



JPR

Securities code 8955



34th Fiscal Period



Japan Prime Realty Investment Corporation

Presentation Material

For the 34th Fiscal Period Ended December 2018

February 19, 2019

(Asset Manager)
Tokyo Realty Investment Management, Inc.

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- Unless otherwise noted, the figures indicated in this material are rounded down to the nearest specified unit for monetary amounts and space areas, and rounded off to the nearest specified unit for percentages and other figures. Accordingly, the sum totals of monetary amounts or percentages of respective items may not match the sum totals of actual figures.



Overview of JPR

Name	Japan Prime Realty Investment Corporation (abbreviated as JPR)
Securities code	8955
Listing date	June 14, 2002 (16.5 years since listing)
End of fiscal period	June and December
Operational standard of portfolio (Target investment ratio)	(Ratio by asset class) Office 70~90% / Retail 10~30% (Ratio by area) Tokyo 80~90% / Other cities 10~20%
Asset Manager	Tokyo Realty Investment Management Inc. (abbreviated as TRIM)
Sponsors (shareholding ratio)	Tokyo Tatemono (52%) Yasuda Real Estate (18%) Taisei Corporation (10%) Sompo Japan Nipponkoa Insurance (10%) Meiji Yasuda Life Insurance (10%)

Characteristics of JPR

1 A track record of stable management for over 16 years

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

2 A portfolio focused on office properties in Tokyo

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

3 Superiority of a developer-sponsored REIT

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

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

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

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

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

Asset size
(After the asset replacement)

62 properties 435.0 bn. yen

Ratio by asset
(After the asset replacement)

(Area) Tokyo **84.5 %**
(Asset class) Office **76.8 %**

(planned) acquisition price and ratio of properties from sponsor pipelines
(After the asset replacement)

315.4 bn. yen * 72.5 %

Upward revision of rents
9 consecutive fiscal periods

(Jun. '14 ~ Dec. '18)

LTV
40.5 %

Ratio of long-term, fixed interest rate debts
100.0%

Credit rating

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

S&P **A (stable)**

1. The indicated figures are as of the date of this document. For Asset size, Investment ratios and (Planned) acquisition price and ratio of properties from sponsor pipelines, the indicated figures are those after the Asset Replacement is completed.
2. Properties from sponsor pipelines refer to properties acquired from sponsors, etc. and properties acquired based on information provided by sponsors. Sponsors, etc. represent the five sponsor companies of JPR, their affiliated companies and special purpose companies (SPCs) in which the sponsors have made equity investment. Ratio of properties from sponsor pipelines refers to the ratio of (planned) acquisition price of properties from sponsor pipelines over the total (planned) acquisition price of the entire portfolio.

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

DPU 7,326 yen

Continuing a record high since listing

Compared with forecast **+46 yen**

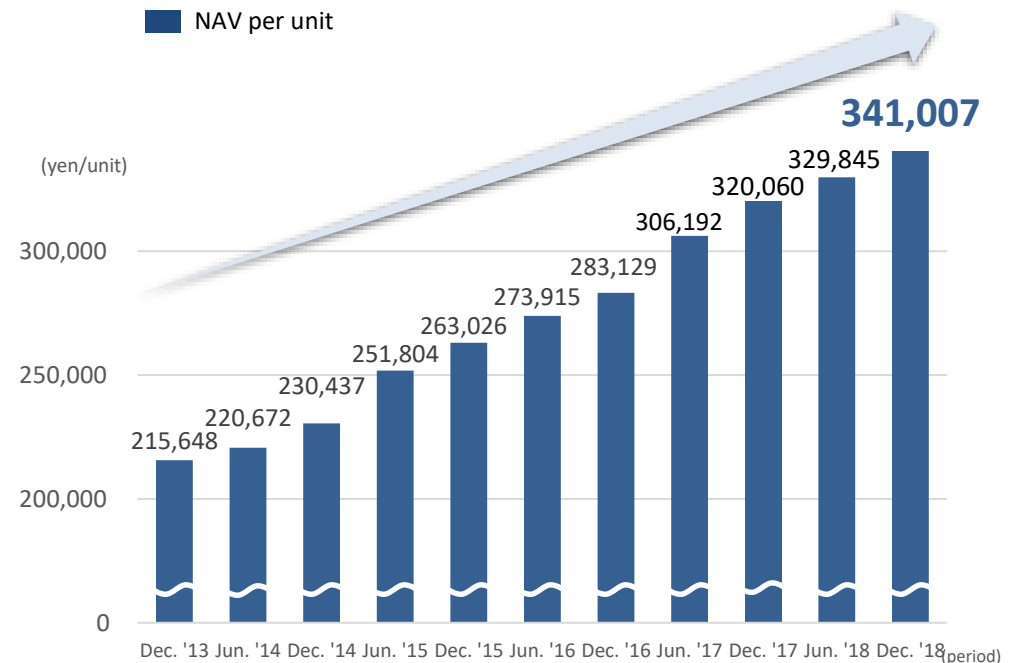
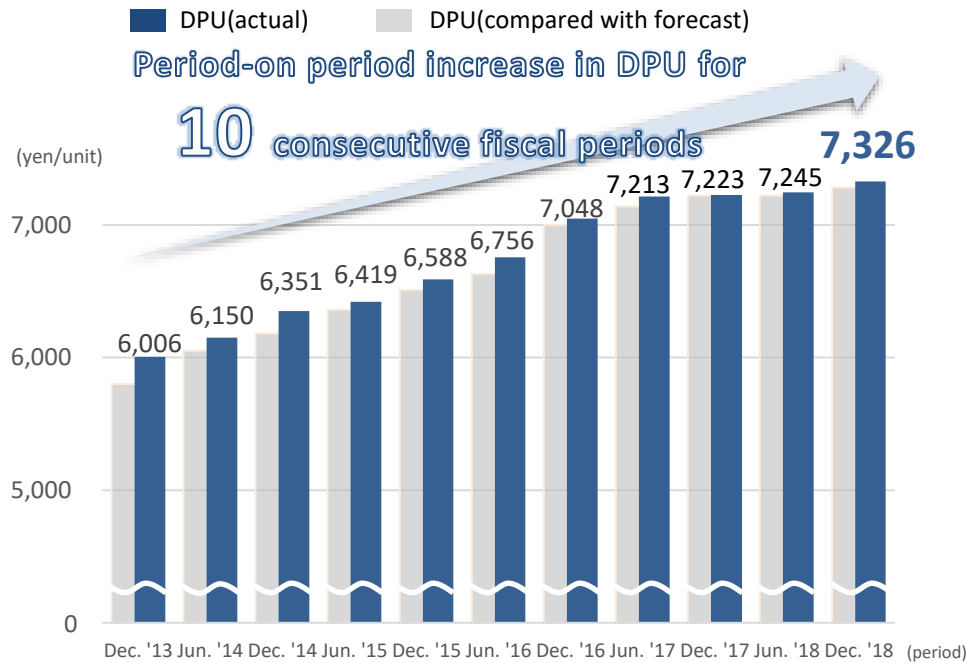
Period-on-period comparison **+81 yen / +1.1 %**

(Forecast DPU: 7,280 yen)

NAV per Unit 341,007 yen

Continuing to increase steadily

Period-on-period comparison **+11,162 yen / +3.4 %**



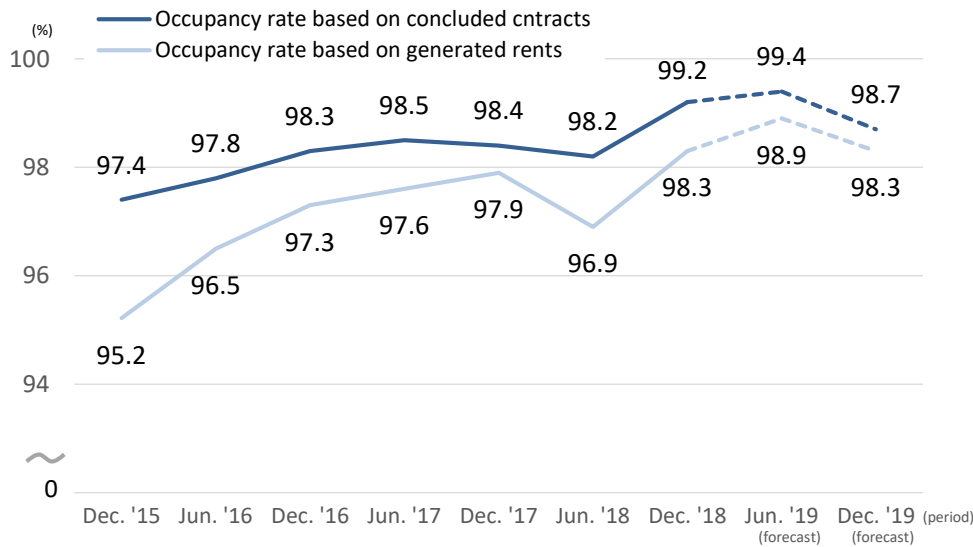
Plans for the 34th fiscal period ended Dec. 2018 progressing steadily thanks to a buoyant office property leasing market and JPR continued to achieve stable growth.

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

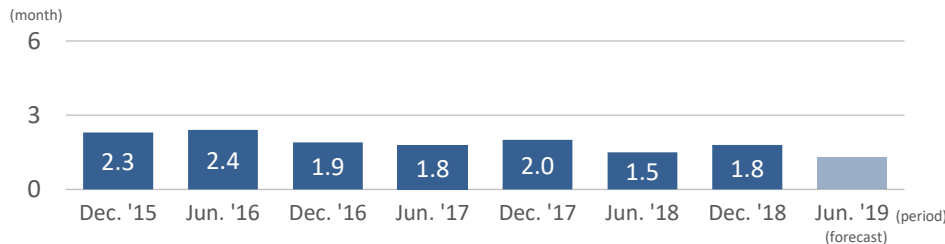
	Internal Growth Strategy	External Growth Strategy	Financial Strategy
Business environment perception	<ul style="list-style-type: none"> Office demand from companies is still robust. Leasing of large-scale office properties scheduled for completion by 2020 in Central Tokyo appears to be progressing steadily Vacancy rates in Central Tokyo fell to a historically low level, and rents also continued to rise. The supply and demand balance continued to tighten in major regional cities as well. 	<ul style="list-style-type: none"> Real estate prices in Central Tokyo have mostly reached the upper limit Properties in regional cities are also hard to acquire at appropriate prices, with their cap rates dropping further 	<ul style="list-style-type: none"> While the long-term interest rate temporarily rose slightly due to the revision of the monetary policy by the Bank of Japan (BOJ) in July 2018, interest rates are expected to remain stable under the control of BOJ. Amid rising concern about political and economic risks worldwide, cutbacks of monetary easing schemes in the U.S. and Europe are proceeding at a slower pace. The BOJ continues its monetary easing measures.
Results	<ul style="list-style-type: none"> Occupancy rate based on concluded contracts 99.2% (previous period 98.2%) Upward revision upon contract renewal (monthly rent, net) +7.2 million yen Raising of rents upon tenant replacement (monthly rent, net) +6.5 million yen Occupancy rate based on concluded contracts during the period remained above 99%. The revision of rents made progress as planned. 	<ul style="list-style-type: none"> Not much information was available in the for-sale real estate market on properties that suit JPR's acquisition criteria Despite collecting and investigating property information from the sponsors and through proprietary channels like close business connections, no acquisition was closed and completed 	<p>【Debt procurement result in the 34th fiscal period (Dec. '18)】</p> <ul style="list-style-type: none"> Average maturity (Before refinancing) 5.6 years ⇒ (After refinancing) 6.7 years Average debt interest rate (Before refinancing) 0.92% ⇒ (After refinancing) 0.54% Number of lender 30 institutions ⇒ 32 institutions
Outlook	<ul style="list-style-type: none"> The favorable market environment is assumed to continue. The high occupancy rate is expected to be maintained, and the revision of rents is assumed to make steady progress. Deterioration of business confidence is feared in face of China's economic slowdown and the consumption tax hike in October 2019. Continue to implement both measures to maintain and improve building competitiveness and measures to improve tenant satisfaction. 	<ul style="list-style-type: none"> Continue vigorously selective investments in office properties in Tokyo and urban retail properties, with a focus on their location and quality. With the number of properties in the sponsors' pipelines steadily increasing, discussions on acquisition will be made after discerning the occupancy status, etc. of the properties Also investigate the addition of asset types. 	<ul style="list-style-type: none"> Focus on refinances with an emphasis on flattening of repayment amount of each fiscal period and lengthening the maturity of debts Expand the scope of financial institutions to deal with Diversify funding methods Enhance refinance risk tolerance by expanding liquidity on hand and other measures

Almost full occupancy was maintained from the start of the period. Occupancy rate are expected to remain stable at a high level in and after the Jun. '19 period.

