	8,863.98	8,532.39	96.3	3.4	Office
BYGS Shinjuku Bldg.	15,572,750	15,216.93	14,884.79	97.8	3.7	Office
JPR Sendagaya Bldg.	15,064,494	6,177.74	6,177.74	100.0	1.9	Office
Kanematsu Bldg.	14,693,093	8,029.47	6,404.98	79.8	2.1	Office
Kawasaki Dice Bldg.	13,952,262	12,116.35	12,116.35	100.0	3.0	Retail
Shinjuku Square Tower	12,881,120	17,947.61	17,310.84	96.5	2.4	Office
JPR Umeda Loft Bldg.	12,583,381	18,586.97	18,586.97	100.0	2.8	Retail
JPR Shibuya Tower Records Bldg.	11,564,936	8,076.85	8,076.85	100.0	2.5	Retail
Total	185,511,185	130,038.08	127,113.09	97.8	41.3	

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

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

(3) Itemized Portfolio Assets

The following table provides an overview of the real estate properties and beneficiary interests in real estate owned by JPR as of the end of the 27th fiscal period (June 30, 2015).

Area	Type	Property Name	Location	Form of Ownership	Book Value as of June 30, 2015 (thousands of yen)	Appraisal Value as of June 30, 2015 (thousands of yen) (Note)	
Central Tokyo	Office	Kanematsu Bldg.	14-1 Kyobashi 2-chome, Chuo-ku, Tokyo	Beneficiary interest	14,693,093	12,400,000	
		Kanematsu Bldg. Annex	17-5 Kyobashi 2-chome, Chuo-ku, Tokyo	Beneficiary interest	2,420,353	2,240,000	
		JPR Ningyo-cho Bldg.	17-4 Nihonbashi Ningyocho 1-chome, Chuo-ku, Tokyo	Beneficiary interest	1,951,580	2,390,000	
		Shin-Kojimachi Bldg.	3-3 Kojimachi 4-chome, Chiyoda-ku, Tokyo	Beneficiary interest	2,503,085	3,010,000	
		JPR Crest Takebashi Bldg.	21-4, etc., Kanda-Nishikicho 3-chome, Chiyoda-ku, Tokyo	Beneficiary interest	3,332,378	2,910,000	
		MS Shibaura Bldg.	13-23 Shibaura 4-chome, Minato-ku, Tokyo	Beneficiary interest	11,078,956	11,300,000	
		Gotanda First Bldg.	8-1 Nishi-Gotanda 2-chome, Shinagawa-ku, Tokyo	Beneficiary interest	2,644,014	2,170,000	
		Fukuoka Bldg.	8-7 Yaesu 2-chome, Chuo-ku, Tokyo	Beneficiary interest	3,007,445	2,940,000	
		JPR Ichigaya Bldg.	7-15 Kudan-Minami 4-chome, Chiyoda-ku, Tokyo	Beneficiary interest	5,263,495	4,780,000	
		Oval Court Ohsaki Mark West	17-1 Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo	Beneficiary interest	2,965,809	4,540,000	
		Shinjuku Square Tower	22-1 Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo	Beneficiary interest	12,881,120	12,100,000	
		BYGS Shinjuku Bldg.	19-1 Shinjuku 2-chome, Shinjuku-ku, Tokyo	Real estate	15,572,750	14,500,000	
		Across Shinkawa Bldg. Annex	16-14 Shinkawa 1-chome, Chuo-ku, Tokyo	Real estate	603,605	828,000	
		Shinjuku Center Bldg.	25-1 Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo	Real estate	22,216,775	13,500,000	
		Minami Azabu Bldg.	12-3 Minami-Azabu 2-chome, Minato-ku, Tokyo	Real estate	3,891,699	2,540,000	
		Shinagawa Canal Bldg.	12-33 Konan 2-chome, Minato-ku, Tokyo	Real estate	1,772,850	1,770,000	
		Rokubancho Bldg.	2-9, etc., Rokubancho, Chiyoda-ku, Tokyo	Real estate	2,864,168	3,230,000	
		JPR Harajuku Bldg.	17-11 Jingumae 6-chome, Shibuya-ku, Tokyo	Beneficiary interest	8,739,526	7,350,000	
		Tokyo Tatemono Kyobashi Bldg.	6-18 Kyobashi 3-chome, Chuo-ku, Tokyo	Real estate	5,357,060	5,760,000	
		JPR Nihonbashi-horidome Bldg.	11-12 Nihonbashi-Horidomecho 1-chome, Chuo-ku, Tokyo	Beneficiary interest	4,927,014	6,140,000	
		JPR Sendagaya Bldg.	23-5 Sendagaya 4-chome, Shibuya-ku, Tokyo	Real estate	15,064,494	11,000,000	
		Ginza Sanwa Bldg.	6-1 Ginza 4-chome, Chuo-ku, Tokyo	Real estate	3,633,381	3,450,000	
		Otemachi Tower (Land with Leasehold Interest)	6-6, etc., Otemachi 1-chome, Chiyoda-ku, Tokyo	Beneficiary interest	38,388,259	42,300,000	
		Science Plaza-Yonbancho Plaza	9-6, etc., Yonbancho, Chiyoda-ku, Tokyo	Beneficiary interest	2,705,669	3,000,000	
		Shibadaimon Center Bldg.	10-11 Shibadaimon 1-chome, Minato-ku, Tokyo	Beneficiary interest	4,247,966	4,970,000	
		Retail	JPR Shibuya Tower Records Bldg.	22-14 Jinnan 1-chome, Shibuya-ku, Tokyo	Beneficiary interest	11,564,936	13,600,000
			JPR Daikanyama	20-5 Daikanyamacho, Shibuya-ku, Tokyo	Real estate	2,186,307	1,560,000
			JPR Jingumae 432	32-13 Jingumae 4-chome, Shibuya-ku, Tokyo	Beneficiary interest	4,319,688	3,640,000
	Shinjuku Sanchome East Bldg.		1-26, Shinjuku 3-chome, Shinjuku-ku, Tokyo	Real estate	2,673,217	2,690,000	
	Yurakucho Ekimae Bldg. (Yurakucho Itocia)		7-1 Yurakucho 2-chome, Chiyoda-ku, Tokyo	Real estate	3,346,422	2,910,000	
	Greater Tokyo	Office	Area East	2-1 Kinshi 3-chome, Sumida-ku, Tokyo	Beneficiary interest	4,422,775	6,220,000
			JPR Chiba Bldg.	1-7, etc., Shinmachi, Chuo-ku, Chiba, Chiba	Beneficiary interest	2,329,631	1,700,000
JPR Yokohama Nihon Odori Bldg.			17 Nihon-Odori, Naka-ku, Yokohama, Kanagawa	Beneficiary interest	2,569,164	2,390,000	
Shinyokohama 2nd Center Bldg.			19-5, etc., Shinyokohama 3-chome, Kohoku-ku, Yokohama, Kanagawa	Beneficiary interest	1,462,182	1,640,000	
Kawaguchi Center Bldg.			1-8 Honcho 4-chome, Kawaguchi, Saitama	Beneficiary interest	7,056,099	7,530,000	
JPR Ueno East Bldg.			3-5 Matsugaya 1-chome, Taito-ku, Tokyo	Real estate	3,026,505	4,350,000	
Tachikawa Business Center Bldg.			38-5 Akebonocho 2-chome, Tachikawa, Tokyo	Real estate	2,926,233	3,120,000	
Rise Arena Bldg.			5-2 Higashi-Ikebukuro 4-chome, Toshima-ku, Tokyo	Real estate	5,422,081	7,350,000	
Yume-ooka Office Tower			6-1 Kamiooka Nishi 1-chome, Konan-ku, Yokohama, Kanagawa	Real estate	5,593,598	5,740,000	
Olinas Tower			1-3 Taihei 4-chome, Sumida-ku, Tokyo	Real estate	28,594,112	34,500,000	
Tokyo Tatemono Yokohama Bldg.			5-10 Kitasaiwai 1-chome, Nishi-ku, Yokohama, Kanagawa	Real estate	6,907,768	7,530,000	
Omiya Prime East			1-1, etc., Shimocho 2-chome, Omiya-ku, Saitama, Saitama	Beneficiary interest	6,086,703	6,850,000	
Retail			Tanashi ASTA	1-1 Tanashicho 2-chome, Nishitokyo, Tokyo	Beneficiary interest	7,527,666	13,100,000
		Cupo-la Main Bldg.	1-1 Kawaguchi 1-chome, Kawaguchi, Saitama	Real estate	1,801,699	2,630,000	
		JPR Musashikosugi Bldg.	420-1, etc., Kosugimachi 3-chome, Nakahara-ku, Kawasaki, Kanagawa	Real estate	7,133,444	5,340,000	

III. Asset Management Report

Area	Type	Property Name	Location	Form of Ownership	Book Value as of June 30, 2015 (thousands of yen)	Appraisal Value as of June 30, 2015 (thousands of yen) (Note)
		Musashiurawa Shopping Square	3-1 Bessho 7-cho, Saitama, Saitama	Beneficiary interest	3,881,532	4,090,000
		Kawasaki Dice Bldg.	8-3, etc., Ekimae-Honcho, Kawasaki, Kanagawa	Beneficiary interest	13,952,262	15,100,000
Other Cities	Office	Niigata Ekinan Center Bldg.	24 Yoneyama 1-chome, Chuo-ku, Niigata, Niigata	Beneficiary interest	1,710,042	2,330,000
		Tokyo Tatemono Honmachi Bldg.	4-8 Honmachi 3-chome, Chuo-ku, Osaka, Osaka	Beneficiary interest	4,129,226	3,280,000
		JPR Hakata Bldg.	4-4 Hakataeki-mae 1-chome, Hakata-ku, Fukuoka, Fukuoka	Beneficiary interest	3,054,653	2,750,000
		JPR Naha Bldg.	1-19 Matsuyama 1-chome, Naha, Okinawa	Beneficiary interest	1,369,461	1,370,000
		Sompo Japan Sendai Bldg.	7-35 Tsutsujigaoka 3-chome, Miyagino-ku, Sendai, Miyagi	Beneficiary interest	2,228,552	3,470,000
		Sompo Japan Wakayama Bldg.	31-1, etc., Misonocho 3-chome, Wakayama, Wakayama	Beneficiary interest	1,405,028	1,640,000
		Tenjin 121 Bldg.	3-38 Tenjin 1-chome, Chuo-ku, Fukuoka, Fukuoka	Beneficiary interest	2,170,484	2,290,000
		JPR Dojima Bldg.	1-23 Sonezaki-Shinchi 2-chome, Kita-ku, Osaka, Osaka	Beneficiary interest	2,162,876	2,280,000
		JPR Hakata-chuo Bldg.	6-12 Hakataeki-mae 2-chome, Hakata-ku, Fukuoka, Fukuoka	Beneficiary interest	1,832,825	1,700,000
		JPR Nagoya Fushimi Bldg.	24-15 Sakae 1-chome, Naka-ku, Nagoya, Aichi	Real estate	4,020,144	2,920,000
		Yakuin Business Garden	1-1 Yakuin 1-chome, Chuo-ku, Fukuoka, Fukuoka	Real estate	10,952,177	13,000,000
		Retail	JPR Umeda Loft Bldg.	16-7 Chayamachi, Kita-ku, Osaka, Osaka	Beneficiary interest	12,583,381
	Benetton Shinsaibashi Bldg.		2-11 Minami-Senba 4-chome, Chuo-ku, Osaka, Osaka	Beneficiary interest	5,118,774	4,390,000
	Housing Design Center Kobe		2-2 Higashi-Kawasakicho 1-chome, Chuo-ku, Kobe, Hyogo	Real estate	6,395,639	6,660,000
	JPR Chayamachi Bldg.		2-19 Chayamachi, Kita-ku, Osaka, Osaka	Beneficiary interest	5,968,151	5,470,000
Total					392,612,013	401,948,000

