



JAPAN PRIME REALTY INVESTMENT CORPORATION

**Presentation Material
for the 24th Fiscal Period Ended December 2013**

February 19, 2014

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



(Asset Manager)

Tokyo Realty Investment Management, Inc.

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Operating Results and Forecasts of Financial Results

Financial Highlights for the 24th Fiscal Period Ended December 2013

- In the 24th fiscal period ended December 2013, the portfolio size exceeded JPY 400 billion and distribution per unit (DPU) came to JPY6,006, surpassing the JPY5,800 announced at the beginning of the period
- Strategies and measures including external growth initiatives successfully generated results, establishing an earnings base for future growth

	Previous period (Jun. 30, 2013) (23rd period)	Current period (Dec. 31, 2013) (24th period)	Change	
Operating revenue	JPY13,278mn	JPY13,591mn	JPY312mn	2.4%
NOI	JPY8,953mn	JPY8,925mn	-JPY28mn	-0.3%
Net income	JPY4,974mn	JPY4,954mn	-JPY20mn	-0.4%
Distribution per unit	6,031yen	6,006yen	-25yen	-0.4%
Total number of units outstanding	825,000units	825,000units	- units	— %
Properties owned at end of period	60properties	62properties	2properties	3.3%
Total acquisition price	JPY398,640mn	JPY404,720mn	JPY6,080mn	1.5%
Appraisal value	JPY365,214mn	JPY376,995mn	JPY11,781mn	3.2%
NOI yield (before depreciation)	4.6%	4.4%	-0.2%p	-
NOI yield (after depreciation)	3.6%	3.5%	-0.1%p	-
Period-end occupancy rate	96.9%	96.5%	-0.4%p	-
Average unit rent per tsubo	14.1thousand yen	14.1thousand yen	-0.1thousand yen	-0.4%
Average interest rate of interest-bearing debts	1.57%	1.53%	-0.04%p	-
LTV (based on gains or losses from valuation)	48.1%	48.0%	-0.1%p	-
NAV per unit	207,597yen	215,648yen	8,051yen	3.9%

Management Status for the 24th Fiscal Period

Internal Growth

- Move-ins totaled approx. 10,000m² (up approx. 2,600m² over assumption)
- Occupancy rate stood at 96.5% (down 0.4 %p period-on-period and up 0.4%p from forecast)
Minami Azabu Building was leased up (full occupancy)
- Average unit rent remained almost flat, standing at JPY 14.1 thousand at the end of 24th period (down 0.4% period-on-period)
- Implemented leasing with a focus on rent levels

External Growth

- Acquired two office properties in Central Tokyo for JPY 6 billion
Science Plaza - Yonbancho Plaza (Chiyoda Ward)
Shibadaimon Center Building (Minato Ward)
Utilized sponsor support from the Yasuda Real Estate Group
- Conducted continuous information exchange with the main sponsor and further reinforced pipelines other than those of the main sponsor

Financial Operations and Others

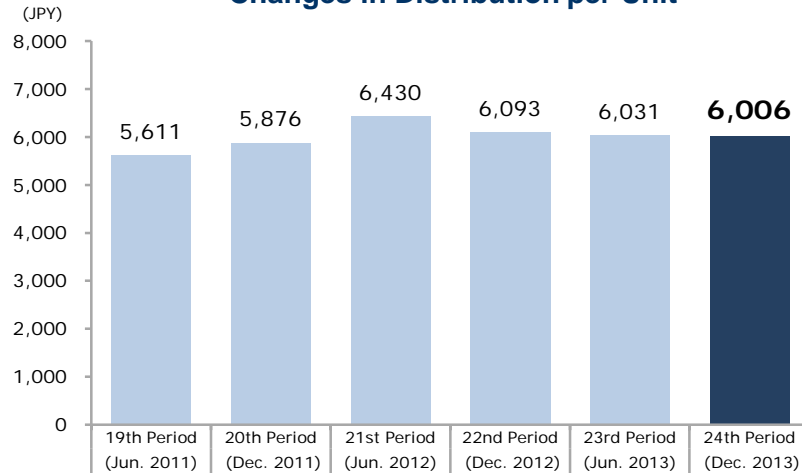
- Decreased the average interest-bearing debt costs to 1.53% for the 24th period (down 0.04%p period-on-period)
Borrowed JPY 23 billion in the 24th period, with average interest rate of 0.869%
- Diversified financial institutions from which JPR borrowed funds to 30 banks
- Unrealized gains or losses improved due to increased appraisal values
Ratio of unrealized gains or losses was -3.6% at end of the 24th period (up 1.8%p period-on-period)

(Note) Figures for total number of units outstanding, properties as owned at end of period, total acquisition price, appraisal value, period-end occupancy rate, average unit rent per tsubo, LTV and NAV per unit are as of the end of each fiscal period.

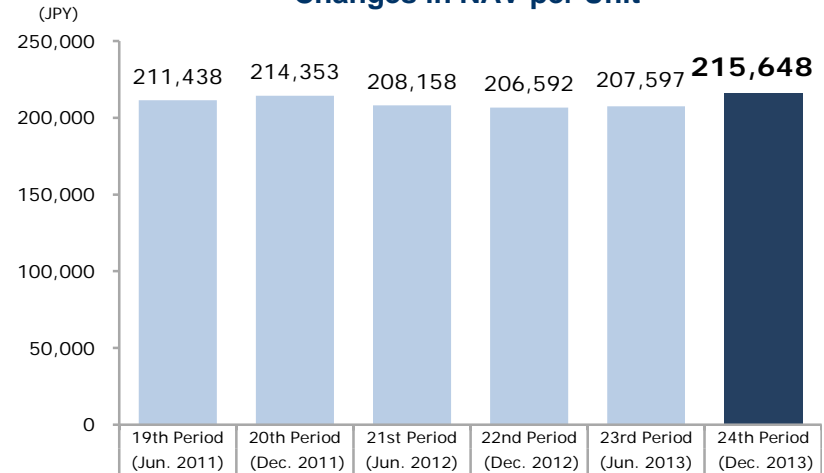
Changes in Financial Results

- Distribution per unit (DPU) kept at the JPY 6,000 level for 4 consecutive fiscal periods since the 21st Period ended June 2012
- NAV per unit increased to JPY 215,648 due to improvement in unrealized gains or losses

Changes in Distribution per Unit



Changes in NAV per Unit



	19th Period Jun. 2011	20th Period Dec. 2011	21st Period Jun. 2012	22nd Period Dec. 2012	23rd Period Jun. 2013	24th Period Dec. 2013
Operating revenue	JPY11,529 mn	JPY11,772 mn	JPY12,345 mn	JPY12,963 mn	JPY13,278 mn	JPY13,591 mn
Net income	JPY4,010 mn	JPY4,200 mn	JPY4,596 mn	JPY5,025 mn	JPY4,974 mn	JPY4,954 mn
Total assets	JPY360,004 mn	JPY360,699 mn	JPY396,017 mn	JPY401,984 mn	JPY409,715 mn	JPY413,974 mn
Distribution per unit (DPU)	5,611 yen	5,876 yen	6,430 yen	6,093 yen	6,031 yen	6,006 yen
FFO per unit	8,372 yen	8,428 yen	8,883 yen	8,311 yen	8,313 yen	8,270 yen
Net assets per unit	245,387 yen	245,651 yen	246,204 yen	238,992 yen	238,929 yen	238,903 yen
NAV per unit	211,438 yen	214,353 yen	208,158 yen	206,592 yen	207,597 yen	215,648 yen

Statement of Income and Retained Earnings for the 24th Fiscal Period Ended December 2013

(JPY mn)

	23rd Period	24th Period	Change
	(Jan. 1, 2013 - Jun. 30, 2013)	(Jul. 1, 2013 - Dec. 31, 2013)	
	Amount	Amount	Amount
Rental revenue	12,509	12,694	184
Other rental revenue	768	897	128
Rental revenue - real estate (1)	13,278	13,591	312
Operating revenue	13,278	13,591	312
Property and other taxes	1,884	1,879	-5
Other expenses related business	2,440	2,786	346
Outsourcing expenses	505	516	11
Utilities expenses	768	969	201
Casualty insurance	26	27	0
Repairs and maintenance	244	330	85
Property management fee	213	217	3
Management association accounts	563	556	-7
Others	119	169	50
Depreciation	1,883	1,869	-14
Expenses related rent business (2)	6,208	6,534	326
Asset management fees	468	473	4
Other operating expenses	216	215	-1
Operating expenses	6,893	7,223	329
Operating income	6,385	6,368	-16
Profits ((1) - (2))	7,070	7,056	-13
Net operating income (NOI)	8,953	8,925	-28
Non-operating income	60	16	-43
Interest expenses	1,304	1,325	20
Other non-operating expenses	164	159	-5
Non-operating expenses	1,469	1,485	15
Ordinary income	4,975	4,899	-75
Extraordinary income	—	54	54
Income before income taxes	4,975	4,954	-20
Net income	4,974	4,954	-20
Unappropriated retained earnings	4,998	4,976	-21

Total number of units outstanding at end of period	825,000 units	825,000 units	- units
Distributions per units (DPU)	6,031 yen	6,006 yen	-25 yen

Breakdown of increase/decrease in income (JPY mn)	Increase	Decrease	Conversion to DPU
	External growth (properties acquired in 24th and 23rd periods)	128	
Increase in NOI of properties acquired in 24th period	26		Properties acquired in 24th period contributed for approx. 1 month; properties acquired in 23rd period contributed for approx. 3 months longer than in 23rd period due to full-period operations
Increase in NOI of properties acquired in 23rd period (operating throughout 24th period)	125		
Increase in depreciation related to the above properties		23	
Internal growth (continuously owned properties)		145	-176 yen
Decrease in NOI		179	Rent revenue from existing properties remained almost flat
(Revenues) Increase in rent revenue	12		
Increase in incidental income (seasonal factors, etc.)	137		Decrease in NOI was mainly due to increase in utilities expenses, repairs and maintenance, brokerage fee and advertisement expenses, etc.
Decrease in cancellation penalty, etc.		20	
(Expenses) Increase in utilities expenses (seasonal factors, etc.)		185	
Increase in repairs and maintenance		87	
Increase in others		36	
Decrease in depreciation	37		
Increase in asset management fees and administration service fees		3	
Financial costs and other non-operating income and expenses		58	-71 yen
(Income) Decrease in settlement of management association accounts, etc.		43	The item is recorded only in odd-numbered fiscal periods
(Expenses) Decrease in interest expenses (excluding new procurement)	1		
Increase in interest expenses (new procurement)		22	
Decrease in other non-operating expenses	5		
Extraordinary income	54		+66 yen
Increase in subsidy income	54		Recorded subsidies granted to properties under the Energy-Efficient Renovation Promotion Program (2 properties)

Comparison with Forecasts of Financial Results for the 24th Fiscal Period Ended December 2013

(JPY mn)

	24th Period (Forecasts)	24th Period (Results)	Changes
	(Jul. 1, 2013 - Dec. 31, 2013)	(Jul. 1, 2013 - Dec. 31, 2013)	
	Amount	Amount	Amount
Rental revenue	12,642	12,694	51
Other rental revenue	827	897	69
Rental revenue - real estate (1)	13,470	13,591	121
Operating revenue	13,470	13,591	121
Property and other taxes	1,885	1,879	-6
Other expenses related business	2,756	2,786	30
Outsourcing expenses	519	516	-3
Utilities expenses	906	969	63
Casualty insurance	27	27	0
Repairs and maintenance	350	330	-20
Property management fee	221	217	-4
Management association accounts	556	556	0
Others	174	169	-4
Depreciation	1,872	1,869	-3
Expenses related rent business (2)	6,514	6,534	20
Asset management fees	465	473	7
Other operating expenses	225	215	-10
Operating expenses	7,205	7,223	18
Operating income	6,264	6,368	103
Profits ((1) - (2))	6,955	7,056	100
Net operating income (NOI)	8,828	8,925	97
Non-operating income	11	16	5
Interest expenses	1,329	1,325	-3
Other non-operating expenses	160	159	-1
Non-operating expenses	1,490	1,485	-5
Ordinary income	4,786	4,899	113
Extraordinary income	—	54	54
Income before income taxes	4,786	4,954	168
Net income	4,785	4,954	168
Unappropriated retained earnings	4,809	4,976	167

Total number of units outstanding at end of period	825,000 units	825,000 units	- units
Distributions per units (DPU)	5,800 yen	6,006 yen	206 yen

(Note 1) The forecast for the current (24th) fiscal period was made upon the announcement of financial results of the previous fiscal period.

Breakdown of increase/decrease in income (JPY mn)	Increase	Decrease	Conversion to DPU
	External growth (properties acquired in 24th and 23rd periods)	18	
Increase in NOI of properties acquired in 24th period	26		Properties acquired in 24th period contributed for approx. 1 month
Increase in NOI of properties acquired in 23rd period (operating throughout 24th period)		4	
Increase in depreciation related to the above properties		3	
Internal growth (continuously owned properties)	85		+103 yen
Increase in NOI	75		Caused mainly by decrease in contract renewal with downward revision of rents(+15)
(Revenues) Increase in rent revenue	19		
Increase in incidental income (seasonal factors, etc.)	33		Increase in NOI was mainly due to increase in cancellation penalty, etc. and decrease in repairs and maintenance and others
Increase in cancellation penalty, etc.	34		
(Expenses) Increase in utilities expenses (seasonal factors, etc.)		58	
Decrease in repairs and maintenance	22		
Decrease in others	24		
Decrease in depreciation	7		
Decrease in asset management fees and administration service fees	2		
Financial costs and other non-operating income and expenses	10		+12 yen
(Income) Increase in settlement of management association accounts, etc.	5		
(Expenses) Decrease in interest expenses (excluding new procurement)	7		
Increase in interest expenses (new procurement)		3	
Decrease in other non-operating expenses	1		
Extraordinary income	54		+66 yen
Increase in subsidy income	54		Recorded subsidies granted to properties under the Energy-Efficient Renovation Promotion Program (2 properties)

Assumptions for the 24th Fiscal Period Forecast

- Assets owned: Total of 60 properties (owned as of the end of the 23rd fiscal period)
- Average occupancy rate: 96.7% (based on confirmed contract status only, reflecting newly concluded contracts and already notified cancellations, etc.)
- Total units outstanding: 825,000 units
- LTV(based on unitholders' capital):49.3% (at end of 24th fiscal period)

Balance Sheet for the 24th Fiscal Period Ended December 2013

(JPY mn)

	23rd Period (As of Jun. 30, 2013)		24th Period (As of Dec. 31, 2013)		Change	
	Amount	%	Amount	%	Amount	%
Current assets	22,895	5.6%	22,139	5.3%	-756	-3.3%
Cash and deposits	10,852	2.6%	9,781	2.4%	-1,071	-9.9%
Cash and deposits in trust	11,568	2.8%	11,856	2.9%	287	2.5%
Other current assets	474	0.1%	501	0.1%	26	5.6%
Noncurrent assets	386,614	94.4%	391,656	94.6%	5,042	1.3%
Tangible assets	381,290	93.1%	386,429	93.3%	5,138	1.3%
Intangible assets	4,798	1.2%	4,798	1.2%	-0	-0.0%
Investments and other assets	524	0.1%	429	0.1%	-95	-18.2%
Lease and guarantee deposits	49	0.0%	49	0.0%	-	-
Others	475	0.1%	379	0.1%	-95	-20.1%
Deferred assets	205	0.1%	178	0.0%	-27	-13.3%
Investment corporation bond issuance costs	205	0.1%	178	0.0%	-27	-13.3%
Total assets	409,715	100.0%	413,974	100.0%	4,258	1.0%
Current liabilities	40,902	10.0%	35,460	8.6%	-5,442	-13.3%
Short-term loans payable	-	-	2,000	0.5%	2,000	-
Current portion of long-term loans payable	30,468	7.4%	12,235	3.0%	-18,233	-59.8%
Current portion of investment corporation bonds	5,000	1.2%	16,000	3.9%	11,000	220.0%
Other current liabilities	5,434	1.3%	5,225	1.3%	-209	-3.9%
Noncurrent liabilities	171,696	41.9%	181,419	43.8%	9,723	5.7%
Long-term loans payable	100,190	24.5%	121,024	29.2%	20,834	20.8%
Investment corporation bonds	51,500	12.6%	40,500	9.8%	-11,000	-21.4%
Tenant leasehold and security deposits	20,006	4.9%	19,895	4.8%	-110	-0.6%
Total liabilities	212,599	51.9%	216,879	52.4%	4,280	2.0%
Unitholders' capital	192,044	46.9%	192,044	46.4%	-	-
Surplus	5,072	1.2%	5,050	1.2%	-21	-0.4%
Total net assets	197,116	48.1%	197,095	47.6%	-21	-0.0%
Total liabilities and net assets	409,715	100.0%	413,974	100.0%	4,258	1.0%

■ Cash and deposits status

(JPY mn)

	End of 23rd Period	End of 24th Period	Change
Cash and deposits	22,420	21,637	-783
Tenant leasehold and security deposits (except tenant leasehold and security deposits) (Note)	10,506	10,395	-110

(Note) Amount equivalent to leasehold deposits released from tenants (9,500 million yen at end of 23rd period and 9,500 million yen at end of 24th period) are excluded.

■ Noncurrent assets

(JPY mn)

Property acquisition	+6,153
Capital expenditure	+845
Depreciation	-1,869
Other	-87
Total	+5,042

■ Interest-bearing debt status

(JPY mn)

	New procurement	Repayment/ redemption	Change
Short-term loans payable	2,000	-	+2,000
Long-term loans payable	21,000	18,399	+2,601
Investment corporation bonds	-	-	-
Total	23,000	18,399	+4,601

Forecasts of Financial Results for the 25th Fiscal Period Ending June 2014

(JPY mn)

	24th Period (Jul. 1, 2013 - Dec. 31, 2013)		25th Period (Forecasts) (Jul. 1, 2013 - Dec. 31, 2013)		Changes Amount
	Amount		Amount		
Rental revenue	12,694	12,879	184		
Other rental revenue	897	751	-146		
Rental revenue - real estate (1)	13,591	13,630	38		
Operating revenue	13,591	13,630	38		
Property and other taxes	1,879	1,992	113		
Other expenses related business	2,786	2,732	-53		
Outsourcing expenses	516	530	14		
Utilities expenses	969	857	-111		
Casualty insurance	27	27	0		
Repairs and maintenance	330	398	68		
Property management fee	217	224	6		
Management association accounts	556	562	6		
Others	169	131	-38		
Depreciation	1,869	1,837	-31		
Expenses related rent business (2)	6,534	6,562	27		
Asset management fees	473	474	1		
Other operating expenses	215	244	29		
Operating expenses	7,223	7,281	58		
Operating income	6,368	6,348	-20		
Profits ((1) - (2))	7,056	7,067	11		
Net operating income (NOI)	8,925	8,904	-20		
Non-operating income	16	49	32		
Interest expenses	1,325	1,263	-62		
Other non-operating expenses	159	141	-17		
Non-operating expenses	1,485	1,405	-79		
Ordinary income	4,899	4,992	92		
Extraordinary income	54	—	-54		
Income before income taxes	4,954	4,992	37		
Net income	4,954	4,991	37		
Unappropriated retained earnings	4,976	5,013	36		

Total number of units outstanding at end of period	825,000 units	825,000 units	- units
Distributions per units (DPU)	6,006 yen	6,050 yen	44 yen

Breakdown of increase/decrease in income (JPY mn)	Increase		Conversion to DPU
	Increase	Decrease	
External growth (properties acquired in 24th and 23rd periods)	122		+ 148 yen
Increase in NOI of properties acquired in 23rd period (operating throughout 24th period)	142		Properties acquired in 23rd period to contribute for approx. 5 months by operating throughout the 25th period
Increase in depreciation related to the above properties		19	
Internal growth (continuously owned properties)		142	-172 yen
Decrease in NOI		163	
(Revenues) Decrease in rent revenue		22	Mainly due to excess in tenant move-outs (-21)
Decrease in incidental (seasonal factors, etc.)		123	
Decrease in cancellation penalty, etc.		33	
(Expenses) Increase in property and other taxes		94	Decrease in NOI mainly due to increase in property and other taxes and repairs and maintenance
Decrease in utilities expenses (seasonal factors, etc.)	129		
Increase repairs and maintenance		60	
Decrease in others	40		
Decrease in depreciation	51		
Increase in asset management fees and administration service fees		31	
Financial costs and other non-operating income and expenses	112		+ 136 yen
(Income) Increase in settlement of management association accounts, etc.	32		To be recorded only in odd-numbered fiscal periods
(Expenses) Decrease in interest expenses	62		
Decrease in other non-operating expenses	17		
Extraordinary income		54	-66 yen
Decrease in subsidy income		54	

