



29th

Shinjuku Center Building

Report on Operating and Management Results
Twenty-Ninth Fiscal Period
Semi-Annual Report
Japan Prime Realty Investment Corporation



Determined Cash Distribution
 (for the 29th fiscal period ended June 2016)

¥6,756

Forecast Cash Distribution (reference)
 (for the 30th fiscal period ending December 2016)

¥7,000

JPR Sendagaya Bldg.

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JPR at a Glance

Japan Prime Realty Investment Corporation (JPR) is a J-REIT with a large-scale combined portfolio that is focused on office properties in Tokyo (Note). It aims to achieve stable growth of cash distributions, building on the quality of its properties and solid management operations.

(Note) "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).

Portfolio

JPR has built a large-scale combined portfolio of assets under the basic policy of making investments focused on office properties in Tokyo.

No. of Properties and Size

62 properties **410.3** billion yen

Investment Ratio by Area

Tokyo: **83.1%** Other Cities: **16.9%**

Investment Ratio by Asset Class

Office: **76.8%** Retail: **23.2%**

Financial Base

JPR has constructed a financial base under the basic policy of conservatively controlling LTV and utilizing long-term, fixed interest rate debts.

LTV

42.1%

Ratio of Long-Term, Fixed Interest Rate Debts

100.0%

Issuer Rating

AA- (R&I) **A** (S&P)

Sponsors

JPR makes the best of the comprehensive capabilities in the real estate, construction and finance areas of the 5 sponsors led by Tokyo Tatemono together with Taisei Corporation, Yasuda Real Estate, Sampo Japan Nipponkoa Insurance and Meiji Yasuda Life Insurance.

Aggregate Value of Properties Acquired from and Based on Information Provided by Sponsors, etc.

311.6 billion yen

Major Properties Acquired from Sponsors, etc.



The Otemachi Tower
(Land with Leasehold Interest)



Olinas Tower



Yurakucho Ekimae Bldg.
(Yurakucho Itocia)

(Note) Aggregate value of properties acquired from and based on information provided by sponsors, etc. refers to the aggregate acquisition price of real estate, etc. JPR has acquired since its listing either from the sponsors, etc. or based on the information provided by the sponsors, etc., and includes the properties already sold. 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 (the same applies throughout this report).

Message to Our Unitholders



(From left to right) Nobuhisa Kusanagi, Hirohito Kaneko and Masato Denawa



Japan Prime Realty
Investment Corporation

Hirohito Kaneko
Executive Officer

Nobuhisa Kusanagi
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.

We express our heartfelt condolences to all those affected by the Kumamoto Earthquake that broke out in April 2016, and sincerely pray that the affected areas will recover and restore as soon as possible.

Having settled the 29th fiscal period (January 1, 2016 – June 30, 2016) at the end of June 2016, we renew our cordial appreciation for your patronage and support.

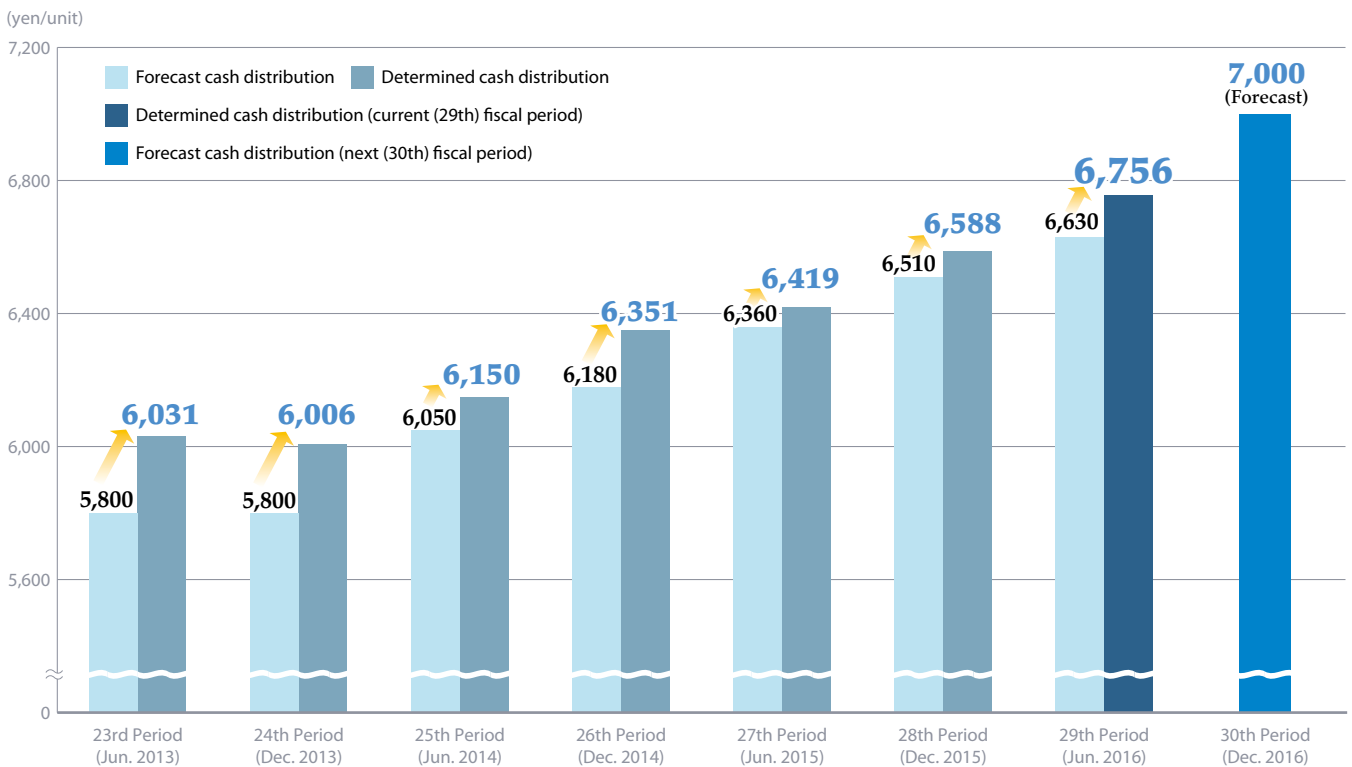
Going forward, JPR will continue working with Tokyo Realty Investment Management, Inc. (TRIM), to which we entrust asset management, to realize stable growth of our portfolio over the medium to long term while taking into full account the governance of JPR as an investment corporation.

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

Account Highlights

Distribution per unit for the 29th fiscal period ended June 30, 2016 came to 6,756 yen, marking the 5th straight fiscal period with a period-on-period increase. JPR anticipates another period-on-period increase for the 30th fiscal period ending December 2016, forecasting distribution per unit of 7,000 yen.

Distribution per Unit



Operating Results

	23rd Period ended Jun. 2013	24th Period ended Dec. 2013	25th Period ended Jun. 2014	26th Period ended Dec. 2014	27th Period ended Jun. 2015	28th Period ended Dec. 2015	29th Period ended Jun. 2016
Operating revenues (million yen)	13,278	13,591	13,734	13,902	14,251	14,105	14,246
Ordinary income (million yen)	4,975	4,899	5,073	5,239	5,566	5,746	5,897
Net income (million yen)	4,974	4,954	5,072	5,238	5,603	5,749	5,896
Unitholders' equity per unit (yen)	238,929	238,903	239,046	239,246	247,529	247,696	247,862

Message from Asset Manager



Satoshi Okubo

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

I sincerely appreciate the support you have extended to Japan Prime Realty Investment Corporation (JPR). Let me report on the operating and management results of JPR for the 29th fiscal period ended June 2016.

1 Financial Results of the 29th Fiscal Period Ended June 2016

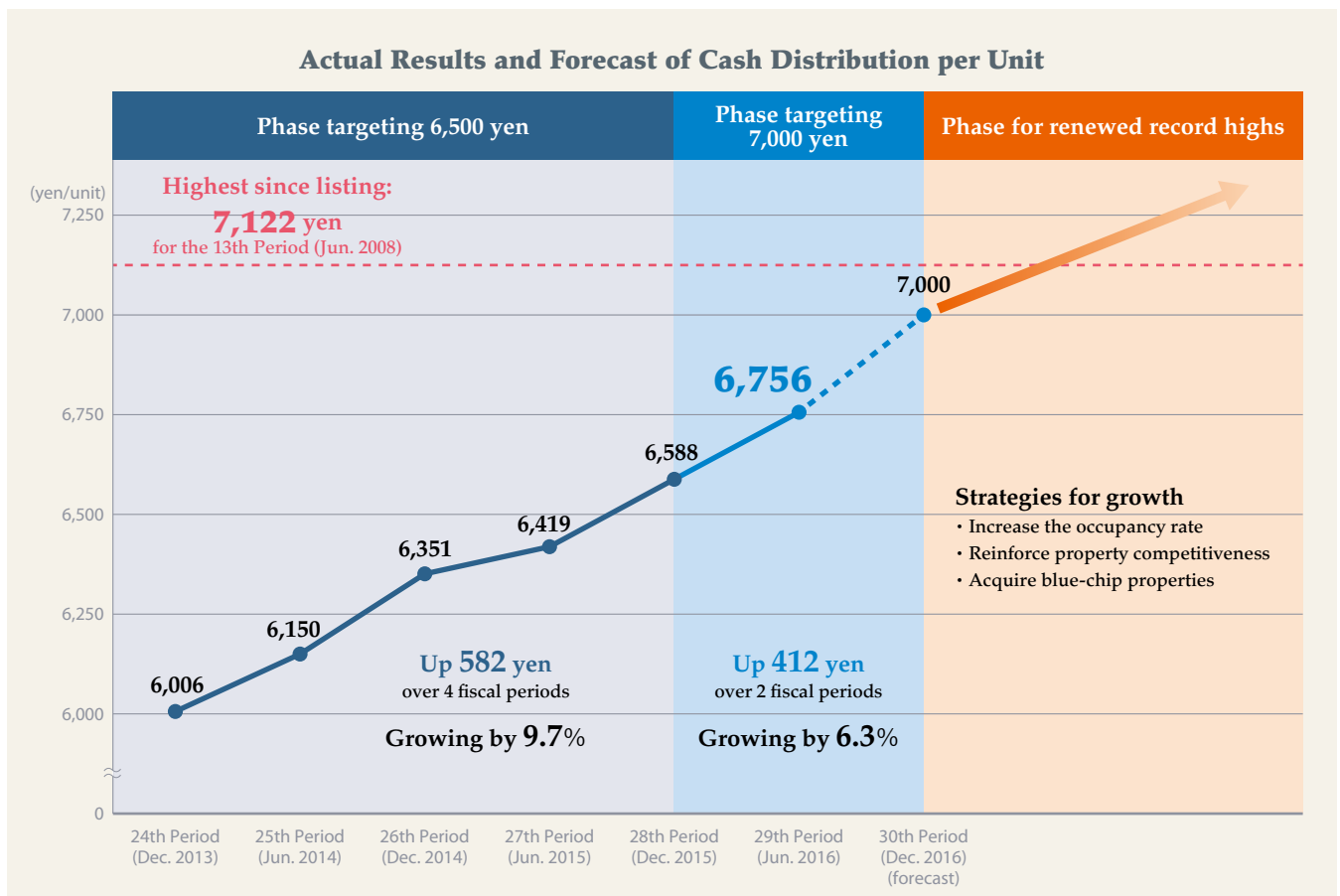
- **Cash distribution per unit: ¥6,756**
(up ¥168 period-on-period)
- Achieved the **5th straight period** with an increase in cash distributions
- **Rate of increase in cash distributions: 12.5%**
(compared with the 24th Period)

Cash distribution per unit came to 6,756 yen, up 168 yen from the 28th fiscal period, marking the fifth consecutive fiscal period with an increase. Compared from the cash distribution per unit five periods ago (6,006 yen), the amount represents an increase by 750 yen, or up 12.5%, demonstrating steady growth. The increase in cash distributions was achieved mainly by steady internal growth through an increase in rents. The period-end occupancy rate rose to the 98% level, and we made progress in our endeavors for upward revision of rents upon contract renewal and raising rents for new contracts.

2 Forecast Cash Distributions for the Next (30th) Fiscal Period

- **Cash distribution per unit: ¥7,000**
(up 244 yen period-on-period)

In the next (30th) fiscal period, we anticipate to achieve a continued increase in cash distribution per unit, which is expected to reach the 7,000 yen level, the target we set in 2016, earlier than is assumed. We should be able to



realize steady internal growth with higher rents by conducting asset management that makes the best use of the high quality of the portfolio. We will continue our efforts to enhance unitholder value through “continuous growth of cash distributions.”

3 Operating and Management Status

JPR is well managed and in good shape for the moment. Although uncertainty is felt for the outlook of corporate performances due to the yen's appreciation, the vacancy rate in the office market in Tokyo has continued to decrease. JPR has also seen the vacancy rate of its properties drop, mainly for the office properties in Central Tokyo, reaching the level that is lowest in recent years as of the end of the 28th fiscal period. In addition, raising of rents upon tenant replacement and upward revision of rents upon contract renewal have expanded both in terms of the number of cases and monetary amounts, continuing to show steady internal growth.

In the for-sale real estate market, investors remain highly willing to purchase properties and transactions are conducted at even higher prices. During the 29th fiscal period, we investigated possible investments by JPR primarily in office properties in Tokyo and retail properties, but no acquisition was closed and completed. Going forward, we will see to it that JPR continues its vigorously selective investments in blue-chip properties while working to improve the quality of its portfolio through asset replacement with property sales.

* Please refer to the following pages for our asset management strategies.

Internal Growth Strategy

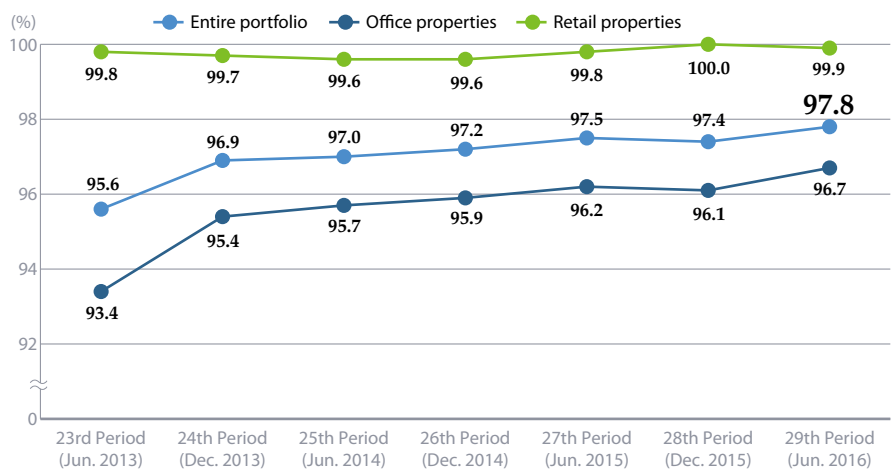
JPR has achieved internal growth through an increase in rents while maintaining the occupancy rate at a high level, with its measures including flexible use of target rents proving effective.

Major Reinforcement Strategies

1. Flexibly use target rents	JPR conducts leasing by setting target rents, to be used upon concluding new contracts or renewing existing contracts for respective properties, for each fiscal period in accordance with the market trends.
2. Reinforce investments for value enhancement	JPR works to raise rents for new contracts and reinforce property competitiveness by investing in interior fittings and facilities, etc. that meet tenant needs.
3. Continuously enhance tenant satisfaction	Deliberately responding to tenants and creating safe and secured environments are important initiatives that positively affect rent negotiations as well as help prevent contract cancellations from happening.
4. Strategically use rent-free periods	JPR uses rent-free periods strategically, intending to raise rents for new contracts and conduct upward revision of rents upon contract renewal in the future.