Occupancy Rate



Average rent free period



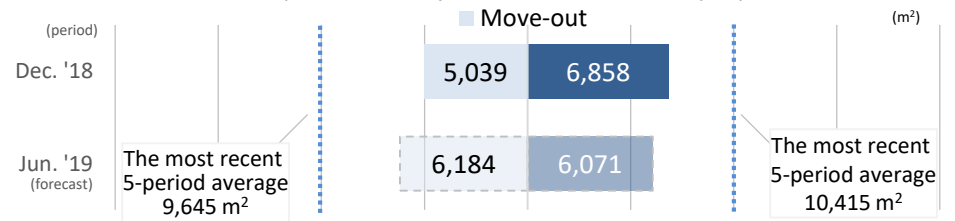
Move-Ins/Move-Outs

- In the Dec. '18 period, leasing up of vacancies outpaced move-outs.
- In the Jun. '19 period, move-outs are expected to remain at a low level and the prospects for leasing up are also good.

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

End of Jun. '18 period Vacancy space	Dec. '18 move-in/move-out net space	End of Dec. '18 period Vacancy space	Jun. '19 Assumed move- in/move-out net space	End of Jun. '19 period assumed vacancy space
5,787 m ²	-1,818 m ²	3,939 m ²	112 m ²	4,134 m ²

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



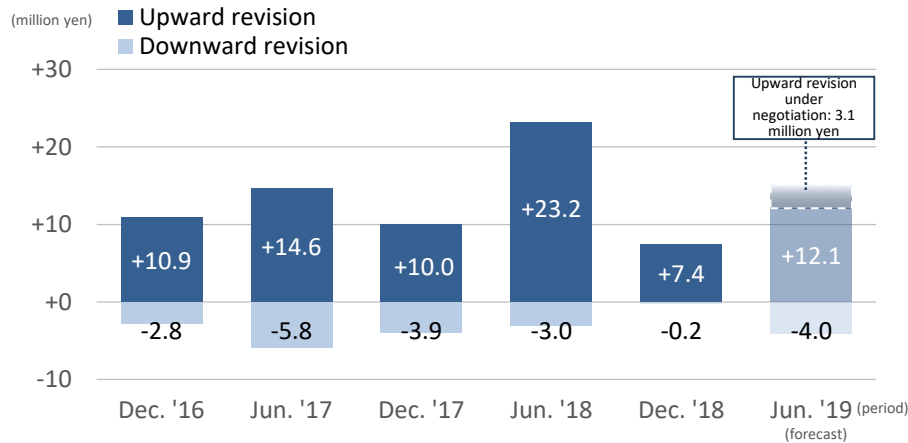
(period)	Major Move-out	Major Move-in
'18.12	Kawasaki DICE Bldg. 529 m ²	Kawasaki DICE Bldg. 1,543 m ²
	Shinjuku Square Tower 494 m ²	Shinjuku Square Tower 494 m ²
	JPR Dojima Bldg. 429 m ²	JPR Dojima Bldg. 572 m ²
'19.6 (forecast)	JPR Harajuku Bldg. 1,708 m ²	JPR Harajuku Bldg. 1,706 m ²
	Olinas Tower 701 m ²	Olinas Tower 701 m ²
	BYGS Shinjuku Bldg. 675 m ²	Kawasaki DICE Bldg. 529 m ²
'19.12 (forecast)	Kanematsu Bldg. 1,222 m ²	Kanematsu Bldg. 1,222 m ²
	Kanematsu Bldg. Annex 2,291 m ²	

1. Occupancy rate based on concluded contracts and occupancy rate based on generated rents represent period-average figures.
 2. The figures for the occupancy rate based on concluded contracts and the occupancy rate based on generated rents for the 35th fiscal period (Jun. '19) are estimates that reflect consents regarding move-ins and move-outs that will become effective in the fiscal period. The respective figures for the 36th fiscal period (Dec. '19) are estimates based on assumptions by JPR regarding move-ins and move-outs becoming effective in the fiscal period.

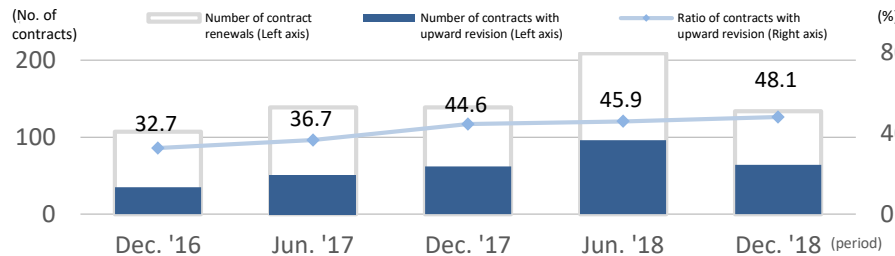
With steady progress made in upward revision of rents and raising of rents upon tenant replacement, office rents continued to increase

Rent Revisions

	Upward revision amount	Rate of upward revision	Ratio of contracts with upward revision
Dec. '18	+7.4 million yen (monthly rent)	+7.5%	48.1%

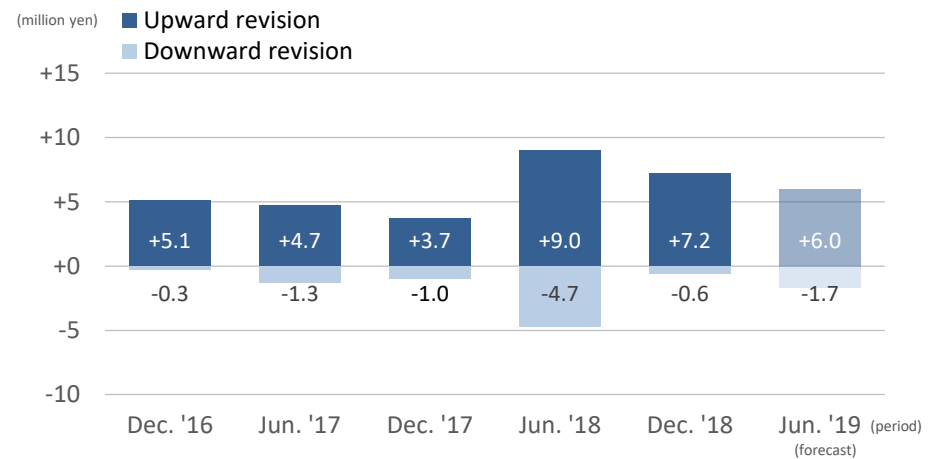


(Ratio of contracts with upward revision)

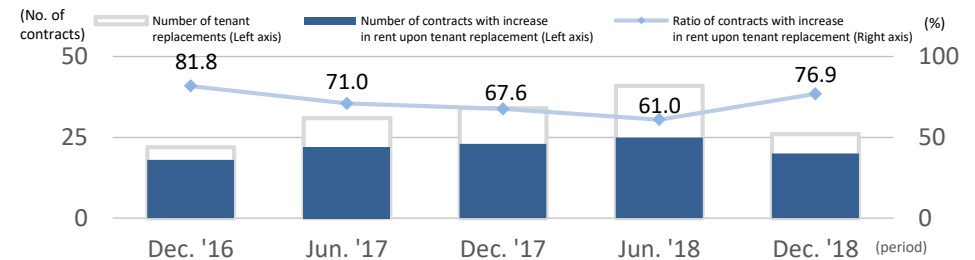


Rent upon Tenant Replacement (increase/decrease of rent through tenant replacement)

	Increase in monthly rent upon tenant replacement	Rate of increase in rent upon tenant replacement	Ratio of contracts with increase in rent upon tenant replacement
Dec. '18	+7.2 million yen (monthly rent)	+27.6%	76.9%



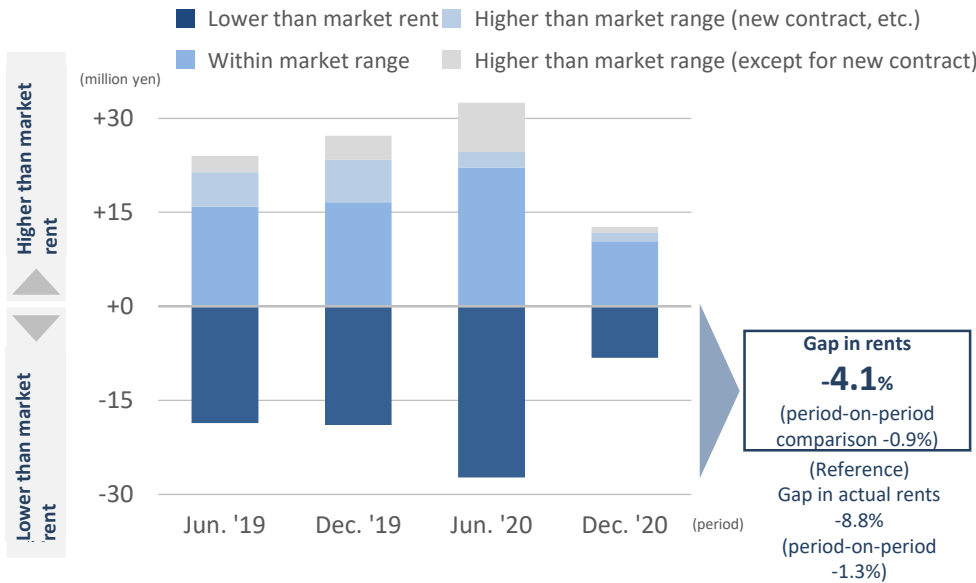
(Ratio of contracts with increase in rent upon tenant replacement)



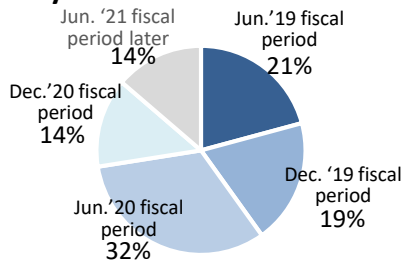
1. Figures in "Rent Revisions" are values excluding the land rent of the Otemachi Tower (Land with Leasehold Interest).