Assumptions for the 25th Fiscal Period Forecast

- Assets owned: Total of 62 properties (owned as of the end of the 24th fiscal period)
- Average occupancy rate: 96.6% (based on confirmed contract status only, reflecting newly concluded contracts and already notified cancellations, etc.)
- Total units outstanding: 825,000 units
- LTV (based on unitholders' capital): 49.9% (at end of 25th fiscal period)

(Reference) Forecasts of Rent Revenue – Real Estate and Expenses Related to Rent Business for the 26th Fiscal Period Ending December 2014

(JPY mn)

	25th Period (Forecasts)	26th Period (Forecasts)	Changes
	(Jan. 1, 2014 - Jun. 30, 2014)	(Jul. 1, 2014 - Dec. 31, 2014)	
	Amount	Amount	Amount
Rental revenue	12,879	12,951	72
Other rental revenue	751	877	126
Rental revenue - real estate (1)	13,630	13,828	198
Property and other taxes	1,992	1,986	-5
Other expenses related business	2,732	2,861	128
Outsourcing expenses	530	528	-2
Utilities expenses	857	1,020	162
Casualty insurance	27	27	0
Repairs and maintenance	398	362	-36
Property management fee	224	226	2
Management association accounts	562	557	-5
Others	131	138	7
Depreciation	1,837	1,851	14
Expenses related rent business (2)	6,562	6,698	136
Profits ((1) - (2))	7,067	7,129	61
Net operating income (NOI)	8,904	8,980	75
Capital expenditure	873	1,313	439
Net cash flow (NCF)	8,031	7,667	-363

Breakdown of increase/decrease in income (JPY mn)	Increase	Decrease	Conversion to DPU
	Internal growth (continuously owned properties)	61	
Increase in NOI	75		
(Revenues) Increase in rent revenue	72		Increase in rent revenue due to excess in tenant move-ins (+51), etc.
Increase in incidental income (seasonal factors, etc.)	136		
Decrease in cancellation penalty, etc.		9	
(Expenses) Increase in utilities expenses (seasonal factors, etc.)		162	
Decrease in repairs and maintenance	36		
Decrease in others	4		
Increase in depreciation		14	

Assumptions for the 26th Fiscal Period Forecast

- Assets owned: Total of 62 properties (owned as of the end of the 24th fiscal period)
- Average occupancy rate: 96.8% (assuming some new contracts, etc. in addition to the assumptions for the 25th fiscal period)
- Total units outstanding: 825,000 units



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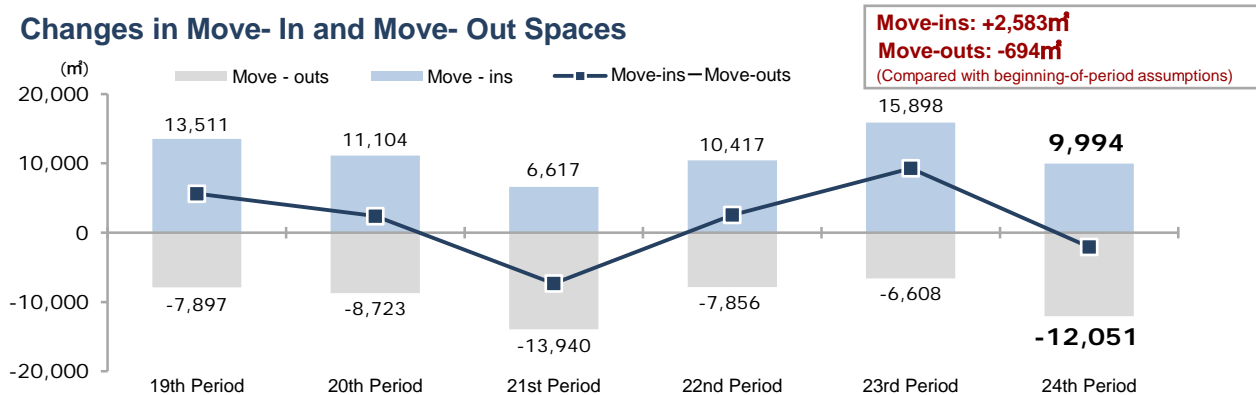
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Management Status and Strategies

Occupancy Rate Stayed at the 96% Level, Surpassing Beginning-of-Period Assumption

- In the 24th fiscal period ended December 2013, despite the impact of large move-outs at some properties, progress was made in refilling vacated spaces in a number of other properties
- Progress was made in leasing new tenants, surpassing beginning-of-period assumption, with period-end occupancy rate standing at 96.5% (+0.4% over beginning-of-period assumption)

Changes in Move- In and Move- Out Spaces

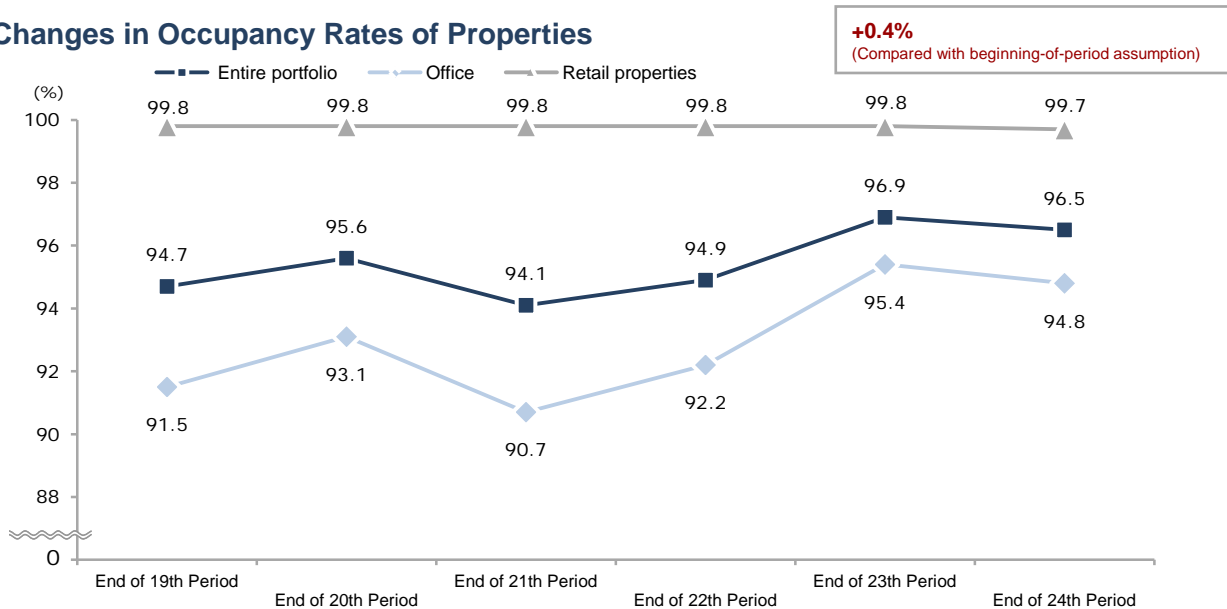


Major Properties with Changes in Move-In and Move-Out Spaces

Property name	24th Fiscal Period		
	Move - ins	Move - outs	Move-ins - Move-outs
Minami Azabu Building	3,406	0	+3,406
Tokyo Tatemono Kyobashi Building	800	-3,443	-2,643
Olinas Tower	711	-1,885	-1,173
BYGS Shinjuku Bldg	672	-1,669	-997
MS Shibaura Bldg.	980	0	+980

Reference: total leasable space was 467,207 m² at end of 24th period

Changes in Occupancy Rates of Properties



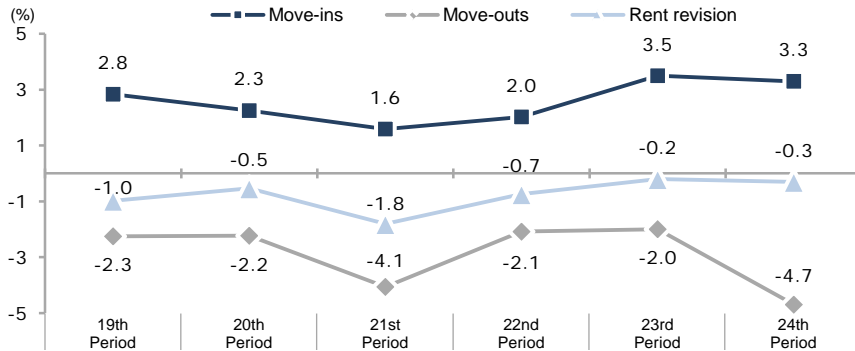
Major Properties with Changes in Occupancy Rate

Property name	End of 23th Period (%)	End of 24th Period (%)	Change
【Properties with an increase】			
Minami Azabu Building	0.0	100.0	+100.0p
MS Shibaura Bldg.	93.2	100.0	+6.8p
Shinyokohama 2nd Center	85.1	91.4	+6.3p
JPR Ueno East Bldg.	94.3	100.0	+5.7p
JPR Dojima Bldg.	83.6	88.8	+5.2p
【Properties with a decrease】			
Tokyo Tatemono Kyobashi Building	100.0	24.1	-75.9p
Crest Takebashi Bld.	70.6	51.4	-19.2p
Across Shinkawa Bld. Annex	100.0	84.0	-16.0p
JPR Jingumae 432	100.0	86.6	-13.4p
JPR Hakata-chuo Bldg.	100.0	87.3	-12.7p

Rents for Office Properties Continued to Show Improving Trend

- Move-out rate increased in the 24th fiscal period, impacted by move-outs from properties with rents in high levels
- Rent revenue and average unit rent for existing properties (on a same-store basis) largely remained flat

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

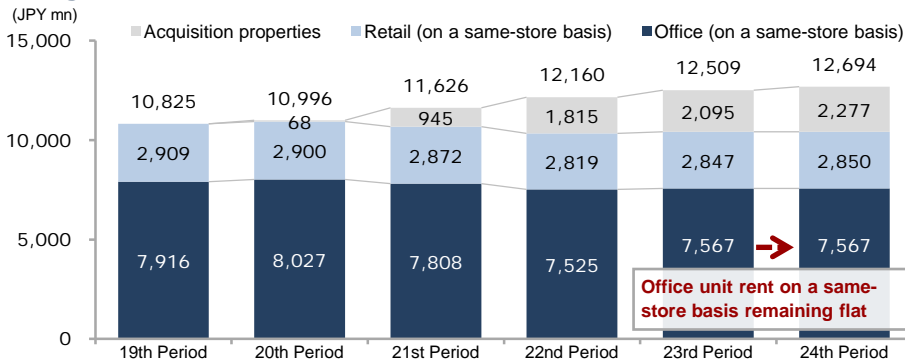


(Reference) Changes in the rate of change in space through move-ins and move-outs (%)

	19th Period	20th Period	21st Period	22nd Period	23rd Period	24th Period
Move-ins	3.4	2.8	1.6	2.7	3.8	2.2
Move-outs	-2.0	-2.2	-3.4	-1.9	-1.6	-2.7

(Note) Rate of change in monthly rent = total changes in monthly rents due to change factors for each fiscal period / total monthly rents at end of each preceding fiscal period (both including common charges)
 The change factors are move-ins, move-outs and rent revisions. Rent revisions include stage rents, etc.
 Rate of change in space = total changes in space due to change factors (move-ins and move-outs) for each fiscal period / total leased space at end of each preceding fiscal period

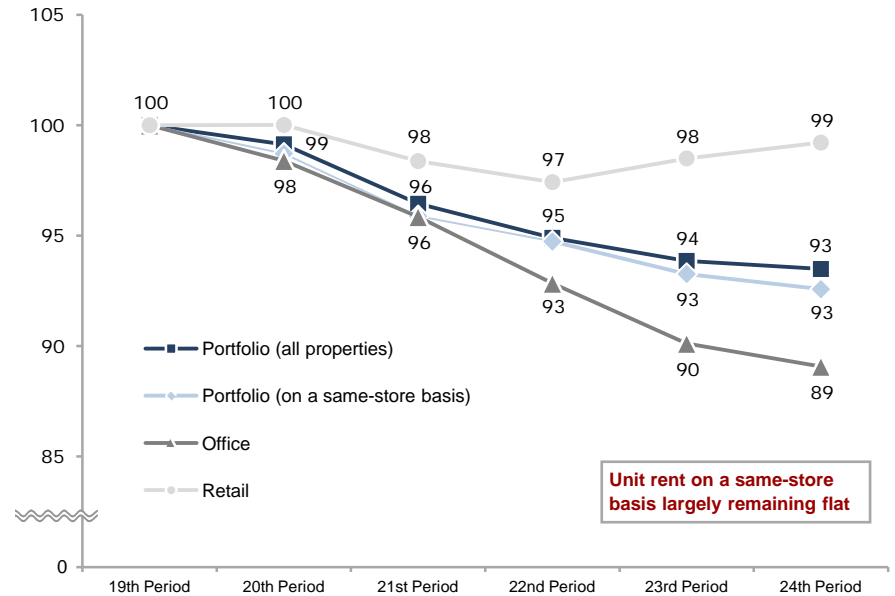
Changes in Rent Revenue



(Note) The graph shows the rent revenue (total fixed income including rents and common charges) for each fiscal period. Properties on a same store basis represent those owned continuously from the 19th period through the 24th period.

Changes in Average Unit Rent

(Indexed with end of 19th fiscal period set at 100)



Unit rent on a same-store basis largely remaining flat

(Average unit rent (including common service fee) : thousand yen/tsubo)

	19th Period	20th Period	21st Period	22nd Period	23rd Period	24th Period
Portfolio (all properties)	15.0	14.9	14.5	14.3	14.1	14.1
Portfolio (on a same-store basis)	14.9	14.7	14.3	14.1	13.9	13.8
Office	18.5	18.2	17.7	17.1	16.6	16.4
Retail	9.9	9.9	9.7	9.7	9.8	9.8

(Note) The graph above shows the average unit rent at end of each fiscal period in a relative figure with the end of the 19th period set at 100. Properties on a same store basis represent those owned continuously from the 19th period through the 24th period.

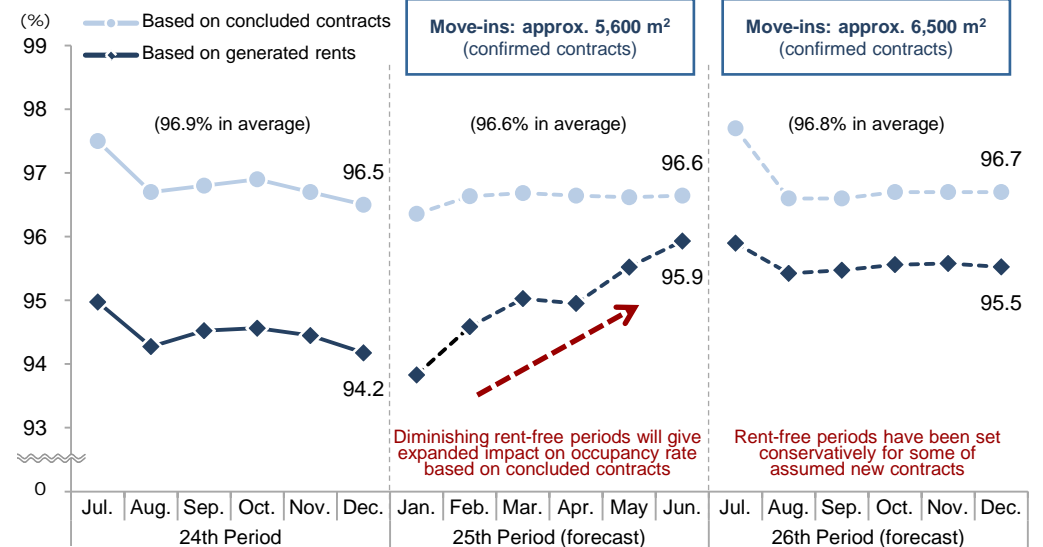
Promoted Leasing Strategies that Should Enable Future Upside Gains

- Revenues from existing properties largely remained stable during the 24th fiscal period despite negative impact of contract cancellations
- Reinforced endeavors to “raise new rents” upon inviting new tenants and “revise contract with upward revision of rents”

Reinforcement of Leasing Measures

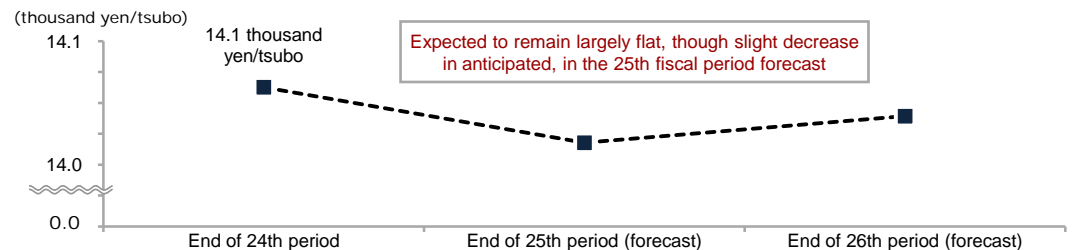
Improvement of occupancy rates	<ul style="list-style-type: none"> ■ Increase occupancy rates of office properties having room for upward moves to 94.8% (end of the 24th fiscal period) Potential when increasing to 97% → up approx. JPY 180 million per period
Reduction of rent-free periods and down time	<ul style="list-style-type: none"> ■ Diminishing of rent-free periods will proceed smoothly in the 25th fiscal period Occupancy rate based on generated rents improved to 95.9% (up 1.7%p period-on-period) ■ Work to set up appropriate free-rent periods and reduce down time, focusing on rent level
Rise in new rents	<ul style="list-style-type: none"> ■ Achieved new contract rents higher by 20% on average than the market rent levels (24th fiscal period) ■ Focus on raising new contract rents that should contribute to improved earnings in the future
Reduction of contract renewal with downward revision of rents	<ul style="list-style-type: none"> ■ Number of requests from tenants to reduce rents showed a decreasing trend, with 17 cases in the 24th fiscal period (25 cases in the 23rd fiscal period and 47 cases in the 22nd fiscal period)
Promotion of contract renewal with upward revision of rents	<ul style="list-style-type: none"> ■ Work to achieve upward revision of rents upon future contract renewals, centering on properties with competitive advantages

Outlook of Occupancy Rate



(Note) Occupancy rate for the 25th fiscal period is only for contracts confirmed at beginning of period including new contracts and already notified cancellations.
Occupancy rate for the 26th fiscal period assumes some new contracts, etc. on top of the assumptions for the 25th fiscal period.

Outlook of Average Unit Rent



(Note) The average unit rent at end of each fiscal period is indicated, with considerations given to the tenant move-ins and move-outs, rent revisions and other factors assumed in the forecasts of financial results for the 25th fiscal period and thereafter.

Properties Subject to Reinforced Leasing Activities

■ Promoted leasing strategies, primarily for properties with decreased occupancy rates, in accordance with the status of the area markets and advantages of individual properties

(Note)The assumed occupancy rate of each property is the occupancy rate assumed in the forecasts of financial results.

Tokyo Tatemono Kyobashi Building




■ Perspective of Occupancy Rate

End of Dec. 2013 (actual results)	End of Jun. 2014 (assumption)	End of Dec. 2014 (assumption)
24.1%	46.0%	78.8%

■ Advertised floor and space
 [Floors] 5F [Space] 580^{tsubos}
 (Space per floor : 117 tsubos)

- Partial cancellation by a tenant having a blanket lease contract at the end of July 2013
- Contracts concluded for 2 floors after completion of renewal work in August 2013
- Highly evaluated by new occupying tenants for the location, convenience and other factors
- With demand confirmed from a wide range of industries and business types including tenants that serve visiting guests, promote leasing activities targeting for upper zones of rent levels

MS Shibaura Bldg.




■ Perspective of Occupancy Rate

End of Dec. 2013 (actual results)	End of Jun. 2014 (assumption)	End of Dec. 2014 (assumption)
100.0%	100.0%	72.9%

■ Advertised floor and space
 [Floors] 2F [Space] 1,186^{tsubos}
 (Space per floor : 590 tsubos)

- Received a notification of cancellation from a major tenant at the end of January 2014 (scheduled cancellation date: end of July 2014)
- Though the property is not so advantageous in terms of convenient access to stations, it receives high evaluation for its specifications, large regularly-shaped sections and other factors
- Completed renewal work of elevator halls, rest rooms, etc. in August 2013
- Reinforce targeted leasing to fill vacated spaces in a short period of time, based on such achievements as large-scale relocations for office consolidation to the property without down time,

JPR Crest Takebashi Bldg.