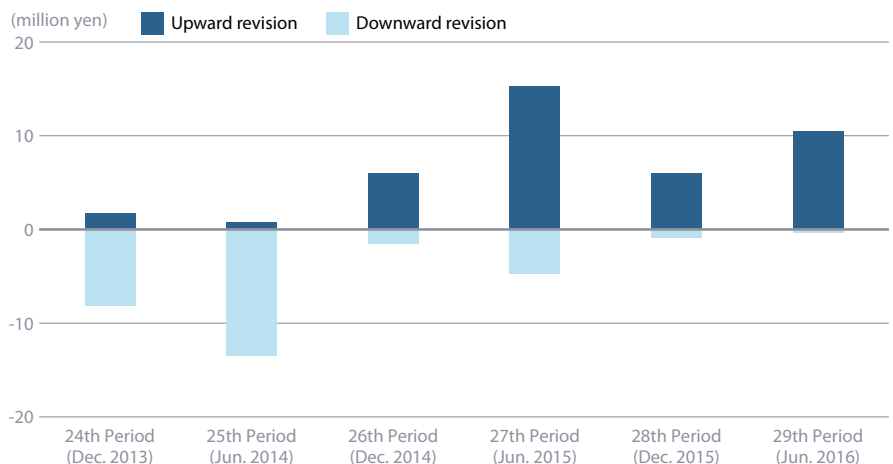
Average Occupancy Rate

The average occupancy rate of the portfolio (period average of occupancy rates at end of months) has remained at a high level of 97% or higher.



Changes in Revised Amount of Monthly Rent, Etc.

By amount, upward revision of rents has continued to surpass downward revision since the 26th fiscal period ended December 2014.



External Growth Strategy

JPR is resolved to continuously work on investments focused on office properties in Tokyo in order to enhance its growth potential over the long term, while conducting vigorously selective investments in retail properties as well as office properties in regional cities to enhance the stability of earnings.

Basic Strategy

1. Focused investments in office properties in Tokyo

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

Compared with other regional cities, Tokyo allows expectations for more stable occupancy and higher rent levels, and is believed to offer larger rooms for an increase of rents when the leasing market shows a recovery trend. Looking ahead, JPR will continue to make investments focused on office properties in Tokyo, with an aim to further improve the quality of its portfolio and enhance its growth potential over a long term.

2. Vigorously selective investments in retail properties as well as office properties in regional cities

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

While securing growth potential by making focused investments in office properties in Tokyo, JPR will make vigorously selective investments 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.

Cases in which JPR Acquired Properties by Utilizing Sponsor Support

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

< Sponsors >



The Otemachi Tower
(Land with Leasehold Interest)



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

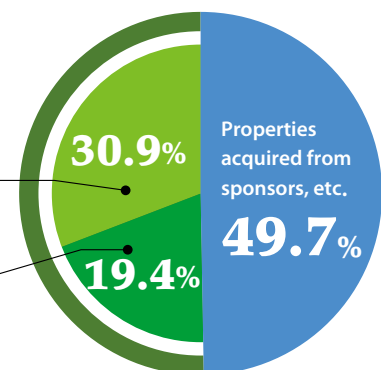
At JPR, the ratio of properties acquired from its sponsors, etc. and that of properties acquired from third parties (total of properties acquired based on the information provided by the sponsors and those acquired other than from the sponsors, etc.) are almost equal, standing at 49.7% for the former and 50.3% for the latter (on an acquisition price basis).

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

Transactions with
third parties
50.3%

Properties acquired
other than from
sponsors, etc.

Properties acquired
based on information
provided by sponsors



Financial Strategy

By controlling the ratio of interest-bearing debts in a conservative manner and making further endeavors to lengthen the maturity of debts and diversify repayment dates, JPR has maintained a stable and strong financial base that should allow it to respond to future changes in the financial environment.

Financial Status

JPR has maintained its conservative leverage control policy, in which it targets to keep the ratio of interest-bearing debt largely at up to 50%, and secured a stable fund procurement base with the ratio of long-term, fixed interest rate debts at 100%.

Major Financial Indicators

Ratio of interest-bearing debts to total assets	42.1%
Ratio of long-term, fixed interest rate debts	100.0%

Status of Corporate Credit Ratings Assigned to JPR

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

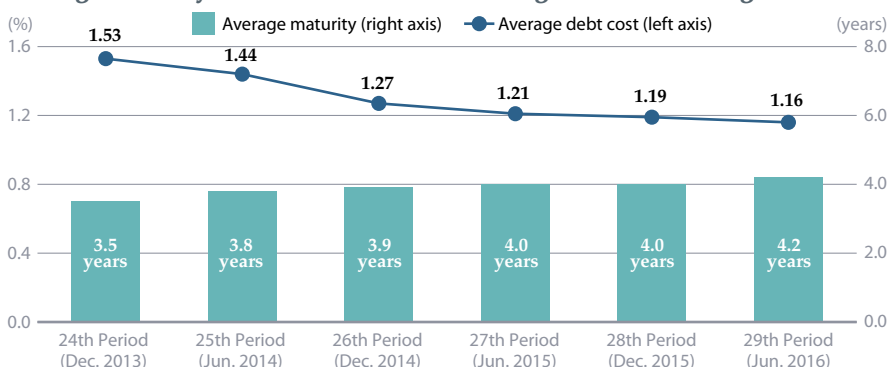
Lengthening Maturity of Debts and Reducing Costs Simultaneously

JPR has successfully reduced debt cost while working to lengthen the maturity of debts.

Refinances in the 29th Fiscal Period (Average amount of refinanced loans that matured in the 29th fiscal period)

Average maturity	4.7 years ➔ 9.3 years (up 4.6 years)
Average debt cost	1.27% ➔ 0.66% (down 0.61%)

Average Maturity of the Entire Interest-Bearing Debts and Average Debt Cost



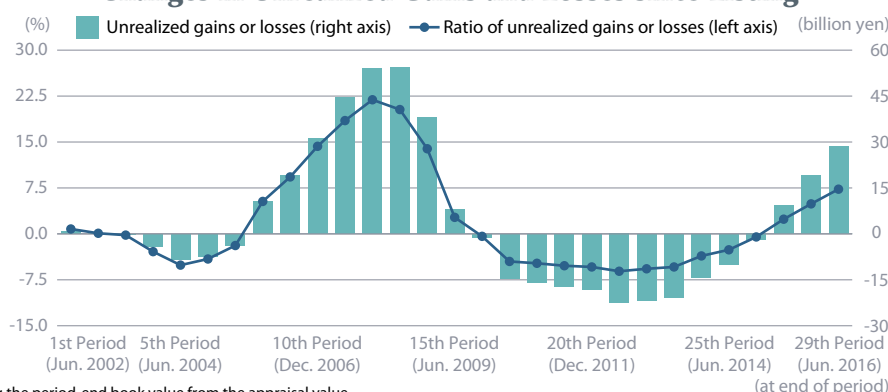
Expansion of Unrealized Gains

JPR's unrealized gains have increased, given higher appraisal values in accordance with the recovery in the real estate market.

Status of Unrealized Gains at the End of the 29th Period

Appraisal value	419.8 billion yen (up 8.4 billion yen period-on-period)
Unrealized gains	28.6 billion yen (up 7.3%) (up 9.5 billion yen period-on-period)

Changes in Unrealized Gains and Losses since Listing



(Note) Unrealized gains refer to the amount obtained by subtracting the period-end book value from the appraisal value.

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

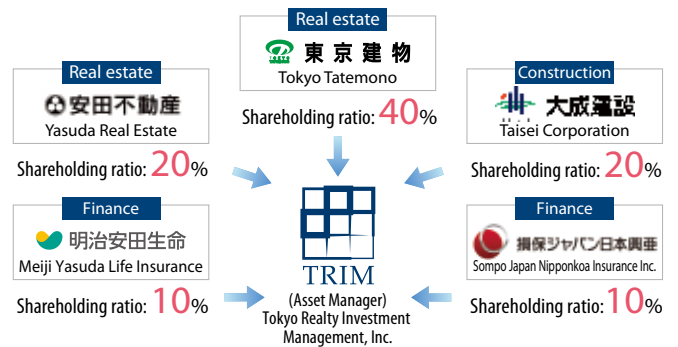
- At JPR, the executive officer as well as the supervising officers have no concurrent assignment as officer of TRIM so as to firmly secure the independence of JPR, the investment corporation.
- The JPR officers are comprised of attorneys and a certified public accountant with various experience and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

Member of the Board of JPR	
Executive Officer:	Hirohito Kaneko (attorney)
Supervising Officer:	Masato Denawa (attorney)
Supervising Officer:	Nobuhisa Kusanagi (certified public accountant)

Diversified Shareholder Composition and Reinforced Independence

- With the sponsors, comprised of 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 was transferred to TRIM, instead of being seconded from the sponsor company to which he belonged.
- The Compliance Office general manager in charge of internal control is a career employee, not seconded from the sponsor company to which he belonged.

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 an unanimous vote for approvals in principle.
- An outside attorney has been appointed as a special member of the Compliance Committee.

Members of the Compliance Committee of TRIM

President and CEO	
Corporate Planning / Administration Division general manager	Investment Management Division general manager
Financial Division general manager	Compliance Office general manager
Special member (outside attorney)	

Stringent Decision-Making Process (for property acquisitions)

Proposal, planning	Investment Management Department
Review, screening	Compliance Subcommittee
Decision on acquisition policy	Investment Subcommittee
Due diligence	Due Diligence Subcommittee
Prior review / approval of transaction with related parties	Compliance Committee / JPR's Board of Directors
Final decision on acquisition	Investment Subcommittee
Decision making on acquisition over certain amount	TRIM's Board of Directors
Conclude agreement	Acquisition

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.

Portfolio Status

Portfolio Management Standards

Upon listing, JPR had the portfolio management standards that set the target investment ratio by area of roughly 60% for Tokyo versus 40% for Other Cities and the target investment ratio by asset class of roughly 80% for office properties versus 20% for retail properties. In the 16th fiscal period ended December 2009, however, JPR changed the standards as follows with a policy of focusing investments in office properties in Tokyo.

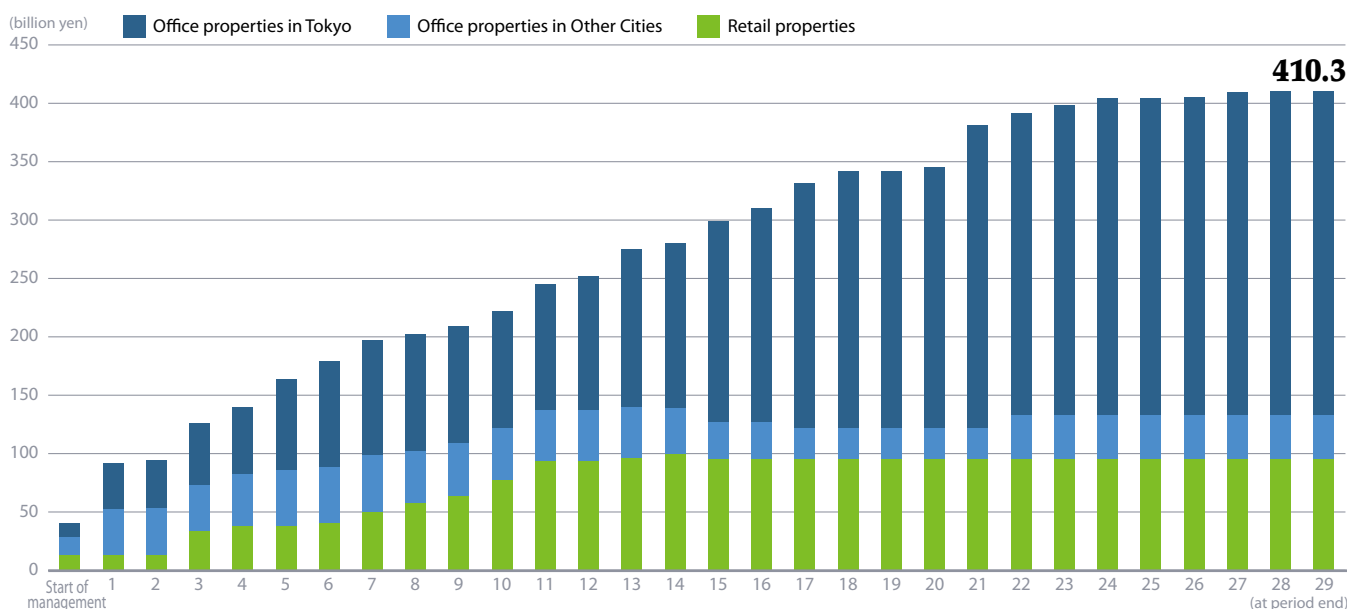
Target investment ratio by area

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

Target investment ratio by asset class

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

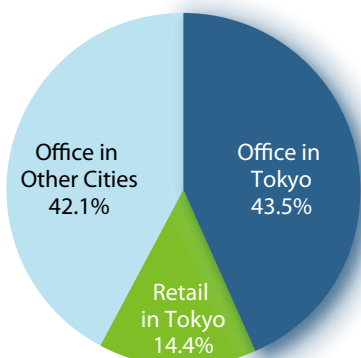
Asset Size Expansion Trends



Changes in Investment Ratios by Area and by Asset Class

Focused investments in office properties in Tokyo have resulted in an increase in the investment ratio of office properties in Tokyo as of the end of the 29th fiscal period by 24.1% compared with the end of the 1st fiscal period.

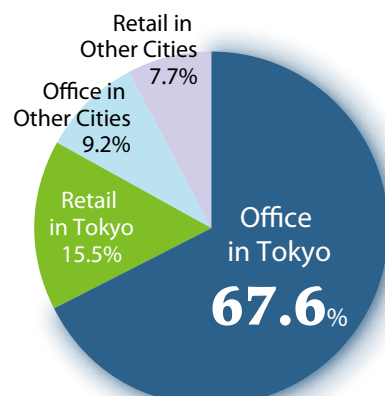
End of 1st Fiscal Period (June 30, 2002)



End of 29th Fiscal Period (June 30, 2016)

Increase in the investment ratio of office properties in Tokyo through focused investments

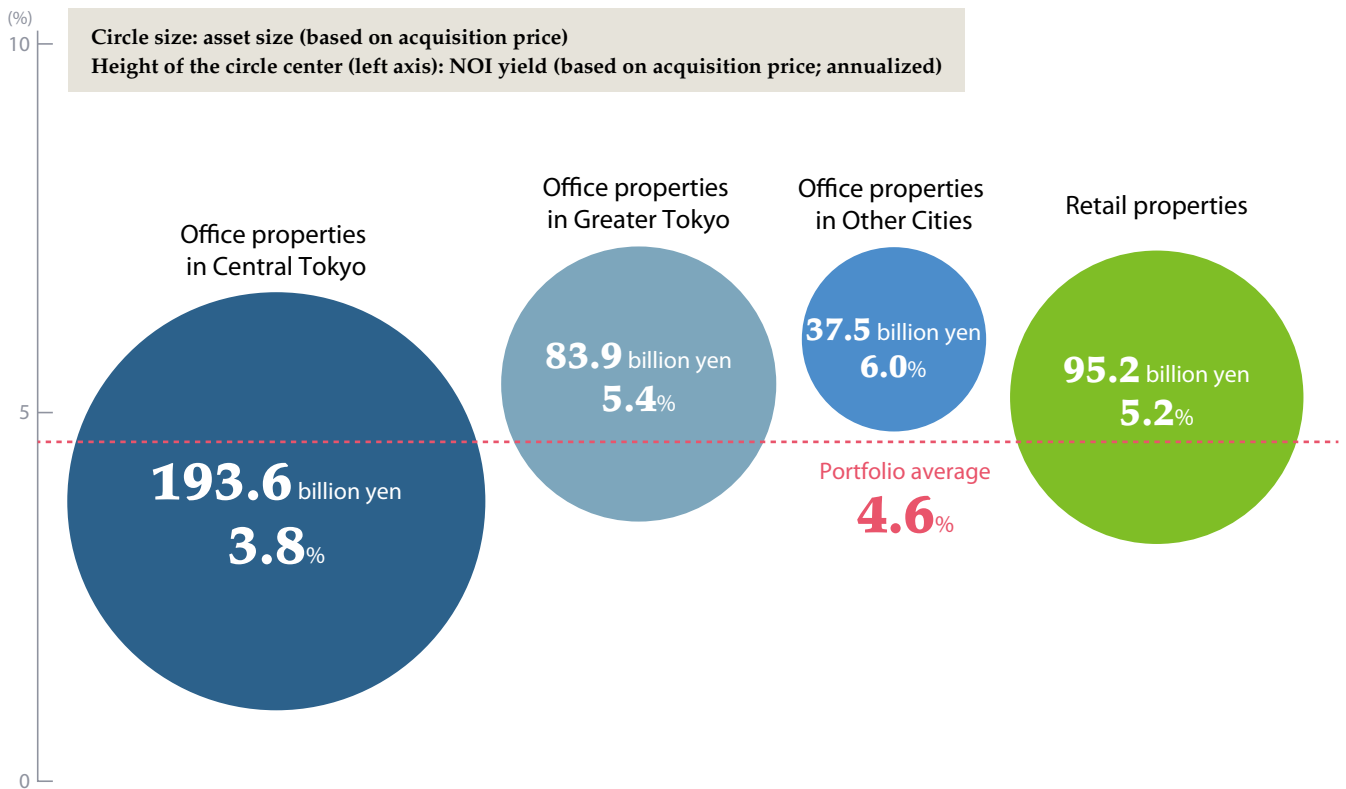
+24.1%



(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.