With rents still being revised upward, the gap in rents will widen further due to solid demand.

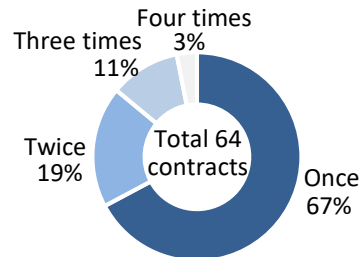
Status of Gap in Rent (Office)



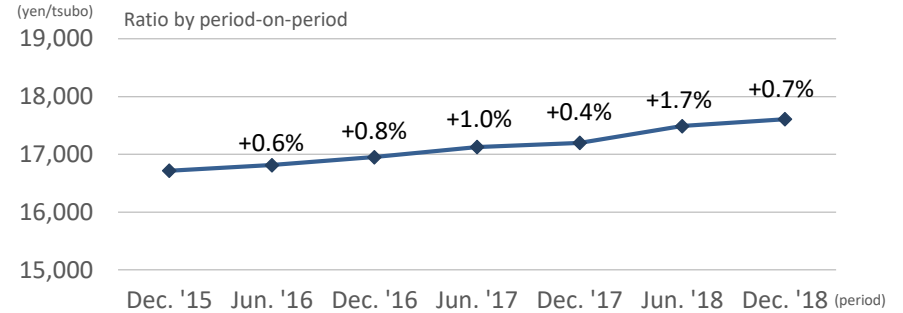
Percentages of space by the time of contract renewal



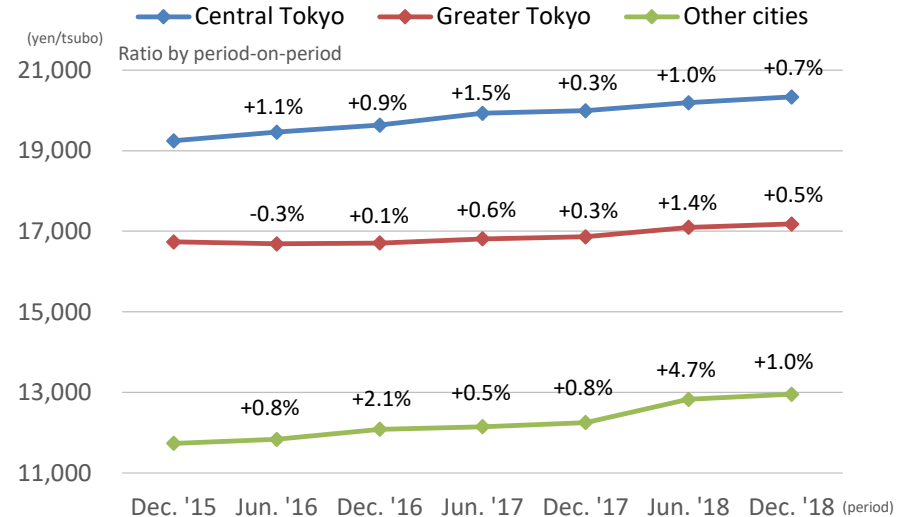
Ratio of change in upward revision



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



Change in Average Rents by Area (existing office properties)



1. "Market rent" and "Market range" refers to rent level set by TRIM for office buildings held by JPR based on assessment of CBRE Inc. and advice from Tokyo Tatemono.
 2. "Gap in rents" refers to the difference between the market rent (Jun. '19~ Dec. '20) and the ongoing rent, and "Gap in actual rents" refers to the difference between the top of market range and the ongoing rent.
 3. "Leased floor space by rent level" expresses for each rent level the sum total of the floor space of tenants whose contracts will come up for renewal Jun. '19 - Dec. '20.

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

On top of measures to achieve continuous raising of rents and effective value enhancement, energetically endeavor to reduce expenses

Basic Strategy

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

Initiatives for Increasing NOI

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

	Subject properties	Reductions in power charges (annual estimate)	Effect of reductions (annual estimate)
Project 1 (conducted in the Dec. '17 period - Jun. '18 period)	27 properties	Approx. 63 million yen	-9.7 %
Project 2 (conducted in the Jun. '18 period - Dec. '18)	10 properties	Approx. 35 million yen	-15.1 %

1. The reduction amount indicates the difference the past results of power use at the subject buildings and the estimated amount after switching power providers based on the past results

Example of construction works for value enhancement (Olinas Tower)

	Acquisition price / date	31,300 million yen / Jun. 2009
	Nearest station	3-minute walk from Kinshicho Station on the Tokyo Metro Line 5-minute walk from Kinshicho Station on the JR Line
	Total floor space/ Building ownership ratio	257,842 m ² / 23.3%

- Installation of LED light fittings in exclusively-owned spaces and common-use spaces helped improve the building's score in its assessment for DBJ Green Building certification and the property was upgraded to five stars, the highest ranking, at certification renewal in the 34th Fiscal Period (Dec. '18).

Before work

Elevator hall

After work

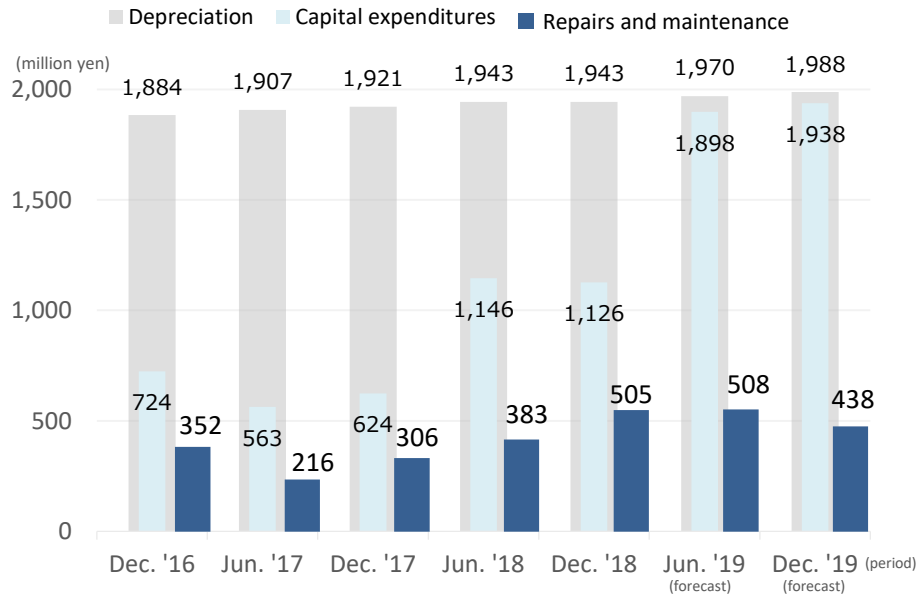
Properties with exceptionally high environmental & social awareness

Rating upgrade

Properties with the best class environmental & social awareness

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

Changes in Construction Costs and Depreciation



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

- Total construction costs **1,631 million yen**
- =>Of which, works of value enhancement **675 million yen**
- =>(Of which, works to switch to LED lamp, etc.) **114 million yen**

- ◆Tokyo Tatemono Yokohama Bldg. (224 million yen RN・EV, etc.)
- ◆Kawaguchi Center Bldg. (209 million yen air condition, etc.)
- ◆Shinjuku Center Bldg. (103 million yen ESL, etc.)
- ◆JPR Ningyocho Bldg. (83 million yen RN, etc.)

Example of construction works for renovation (Tokyo Tatemono Yokohama Bldg.)

	Acquisition price and date	7,000 million yen / Dec. 2010
	Completed	May 1981
	Nearest station	4-minute walk from Yokohama Station on each line
	Total floor space/ Building ownership ratio	8,772 m ² / 100.0%

Contracts were cancelled by two tenants for 385 tsubo in the 33rd Fiscal Period (Jun. '18)
 A decrease in rent on tenant replacement was assumed due to the rent gap and the age of the building.



<Details of renewal> Cost of construction work: Approx. 370 million yen, including 180 million yen on construction works for value enhancement

Sought increase in rent and early leasing up of vacancies through renovation of following common-use-areas in keeping with target tenants.

- (i) Elevators (ii) Common-use areas on each floor (iii) Entrance (iv) Leased space partitioning

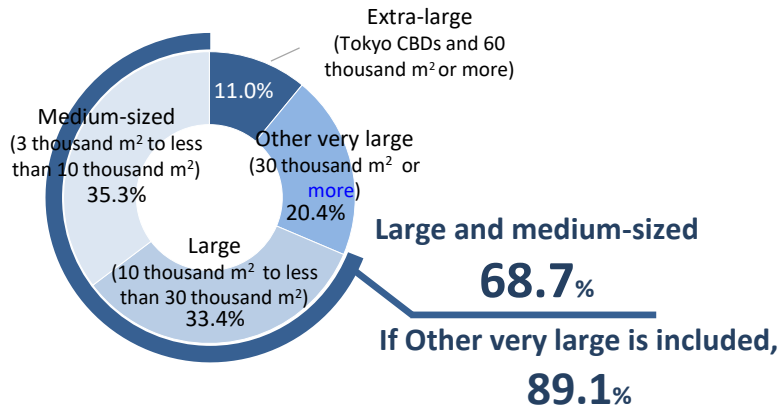
Example of renovations (Elevator Hall)

Return on Investment (ROI) is expected to be more higher than initial estimate of 11%. Appraisal value rose to 8.87 billion yen (+370 million yen from previous fiscal period)

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

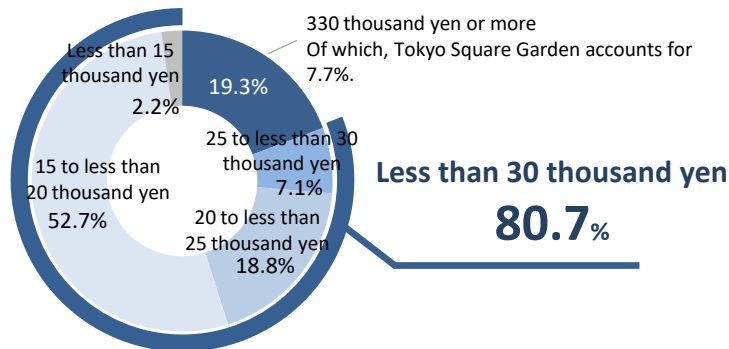
Amid office supply centered on very large properties in Central Tokyo in recent years, JPR is building a portfolio centered on large and medium-sized office properties.