■ Perspective of Occupancy Rate

End of Dec. 2013 (actual results)	End of Jun. 2014 (assumption)	End of Dec. 2014 (assumption)
51.4%	51.4%	75.7%

■ Advertised floor and space
 [Floors] 4F [Space] 480^{tsubos}
 (Space per floor : 120 tsubos)

- In the 24th period, the occupancy rate rose to 75.7% due to new leases but subsequently dropped to 51.4% as a result of cancellations for 2 floors
- Although the Kanda Nishikicho area is slow in demand recovery, the property receives certain evaluation from tenants for its grade and specifications, and a blanket application for the entire 4th floor was confirmed during the 24th fiscal period (conclusion of contract not yet determined)
- As the property has strong appeal to tenants who weigh environmental considerations, implement leasing activities with a broadened scope

JPR Hakata Bldg.



■ Perspective of Occupancy Rate

End of Dec. 2013 (actual results)	End of Jun. 2014 (assumption)	End of Dec. 2014 (assumption)
97.7%	67.7%	82.5%

■ Advertised floor and space
 [Floors] 5F [Space] 600^{tsubos}
 (Space per floor : 160^{tsubos})

- The occupancy rate dropped to 67.7% at the end of the 24th period due to cancellation by a large tenant
- Featuring high visibility in a business area in front of Hakata Station and good access through direct connection to the subway station, the property maintained average occupancy rate of over 90% since the renewal of air-conditioning systems in 2007
- Reinforce leasing activities to achieve both an increase in the occupancy rate and a rise in rent levels, as new inquiries are continuously received and applications with rents higher than before the move-outs are confirmed

Endeavors to Enhance Property Value: Renewal of Kawasaki Dice Building

■ Profitability and appraisal value increased significantly due to renewal and change of contract format (1-3 floors; from a blanket contract to individual contracts, adoption of percentage-of-sales rents, etc.)

Initiatives on Value Enhancement

Renewal	<p>Total investment of JPY 84 million</p> <ul style="list-style-type: none"> ■ Improved visibility and comfort through flow planning and environmental-friendly renewal ■ Simultaneously conducted renewal of individual shops
Renewal	<p>+3.7%</p> <p>Expanded sales floors by reviewing visitor circulation planning</p>
Change of contract format	<p style="text-align: center;">One company (1-3F; blanket contract)</p> <p style="text-align: center;">▼</p> <p style="text-align: center;">11 companies (individual contracts)</p>
Rent (fixed)	<p>Up JPY 27.9million/year, up 10.5%</p> <p>Significantly increased fixed rents through new contracts</p>
Rent (sales-linked)	<p>10 companies (newly adopted),</p> <p>up JPY 5.0 million/year (based on sales of previous year)</p> <p>Newly set up sales-linked rents, aside from fixed rents</p>

	Before renewal	After renewal
NOI yield	4.2%	4.4%
Appraisal value	JPY14.4 bn	JPY14.8 bn

(Note) NOI yield has been calculated based on the results of the 24th fiscal period, assuming the NOI from assumed income and expenditures before and after the renewal.

Merchandising by multiple tenants including UNIQLO and TSUTAYA



Renewal work

- Renovation of common environment including the entrance and visitor circulation
- Renovation of external façade and lighting equipment
- Renovation of rest rooms and new installation of powder corners
- Renovation of signboards

Flow line to escalators



Rest room and power corner



Acquired Blue-Chip Office Property in the Central Tokyo Area: Science Plaza – Yonbancho Plaza



5-minute walk from Kojimachi Station on the Tokyo Metro Yurakucho Line,
6-minute walk from Ichigaya Station on the JR Sobu Line
and 8-minute walk from Hanzomon Station on the Tokyo Metro Hanzomon Line

Acquisition Highlights

- Realized a negotiated transaction by taking advantage of the support from the Yasuda Real Estate Group, one of the sponsors
- Acquired with NOI yield of 5.2%, which surpasses the portfolio average
- Acquired compartmentalized ownership to secure opportunities for future external growth through utilizing preferential negotiation rights, etc.

Property Characteristics

- Features a size (standard floor space of 300 tsubos) that is superior in the area and high grade that exerts scarcity value
- An incorporated administrative agency, the major tenant, has been housed in the property over a long time to use it as a main base
- The area has a concentration of incorporated administrative agencies and incorporated foundations that seek proximity to Nagatacho and Kasumigaseki (the government areas), foreign firms that prefer a quiet environment for offices, and others

NOI yield	
[Assumed NOI yield upon acquisition]	5.2%
[Actual NOI yield for current period]	5.3%
(Reference) 24th fiscal period portfolio average:	4.4%

NOI yield after depreciation	
[Assumed NOI yield upon acquisition]	4.4%
[Actual NOI yield for current period]	4.6%
(Reference) 24th fiscal period portfolio average:	3.5%

Location	9-6 Yonbancho, Chiyoda-ku, Tokyo and others
Completion	February 1995
Total floor space	24,560.36㎡
Type of ownership	Sectional Ownership (22.4% of ownership)
Seller	Cotone Capital YK
Acquisition price	2,660 million yen
Appraisal value	2,720 million yen (as of November 1, 2013)
Acquisition date	December 6, 2013

Assumptions for calculating yield

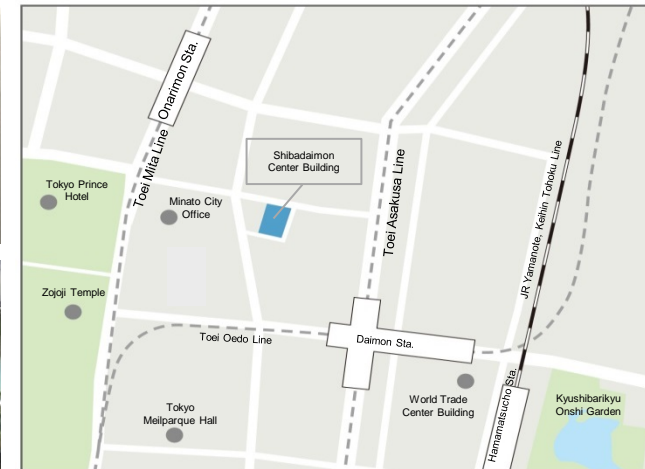
Assumed NOI yield upon acquisition:

Calculated based on the assumed income and expenditures for the 12 months that take into account such factors as tenant replacements and rental fluctuations occurring in the ten years after the acquisition of the property; the average occupancy rate for the period is assumed to be 95% (for office sections).

Actual NOI yield for current period:

Calculated by deducting the amount equivalent to the property and other taxes to be included in the acquisition price upon acquisition from the annualized value of the actual NOI for the 24th fiscal period; furthermore, the occupancy rate at the end of the 24th fiscal period was 90.2%.

Acquired Blue-Chip Office Property in the Central Tokyo Area: Shibadaimon Center Building



3-minute walk from Daimon Station on the Toei Subway Asakusa Line and Oedo Line, 4-minute walk from Onarimon Station on the Toei Subway Mita Line and 9-minute walk from Hamamatsucho Station on the JR Yamanote Line and Keihin Tohoku Line

Acquisition Highlights

- Realized a negotiated transaction by taking advantage of the support from the Yasuda Real Estate Group, one of the sponsors
- Acquired with NOI yield of 5.1%, which surpasses the portfolio average
- Acquired compartmentalized ownership to secure opportunities for future external growth through utilizing preferential negotiation rights, etc.

Property Characteristics

- The property, which has total floor space of over 3,000 tsubos, exerts superiority in the area where there are many small- and medium-sized office buildings
- Offers good access to such wide-area traffic networks as Haneda Airport and Shinagawa Station on the JR lines
- The market of the area shows a strong improvement trend, allowing expectations for future internal growth
- Vacancy rate of the area: 7.3% (as of 4th quarter of 2013; down 3.3%p from 4th quarter of 2012)
(Note) The vacancy rate above is based on the data for the Hamamatsucho – Shibakoen zone in the Japan Office Market View publicized by CBRE.

NOI yield	
[Assumed NOI yield upon acquisition]	5.1%
[Actual NOI yield for current period]	5.6%
(Reference) Portfolio average:	4.4%

NOI yield after depreciation	
[Assumed NOI yield upon acquisition]	4.1%
[Actual NOI yield for current period]	4.6%
(Reference) Portfolio average:	3.5%

Location	1-703-3 Shibadaimon, Minato-ku, Tokyo and other
Completion	July 1993
Total floor space	11,419.93㎡
Type of ownership	Sectional Ownership (52.8% of ownership)
Seller	Cotone Capital YK
Acquisition price	3,420 million yen
Appraisal value	3,590 million yen (as of November 1, 2013)
Acquisition date	December 6, 2013

Assumptions for calculating yield

Assumed NOI yield upon acquisition:

Calculated based on the assumed income and expenditures for the 12 months that take into account such factors as tenant replacements and rental fluctuations occurring in the ten years after the acquisition of the property; the average occupancy rate for the period is assumed to be 95% (for office sections).

Actual NOI yield for current period:

Calculated by deducting the amount equivalent to the property and other taxes to be included in the acquisition price upon acquisition from the annualized value of the actual NOI for the 24th fiscal period; furthermore, the occupancy rate at the end of the 24th fiscal period was 90.2%.

Reinforce Pipelines Centering on Sponsors' Pipelines and Obtain Opportunities for Strategic Investment

- JPR has realized NOI yield after depreciation of 3.9% on average for office properties it acquired in recent years, thanks to high sourcing abilities that enable negotiated transactions
- Aim to obtain opportunities to invest in office properties having larger growth potential, along with acquisitions of such office properties producing large earnings and achievement of higher stability of earnings from existing properties

Main sponsor

- Pipelines of large-scale office properties developed and owned by the main sponsor, etc.
- Acquisition results of major properties developed by the main sponsor
- Continuously conduct information exchange and discern investment opportunities in a strategic manner



(Reference) Examples of major developments by Tokyo Tatemono



(Note)
At present, there is no decision made for JPR to acquire these properties.

Other sponsors

- Reinforced initiatives over recent years on sponsor support from Yasuda Real Estate, Taisei Corporation and other sponsors
- Achieved acquisition of 2 office properties in Central Tokyo in the 24th fiscal period by utilizing support from the Yasuda Real Estate Group



Properties Acquired in the 20th Period and Thereafter (%)

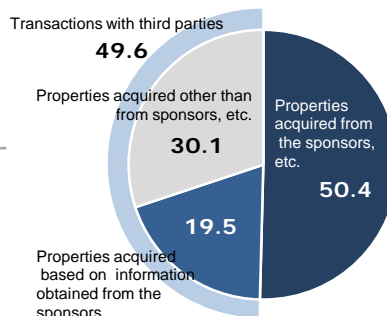
Property name	Acquisiti on date	Deal type	NOI yield	NOI yield after depreciation
Ginza Sanwa Building	Aug. 2011	Negotiation with external source	3.9	3.6
Otemachi Tower (Land with Leasehold Interest)	Mar. 2012	Main sponsor	3.6	3.6
Yakuin Business Garden	Aug. 2012	Main sponsor	5.5	3.8
Omiya Prime East	Mar. 2013	Negotiation with external source	7.0	5.4
Shinyokohama 2nd Center Bldg.	Mar. 2013	Preferential negotiation	7.8	5.7
Science Plaza - Yonbancho Plaza	Dec. 2013	Other sponsors	5.3	4.6
Shibadaimon Center Building	Dec. 2013	Other sponsors	5.6	4.6
Average of acquired properties			4.4	3.9
Portfolio average			4.4	3.5

Acquisition from external sources

- With many achievements of negotiated transactions with general business corporations, promote acquisitions by taking advantage of strong sourcing abilities
- Participate in bid deals after vigorously selecting projects



Property Acquisition Results by Channel



Shinyokohama 2nd Center Bldg.

Co-owned properties

- Of the 62 properties in the portfolio, JPR has 30 co-owned properties totaling JPY 229.1 billion
- JPR has negotiation rights for the portions other than its equity interests (25% on average)

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

(Note) The NOI yield and NOI yield after depreciation have been calculated based on actual results for the 24th fiscal period. For properties acquired in the 23rd and 24th fiscal periods, the figures have been calculated by deducting the amount equivalent to the property and other taxes to be included in the acquisition price upon acquisition from the NOI for these fiscal periods

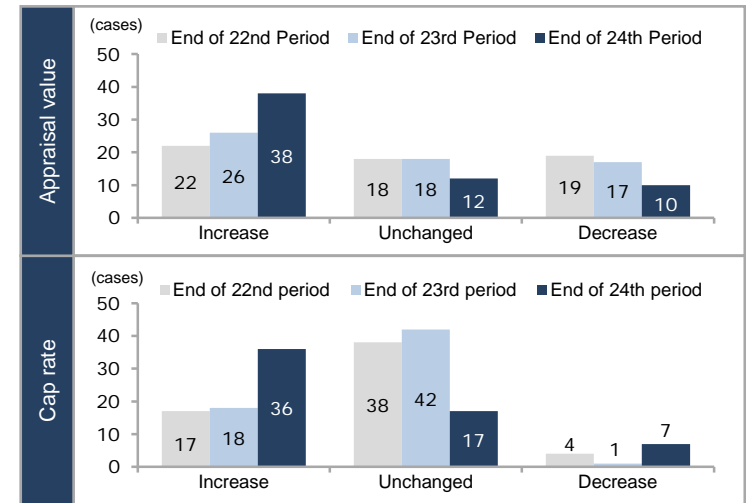
Appraisal

■ Unrealized losses have continued to improve since the 22nd fiscal period as properties with increased appraisal values in line with a decrease in cap rates took a majority of the portfolio

Period-End Appraisals

	End of 23rd Period Jun. 30, 2013	End of 24th Period Dec. 31, 2013	Change	End of 24th Period (excluding properties acquired during the period)	Change
No. of properties	60	62	+2	60	-
Appraisal value	JPY365.2 billion	JPY376.9 billion	+JPY11.7 billion	JPY370.4 billion	+JPY5.2 billion
Book value	JPY386.0 billion	JPY391.2 billion	+JPY5.1 billion	JPY385.0 billion	-JPY1.0 billion
Unrealized gains or losses	-JPY20.8 billion	-JPY14.2 billion	+JPY6.6 billion	-JPY14.5 billion	+JPY6.2 billion
Ratio of unrealized gains or losses	-5.4%	-3.6%	+1.8%p	-3.8%	+1.6%p

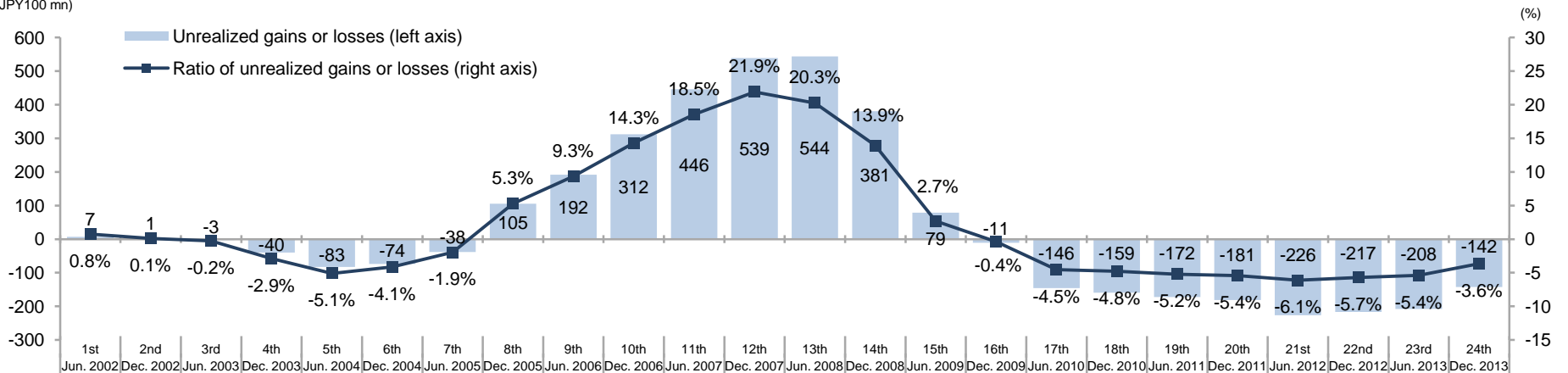
Number of Properties with Increase/Decrease in Appraisal Value and Cap Rate



(Note) The figures represent the number of properties that had changes in appraisal values (increase/flat/decrease) and cap rates (decrease/flat/increase) by comparing appraisal values and cap rates of each point of time on a period-on-period basis. Furthermore, properties acquired in the 24th fiscal period are not included.

Changes in Unrealized Gains or Losses

(JPY100 mn)



Conservative Financial Operations Continued

- Conducted financial operations with ratio of interest-bearing debt (LTV) set at the target range of up to 50% (based on unitholders' capital) as a rule
- (Also investigated possible operations with LTV surpassing this level and up to 50% based on gains or losses from valuation in accordance with property acquisitions, fluctuations in appraisal values and other factors)

Main Data

	End of 23rd Period Jun. 2013	End of 24th Period Dec. 2013	Change
LTV (based on unitholders' capital)	49.4%	50.0%	+0.6%p
LTV (based on gains or losses from valuation)	48.1%	48.0%	-0.2%p
Ratio of long-term, fixed interest rate debts	98.2%	97.2%	-1.0%p
Maturity of interest-bearing debts	3.3 years	3.5 years	+0.2 years
Average interest rate of interest-bearing debts	1.57%	1.53%	-0.04%p

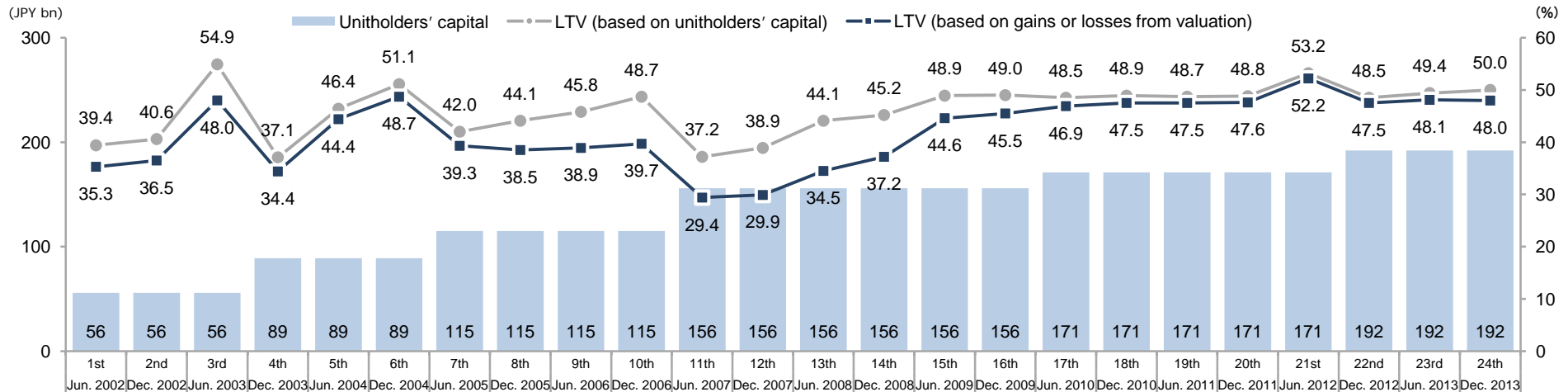
Credit Rating Status

(as of December 31, 2013)

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

(Note) JPR had its ratings assigned by Moody's Japan K.K. withdrawn on January 21, 2014.