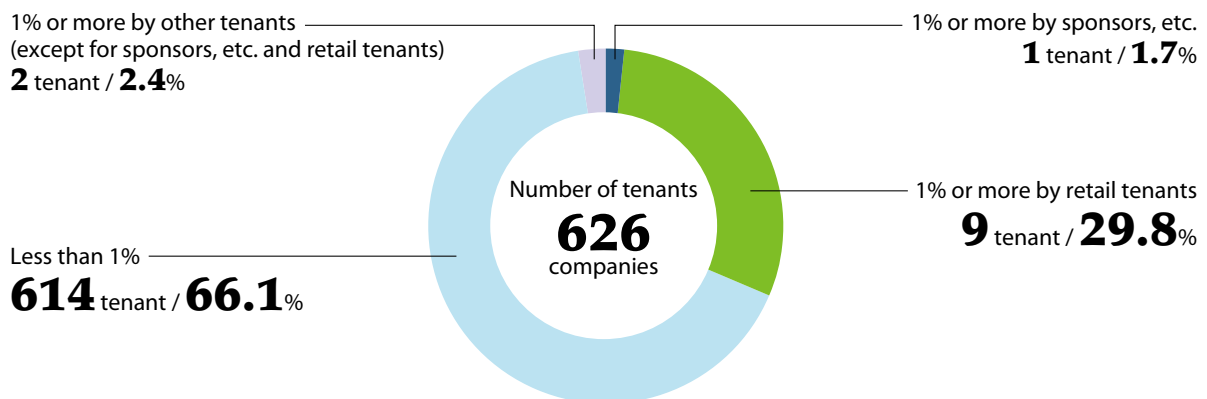
JPR has built a portfolio that enjoys the utmost advantages of diversified investments, including the growth potential of office properties located in Central Tokyo, the stability of urban retail properties with long-term lease agreements, etc., and the profitability of office properties in Greater Tokyo and Other Cities.

Status of Diversified Investments (asset size by area/asset class and NOI yields)



Status of Tenant Diversification (ratio of tenants occupancy of 1% or more)

If the ratio of occupancy (ratio of occupied floor space in the portfolio) by a single tenant is low, it reduces the risk of lower revenue when the tenant cancels contract in the future. JPR keeps the ratio low to enhance the stability of revenue.



(Note) Ratio of occupancy = Leased space of each tenant / total leasable space

The number of tenants indicates the number of sublessees when the tenant subleases the relevant property to sublessees and there is a concluded lease contract in which the rent to be paid by the tenant varies in accordance with the situation of leasing to the sublessees.

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	8,011.75	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	4,235.05	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	19,284.71	1.3
				Sep. 26, 2008	180	0.0		
				Mar. 25, 2015	4,000	1.0		
				Oct. 21, 2015	786	0.2		
				Total	14,966	3.6		
	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	2.0	4,763.38	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	1,896.69	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
	A-4	Shinjuku Sanhome East Bldg.	Shinjuku-ku, Tokyo	Mar. 14, 2007	540	0.1	2,347.81	1.6
				Apr. 24, 2008	2,200	0.5		
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					¥218,192	53.2	155,531.73	—

(Note 1) The table above shows properties owned by JPR as of June 30, 2016.

(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	5,536.18	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	15,420.07	6.8
	B-7	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 1, 2004	3,250	0.8	6,476.53	3.9
				Sep. 30, 2005	888	0.2		
	B-8	Tachikawa Business Center Bldg.	Tachikawa, Tokyo	Feb. 28, 2007	2,300	0.6	4,683.40	4.1
				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	12,000.08	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	189,769.33	—

Other Cities (15 Properties)

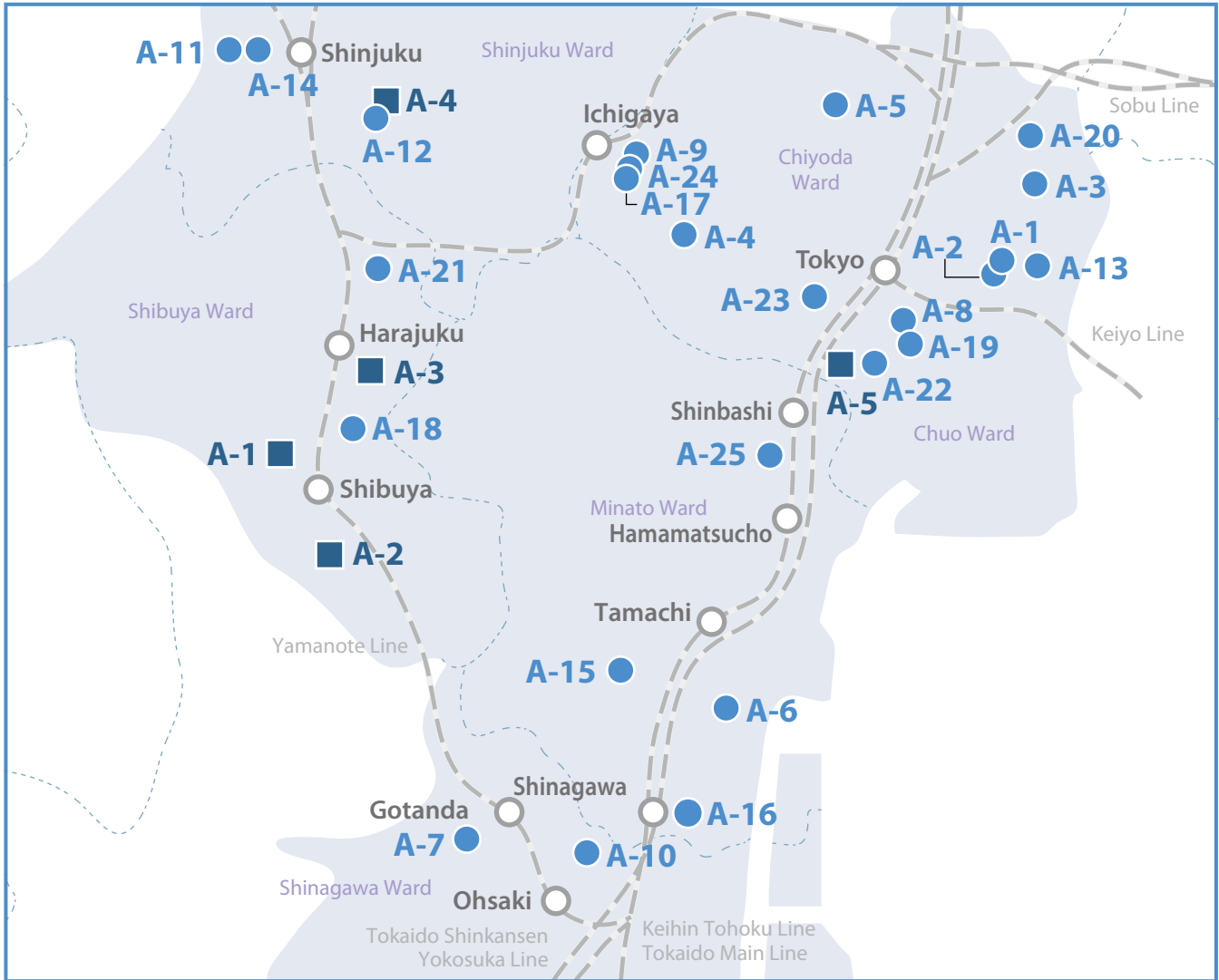
	Property Number	Property Name	Location	Acquisition Date	Acquisition Price (in millions)	Percentage of Portfolio Acquisition Price (%)	Leasable Floor Space (m ²)	PML (%)
Office	C-1	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 16, 2001	¥2,140	0.5	5,326.88	1.7
	C-4	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 16, 2001	4,150	1.0	7,158.13	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	4,875.38	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	1.9	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	131,044.75	—
Total					¥410,306	100.0	476,345.81	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.

(Note 4) Although the asset class of Benetton Shinsaibashi Bldg. was converted from "retail" to "office" as of July 30, 2016, it is classified as the asset class as of the end of the period (June 30, 2015) in this Semiannual Report.

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
- 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

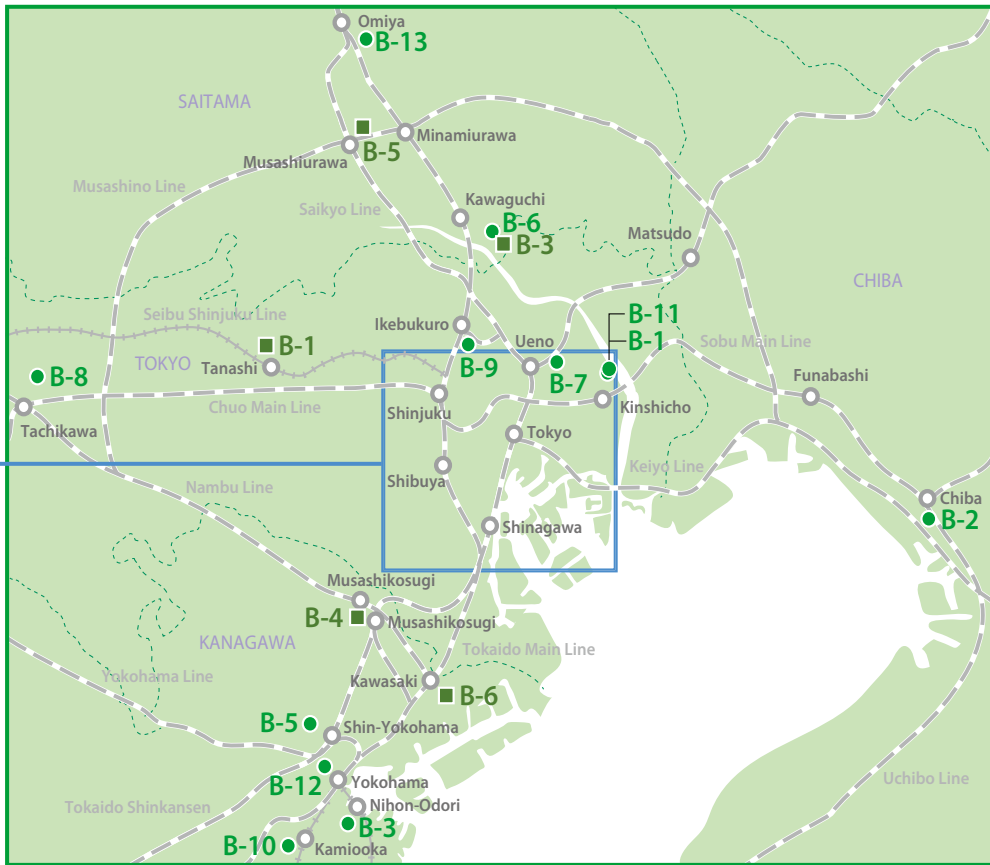
B Greater Tokyo

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.

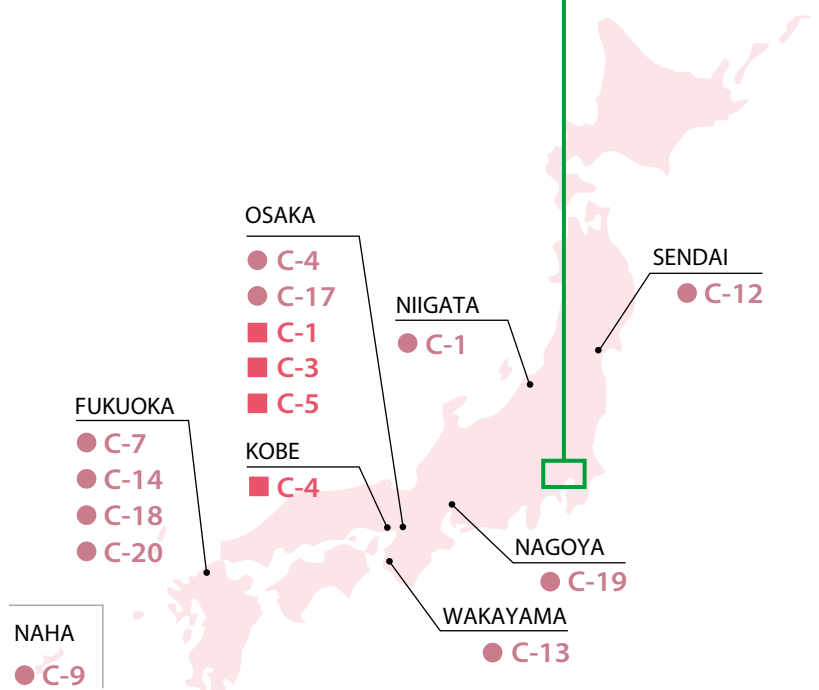
C Other Cities

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 Sampo Japan Sendai Bldg.
- C-13 Sampo Japan Wakayama Bldg.
- C-14 Tenjin 121 Bldg.
- C-17 JPR Dojima Bldg.
- C-18 JPR Hakata-chuo Bldg.
- C-19 JPR Nagoya Fushimi Bldg.
- C-20 Yakuin Business Garden

Retail

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



OSAKA

- C-4
- C-17
- C-1
- C-3
- C-5

NIIGATA

- C-1

SENDAI

- C-12

FUKUOKA

- C-7
- C-14
- C-18
- C-20

KOBE

- C-4

NAGOYA

- C-19

WAKAYAMA

- C-13

NAHA

- C-9

Portfolio Properties

Central Tokyo

Office

Retail

A-1 Kanematsu Bldg.

Chuo Ward, Tokyo



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

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



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.

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.

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

A-11

Shinjuku Square Tower

Shinjuku Ward, Tokyo



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

Portfolio Properties

Central Tokyo

Office

Retail

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-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-18 JPR Harajuku Bldg. Shibuya Ward, Tokyo



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

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.

Central Tokyo Office Retail

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-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.



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-19 Tokyo Tatemono Kyobashi Bldg.
Chuo Ward, Tokyo



Acquisition Price	¥5,250 million	Structure/Floors	SRC/S B1/10FF
Site Area	547.10 m ²	Completed	January 1981
Total Floor Space	4,419.79 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-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.

Portfolio Properties

Central Tokyo

Office

Retail

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-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.

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-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.

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-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.

Central Tokyo Office Retail / Greater Tokyo Office Retail

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-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	Taisei-Yuraku Real Estate Co., Ltd. ^(Note)
<small>(Note) The property manager was changed from Tokyo Tatemono Co., Ltd. on March 1, 2016.</small>	

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.

B-5 **Shinyokohama 2nd Center Bldg.**
Yokohama City, Kanagawa



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

B-1 **Arca East**
Sumida Ward, Tokyo



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

B-6 **Kawaguchi Center Bldg.**
Kawaguchi City, Saitama



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

Portfolio Properties

Greater Tokyo Office Retail

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.

B-9 Rise Arena Bldg.

Toshima Ward, Tokyo



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

(Note) The commercial tower portion has 2 basement floors and 15 floors above ground.

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-10 Yume-ooka Office Tower

Yokohama City, Kanagawa



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

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 (includes commercial tower and residential tower)	Property Manager	Tokyo Tatemono Co., Ltd.

(Note) The office building has 31 floors above ground and 2 floors underground.