Ratio by Asset Size (Office properties)



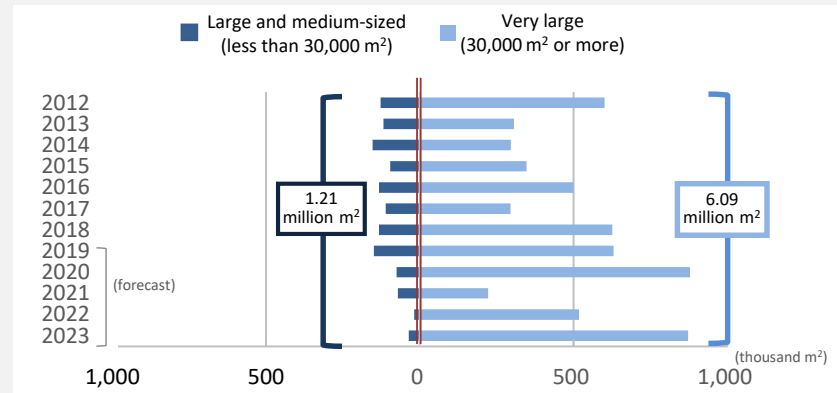
1. Ratio by Size (Office properties) indicates the ratios based on the total leased space of office properties in each size category, which is classified by the total leasable space of an entire office property. Furthermore, The Otemachi Tower (Land with Leasehold Interest) is excluded from the calculation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

Ratio by Rent Zone (Central Tokyo, Greater Tokyo)



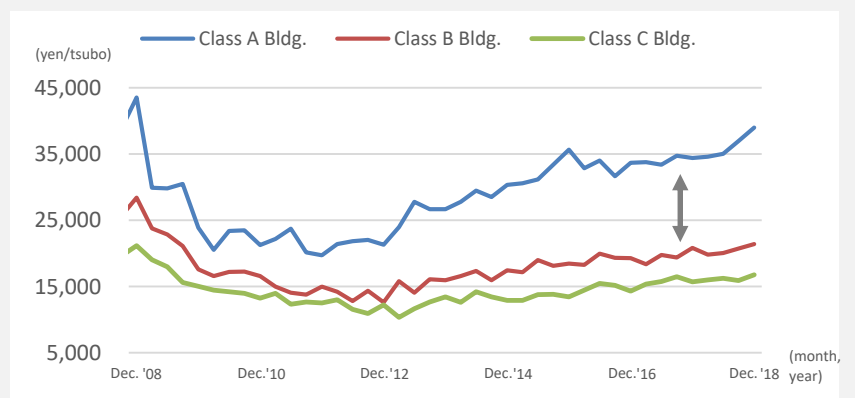
1. Ratio of JPR office properties by rent level refers to the ratio of acquisition price, by average unit rent (including common charges) zone, against the total acquisition price of office properties JPR owns in Central Tokyo and Greater Tokyo.

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



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

Changes in the average rent of the 23 wards of Tokyo



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

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

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

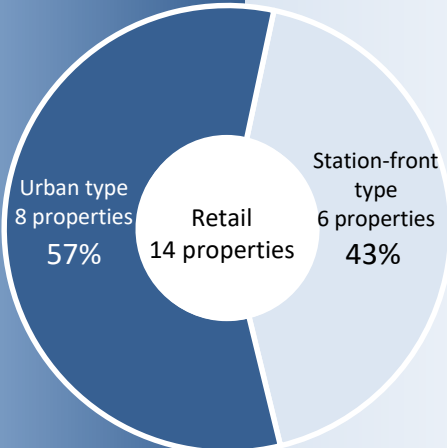
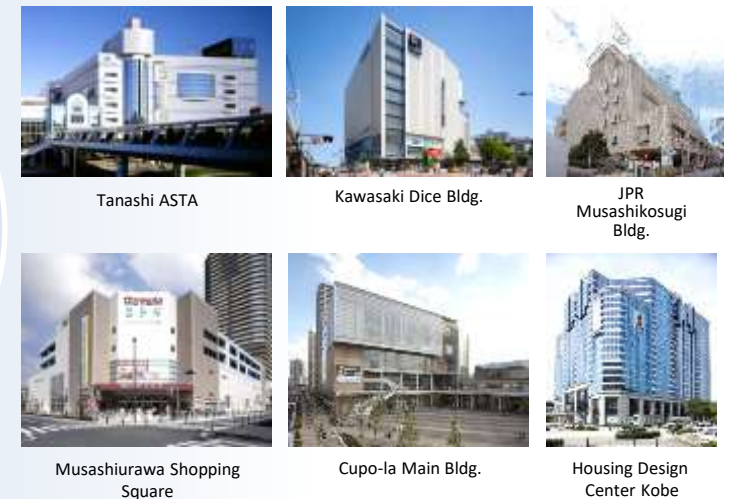
Portfolio breakdown

Type	Urban type	Station-front type
Characteristics	Urban retail properties situated on prime locations in Tokyo and Osaka	Retail properties located in front of stations near Tokyo and in major regional cities
NOI yield (acquisition price)	4.0%	5.7%

8 properties / 54.76 billion yen (asset size)



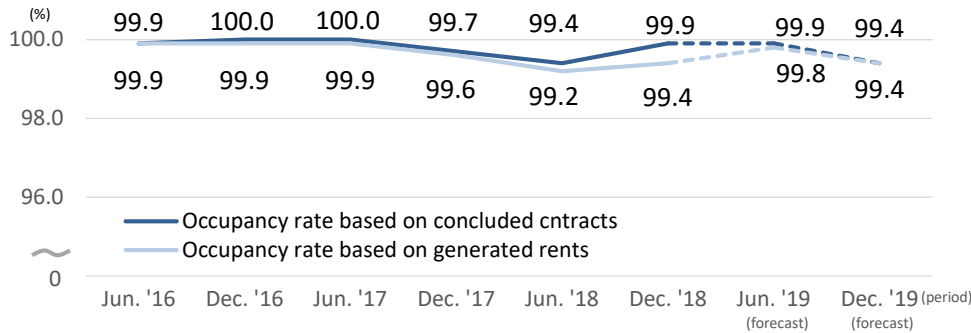
6 properties / 46.18 billion yen (asset size)



1. Ratios of urban front and station front-type properties are calculated based on asset size.

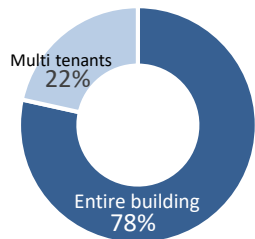
The occupancy rate of JPR's retail properties remains stable at almost full occupancy.

Occupancy Rate (Retail properties)

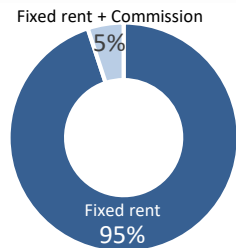


Status of Lease Contract (Retail properties)

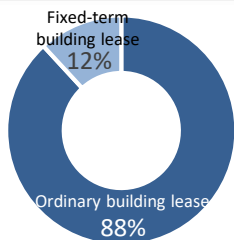
Type of tenant (space ratio)



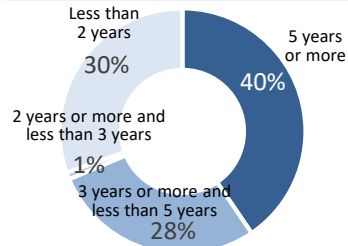
Type of rent (space ratio)



Type of contract (space ratio)



Remaining contract period (space ratio)



Commercial Potential of Station-Front Type properties

Kawasaki DICE Bldg.

	Acquisition price / date	15,080 million yen / Apr. 2007
	Nearest station	1-minute walk from Keikyu Kawasaki Station on the Keikyu Main Lines 5-minutes walk from Kawasaki Station on the JR Lines
	Total floor space/ Building ownership ratio	36,902 m ² / 46.6%

<Tenant replacement/Sales promotional measures>

- Existing tenant GU moved to a larger space that had been vacated by a tenant in the Jun. '18 period and opened a larger store, one of only four in Japan.
- Aim to improve profitability through further tenant replacement.
- Planning various sales promotional measures to increase the number of visitors.



New larger store

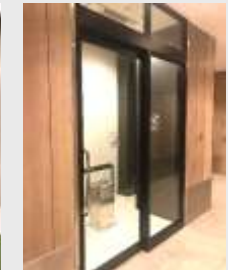


Christmas Grand Raffle Draw

- Renovated smoking room and baby room which had long been in need of improvement.



Baby room



Smoking room

Continue vigorously selective investments focusing on quality, mainly office properties in Tokyo.
Investigate adding urban hotel properties with stable earnings and growth potential to investment targets.

Basic Policy

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

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

(Investment Policy)

Investment Target	Investment Strategy
Offices in Tokyo - Properties that still have strong growth potential	<ul style="list-style-type: none"> Continue to acquire property information from the sponsors Utilize pipelines such as preferential negotiation rights to investigate acquisitions through negotiated deals
Urban retail property - Excellent location, easy to replace tenants	<ul style="list-style-type: none"> Continue to investigate properties developed by the sponsor
Profitable properties in regional cities	<ul style="list-style-type: none"> Investigate properties held by the sponsor and properties with the possibility of negotiated deals
Strategic asset replacement	<ul style="list-style-type: none"> Investigate asset replacement that will contribute to the portfolio with the sponsors

Investigate the addition of urban hotel properties to asset types

(Background to investigation)

- Relatively stable earnings are expected
- Growth potential is expected, partly due to Government policy of promoting Japan as a Tourism-Oriented Country
- Pipeline through sponsor can be expected

(Details of investigation)

- Urban hotels located in busy areas with great transport links
- Hotels that specialize in accommodation
- Conclusion of long-term fixed rate lease contracts with tenants, in principle, to eliminate operational risk and ensure stable earnings
- Investment within the investment standards for urban retail property (10-30%)
- Investigate amendment to Articles of Incorporation at General Meeting of Unitholders

Acquisition Capacity by Debt

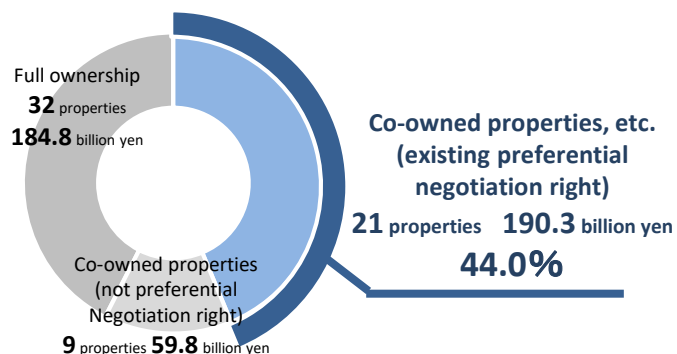
LTV (based on total assets)	40.5%
Acquisition capacity (maximum LTV of 45%)	36.7 billion yen

Making rigorously selected investments by utilizing preferential negotiation right

■ Utilizing preferential negotiation right

(Ratio of co-owned properties, etc. (existing preferential negotiation right))

(Ratio of co-owned properties, etc.)



(Example of main acquisition utilizing preferential negotiation right)

Property	Ownership interest on initial acquisition	Additional acquisition	Current ownership interest
Shinagawa Canal Bldg.	45.6%	4.6%	50.2%
Tokyo Square Garden	—	—	8.22%
Shinjuku Square Tower	38.9%	+23.7% => +4.7%	67.4%
Shibadaiimon Center Bldg.	52.8%	+12.6%	65.4%
Shinyokohama 2nd Center Bldg.	50.0%	+50.0%	100%
BYGS Shinjuku Bldg.	25.0%	+50.0% => +25.0%	100%

1. Tokyo Square Garden was acquired by utilizing the preferential negotiation right of Tokyo Tatemono and the other properties were acquired by utilizing the preferential negotiation right of JPR.