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



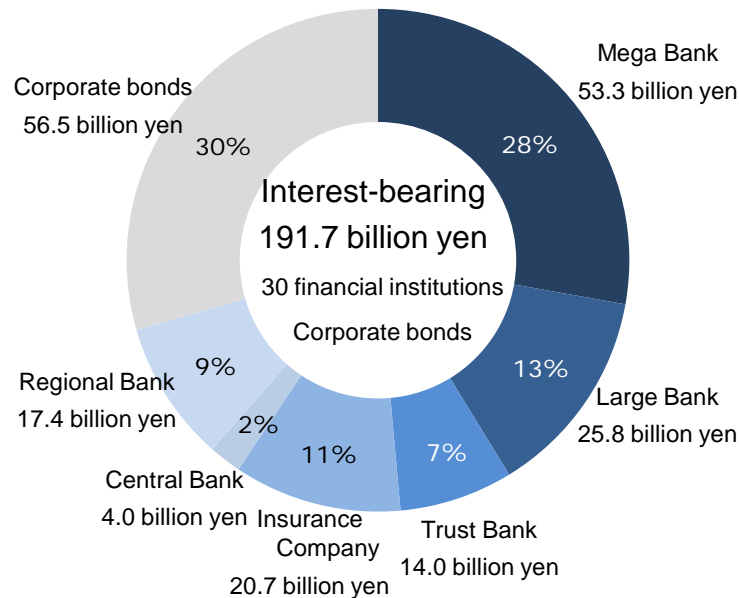
Diversification of Lenders and Utilization of Investment Corporation Bonds

- Established a lender formation with 30 financial institutions, making it the basic policy to do business with them in negotiated deals (Newly invited two banks in the 24th fiscal period)
- Issued investment corporation bonds in a dynamic and flexible manner since listing, aiming to diversify lenders and reduce financing costs

Status of Borrowings

Lender	Balance as of Dec. 31, 2013 (JPY mn)
Mizuho Bank, Ltd.	22,100
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	18,253
Sumitomo Mitsui Bank	12,950
Aozora Bank, Ltd.	7,900
Shinsei Bank, Limited	7,000
Mizuho Trust & Banking Co., Ltd.	7,000
Mitsubishi UFJ Trust and Banking Corporation	7,000
Development Bank of Japan Inc.	5,920
The Bank of Fukuoka, Ltd.	5,000
Sompo Japan Insurance Inc.	4,000
Meiji Yasuda Life Insurance Company	3,736
ORIX Bank Corporation	3,000
Shinkin Central Bank	3,000
The Shinkumi Federation Bank	3,000
Taiyo Life Insurance Company	3,000
The Chugoku Bank, Ltd.	3,000
The Nishi-Nippon City Bank, Ltd.	3,000
Sumitomo Life Insurance Company	2,000
Zenkyoren (The National Mutual Insurance Federation of Agricultural Cooperatives)	2,000
Daido Life Insurance Company	2,000
The Hachijuni Bank, Ltd. (Note 2)	2,000
Resona Bank, Limited	2,000
The Iyo Bank, Ltd.	1,000
Tokyo Marine & Michido Fire Insurance Co., Ltd.	1,000
The Nourinchukin Bank (Note 3)	1,000
Tokyo Tomin Bank Limited (Note 4)	1,000
The Bank of Yokohama, Ltd. (Note 4)	1,000
The Minato Bank, Ltd. (Note 4)	800
The Yamaguchi Bank, Ltd. (Note 4)	500
The Chiba Kogyo Bank, Ltd. (Note 4)	100
Total borrowings	135,259

Lenders of Interest-bearing Debts



(Note 1) All borrowings are unsecured and Unguaranteed.

(Note 2) Of the JPY 2,000 million in loan balance, JPY 1,000 million was borrowed in short-term loans.

(Note 3) Borrowed in short-term loans

(Note 4) These are borrowings made through originating a syndicated loan.

(Note 5) All borrowings are long-term, fixed interest rate debt except for those in (Note 2) through (Note 4).

Status of Corporate Bonds

Name	Balance as of Dec. 31, 2013 (JPY mn)
3rd Series of Corporate Bonds	5,000
6th Series of Corporate Bonds	5,000
7th Series of Corporate Bonds	4,500
9th Series of Corporate Bonds	6,000
11th Series of Corporate Bonds	6,000
12th Series of Corporate Bonds	7,000
13th Series of Corporate Bonds	7,000
14th Series of Corporate Bonds	2,000
15th Series of Corporate Bonds	5,000
16th Series of Corporate Bonds	2,000
17th Series of Corporate Bonds	5,000
18th Series of Corporate Bonds	2,000
Balance of corporate bonds	56,500

Status of Commitment Line Contract

Lender	Balance as of Dec. 31, 2013 (JPY mn)
Mizuho Bank, Ltd.	4,000
The Bank of Tokyo-Mitsubishi	4,000
Sumitomo Mitsui Bank	4,000
Aozora Bank, Ltd.	4,000
Mizuho Trust & Banking Co.,	4,000
Mitsubishi UFJ Trust and Banking Corporation	4,000
Resona Bank, Limited	4,000
Total commitment line	28,000

Interest-Bearing Debt Costs Reduced and Shift to Long-Term, Fixed Interest Rate Debts Promoted

■ Lowering of interest rates and promotion of shift to long-term, fixed interest rate debts realized by refinances of long-term borrowings that matured in the 24th fiscal period

Borrowings Made in the 24th Period

After refinancing
6.0 years, 0.890%

←----- +1.9 years -----
- 0.462%

Before refinancing
4.1 years, 1.352%

Borrowing date	Lender	Loan amount	Term	Interest rate
Sep. 24	Shinsei Bank, Limited	2,000	7 years	1.076%
	The Bank of Fukuoka, Ltd.	1,000	6 years	0.911%
	The Chugoku Bank, Ltd.	1,000	5 years	0.758%
	The Hachijuni Bank, Ltd.	1,000	1 year	0.471%
Sep. 30	Aozora Bank, Ltd.	1,000	7 years	1.069%
Nov. 27	Mizuho Bank, Ltd.	3,000	7 years	0.970%
	The Bank of Tokyo-Mitsubishi	3,000	7 years	0.970%
	ORIX Bank Corporation	2,000	5 years	0.762%
Dec. 27	Taiyo Life Insurance Company	1,000	7 years	1.011%
	Daido Life Insurance Company	1,000	5 years	0.710%
	Tokyo Tomin Bank Limited	1,000	5 years	0.710%
Total and average of refinance		17,000	6.0 years	0.890%

Loan amount	Term	Interest rate
2,000	3 years	1.070%
1,000	3 years	1.070%
1,000	3 years	1.070%
1,000	3 years	1.070%
1,000	3.5 years	1.322%
3,000	4 years	1.279%
3,000	4 years	1.279%
2,000	4 years	1.281%
1,000	7 years	1.858%
1,000	7 years	1.858%
2,000	7 years	1.858%
18,000	4.1 years	1.352%

Dec. 5	Shinkin Central Bank	3,000	5 years	0.689%
	Development Bank of Japan Inc.	2,000	8 years	1.188%
	The Nourinchukin Bank	1,000	1 year	0.398%
Total and average of new borrowings		6,000	5.3 years	0.807%

Total and average of 24th period		23,000	5.8 years	0.869%
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(Reference) Issuance of Investment Corporation Bonds (25th fiscal period)

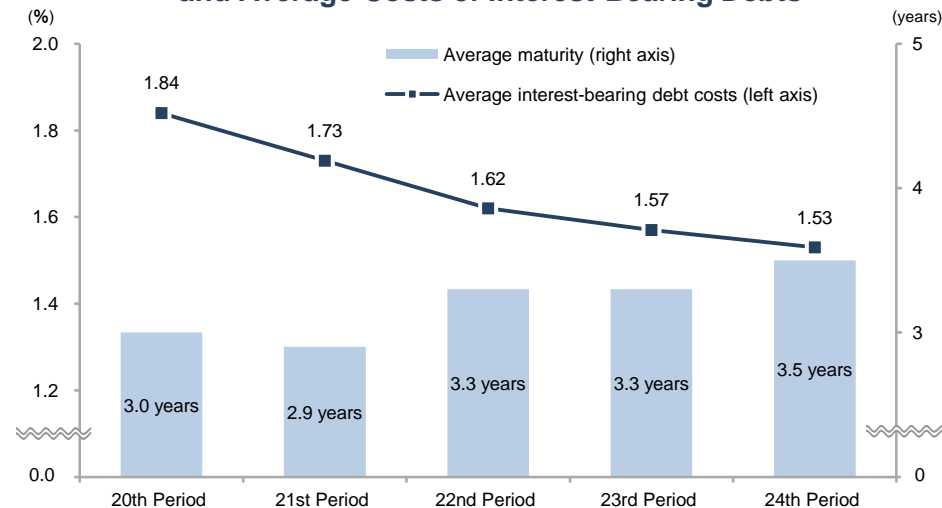
Feb. 5, 2014	19th Series of Corporate Bonds	5,000	10 years	1.110%
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(Note1) The short-term loans have floating interests, and the interest rates as of the end of December 2013 are indicated.

(Note2) The loans made as of December 5, 2013 was newly borrowed in association of property acquisitions.

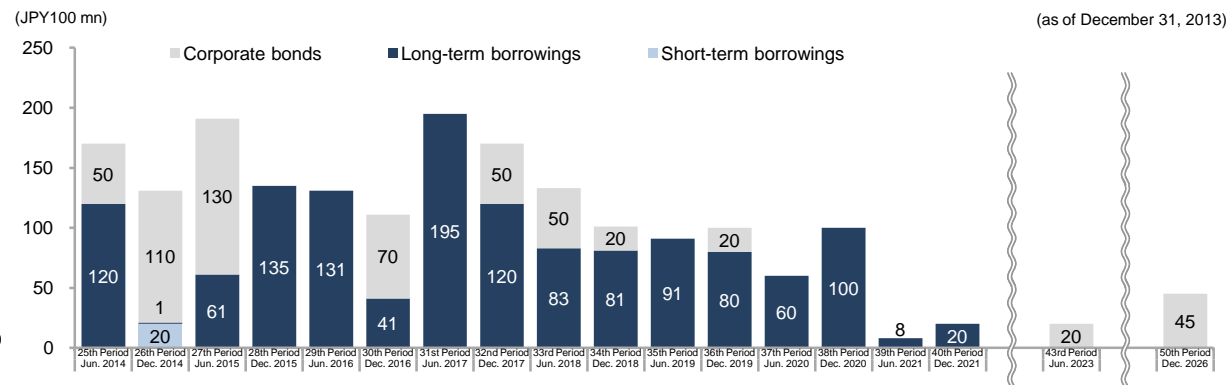
(Note3) The investment corporation bonds as of February 5, 2014 were issued in association with redemption of the Third Series of Investment Corporation Bonds (with a balance of JPY 5,000 million)

Changes in Average Maturity and Average Costs of Interest-Bearing Debts



(Note) Average interest-bearing debt costs = (Interest expenses + borrowing-related expenses + interest expenses for investment corporation bonds + investment corporation bond issuance costs) / balance of interest-bearing debt through the fiscal period

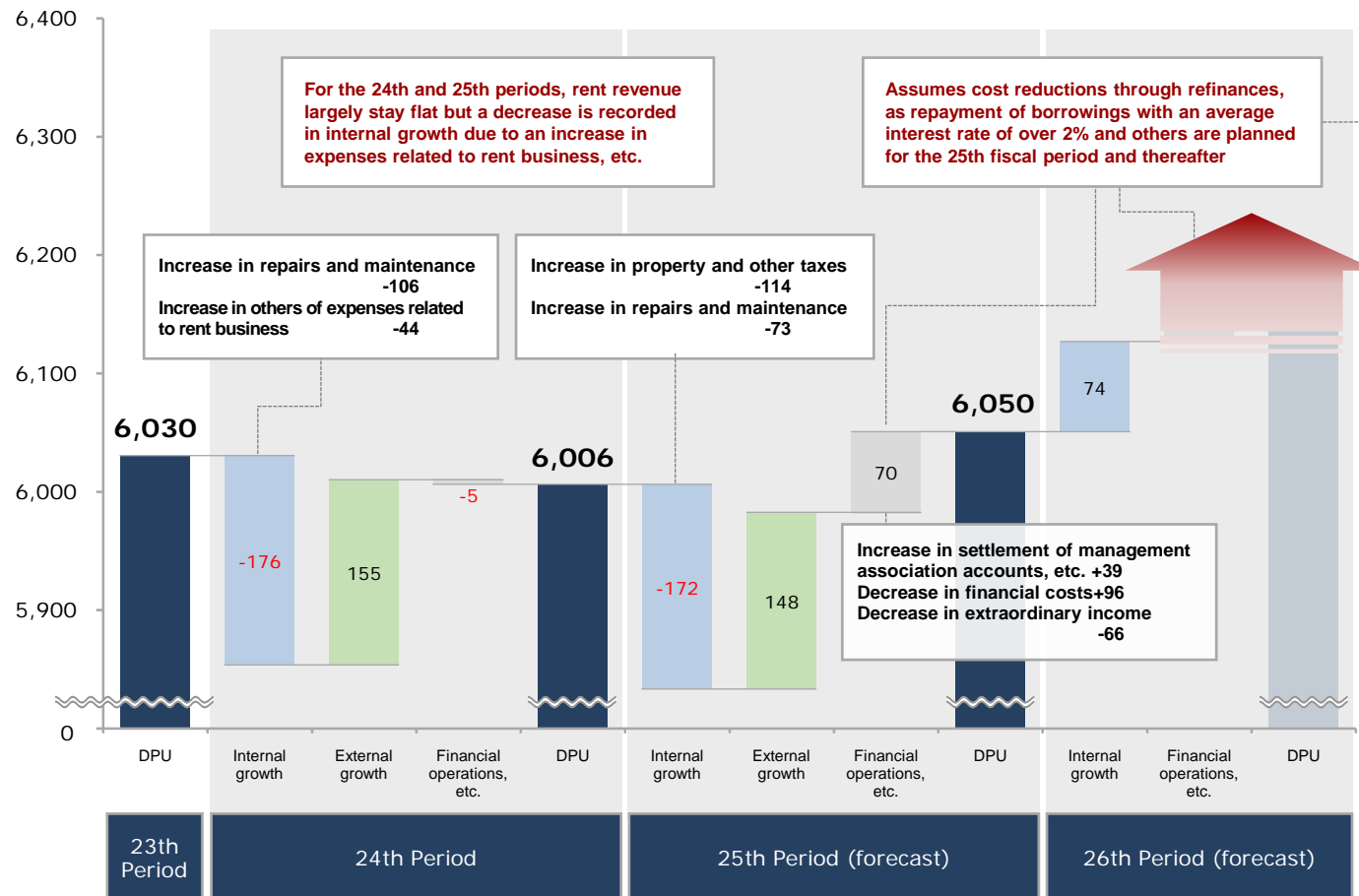
Diversification of Repayment Dates of Interest-Bearing Debts



Review of Distribution per Unit (DPU)

- While earnings from existing properties will apparently be nearing the bottom in the 25th fiscal period and thereafter, reductions in financial costs will effectively help increase distribution per unit
- In terms of change factors for internal growth, an increase in property and other taxes, utilities expenses, repairs and maintenance other costs will cause a negative impact, and JPR will continue to focus on thorough control of costs

Breakdown of Major Change Factors for Distribution per Unit (JPY)



Repayment and Redemption Amounts in the 25th Fiscal Period and Thereafter

Fiscal period	Repayment and redemption amount	Interest rate
25th Period	JPY16.9 bn	2.395%
26th Period	JPY11.0 bn	2.055%
Total and average	JPY27.9 bn	2.261%

Simulation through Refinancing

Contribution throughout the two fiscal periods for the 25th and 26th periods

Assumed interest rate for refinancing	Contribution to profits per period	Distribution per unit
1.6%	+JPY0.17 bn	+206 yen
1.4%	+JPY0.19 bn	+234 yen
1.2%	+JPY0.22 bn	+262 yen
1.0%	+JPY0.24 bn	+289 yen

(Note) The above simulation is a result of simple calculations under assumptions based on JPR's results, and JPR does not assure its accurateness and certainty.



Characteristics of JPR

Characteristics of JPR

Portfolio

A large-scale REIT with a portfolio of office and urban retail properties

- Portfolio size: JPY **404.7** billion (based on acquisition price)
- Property diversification
 - [By area] Tokyo: **83%**, Other Cities: 17%
→ Enhancing growth potential
 - [By asset class] Office: **76%**, Retail: 24%
→ Enhancing stability
 - [By size] Very large: **41%**, Large: 27%, Medium-sized: 32%
→ Securing opportunities for growth
- Established a portfolio with enhanced profitability through diversification in each aspect
NOI yield: **4.4%** office properties in Central Tokyo: **3.6%**
others: **5.2%**

External Growth

Investment strategy that utilizes multiple pipelines

- Multiple pipelines
 - (1) Main sponsor
 - (2) Other sponsors
 - (3) Preferential negotiation rights
 - (4) Information from external sources

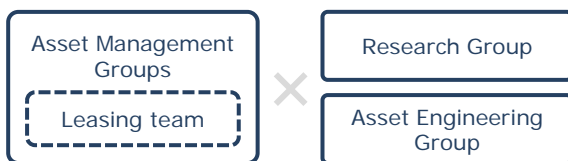
Acquisition from sponsors, etc.: **50%**
Acquisition from third parties: **50%**
- Achievements in acquiring **major properties** developed by Tokyo Tatemono, the main sponsor (such as Otemachi Tower (Land with Leasehold Interest))
- **Have steadily acquired properties in each fiscal period since listing in 2002** (except for 2011 when the Great East Japan Earthquake broke out)
- Of the portfolio, approximately 57% totaling 229.1 billion yen (based on acquisition price) are co-owned properties, etc., for most of which JPR has preferential negotiation rights

Stable Growth of Distributions and Enhancement of Asset Value Enhance Investment Value of Unitholders

Internal Growth

Operation management through comprehensive capabilities of respective special groups within the Asset Manager

- Maintains stable occupancy rate since listing **95.7%** (past average)
- Established a leasing **system under the initiative of the Asset Manager**
- The Asset Manager has formed **special groups for leasing, research and asset engineering** on top of the asset management group



Financial Strategy

Conservative control of LTV and shift to long-term, fixed interest rate debts

- Policy to conservatively manage LTV **50%** or less (target)
- High-level credit ratings R&I: **AA-** S&P: **A**
- Stable bank formation Borrowings from **30** financial institutions
- Dynamic and flexible issuance of investment corporation bonds
19 series of bonds issued to date
- Consistent fund procurement policy through long-term, fixed interest rate debts
Ratio of long-term, fixed interest rate debts: **97.2%**
Average maturity: **3.5** years

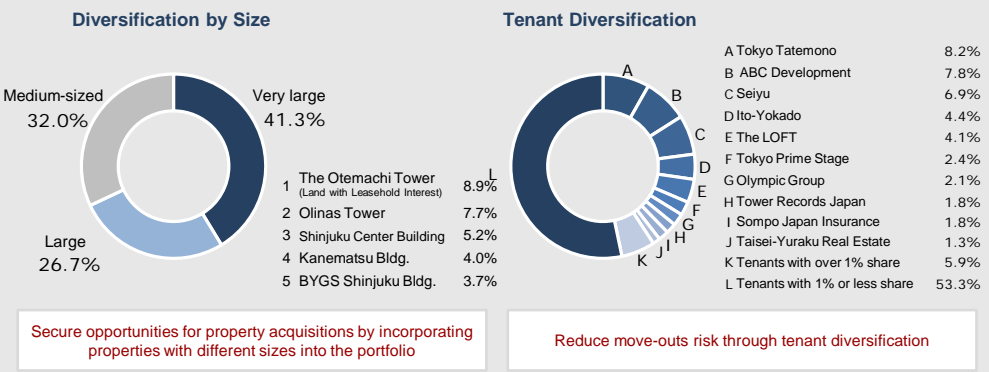
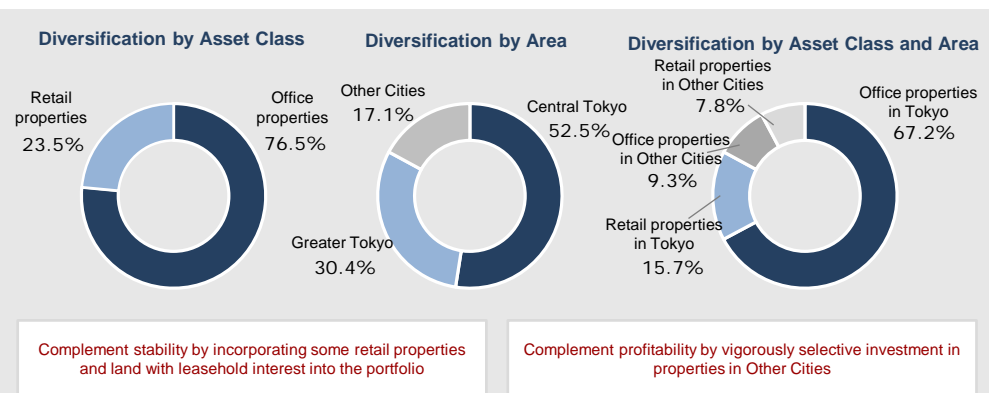
Establishment of Portfolio that Enhances Growth Potential and Profitability

■ Makes the best of management advantages of a compound portfolio, achieving management returns that are among the highest of J-REITs mainly investing in office properties

Overview of Portfolio

No. of properties	Leasable space	No. of tenants	Occupancy rate	NOI yield	After-depreciation yield
62 properties	470,000㎡	610 tenants	96.5%	4.4%	3.5%

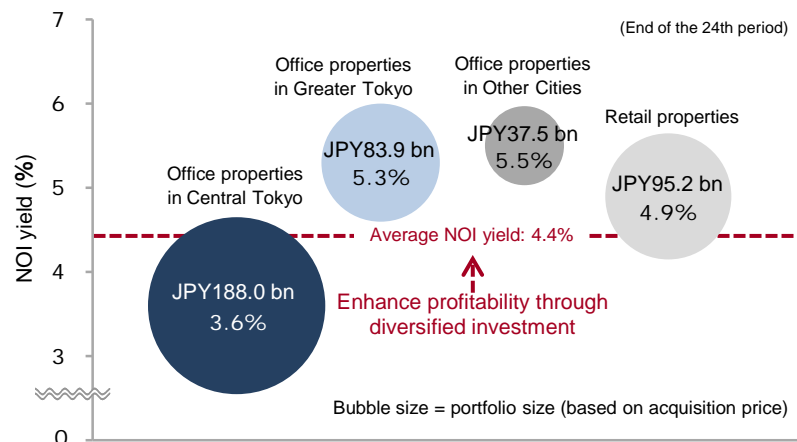
Enhanced Stability through Diversification



(Note) All figures are as of the end of the 24th fiscal period, and the investment ratios represent the ratios based on the acquisition price (while tenant diversification is based on leased space).