Greater Tokyo Office Retail



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



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

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



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

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



Acquisition Price	¥10,200 million	Structure/Floors	SRC B2/17F
Site Area	12,326.30 m ²	Completed	February 1995
Total Floor Space	80,675.27 m ²	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-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

Greater Tokyo Office Retail / Other Cities Office Retail

B-4 JPR Musashikosugi Bldg. Kawasaki City, Kanagawa



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

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	Structure/Floors	SRC B3/9F
Site Area	1,432.64 m ²	Completed	February 1970
Total Floor Space	14,619.52 m ²	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.

Other Cities

Office

Retail

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.

C-20

Yakuin Business Garden

Fukuoka City, Fukuoka



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

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.

Portfolio Properties

Other Cities

Office

Retail

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-3

Benetton Shinsaibashi Bldg.

Osaka City, Osaka



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

C-5

JPR Chayamachi Bldg.

Osaka City, Osaka



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

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 of the Development Bank of Japan Inc. (DBJ) to certify real estate properties evincing high environmental and social awareness, for numerous properties it owns.

 DBJ Green Building 2015 0000 Properties with exceptionally high environmental & social awareness	 Olinas Tower	 Yakuin Business Garden	 DBJ Green Building 2015 000 Properties with excellent environmental & social awareness	 JPR Sendagaya Bldg.	 Shinagawa Canal Building	 Rise Arena Bldg.	 Omiya Prime East	 Yume-ooka Office Tower
 DBJ Green Building 2015 00 Properties with high environmental & social awareness	 JPR Crest Takebashi Bldg.	 BYGS Shinjuku Bldg.	 JPR Ueno East Bldg.	 JPR Naha Bldg.	 DBJ Green Building 2015 0 Properties with sufficient environmental & social awareness	 JPR Nihonbashi- horidome Bldg.	 Kanematsu Bldg.	 Oval Court Ohsaki Mark West

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 2015, JPR was designated as “Green Star,” the highest ranking of the four evaluation categories, and was also selected as Sector Leader (the first rank) in the Diversified (Retail/Office) sector in Asia.
- 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.

Structure and History of JPR

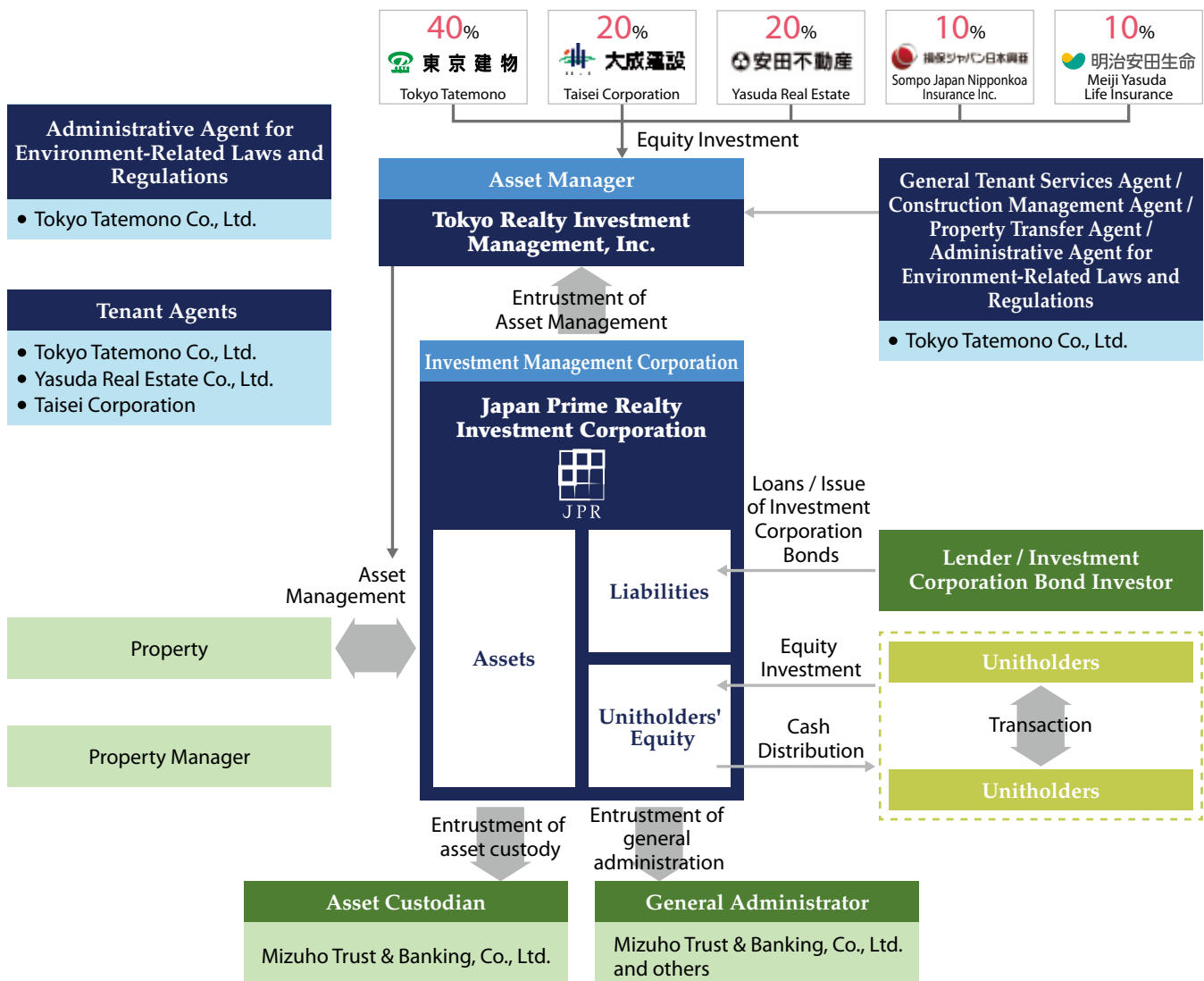
The Objective and Basic Characteristics of JPR

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



Overview of Asset Manager

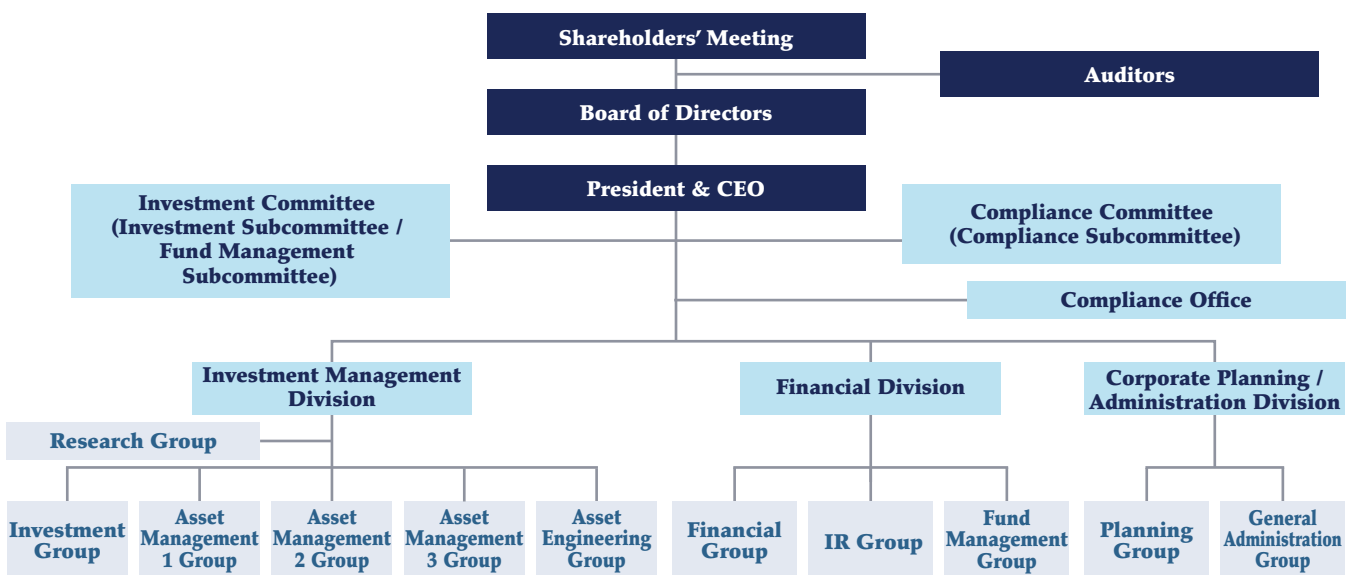
Overview

Name	Tokyo Realty Investment Management, Inc. (TRIM)
Business Description	Asset management for investment corporations
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 are comprised of 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 Subcommittee, 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	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)	28th Fiscal Period (Jul. 1, 2015 - Dec. 31, 2015)	29th Fiscal Period (Jan. 1, 2016 - Jun. 30, 2016)	
Operating Performance	Operating Revenue	Million yen	13,734	13,902	14,251	14,105	14,246	
	Rent revenue – real estate	Million yen	13,734	13,902	14,251	14,105	14,246	
	Operating Expenses	Million yen	7,308	7,425	7,554	7,273	7,372	
	Expenses related to rent business	Million yen	6,599	6,733	6,845	6,553	6,658	
	Operating Income	Million yen	6,425	6,477	6,697	6,831	6,874	
	Ordinary Income	Million yen	5,073	5,239	5,566	5,746	5,897	
	Net Income	Million yen	5,072	5,238	5,603	5,749	5,896	
Assets, etc.	Total Assets	Million yen	414,104	414,091	418,778	418,739	418,738	
	(Period-on-period variation)	%	(+0.0)	(-0.0)	(+1.1)	(-0.0)	(-0.0)	
	Interest-bearing Debts	Million yen	191,190	191,024	176,458	176,292	176,126	
	Total Unitholders Equity	Million yen	197,213	197,378	216,092	216,238	216,384	
	(Period-on-period variation)	%	(+0.1)	(+0.1)	(+9.5)	(+0.1)	(+0.1)	
Unitholders' Capital	Million yen	192,044	192,044	210,395	210,395	210,395		
Cash Distribution per Unit, etc.	Total Cash Distributions	Million yen	5,073	5,239	5,603	5,751	5,897	
	Dividend payout ratio	%	100.0	100.0	100.0	100.0	100.0	
	Number of Units Outstanding	Units	825,000	825,000	873,000	873,000	873,000	
	Total Unitholders' Equity per unit	Yen	239,046	239,246	247,529	247,696	247,862	
	Cash Distribution per Unit	Yen	6,150	6,351	6,419	6,588	6,756	
	Distribution amount	Yen	6,150	6,351	6,419	6,588	6,756	
	Exceeding profit distribution amount	Yen	–	–	–	–	–	
Financial Indices	Ordinary Income on Total Assets (Note 1)	%	1.2	1.3	1.3	1.4	1.4	
	Annualized (Note 10)	%	2.5	2.5	2.7	2.7	2.8	
	Net Income on Total Unitholders' Equity (Note 2)	%	2.6	2.7	2.7	2.7	2.7	
	Annualized (Note 10)	%	5.2	5.3	5.5	5.3	5.5	
	Total unitholders' equity at beginning of period	Million yen	197,095	197,213	197,378	216,092	216,238	
	Unitholders' Equity Ratio at End of Period (Note 3)	%	47.6	47.7	51.6	51.6	51.7	
	(Period-on-period variation)		(+0.0)	(+0.0)	(+3.9)	(+0.0)	(+0.0)	
	Interest-bearing Debts to Total Assets at End of Period (Note 4)	%	46.2	46.1	42.1	42.1	42.1	
	DSCR (Note 5)	Times	6.5	7.2	7.9	8.7	9.1	
	Net income before interest and amortization (Note 6)	Million yen	8,167	8,223	8,531	8,619	8,738	
	Interest expenses	Million yen	1,259	1,142	1,073	994	955	
	NOI from Leasing (Note 7)	Million yen	8,968	9,010	9,260	9,427	9,473	
	Annualized NOI yield (Notes 9 and 10)	%	4.5	4.4	4.6	4.6	4.6	
	NCF from Leasing (Note 8)	Million yen	8,287	8,303	8,599	8,581	8,701	
	Annualized NCF yield (Notes 9 and 10)	%	4.1	4.1	4.2	4.1	4.3	
	Reference Information	Investment Properties Owned (Note 11)		62	62	62	62	62
		Number of Tenants		628	632	647	650	661
Total Leasable Floor Space		m ²	467,175.54	468,232.24	475,007.79	476,352.67	476,345.81	
Occupancy Rate		%	97.8	97.0	96.7	97.4	98.1	

(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) Income before income taxes - 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 (25th fiscal period: ¥404.72 billion, 26th fiscal period: ¥405.52 billion, 27th fiscal period: ¥409.52 billion, 28th fiscal period: ¥410.30 billion and 29th fiscal period: ¥410.30 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: 25th fiscal period: 181 days, 26th fiscal period: 184 days, 27th fiscal period: 181 days, 28th fiscal period: 184 days and 29th fiscal period: 182 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) 29th 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

In the 29th fiscal period, the Japanese economy saw a shift toward the stronger yen and lower stock prices at the beginning of 2016 and thereafter due to concerns about slowdown of overseas economies and other factors. Although the employment environment continued to be positive, consumer spending remained stagnant. Worries about the impact of the stronger yen on corporate earnings, which had been robust, also arose under such conditions. Moreover, a keen awareness was spread during the six months about the risk factors outside Japan, with the issue of the U.K. leaving the E.U. as a most recent example.

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 continued to be strong, which worked to absorb new supply. The upward trend of the rent levels for new contracts also continued, although at a moderate pace.

The Retail Property Leasing Market

The need of tenants to open stores remained strong for urban retail properties in which JPR targets for investment. Despite some obscurity noticed in the outlook of consumption by inbound foreign tourists, the market has been in good shape for urban retail properties in good locations, such as Ginza, Omotesando and Shinsaibashi.

The For-Sale Real Estate Market

Although investors remain highly willing to purchase properties, transaction volume in the market has shown a decreasing trend, and property transaction prices are steadily being formed at a high level. Meanwhile, investments have continuously been made in properties located in regional cities as well as in projects related to inbound demand, such as hotels and urban retail properties. With low-yield transactions continuing to prevail, the acquisition environment remains harsh for players focusing on yields. Accordingly, REITs have somewhat decelerated the pace at which they conduct new listings and expansion of assets size with funds through public offerings.

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 29th fiscal period, JPR investigated possible investments primarily in office properties in central Tokyo and retail properties in Greater Tokyo, but no acquisition was closed and completed. As of the end of June 2016, the balance of JPR's assets under management totaled 62 properties, or 410.3 billion yen on an acquisition price basis, with the total leasable floor space standing at 476,345m² and the number of tenants reaching 661.

Operational Management of Portfolio

In the office property leasing market in the 29th 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 increased 0.7 points period-on-period to 98.1% at the end of the 29th fiscal period.

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

Meanwhile, JPR is continuously working to obtain environmental certifications (the DBJ Green Building Certification^{*1} and the recognition by GRESB^{*2}). As of the end of the 29th fiscal period, JPR has obtained the DBJ Green Building Certification for 14 of the buildings it owns. In the GRESB survey conducted in 2015, JPR was designated as "Green Star," marking the second consecutive year of recognition with the highest ranking in the survey. GRESB also selected JPR as Sector Leader (the first rank) in the Diversified (Retail/Office) sector in Asia.

*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 debt financing with more emphasis placed on the diversification of repayment dates through lengthening the maturity of interest-bearing debts, in an effort to further reinforce its strong and solid financial base against the backdrop of the favorable fund procurement environment and low interest rates. In the 29th fiscal period, JPR borrowed 14.0 billion yen to fund the repayment of 14.1 billion yen in loans that matured during the fiscal period. The average maturity and average debt cost (Note 1) of the new borrowing stood at 9.3 years and 0.66%, respectively, in contrast to 4.7 years and 1.27% for the relevant loans before refinancing, achieving longer maturities and lower debt costs.

As of the end of the 29th fiscal period, the balance of interest-bearing debts totaled 176.1 billion yen, with total outstanding borrowings of 134.6 billion yen and investment corporation bonds of 41.5 billion yen. The ratio of interest-bearing debts to total assets (Note 2) was 42.1%, long-term and fixed interest-bearing debt ratio (Note 3) was 100.0%, average debt cost was 1.16% and average maturity (Note 4) was 4.2 years as of the end of the fiscal period.

Moreover, JPR established a commitment line with a credit limit of 28 billion yen with seven financial institutions.