■ Property to be Acquired in the June 2019 Period

Shinagawa Canal Bldg. (Ownership interest to be additionally acquired: 4.6%)

■ Acquisition Highlights

- East exit area of Shinagawa Station is area where further development can be expected as the starting station for the Chuo Shinkansen Project
- Already own ownership interest of 45.6% in the property (for the fifth to seventh floors)
- By acquiring additional interest equivalent to 4.6% (for the eighth floor) JPR will have the majority of ownership interest (50.2%) in the property.



Location	2 Konan, Minato-ku, Tokyo
Asset class	Office
Floors	B1 / 8F
Completed	July, 2008 (10 years since completion)
Total floor space	5,216.21 m ² (entire building)
Leasable floor space	169.93 m ² (additional ownership)
Acquisition date	March 8, 2019

Acquisition price **171 million yen**

Appraisal value **182 million yen**

NOI yield **4.9%**

(planned acquisition price)

After depreciation yield **3.8%**

(planned acquisition price)

Capitalization rate **4.5%**

(as of January 15, 2019)

10 minute walk from Shinagawa Station on the JR Line, Keihin Express Main Line and Tokaido Shinkansen Line.



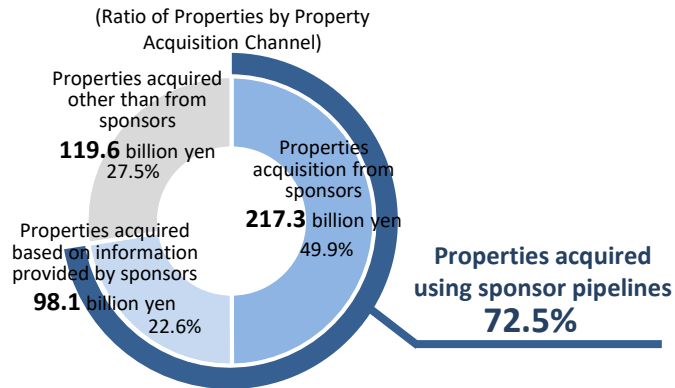
(Note 1) NOI yield and after depreciation yield represent the average annual values for the 10-year period after the property becomes stably operated through leasing.

(Note 2) Appraisal NOI yield is the capitalization rate based on the direct capitalization method.

Promote vigorously selective investments and asset replacement by utilizing the sponsor pipelines

Investigation of acquisitions through negotiated deals

(Utilizing sponsor pipeline)



(Largest top 5 properties)

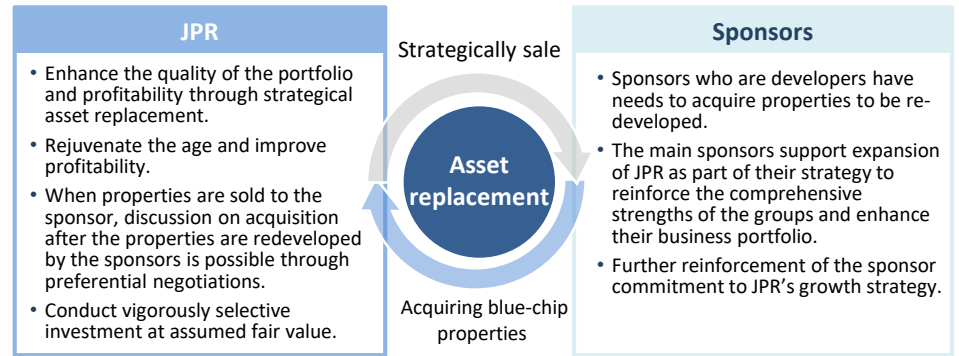
	Property	Billion yen
1	Otemachi Tower (land with leasehold interest)	36.0
2	Olinas Tower	31.3
3	Shinjuku Center Bldg.	21.0
4	Tokyo Square Garden	18.4
5	Kanematsu Bldg.	16.2

All are properties acquired using sponsor pipelines or properties developed by the sponsors.

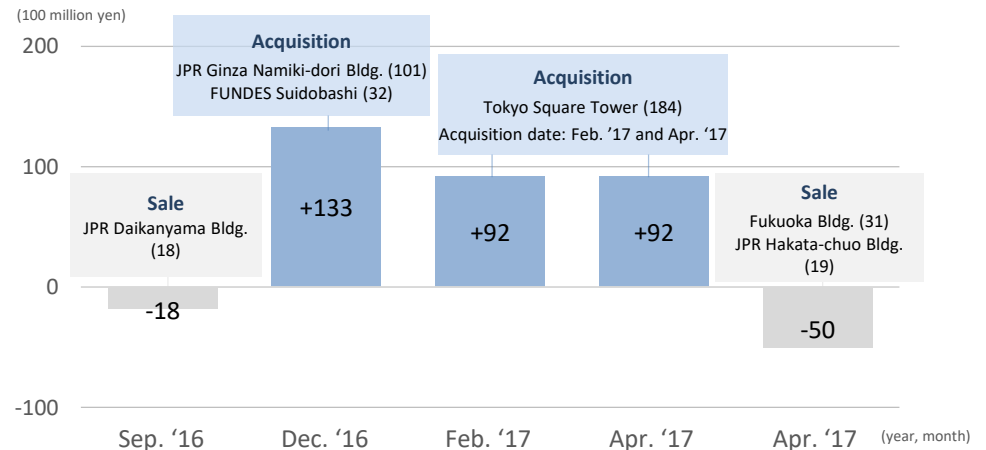
Continue External Growth by Utilizing Asset Replacement

(Asset replacement policy)

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



(Recent asset replacement record)



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

Urban development business of the main sponsor

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

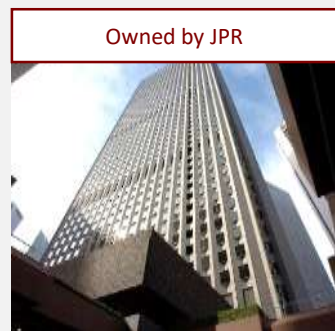
Large-scale redevelopment projects



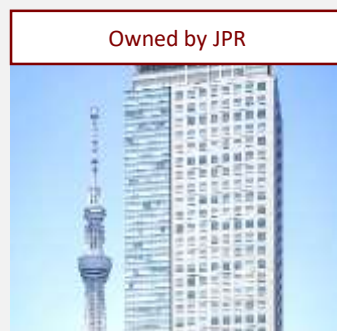
The Otemachi Tower



Tokyo Square Garden



Shinjuku Center Bldg.



Olinas Tower

Urban compact retail property, Urban hotel, Medium-sized office

Asset class	Property name	Total floor area (m ²)	No. guestroom	Completion/planned completion
Urban compact retail properties	FUNDES Suidobashi (owned by JPR)	1,477	-	2015/7
	FUNDES Ueno	2,249	-	2017/7
	(Tentative name) FUNDES Gotanda	Unfixed	-	2019/7
	(Tentative name) FUNDES Ginza	Unfixed	-	2019/11
Urban hotel	Candeo Hotels Tokyo Roppongi	4,700	149	2017/9
	The Square Hotel Ginza	5,700	182	2018/8
	Hotel Gracery Asakusa	3,700	125	2018/9
	The b Osaka Midosuji	10,700	306	2019/2
	(Tentative name) Candeo Hotels Omiya	10,100	321	2019/8
	(Name to be determined) Kyoto Shijo	Unfixed	Unfixed	Spring '21
	(Name to be determined) Kyoto Sanjo	Unfixed	Unfixed	Unfixed
Medium-sized office	(Tentative name) Kakyoin Sendai Project	5,800	-	Spring '20



FUNDES Suidobashi



FUNDES Ueno



Hotel Gracery Asakusa

(Tentative name)
Kakyoin Sendai Project

Flatten repayment amount for each fiscal period and reduce debt costs

Debt Procurement Results in the 34th Fiscal Period (10 billion yen)



Financial Indicators and Credit Rating Status

(Status of Borrowings by Fiscal Period)	Jun. 2018	Dec. 2018	Change
New debt	13.29 bn. yen	10.0 bn. yen	-3.2 bn. Yen
Average maturity (change)	7.6 years (+2.1 years)	6.7 years (+1.1 years)	-0.9 years
Average borrowing interest rate (change)	0.57% (-0.43%pt)	0.54% (-0.38%pt)	+0.03%pt

(Status of entire interest-bearing debts)

	Jun. 2018	Dec. 2018	Change
Total interest-bearing debts	181.1 bn. yen	181.0 bn. Yen	-0.1 bn. yen
Average maturity	4.6 years	4.5 years	-0.1 years
Average debt cost	0.94%	0.90%	-0.04% pt
Ratio of long-term, fixed interest rate debts	100%	100%	±0% pt

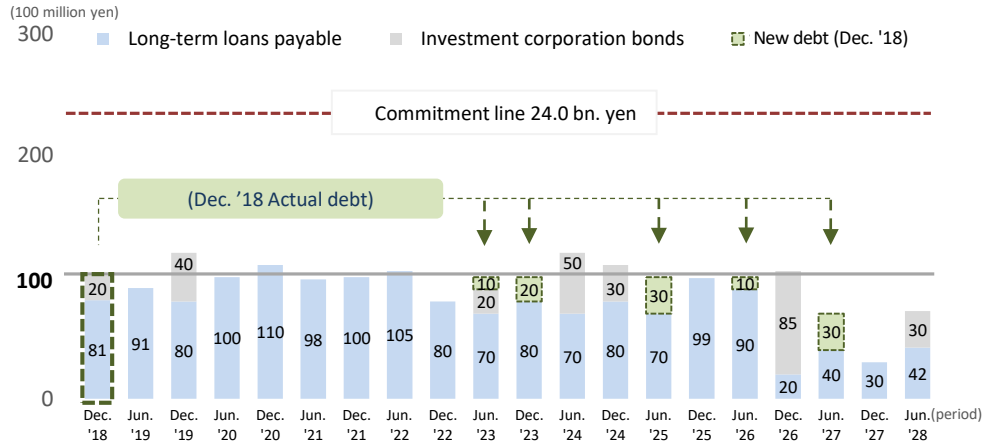
(LTV)

	Jun. 2018	Dec. 2018	Change
LTV (based on total assets)	40.6%	40.5%	-0.1% pt
Acquisition capacity (maximum LTV of 45%)	35.8 bn. yen	36.7 bn. yen	+0.8 bn. yen

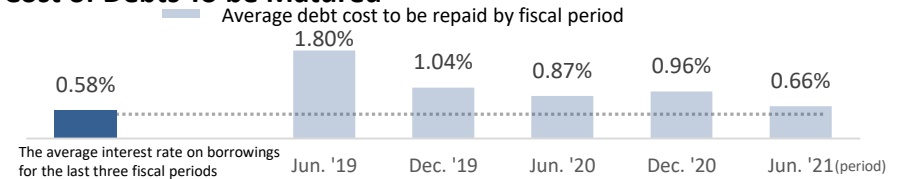
(Credit rating)

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

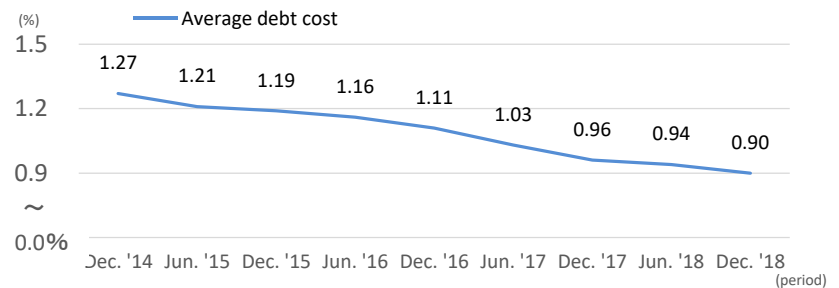
Lengthening of Maturity and Flattening of Repayment Amount for Each Fiscal Period to Around 10 Billion Yen



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



Average Debt Cost



Consistent Initiatives on Behalf of Sustainability

■ Sustainability Policy

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

1. Initiatives on Behalf of Tenants

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

2. Initiatives on Behalf of the Environment

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

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

3. Initiatives on Behalf of Local Communities

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

4. Initiatives on Behalf of the Employees

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

5. Initiatives on Behalf of the Society

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

■ Sustainability Promotion System

Established the Sustainability Committee with a view to sustainable growth.