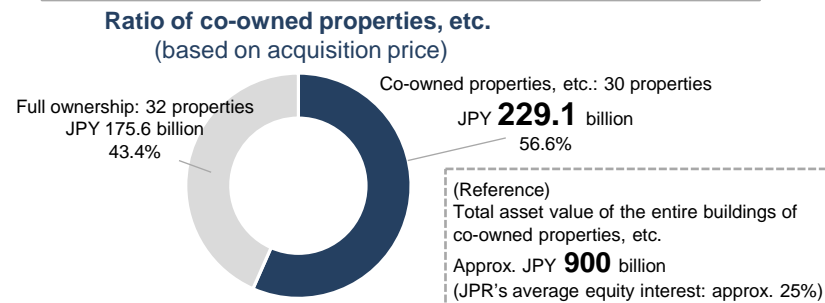
Portfolio that Enhances Growth Potential and Profitability

While enhancing growth potential through investment in office properties in Tokyo, enhance profitability through diversified investment in office properties in Other Cities and retail properties



Growth Potential through Preferential Negotiation Rights

JPR owns preferential negotiation rights for most of the co-owned properties, etc. that occupy approx. 57% of the portfolio

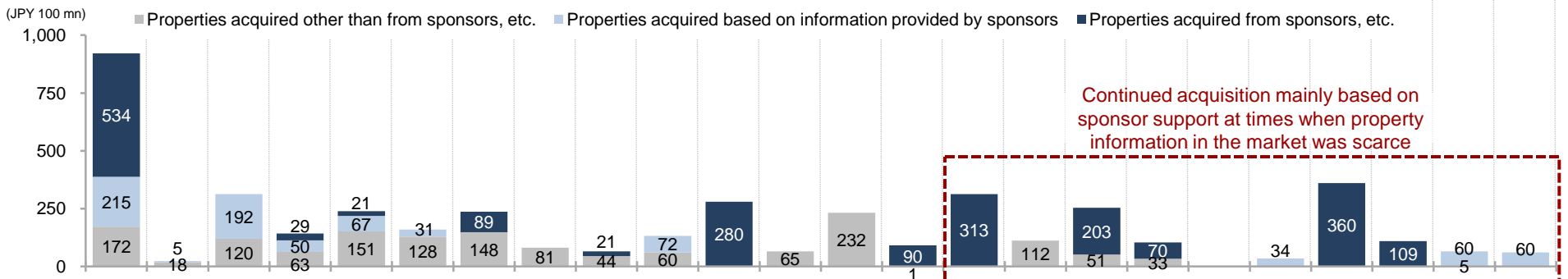
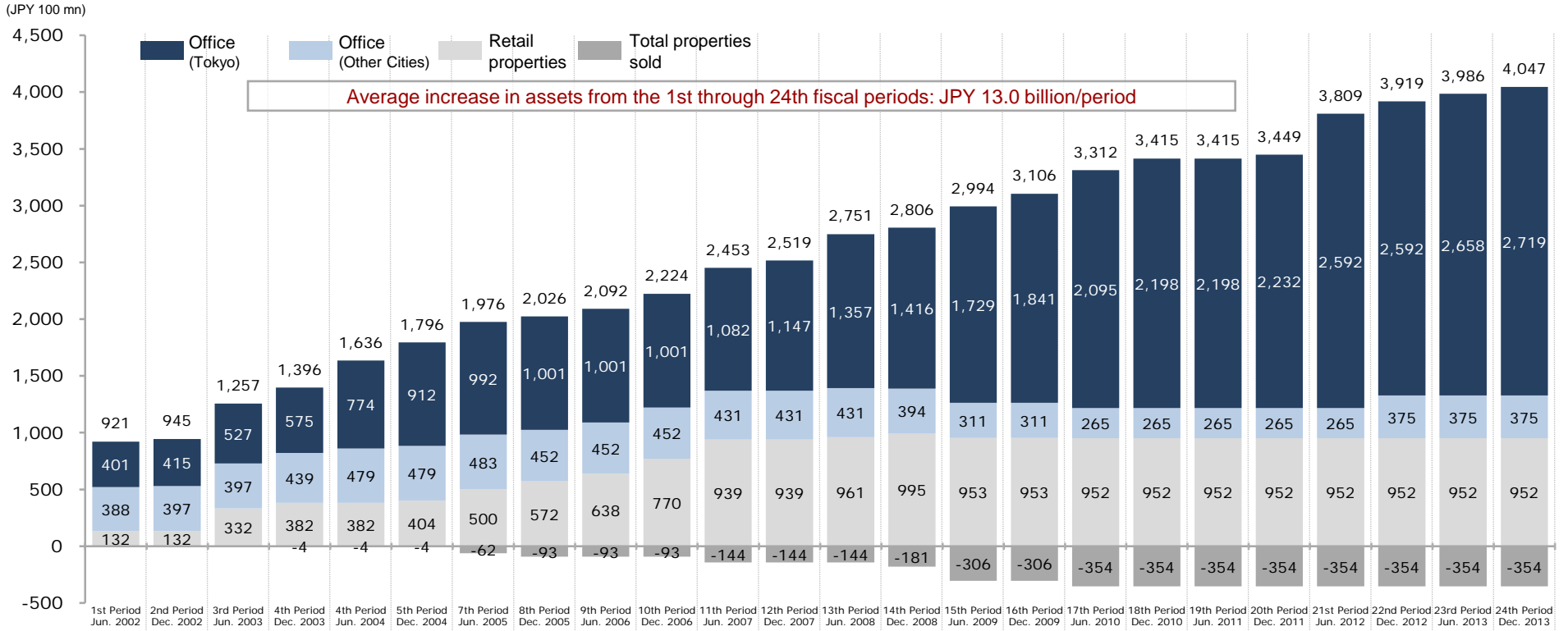


(Note)

The total asset value of the entire buildings represents the sum total of the values (converted to acquisition prices) of the entire buildings of respective co-owned properties, etc. owned by JPR, estimated after its equity interests and preferential negotiation rights, etc. in each of them.

Steady External Growth Achieved since Listing

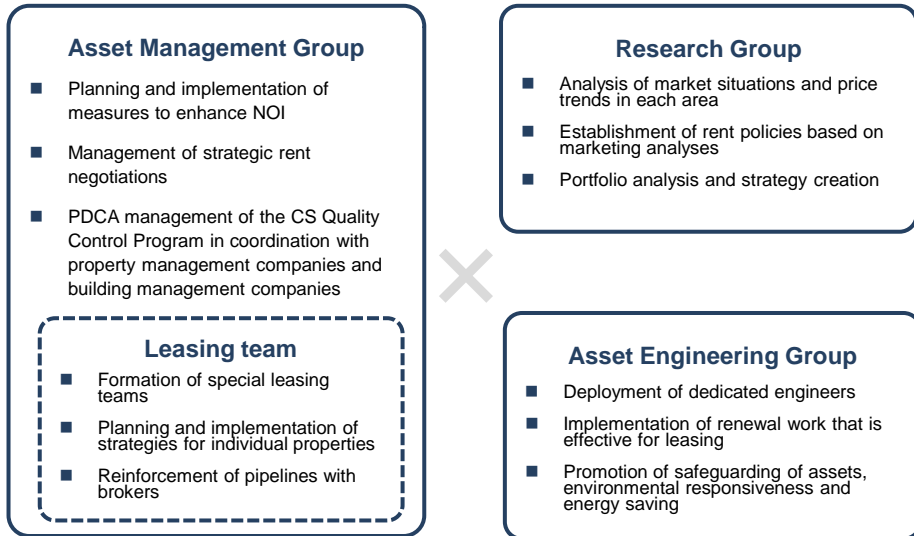
History of Growth of Portfolio Size



Operation Management through Comprehensive Capabilities of Respective Special Groups within the Asset Manager

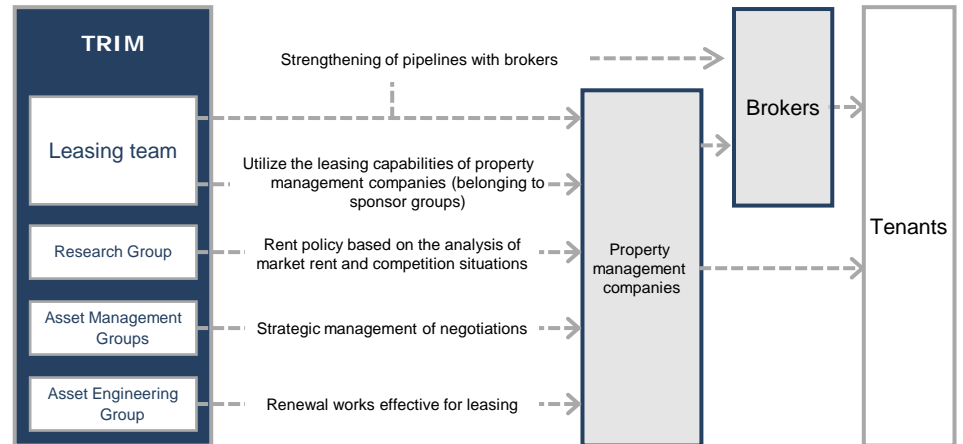
Functions of Respective Special Groups of the Asset Manager

Groups and teams organized by Tokyo Realty Investment Management, Inc. (TRIM)



Endeavors on Leasing under TRIM's Initiative

Established a leasing system under the initiative of the Asset Manager by enhancing expertise of respective operations that are directly connected to leasing
 The leasing team works to enhance its leasing capabilities by strengthening direct pipelines with brokers while taking advantage of leasing abilities of the sponsor groups through close coordination with property management companies



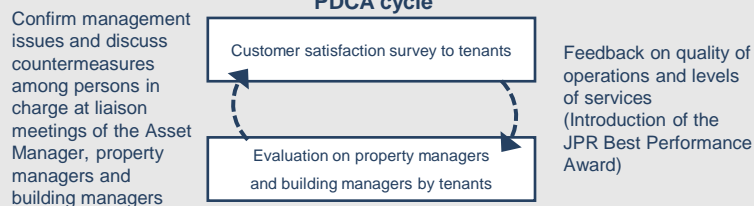
Initiatives to Improve Customer Satisfaction

Based on the quality control program, TRIM periodically conducts customer satisfaction surveys to tenants, and works to handle matters to be improved and issues requested by tenants.

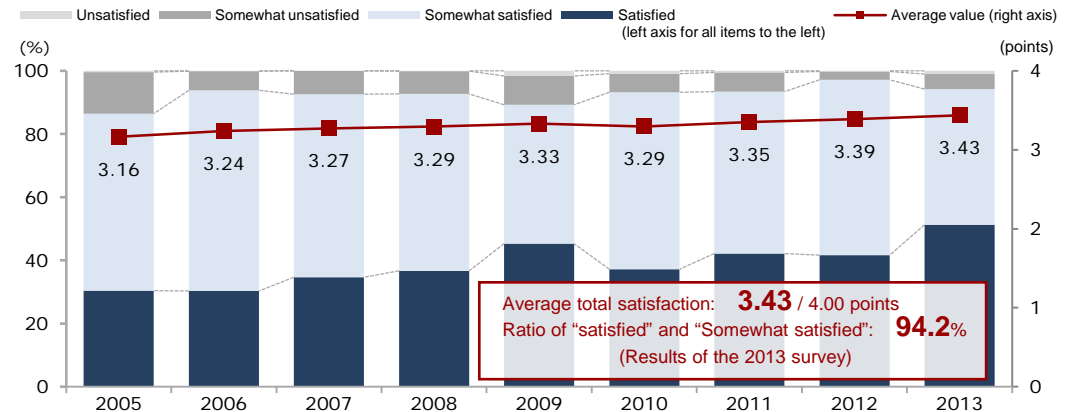
[Survey items]

- Status of environmental preservation
- Status of cleaning
- Tenant services by property managers and building managers
- Disaster/crime prevention
- Emergency responses
- Other matters on operations in general

PDCA cycle



Changes in Tenant Satisfaction in Customer Satisfaction Surveys



Proactive Initiatives on Environmental Friendliness

■ JPR has proactively conducted environmental-friendly management operations, including effective reduction of energy costs and enhancement of greening in consideration of urban environment, and have received certain recognition from external organizations.

Acquisition of DBJ Green Building Certification

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

<p>Properties with exceptionally high environmental & social awareness</p>	<p>Olinas Tower</p>	<p>Yakuin Business Garden</p>
<p>Properties with excellent environmental & social awareness</p>	<p>JPR Sendagaya Bldg.</p>	<p>Shinagawa Canal Bldg.</p>
<p>Properties with high environmental & social awareness</p>	<p>JPR Crest Takebashi Bldg.</p>	<p>BYGS Shinjuku Bldg.</p>
<p>Properties with sufficient environmental social awareness</p>	<p>JPR Nihonbashi-horidome Building</p>	<p>Kanematsu Bldg.</p>

DBJ Green Building Certification

DBJ awards five levels of certification, namely Platinum, Gold, Silver, Bronze and Certified, in accordance with the degrees at which office buildings have environmental and social awareness.

Continuous Participation in GRESB Survey

Participated in the GRESB Survey, which evaluates and analyzes environmental considerations and sustainability, since 2011 and has obtained a certain appreciation for the endeavors

Established 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

Participated in by real estate companies, investment funds and other players from various countries of the world

Region	Participants	Assets	Value	Green Stars
Global	19	3,558	62 USD Billion GAV	62
Europe	292	26,858	662 USD Billion GAV	22
North America	115	15,390	287 USD Billion GAV	21
Asia	74	1,528	107 USD Billion GAV	18
Africa	2	254	6 USD Billion GAV	0
Australia/New Zealand	42	1,129	111 USD Billion GAV	29
South America	8	122	3 USD Billion GAV	0

Members

Investor, Manager and Company Members

GRESB Survey

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.

Sponsor Support



Entrust the asset management



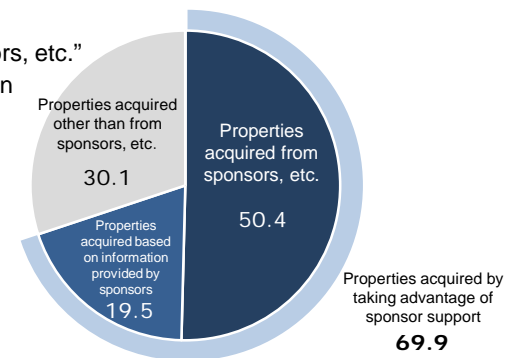
- Support on human resources through dispatching personnel to TRIM and other measures
- Provision of know-how on real estate management in general, including tenant leasing and technical support
- Supply of properties and provision of information on property acquisitions
- Fund procurement support including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



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



Ratio of Properties Acquired by Taking Advantage of Sponsor Support

The ratio of “properties acquired from sponsors, etc.” and “properties acquired based on information obtained from the sponsors” stands 69.9% (on an acquisition price basis) of the entire portfolio



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

Major Properties Acquired from Respective Sponsors, Etc.

 <p>Tokyo Tatemono Co., Ltd.</p>	 <p>Otemachi Tower (land with land leasehold)</p>	 <p>Olinas Tower</p>	 <p>Kawasaki Dice Bldg.</p>
 <p>Taisei Corporation</p>	 <p>Rise Arena Bldg.</p>	 <p>Yurakucho Ekimae Bldg. (Yurakucho Itocia)</p>	 <p>Shinjuku Sanhome East Bldg.</p>
 <p>Meiji Yasuda Life Insurance Company</p>	 <p>JPR Ningyocho Bldg.</p>	 <p>JPR Hakata Bldg.</p>	 <p>Tanashi Asta</p>
 <p>Sompo Japan Insurance Inc.</p>	 <p>Sompo Japan Sendai Bldg.</p>	 <p>Yasuda Real Estate</p>	 <p>JPR Crest Takebashi Bldg.</p>

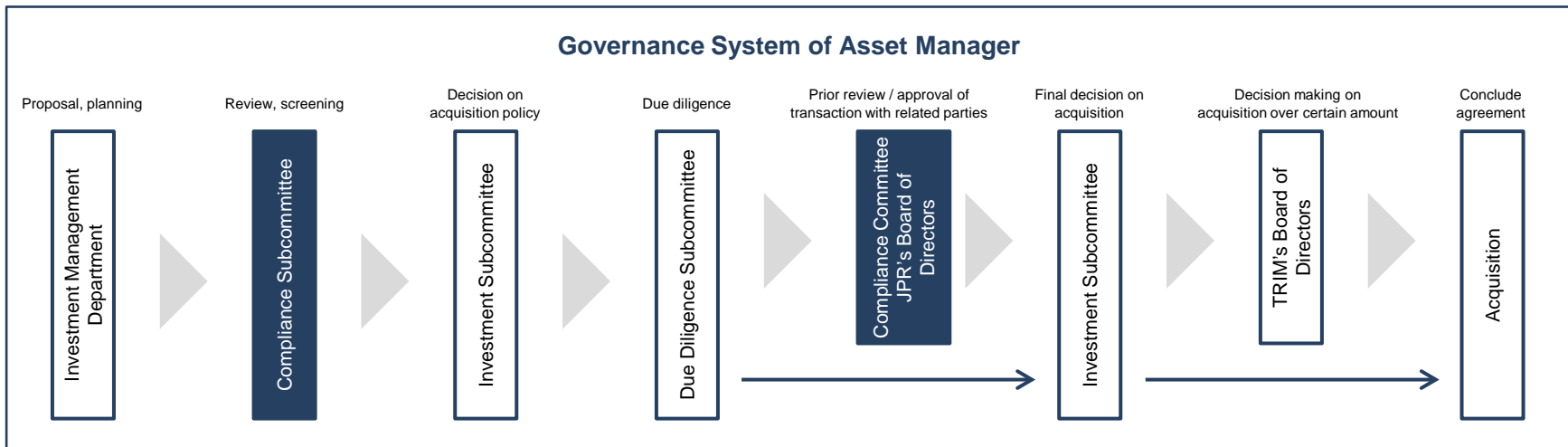
Governance System Established with Focus on Independence

- Securing independence of JPR's Executive Officer
 - Not only the supervising officers but also the executive officer of JPR (investment corporation) is **banned from concurrently serving as directors of the Asset Manager**. Human resources with high expertise, such as attorneys and accountants, have been appointed as the officers so that the independence of JPR is firmly secured.

- Independence of Asset Manager from Sponsors
 - The sponsors comprise five companies, with the shareholder composition of the largest equity holder (Tokyo Tatemono) standing at 40%. As such, **the structure allows mutual checks among the sponsors**.
 - TRIM President and CEO has assumed office after having **his employment transferred to TRIM, instead of being seconded from the sponsor company he belonged to**.
 - **The position of Compliance Office general manager** in charge of internal control is assumed by a **career employee**.
 - With a high proportion of career employees, the personnel structure of TRIM also serves to help secure independence as an asset manager.

- Decision Making Based on Stringent Processes
 - Property acquisitions from the sponsors are screened and verified by the Compliance Committee, in which an outside attorney participates as a special member. **The Committee employs unanimous vote, not majority vote, for approvals in principle**.