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

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

Area	Type	Property Name	26th Fiscal Period (from Jul. 1, 2014 to Dec. 31, 2014)				27th Fiscal Period (from Jan. 1, 2015 to Jun. 30, 2015)			
			Number of Tenants at Period End	Occupancy Rate at Period End (%)	Rental Revenues throughout Period (thousands of yen)	Ratio to Total Rental Revenues (%)	Number of Tenants at Period End	Occupancy Rate at Period End (%)	Rental Revenues throughout Period (thousands of yen)	Ratio to Total Rental Revenues (%)
Central Tokyo	Office	Kanematsu Bldg.	8	90.0	329,762	2.4	8	79.8	365,389	2.6
		Kanematsu Bldg. Annex	1	100.0	(Note 2)	(Note 2)	0	0.0	(Note 2)	(Note 2)
		JPR Ningyo-cho Bldg.	4	100.0	89,153	0.6	4	100.0	88,693	0.6
		Shin-Kojimachi Bldg.	15	94.2	96,989	0.7	16	100.0	97,432	0.7
		JPR Crest Takebashi Bldg.	6	100.0	93,053	0.7	6	100.0	92,679	0.7
		MS Shibaura Bldg.	7	72.9	330,889	2.4	9	86.4	304,929	2.1
		Gotanda First Bldg.	2	100.0	133,085	1.0	1	0.2	290,738	2.0
		Fukuoka Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
		JPR Ichigaya Bldg.	9	88.2	161,786	1.2	9	88.2	154,584	1.1
		Oval Court Ohsaki Mark West	3	100.0	180,777	1.3	3	100.0	180,114	1.3
		Shinjuku Square Tower	24	93.9	194,868	1.4	24	96.5	237,400	1.7
		Shinjuku Square Tower (additional acquisition in 14th period)		93.9	2,994	0.0				
		Shinjuku Square Tower (additional acquisition in 27th period)	-	-	-	-	-	-	-	-
		BYGS Shinjuku Bldg.	25	99.5	549,039	3.9	25	97.8	543,873	3.8
		Across Shinkawa Bldg. Annex	4	100.0	35,739	0.3	4	100.0	36,956	0.3
		Shinjuku Center Bldg.	32	95.8	455,631	3.3	32	96.3	462,978	3.2
		Minami Azabu Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
		Shinagawa Canal Bldg.	4	85.2	64,888	0.5	5	100.0	63,734	0.4
Rokubancho Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
JPR Harajuku Bldg.	9	100.0	299,693	1.7	9	100.0	229,489	1.6		
Tokyo Tatemono Kyobashi Bldg.	7	78.8	140,787	1.0	8	89.0	167,791	1.2		
JPR Nihonbashi-horidome Bldg.	6	100.0	191,390	1.4	6	100.0	191,355	1.3		

Area	Type	Property Name	26th Fiscal Period (from Jul. 1, 2014 to Dec. 31, 2014)				27th Fiscal Period (from Jan. 1, 2015 to Jun. 30, 2015)				
			Number of Tenants at Period End	Occupancy Rate at Period End (%)	Rental Revenues throughout Period (thousands of yen)	Ratio to Total Rental Revenues (%)	Number of Tenants at Period End	Occupancy Rate at Period End (%)	Rental Revenues throughout Period (thousands of yen)	Ratio to Total Rental Revenues (%)	
Central Tokyo	Office	JPR Sendagaya Bldg.	6	100.0	268,966	1.9	7	100.0	239,651	1.7	
		Ginza Sanwa Bldg.	8	100.0	115,471	0.8	8	100.0	118,784	0.8	
		Otemachi Tower (Land with Leasehold Interest)	2	100.0	1,530,000	11.0	2	100.0	1,555,500	10.9	
		Science Plaza-Yonbancho Plaza	19	86.4	113,608	0.8	24	95.8	112,258	0.8	
		Shibadaimon Center Bldg.	9	100.0	162,510	1.2	9	100.0	170,762	1.2	
	Retail	JPR Shibuya Tower Records Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		JPR Daikanyama	4	100.0	34,016	0.2	4	100.0	35,098	0.2	
		JPR Jingumae 432	6	86.6	49,736	0.4	6	86.6	78,095	0.5	
		Shinjuku Sanchoe East Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
Greater Tokyo	Office	Arca East	5	93.1	258,436	1.9	6	100.0	267,826	1.9	
		JPR Chiba Bldg.	37	95.6	132,504	1.0	36	93.0	141,552	1.0	
		JPR Yokohama Nihon Odori Bldg.	13	100.0	130,945	0.9	13	100.0	123,483	0.9	
		Shinyokohama 2nd Center Bldg.	19	96.9	96,146	0.7	19	96.9	100,501	0.7	
		Kawaguchi Center Bldg.	43	96.7	395,026	2.8	42	98.5	394,814	2.8	
		JPR Ueno East Bldg.	8	100.0	181,247	1.3	8	93.8	176,988	1.2	
		Tachikawa Business Center Bldg.	19	98.1	150,000	1.1	20	100.0	145,838	1.0	
		Rise Arena Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		Yume-ooka Office Tower	35	91.2	315,797	2.3	35	92.8	322,539	2.3	
		Olinas Tower	11	95.6	997,732	7.2	13	100.0	993,747	7.0	
	Tokyo Tatemono Yokohama Bldg.	14	100.0	295,254	2.1	14	100.0	297,195	2.1		
	Omiya Prime East	4	100.0	264,917	1.9	4	100.0	264,101	1.9		
	Retail	Tanashi ASTA	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		Cupo-la Main Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		JPR Musashikosugi Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		Musashiurawa Shopping Square	3	100.0	126,996	0.9	3	100.0	126,996	0.9	
		Kawasaki Dice Bldg.	27	95.6	483,257	3.5	29	100.0	481,507	3.4	
	Other Cities	Office	Niigata Ekinan Center Bldg.	8	100.0	128,324	0.9	8	100.0	129,180	0.9
			Tokyo Tatemono Honmachi Bldg.	10	94.0	155,840	1.1	10	93.3	153,636	1.1
			JPR Hakata Bldg.	40	96.7	129,347	0.9	42	99.8	141,453	1.0
JPR Naha Bldg.			22	100.0	91,601	0.7	20	97.9	88,347	0.6	
Sompo Japan Sendai Bldg.			13	95.3	180,099	1.3	15	100.0	180,726	1.3	
Sompo Japan Wakayama Bldg.			12	98.3	112,364	0.8	12	98.3	111,385	0.8	
Tenjin 121 Bldg.			16	100.0	99,194	0.7	16	100.0	98,481	0.7	
JPR Dojima Bldg.			8	100.0	114,423	0.8	8	100.0	114,614	0.8	
JPR Hakata-chuo Bldg.			6	100.0	78,520	0.6	6	100.0	80,704	0.6	
JPR Nagoya Fushimi Bldg.			3	88.8	131,144	0.9	3	94.5	131,798	0.9	
Yakuin Business Garden		17	99.9	437,735	3.1	17	99.9	441,269	3.1		
Retail		JPR Umeda Loft Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		Benetton Shinsaibashi Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		Housing Design Center Kobe	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		JPR Chayamachi Bldg.	6	100.0	141,162	1.0	6	100.0	144,181	1.0	
Total			632	97.0	13,902,843	100.0	647	96.7	14,251,821	100.0	

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

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

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

(4) Status of Other Assets

Beneficiary interests with real estate as major entrusted properties have been entered under (3) Itemized Portfolio Assets above.

There is no incorporation of main specific assets which are main investment targets of JPR other than those listed under (3) above as of the end of the 27th fiscal period.

4. Capital Expenditures of Owned Real Estate

(1) Planned Capital Expenditures

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

Property Name	Location	Purpose	Schedule	Planned (millions of yen)		
				Total Value	Payment during the 27th Fiscal Period	Amount Already Paid
Kanematsu Bldg.	Chuo Ward, Tokyo	2nd phase of renewal of through-the-wall air conditioning units	Jun. 2015~Jul. 2015	86	—	—
JPR Ningyocho Bldg.	Chuo Ward, Tokyo	Repair of exterior walls	Sept. 2015~Dec. 2015	79	—	—
Kanematsu Bldg. Annex	Chuo Ward, Tokyo	Refurbishment	Aug. 2015~Dec. 2015	45	—	—
Shinjuku Center Bldg.	Shinjuku Ward, Tokyo	New installment of security equipment	Mar. 2014~Dec. 2015	43	9	36
MS Shibaura Bldg.	Minato Ward, Tokyo	Renovation of the entrance hall and replacement of toilets on the 1st floor1	Sept. 2015~Dec. 2015	38	—	—
Yume-ooka Office Tower	Yokohama City, Kanagawa	1st phase of replacement of local devices for automatic control equipment	Aug. 2015~Nov. 2015	35	—	—

(2) Capital Expenditures during the 27th Fiscal Period

The following are the capital expenditure amounts JPR invested in real estate and entrusted real estate during the 27th fiscal period. Among major capital expenditures, JPR conducted replacement of air conditioning units to maintain and enhance tenant satisfaction, as well as renovation of common-use areas and installation of office automation floors for leased offices with the aim of attracting new tenants. In addition, aside from these constructions, JPR conducted construction of 579 million yen (Note), which was appropriated as expenditures for repair and maintenance.

Property Name	Location	Purpose	Period	Construction Expenses (millions of yen)
JPR Umeda Loft Bldg.	Osaka City, Osaka	Renewal of heat sources for air conditioning units	Oct. 2014~Mar. 2015	156
Shin-Kojimachi Bldg.	Chiyoda Ward, Tokyo	2nd phase of replacement of air conditioning units	Jan. 2015~Jun. 2015	73
Kanematsu Bldg.	Chuo Ward, Tokyo	2nd phase of renewal of through-the-wall air conditioning units	Mar. 2015~May 2015	52
Shinjuku Center Bldg.	Shinjuku Ward, Tokyo	4th phase of replacement of substation facilities	Jan. 2015~Mar. 2015	39
Other Properties		Repair of common areas, installation of office automation floors, replacement of air conditioning units, etc.		338
Total				660

(Note) Expenditures for repair and maintenance included 13 million yen of construction management fees paid to construction management companies as well as the amounts for repair and maintenance constructions themselves.

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

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

(Millions of yen)

Operation Period	23rd Fiscal Period (Jan. 1, 2013 - Jun. 30, 2013)	24th Fiscal Period (Jul. 1, 2013 - Dec. 31, 2013)	25th Fiscal Period (Jan. 1, 2014 - Jun. 30, 2014)	26th Fiscal Period (Jul. 1, 2014 - Dec. 31, 2014)	27th Fiscal Period (Jan. 1, 2015 - Jun. 30, 2015)
Balance of deposits at beginning of current period	810	816	805	925	877
Deposits during the period	376	565	591	378	473
Amounts used from deposits during the period	370	576	471	426	416
Deposits carried forward to the next period	816	805	925	877	934

5. Expenses and Liabilities

(1) Details of Expenses Related to Management

(Thousands of yen)

Item	26th Fiscal Period (Jul. 1, 2014 - Dec. 31, 2014)	27th Fiscal Period (Jan. 1, 2015 - Jun. 30, 2015)
(a) Asset Management Fees (Note)	485,787	503,437
Fixed compensation	75,000	75,000
Incentive-based compensation 1	248,702	255,080
Incentive-based compensation 2	162,084	173,357
(b) Administrative Service and Custodian Fees	78,417	77,388
(c) Directors' Fee	6,600	6,600
(d) Trust Fees	32,150	31,051
(e) Other Expenses	89,007	90,438
Total	691,962	708,916

(Note) Aside from the amounts of the asset management fees (26th fiscal period: 2,000 thousand yen, 27th fiscal period: 10,000 thousand yen) entered above have been paid for asset management of the acquired properties and has been included in the book value of each property.

(2) Status of Loans Payable

As of June 30, 2015 JPR has the following loans payable.