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, 2016

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

(Note 3) Long-term and fixed interest-bearing debt ratio: long-term, fixed-interest interest-bearing debts / total interest-bearing debts

(Note 4) Average maturity is arrived at by calculating a weighted average of maturities from the end of the 29th 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 29th 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 28th 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 6,756 yen for the 29th fiscal period.

(Thousands of yen unless otherwise indicated)

Fiscal Period		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)	28th Fiscal Period (Jul. 1, 2015 - Dec. 31, 2015)	29th Fiscal Period (Jan. 1, 2016 - Jun. 30, 2016)
Unappropriated Retained Earnings at End of Period		5,094,946	5,259,866	5,623,366	5,769,258	5,914,654
Internal Reserves		21,196	20,291	19,579	17,934	16,666
Total Cash Distributions		5,073,750	5,239,575	5,603,787	5,751,324	5,897,988
(Cash Distribution per Unit)		(6,150 yen)	(6,351 yen)	(6,419 yen)	(6,588 yen)	(6,756 yen)
Breakdown	Total Cash Distributions from Net Income	5,073,750	5,239,575	5,603,787	5,751,324	5,897,988
	(Cash distribution from net income per unit)	(6,150 yen)	(6,351 yen)	(6,419 yen)	(6,588 yen)	(6,756 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, some uncertainty is being felt about the prospects for the Japanese economy, due to such factors as a decrease in corporate earnings under the influence of the stronger yen and a prolonged stagnation of consumer spending. Moreover, caution should be taken with respect to the risks that may push the Japanese economy downward, such as downside swings of overseas economies.

In the office property leasing market, new supply in the 23 wards of Tokyo is projected to remain subdued through 2017. Considering this, and if the economy remains strong, the market situation in general is likely to steadily show a moderate 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. Going forward, 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 in 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

Going forward, JPR will continue to make investments focused on the office properties in Tokyo, with an aim to improve the quality of its portfolio and enhance its growth potential over the long term. Given the briskness in the office property leasing market, the transaction market sees a decrease in purchase cap rate and expected cap rate levels. Moreover, with the transaction volume trending to decrease, there are deals closed at prices that have factored in lower cap rates and rent increases. 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 selective 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.

Furthermore, JPR will also investigate asset replacement with an aim to improve the quality of its portfolio and enhance the growth potential over the long term, while taking into account the timing of such arrangement.

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

3) Fund Procurement

In accordance with its basic policy of implementing conservative financial operations that focus on stability, JPR will remain engaged in conservative leverage control, targeting to basically keep the ratio of interest-bearing debts to total assets at up to 50%. In debt financing, JPR will endeavor to further lengthen the maturity with a focus on stability in an effort to diversify the repayment dates and reduce the repayment amount for each fiscal period, with an eye on reducing refinancing risks that may arise in accordance with future changes in the financial environment. Moreover, JPR intends to work on fund procurement through issuance of investment corporation bonds as it aims to diversify fund procurement means and sources.

(6) Information Disclosure

Positioning the proactive voluntary disclosure of information as one of its key management policies, JPR voluntarily discloses information believed to be useful to investment decisions, along with the information disclosure required by the Tokyo Stock Exchange and set forth by laws and regulations, etc. As a means for implementing voluntary disclosure, JPR is proactively employing its website (<http://www.jpr-reit.co.jp/en/>) to provide expanded information including monthly occupancy rates of all properties in the portfolio and historical data, as well as offer information for retail investors and deliver video presentation on financial results sessions for securities analysts. Going forward, we are committed to further enriching the disclosure contents and providing information in a timely manner.

(7) Significant Subsequent Events

Property Sale

As of August 30, 2016, JPR decided on the sale of the following property pursuant to the targets and policy of asset management as set forth in its Articles of Incorporation. The sale price excludes the settlement amount equivalent to property taxes and urban planning taxes, consumption taxes and others. The profile of the buyer is not disclosed due to its intention of nondisclosure.

<JPR Daikanyama>

Asset type:	Real estate
Sale price:	1,880 million yen
Contract date:	August 30, 2016
Planned delivery date:	September 29, 2016
Impact on earnings:	JPR plans to record 299 million yen of loss on sale of real estate to operating expenses for the 30th fiscal period (July 1, 2016 – December 31, 2016).

2. Overview of the Investment Corporation

(1) Unitholders' Capital

	25th Fiscal Period as of June 30, 2014	26th Fiscal Period as of December 31, 2014	27th Fiscal Period as of June 30, 2015	28th Fiscal Period as of December 31, 2015	29th Fiscal Period as of June 30, 2016
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	873,000	873,000	873,000
Unitholders' capital (millions of yen)	192,044	192,044	210,395	210,395	210,395
Total number of unitholders	12,425	11,836	15,689	13,264	11,786

(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 29th 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	192,707	22.07
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	66,029	7.56
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Harumi Island Triton Square Office Tower Z Building, 1-8-12 Harumi, Chuo-ku, Tokyo	59,048	6.76
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	32,170	3.68
Tokyo Tatemono Co., Ltd.	1-9-9 Yaesu, Chuo-ku, Tokyo	29,300	3.35
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 505234 (Standing Proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, MA 02171 U.S.A. (Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo)	22,308	2.55
State Street Bank and Trust Company 505233 (Standing Proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, MA 02171 U. S. A. (Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo)	15,333	1.75
State Street Bank West Pension Fund Clients Exempt 505223 (Standing Proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	P.O. Box 351 Boston, Massachusetts 02101, U.S.A. (Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo)	14,107	1.61
Total		480,002	54.98

(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 29th fiscal period are as follows.

Position	Name	Other Current Assignments	Total Directors' Fee during the 29th 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)	Masato Denawa	Partner Attorney, Spring Partners	4,200	—
	Nobuhisa Kusanagi	Group Representative Partner of GYOSEI Certified Public Tax & Accountants' Co.		—
Independent Auditor (Note 2)	Ernst & Young ShinNihon LLC	—	13,000	—

(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.

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.

C. Matters Regarding the Party That Was Subject to Business Suspension Order in the Past Two Years

On December 22, 2015, the Financial Services Agency of Japan issued a three month (January 1, 2016 to March 31, 2016) business suspension order to Ernst & Young ShinNihon LLC, the independent auditor of JPR, under which it was prevented from taking on any new business contracts. JPR comprehensively investigated the quality control of audits by Ernst & Young ShinNihon, independence of its audit team, progress in implementing the business improvement plan and other factors, and confirmed that audits of JPR by the firm are conducted appropriately. Accordingly, its audit agreement with Ernst & Young ShinNihon remains effective.

(4) Asset Manager, Asset Custodian and Administrative Agent

The asset manager, asset custodian and administrative agents of JPR at the end of the 29th 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	28th Fiscal Period (as of December 31, 2015)		29th Fiscal Period (as of June 30, 2016)	
		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	79,046,265	18.9	78,940,432	18.9
	Greater Tokyo	58,113,588	13.9	57,763,276	13.8
	Other Cities	21,222,722	5.1	21,062,878	5.0
Real estate in trust	Central Tokyo	138,627,125	33.1	138,565,460	33.1
	Greater Tokyo	51,840,430	12.4	51,477,782	12.3
	Other Cities	43,495,908	10.4	43,429,436	10.4
Deposits and other assets	—	26,393,499 (—)	6.3 (—)	27,499,009 (—)	6.6 (—)
Total assets	—	418,739,540 (392,346,040)	100.0 (93.7)	418,738,276 (391,239,266)	100.0 (93.4)

(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 29th 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	11.8	Office
Olinas Tower	28,107,884	23,987.40	23,642.97	98.6	7.0	Office
Shinjuku Center Bldg.	22,214,763	8,863.98	8,353.10	94.2	3.4	Office
BYGS Shinjuku Bldg.	15,474,438	15,216.93	15,134.94	99.5	3.8	Office
JPR Sendagaya Bldg.	14,996,835	6,177.74	6,177.74	100.0	1.9	Office
Kanematsu Bldg.	14,746,757	8,011.75	8,011.75	100.0	2.6	Office
Kawasaki Dice Bldg.	13,759,028	12,116.35	12,116.35	100.0	2.9	Retail
Shinjuku Square Tower	13,568,173	19,284.71	19,284.71	100.0	2.7	Office
JPR Umeda Loft Bldg.	12,525,201	18,586.97	18,586.97	100.0	2.7	Retail
JPR Shibuya Tower Records Bldg.	11,531,952	8,076.85	8,076.85	100.0	2.5	Retail
Total	185,313,295	131,357.46	130,420.16	99.3	41.2	

(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-lessees 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 29th fiscal period (June 30, 2016).

Area	Type	Property Name	Location	Form of Ownership	Book Value as of June 30, 2016 thousands of yen	Appraisal Value as of June 30, 2016 thousands of yen (Note)	
Central Tokyo	Office	Kanematsu Bldg.	14-1 Kyobashi 2-chome, Chuo-ku, Tokyo	Beneficiary interest	14,746,757	12,800,000	
		Kanematsu Bldg. Annex	17-5 Kyobashi 2-chome, Chuo-ku, Tokyo	Beneficiary interest	2,476,728	2,540,000	
		JPR Ningyo-cho Bldg.	17-4 Nihonbashi Ningyocho 1-chome, Chuo-ku, Tokyo	Beneficiary interest	1,996,505	2,550,000	
		Shin-Kojimachi Bldg.	3-3 Kojimachi 4-chome, Chiyoda-ku, Tokyo	Beneficiary interest	2,481,135	3,100,000	
		JPR Crest Takebashi Bldg.	21-4, etc., Kanda-Nishikicho 3-chome, Chiyoda-ku, Tokyo	Beneficiary interest	3,299,801	3,150,000	
		MS Shibaura Bldg.	13-23 Shibaura 4-chome, Minato-ku, Tokyo	Beneficiary interest	11,106,404	11,400,000	
		Gotanda First Bldg.	8-1 Nishi-Gotanda 2-chome, Shinagawa-ku, Tokyo	Beneficiary interest	3,012,496	2,470,000	
		Fukuoka Bldg.	8-7 Yaesu 2-chome, Chuo-ku, Tokyo	Beneficiary interest	2,994,822	3,020,000	
		JPR Ichigaya Bldg.	7-15 Kudan-Minami 4-chome, Chiyoda-ku, Tokyo	Beneficiary interest	5,239,200	5,000,000	
		Oval Court Ohsaki Mark West	17-1 Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo	Beneficiary interest	2,906,016	4,510,000	
		Shinjuku Square Tower	22-1 Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo	Beneficiary interest	13,568,173	13,700,000	
		BYGS Shinjuku Bldg.	19-1 Shinjuku 2-chome, Shinjuku-ku, Tokyo	Real estate	15,474,438	15,500,000	
		Across Shinkawa Bldg. Annex	16-14 Shinkawa 1-chome, Chuo-ku, Tokyo	Real estate	599,181	861,000	
		Shinjuku Center Bldg.	25-1 Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo	Real estate	22,214,763	13,900,000	
		Minami Azabu Bldg.	12-3 Minami-Azabu 2-chome, Minato-ku, Tokyo	Real estate	3,873,236	2,640,000	
		Shinagawa Canal Bldg.	12-33 Konan 2-chome, Minato-ku, Tokyo	Real estate	1,753,988	1,820,000	
		Rokubancho Bldg.	2-9, etc., Rokubancho, Chiyoda-ku, Tokyo	Real estate	2,847,976	3,320,000	
		JPR Harajuku Bldg.	17-11 Jingumae 6-chome, Shibuya-ku, Tokyo	Beneficiary interest	8,721,396	8,260,000	
		Tokyo Tatemono Kyobashi Bldg.	6-18 Kyobashi 3-chome, Chuo-ku, Tokyo	Real estate	5,336,691	5,900,000	
		JPR Nihonbashi-horidome Bldg.	11-12 Nihonbashi-Horidomecho 1-chome, Chuo-ku, Tokyo	Beneficiary interest	4,860,264	6,390,000	
		JPR Sendagaya Bldg.	23-5 Sendagaya 4-chome, Shibuya-ku, Tokyo	Real estate	14,996,835	11,300,000	
		Ginza Sanwa Bldg.	6-1 Ginza 4-chome, Chuo-ku, Tokyo	Real estate	3,677,619	3,610,000	
		Otemachi Tower (Land with Leasehold Interest)	6-6, etc., Otemachi 1-chome, Chiyoda-ku, Tokyo	Beneficiary interest	38,388,259	45,100,000	
		Science Plaza-Yonbancho Plaza	9-6, etc., Yonbancho, Chiyoda-ku, Tokyo	Beneficiary interest	2,698,443	3,040,000	
		Shibadaimon Center Bldg.	10-11 Shibadaimon 1-chome, Minato-ku, Tokyo	Beneficiary interest	4,230,998	5,320,000	
		Retail	JPR Shibuya Tower Records Bldg.	22-14 Jinnan 1-chome, Shibuya-ku, Tokyo	Beneficiary interest	11,531,952	13,900,000
	JPR Daikanyama		20-5 Daikanyamacho, Shibuya-ku, Tokyo	Real estate	2,180,556	1,600,000	
	JPR Jingumae 432		32-13 Jingumae 4-chome, Shibuya-ku, Tokyo	Beneficiary interest	4,306,102	3,820,000	
	Shinjuku Sanchoe East Bldg.		1-26, Shinjuku 3-chome, Shinjuku-ku, Tokyo	Real estate	2,651,148	2,780,000	
	Yurakucho Ekimae Bldg. (Yurakucho Itocia)		7-1 Yurakucho 2-chome, Chiyoda-ku, Tokyo	Real estate	3,333,994	2,980,000	
	Greater Tokyo	Office	Arca East	2-1 Kinshi 3-chome, Sumida-ku, Tokyo	Beneficiary interest	4,366,055	6,320,000
			JPR Chiba Bldg.	1-7, etc., Shinmachi, Chuo-ku, Chiba, Chiba	Beneficiary interest	2,294,025	1,800,000
JPR Yokohama Nihon Odori Bldg.			17 Nihon-Odori, Naka-ku, Yokohama, Kanagawa	Beneficiary interest	2,525,164	2,470,000	
Shinyokohama 2nd Center Bldg.			19-5, etc., Shinyokohama 3-chome, Kohoku-ku, Yokohama, Kanagawa	Beneficiary interest	1,432,079	1,750,000	
Kawaguchi Center Bldg.			1-8 Honcho 4-chome, Kawaguchi, Saitama	Beneficiary interest	6,968,011	7,800,000	
JPR Ueno East Bldg.			3-5 Matsugaya 1-chome, Taito-ku, Tokyo	Real estate	2,989,526	4,510,000	
Tachikawa Business Center Bldg.			38-5 Akebonocho 2-chome, Tachikawa, Tokyo	Beneficiary interest	2,905,344	3,280,000	
Rise Arena Bldg.			5-2 Higashi-Ikebukuro 4-chome, Toshima-ku, Tokyo	Real estate	5,367,525	7,570,000	
Yume-ooka Office Tower			6-1 Kamiooka Nishi 1-chome, Konan-ku, Yokohama, Kanagawa	Real estate	5,563,328	5,930,000	
Olinas Tower			1-3 Taihei 4-chome, Sumida-ku, Tokyo	Real estate	28,107,884	35,300,000	