Concurrent Services as Directors of Asset Managers and Executive Officers of Investment Corporations among J-REITs
(as of December 31, 2013)





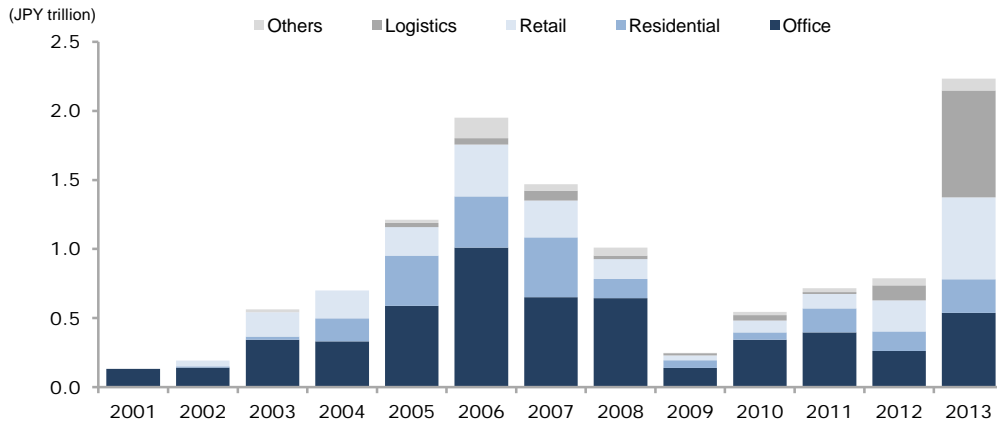
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Appendix

Demand and Supply of Blue-Chip Properties in the Transaction Market Grew Tighter

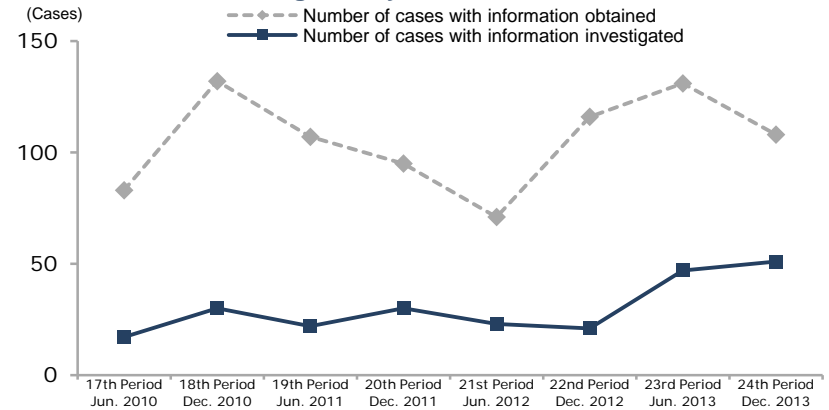
- Property acquisition values by J-REITs has shown an expanding trend, with an increasing trend in the acquisitions of retail properties and logistics facilities, etc.
- Information on superior office properties in Tokyo has remained to be limited, resulting in a relative increase in the ratio of retail properties as well as office properties in regional cities investigated

Changes in Acquisition Values by J-REITs by Property Type

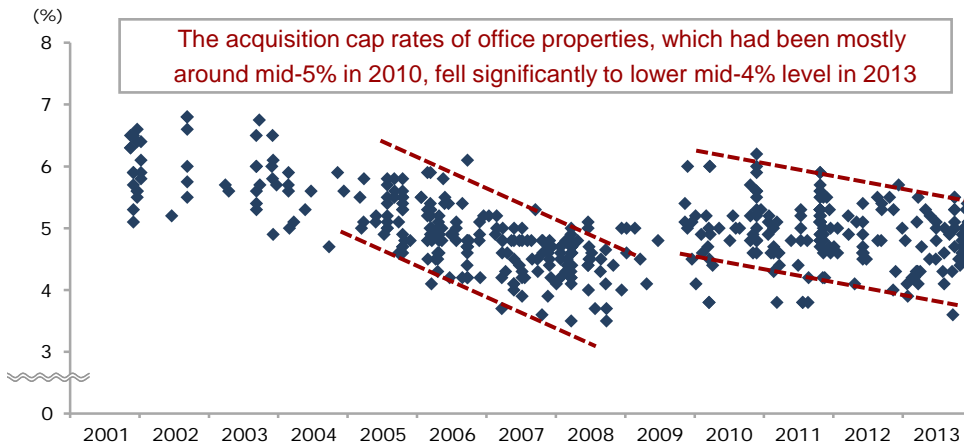


(Note) Prepared by TRIM based on the data publicized by The Association for Real Estate Securitization (ARES)

Changes in Number of Cases with Property Information Obtained and Investigated by TRIM

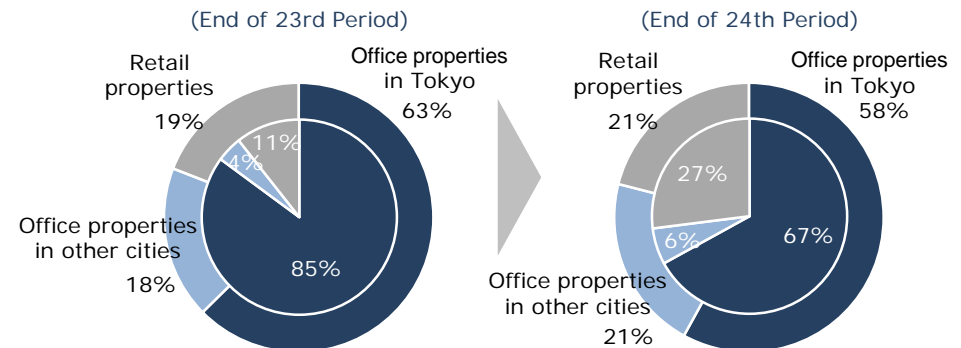


Changes in Acquisition Cap Rates of Office Properties in Tokyo (J-REITs)



(Note) The indicated cap rates are for the office properties located in 23 Wards of Tokyo and acquired by J-REITs, and have been prepared by TRIM based on the press releases by respective J-REITs.

Changes in Number of Cases with Property Information Obtained and Investigated by TRIM

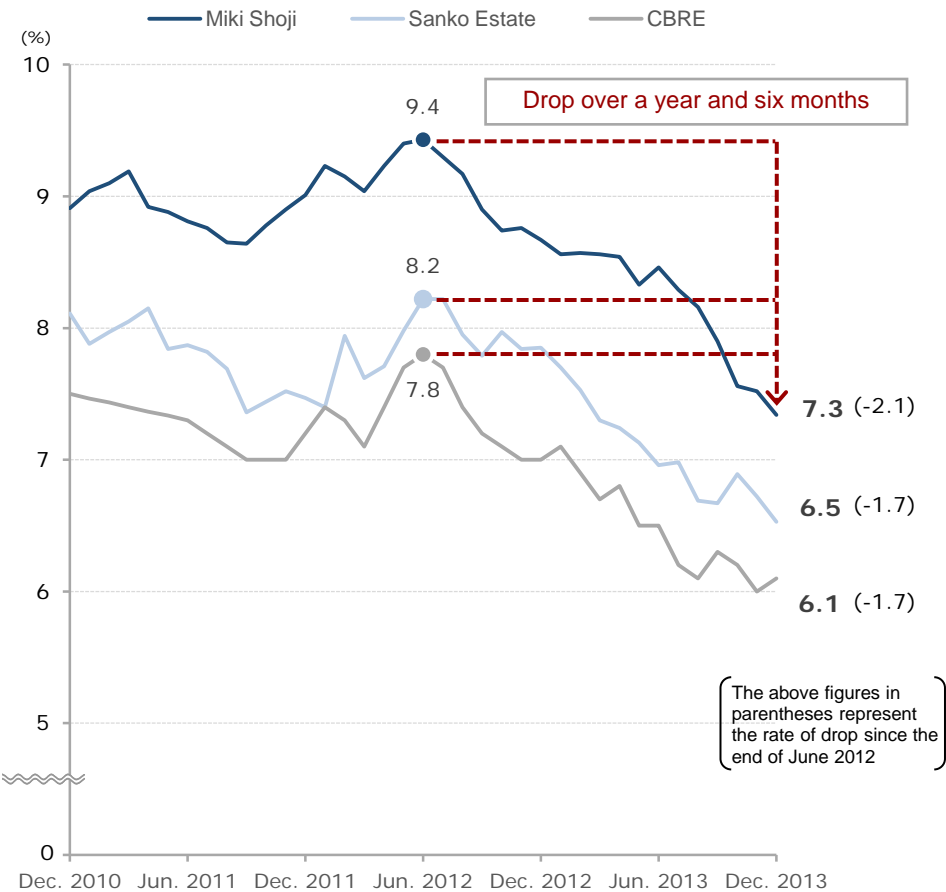


Outer ring: number of cases with information obtained
Inner ring: number of cases with information investigated

Vacancy Rate of Office Properties Remained on a Downward Trend

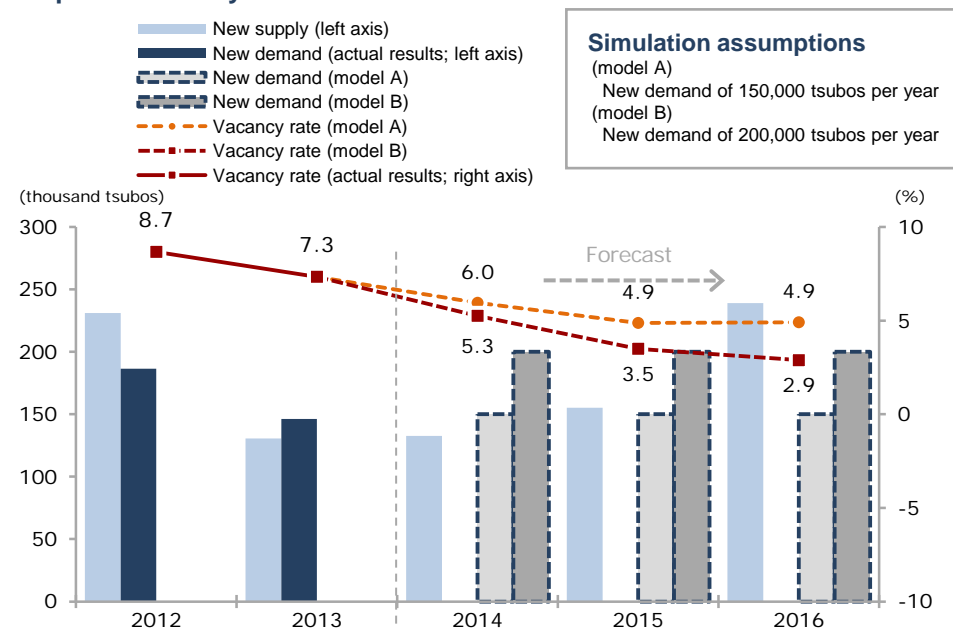
■ The vacancy rate of office properties in Tokyo took a downward turn after peaking at the end of June 2012, and has fallen sharply since July 2013 due to restraint on new supply

Changes in Vacancy Rate of Office Properties in Tokyo

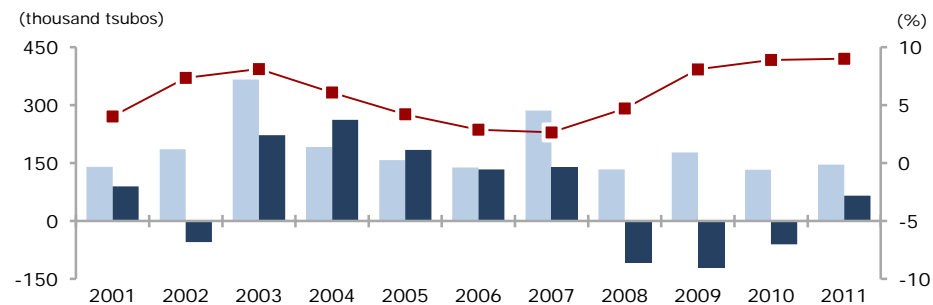


(Note) Prepared by TRIM based on the figures for the five central wards of Tokyo announced by respective companies.

Changes in Supply and Demand Trend and Vacancy Rate of Office Properties in Tokyo



(Actual results for 2001 through 2011)



(Note) Actual results through 2013 are based on the Office Report (Tokyo CBDs) published by Miki Shoji Co., Ltd., and new supply as well as new demand (model A and model B) and vacancy rate (model A and model B) in 2014 and thereafter have been prepared based on surveys and simulations conducted by TRIM.

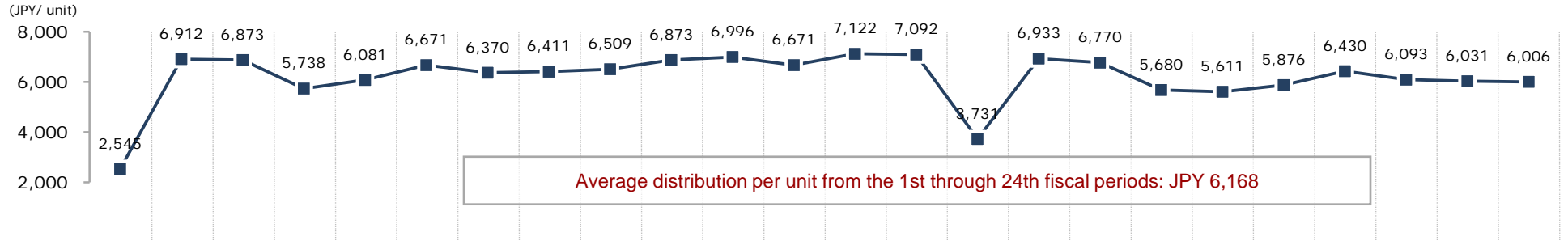
Fund Summary

	23rd Period Jun. 2013	24th Period Dec. 2013
1 Operating revenue	13,278 mn yen	13,591 mn yen
2 Rent revenue – real estate	13,278 mn yen	13,591 mn yen
3 Expenses related to rent business	6,208 mn yen	6,534 mn yen
4 Profits	7,070 mn yen	7,056 mn yen
5 Depreciation	1,883 mn yen	1,869 mn yen
6 Net income	4,974 mn yen	4,954 mn yen
7 Total assets	409,715 mn yen	413,974 mn yen
8 Short-term loans payable	- mn yen	2,000 mn yen
9 Long-term loans payable	130,658 mn yen	133,259 mn yen
10 Investment corporation bonds	56,500 mn yen	56,500 mn yen
11 Capital expenditure	594 mn yen	845 mn yen
12 Net assets	197,116 mn yen	197,095 mn yen
13 Unitholders' capital	192,044 mn yen	192,044 mn yen
14 NOI	8,953 mn yen	8,925 mn yen
15 NOI yield (based on acquisition price)	4.5%	4.4%
16 NOI yield (based on book value)	4.7%	4.5%
17 NOI yield (based on appraisal value)	4.9%	4.7%
18 Implied cap rate	4.2%	3.9%
19 FFO (annualized)	13,830 mn yen	13,534 mn yen
20 AFFO	6,263 mn yen	5,977 mn yen
21 EBITDA	8,268 mn yen	8,237 mn yen
22 DSCR	6.3 times	6.1 times
23 LTV (based on total assets)	45.7%	46.3%
24 LTV (based on gains or losses from valuation)	48.1%	48.0%
25 LTV (based on unitholders' capital)	49.4%	50.0%
26 Ratio of long-term interest-bearing debts	98.2%	97.2%
27 Average interest rate of interest-bearing debts	1.57%	1.53%
28 Average maturity of interest-bearing debts	3.3 years	3.5 years

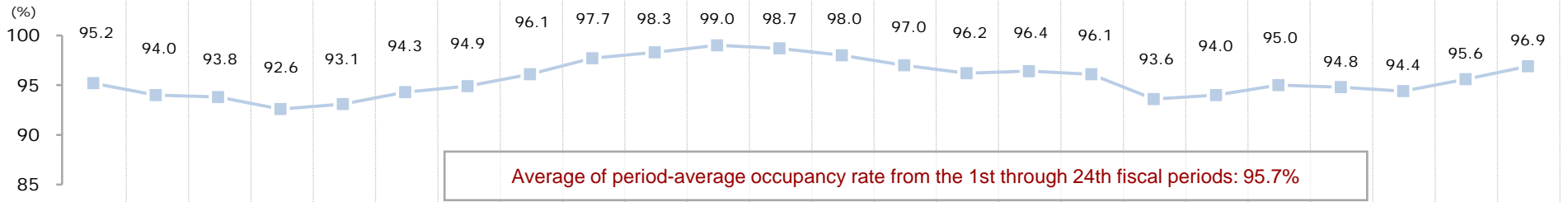
	23rd Period Jun. 2013	24th Period Dec. 2013
29 Number of units outstanding	825,000 units	825,000 units
30 Total cash distributions	4,975 mn yen	4,954 mn yen
31 Distribution per unit (fiscal period)	6,031 yen	6,006 yen
32 Distribution per unit (annualized)	12,161 yen	11,914 yen
33 Net assets per unit	238,929 yen	238,903 yen
34 FFO per unit (annualized)	16,764 yen	16,405 yen
35 AFFO payout ratio	79.4%	82.9%
36 Investment unit price (immediately before the ex-rights date)	281,100 yen	326,500 yen
37 PER	23.12 times	27.41 times
38 FFO multiple	16.77 times	19.90 times
39 PBR	1.18 times	1.37 times
40 Distribution yield (%)	4.3%	3.6%
41 NAV	171,268 mn yen	177,909 mn yen
42 NAV per unit	207,597 yen	215,648 yen
43 NAV multiple	1.4 times	1.5 times
44 Appraisal value	365,214 mn yen	376,995 mn yen
45 Book value	386,086 mn yen	391,225 mn yen
46 Unrealized gains or losses	-20,872 mn yen	-14,230 mn yen
47 PML value	3.4%	3.5%
48 Acquisition price	398,640 mn yen	404,720 mn yen
Next fiscal period (forecast)		
49 Operating revenue	13,470 mn yen	13,630 mn yen
50 Net income	4,785 mn yen	4,991 mn yen
51 Distribution per unit (fiscal period)	5,800 yen	6,050 yen
52 Distribution per unit (annualized)	11,505 yen	12,200 yen