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

■ Acquisition of Environmental Certification

Acquisition of certification: 17 properties, 33.4% of total floor space

1. The above figures are as of the end of the Dec. '18 period. Due to factors such as the expiration of certification, the status of acquisition is expected to be 14 properties or 30.1% of total floor space as of the February 18, 2019 and 16 properties or 37% of total floor space as of the end of March 2019.

■ DBJ Green Building

As a result of reassessment and the promotion of environmental and energy-saving measures at 10 already certified properties, five properties improved their rankings.

Property	Ranking	
	Before reassessment	After reassessment
Olinas Tower	★★★★	★★★★★
JPR Sendagaya Bldg.	★★★	★★★★★
Oval Court Ohsaki Mark West	★★	★★★★★
Kanematsu Bldg.	★★	★★★
BYGS Shinjuku Bldg.	★★	★★★

■ GRESB

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



■ CASBEE Certification

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

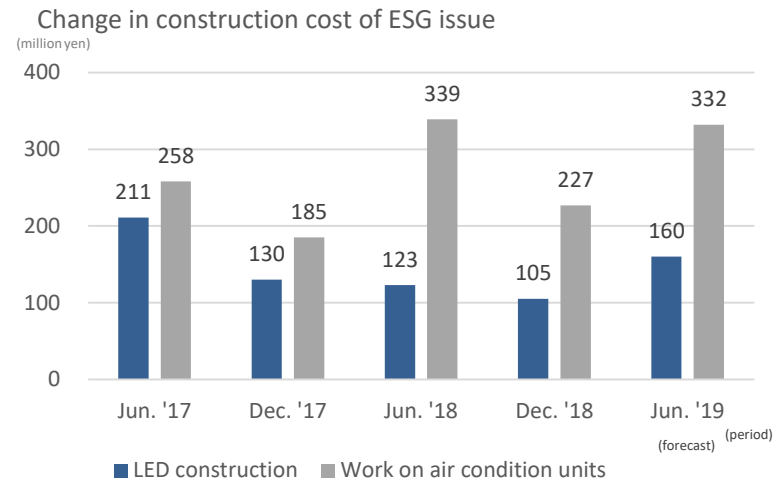


Yakuin Business Garden

Reinforcing Continuous Improvement Initiatives on Environmental Issues

Construction Works for Reducing Environmental Load

Systematically implement refurbishment to highly energy-efficient facilities



Effect of adopting LED lamps (annual estimate)

Made cost-effective investments.

Item	Jun. '18	Dec. '18
Construction work costs (million yen)	123.18	105.88
Reduction in electric bills (million yen)	7.48	8.86
Reduction in CO ₂ emissions (t-CO ₂)	230.88	251.48
Reduction in CO ₂ emissions/Investment amount (million yen)	1.87	2.37

Major Energy-saving Construction Works in December 2018 Period

- | | |
|--------------------------------------|-------------------------------------|
| (LED/Human sensor installation work) | (Air-conditioning improvement work) |
| • JPR Ningyo-cho Bldg. | • Kawaguchi Center Bldg. |
| • JPR Ichigaya Bldg. | • Rise Arena Bldg. |
| • Sompo Japan Sendai Bldg. | • JPR Nagoya Fushimi Bldg. |
| • Olinas Tower | • Shinjuku Center Bldg. |

Cooperation with tenants

(Promotion of green lease)

Adopted a green lease clause in the basic contract in both operation and facility renovation to contribute to the environment in cooperation with tenants (April 2018).

Contracts with Green Lease Clause

Fiscal Period	Number of contracts with green lease clause	Total number of new contracts	Ratio
June 2018 Period (33 rd Fiscal Period, from April 2018)	12	26	46.2%
December 2018 Period (34 th Fiscal Period)	38	49	77.6%

Cooperation with PM and BM

(Formulation of a green procurement policy)

JPR and TRIM have formulated a green procurement policy to focus on the procurement of equipment in consideration of the environment, health and amenity, in addition to quality, price, delivery time and compliance with laws and regulations.

(Publication of JPR brand newsletter)

JPR publishes information on issues such as improving tenant satisfaction, raising awareness of ESG and renovation work twice a year (March and September) to raise brand awareness among building staff. JPR published its 30th newsletter in September 2018.



Initiatives for Enhancement of Tenant Satisfaction

■ Enhancement of Tenant Services

JPR Best Performance Award 2018: BYGS Shinjuku Bldg.

- Awarded to outstanding building management companies as good examples for other properties since 2006
- Awarded based on tenant satisfaction, therefore, serving as an incentive to improve satisfaction.
- Outstanding initiatives of recipient buildings are shared with those in charge of other buildings to raise overall level of portfolio.

Recipient

BYGS Shinjuku Bldg. Management Office, Tokyo Metropolitan Area Branch Office No. 3, TOKYO FUDOSAN KANRI K.K.

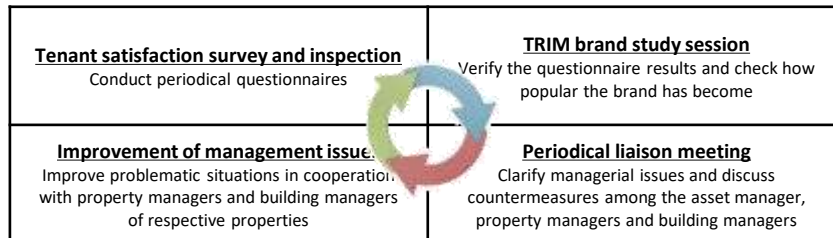
Reason for award

- Effective management of a building that is challenging to manage, being a large building with many tenants and a variety of people visiting its retail floor
- Achievement of high scores in tenant satisfaction surveys every year
- Excellent handling of large-scale renovation, etc.



BYGS Shinjuku Bldg.

■ Inspection Flow Chart for CS



■ Social Contribution and Disaster Drill

Entrance Performance

Sought to improve services through interactions with users by adding seasonal performances in building entrances.



Morning Clean-up Activity

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



Distribution of Anti-disaster Goods

Distributed smart emergency bottles to tenants to raise disaster mitigation awareness in face of increasing frequency of natural disasters in Japan.



Disaster Drill

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



(Conducted drill for power outage in December 2018.)

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

JPR's Corporate Governance

JPR's decision-making organs

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

Criteria for appointing investment corporation officers and remuneration

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

Position	Name	Other Current Assignments	Fee (Dec. '18) (thousand yen)	Owned units
Executive Officer	Satoshi Okubo	Tokyo Realty Investment Management Inc. Director	2,400	1
Supervising Officer	Masato Denawa	Partner Attorney, Spring Partners	4,200	—
	Nobuhisa Kusanagi	Gyosei Certified Public Tax Accountants' Co. Group Representative Partner		—
Independent Auditor	Ernst & Young ShinNihon LLC	—	13,300	—

Remuneration System of the Asset Manager

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

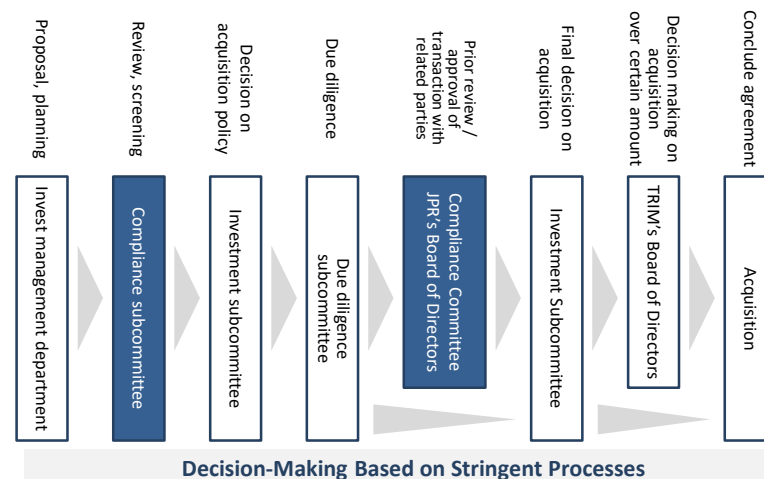
Item	Calculation of Compensation	Remuneration (Dec. '18)	Share
Fixed fee	12.5 million yen per month	75 million yen	13.4%
Incentive Fee 1	2% of JPR's total revenue (1.5% for 8 billion yen or higher)	275 million yen	49.2%
Incentive Fee 2	3% of JPR's income before income taxes (income before income taxes before deducting Incentive Fee 2)	209 million yen	37.4%
Incentive Fee 3	0.25% of the acquisition price upon new acquisition	—	—

TRIM's Corporate Governance

Decision-making process for property acquisitions

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

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



Decision-making based on stringent processes

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

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



Results of the 34th fiscal period ended December 2018

DPU:7,326 yen (up81 yen, period-on-period)

Rent revenue continued to increase, reflecting steady progress in attracting new tenants and revising rents upward. The absence of non-operating income posted the previous period was absorbed and cash distributions increased for the 10th consecutive fiscal period.