Area	Type	Property Name	Location	Form of Ownership	Book Value as of June 30, 2016 thousands of yen	Appraisal Value as of June 30, 2016 thousands of yen (Note)	
Greater Tokyo	Office	Tokyo Tatemono Yokohama Bldg.	5-10 Kitasaiwai 1-chome, Nishi-ku, Yokohama, Kanagawa	Real estate	6,877,334	7,950,000	
		Omiya Prime East	1-1, etc., Shimochō 2-chome, Omiya-ku, Saitama, Saitama	Beneficiary interest	5,989,616	7,440,000	
	Retail	Tanashi ASTA	1-1 Tanashicho 2-chome, Nishitokyo, Tokyo	Beneficiary interest	7,430,685	13,300,000	
		Cupo-la Main Bldg.	1-1 Kawaguchi 1-chome, Kawaguchi, Saitama	Real estate	1,766,424	2,680,000	
		JPR Musashikosugi Bldg.	420-1, etc., Kosugimachi 3-chome, Nakahara-ku, Kawasaki, Kanagawa	Real estate	7,091,252	5,500,000	
		Musashiurawa Shopping Square	3-1 Bessho 7-chome, Saitama, Saitama	Beneficiary interest	3,807,769	4,250,000	
Other Cities	Office	Kawasaki Dice Bldg.	8-3, etc., Ekimae-Honcho, Kawasaki, Kanagawa	Beneficiary interest	13,759,028	15,400,000	
		Niigata Ekinan Center Bldg.	24 Yoneyama 1-chome, Chuo-ku, Niigata, Niigata	Beneficiary interest	1,675,695	2,390,000	
		Tokyo Tatemono Honmachi Bldg.	4-8 Honmachi 3-chome, Chuo-ku, Osaka, Osaka	Beneficiary interest	4,087,739	3,340,000	
		JPR Hakata Bldg.	4-4 Hakataeki-mae 1-chome, Hakata-ku, Fukuoka, Fukuoka	Beneficiary interest	3,003,686	3,040,000	
		JPR Naha Bldg.	1-19 Matsuyama 1-chome, Naha, Okinawa	Beneficiary interest	1,343,170	1,500,000	
		Sompo Japan Sendai Bldg.	7-35 Tsutsujigaoka 3-chome, Miyagino-ku, Sendai, Miyagi	Beneficiary interest	2,294,932	3,660,000	
		Sompo Japan Wakayama Bldg.	31-1, etc., Misonocho 3-chome, Wakayama, Wakayama	Beneficiary interest	1,374,137	1,680,000	
		Tenjin 121 Bldg.	3-38 Tenjin 1-chome, Chuo-ku, Fukuoka, Fukuoka	Beneficiary interest	2,123,980	2,540,000	
		JPR Dojima Bldg.	1-23 Sonezaki-Shinchi 2-chome, Kita-ku, Osaka, Osaka	Beneficiary interest	2,172,125	2,450,000	
		JPR Hakata-chuo Bldg.	6-12 Hakataeki-mae 2-chome, Hakata-ku, Fukuoka, Fukuoka	Beneficiary interest	1,812,195	1,780,000	
		JPR Nagoya Fushimi Bldg.	24-15 Sakae 1-chome, Naka-ku, Nagoya, Aichi	Real estate	3,961,238	2,710,000	
		Yakuin Business Garden	1-1 Yakuin 1-chome, Chuo-ku, Fukuoka, Fukuoka	Real estate	10,767,869	13,900,000	
	Retail	JPR Umeda Loft Bldg.	16-7 Chayamachi, Kita-ku, Osaka, Osaka	Beneficiary interest	12,525,201	14,300,000	
		Benetton Shinsaibashi Bldg.	2-11 Minami-Senba 4-chome, Chuo-ku, Osaka, Osaka	Beneficiary interest	5,065,594	4,070,000	
		Housing Design Center Kobe	2-2 Higashi-Kawasakicho 1-chome, Chuo-ku, Kobe, Hyogo	Real estate	6,333,771	6,910,000	
		JPR Chayamachi Bldg.	2-19 Chayamachi, Kita-ku, Osaka, Osaka	Beneficiary interest	5,950,977	6,080,000	
	Total					391,239,266	419,881,000

(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	28 Fiscal Period (from Jul. 1, 2015 to Dec. 31, 2015)				29th Fiscal Period (from Jan. 1, 2016 to Jun. 30, 2016)			
			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.	7	69.7	295,517	2.1	9	100.0	302,752	2.1
		Kanematsu Bldg. Annex	0	0.0	2,786	0.0	1	100.0	(Note 2)	(Note 2)
		JPR Ningyo-cho Bldg.	4	100.0	89,142	0.6	4	100.0	90,510	0.6
		Shin-Kojimachi Bldg.	16	100.0	104,800	0.7	16	100.0	106,418	0.7
		JPR Crest Takebashi Bldg.	6	100.0	92,715	0.7	6	100.0	90,780	0.6
		MS Shibaura Bldg.	10	100.0	379,395	2.7	9	86.4	415,334	2.9
		Gotanda First Bldg.	3	70.7	16,807	0.1	3	91.4	104,999	0.7
		Fukuoka Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
		JPR Ichigaya Bldg.	10	100.0	135,411	1.0	10	100.0	158,310	1.1
		Oval Court Ohsaki Mark West	2	100.0	172,974	1.2	2	100.0	181,394	1.3
Shinjuku Square Tower	26	99.9	327,437	2.3	26	100.0	355,590	2.5		
BYGS Shinjuku Bldg.	26	99.5	550,377	3.9	26	99.5	551,720	3.9		

Area	Type	Property Name	28 Fiscal Period (from Jul. 1, 2015 to Dec. 31, 2015)				29th Fiscal Period (from Jan. 1, 2016 to Jun. 30, 2016)				
			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	Across Shinkawa Bldg. Annex	4	100.0	36,892	0.3	4	100.0	36,784	0.3	
		Shinjuku Center Bldg.	31	90.9	474,469	3.4	33	94.2	463,549	3.3	
		Minami Azabu Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		Shinagawa Canal Bldg.	4	66.7	49,576	0.4	4	89.9	44,620	0.3	
		Rokubancho Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		JPR Harajuku Bldg.	9	100.0	233,032	1.7	9	100.0	234,494	1.6	
		Tokyo Tatemono Kyobashi Bldg.	9	100.0	193,404	1.4	9	100.0	204,818	1.4	
		JPR Nihonbashi-horidome Bldg.	6	100.0	194,169	1.4	6	100.0	191,948	1.3	
		JPR Sendagaya Bldg.	6	86.8	226,685	1.6	6	100.0	239,667	1.7	
		Ginza Sanwa Bldg.	8	100.0	121,015	0.9	7	94.8	118,094	0.8	
		Otemachi Tower (Land with Leasehold Interest)	2	100.0	1,581,000	11.2	2	100.0	1,581,000	11.1	
		Science Plaza-Yonbancho Plaza	24	96.6	113,966	0.8	25	97.5	115,123	0.8	
		Shibadaimon Center Bldg.	9	100.0	177,601	1.3	9	100.0	175,930	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	35,123	0.2	4	100.0	40,494	0.3		
JPR Jingumae 432	6		89.8	82,255	0.6	6	89.8	83,403	0.6		
Shinjuku Sanchome East Bldg.	1		100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
Yurakucho Ekimae Bldg. (Yurakucho Itocia)	1		100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
Greater Tokyo	Office	Arca East	6	100.0	266,542	1.9	5	85.3	233,165	1.6	
		JPR Chiba Bldg.	37	94.2	127,352	0.9	36	92.0	127,242	0.9	
		JPR Yokohama Nihon Odori Bldg.	12	94.8	127,545	0.9	12	94.8	116,495	0.8	
		Shinyokohama 2nd Center Bldg.	18	91.0	98,700	0.7	21	96.0	98,759	0.7	
		Kawaguchi Center Bldg.	43	99.3	404,224	2.9	44	100.0	409,317	2.9	
		JPR Ueno East Bldg.	8	94.0	171,418	1.2	9	100.0	171,997	1.2	
		Tachikawa Business Center Bldg.	19	92.9	144,293	1.0	19	98.1	148,154	1.0	
		Rise Arena Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		Yume-ooka Office Tower	35	95.4	317,395	2.3	38	97.5	321,618	2.3	
		Olinas Tower	12	100.0	1,050,755	7.4	14	98.6	983,545	6.9	
		Tokyo Tatemono Yokohama Bldg.	14	100.0	298,383	2.1	14	100.0	294,720	2.1	
	Omiya Prime East	4	100.0	264,889	1.9	4	100.0	264,785	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.	29	100.0	516,697	3.7	29	100.0	495,707	3.5	
	Other Cities	Office	Niigata Ekinan Center Bldg.	8	100.0	127,414	0.9	8	100.0	128,294	0.9
			Tokyo Tatemono Honmachi Bldg.	10	93.3	154,014	1.1	8	91.0	150,898	1.1
JPR Hakata Bldg.			42	99.8	147,669	1.0	42	98.7	147,694	1.0	
JPR Naha Bldg.			21	100.0	90,823	0.6	21	100.0	91,622	0.6	
Sompo Japan Sendai Bldg.			15	100.0	185,856	1.3	15	100.0	187,254	1.3	
Sompo Japan Wakayama Bldg.			13	98.3	111,475	0.8	14	100.0	110,735	0.8	
Tenjin 121 Bldg.			16	100.0	98,590	0.7	16	100.0	101,134	0.7	
JPR Dojima Bldg.			8	100.0	113,961	0.8	7	50.1	163,704	1.1	
JPR Hakata-chuo Bldg.			6	100.0	80,735	0.6	6	100.0	80,378	0.6	
JPR Nagoya Fushimi Bldg.			3	94.5	134,432	1.0	3	95.0	135,211	0.9	
Yakuin Business Garden			17	96.8	446,004	3.2	18	99.9	428,397	3.0	
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	159,430	1.1	6	100.0	157,495	1.1		
Total			650	97.4	14,105,386	100.0	661	98.1	14,246,699	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 included in (3) Itemized Portfolio Assets above.

There were no additional major assets that are main investment targets of JPR other than those listed under (3) above as of the end of the 29th 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 29th Fiscal Period	Amount Already Paid
Sompo Japan Sendai Bldg.	Sendai City, Miyagi	2nd phase of replacement of air conditioning units	Jul. 2016~Dec. 2016	196	—	—
BYGS Shinjuku Bldg.	Shinjuku Ward, Tokyo	Renewal of automatic fire alarm integrated control panel and replacement of security office	Jun. 2016~Dec.2016	62	—	—
Olinas Tower	Sumida Ward, Tokyo	1st phase of overhaul of through-the-wall air conditioning units (7 floors)	Jul. 2016~Dec. 2016	61	—	—
Shinyokohama 2nd Center Bldg.	Yokohama City, Kanagawa	Renewal of external air-processing units and heat sources	Sept. 2016~Dec. 2016	48	—	—
Sompo Japan Sendai Bldg.	Sendai City, Miyagi	Replacement of security systems	Aug. 2016~Dec. 2016	48	—	—
Kanematsu Bldg.	Chuo Ward, Tokyo	4th phase of renewal of through-the-wall air conditioning units	Oct. 2016~Dec. 2016	36	—	—
Tokyo Tatemono Honmachi Bldg.	Osaka City, Osaka	Replacement of tiling of exterior walls	Aug. 2016~Dec. 2016	31	—	—
JPR Shibuya Tower Records Bldg.	Shibuya Ward, Tokyo	Renewal of cooling tower CT-2 (for PMAC)	Sept. 2016~Dec. 2016	30	—	—

(2) Capital Expenditures during the 29th Fiscal Period

The following are the capital expenditure amounts JPR invested in real estate and entrusted real estate during the 29th 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 430 million yen (Note), which was appropriated as expenditures for repair and maintenance.

Property Name	Location	Purpose	Period	Construction Expenses (millions of yen)
Sompo Japan Sendai Bldg.	Sendai City, Miyagi	1st phase of replacement of air conditioning units and other construction	May 2016~Jun. 2016	110
MS Shibaura Bldg.	Minato Ward, Tokyo	Replacement of air conditioning units on the 8th floor	Jan. 2016~Mar. 2016	89
Kanematsu Bldg. Annex	Chuo Ward, Tokyo	Replacement of air conditioning units and installation of office automation floors	Feb. 2016~ Feb. 2016	79
Kanematsu Bldg.	Chuo Ward, Tokyo	3rd phase of renewal of through-the-wall air conditioning units	Apr. 2016~Jun. 2016	65
Ginza Sanwa Bldg.	Chuo Ward, Tokyo	1st phase of repair of common areas	Nov. 2015~Jun. 2016	52
MS Shibaura Bldg.	Minato Ward, Tokyo	Renovation of the entrance hall and replacement of toilets	Jan. 2016~Apr. 2016	34
JPR Dojima Bldg.	Osaka City, Osaka	Renewal of lighting fixtures in exclusive areas on 2nd, 3rd, 4th, 8th and 9th floors and in common areas of the entire building	May 2016~Jun. 2016	28
Other Properties		Repair of common areas, installation of office automation floors, replacement of air conditioning units, etc.		310
Total				772

(Note) Expenditures for repair and maintenance included 10 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	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)	28th Fiscal Period (Jul. 1, 2015 - Dec. 31, 2015)	29th Fiscal Period (Jan. 1, 2016 - Jun. 30, 2016)
Balance of deposits at beginning of current period	805	925	877	934	940
Deposits during the period	591	378	473	276	494
Amounts used from deposits during the period	471	426	416	270	498
Deposits carried forward to the next period	925	877	934	940	936

5. Expenses and Liabilities

(1) Details of Expenses Related to Management

(Thousands of yen)

Item	28th Fiscal Period (Jul. 1, 2015 - Dec. 31, 2015)	29th Fiscal Period (Jan. 1, 2016 - Jun. 30, 2016)
(a) Asset Management Fees (Note)	504,632	512,078
Fixed compensation	75,000	75,000
Incentive-based compensation 1	251,738	254,635
Incentive-based compensation 2	177,894	182,443
(b) Administrative Service and Custodian Fees	82,481	78,833
(c) Directors' Fee	6,600	6,600
(d) Trust Fees	31,548	31,077
(e) Other Expenses	95,533	85,525
Total	720,796	714,115

(Note) Aside from the amounts of the asset management fees entered above, fees for asset management of the acquired properties (28th fiscal period: 1,965 thousand yen) have been paid and included in the book value of each property.

(2) Status of Loans Payable

As of June 30, 2016 JPR has the following loans payable.

Category	Lender	Drawdown Date	Balance as of Jan. 1, 2016 (millions of yen)	Balance as of Jun. 30, 2016 (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	Mar. 26, 2015	1,000	—	0.309%	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	—	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	2,000	1.011%	Mar. 11, 2024			
	Mizuho Bank, Ltd.	Mar. 24, 2015	2,000	2,000	1.056%	Mar. 24, 2025			
	Mizuho Bank, Ltd.	Feb. 4, 2016	—	5,000	0.804%	Feb. 4, 2026			
	Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 25, 2011	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			
	Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 25, 2016	—	5,000	0.510%	Mar. 25, 2024			
	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				

Category	Lender	Drawdown Date	Balance as of Jan. 1, 2016 (millions of yen)	Balance as of Jun. 30, 2016 (millions of yen)	Average Interest Rate (%) (Note 1) (Note 2)	Repayment Date	Repayment Method	Use	Remarks
Long-Term Loans Payable	Aozora Bank, Ltd.	Aug. 27, 2012	2,000	2,000	0.985%	Aug. 25, 2017	Principal lump sum repayment on maturity	(Note 3)	Unsecured/ Unguaranteed/Non-Subordinated
	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	2,700	2,600	3.190%	Jun. 27, 2019	(Note 4)		
	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	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. 31, 2015	1,000	1,000	0.873%	Aug. 31, 2023			
	The Bank of Fukuoka, Ltd.	Jul. 7, 2011	2,000	2,000	1.170%	Jul. 7, 2016			
	The Bank of Fukuoka, Ltd.	Sept. 24, 2013	1,000	1,000	0.911%	Sept. 24, 2019			
	The Bank of Fukuoka, Ltd.	Oct. 9, 2015	2,000	2,000	0.816%	Oct. 6, 2023			
	Meiji Yasuda Life Insurance Company	Jun. 21, 2011	3,472	3,406	1.800%	Jun. 21, 2018	(Note 5)		
	Meiji Yasuda Life Insurance Company	Feb. 5, 2015	1,000	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.	Dec. 25, 2015	2,000	2,000	0.759%	Dec. 25, 2023			
	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	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			
	Taiyo Life Insurance Company	Sept. 24, 2015	1,000	1,000	0.969%	Sept. 24, 2024			
	The Chugoku Bank, Ltd.	Sept. 24, 2013	1,000	1,000	0.758%	Sept. 25, 2018	Principal lump sum repayment on maturity		
	The Chugoku Bank, Ltd.	Oct. 9, 2015	2,000	2,000	0.816%	Oct. 6, 2023			
	The Nishi-Nippon City Bank, Ltd.	May 27, 2011	3,000	—	1.149%	May 27, 2016			
	The Nishi-Nippon City Bank, Ltd.	May 27, 2016	—	3,000	0.646%	May 27, 2026			
	The Hachijuni Bank, Ltd.	Sept. 24, 2014	1,000	1,000	0.424%	Sept. 26, 2016			
	The Hachijuni Bank, Ltd.	Oct. 9, 2015	1,000	1,000	0.489%	Oct. 9, 2020			
	Resona Bank, Limited	Mar. 30, 2012	2,000	2,000	1.093%	Mar. 30, 2017			
	The Iyo Bank, Ltd.	Oct. 9, 2015	1,000	1,000	0.816%	Oct. 6, 2023			
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 Mitsui Trust Bank, Limited	Mar. 25, 2016	—	1,000	0.691%	Mar. 25, 2026				
	Total		133,792	134,626					

(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.