Category	Lender	Drawdown Date	Balance as of Jan. 1, 2015 (millions of yen)	Balance as of Jun. 30, 2015 (millions of yen)	Average Interest Rate (%) (Note 1) (Note 2)	Repayment Date	Repayment Method	Use	Remarks
Short-Term Loans Payable	Sumitomo Mitsui Trust Bank, Limited (Note 6)	Mar. 26, 2015	—	1,000	0.330%	Mar. 25, 2016	Principal lump sum repayment on maturity	(Note 3)	Unsecured/ Unguaranteed/ Non-Subordinated
	Total		—	1,000					
Long-Term Loans Payable	Mizuho Bank, Ltd.	Feb. 4, 2011	5,000	5,000	1.414%	Feb. 4, 2016	Principal lump sum repayment on maturity	(Note 3)	Unsecured/ Unguaranteed/ Non-Subordinated
	Mizuho Bank, Ltd.	Mar. 30, 2012	7,000	7,000	1.093%	Mar. 30, 2017			
	Mizuho Bank, Ltd.	Dec. 5, 2012	2,000	2,000	1.027%	Dec. 5, 2019			
	Mizuho Bank, Ltd.	Nov. 27, 2013	3,000	3,000	0.970%	Nov. 27, 2020			
	Mizuho Bank, Ltd.	Jun. 27, 2014	5,000	5,000	1.178%	Jun. 27, 2023			
	Mizuho Bank, Ltd.	Mar. 11, 2015	—	2,000	1.011%	Mar. 11, 2024			
	Mizuho Bank, Ltd.	Mar. 24, 2015	—	2,000	1.056%	Mar. 24, 2025			
	Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 25, 2011	5,000	5,000	1.198%	Mar. 25, 2016			
	Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 8, 2012	1,000	1,000	1.178%	Aug. 8, 2019			
	Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 8, 2012	1,000	1,000	0.948%	Aug. 8, 2017			
	Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sept. 5, 2012	3,000	3,000	0.919%	Sept. 5, 2017			
	Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 5, 2012	1,000	1,000	1.027%	Dec. 5, 2019			
	Bank of Tokyo-Mitsubishi UFJ, Ltd.	Nov. 27, 2013	3,000	3,000	0.970%	Nov. 27, 2020			
	Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 27, 2014	4,000	4,000	0.889%	Jun. 25, 2021			
	Sumitomo Mitsui Banking Corporation	Mar. 30, 2012	6,400	6,400	1.093%	Mar. 30, 2017			
	Sumitomo Mitsui Banking Corporation	Dec. 5, 2012	1,000	1,000	1.027%	Dec. 5, 2019			
	Sumitomo Mitsui Banking Corporation	Jun. 27, 2013	3,000	3,000	1.265%	Jun. 26, 2020			
	Sumitomo Mitsui Banking Corporation	Jun. 27, 2014	2,500	2,500	1.033%	Jun. 27, 2022			
	Shinsei Bank, Ltd.	Apr. 5, 2012	5,000	5,000	1.397%	Apr. 5, 2019			
	Shinsei Bank, Ltd.	Sept. 24, 2013	2,000	2,000	1.076%	Sept. 24, 2020			
	Shinsei Bank, Ltd.	Dec. 5, 2014	2,000	2,000	1.134%	Dec. 5, 2024			
	Aozora Bank, Ltd.	Jul. 3, 2012	900	900	0.994%	Jul. 3, 2017			
	Aozora Bank, Ltd.	Aug. 8, 2012	2,000	2,000	1.178%	Aug. 8, 2019			
Aozora Bank, Ltd.	Aug. 27, 2012	2,000	2,000	0.985%	Aug. 25, 2017				
Aozora Bank, Ltd.	Aug. 30, 2012	2,000	2,000	1.146%	Aug. 30, 2018				
Aozora Bank, Ltd.	Sept. 30, 2013	1,000	1,000	1.069%	Sept. 24, 2020				
Development Bank of Japan Inc.	Jun. 26, 2009	2,900	2,800	3.190%	Jun. 27, 2019	(Note 4)			

Category	Lender	Drawdown Date	Balance as of Jan. 1, 2015 (millions of yen)	Balance as of Jun. 30, 2015 (millions of yen)	Average Interest Rate (%) (Note 1) (Note 2)	Repayment Date	Repayment Method	Use	Remarks
Long-Term Loans Payable	Development Bank of Japan Inc.	Jun. 27, 2013	820	820	1.449%	Jun. 25, 2021	Principal lump sum repayment on maturity		
	Development Bank of Japan Inc.	Dec. 5, 2013	2,000	2,000	1.188%	Dec. 3, 2021			
	Development Bank of Japan Inc.	Mar. 24, 2015	—	2,000	1.056%	Mar. 24, 2025			
	Mizuho Trust & Banking Co., Ltd.	Mar. 30, 2012	4,000	4,000	1.093%	Mar. 30, 2017			
	Mizuho Trust & Banking Co., Ltd.	Feb. 4, 2013	3,000	3,000	1.076%	Feb. 4, 2020			
	Mitsubishi UFJ Trust and Banking Corporation	Aug. 29, 2011	5,000	5,000	1.184%	Aug. 29, 2017			
	Mitsubishi UFJ Trust and Banking Corporation	Aug. 29, 2011	1,000	1,000	0.924%	Aug. 31, 2015			
	Mitsubishi UFJ Trust and Banking Corporation	Jun. 27, 2012	1,000	—	0.843%	Jun. 26, 2015			
	The Bank of Fukuoka, Ltd.	Jul. 7, 2011	2,000	2,000	1.170%	Jul. 7, 2016			
	The Bank of Fukuoka, Ltd.	Apr. 11, 2012	2,000	2,000	0.902%	Oct. 9, 2015			
	The Bank of Fukuoka, Ltd.	Sept. 24, 2013	1,000	1,000	0.911%	Sept. 24, 2019			
	Meiji Yasuda Life Insurance Company	Jun. 21, 2011	3,604	3,538	1.800%	Jun. 21, 2018	(Note 5)		
	Meiji Yasuda Life Insurance Company	Feb. 5, 2015	—	1,000	1.042%	Feb. 5, 2025	Principal lump sum repayment on maturity		
	Sompo Japan Nipponkoa Insurance Inc.	Apr. 11, 2012	2,000	2,000	0.981%	Oct. 11, 2016			
	Sompo Japan Nipponkoa Insurance Inc.	Jun. 27, 2012	2,000	2,000	0.874%	Dec. 25, 2015			
	ORIX Bank Corporation	Feb. 4, 2013	1,000	1,000	0.786%	Feb. 5, 2018			
	ORIX Bank Corporation	Nov. 27, 2013	2,000	2,000	0.762%	May 27, 2019			
	Shinkin Central Bank	Dec. 5, 2013	3,000	3,000	0.689%	Dec. 5, 2018			
	The Shinkumi Federation Bank	Feb. 4, 2013	3,000	3,000	0.786%	Feb. 5, 2018			
	Taiyo Life Insurance Company	Sept. 24, 2010	1,000	1,000	1.275%	Sept. 24, 2015			
	Taiyo Life Insurance Company	Jun. 4, 2013	1,000	1,000	0.949%	Jun. 4, 2018			
	Taiyo Life Insurance Company	Dec. 27, 2013	1,000	1,000	1.011%	Dec. 25, 2020			
	The Chugoku Bank, Ltd.	Apr. 11, 2012	2,000	2,000	0.902%	Oct. 9, 2015			
	The Chugoku Bank, Ltd.	Sept. 24, 2013	1,000	1,000	0.758%	Sept. 25, 2018			
	The Nishi-Nippon City Bank, Ltd.	May 27, 2011	3,000	3,000	1.149%	May 27, 2016			
	The Hachijuni Bank, Ltd.	Apr. 11, 2012	1,000	1,000	0.902%	Oct. 9, 2015			
	The Hachijuni Bank, Ltd.	Sept. 24, 2014	1,000	1,000	0.424%	Sept. 26, 2016			
	Resona Bank, Limited	Mar. 30, 2012	2,000	2,000	1.093%	Mar. 30, 2017			
	The Iyo Bank, Ltd.	Apr. 11, 2012	1,000	1,000	0.902%	Oct. 9, 2015			
	Daido Life Insurance Company	Feb. 5, 2008	1,000	—	1.666%	Feb. 5, 2015			
	Daido Life Insurance Company	Dec. 27, 2013	1,000	1,000	0.710%	Dec. 27, 2018			
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Dec. 27, 2013	1,000	1,000	0.710%	Dec. 27, 2018			
	The Norinchukin Bank	Dec. 5, 2014	1,000	1,000	0.440%	Dec. 5, 2017			
	Sumitomo Life Insurance Company	Jun. 4, 2008	2,000	—	2.257%	Jun. 4, 2015			
	Zenkyoren (National Mutual Insurance Federation of Agricultural Cooperatives)	Mar. 26, 2008	2,000	—	1.725%	Mar. 26, 2015			
	The Tokyo Tomin Bank, Limited (Note 7) (Note 8)	Mar. 30, 2012	1,000	—	0.604%	Sept. 30, 2015			
	The Bank of Yokohama, Ltd. (Note 7) (Note 8)	Mar. 30, 2012	1,000	—	0.604%	Sept. 30, 2015			
	The Minato Bank, Ltd (Note 7) (Note 8)	Mar. 30, 2012	800	—	0.604%	Sept. 30, 2015			
	The Yamaguchi Bank, Ltd. (Note 7) (Note 8)	Mar. 30, 2012	500	—	0.604%	Sept. 30, 2015			
	The Chiba Kogyo Bank, Ltd. (Note 7) (Note 8)	Mar. 30, 2012	100	—	0.604%	Sept. 30, 2015			
Total			136,524	133,958				(Note 3)	Unsecured/ Unguaranteed/ Non-Subordinated

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

(Note 2) Short-term loans payable are floating-rate loans payable. Long-term loans payable are fixed-rate loans payable, except those in a syndicated loan (Note 8).

(Note 3) Funds are used for purchasing real estate or real estate beneficiary interests in trust (including accompanying expenses), repaying loans payable and redemption of investment corporation bonds.

(Note 4) The loans payable are subject to repayment of 100 million yen on December 27, 2009 and thereafter on the 27th day of every 6 months. In addition, repayment of 2,100 million yen will be made on maturity date June 27, 2019.

(Note 5) The loans payable are subject to repayment of 66 million yen on June 27, 2012 and hereafter on the 27th day of every 6 months. In addition, repayment of 3,208 million yen will be made on maturity date June 21, 2018.

(Note 6) Of the 2,000 million yen in short-term loans payable borrowed on March 26, 2015 from Sumitomo Mitsui Banking Corporation, JPR made early repayment of 1,000 million yen on June 18, 2015.

(Note 7) On June 24, 2015, JPR made early repayment of 3,400 million yen in long-term loans payable borrowed on March 30, 2012 from The Tokyo Tomin Bank Limited, The Bank of Yokohama, Ltd., The Minato Bank, Ltd., The Yamaguchi Bank, Ltd. and The Chiba Kogyo Bank, Ltd.

(Note 8) The loans are with floating interest rates.

(3) Investment Corporation Bonds

Details of JPR's investment corporation bonds outstanding as of June 30, 2015 are as follows.