Item		33rd Period (Jun. 30, 2018)	34th Period (Dec. 31, 2018)	Change
Revenue and profit (million yen)	Operating revenue	15,204	15,652	+447
	Rental revenue	15,204	15,652	+447
	Operating expense	7,869	8,066	+197
	Expenses related to rent business	7,114	7,311	+196
	Selling, general and administrative expenses	754	755	+0
	Operating income	7,335	7,586	+250
	Non-operating income	227	27	-200 ⑥
	Non-operating expenses	877	851	-25 ⑦
	Ordinary income	6,685	6,761	+75
	Net income	6,686	6,760	+74
DPU (yen) (per unit)	7,245	7,326	+81	
Number of units outstanding		923,000	923,000	-

Item	33rd Period (Jun. 30, 2018)	34th Period (Dec. 31, 2018)	Change
Operating revenue	15,204	15,652	+447
Rental revenue	14,380	14,723	+342
Rents and common charge	12,343	12,630	+286 ①
Land rent	1,630	1,679	+49 ②
Other fixed income	406	413	+7
Other rental revenue	824	929	+104
Incidental income	673	801	+128 ③
Cancellation penalty, etc	14	16	+1
Income equivalent to expense for restoration to original condition	101	77	-23
Other variable income	35	33	-1
Expenses related to rent business	7,114	7,311	+196
Outsourcing fees	586	594	+7
Utilities expenses	748	891	+143 ④
Property and other taxes	2,217	2,210	-6
Insurance premiums	24	24	+0
Repairs and maintenance	473	569	+96
Property management fees	289	279	-10
Management association accounts	567	568	+0
Depreciation	1,943	1,943	+0
Other expenses related to rent business	262	227	-34 ⑤
NOI	10,033	10,285	+251
NOI yield (book value)	4.9%	5.0%	+0.1%pt
Rental income-real estate	8,090	8,341	+250
After-depreciation (book value)	4.0%	4.0%	- %pt
Rent-paying occupancy rate (period average)	96.9%	98.3%	+1.4%pt

Operating revenue

- ① [Rents and common charge] Increased (up 2.3% from the previous period) due to progress in attracting new tenants and upwardly revising rents
- ② [Land rent] Revision of land rent of Otemachi Tower (land with leasehold interest) contributed throughout the whole period
- ③ [Incidental income] Increased mainly due to seasonal factors

Expenses related to rent business

- ④ [Utilities expense] Increased mainly due to seasonal factors and the balance of utilities expenses deteriorated (-14 million yen)
- ⑤ [Other operating expenses] Brokerage fees and other expenses decreased

Non-operating income and expenses

- ⑥ [Nonoperating income] Decreased mainly due to absence of settlement on management association accounts (including for extraordinary accrual)
- ⑦ [Non-operating expenses] Financial costs such as interest expense on loans and investment corporation bonds decreased

Result of the 35th fiscal period ended December 2018

Total assets: 447.1 billion yen, NAV per unit: 258,626 yen

Item		33rd Period (Jun. 30, 2018)	34th Period (Dec. 31, 2018)	Change
Balance Sheet (million yen)	Current Asset	33,836	35,516	+1,679
	Cash and deposits (including trust)	33,181	35,056	+1,875
	Other current asset	655	459	-195
	Noncurrent assets	412,314	411,514	-800
	Property, plant and equipment	397,104	396,273	-830
	Intangible assets	14,690	14,690	-0
	Investments and other assets	519	549	+30
	Deferred assets	146	127	-19
	Investment corporation bond issuance costs	123	111	-11
	Investment unit issuance expenses	22	15	-7
	Total assets	446,297	447,157	+859
	Current liabilities	24,889	27,383	+2,494
	Short-term loans payable	-	-	-
	Current portion of long-term loans payable	17,200	17,100	-100
	Current portion of investment corporation bonds	2,000	4,000	+2,000
	Other current liabilities	5,689	6,283	+594
	Noncurrent liabilities	182,769	181,062	-1,707
	Long-term loans payable	136,420	138,420	+2,000
	Investment corporation bonds	25,500	21,500	-4,000
	Tenant leasehold and security deposits	20,849	21,142	+292
	Total liabilities	207,659	208,445	+786
	Unitholders' capital	231,653	231,653	-
	Surplus	6,985	7,059	+73
Reserve for reduction entry	284	284	-	
Unappropriated retained earnings	6,701	6,774	+73	
Total net assets	238,638	238,712	+73	

Increase or decrease in cash and deposits

	Change
Net cash provided by operating activities	+9,229
Income before income taxes	+6,761
Depreciation and amortization	+1,943
Other, net	+524
Net cash provided by investing activities	-568
Purchase of property, plant and equipment	-815
Other, net	+247
Net cash provided by financing activities	-6,785
Proceeds from liabilities	+10,000
Repayment of liabilities	-10,100
Dividends paid	-6,685
Total cash and deposits	+1,875

Increase or decrease in noncurrent assets

	Change
Capital expenditures	+1,126
Depreciation	-1,943
Others	+17
Noncurrent assets	-800

Increase or decrease in liabilities

	New procurement	Repayment/ redemption	Balance at end of current period	Change
Short-term loans payable	-	-	-	-
Long-term loans payable	10,000	8,100	155,520	+1,900
Investment corporation bonds	-	2,000	25,500	-2,000
Total liabilities	10,000	10,100	181,020	-100

Results of the 34th fiscal period ended December 2018

DPU compared with the forecast : up 46 yen

Results were higher than initially forecast thanks to increases in rent revenue and penalties for contract cancellation, among other factors

Item		34th Period (Forecast)	34th Period (Result)	Change
Revenue and profit (million yen)	Operating revenue	15,540	15,652	+112
	Rental revenue	15,540	15,652	+112
	Operating expense	7,970	8,066	+96
	Expenses related to rent business	7,191	7,311	+119
	Selling, general and administrative expenses	778	755	-23
	Operating income	7,569	7,586	+16
	Non-operating income	4	27	+23
	Non-operating expenses	852	851	-1
	Ordinary income	6,720	6,761	+40
	Net income	6,720	6,760	+40
	DPU (yen) (per unit)	7,280	7,326	+46
Number of units outstanding		923,000	923,000	-

Item	34th Period (Forecast)	34th Period (Result)	Change
Operating revenue	15,540	15,652	+112
Rental revenue	14,705	14,723	+18
Rents and common charge	12,612	12,630	+17
Land rent	1,679	1,679	-0
Other fixed income	413	413	+0
Other rental revenue	835	929	+94
Incidental income	805	801	-3
Cancellation penalty, etc	2	16	+13
Income equivalent to expense for restoration to original condition	-	77	+77
Other variable income	26	33	+6
Expenses related to rent business	7,191	7,311	+119
Outsourcing fees	600	594	-6
Utilities expenses	877	891	+14
Property and other taxes	2,211	2,210	-0
Insurance premiums	25	24	-0
Repairs and maintenance	471	569	+98
Property management fees	274	279	+5
Management association accounts	570	568	-1
Depreciation	1,952	1,943	-9
Other expenses related to rent business	207	227	+19
NOI	10,301	10,285	-16
NOI yield (book value)	5.0%	5.0%	- %pt
Rental income-real estate	8,348	8,341	-7
After-depreciation (book value)	4.0%	4.0%	- %pt
Rent-paying occupancy rate (period average)	98.3%	98.3%	- %pt

Rental revenue

- ① [Rents and common charge] Increased mainly due to the attraction of new tenants and the moving back of contract cancellations by existing tenants

Expenses related to rent business

- ② [Utilities expense] Increased mainly due to the intense heat
 ③ [Repair and maintenance expense] Increased largely due to the occurrence of construction work to restore properties to their original condition and to increase earthquake resistance

Non-operating income and expenses

- ④ [Nonoperating income.] Increased chiefly due to recording of insurance claim income

Forecast of the 35th fiscal period ending June 2018

DPU: 7,350 yen (up 24 yen from 34th period (Dec. '18) actual results)

DPU is expected to continue increasing, mainly thanks to higher rent revenue despite an increased property tax burden. Aim to accumulate further profit under favorable leasing market conditions.

Item		34th Period	35th Period (Forecast)	Change
Revenue and profit (million yen)	Operating revenue	15,652	15,580	-72
	Rental revenue	15,652	15,580	-72
	Operating expense	8,066	8,045	-20
	Expenses related to rent business	7,311	7,270	-40
	Selling, general and administrative expenses	755	775	+20
	Operating income	7,586	7,534	-51
	Non-operating income	27	63	+36
	Non-operating expenses	851	812	-39
	Ordinary income	6,761	6,785	+24
	Net income	6,760	6,784	+24
DPU (yen) (per unit)	7,326	7,350	+24	
Number of units outstanding		923,000	923,000	-

Item	34th Period	35th Period (Forecast)	Change
Operating revenue	15,652	15,580	-72
Rental revenue	14,723	14,861	+138
Rents and common charge	12,630	12,731	+101
Land rent	1,679	1,726	+47
Other fixed income	413	403	-10
Other rental revenue	929	718	-210
Incidental income	801	685	-116
Cancellation penalty, etc	16	-	-16
Income equivalent to expense for restoration to original condition	77	-	-77
Other variable income	33	33	+0
Expenses related to rent business	7,311	7,270	-40
Outsourcing fees	594	601	+6
Utilities expenses	891	773	-117
Property and other taxes	2,210	2,351	+140
Insurance premiums	24	24	+0
Repairs and maintenance	569	496	-73
Property management fees	279	282	+3
Management association accounts	568	568	-0
Depreciation	1,943	1,970	+27
Other expenses related to rent business	227	200	-27
NOI	10,285	10,280	-4
NOI yield (book value)	5.0%	5.0%	- %pt
Rental income-real estate	8,341	8,309	-31
After-depreciation (book value)	4.0%	4.1%	+0.1%pt
Rent-paying occupancy rate (period average)	98.3%	98.9%	+0.6%pt

Rental revenue

- ① [Rents and common charge] Expected to increase due to contribution of move-ins in 34th period throughout the 35th period and upward revision of rents
- ② [Land rent] There will be a revision of land rent for Otemachi Tower (land with leasehold interest) associated with increased property tax (increased land rent for three months from April will boost revenue)
- ③ [Incidental income] Expected to decrease mainly due to seasonal factors

Expenses related to rent business

- ④ [Utilities expense] Expected to decrease mainly due to seasonal factors, with almost no change in the balance of utilities expenses
- ⑤ [Property and other taxes] Property tax burden will increase

Non-operating income and expenses

- ⑥ [Nonoperating income] Expected to increase largely due to recording of settlement on management association accounts (mainly recorded in the June period every year)
- ⑦ [Non-operating expenses] Financial costs such as interest expense on loans and investment corporation bonds will decrease

Forecast of the 36th fiscal period ending December 2019

DPU: 7,380 yen (up 30 yen from 35th period (Jun. '19) forecast)

DPU is expected to continue to increase.

Aim for stable growth through continuous upward revision of rents, reduction of financial costs and cost control.