Track Records of JPR

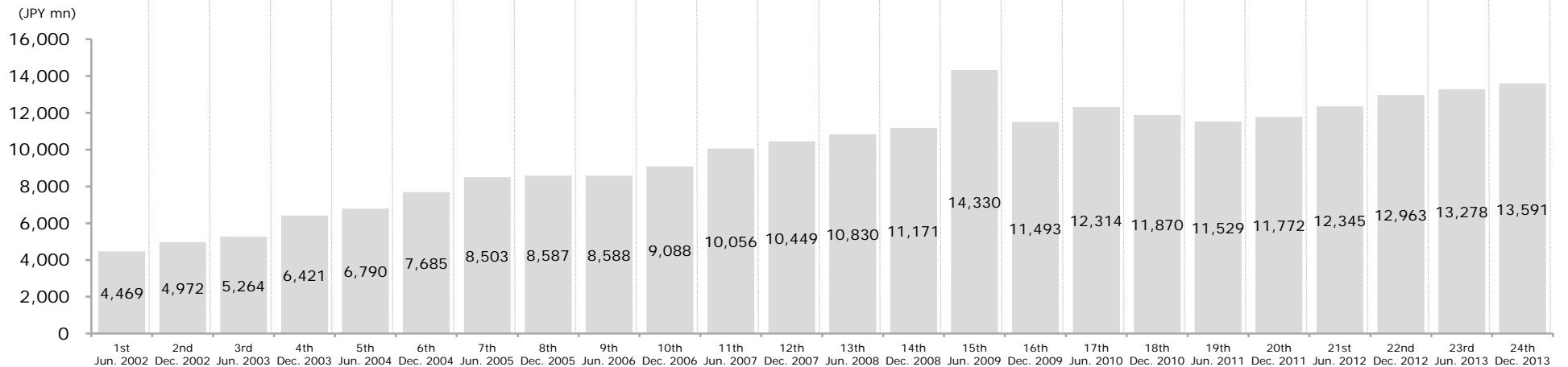
Changes in Distribution per Unit



Changes in Average Occupancy Rate

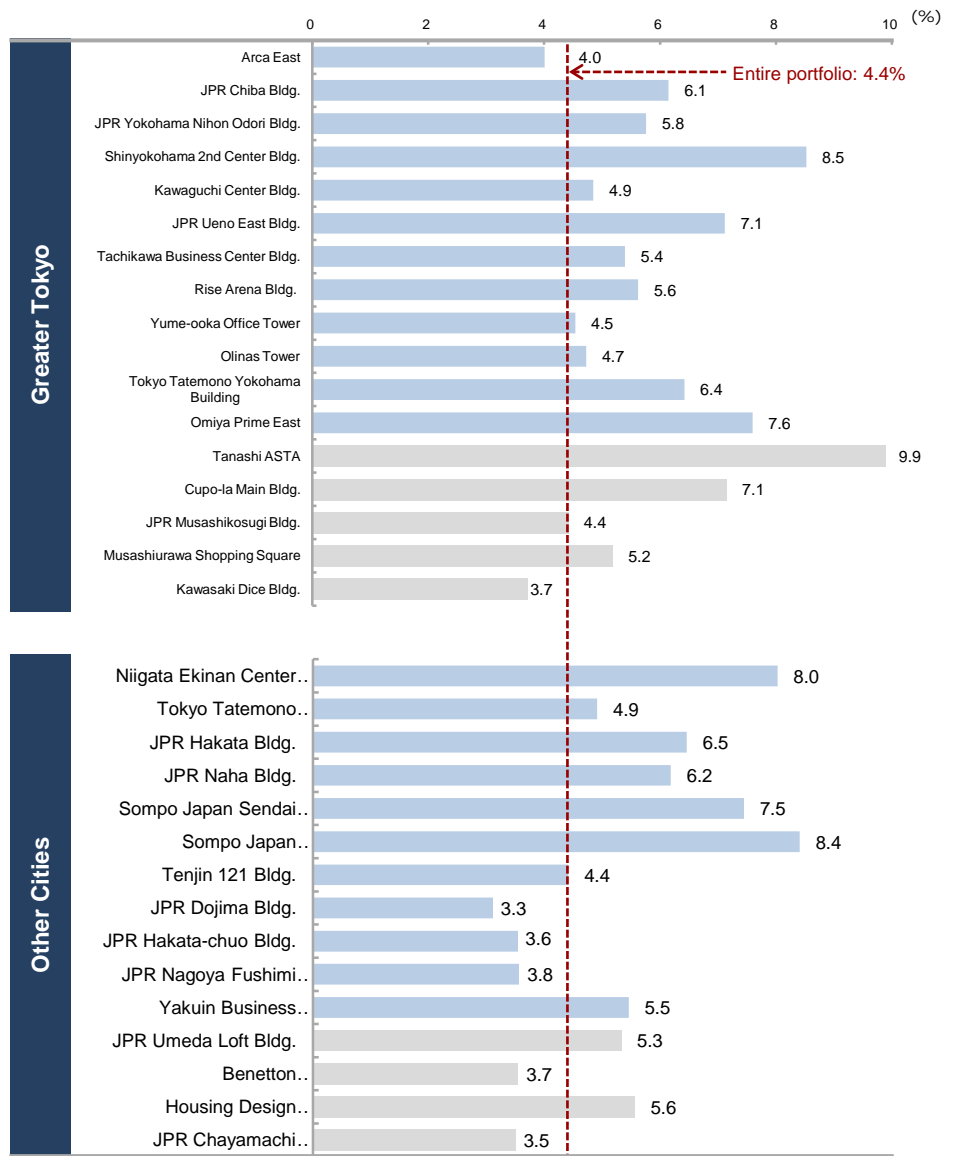
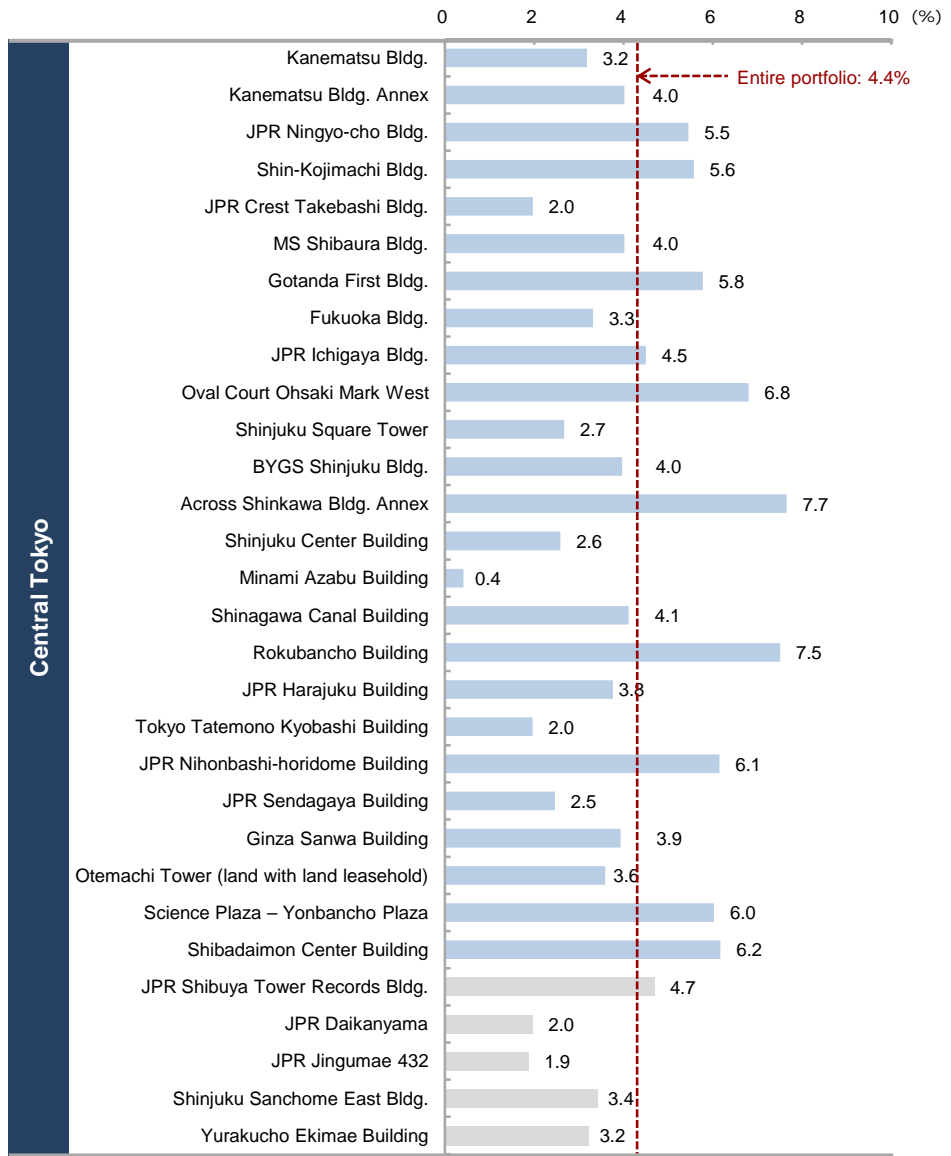


Changes in Operating Revenue

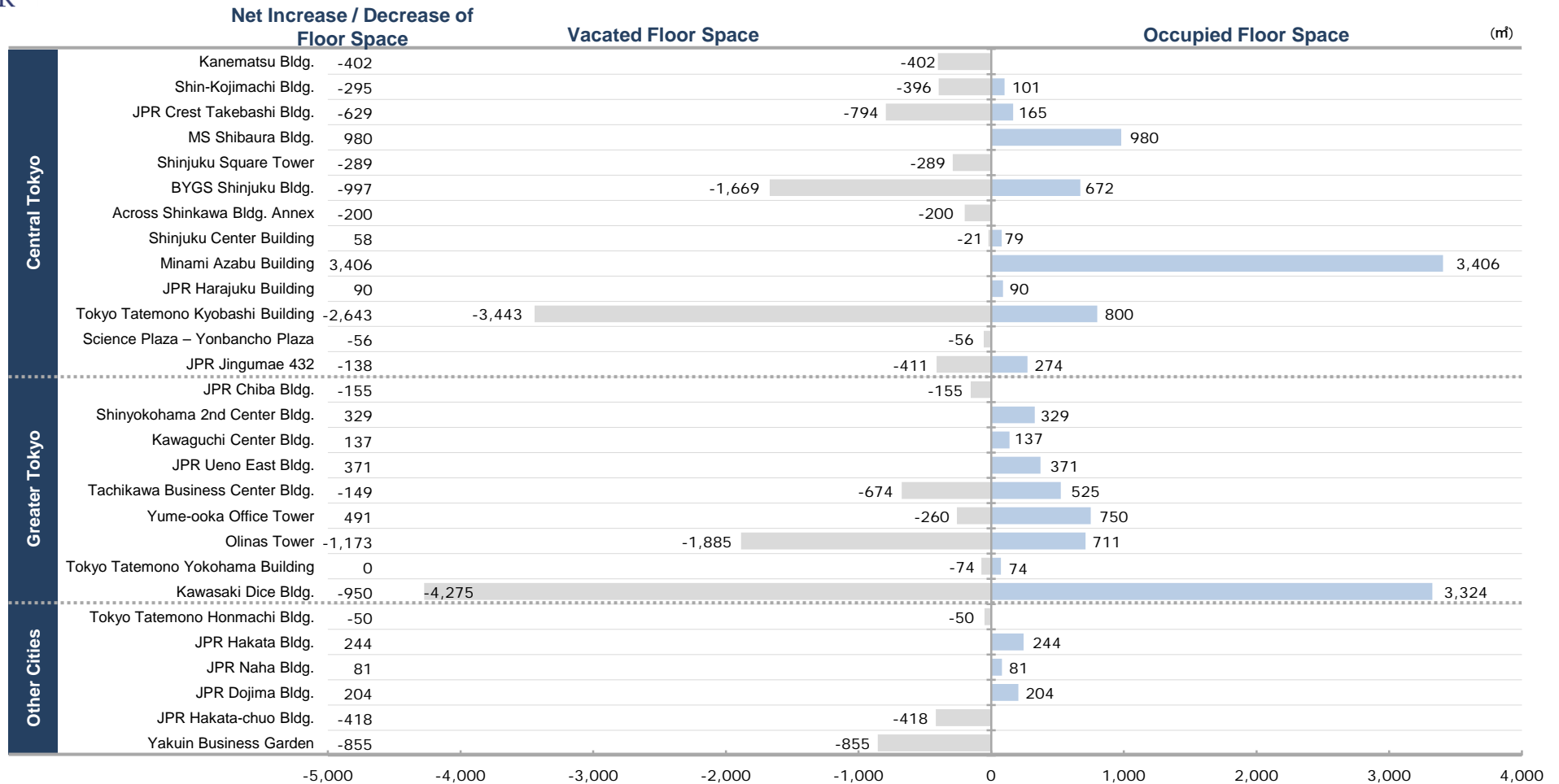


NOI Yield by Property (24th Fiscal Period)

Portfolio NOI: 4.4% Office building NOI: 4.3% Retail property NOI: 4.9%



Contracting Status of Tenants by Property (24th Fiscal Period)



(Note 1) The above graphs exclude properties at which there were no changes in tenants during the 24th fiscal period, but include changes in tenants from the amendment of lease contracts, etc.

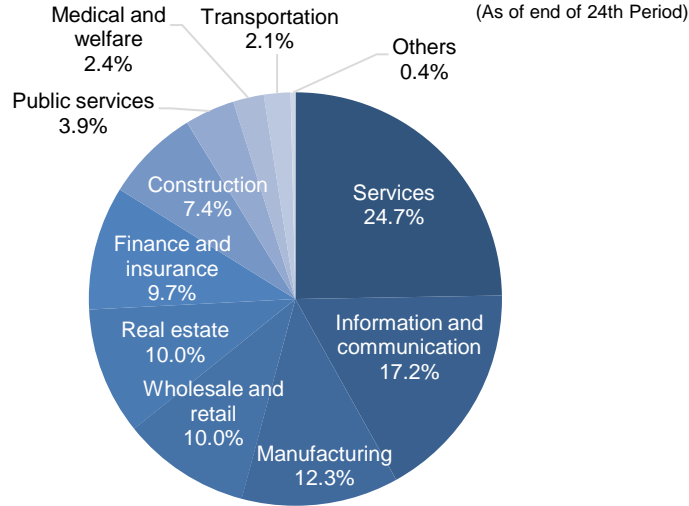
(Note 2) The changes in occupied and vacated floor spaces at Kawasaki Dice Bldg. were due to a change in the contract format (changed from blanket contract to individual contract for the first through third floors)

	Occupied Floor Space (㎡)	Vacated Floor Space (㎡)	Net Increase / Decrease of Floor Space (㎡)
Office (Central Tokyo)	6,293	7,214	-921
Office (Greater Tokyo)	3,172	3,458	-286
Office (Other cities)	529	1,323	-794
Retail	3,324	4,331	-1,007
Total	13,319	16,326	-3,007
(When excluding Kawasaki Dice Bldg.)	(9,994)	(12,051)	(-2,057)

Status of Tenant Diversification in the 24th Fiscal Period

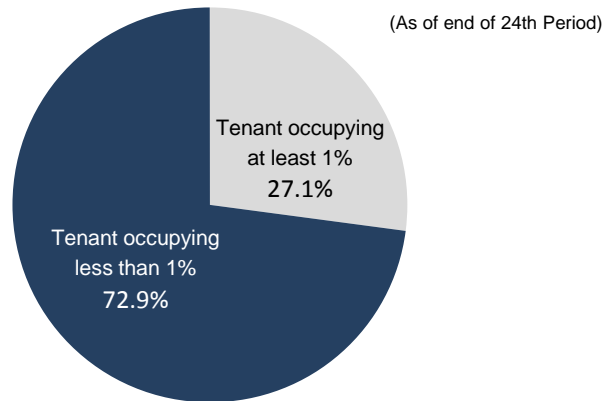
Tenant Ratio by Industry

(Office Properties Only, Based on Leased Floor Space)



Ratio of Tenants Occupying at Least 1% Each

(Office Properties Only, Based on Leased Floor Space)



(Note) "Tenant Ratio by Industry" indicates the ratios of total leased spaces by relevant category to the total leased spaces of respective properties comprising the portfolio. "Ratio of Tenants Occupying at Least 1% Each" indicates the ratios of total leased spaces by tenants occupying at least 1% and less than 1% each, respectively, to the total leased spaces of office properties. Furthermore, with regards to tenants conducting sublease, the ratio is calculated based on the floor spaces subleased to their sublessees.

20 Largest Tenants (Based on Leased Floor Space)

Rank	Office Rank	Tenant Name	Name of Occupying Property	Use	Leased Space at End of 24th Period (m ²)	Ratio to Total Leased Space at End of Period
1	1	Tokyo Tatemono Co., Ltd.	Shinjuku Square Tower	Office	37,166.37	8.2
			Shinjuku Center Building	Office		
			Olinas Tower	Office		
			Kawasaki Dice Bldg.	Retail		
			Tokyo Tatemono Honmachi Bldg.	Office		
2	-	ABC Development Corporation	Housing Design Center Kobe	Retail	35,444.13	7.8
3	-	Seiyu GK	Tanashi ASTA	Retail	31,121.71	6.9
4	-	Ito-Yokado Co., Ltd.	JPR Musashikosugi Bldg.	Retail	19,740.95	4.4
5	-	The LOFT Co., Ltd.	JPR Umeda Loft Bldg.	Retail	18,586.97	4.1
6	2	YK Tokyo Prime Stage	Otemachi Tower (land with land leasehold)	Office	11,034.78	2.4
7	-	Olympic Group Corporation	Musashirawa Shopping Square	Retail	9,558.51	2.1
8	-	Tower Records Japan Inc.	JPR Shibuya Tower Records Bldg.	Retail	8,076.85	1.8
9	3	Sompo Japan Insurance Inc.	Kawaguchi Center Bldg.	Office	7,941.96	1.8
			Yume-ooka Office Tower			
			Sompo Japan Sendai Bldg. Sompo Japan Wakayama Bldg.			
10	4	Taisei-Yuraku Real Estate Co.,Ltd.	Rise Arena Bldg.	Office	6,023.39	1.3
11	-	The Maruetsu, Inc.	Cupo-la Main Bldg.	Retail	5,963.00	1.3
12	-	BENETTON JAPAN CO., LTD.	Benetton Shinsaibashi Bldg.	Retail	5,303.98	1.2
13	-	Nitori Holdings Co., Ltd.	Musashirawa Shopping Square	Retail	5,285.40	1.2
14	5	Level-5 Inc.	Shinagawa Canal Building	Office	5,146.03	1.1
			Yakuin Business Garden			
15	6	Hitachi Systems, Ltd.	JPR Nagoya Fushimi Bldg.	Office	4,904.64	1.1
16	7	ATM Japan, Ltd.	Olinas Tower	Office	4,255.56	0.9
17	8	CMIC HOLDINGS Co., Ltd.	Gotanda First Bldg.	Office	4,236.65	0.9
18	9	Canon Imaging Systems Inc.	Niigata Ekinan Center Bldg.	Office	4,078.97	0.9
19	10	Kajima Corporation	Omiya Prime East	Office	4,005.05	0.9
20	11	Mitsubishi Electric Information Systems Corporation	MS Shibaura Bldg.	Office	3,922.74	0.9
20	11	Deloitte Touche Tohmatsu LLC	MS Shibaura Bldg.	Office	3,922.74	0.9



Appraisal Value by Property for the 24th Fiscal Period

(JPY mn, %)

Property name	Acquisition Price	End of 23rd Period		Book Value at End of 24th Period	End of 24th Period		Change	
		Appraisal Value	Yield		Appraisal Value	Yield	Appraisal Value	Yield
Kanematsu Bldg.	16,276	11,700	4.3	14,768	11,700	4.2	-	-0.1
Kanematsu Bldg. Annex	2,874	2,250	4.7	2,447	2,280	4.6	30	-0.1
JPR Ningyo-cho Bldg.	2,100	2,200	5.0	1,968	2,260	4.9	60	-0.1
Shin-Kojimachi Bldg.	2,420	2,970	4.7	2,395	3,000	4.6	30	-0.1
JPR Crest Takebashi Bldg.	4,000	3,090	4.6	3,392	2,840	4.5	-250	-0.1
MS Shibaura Bldg.	11,200	11,300	4.9	10,997	11,000	4.9	-300	-
Gotanda First Bldg.	2,920	2,700	4.9	2,676	2,700	4.8	-	-0.1
Fukuoka Bldg.	2,920	2,790	4.5	2,912	2,790	4.5	-	-
JPR Ichigaya Bldg.	5,100	4,660	4.5	5,268	4,640	4.5	-20	-
Oval Court Ohsaki Mark West	3,500	4,370	4.7	3,055	4,460	4.6	90	-0.1
Shinjuku Square Tower	10,180	7,361	4.2	8,945	7,646	4.3	285	0.1
BYGS Shinjuku Bldg.	15,121	13,400	4.5	15,688	13,600	4.4	200	-0.1
Across Shinkawa Bldg. Annex	710	813	5.4	609	809	5.4	-4	-
Shinjuku Center Building	21,000	12,800	4.2	22,006	12,800	4.2	-	-
Minami Azabu Building	3,760	2,290	5.4	3,918	2,330	5.2	40	-0.2
Shinagawa Canal Building	1,870	1,800	4.9	1,800	1,780	4.8	-20	-0.1
Rokubancho Building	2,800	3,120	7.2	2,887	3,180	7.1	60	-0.1
JPR Harajuku Building	8,400	6,760	4.4	8,753	6,980	4.5	220	0.1
Tokyo Tatemono Kyobashi Building	5,250	4,580	4.9	5,343	4,950	4.8	370	-0.1
JPR Nihonbashi-horidome Building	5,100	5,760	4.8	5,033	5,920	4.9	160	0.1
JPR Sendagaya Building	15,050	10,600	4.3	15,173	11,100	4.3	500	-
Ginza Sanwa Building	3,400	3,250	3.8	3,643	3,350	3.9	100	0.1
Otemachi Tower (land with land leasehold)	36,000	36,800	3.6	38,388	37,900	3.5	1,100	-0.1
JPR Shibuya Tower Records Bldg.	12,000	12,300	4.3	11,619	12,600	4.2	300	-0.1
JPR Daikanyama	2,160	1,450	4.3	2,194	1,460	4.2	10	-0.1
JPR Jingumae 432	4,275	3,320	4.0	4,327	3,320	3.9	-	-0.1
Shinjuku Sanchoe East Bldg.	2,740	2,440	4.3	2,706	2,500	4.2	60	-0.1
Yurakucho Ekimae Building	3,400	2,670	4.1	3,365	2,730	4.0	60	-0.1
Central Tokyo	206,526	179,544	-	206,287	182,625	-	3,081	-
Arca East	5,880	5,980	4.6	4,516	6,040	4.6	60	-
JPR Chiba Bldg.	2,350	1,640	6.1	2,375	1,670	6.0	30	-0.1
JPR Yokohama Nihon Odori Bldg.	2,927	2,380	5.7	2,619	2,380	5.6	-	-0.1
Yokohama No. 2 Center Bldg.	1,490	1,730	6.1	1,482	1,700	6.1	-30	-
Kawaguchi Center Bldg.	8,100	7,400	6.0	7,125	7,400	5.9	-	-0.1
JPR Ueno East Bldg.	3,250	4,420	5.0	3,080	4,430	4.9	10	-0.1
Tachikawa Business Center Bldg.	3,188	2,890	5.5	2,968	2,910	5.4	20	-0.1
Rise Arena Bldg.	5,831	6,240	5.1	5,503	6,450	4.9	210	-0.2
Yume-ooka Office Tower	6,510	5,240	5.6	5,718	5,410	5.5	170	-0.1