Name	Issue Date	Balance as of Jan. 1, 2015 (millions of yen)	Balance as of Jun. 30, 2015 (millions of yen)	Coupon Rate (%)	Maturity Date	Redemption Method	Use	Remarks
Seventh Series of Investment Corporation Bonds	Dec. 14, 2006	4,500	4,500	2.900	Dec. 14, 2026	Bullet repayment	(Note 1)	(Note 2)
Eleventh Series of Investment Corporation Bonds	Mar. 12, 2010	6,000	-	1.680	Mar. 12, 2015			
Twelfth Series of Investment Corporation Bonds	May 21, 2010	7,000	-	1.270	May 21, 2015			
Thirteenth Series of Investment Corporation Bonds	Oct. 25, 2011	7,000	7,000	0.950	Oct. 25, 2016			
Fourteenth Series of Investment Corporation Bonds	Oct. 25, 2011	2,000	2,000	1.340	Oct. 25, 2018			
Fifteenth Series of Investment Corporation Bonds	Nov. 22, 2012	5,000	5,000	0.680	Nov. 22, 2017			
Sixteenth Series of Investment Corporation Bonds	Nov. 22, 2012	2,000	2,000	1.030	Nov. 22, 2019			
Seventeenth Series of Investment Corporation Bonds	May 31, 2013	5,000	5,000	0.650	May 31, 2018			
Eighteenth Series of Investment Corporation Bonds	May 31, 2013	2,000	2,000	1.460	May 31, 2023			
Nineteenth Series of Investment Corporation Bonds	Feb. 5, 2014	5,000	5,000	1.110	Feb. 5, 2024			
Twentieth Series of Investment Corporation Bonds	Jul. 22, 2014	2,000	2,000	0.303	Jul. 22, 2019			
Twenty-first Series of Investment Corporation Bonds	Jul. 22, 2014	4,000	4,000	1.278	Jul. 22, 2026			
Twenty-second Series of Investment Corporation Bonds	Dec. 4, 2014	3,000	3,000	0.831	Dec. 4, 2024			
Total		54,500	41,500					

(Note 1) Funds are used for purchasing real estate or real estate beneficiary interests in trust (including accompanying expenses), repaying loans payable and redemption of investment corporation bonds.

(Note 2) These investment corporation bonds are equipped with the same rank rider limited among certain investment corporation bonds.

(4) Subscription rights to shares

Not applicable

6. Acquisitions and Sales during the 27th Fiscal Period

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

Type of Asset	Real Estate Name	Acquisition		Sale					
		Acquisition Date	Acquisition Price (thousands of yen) (Note 1)	Sale Date	Sale Price (A) (Note 1)	Book Value (B) (thousands of yen)	Difference (C) (A) – (B) (thousands of yen)	Sale Expense (D) (thousands of yen)	Sale Profit and Loss (C) – (D) (thousands of yen)
Beneficiary interest (Note 2)	Shinjuku Square Tower	Mar. 25, 2015	4,000,000	-	-	-	-	-	-
	Total	-	4,000,000	-	-	-	-	-	-

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

(Note 2) JPR already owns trust beneficiary interest as an asset in trust of a portion of the above-mentioned property (initial acquisition in the fiscal period ended December 2004) and ownership of a portion of the property (additional acquisition in the fiscal period ended December 2008). With regard to the ownership of a portion of the property (additional acquisition in the fiscal period ended December 2008), an additional trust agreement was concluded with the trustee on March 25, 2015 to add it to the asset in trust (the latest additional acquisition). Accordingly, JPR currently owns it also as trust beneficiary interest.

(2) Acquisition and Sale of Other Assets

JPR made no acquisition or sale of other assets in the 27th fiscal period.

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

Acquisition or Sale	Type of Asset	Real Estate Name	Transaction Date	Acquisition Price or Sale Price (Note 1) (thousands of yen)	Real Estate Appraisal Value (Note 2) (thousands of yen)	Real Estate Appraiser	Appraisal Date
Acquisition	Beneficiary interest (Note 3)	Shinjuku Square Tower	March 25, 2015	4,000,000	4,580,000	Japan Valuers	March 1, 2015

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

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

(Note 3) JPR already owns trust beneficiary interest as an asset in trust of a portion of the above-mentioned property (initial acquisition in the fiscal period ended December 2004) and ownership of a portion of the property (additional acquisition in the fiscal period ended December 2008). With regard to the ownership of a portion of the property (additional acquisition in the fiscal period ended December 2008), an additional trust agreement was concluded with the trustee on March 25, 2015 to add it to the asset in trust (the latest additional acquisition). Accordingly, JPR currently owns it also as trust beneficiary interest.

(4) Transactions with Interested Parties and Major Shareholders

1) Transaction Status

No transaction of specified assets or other deals with interested parties and major shareholders were conducted during the 27th fiscal period.

2) Value of Fee Expenses

(Thousands of yen)

Category	Total Paid Fees (A)	Breakdown of Transaction with Interested Parties and Major Shareholders		Ratio to Total Amount (B/A)
		Paid Party	Paid Amount (B)	
Management Fees (Note 2)	254,518	Tokyo Tatemono Co., Ltd.	217,994	85.6%
		Yasuda Real Estate Co., Ltd.	13,332	5.2%
		Taisei-Yuraku Real Estate Co., Ltd.	4,773	1.9%
Outsourcing Fees	528,955	Tokyo Tatemono Co., Ltd.	413,062	78.1%
		Yasuda Real Estate Co., Ltd.	37,958	7.2%
Tenant Brokerage Fees	30,908	Tokyo Tatemono Co., Ltd.	6,566	21.2%
Advertising Cost of the Company	4,151	E-State Online Co., Ltd.	23	0.6%

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

(Note 2) The management fees indicated in the above table include construction management fees (total of 15,709 thousand yen) appropriated as assets and not handled as expenses.

(Note 3) Aside from transactions indicated in the above table, JPR paid the following amounts for repairs, etc. conducted by below parties who are interested parties or major shareholders during the 27th fiscal period.

Tokyo Tatemono Co., Ltd.	389,937 thousand yen
Yasuda Real Estate Co., Ltd.	77,590 thousand yen
Taisei-Yuraku Real Estate Co., Ltd.	382 thousand yen
Tokyo Real Estate Management Co., Ltd.	340,202 thousand yen
Shinjuku Center Building Management Co., Ltd.	85,968 thousand yen

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

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

7. Overview of Accounting

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

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

(2) Changes in Calculation Method of Depreciation

No change has been made.

(3) Changes in Valuation Method of Real Estate

No change has been made.

8. Overview of Self-Managed Investment Trust Beneficiary Certificates

(1) Acquisition

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

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

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

(2) Units Held

	Number of Units Held at End of Period	Total Investment at End of Period (Note) (millions of yen)	Ratio to Total Units Issued and Outstanding (%)
18th Fiscal Period (Jul. 1, 2010 – Dec. 31, 2010)	100	20	0.0
19th Fiscal Period (Jan. 1, 2011 – Jun. 30, 2011)	100	20	0.0
20th Fiscal Period (Jul. 1, 2011 – Dec. 31, 2011)	100	20	0.0
21st Fiscal Period (Jan. 1, 2012 – Jun. 30, 2012)	100	20	0.0
22nd Fiscal Period (Jul. 1, 2012 – Dec. 31, 2012)	100	20	0.0
23rd Fiscal Period (Jan. 1, 2013 – Jun. 30, 2013)	100	20	0.0
24th Fiscal Period (Jul. 1, 2013 – Dec. 31, 2013)	100	20	0.0
25th Fiscal Period (Jan. 1, 2014 – Jun. 30, 2014)	100	20	0.0
26th Fiscal Period (Jul. 1, 2014 – Dec. 31, 2014)	100	20	0.0
27th Fiscal Period (Jan. 1, 2015 – Jun. 30, 2015)	100	20	0.0

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

9. Disclosure on Corporation Owning Foreign Real Estate

Not applicable

10. Disclosure on Real Estate Owned by Corporation Owning Foreign Real Estate

Not applicable

11. Other

(1) Notice

Major issues related to the execution and modification, etc. of major agreements approved at JPR's Board of Directors meeting in the 27th fiscal period include the following:

Date of Board of Directors Meeting	Approved Item	Overview
June 9, 2015	Execution of New Investment Units Underwriting Agreement and New Investment Unit Purchase Agreement related to the Greenshoe Option	With regard to the additional issuance of new investment units approved at the Board of Directors meeting held on June 1, 2015, the administrative services related to the offering of these investment units were outsourced to the underwriters consisting of Mizuho Securities Co., Ltd. and 5 other firms (Note). To tie a greenshoe option to the additional issuance of the investment units, JPR and Tokyo Realty Investment Management, Inc. executed a new Investment Unit Purchase Agreement related to the Greenshoe Option with Mizuho Securities.

(Note) These five companies consist of SMBC Nikko Securities Inc., Nomura Securities Co., Ltd., Daiwa Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Tokai Tokyo Securities Co., Ltd.

(2) Other

Unless otherwise stated, monetary amounts are rounded down and percentage figures are rounded off to the nearest specified unit in this asset management report.

(1) Balance Sheets

	(Thousands of yen)	
	End of 26th Fiscal Period (Dec. 31, 2014)	End of 27th Fiscal Period (Jun. 30, 2015)
Assets		
Current assets		
Cash and deposits	12,117,339	12,786,017
Cash and deposits in trust	11,227,028	12,278,621
Operating accounts receivable	260,988	332,870
Prepaid expenses	174,781	127,407
Other	6,743	44,967
Total current assets	23,786,880	25,569,883
Noncurrent assets		
Property, plant and equipment		
Buildings	56,652,548	56,762,410
Accumulated depreciation	(11,121,439)	(11,898,708)
Buildings, net	*1 45,531,108	*1 44,863,701
Buildings in trust	84,667,091	86,397,314
Accumulated depreciation	(25,618,333)	(26,625,423)
Buildings in trust, net	59,048,758	59,771,891
Structures	45,661	51,330
Accumulated depreciation	(14,089)	(15,414)
Structures, net	31,571	35,916
Structures in trust	120,534	119,586
Accumulated depreciation	(65,156)	(68,497)
Structures in trust, net	55,378	51,089
Machinery and equipment	726,204	726,505
Accumulated depreciation	(341,835)	(361,244)
Machinery and equipment, net	*1 384,368	*1 365,261
Machinery and equipment in trust	1,605,767	1,614,860
Accumulated depreciation	(1,168,396)	(1,205,616)
Machinery and equipment in trust, net	437,370	409,244
Tools, furniture and fixtures	54,610	57,922
Accumulated depreciation	(29,761)	(32,101)
Tools, furniture and fixtures, net	24,848	25,820
Tools, furniture and fixtures in trust	159,172	160,667
Accumulated depreciation	(101,991)	(107,680)
Tools, furniture and fixtures in trust, net	57,181	52,987
Land	*1 109,041,559	*1 108,898,331
Land in trust	170,276,140	173,295,562
Construction in progress	39,223	46,308
Construction in progress in trust	1,063	—
Total property, plant and equipment	384,928,571	387,816,114
Intangible assets		
Leasehold right	4,794,109	4,794,109
Other	3,020	2,455
Total intangible assets	4,797,130	4,796,565
Investments and other assets		
Lease and guarantee deposits	96,205	145,462
Long-term prepaid expenses	248,976	198,875
Total investments and other assets	345,181	344,337
Total noncurrent assets	390,070,883	392,957,018
Deferred assets		
Investment corporation bond issuance costs	233,806	207,020
Investment unit issuance expenses	—	44,946
Total deferred assets	233,806	251,966
Total assets	414,091,570	418,778,869

(Thousands of yen)

	End of 26th Fiscal Period (Dec. 31, 2014)	End of 27th Fiscal Period (Jun. 30, 2015)
Liabilities		
Current liabilities		
Operating accounts payable	2,137,918	2,146,009
Short-term loans payable	-	1,000,000
Current portion of long-term loans payable	19,732,000	23,332,000
Current portion of investment corporation bonds	13,000,000	-
Accounts payable-other	572,670	1,392,268
Accrued expenses	150,603	99,147
Income taxes payable	605	605
Accrued consumption taxes	261,634	179,892
Advances received	2,565,259	2,616,060
Total current liabilities	38,420,691	30,765,983
Noncurrent liabilities		
Investment corporation bonds	41,500,000	41,500,000
Long-term loans payable	116,792,000	110,626,000
Tenant leasehold and security deposits	*1 7,364,647	*1 7,562,635
Tenant leasehold and security deposits in trust	12,636,178	12,231,338
Total noncurrent liabilities	178,292,826	171,919,974
Total liabilities	216,713,518	202,685,957
Net assets		
Unitholders' equity		
Unitholders' capital	192,044,238	210,395,598
Surplus		
Voluntary reserve		
Reserve for reduction entry	73,946	73,946
Total voluntary reserve	73,946	73,946
Unappropriated retained earnings (undisposed losses)	5,259,866	5,623,366
Total surplus	5,333,813	5,697,313
Total unitholders' equity	197,378,051	216,092,911
Total net assets	*3 197,378,051	*3 216,092,911
Total liabilities and net assets	414,091,570	418,778,869