(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 thereafter 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.

(3) Investment Corporation Bonds

Details of JPR's investment corporation bonds outstanding as of June 30, 2016 are as follows.

Name	Issue Date	Balance as of Jan. 1, 2016 (millions of yen)	Balance as of Jun. 30, 2016 (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)
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		41,500	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 29th Fiscal Period

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

Not applicable

(2) Acquisition and Sale of Other Assets

JPR made no acquisition or sale of other assets in the 29th fiscal period.

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

Not applicable

(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 29th 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)	258,250	Tokyo Tatemono Co., Ltd.	221,846	85.9%
		Taisei-Yuraku Real Estate Co., Ltd.	5,863	2.3%
Outsourcing Fees	531,608	Tokyo Tatemono Co., Ltd.	408,285	76.8%
Tenant Brokerage Fees	41,971	Tokyo Tatemono Co., Ltd.	15,555	37.1%

(Note 1) Interested parties and major shareholders refer 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 17,940 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 29th fiscal period.

Tokyo Tatemono Co., Ltd.	499,173 thousand yen
Taisei-Yuraku Real Estate Co., Ltd.	8,379 thousand yen
Tokyo Real Estate Management Co., Ltd.	374,367 thousand yen
Taisei Corporation	29,627 thousand yen
Shinjuku Center Building Management Co., Ltd.	11,281 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

(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 (%)
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
28th Fiscal Period (Jul. 1, 2015 – Dec. 31, 2015)	100	20	0.0
29th Fiscal Period (Jan. 1, 2016 – Jun. 30, 2016)	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

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 29th fiscal period include the following:

Date of Board of Directors Meeting	Approved Item	Overview
February 12, 2016	Conclusion of memorandum in accordance with the "My Number" (social security and tax number) system	A memorandum and other documents concerning handling of the social security and tax number ("My Number") in terms of the asset management operations, which JPR has entrusted to Tokyo Realty Investment Management, Inc. and in terms of operations related to the investment units and administration of special accounts, which JPR has entrusted to Mizuho Trust & Banking Co., Ltd., in accordance with the enforcement of the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure ("My Number" system) on January 1, 2016.
May 26, 2016	Conclusion of amendment agreement on the general administration and asset custody entrustment agreement and other documents	A memorandum and other documents concerning rules, etc. on conducting "My Number"-related work in terms of operations related to the investment units and administration of special accounts, which JPR has entrusted to Mizuho Trust & Banking 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 28th Fiscal Period (Dec. 31, 2015)		End of 29th Fiscal Period (Jun. 30, 2016)	
Assets				
Current assets				
Cash and deposits		13,505,100		14,277,826
Cash and deposits in trust		11,831,284		12,137,178
Operating accounts receivable		308,075		395,640
Prepaid expenses		162,693		122,519
Other		10,916		10,257
Total current assets		25,818,070		26,943,421
Noncurrent assets				
Property, plant and equipment				
Buildings		56,968,858		57,149,742
Accumulated depreciation		(12,686,626)		(13,477,853)
Buildings, net	*1	44,282,231	*1	43,671,889
Buildings in trust		87,256,990		87,786,352
Accumulated depreciation		(27,644,362)		(28,675,361)
Buildings in trust, net		59,612,627		59,110,990
Structures		51,728		51,715
Accumulated depreciation		(16,782)		(17,671)
Structures, net		34,946		34,044
Structures in trust		119,876		119,876
Accumulated depreciation		(71,656)		(74,494)
Structures in trust, net		48,219		45,381
Machinery and equipment		726,505		742,172
Accumulated depreciation		(380,688)		(399,899)
Machinery and equipment, net	*1	345,817	*1	342,273
Machinery and equipment in trust		1,616,054		1,655,815
Accumulated depreciation		(1,241,817)		(1,273,279)
Machinery and equipment in trust, net		374,236		382,535
Tools, furniture and fixtures		59,247		62,401
Accumulated depreciation		(34,503)		(36,881)
Tools, furniture and fixtures, net		24,743		25,519
Tools, furniture and fixtures in trust		169,164		178,038
Accumulated depreciation		(113,246)		(118,882)
Tools, furniture and fixtures in trust, net		55,917		59,156
Land	*1	108,898,331	*1	108,898,331
Land in trust		173,871,178		173,873,374
Construction in progress		1,957		—
Total property, plant and equipment		387,550,206		386,443,498
Intangible assets				
Leasehold right		4,794,109		4,794,109
Other		1,890		1,658
Total intangible assets		4,796,000		4,795,768
Investments and other assets				
Lease and guarantee deposits		194,720		241,612
Long-term prepaid expenses		158,096		120,730
Total investments and other assets		352,817		362,342
Total noncurrent assets		392,699,024		391,601,608
Deferred assets				
Investment corporation bond issuance costs		185,149		163,517
Investment unit issuance expenses		37,295		29,728
Total deferred assets		222,445		193,245
Total assets		418,739,540		418,738,276

	(Thousands of yen)	
	End of 28th Fiscal Period (Dec. 31, 2015)	End of 29th Fiscal Period (Jun. 30, 2016)
Liabilities		
Current liabilities		
Operating accounts payable	2,209,614	2,003,354
Short-term loans payable	1,000,000	—
Current portion of long-term loans payable	18,332,000	24,732,000
Current portion of investment corporation bonds	7,000,000	7,000,000
Accounts payable-other	645,043	588,151
Accrued expenses	108,133	94,072
Income taxes payable	605	605
Accrued consumption taxes	277,127	256,744
Advances received	2,609,250	2,739,606
Total current liabilities	32,181,772	37,414,534
Noncurrent liabilities		
Investment corporation bonds	34,500,000	34,500,000
Long-term loans payable	115,460,000	109,894,000
Tenant leasehold and security deposits	*1 7,537,730	*1 7,686,149
Tenant leasehold and security deposits in trust	12,821,233	12,859,392
Total noncurrent liabilities	170,318,963	164,939,541
Total liabilities	202,500,736	202,354,076
Net assets		
Unitholders' equity		
Unitholders' capital	210,395,598	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)	5,769,258	5,914,654
Total surplus	5,843,205	5,988,601
Total unitholders' equity	216,238,803	216,384,200
Total net assets	*3 216,238,803	*3 216,384,200
Total liabilities and net assets	418,739,540	418,738,276

(2) Statements of Income and Retained Earnings

(Thousands of yen)

	28th Fiscal Period (Jul. 1, 2015– Dec. 31, 2015)	29th Fiscal Period (Jan. 1, 2016 – Jun. 30, 2016)
Operating revenue		
Rent revenue-real estate	*1 14,105,386	*1 14,246,699
Total operating revenue	14,105,386	14,246,699
Operating expenses		
Expenses related to rent business	*1 6,553,179	*1 6,658,243
Asset management fee	504,632	512,078
Administrative service and asset custody fees	82,481	78,833
Directors' compensation	6,600	6,600
Trust fees	31,548	31,077
Other operating expenses	95,533	85,525
Total operating expenses	7,273,976	7,372,358
Operating income	6,831,410	6,874,340
Non-operating income		
Interest income	2,349	2,497
Income on settlement of management association accounts	1,685	53,600
Other	4,033	11,909
Total non-operating income	8,068	68,008
Non-operating expenses		
Interest expenses	754,492	718,019
Borrowing expenses	68,793	58,432
Interest expenses on investment corporation bonds	239,913	237,846
Amortization of investment corporation bond issuance costs	21,871	21,632
Amortization of investment unit issuance expenses	7,650	7,567
Other	311	1,526
Total non-operating expenses	1,093,032	1,045,023
Ordinary income	5,746,446	5,897,325
Extraordinary income		
Subsidy income	3,837	—
Total extraordinary income	3,837	—
Income before income taxes	5,750,284	5,897,325
Income taxes-current	605	605
Total income taxes	605	605
Net income	5,749,679	5,896,720
Retained earnings brought forward	19,579	17,934
Unappropriated retained earnings (undisposed losses)	5,769,258	5,914,654

(3) Statements of Changes in Unitholders' Equity

	(Thousands of yen)	
	28th Fiscal Period (Jul. 1, 2015– Dec. 31, 2015)	29th Fiscal Period (Jan. 1, 2016 – Jun. 30, 2016)
Unitholders' equity		
Unitholders' capital		
Balance at beginning of current period	210,395,598	210,395,598
Changes of items during the period		
Total changes of items during the period	—	—
Balance at end of current period	210,395,598	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	5,623,366	5,769,258
Changes of items during the period		
Dividends from surplus	(5,603,787)	(5,751,324)
Net income	5,749,679	5,896,720
Total changes of items during the period	145,892	145,396
Balance at end of current period	5,769,258	5,914,654
Total surplus		
Balance at beginning of current period	5,697,313	5,843,205
Changes of items during the period		
Total changes of items during the period	145,892	145,396
Balance at end of current period	5,843,205	5,988,601
Total unitholders' equity		
Balance at the beginning of current period	216,092,911	216,238,803
Changes of items during the period		
Total changes of items during the period	145,892	145,396
Balance at end of current period	216,238,803	216,384,200
Total net assets		
Balance at beginning of current period	216,092,911	216,238,803
Changes of items during the period		
Total changes of items during the period	145,892	145,396
Balance at end of current period	216,238,803	216,384,200

(4) Statements of Cash Distributions

	28th Fiscal Period (July 1, 2015 – December 31, 2015)	29th Fiscal Period (January 1, 2016 – June 30, 2016)
I. Unappropriated retained earnings	5,769,258,606 yen	5,914,654,871 yen
II. Distribution amount (Distribution amount per unit)	5,751,324,000 yen (6,588 yen)	5,897,988,000 yen (6,756 yen)
III. Retained earnings carried forward	17,934,606 yen	16,666,871 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 5,751,324,000 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.	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 5,897,988,000 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)	
	28th Fiscal Period	29th Fiscal Period
	(Jul. 1, 2015– Dec. 31, 2015)	(Jan. 1, 2016 – Jun. 30, 2016)
Net cash provided by (used in) operating activities		
Income before income taxes	5,750,284	5,897,325
Depreciation and amortization	1,875,564	1,885,354
Amortization of investment corporation bond issuance costs	21,871	21,632
Amortization of investment unit issuance expenses	7,650	7,567
Interest income	(2,349)	(2,497)
Interest expenses	994,406	955,865
Decrease (increase) in operating accounts receivable	24,794	(87,565)
Decrease (increase) in prepaid expenses	(35,286)	40,174
Increase (decrease) in operating accounts payable	(283,603)	117,673
Increase (decrease) in accounts payable-other	(136,511)	(55,736)
Increase (decrease) in accrued consumption taxes	97,234	(20,382)
Increase (decrease) in advances received	(6,810)	130,356
Other, net	40,162	(14,396)
Subtotal	8,347,406	8,875,370
Interest income received	2,349	2,497
Interest expenses paid	(985,420)	(969,925)
Income taxes (paid) refund	(623)	(510)
Net cash provided by (used in) operating activities	7,363,711	7,907,431
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(87,534)	(265,593)
Purchase of property, plant and equipment in trust	(1,174,178)	(837,967)
Payment of tenant leasehold and security deposits	(49,257)	(46,891)
Repayments of tenant leasehold and security deposits	(119,849)	(173,750)
Proceeds from tenant leasehold and security deposits	83,383	322,168
Repayments of tenant leasehold and security deposits in trust	(693,748)	(309,784)
Proceeds from tenant leasehold and security deposits in trust	716,213	400,221
Net cash provided by (used in) investing activities	(1,324,972)	(911,597)
Net cash provided by (used in) financing activities		
Repayment of short-term loans payable	–	(1,000,000)
Proceeds from long-term loans payable	10,000,000	14,000,000
Repayment of long-term loans payable	(10,166,000)	(13,166,000)
Dividends paid	(5,600,993)	(5,751,214)
Net cash provided by (used in) financing activities	(5,766,993)	(5,917,214)
Net changes in cash and cash equivalents	271,746	1,078,619
Cash and cash equivalents at beginning of current period	25,064,638	25,336,385
Cash and cash equivalents at end of current period	*1 25,336,385	*1 26,415,004

(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 2,332 thousand yen for the fiscal periods ended December 31, 2015 and were null for the fiscal period ended June 30, 2016.</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 28th Fiscal Period (as of December 31, 2015)	End of 29th Fiscal Period (as of June 30, 2016)
Buildings (net)	113,296	111,427
Machinery and equipment (net)	2,739	2,568
Land	399,183	399,183
Total	515,219	513,179

Secured liabilities are as follows:

(Thousands of yen)

	End of 28th Fiscal Period (as of December 31, 2015)	End of 29th Fiscal Period (as of June 30, 2016)
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 28th Fiscal Period (as of December 31, 2015)	End of 29th Fiscal Period (as of June 30, 2016)
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 28th Fiscal Period (as of December 31, 2015)	End of 29th Fiscal Period (as of June 30, 2016)
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)

	28th Fiscal Period (July 1, 2015 – December 31, 2015)	29th Fiscal Period (January 1, 2016 – June 30, 2016)
A. Rent Revenue-Real Estate		
Rent Revenue		
Rents	9,511,054	9,731,276
Land rents	1,581,000	1,581,000
Common charges	1,755,981	1,730,426
Parking revenues	257,162	257,579
Advertising expenses	61,001	61,413
Antenna use fees	21,022	22,124
Other	36,583	36,210
Subtotal	13,223,806	13,420,030
Other rental revenues		
Incidental income	778,335	668,408
Time-based parking revenues	5,503	5,044
Cancellation charges	37,643	83,396
Income equivalent to expenses for restoration to original condition	36,448	43,386
Other miscellaneous income	23,649	26,433
Subtotal	881,579	826,668
Total rent revenue-real estate	14,105,386	14,246,699
B. Expenses Related to Rent Business		
Outsourcing expenses	531,924	530,228
Utilities expenses	876,068	765,744
Property and other taxes	2,019,291	2,067,746
Casualty insurance	28,053	27,362
Repairs and maintenance	270,370	420,046
Property management fees	228,211	240,310
Management association accounts	581,485	580,300
Depreciation	1,875,064	1,885,187
Other	142,709	141,315
Total expenses related to rent business	6,553,179	6,658,243
C. Profits		
(A-B)	7,552,207	7,588,456

(Notes to Statements of Changes in Unitholders' Equity)

	28th Fiscal Period (July 1, 2015 – December 31, 2015)	29th Fiscal Period (January 1, 2016 – June 30, 2016)
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	873,000 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)

	28th Fiscal Period (July 1, 2015 – December 31, 2015)	29th Fiscal Period (January 1, 2016 – June 30, 2016)
Cash and deposits	13,505,100	14,277,826
Cash and deposits in trust	11,831,284	12,137,178
Cash and cash equivalents	25,336,385	26,415,004

(Leases)

Future lease revenues under non-cancelable operating leases

(Thousands of yen)

	28th Fiscal Period (July 1, 2015 – December 31, 2015)	29th Fiscal Period (January 1, 2016 – June 30, 2016)
Due within one year	7,101,796	6,766,426
Due after one year	19,442,194	12,618,587
Total	26,543,990	19,385,014

(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, 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	13,505,100	13,505,100	—
(2) Cash and deposits in trust	11,831,284	11,831,284	—
(3) Short-term loans payable	(1,000,000)	(1,000,000)	—
(4) Current portion of long-term loans payable	(18,332,000)	(18,386,891)	54,891
(5) Current portion of investment corporation bonds	(7,000,000)	(7,043,400)	43,400
(6) Investment corporation bonds	(34,500,000)	(36,000,242)	1,500,242
(7) Long-term loans payable	(115,460,000)	(117,806,618)	2,346,618