Property name	Acquisition Price	End of 23rd Period		Book Value at End of 24th Period	End of 24th Period		Change	
		Appraisal Value	Yield		Appraisal Value	Yield	Appraisal Value	Yield
Olinas Tower	31,300	32,700	4.6	29,327	33,400	4.5	700	-0.1
Tokyo Tatemono Yokohama Building	7,000	6,880	5.6	6,939	6,970	5.5	90	-0.1
Omiya Prime East	6,090	6,270	5.7	6,238	6,370	5.6	100	-0.1
Tanashi ASTA	10,200	12,500	5.7	7,673	12,500	5.7	-	-
Cupo-la Main Bldg.	2,100	2,540	5.8	1,854	2,540	5.8	-	-
JPR Musashikosugi Bldg.	7,260	5,140	5.2	7,195	5,260	5.3	120	0.1
Musashirawa Shopping Square	4,335	3,990	5.4	3,992	4,090	5.4	100	-
Kawasaki Dice Bldg.	15,080	14,400	4.7	14,266	14,800	4.6	400	-0.1
Greater Tokyo	122,891	122,340	-	112,879	124,320	-	1,980	-
Niigata Ekinan Center Bldg.	2,140	2,180	6.7	1,762	2,230	6.6	50	-0.1
Tokyo Tatemono Honmachi Bldg.	4,150	3,220	5.7	4,146	3,230	5.7	10	-
JPR Hakata Bldg.	2,900	2,780	6.0	3,134	2,640	5.9	-140	-0.1
JPR Naha Bldg.	1,560	1,370	6.7	1,405	1,350	6.6	-20	-0.1
Sompo Japan Sendai Bldg.	3,150	3,280	6.3	2,307	3,280	6.3	-	-
Sompo Japan Wakayama Bldg.	1,670	1,580	7.2	1,263	1,580	7.2	-	-
Tenjin 121 Bldg.	2,810	2,060	5.7	2,247	2,080	5.6	20	-0.1
JPR Dojima Bldg.	2,140	2,090	5.4	2,196	2,020	5.5	-70	0.1
JPR Hakata-chuo Bldg.	1,920	1,640	5.8	1,866	1,630	5.7	-10	-0.1
JPR Nagoya Fushimi Bldg.	4,137	2,800	6.2	4,115	2,830	6.1	30	-0.1
Yakuin Business Garden	10,996	11,300	5.4	11,231	11,400	5.3	100	-0.1
JPR Umeda Loft Bldg.	13,000	13,600	4.6	12,514	13,800	4.8	200	0.2
Benetton Shinsaibashi Bldg.	5,430	4,360	4.8	5,197	4,360	4.8	-	-
Housing Design Center Kobe	7,220	6,460	6.3	6,526	6,470	6.3	10	-
JPR Chayamachi Building	6,000	4,610	5.0	5,993	4,640	5.0	30	-
Other Cities	69,223	63,330	-	65,908	63,540	-	210	-
Total	398,640	365,214	-	385,075	370,485	-	5,271	-

Property Acquired in the 24th Period

Science Plaza - Yonbancho Plaza	2,660	-	-	2,700	2,780	4.6	-	-
Shibadaimon Center Building	3,420	-	-	3,449	3,730	4.6	-	-
Total	6,080	-	-	6,149	6,510	-	-	-

Difference between Appraisal Value and Book Value at the end of 24th fiscal period -14,230

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

Status of Unitholders in the 24th Fiscal Period

Number of Units by Investor Type

	End of 23rd Period Jun. 30, 2013		End of 24th Period Dec. 31, 2013		Increase/decrease	
	No. of units	Share (%)	No. of units	Share (%)	No. of units	Share (%)
Individuals	51,023	6.2	42,326	5.1	-8,697	-1.1
Financial institutions	459,646	55.7	488,650	59.2	29,004	3.5
Major banks with national networks	-	-	571	0.1	571	0.1
Regional banks	77,192	9.4	79,387	9.6	2,195	0.3
Trust banks	313,652	38.0	343,973	41.7	30,321	3.7
Life insurance companies	46,982	5.7	45,549	5.5	-1,433	-0.2
Nonlife insurance companies	1,654	0.2	3,448	0.4	1,794	0.2
Credit unions (Shinkin banks)	9,963	1.2	9,856	1.2	-107	-0.0
Others	10,203	1.2	5,866	0.7	-4,337	-0.5
Other domestic companies	81,343	9.9	82,717	10.0	1,374	0.2
Foreign investors	209,078	25.3	189,869	23.0	-19,209	-2.3
Securities companies	23,910	2.9	21,438	2.6	-2,472	-0.3
Total	825,000	100.0	825,000	100.0	-	-

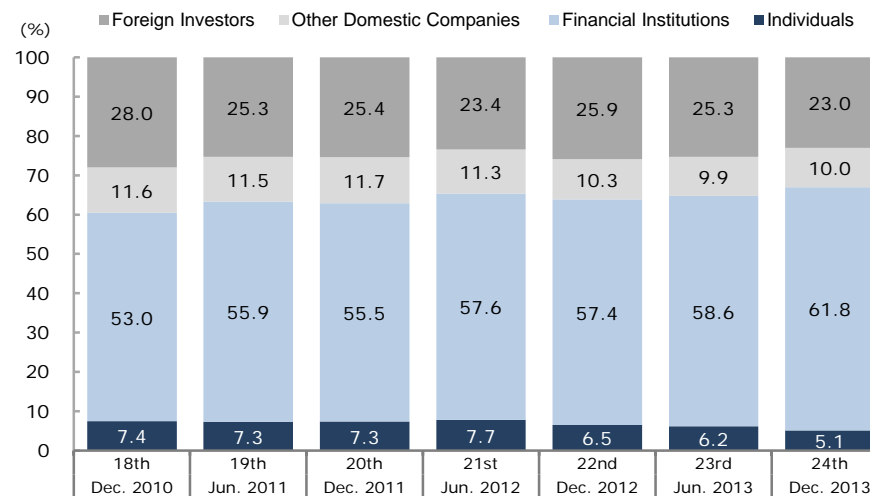
Number of Unitholders by Investor Type

	End of 23rd Period Jun. 30, 2013		End of 24th Period Dec. 31, 2013		Increase/decrease	
	Number of Unitholders	Share (%)	Number of Unitholders	Share (%)	Number of Unitholders	Share (%)
Individuals	13,324	95.4	12,213	94.8	-1,111	-0.1
Financial institutions	121	0.9	122	0.9	1	0.0
Major banks with national networks	-	-	1	0.0	1	0.0
Regional banks	45	0.3	46	0.4	1	0.0
Trust banks	12	0.1	12	0.1	-	-
Life insurance companies	8	0.1	8	0.1	-	-
Nonlife insurance companies	3	0.0	4	0.0	1	0.0
Credit unions (Shinkin banks)	34	0.2	34	0.3	-	-
Others	19	0.1	17	0.1	-2	-0.0
Other domestic companies	213	1.5	209	1.6	-4	-0.0
Foreign investors	285	2.0	311	2.4	26	0.0
Securities companies	22	0.2	22	0.2	-	-
Total	13,965	100.0	12,877	100.0	-1,088	-0.1

Top 10 of Principle Unitholders

Top 10 of Principle Unitholders	End of 23rd Period Jun. 30, 2013		End of 24th Period Dec. 31, 2013	
	Number of Units Owned	Share (%)	Number of Units Owned	Share (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	175,603	21.3	193,340	23.4
The Master Trust Bank of Japan, Ltd. (Trust Account)	44,644	5.4	51,876	6.3
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	43,329	5.3	51,822	6.3
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	44,503	5.4	41,571	5.0
Tokyo Tatemono Co., Ltd.	29,300	3.6	29,300	3.6
Kawasaki Gakuen	25,000	3.0	25,000	3.0
Meiji Yasuda Life Insurance Company	24,000	2.9	24,000	2.9
Nomura Bank (Luxembourg) S. A.	21,733	2.6	13,920	1.7
State Street Bank West Client Treaty	9,579	1.2	11,419	1.4
State Street Bank West Pension Fund Clients Exempt	9,406	1.1	9,734	1.2
Total	427,097	51.8	451,982	54.8

Unitholder Ratio (by Number of Investment Units)



Portfolio List (Central Tokyo)



A-1 Kanematsu Bldg.



A-2 Kanematsu Bldg. Annex



A-3 JPR Ningyo-cho Bldg.



A-4 Shin-Kojimachi Bldg.



A-5 JPR Crest Takebashi Bldg.



A-6 MS Shibaura Bldg.



A-7 Gotanda First Bldg.



A-8 Fukuoka Bldg.



A-9 JPR Ichigaya Bldg.



A-14 Shinjuku Center Building



A-10 Oval Court Ohsaki Mark West



A-11 Shinjuku Square Tower



A-12 BYGS Shinjuku Bldg.



A-13 Across Shinkawa Bldg. Annex



A-15 Minami Azabu Building



A-16 Shinagawa Canal Building



A-17 Rokubancho Building



A-18 JPR Harajuku Building



A-19 Tokyo Tatemono Kyobashi Building



A-20 JPR Nihonbashi-horidome Building



A-21 JPR Sendagaya Building



A-22 Ginza Sanwa Building



A-23 Otemachi Tower (land with land leasehold)



A-24 Science Plaza - Yonbancho Plaza



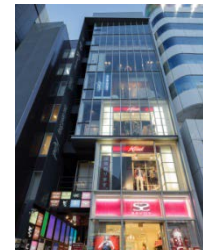
A-25 Shibadaimon Center Building



A-1 JPR Shibuya Tower Records Bldg



A-2 JPR Daikanyama



A-3 JPR Jingumae 432



A-4 Shinjuku Sanchoe East Bldg.



A-5 Yurakucho Ekimae Building (Yurakucho Itocia)

Portfolio List (Greater Tokyo and Other Cities)



B-1 Arca East Bldg.



B-2 JPR Chiba Bldg.



B-3 JPR Yokohama Nihon Odori Bldg.



B-5 Shinyokohama 2nd Center



B-6 Kawaguchi Center Bldg.



B-7 JPR Ueno East Bldg.



B-8 Tachikawa Business Center Bldg.



B-9 Rise Arena Bldg.



B-10 Yume-oka Office Tower



B-11 Olinas Tower



B-12 Tokyo Tatemono Yokohama Building



B-13 Omiya Prime East



B-1 Tanashi ASTA



B-3 Cupo-la Main Bldg.



B-4 JPR Musashikosugi Bldg.



B-5 Musashiuwara Shopping Square



B-6 Kawasaki Dice Bldg.



C-1 Niigata Ekinaka Center Bldg.



C-4 Tokyo Tatemono Honmachi Bldg.



C-7 JPR Hakata Bldg.



C-7 JPR Hakata Bldg.



C-12 Sampo Japan Sendai Bldg.



C-13 Sampo Japan Wakayama Bldg.



C-14 Tenjin 121 Bldg.



C-17 JPR Dojima Bldg.



C-18 JPR Hakata-chuo Bldg.



C-19 JPR Nagoya Fushimi Bldg.



C-20 Yakuin Business Garden



C-1 JPR Umeda Loft Bldg.



C-3 Benetton Shinsaibashi Bldg.



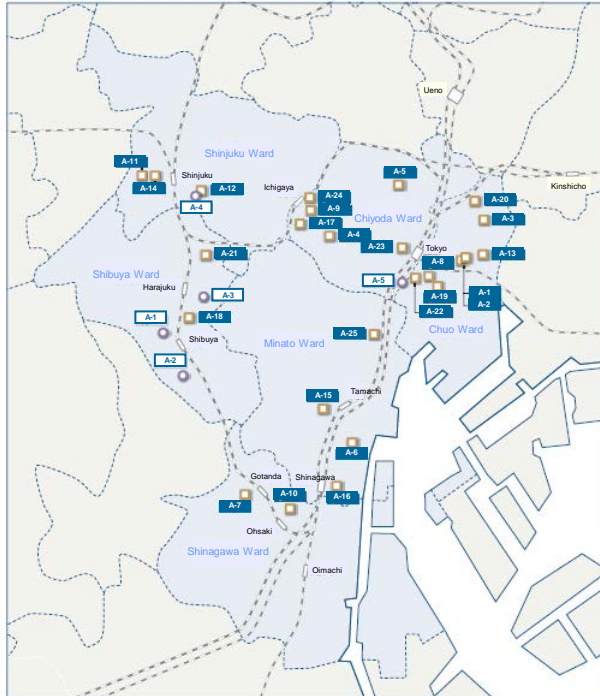
C-4 Housing Design Center Kobe



C-5 JPR Chayamachi Building

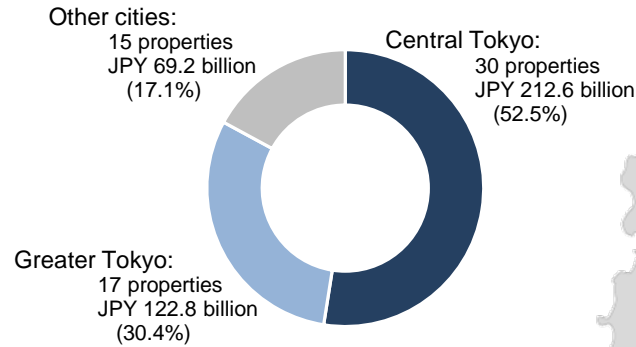
Portfolio Map

A Central Tokyo Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya Wards



A-1	Kanematsu Bldg.	A-16	Shinagawa Canal Building
A-2	Kanematsu Bldg. Annex	A-17	Rokubancho Building
A-3	JPR Ningyo-cho Bldg.	A-18	JPR Harajuku Building
A-4	Shin-Kojimachi Bldg.	A-19	Tokyo Tatemono Kyobashi Building
A-5	JPR Crest Takebashi Bldg.	A-20	JPR Nihonbashi-horidome Building
A-6	MS Shibaura Bldg.	A-21	JPR Sendagaya Building
A-7	Gotanda First Bldg.	A-22	Ginza Sanwa Building
A-8	Fukuoka Bldg.	A-23	Otemachi Tower (land with land leasehold)
A-9	JPR Ichigaya Bldg.	A-24	Science Plaza-Yonbancho Plaza
A-10	OvalCourtOhsakiMark West	A-25	Shiba Daimon Center Bldg.
A-11	Shinjuku Square Tower	A-1	JPR Shibuya Tower Records Bldg.
A-12	BYGS Shinjuku Bldg.	A-2	JPR Daikanyama
A-13	Across Shinkawa Bldg. Annex	A-3	JPR Jingumae 432
A-14	Shinjuku Center Building	A-4	Shinjuku Sanchome East Bldg.
A-15	Minami Azabu Building	A-5	Yurakucho Ekimae Building (Yurakucho Itocia)

Geographical distribution (End of 24th Period; based on acquisition price)

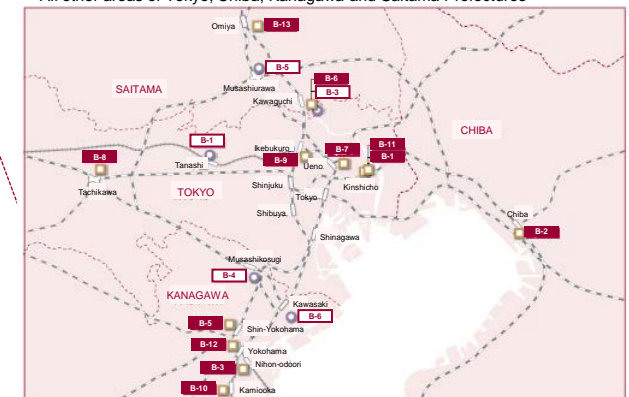


C Other Cities

Sendai	C-12	Sompo Japan Sendai Bldg.
Niigata	C-1	Niigata Ekinan Center Bldg.
Nagoya	C-19	JPR Nagoya Fushimi Bldg.
Wakayama	C-13	Sompo Japan Wakayama Bldg.
Osaka	C-4	Tokyo Tatemono Honmachi Bldg.
	C-17	JPR Dojima Bldg.
	C-1	JJPR Umeda Loft Bldg.
	C-3	Benetton Shinsaibashi Bldg.
	C-5	JPR Chayamachi Building
Kobe	C-4	Housing Design Center Kobe
Fukuoka	C-7	JPR Hakata Bldg.
	C-14	Tenjin 121 Bldg.
	C-18	JPR Hakata-chuo Bldg.
	C-20	Yakuin Business Garden
Okinawa	C-9	JPR Naha Bldg.

B Greater Tokyo

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



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



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Disclaimer

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Please further note that this English material is a provisional translation of the original Japanese material.
2. The photos used in this material include those of the assets other than what JPR owns or plans to acquire. Please note that for land with leasehold interest, JPR owns only the land.
3. Unless otherwise noted, the figures indicated in the body texts of this material are rounded down to the nearest specified unit for monetary amounts space areas, and rounded off to the nearest specified unit for percentages, numbers of years and average values. Accordingly, the sum totals of monetary amounts or percentages of respective items may not match the sum totals of actual figures.

Explanations and definitions of terms used in this material

1. Acquisition price
The sales price indicated in the purchase agreement for the relevant property executed with the seller (rounded down to the nearest hundred million yen), exclusive of expenses related to acquisition, consumption tax and other expenses)
2. Occupancy rate (based on concluded contracts)
Total leased space / total leasable space
When simply stated as occupancy rate, it represents the occupancy rate based on concluded contracts.
3. Occupancy rate (based on generated rents)
Total leased space that generates rents and other revenues / total leasable space
(excludes leased space subject to rent-free periods)
4. Average occupancy rate
Average figure of the occupancy rates at the end of each month of the fiscal period (period average of occupancy rates at end of months)
5. Average unit rent
Monthly rent per tsubo of occupied spaces including common charges
6. NOI yield
 $(\text{Rent revenue} - \text{real estate} - \text{expenses related to rent business} + \text{depreciation}) / \text{acquisition price}$
7. NOI yield after depreciation
 $(\text{Rent revenue} - \text{real estate} - \text{expenses related to rent business}) / \text{acquisition price}$
The rent revenue - real estate, expenses related to rent business and depreciation in the formula above are calculated and annualized by dividing their respective actual values by the number of operating days for the relevant fiscal period and then multiplying them by 365 days. In addition, the "assumed NOI yield upon acquisition" and the "assumed NOI yield after depreciation upon acquisition" are calculated based on assumed income and expenditures for the 12 months that take into account such factors as tenant replacements and rental fluctuations occurring in the ten years after the acquisition of the property.
8. Ratio of long-term, fixed interest rate debts
 $\text{Long-term interest-bearing debts with fixed interest} / \text{interest-bearing debts}$
9. Average maturity
Average maturity is a weighted average of the remaining period to maturity of interest-bearing debts, calculated in accordance with the balance of respective interest-bearing debts.
10. Average interest-bearing debt costs
 $(\text{Interest expenses} + \text{borrowing-related expenses} + \text{interest expenses for investment corporation bonds} + \text{investment corporation bond issuance costs}) / \text{balance of interest-bearing debt through the fiscal period}$
11. LTV (based on unitholders' capital)
 $\text{Interest-bearing debts} / (\text{interest-bearing debts} + \text{unitholders' capital})$
12. LTV (based on gains or losses from valuation at end of period)
 $\text{Interest-bearing debts} / (\text{total assets at end of period} + \text{gains or losses from real estate valuation})$
13. NAV per unit
 $(\text{Unitholders' capital} + \text{reserve for reduction entry, etc.} + \text{unrealized gains or losses}) / \text{number of units outstanding}$
14. FFO per unit
 $(\text{Net income (excluding gains or losses on sale of real estate and extraordinary income or loss)} + \text{depreciation}) / \text{number of units outstanding}$
15. Ratio of unrealized gains or losses
 $(\text{Appraisal value} - \text{book value}) / \text{book value}$
16. Cap rate
Capitalization rate by the direct capitalization method is indicated. Direct capitalization method is one of the methods to calculate the value estimated by income approach (a method to estimate the value of the target property by calculating the sum total of present value of the net operating income which the target property is expected to generate in the future), and capitalizes the net operating income of a certain period by using the capitalization rate.