(2) Statements of Income and Retained Earnings

(Thousands of yen)

	26th Fiscal Period (Jul. 1, 2014 – Dec. 31, 2014)	27th Fiscal Period (Jan. 1, 2015 – Jun. 30, 2015)
Operating revenue		
Rent revenue-real estate	*1 13,902,843	*1 14,251,821
Total operating revenue	13,902,843	14,251,821
Operating expenses		
Expenses related to rent business	*1 6,733,535	*1 6,845,645
Asset management fee	485,787	503,437
Administrative service and asset custody fees	78,417	77,388
Directors' compensation	6,600	6,600
Trust fees	32,150	31,051
Other operating expenses	89,007	90,438
Total operating expenses	7,425,498	7,554,562
Operating income	6,477,345	6,697,259
Non-operating income		
Interest income	2,191	2,256
Income on settlement of management association accounts	4,724	42,062
Other	5,055	6,430
Total non-operating income	11,971	50,749
Non-operating expenses		
Interest expenses	778,903	781,107
Borrowing expenses	76,431	78,032
Interest expenses on investment corporation bonds	363,968	291,995
Amortization of investment corporation bond issuance costs	29,815	26,785
Amortization of investment unit issuance expenses	—	623
Other	922	3,181
Total non-operating expenses	1,250,041	1,181,726
Ordinary income	5,239,275	5,566,282
Extraordinary income		
Subsidy income	—	37,397
Total extraordinary income	—	37,397
Income before income taxes	5,239,275	5,603,679
Income taxes-current	605	605
Total income taxes	605	605
Net income	5,238,670	5,603,074
Retained earnings brought forward	21,196	20,291
Unappropriated retained earnings (undisposed losses)	5,259,866	5,623,366

(3) Statements of Changes in Unitholders' Equity

	(Thousands of yen)	
	26th Fiscal Period (Jul. 1, 2014 – Dec. 31, 2014)	27th Fiscal Period (Jan. 1, 2015 – Jun. 30, 2015)
Unitholders' equity		
Unitholders' capital		
Balance at beginning of current period	192,044,238	192,044,238
Changes of items during the period		
Issuance of units	—	18,351,360
Total changes of items during the period	—	18,351,360
Balance at end of current period	192,044,238	210,395,598
Surplus		
Voluntary reserve		
Balance at beginning of current period	73,946	73,946
Changes of items during the period		
Total changes of items during the period	—	—
Balance at end of current period	73,946	73,946
Unappropriated retained earnings (undisposed losses)		
Balance at beginning of current period	5,094,946	5,259,866
Changes of items during the period		
Dividends from surplus	(5,073,750)	(5,239,575)
Net income	5,238,670	5,603,074
Total changes of items during the period	164,920	363,499
Balance at end of current period	5,259,866	5,623,366
Total surplus		
Balance at beginning of current period	5,168,893	5,333,813
Changes of items during the period		
Total changes of items during the period	164,920	363,499
Balance at end of current period	5,333,813	5,697,313
Total unitholders' equity		
Balance at the beginning of current period	197,213,131	197,378,051
Changes of items during the period		
Total changes of items during the period	164,920	18,714,859
Balance at end of current period	197,378,051	216,092,911
Total net assets		
Balance at beginning of current period	197,213,131	197,378,051
Changes of items during the period		
Total changes of items during the period	164,920	18,714,859
Balance at end of current period	197,378,051	216,092,911

(4) Statements of Cash Distributions

	26th Fiscal Period (July 1, 2014 – December 31, 2014)	27th Fiscal Period (January 1, 2015 – June 30, 2015)
I. Unappropriated retained earnings	5,259,866,639 yen	5,623,366,311 yen
II. Distribution amount (Distribution amount per unit)	5,239,575,000 yen (6,351 yen)	5,603,787,000 yen (6,419 yen)
III. Retained earnings carried forward	20,291,639 yen	19,579,311 yen
Method for calculating distribution amount	Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, JPR decided to pay out distributions of earnings of 5,239,575,000 yen, which is the largest integral multiple of the number of investment units issued and outstanding (825,000 units) in an amount not in excess of unappropriated retained earnings while minimizing the burden to unitholders incurred by accrual of corporate income tax, etc. Furthermore, JPR shall not distribute cash in excess of earnings as stipulated in Article 30 (4) of the Articles of Incorporation.	Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, JPR decided to pay out distributions of earnings of 5,603,787,000 yen, which is the largest integral multiple of the number of investment units issued and outstanding (873,000 units) in an amount not in excess of unappropriated retained earnings while minimizing the burden to unitholders incurred by accrual of corporate income tax, etc. Furthermore, JPR shall not distribute cash in excess of earnings as stipulated in Article 30 (4) of the Articles of Incorporation.

(5) Statements of Cash Flows

	(Thousands of yen)	
	26th Fiscal Period	27th Fiscal Period
	(Jul. 1, 2014 – Dec. 31, 2014)	(Jan. 1, 2015 – Jun. 30, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes	5,239,275	5,603,679
Depreciation and amortization	1,841,516	1,854,717
Amortization of investment corporation bond issuance costs	29,815	26,785
Amortization of investment unit issuance expenses	—	623
Interest income	(2,191)	(2,256)
Interest expenses	1,142,872	1,073,103
Decrease (increase) in operating accounts receivable	75,843	(71,882)
Decrease (increase) in prepaid expenses	(34,205)	47,374
Increase (decrease) in operating accounts payable	211,110	18,834
Increase (decrease) in accounts payable-other	4,584	172,409
Increase (decrease) in accrued consumption taxes	(47,477)	(81,742)
Increase (decrease) in advances received	(48,740)	50,801
Other, net	44,499	(186,454)
Subtotal	8,456,902	8,505,994
Interest income received	2,191	2,256
Interest expenses paid	(1,176,354)	(1,124,559)
Income taxes (paid) refund	(606)	(618)
Net cash provided by (used in) operating activities	7,282,132	7,383,073
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(187,215)	(167,304)
Purchase of property, plant and equipment in trust	(1,321,470)	(4,586,723)
Payment of tenant leasehold and security deposits	(42,251)	(49,257)
Repayments of tenant leasehold and security deposits	(261,689)	(102,061)
Proceeds from tenant leasehold and security deposits	125,187	311,592
Repayments of tenant leasehold and security deposits in trust	(390,772)	(48,588)
Proceeds from tenant leasehold and security deposits in trust	375,367	433,654
Net cash provided by (used in) investing activities	(1,702,844)	(4,208,688)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	10,000,000	15,000,000
Repayment of short-term loans payable	(12,000,000)	(14,000,000)
Proceeds from long-term loans payable	4,000,000	7,000,000
Repayment of long-term loans payable	(166,000)	(9,566,000)
Proceeds from issuance of investment corporation bonds	8,929,218	—
Redemption payment of investment corporation bonds	(11,000,000)	(13,000,000)
Proceeds from issuance of investment units	—	18,350,172
Dividends paid	(5,073,621)	(5,238,285)
Net cash provided by (used in) financing activities	(5,310,403)	(1,454,113)
Net changes in cash and cash equivalents	268,885	1,720,271
Cash and cash equivalents at beginning of current period	23,075,482	23,344,367
Cash and cash equivalents at end of current period	*1 23,344,367	*1 25,064,638

(6) Notes to Financial Statements

(Basis of Presenting Financial Statements)

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

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

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

(Significant Accounting Policies)

- | | |
|--|---|
| 1. Depreciation Method for Property and Equipment | <p>(1) Property and Equipment (including entrusted properties)
Depreciation is calculated using the straight-line method. The estimated useful lives of major property and equipment ranges are as follows:</p> <ul style="list-style-type: none"> Buildings 3 - 65 years Structures 10 - 35 years Machinery and equipment 3 - 17 years Tools, furniture and fixtures 3 - 20 years <p>Assets with acquisition prices of 100,000 yen or more but less than 200,000 yen are depreciated over three years based on the Corporation Tax Act.</p> <p>(2) Intangible Assets
Intangible assets are amortized utilizing the straight-line method.</p> <p>(3) Long-term Prepaid Expenses
Long-term prepaid expenses are amortized utilizing the straight-line method.</p> |
| 2. Accounting for Deferred Assets | <p>(1) Investment Corporation Bond Issuance Costs
Investment corporation bond issuance costs are amortized utilizing the straight-line method over the redemption periods.</p> <p>(2) Investment unit issuance expenses
Investment unit issuance expenses are amortized utilizing the straight-line method over three years.</p> |
| 3. Standards for Recording Revenues and Expenses | <p>Accounting Treatment of Taxes on Property and Equipment
In connection with property taxes, city planning taxes and depreciated asset taxes, JPR uses the method of charging the corresponding amounts of assessed taxes to the current fiscal period as real estate rental expenses. Furthermore, JPR included an amount equivalent to the property taxes paid to the sellers during the first fiscal period as an acquisition cost, not as expenses, in connection with the acquisition of real estate or entrusted beneficiary interests in real estate as entrusted property. Taxes on property and equipment capitalized amounted to 2,247 thousand yen and 47,294 thousand yen for the fiscal periods ended December 31, 2014 and June 30, 2015, respectively.</p> |
| 4. Scope of Cash and Cash Equivalents in the Statements of Cash Flows | <p>Cash and cash equivalents in the Statements of Cash Flows include the following</p> <ul style="list-style-type: none"> (1) Cash on hand and cash in trust (2) Deposits placed with banks and deposits in trust that can be withdrawn at any time (3) Short-term investments that are readily convertible to cash and have insignificant risk of price fluctuations and have original maturities of three months or less from the acquisition date. |
| 5. Other Significant Items Fundamental to Preparing the Financial Statements | <p>(1) Accounting Policies on Trust Beneficiary Interests in Real Estate as Property in Trust
Regarding trust beneficiary interests in real estate, all asset and liability accounts of entrusted properties as well as all revenue and expense accounts generated by the property in trust are recorded in relevant accounts on the balance sheets and statements of income and retained earnings. Furthermore, the following material accounts are separately stated in the balance sheet for properties in trust recorded in relevant accounts.</p> <ul style="list-style-type: none"> a. Cash and deposits in trust b. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust c. Tenant leasehold and security deposits in trust <p>(2) Accounting for Consumption Taxes
National and local consumption taxes are accounted with the consumption taxes excluded.</p> |

(Notes to Balance Sheets)***1. Assets Pledged as Collateral and Secured Liabilities**

Assets pledged as collateral are as follows:

	(Thousands of yen)	
	End of 26th Fiscal Period (as of December 31, 2014)	End of 27th Fiscal Period (as of June 30, 2015)
Buildings (net)	117,033	115,165
Machinery and equipment (net)	3,081	2,910
Land	399,183	399,183
Total	519,299	517,259

Secured liabilities are as follows:

	(Thousands of yen)	
	End of 26th Fiscal Period (as of December 31, 2014)	End of 27th Fiscal Period (as of June 30, 2015)
Tenant leasehold and security deposits	15,536	15,536
Total	15,536	15,536

2. Balance of Unused Commitment Line

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

	(Thousands of yen)	
	End of 26th Fiscal Period (as of December 31, 2014)	End of 27th Fiscal Period (as of June 30, 2015)
Credit limit	28,000,000	28,000,000
Outstanding debts at end of period	-	-
Unused commitment line at end of period	28,000,000	28,000,000

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

	(Thousands of yen)	
	End of 26th Fiscal Period (as of December 31, 2014)	End of 27th Fiscal Period (as of June 30, 2015)
	50,000	50,000

(Notes to Statements of Income and Retained Earnings)

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

(Thousands of yen)