The following are the carrying values and estimated fair values as of June 30, 2016 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	14,277,826	14,277,826	—
(2) Cash and deposits in trust	12,137,178	12,137,178	—
(3) Short-term loans payable	—	—	—
(4) Current portion of long-term loans payable	(24,732,000)	(24,887,253)	155,253
(5) Current portion of investment corporation bonds	(7,000,000)	(7,018,900)	18,900
(6) Investment corporation bonds	(34,500,000)	(36,773,623)	2,273,623
(7) Long-term loans payable	(109,894,000)	(113,558,707)	3,664,707

(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 28th Fiscal Period (as of December 31, 2015)	End of 29th Fiscal Period (as of June 30, 2016)
Tenant leasehold and security deposits	7,537,730	7,686,149
Tenant leasehold and security deposits in trust	12,821,233	12,859,392

(Note 4) Scheduled redemption of monetary claims to be due after the account closing date of the 28th fiscal period (December 31, 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	13,505,100	—	—	—	—	—
Cash and deposits in trust	11,831,284	—	—	—	—	—

Scheduled redemption of monetary claims to be due after the account closing date of the 29th fiscal period (June 30, 2016)

(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	14,277,826	—	—	—	—	—
Cash and deposits in trust	12,137,178	—	—	—	—	—

(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 28th fiscal period (December 31, 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	5,000,000	7,000,000	4,000,000	—	18,500,000
Long-term loans payable	18,332,000	32,632,000	16,408,000	17,100,000	17,000,000	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 29th fiscal period (June 30, 2016)

(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	7,000,000	10,000,000	2,000,000	4,000,000	—	18,500,000
Long-term loans payable	24,732,000	21,374,000	17,200,000	14,000,000	15,820,000	41,500,000

(Securities)

28th fiscal period (as of December 31, 2015)

Not applicable

29th fiscal period (as of June 30, 2016)

Not applicable

(Derivative Transactions)

28th fiscal period (as of December 31, 2015)

Not applicable as JPR conducted no derivative transactions

29th fiscal period (as of June 30, 2016)

Not applicable as JPR conducted no derivative transactions

(Retirement Benefits)

28th fiscal period (as of December 31, 2015)

Not applicable as JPR does not have any retirement benefit system
29th fiscal period (as of June 30, 2016)

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

	28th Fiscal Period (July 1, 2015 – December 31, 2015)	29th Fiscal Period (January 1, 2016 – June 30, 2016)
Effective statutory tax rate	32.31%	32.31%
(Adjustment)		
Deductible cash distributions	(32.31%)	(32.31%)
Other	0.01%	0.01%
Effective tax rate after applying tax effect accounting	0.01%	0.01%

(Equity Method Income and Retained Earnings)

28th fiscal period (July 1, 2015 – December 31, 2015)

Not applicable as JPR does not have any affiliated companies

29th fiscal period (January 1, 2016 – June 30, 2016)

Not applicable as JPR does not have any affiliated companies

(Transactions with Related Parties)

1. Parent Company and Major Corporation Unitholders

28th fiscal period (July 1, 2015 – December 31, 2015)

Not applicable

29th fiscal period (January 1, 2016 – June 30, 2016)

Not applicable

2. Subsidiaries

28th fiscal period (July 1, 2015 – December 31, 2015)

Not applicable

29th fiscal period (January 1, 2016 – June 30, 2016)

Not applicable

3. Sister Companies

28th fiscal period (July 1, 2015 – December 31, 2015)

Not applicable

29th fiscal period (January 1, 2016 – June 30, 2016)

Not applicable

4. Directors and Major Individual Unitholders

28th fiscal period (July 1, 2015 – December 31, 2015)

Not applicable

29th fiscal period (January 1, 2016 – June 30, 2016)

Not applicable

(Asset Retirement Obligations)

28th fiscal period (July 1, 2015 – December 31, 2015)

Not applicable

29th fiscal period (January 1, 2016 – June 30, 2016)

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]

28th fiscal period (July 1, 2015 – December 31, 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.

29th fiscal period (January 1, 2016 – June 30, 2016)

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)

	28th Fiscal Period (July 1, 2015 – December 31, 2015)	29th Fiscal Period (January 1, 2016 – June 30, 2016)
Carrying Value on the Balance Sheets		
Balance at Beginning of Period	392,612,013	392,346,040
Amount of Increase (Decrease) during the Period	(265,973)	(1,106,773)
Balance at End of Current Period	392,346,040	391,239,266
Estimated Fair Value at End of Period	411,481,000	419,881,000

(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) the amount of increase for the 28th fiscal period is primarily attributable to additional acquisition of Shinjuku Square Tower (807,283 thousand yen), and the amount of decrease for the period is primarily attributable to depreciation (1,875,064 thousand yen). Of the amount of increase (decrease) the amount of decrease for the 29th fiscal period is primarily attributable to depreciation (1,885,187 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 28th and 29th fiscal periods for investment and rental properties are as presented in the “Notes to Statements of Income and Retained Earnings.”

(Per Unit Information)

	28th Fiscal Period (July 1, 2015 – December 31, 2015)	29th Fiscal Period (January 1, 2016 – June 30, 2016)
Total net assets per unit	247,696 yen	247,862 yen
Net income per unit	6,586 yen	6,754 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:

	28th Fiscal Period (July 1, 2015 – December 31, 2015)	29th Fiscal Period (January 1, 2016 – June 30, 2016)
Net income (thousands of yen)	5,749,679	5,896,720
Amounts not attributable to ordinary unitholders (thousands of yen)	–	–
Net income attributable to ordinary investment units (thousands of yen)	5,749,679	5,896,720
Average number of units during the fiscal period	873,000 units	873,000 units

(Subsequent Events)**Property Sale**

As of August 30, 2016, JPR decided on the sale of the following property pursuant to the targets and policy of asset management as set forth in its Articles of Incorporation. The sale price excludes the settlement amount equivalent to property taxes and urban planning taxes, consumption taxes and others. The profile of the buyer is not disclosed due to its intention of nondisclosure.

<JPR Daikanyama>

Asset type:	Real estate
Sale price:	1,880 million yen
Contract date:	August 30, 2016
Planned delivery date:	September 29, 2016
Impact on earnings:	JPR plans to record 299 million yen of loss on sale of real estate to operating expenses for the 30th fiscal period (July 1, 2016 – December 31, 2016).

(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, 2016 (thousands of yen)	Increase during the Period (thousands of yen)	Decrease during the Period (thousands of yen)	Balance as of June 30, 2016 (thousands of yen)	Accumulated Depreciation		Net Balance as of June 30, 2016 (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	56,968,858	180,884	-	57,149,742	13,477,853	791,226	43,671,889	
Structures	51,728	1,685	1,699	51,715	17,671	1,373	34,044	
Machinery and equipment	726,505	15,667	-	742,172	399,899	19,210	342,273	
Tools, furniture and fixtures	59,247	3,154	-	62,401	36,881	2,378	25,519	
Land	108,898,331	-	-	108,898,331	-	-	108,898,331	
Construction in progress	1,957	34,010	35,967	-	-	-	-	
Subtotal	166,706,628	235,402	37,666	166,904,363	13,932,305	814,189	152,972,058	
(Beneficiary interests in trust)								
Buildings in trust	87,256,990	529,361	-	87,786,352	28,675,361	1,030,998	59,110,990	
Structures in trust	119,876	-	-	119,876	74,494	2,837	45,381	
Machinery and equipment in trust	1,616,054	39,761	-	1,655,815	1,273,279	31,461	382,535	
Tools, furniture and fixtures in trust	169,164	8,874	-	178,038	118,882	5,635	59,156	
Land in trust	173,871,178	2,196	-	173,873,374	-	-	173,873,374	
Construction in progress in trust	-	100	100	-	-	-	-	
Subtotal	263,033,263	580,294	100	263,613,458	30,142,018	1,070,933	233,471,439	
Total	429,739,891	815,696	37,766	430,517,821	44,074,323	1,885,122	386,443,498	
Intangible Assets								
Leasehold rights	4,794,109	-	-	4,794,109	-	-	4,794,109	
Other	7,602	-	5,000	2,602	943	231	1,658	
Total	4,801,712	-	5,000	4,796,712	943	231	4,795,768	

(Note 1) The "Increase during the Period" is due to property acquisition and construction works, etc.

(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.

4) Schedule of Other Specified Assets

Not applicable

5) Schedule of Investment Corporation Bonds

Name	Issue Date	Balance as of January 1, 2016 (thousands of yen)	Decrease during the Period (thousands of yen)	Balance as of June 30, 2016 (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	(Note 2)	Unsecured
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		
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		41,500,000	-	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, 2016 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of June 30, 2016 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Short-term loans payable								
Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	1,000,000	-	0.309%	Mar. 25, 2016	(Note 4)	Unsecured/ Unguaranteed/ Non-Subordinated
Total	1,000,000	-	1,000,000	-				

Lender	Balance as of January 1, 2016 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of June 30, 2016 (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		
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		
Mizuho Bank Ltd.	-	5,000,000	-	5,000,000	0.804%	Feb. 4, 2026		
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		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	5,000,000	-	5,000,000	0.510%	Mar. 25, 2024		
Sumitomo Mitsui Banking Corporation	6,400,000	-	-	6,400,000	1.093%	Mar. 30, 2017		
Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	1.027%	Dec. 5, 2019	(Note 4)	Unsecured/ Unguaranteed/ Non-Subordinated
Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	1.265%	Jun. 26, 2020		
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.	2,700,000	-	100,000	2,600,000	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	0.873%	Aug. 31, 2023		

	Balance as of January 1, 2016 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of June 30, 2016 (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	1,000,000	-	-	1,000,000	0.911%	Sept. 24, 2019		
The Bank of Fukuoka	2,000,000	-	-	2,000,000	0.816%	Oct. 6, 2023		
Meiji Yasuda Life Insurance Company	3,472,000	-	66,000	3,406,000	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	0.759%	Dec. 25, 2023		
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	0.949%	Jun. 4, 2018		
Taiyo Life Insurance Company	1,000,000	-	-	1,000,000	1.011%	Dec. 25, 2020	(Note 4)	Unsecured/ Unguaranteed/ Non-Subordinated
Taiyo Life Insurance Company	1,000,000	-	-	1,000,000	0.969%	Sept. 24, 2024		
Chugoku Bank	1,000,000	-	-	1,000,000	0.758%	Sept. 25, 2018		
Chugoku Bank	2,000,000	-	-	2,000,000	0.816%	Oct. 6, 2023		
The Nishi-Nippon City Bank, Ltd.	3,000,000	-	3,000,000	-	1.149%	May 27, 2016		
The Nishi-Nippon City Bank, Ltd.	-	3,000,000	-	3,000,000	0.646%	May 27, 2026		
The Hachijuni Bank	1,000,000	-	-	1,000,000	0.424%	Sept. 26, 2016		
The Hachijuni Bank	1,000,000	-	-	1,000,000	0.489%	Oct. 9, 2020		
Resona Bank, Ltd.	2,000,000	-	-	2,000,000	1.093%	Mar. 30, 2017		
The Iyo Bank, Ltd.	1,000,000	-	-	1,000,000	0.816%	Oct. 6, 2023		
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 Mitsui Trust Bank Limited	-	1,000,000	-	1,000,000	0.691%	Mar. 25, 2026		
Total	133,792,000	14,000,000	13,166,000	134,626,000				

(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	24,732,000	21,374,000	17,200,000	14,000,000	15,820,000

(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.

(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.

(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, 2016, 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, 2016 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 26, 2016
 Tokyo, Japan

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

28th Fiscal Period (July 1, 2015 – December 31, 2015)	29th Fiscal Period (January 1, 2016 – June 30, 2016)
No property and equipment was leased to JPR	No property and equipment was leased to JPR

(Transactions with Interested Parties)

28th fiscal period (July 1, 2015 – December 31, 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	38,312	Accrued expenses	1,249

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

29th fiscal period (January 1, 2016 – June 30, 2016)

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	3,000,000
				—	—	Current portion of long-term loans payable	4,000,000
				Interest expenses	37,895	Accrued expenses	624

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

Status of Investment Unit Price (as of June 30, 2016)

Market capitalization: **¥384.9 billion**

High: **¥564,000** (May 7, 2007)

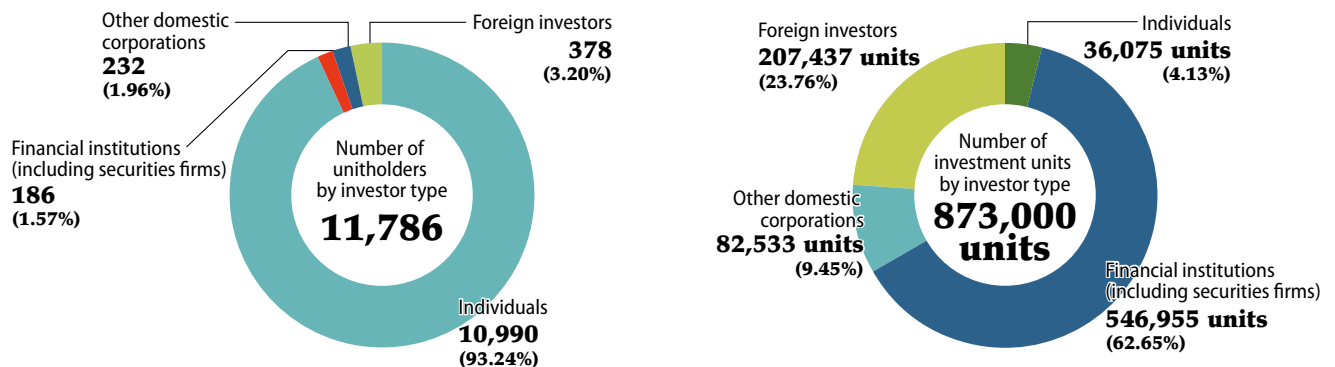
Unit price at end of 29th Fiscal Period: **¥441,000** (June 30, 2016)

Low: **¥130,300** (October 28, 2008)



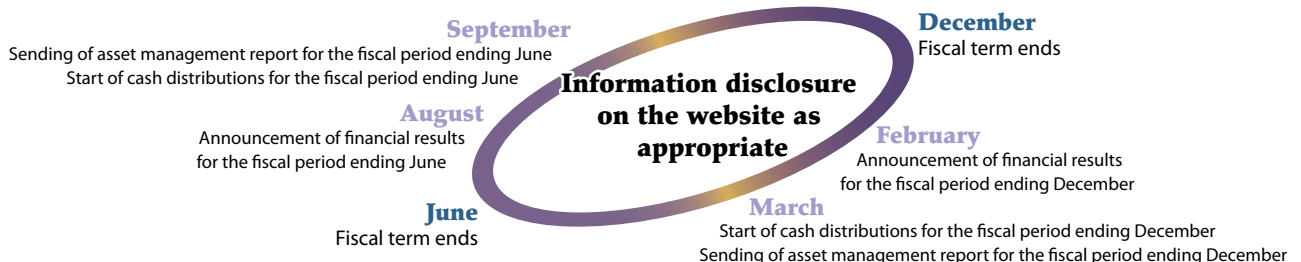
(Note) Unit prices are based on closing prices.

Breakdown of Unitholders (as of June 30, 2016)



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

Annual Schedule (provisional)



Introduction to the JPR Website

<http://www.jpr-reit.co.jp/en/>

8955



(Securities Code)



JPR endeavors to conduct IR activities and information provision by offering a variety of contents on its website in order to secure timely disclosure of information to investors and help them gain a better understanding of JPR.

Point 1 Digest of Financial Results

A digest version movie of the analyst meeting is provided to present JPR's latest financial results, asset management status, future growth strategies and other matters.



Point 2 Briefing Sessions and Events

A variety of the latest information is delivered, including notices of briefing sessions and events for retail investors, JPR's latest asset management status and other issues.

Point 3 Property Overview

Detailed explanations of JPR's properties are provided, including their features, specifications and revenues and expenses. The access routes to respective properties from the nearest stations can be searched by smartphone. We advise you to use this function when you wish to visit the properties.



IR Mail Delivery Service

The IR Mail Delivery Service provides information on JPR in a timely manner to registered persons. If you wish to be registered, please click this icon to apply.



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 (toll-free only in Japan)
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.