	26th Fiscal Period (July 1, 2014 – December 31, 2014)	27th Fiscal Period (January 1, 2015 – June 30, 2015)
A. Rent Revenue-Real Estate		
Rent Revenue		
Rents	9,306,026	9,408,080
Land rents	1,530,000	1,555,500
Common charges	1,838,471	1,825,436
Parking revenues	257,212	256,880
Advertising expenses	60,179	60,309
Antenna use fees	18,139	19,341
Other	33,804	33,652
Subtotal	13,043,834	13,159,200
Other rental revenues		
Incidental income	810,460	721,270
Time-based parking revenues	5,184	5,244
Cancellation charges	15,366	92,834
Income equivalent to expenses for restoration to original condition	6,780	250,277
Other miscellaneous income	21,217	22,994
Subtotal	859,008	1,092,620
Total rent revenue-real estate	13,902,843	14,251,821
B. Expenses Related to Rent Business		
Outsourcing expenses	529,363	527,575
Utilities expenses	983,434	898,434
Property and other taxes	1,985,098	2,026,740
Casualty insurance	27,645	27,306
Repairs and maintenance	445,005	566,510
Property management fees	231,909	238,809
Management association accounts	556,026	576,345
Depreciation	1,841,016	1,854,217
Other	134,034	129,705
Total expenses related to rent business	6,733,535	6,845,645
C. Profits		
(A-B)	7,169,307	7,406,176

(Notes to Statements of Changes in Unitholders' Equity)

	26th Fiscal Period (July 1, 2014 – December 31, 2014)	27th Fiscal Period (January 1, 2015 – June 30, 2015)
Total number of authorized units and number of units outstanding		
Total number of authorized units	5,000,000 units	5,000,000 units
Number of units outstanding	825,000 units	873,000 units

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

(Thousands of yen)

	26th Fiscal Period (July 1, 2014 – December 31, 2014)	27th Fiscal Period (January 1, 2015 – June 30, 2015)
Cash and deposits	12,117,339	12,786,017
Cash and deposits in trust	11,227,028	12,278,621
Cash and cash equivalents	23,344,367	25,064,638

(Leases)

Future lease revenues under non-cancelable operating leases

(Thousands of yen)

	26th Fiscal Period (July 1, 2014 – December 31, 2014)	27th Fiscal Period (January 1, 2015 – June 30, 2015)
Due within one year	5,543,892	7,177,460
Due after one year	18,230,589	22,973,529
Total	23,774,481	30,150,990

(Financial Instruments)

1. Matters Concerning Status of Financial Instruments

(1) Policy on Handling Financial Instruments

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

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

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

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

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

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

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

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

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

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

(Thousands of yen)

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

The following are the carrying values and estimated fair values as of June 30, 2015 of financial instruments, and the difference between these amounts. Please note that the following table does not include those for which discerning of estimated fair value is recognized to be extremely difficult (please refer to Note 3).

(Thousands of yen)

	Carrying Value (Note 1)	Estimated Fair Value (Note 1)	Difference
(1) Cash and deposits	12,786,017	12,786,017	—
(2) Cash and deposits in trust	12,278,621	12,278,621	—
(3) Short-term loans payable	(1,000,000)	(1,000,000)	—
(4) Current portion of long-term loans payable	(23,332,000)	(23,443,935)	111,935
(5) Current portion of investment corporation bonds	—	—	—
(6) Investment corporation bonds	(41,500,000)	(42,727,038)	1,227,038
(7) Long-term loans payable	(110,626,000)	(112,589,841)	1,963,841

(Note 1) Liabilities are shown in parentheses.

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

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

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

(3) Short-term loans payable

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

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

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

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

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

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

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

(Thousands of yen)

Category	End of 26th Fiscal Period (as of December 31, 2014)	End of 27th Fiscal Period (as of June 30, 2015)
Tenant leasehold and security deposits	7,364,647	7,562,635
Tenant leasehold and security deposits in trust	12,636,178	12,231,338

(Note 4) Scheduled redemption of monetary claims to be due after the account closing date of the 26th fiscal period (December 31, 2014)

(Thousands of yen)

	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Cash and deposits	12,117,339	—	—	—	—	—
Cash and deposits in trust	11,227,028	—	—	—	—	—

Scheduled redemption of monetary claims to be due after the account closing date of the 27th fiscal period (June 30, 2015)

(Thousands of yen)

	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Cash and deposits	12,786,017	—	—	—	—	—
Cash and deposits in trust	12,278,621	—	—	—	—	—

(Note 5) Amount of repayment or redemption of short-term loans payable, investment corporation bonds and long-term loans payable scheduled to be due after the account closing date of the 26th fiscal period (December 31, 2014)

(Thousands of yen)

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

Amount of repayment or redemption of short-term loans payable, investment corporation bonds and long-term loans payable scheduled to be due after the account closing date of the 27th fiscal period (June 30, 2015)

(Thousands of yen)

	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Short-term loans payable	1,000,000	—	—	—	—	—
Investment corporation bonds	—	7,000,000	10,000,000	2,000,000	4,000,000	18,500,000
Long-term loans payable	23,332,000	24,732,000	21,374,000	17,200,000	14,000,000	33,320,000

(Securities)

26th fiscal period (as of December 31, 2014)

Not applicable

27th fiscal period (as of June 30, 2015)

Not applicable

(Derivative Transactions)

26th fiscal period (as of December 31, 2014)

Not applicable as JPR conducted no derivative transactions

27th fiscal period (as of June 30, 2015)

Not applicable as JPR conducted no derivative transactions

(Retirement Benefits)

26th fiscal period (as of December 31, 2014)

Not applicable as JPR does not have any retirement benefit system

27th fiscal period (as of June 30, 2015)

Not applicable as JPR does not have any retirement benefit system

(Tax Effect Accounting)

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

	26th Fiscal Period (July 1, 2014 – December 31, 2014)	27th Fiscal Period (January 1, 2015 – June 30, 2015)
Effective statutory tax rate	34.16%	34.15%
(Adjustment)		
Deductible cash distributions	(34.16%)	(34.15%)
Other	0.01%	0.01%
Effective tax rate after applying tax effect accounting	0.01%	0.01%

(Equity Method Income and Retained Earnings)

26th fiscal period (July 1, 2014 – December 31, 2014)

Not applicable as JPR does not have any affiliated companies

27th fiscal period (January 1, 2015 – June 30, 2015)

Not applicable as JPR does not have any affiliated companies

(Transactions with Related Parties)

1. Parent Company and Major Corporation Unitholders

26th fiscal period (July 1, 2014 – December 31, 2014)

Not applicable

27th fiscal period (January 1, 2015 – June 30, 2015)

Not applicable

2. Subsidiaries

26th fiscal period (July 1, 2014 – December 31, 2014)

Not applicable

27th fiscal period (January 1, 2015 – June 30, 2015)

Not applicable

3. Sister Companies

26th fiscal period (July 1, 2014 – December 31, 2014)

Not applicable

27th fiscal period (January 1, 2015 – June 30, 2015)

Not applicable

4. Directors and Major Individual Unitholders

26th fiscal period (July 1, 2014 – December 31, 2014)

Not applicable

27th fiscal period (January 1, 2015 – June 30, 2015)

Not applicable

(Asset Retirement Obligations)

26th fiscal period (July 1, 2014 – December 31, 2014)

Not applicable

27th fiscal period (January 1, 2015 – June 30, 2015)

Not applicable

(Segment Information)

[Segment Information]

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

[Related Information]

26th fiscal period (July 1, 2014 – December 31, 2014)

1. Information about Products and Services

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

2. Information about Geographic Areas

(1) Revenues from Overseas Customers

Disclosure is omitted as revenues from external customers attributed to Japan are in excess of 90% of total revenues on the Statements of Income and Retained Earnings.

(2) Tangible Fixed Assets

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

3. Information about Major Customers

Disclosure is omitted as sales to any single external customer accounts for less than 10% of the operating revenues on the Statements of Income and Retained Earnings.

27th fiscal period (January 1, 2015 – June 30, 2015)

1. Information about Products and Services

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

2. Information about Geographic Areas

(1) Revenues from Overseas Customers

Disclosure is omitted as revenues from external customers attributed to Japan are in excess of 90% of total revenues on the Statements of Income and Retained Earnings.

(2) Tangible Fixed Assets

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

3. Information about Major Customers

Disclosure is omitted as sales to any single external customer accounts for less than 10% of the operating revenues on the Statements of Income and Retained Earnings.

(Investment and Rental Properties)

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

(Thousands of yen)

	26th Fiscal Period (July 1, 2014 – December 31, 2014)	27th Fiscal Period (January 1, 2015 – June 30, 2015)
Carrying Value on the Balance Sheets		
Balance at Beginning of Period	390,001,463	389,724,535
Amount of Increase (Decrease) during the Period	(276,927)	2,887,478
Balance at End of Current Period	389,724,535	392,612,013
Estimated Fair Value at End of Period	387,697,000	401,948,000

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

(Note 2) Of the amount of increase (decrease) during the periods for investment and rental properties, the amount of increase for the 26th fiscal period is primarily attributable to additional acquisition of Shibadaimon Center Bldg. (826,787 thousand yen), and the amount of decrease for the period is primarily attributable to depreciation (1,841,016 thousand yen). The amount of increase for the 27th fiscal period is primarily attributable to additional acquisition of Shinjuku Square Tower (4,076,809 thousand yen), and the amount of decrease for the period is primarily attributable to depreciation (1,854,217 thousand yen).

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

The income (loss) in the 26th and 27th fiscal periods for investment and rental properties are as presented in the “Notes to Statements of Income and Retained Earnings.”

(Per Unit Information)

	26th Fiscal Period (July 1, 2014 – December 31, 2014)	27th Fiscal Period (January 1, 2015 – June 30, 2015)
Total net assets per unit	239,246 yen	247,529 yen
Net income per unit	6,349 yen	6,759 yen

(Note 1) Net income per unit is computed by dividing net income by the weighted-average number of units outstanding during the current fiscal period. Diluted net income per unit has not been presented since no subscription rights to shares are outstanding.

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

	26th Fiscal Period (July 1, 2014 – December 31, 2014)	27th Fiscal Period (January 1, 2015 – June 30, 2015)
Net income (thousands of yen)	5,238,670	5,603,074
Amounts not attributable to ordinary unitholders (thousands of yen)	—	—
Net income attributable to ordinary investment units (thousands of yen)	5,238,670	5,603,074
Average number of units during the fiscal period	825,000 units	828,876 units

(Subsequent Events)

Not applicable

(7) Detailed Schedules

1) Schedule of securities

Not applicable

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

Not applicable

3) Schedule of assets related to real estate

Asset Type	Balance as of January 1, 2015 (thousands of yen)	Increase during the Period (thousands of yen)	Decrease during the Period (thousands of yen)	Balance as of June 30, 2015 (thousands of yen)	Accumulated Depreciation		Net Balance as of June 30, 2015 (thousands of yen)	Remarks
					Or Accumulated Amortization (thousands of yen)	Depreciation during the Period (thousands of yen)		
Current Assets	-	-	-	-	-	-	-	
Noncurrent Assets (Property, plant and equipment)								
Buildings	56,652,548	150,658	40,796	56,762,410	11,898,708	785,049	44,863,701	
Structures	45,661	5,669	-	51,330	15,414	1,324	35,916	
Machinery and equipment	726,204	330	28	726,505	361,244	19,436	365,261	
Tools, furniture and fixtures	54,610	3,311	-	57,922	32,101	2,340	25,820	
Land	109,041,559	-	143,227	108,898,331	-	-	108,898,331	
Construction in progress	39,223	14,270	7,185	46,308	-	-	46,308	
Subtotal	166,559,806	174,240	191,238	166,542,808	12,307,468	808,149	154,235,339	
(Beneficiary interests in trust)								
Buildings in trust	84,667,091	1,730,223	-	86,397,314	26,625,423	999,309	59,771,891	
Structures in trust	120,534	1,112	2,060	119,586	68,497	3,812	51,089	
Machinery and equipment in trust	1,605,767	9,093	-	1,614,860	1,205,616	37,192	409,244	
Tools, furniture and fixtures in trust	159,172	1,495	-	160,667	107,680	5,688	52,987	
Land in trust	170,276,140	3,019,422	-	173,295,562	-	-	173,295,562	
Construction in progress in trust	1,063	-	1,063	-	-	-	-	
Subtotal	256,829,770	4,761,346	3,123	261,587,992	28,007,217	1,046,002	233,580,775	
Total	423,389,576	4,935,586	194,362	428,130,801	40,314,686	1,854,152	387,816,114	
Intangible Assets								
Leasehold rights	4,794,109	-	-	4,794,109	-	-	4,794,109	
Other	7,602	-	-	7,602	5,147	565	2,455	
Total	4,801,712	-	-	4,801,712	5,147	565	4,796,565	

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

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

4) Schedule of other specified assets

Not applicable

5) Schedule of investment corporation bonds

Name	Issue Date	Balance as of January 1, 2015 (thousands of yen)	Decrease during the Period (thousands of yen)	Balance as of June 30, 2015 (thousands of yen)	Coupon Rate (%)	Maturity Date	Use	Remarks
Seventh Series of Investment Corporation Bonds (Note 1)	Dec. 14, 2006	4,500,000	-	4,500,000	2.900	Dec. 14, 2026		
Eleventh Series of Investment Corporation Bonds (Note 1)	Mar. 12, 2010	6,000,000	6,000,000	-	1.680	Mar. 12, 2015		
Twelfth Series of Investment Corporation Bonds (Note 1)	May 21, 2010	7,000,000	7,000,000	-	1.270	May 21, 2015		
Thirteenth Series of Investment Corporation Bonds (Note 1)	Oct. 25, 2011	7,000,000	-	7,000,000	0.950	Oct. 25, 2016		
Fourteenth Series of Investment Corporation Bonds (Note 1)	Oct. 25, 2011	2,000,000	-	2,000,000	1.340	Oct. 25, 2018		
Fifteenth Series of Investment Corporation Bonds (Note 1)	Nov. 22, 2012	5,000,000	-	5,000,000	0.680	Nov. 22, 2017		
Sixteenth Series of Investment Corporation Bonds (Note 1)	Nov. 22, 2012	2,000,000	-	2,000,000	1.030	Nov. 22, 2019	(Note 2)	Unsecured
Seventeenth Series of Investment Corporation Bonds (Note 1)	May 31, 2013	5,000,000	-	5,000,000	0.650	May 31, 2018		
Eighteenth Series of Investment Corporation Bonds (Note 1)	May 31, 2013	2,000,000	-	2,000,000	1.460	May 31, 2023		
Nineteenth Series of Investment Corporation Bonds (Note 1)	Feb. 5, 2014	5,000,000	-	5,000,000	1.110	Feb. 5, 2024		
Twentieth Series of Investment Corporation Bonds (Note 1)	Jul. 22, 2014	2,000,000	-	2,000,000	0.303	Jul. 22, 2019		
Twenty-first Series of Investment Corporation Bonds (Note 1)	Jul. 22, 2014	4,000,000	-	4,000,000	1.278	Jul. 22, 2026		
Twenty-second Series of Investment Corporation Bonds (Note 1)	Dec. 4, 2014	3,000,000	-	3,000,000	0.831	Dec. 4, 2024		
Total		54,500,000	13,000,000	41,500,000				

(Note 1) These investment corporation bonds are equipped with the same rank rider limited among certain investment corporation bonds

(Note 2) Funds are used for purchasing real estate or real estate beneficiary interest in trust (including accompanying expenses), repaying loans payable and redeeming investment corporation bonds, etc.

(Note 3) Amounts of investment corporation bonds to be redeemed within five years after the date of the balance sheet are as follows.

	Due in One Year or Less (thousands of yen)	Due after One Year through Two Years (thousands of yen)	Due after Two Years through Three Years (thousands of yen)	Due after Three Years through Four Years (thousands of yen)	Due after Four Years through Five Years (thousands of yen)
Investment corporation bonds	-	7,000,000	10,000,000	2,000,000	4,000,000

6) Schedule of Loans Payable

Lender	Balance as of January 1, 2015 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of June 30, 2015 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Short-term loans payable								
Sumitomo Mitsui Trust Bank, Limited (Note 8)	-	2,000,000	1,000,000	1,000,000	0.330%	Mar. 25, 2016	(Note 4)	Unsecured/ Unguaranteed/ Non-Subordinated
Mizuho Bank Ltd. (Note 8)	-	4,000,000	4,000,000	-	0.330%	Jul. 3, 2015		
Mizuho Bank Ltd. (Note 8)	-	4,000,000	4,000,000	-	0.330%	Jul. 3, 2015		
Sumitomo Mitsui Banking Corporation (Note 8)	-	3,000,000	3,000,000	-	0.330%	Jul. 3, 2015		
Sumitomo Mitsui Banking Corporation (Note 8)	-	2,000,000	2,000,000	-	0.330%	Jul. 3, 2015		
Total	-	15,000,000	14,000,000	1,000,000				

Lender	Balance as of January 1, 2015 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of June 30, 2015 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Long-Term Loans Payable (Note 1)								
Mizuho Bank Ltd.	5,000,000	-	-	5,000,000	1.414%	Feb. 4, 2016	(Note 4)	Unsecured/ Unguaranteed/ Non-Subordinated
Mizuho Bank Ltd.	7,000,000	-	-	7,000,000	1.093%	Mar. 30, 2017		
Mizuho Bank Ltd.	2,000,000	-	-	2,000,000	1.027%	Dec. 5, 2019		
Mizuho Bank Ltd.	3,000,000	-	-	3,000,000	0.970%	Nov. 27, 2020		
Mizuho Bank Ltd.	5,000,000	-	-	5,000,000	1.178%	Jun. 27, 2023		
Mizuho Bank Ltd.	-	2,000,000	-	2,000,000	1.011%	Mar. 11, 2024		
Mizuho Bank Ltd.	-	2,000,000	-	2,000,000	1.056%	Mar. 24, 2025		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,000,000	-	-	5,000,000	1.198%	Mar. 25, 2016		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	-	-	1,000,000	1.178%	Aug. 8, 2019		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	-	-	1,000,000	0.948%	Aug. 8, 2017		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000,000	-	-	3,000,000	0.919%	Sept. 5, 2017		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	-	-	1,000,000	1.027%	Dec. 5, 2019		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000,000	-	-	3,000,000	0.970%	Nov. 27, 2020		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,000,000	-	-	4,000,000	0.889%	Jun. 25, 2021		
Sumitomo Mitsui Banking Corporation	6,400,000	-	-	6,400,000	1.093%	Mar. 30, 2017		
Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	1.027%	Dec. 5, 2019		
Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	1.265%	Jun. 26, 2020		
Sumitomo Mitsui Banking Corporation	2,500,000	-	-	2,500,000	1.033%	Jun. 27, 2022		
Shinsei Bank, Ltd.	5,000,000	-	-	5,000,000	1.397%	Apr. 5, 2019		
Shinsei Bank, Ltd.	2,000,000	-	-	2,000,000	1.076%	Sept. 24, 2020		
Shinsei Bank, Ltd.	2,000,000	-	-	2,000,000	1.134%	Dec. 5, 2024		
Aozora Bank Ltd.	900,000	-	-	900,000	0.994%	Jul. 3, 2017		
Aozora Bank Ltd.	2,000,000	-	-	2,000,000	1.178%	Aug. 8, 2019		
Aozora Bank Ltd.	2,000,000	-	-	2,000,000	0.985%	Aug. 25, 2017		
Aozora Bank Ltd.	2,000,000	-	-	2,000,000	1.146%	Aug. 30, 2018		
Aozora Bank Ltd.	1,000,000	-	-	1,000,000	1.069%	Sept. 24, 2020		
Development Bank of Japan, Inc.	2,900,000	-	100,000	2,800,000	3.190%	(Note 5)		
Development Bank of Japan, Inc.	820,000	-	-	820,000	1.449%	Jun. 25, 2021		
Development Bank of Japan, Inc.	2,000,000	-	-	2,000,000	1.188%	Dec. 3, 2021		
Development Bank of Japan, Inc.	-	2,000,000	-	2,000,000	1.056%	Mar. 24, 2025		
Mizuho Trust & Banking Co., Ltd.	4,000,000	-	-	4,000,000	1.093%	Mar. 30, 2017		
Mizuho Trust & Banking Co., Ltd.	3,000,000	-	-	3,000,000	1.076%	Feb. 4, 2020		
Mitsubishi UFJ Trust and Banking Corporation	5,000,000	-	-	5,000,000	1.184%	Aug. 29, 2017		
Mitsubishi UFJ Trust and Banking Corporation	1,000,000	-	-	1,000,000	0.924%	Aug. 31, 2015		
Mitsubishi UFJ Trust and Banking Corporation	1,000,000	-	1,000,000	-	0.843%	Jun. 26, 2015		

IV. Financial Statements

	Balance as of January 1, 2015 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of June 30, 2015 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Long-Term Loans Payable (Note 1)								
The Bank of Fukuoka	2,000,000	-	-	2,000,000	1.170%	Jul. 7, 2016		
The Bank of Fukuoka	2,000,000	-	-	2,000,000	0.902%	Oct. 9, 2015		
The Bank of Fukuoka	1,000,000	-	-	1,000,000	0.911%	Sept. 24, 2019		
Meiji Yasuda Life Insurance Company	3,604,000	-	66,000	3,538,000	1.800%	(Note 6)		
Meiji Yasuda Life Insurance Company	-	1,000,000	-	1,000,000	1.042%	Feb. 5, 2025		
Sompo Japan Nipponkoa Insurance Inc.	2,000,000	-	-	2,000,000	0.981%	Oct. 11, 2016		
Sompo Japan Nipponkoa Insurance Inc.	2,000,000	-	-	2,000,000	0.874%	Dec. 25, 2015		
ORIX Bank Corporation	1,000,000	-	-	1,000,000	0.786%	Feb. 5, 2018		
ORIX Bank Corporation	2,000,000	-	-	2,000,000	0.762%	May 27, 2019		
Shinkin Central Bank	3,000,000	-	-	3,000,000	0.689%	Dec. 5, 2018		
The Shinkumi Federation Bank	3,000,000	-	-	3,000,000	0.786%	Feb. 5, 2018		
Taiyo Life Insurance Company	1,000,000	-	-	1,000,000	1.275%	Sept. 24, 2015		
Taiyo Life Insurance Company	1,000,000	-	-	1,000,000	0.949%	Jun. 4, 2018		
Taiyo Life Insurance Company	1,000,000	-	-	1,000,000	1.011%	Dec. 25, 2020		
Chugoku Bank	2,000,000	-	-	2,000,000	0.902%	Oct. 9, 2015		
Chugoku Bank	1,000,000	-	-	1,000,000	0.758%	Sept. 25, 2018		
The Nishi-Nippon City Bank, Ltd.	3,000,000	-	-	3,000,000	1.149%	May 27, 2016		
The Hachijuni Bank	1,000,000	-	-	1,000,000	0.902%	Oct. 9, 2015		
The Hachijuni Bank	1,000,000	-	-	1,000,000	0.424%	Sept. 26, 2016	(Note 4)	Unsecured/ Unguaranteed/ Non-Subordinated
Resona Bank, Ltd.	2,000,000	-	-	2,000,000	1.093%	Mar. 30, 2017		
The Iyo Bank, Ltd.	1,000,000	-	-	1,000,000	0.902%	Oct. 9, 2015		
Daido Life Insurance Company	1,000,000	-	1,000,000	-	1.666%	Feb. 5, 2015		
Daido Life Insurance Company	1,000,000	-	-	1,000,000	0.710%	Dec. 27, 2018		
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000,000	-	-	1,000,000	0.710%	Dec. 27, 2018		
The Norinchukin Bank	1,000,000	-	-	1,000,000	0.440%	Dec. 5, 2017		
Sumitomo Life Insurance Company	2,000,000	-	2,000,000	-	2.257%	Jun. 4, 2015		
Zenkyoren (National Mutual Insurance Federation of Agricultural Cooperatives)	2,000,000	-	2,000,000	-	1.725%	Mar. 26, 2015		
The Tokyo Tomin Bank Limited (Note 7) (Note 8)	1,000,000	-	1,000,000	-	0.604%	Sept. 30, 2015		
The Bank of Yokohama, Ltd. (Note 7) (Note 8)	1,000,000	-	1,000,000	-	0.604%	Sept. 30, 2015		
The Minato Bank, Ltd. (Note 7) (Note 8)	800,000	-	800,000	-	0.604%	Sept. 30, 2015		
The Yamaguchi Bank, Ltd. (Note 7) (Note 8)	500,000	-	500,000	-	0.604%	Sept. 30, 2015		
The Chiba Kogyo Bank, Ltd. (Note 7) (Note 8)	100,000	-	100,000	-	0.604%	Sept. 30, 2015		
Total	136,524,000	7,000,000	9,566,000	133,958,000				

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

	Due in One Year or Less (thousands of yen)	Due after One Year through Two Years (thousands of yen)	Due after Two Years through Three Years (thousands of yen)	Due after Three Years through Four Years (thousands of yen)	Due after Four Years through Five Years (thousands of yen)
Long-term loans payable	23,332,000	24,732,000	21,374,000	17,200,000	14,000,000

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

(Note 3) Short-term loans payable are floating-rate loans payable. Long-term loans payable are fixed-rate loans payable, except those that fall under the category of Note 7.

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

(Note 5) The loans payable are subject to repayment of 100 million yen on December 27, 2009 and thereafter every 6 months. In addition, repayment of 2,100 million yen will be made on maturity date June 27, 2019.

(Note 6) The loans payable are subject to repayment of 66 million yen on June 27, 2012 and thereafter every 6 months. In addition, repayment of 3,208 million yen will be made on maturity date June 21, 2018.

(Note 7) The loans are with floating interest rates.

(Note 8) On June 16, 2015, JPR repaid 4,000 million yen in short-term loans payable borrowed on March 11, 2015 to Mizuho Bank, Ltd. prior to the repayment date. On June 16, 2015, JPR repaid 4,000 million yen in short-term loans payable borrowed on May 20, 2015 to Mizuho Bank, Ltd. prior to the repayment date. On June 16, 2015, JPR repaid 3,000 million yen in short-term loans payable borrowed on May 20, 2015 to Sumitomo Mitsui Banking Corporation prior to the repayment date. On June 16, 2015, JPR repaid 2,000 million yen in short-term loans payable borrowed on June 4, 2015 to Sumitomo Mitsui Banking Corporation prior to the repayment date. Of the 2,000 million yen in short-term loans payable borrowed on March 26, 2015 from Sumitomo Mitsui Trust Bank, Limited, JPR repaid 1,000 million yen on June 18, 2015 prior to the repayment date. On June 24, 2015, JPR repaid 1,000 million yen in long-term loans payable borrowed on March 30, 2012 to The Tokyo Tomin Bank Limited prior to the repayment date. On June 24, 2015, JPR repaid 1,000 million yen in long-term loans payable borrowed on March 30, 2012 to The Bank of Yokohama, Ltd. prior to the repayment date. On June 24, 2015, JPR repaid 800 million yen in long-term loans payable borrowed on March 30, 2012 to The Minato Bank, Ltd. prior to the repayment date. On June 24, 2015, JPR repaid 500 million yen in long-term loans payable borrowed on March 30, 2012 to The Yamaguchi Bank, Ltd. prior to the repayment date. On June 24, 2015, JPR repaid 100 million yen in long-term loans payable borrowed on March 30, 2012 to The Chiba Kogyo Bank, Ltd. prior to the repayment date.

(8) Independent Auditor's Report



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Independent Auditor's Report

The Board of Directors
 Japan Prime Realty Investment Corporation

We have audited the accompanying financial statements of Japan Prime Realty Investment Corporation, which comprise the balance sheet as at June 30, 2015, and the statements of income and retained earnings, changes in unitholders' equity, cash distributions and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Japan Prime Realty Investment Corporation as at June 30, 2015 and its financial performance and cash flows for the six-month period then ended in conformity with accounting principles generally accepted in Japan.

Ernst & Young Shinnihon LLC

September 24, 2015

Tokyo, Japan

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

26th Fiscal Period (July 1, 2014 – December 31, 2014)	27th Fiscal Period (January 1, 2015 – June 30, 2015)
No property and equipment was leased to JPR	No property and equipment was leased to JPR

(Transactions with Interested Parties)

26th fiscal period (July 1, 2014 – December 31, 2014)

Attribute	Name of Company, etc.	Business Description or Occupation	Percentage of Number of Investment Units Held Among Total Number of Investment Units	Transactions	Transaction Amount (thousands of yen)	Account	Balance at End of Period (thousands of yen)
Asset Custodian	Mizuho Trust & Banking Co., Ltd.	Banking business and trust business	—	—	—	Long-term loans payable	7,000,000
				Interest expenses	38,312	Accrued expenses	1,041

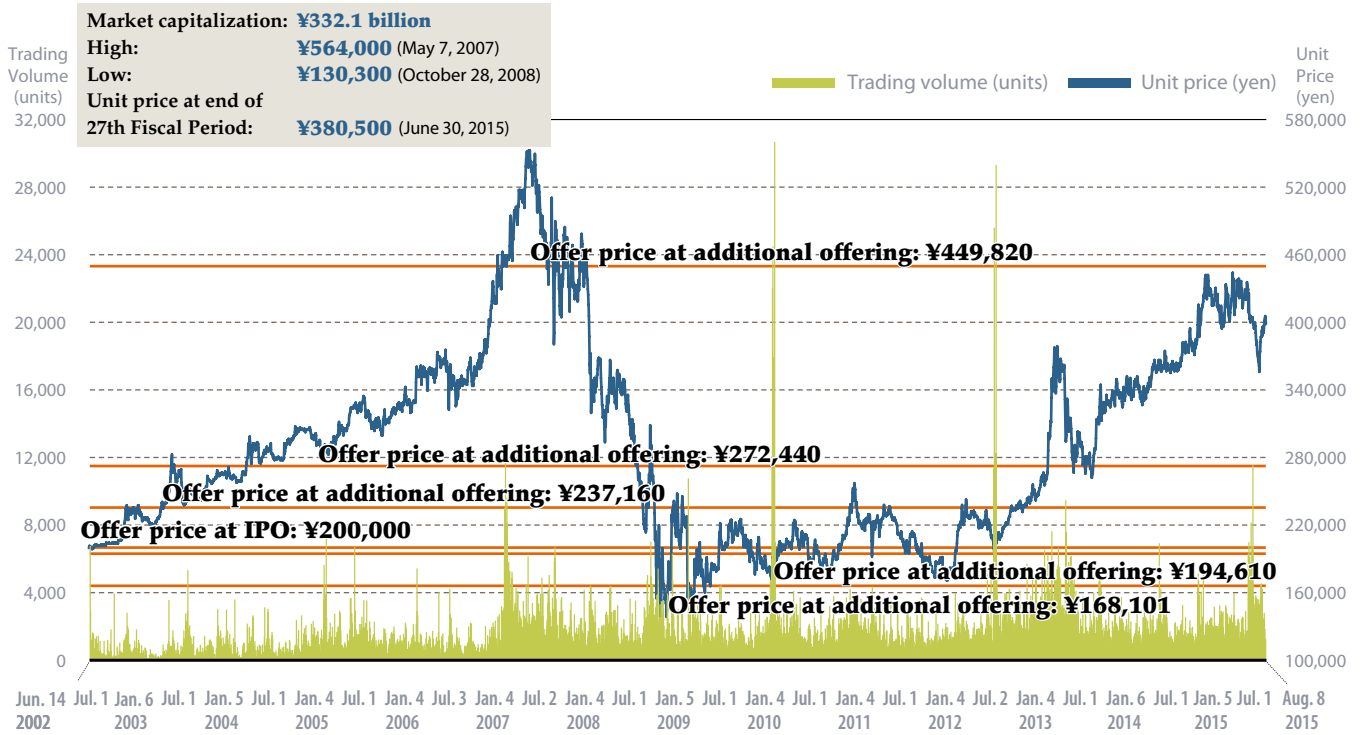
(Note) Transaction terms are determined based on prevailing market conditions.

27th fiscal period (January 1, 2015 – June 30, 2015)

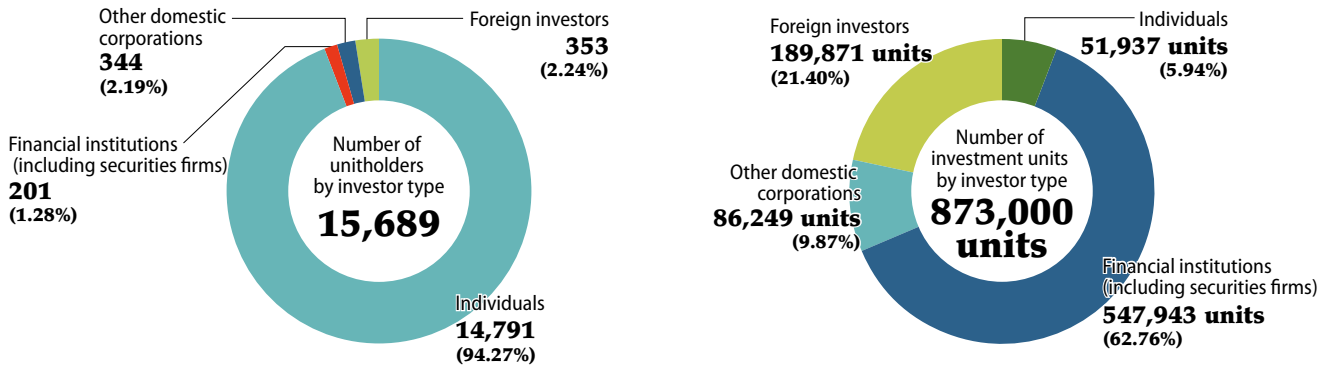
Attribute	Name of Company, etc.	Business Description or Occupation	Percentage of Number of Investment Units Held Among Total Number of Investment Units	Transactions	Transaction Amount (thousands of yen)	Account	Balance at End of Period (thousands of yen)
Asset Custodian	Mizuho Trust & Banking Co., Ltd.	Banking business and trust business	—	—	—	Long-term loans payable	7,000,000
				Interest expenses	37,687	Accrued expenses	832

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

Status of Investment Unit Price (as of June 30, 2015)



Breakdown of Unitholders (as of June 30, 2015)



Annual Schedule (provisional)



Notice Concerning Withholding Tax Rate on Dividends of Listed Stocks, Etc.

Please be informed that the concessionary tax rate imposed on dividends and distributions of listed stocks, etc. was abolished as of December 31, 2013, and the ordinary tax rate is applicable for dividends and distributions of listed stocks, etc. to be paid on or after January 1, 2014. For reference, the special income tax for reconstruction is applied for dividends and distributions for the 25-year period from January 1, 2013 through December 31, 2037 at the rate of 2.1% on the applicable income tax liability.

The withholding tax rates on dividends and distributions of listed stocks, etc. to be paid on or after January 1, 2014 are as follows.

	From January 1, 2014 to December 31, 2037	From January 1, 2038 and thereafter
Income tax	15%	15%
Special income tax for reconstruction	0.315%	—
Resident tax	5%	5%
Total	20.315%	20%

- Resident tax is not levied on corporations.
- This notice is meant to provide general information regarding taxation on dividends and distributions of listed stocks, etc., and there may be cases in which the content of this notice is not applicable. For details, please inquire at the nearest tax office, with a tax accountant or other specialist.
- This notice has been prepared based on the information available as of January 2015.

Notes for Investors

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

Procedures for Change of Address

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

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

Cash Distributions

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

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

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