Item		35th Period (Forecast)	36th Period (Forecast)	Change
Revenue and profit (million yen)	Operating revenue	15,580	15,710	+130
	Rental revenue	15,580	15,710	+130
	Operating expense	8,045	8,113	+68
	Expenses related to rent business	7,270	7,336	+66
	Selling, general and administrative expenses	775	777	+1
	Operating income	7,534	7,596	+62
	Non-operating income	63	3	-60
	Non-operating expenses	812	787	-25
	Ordinary income	6,785	6,812	+27
	Net income	6,784	6,812	+27
DPU (yen) (per unit)	7,350	7,380	+30	
Number of units outstanding		923,000	923,000	-

Item	35th Period (Forecast)	36th Period (Forecast)	Change
Operating revenue	15,580	15,710	+130
Rental revenue	14,861	14,895	+33
Rents and common charge	12,731	12,717	-14
Land rent	1,726	1,774	+47
Other fixed income	403	404	+0
Other rental revenue	718	815	+96
Incidental income	685	784	+99
Cancellation penalty, etc	-	-	-
Income equivalent to expense for restoration to original condition	-	-	-
Other variable income	33	30	-3
Expenses related to rent business	7,270	7,336	+66
Outsourcing fees	601	611	+10
Utilities expenses	773	883	+109
Property and other taxes	2,351	2,344	-7
Insurance premiums	24	25	+0
Repairs and maintenance	496	427	-68
Property management fees	282	279	-3
Management association accounts	568	573	+4
Depreciation	1,970	1,988	+17
Other expenses related to rent business	200	203	+3
NOI	10,280	10,361	+81
NOI yield (book value)	5.0%	5.0%	- %pt
Rental income-real estate	8,309	8,373	+63
After-depreciation (book value)	4.1%	4.0%	-0.1%pt
Rent-paying occupancy rate (period average)	98.9%	98.3%	-0.6%pt

Rental revenue

- ① [Rents and common charge] Current pace of upward revision in rents is expected to be maintained. Average rent-paying occupancy rate for period is set at 98.3%
- ② [Land rent] Revision of land rent of Otemachi Tower (land with leasehold interest) will boost revenue throughout period.
- ③ [Incidental income] Expected to increase mainly due to seasonal factors

Expenses related to rent business

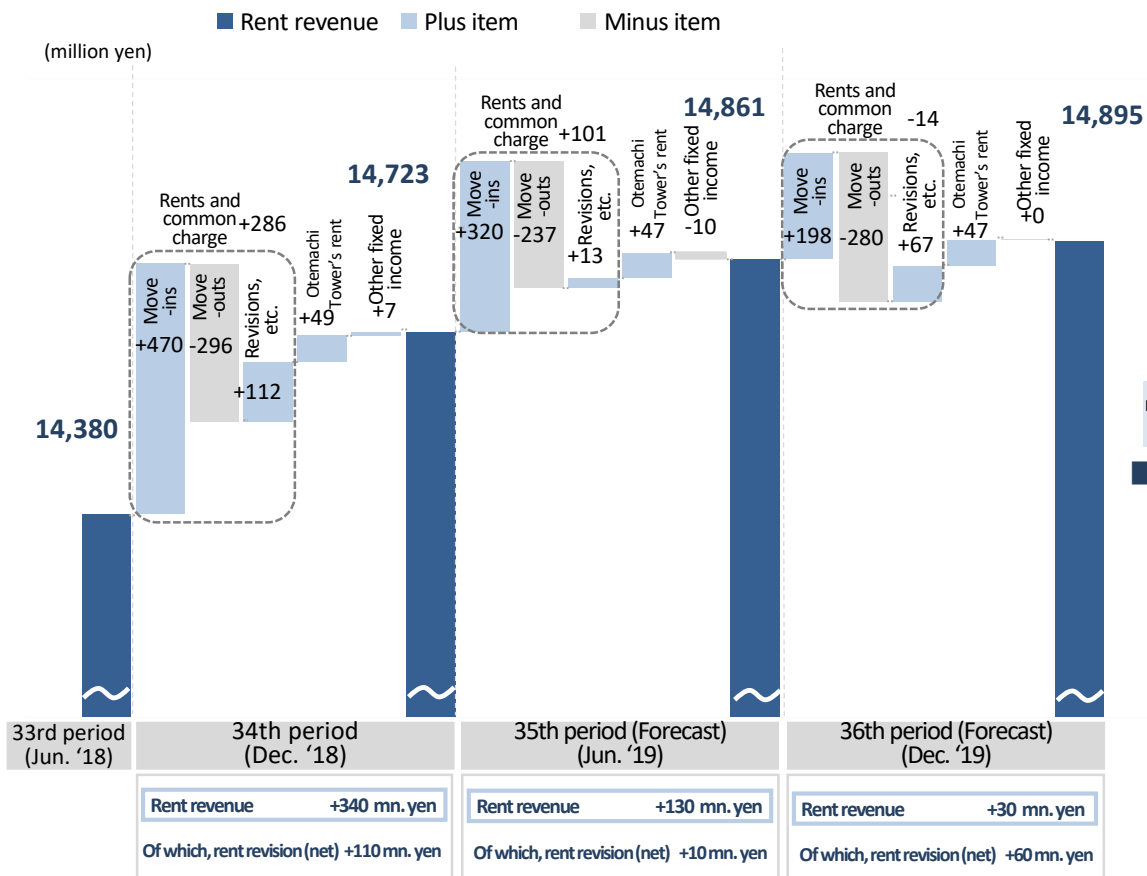
- ④ [Utilities expense] Expected to increase largely owing to seasonal factors, and balance of utilities expenses will deteriorate (-9 million yen)

Non-operating income and expenses

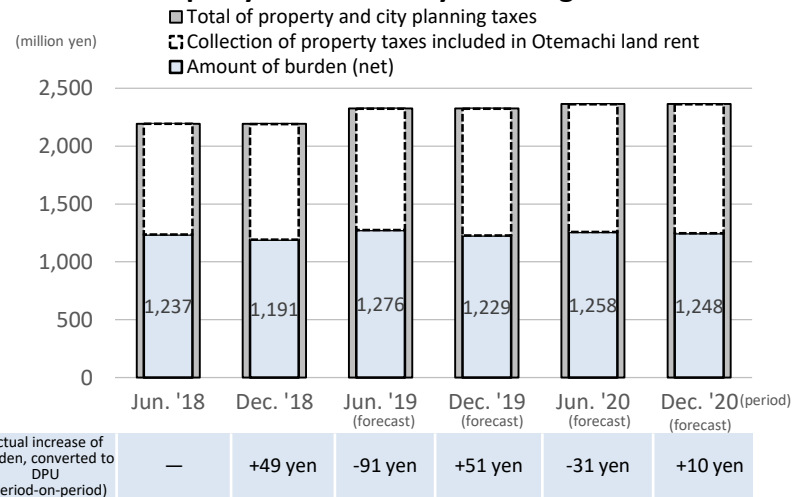
- ⑤ [Nonoperating income] Likely to decrease in the absence of settlement on management association accounts (mainly recorded in the June period every year)
- ⑥ [Non-operating expenses] Financial costs such as interest expense on loans and investment corporation bonds will decrease

Rent revenue will increase by 130 million yen (from the 34th fiscal period (Dec. '18)) for the 35th fiscal period (Jun. '19) and by 30 million yen (from the 35th fiscal period (Jun. '19)) for the 36th fiscal period (Dec. '19)

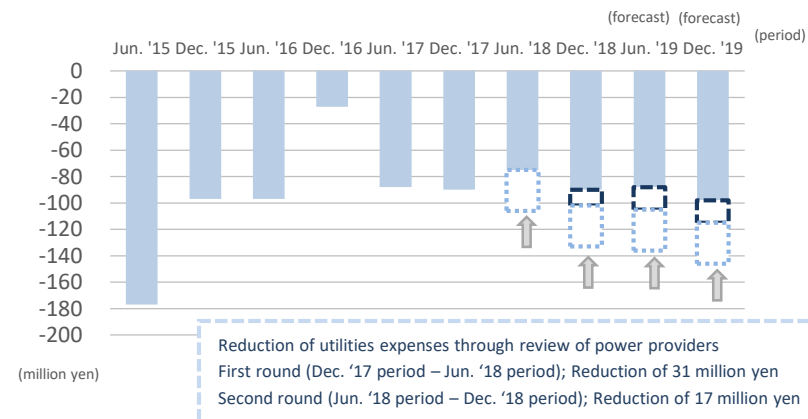
■ Rent revenue (factor for period-on-period changes)



■ Forecast of Property Taxes and City Planning Taxes

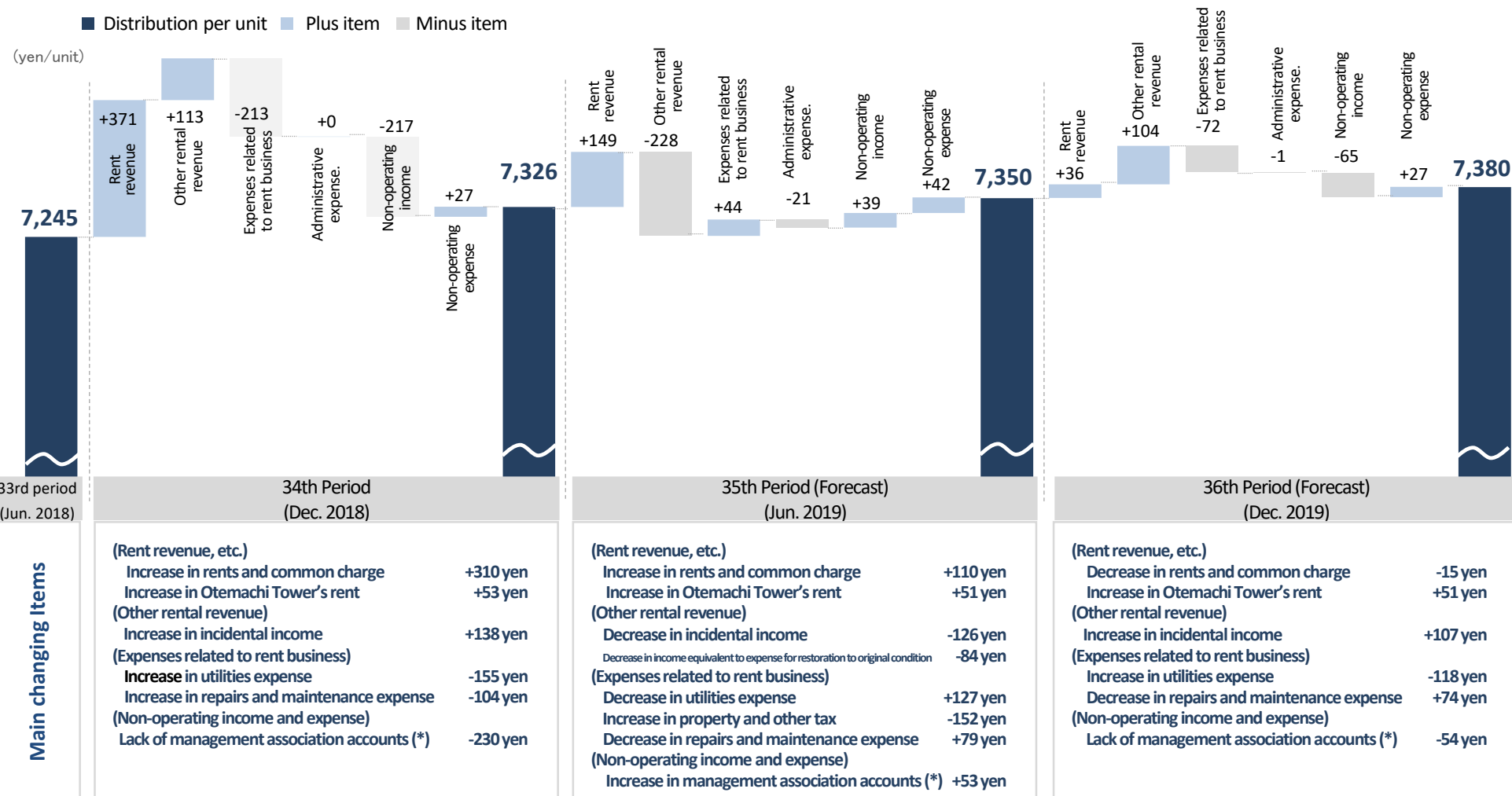


■ Balance of Utilities Expenses (utilities expense-incident income)



Distribution per unit is expected to trend upward, driven by an increase in rent revenue, despite an expected increase in property and other taxes in the 35th fiscal period (Jun. '19). The upward trend is likely to continue in the 36th fiscal period (Dec. '19).

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

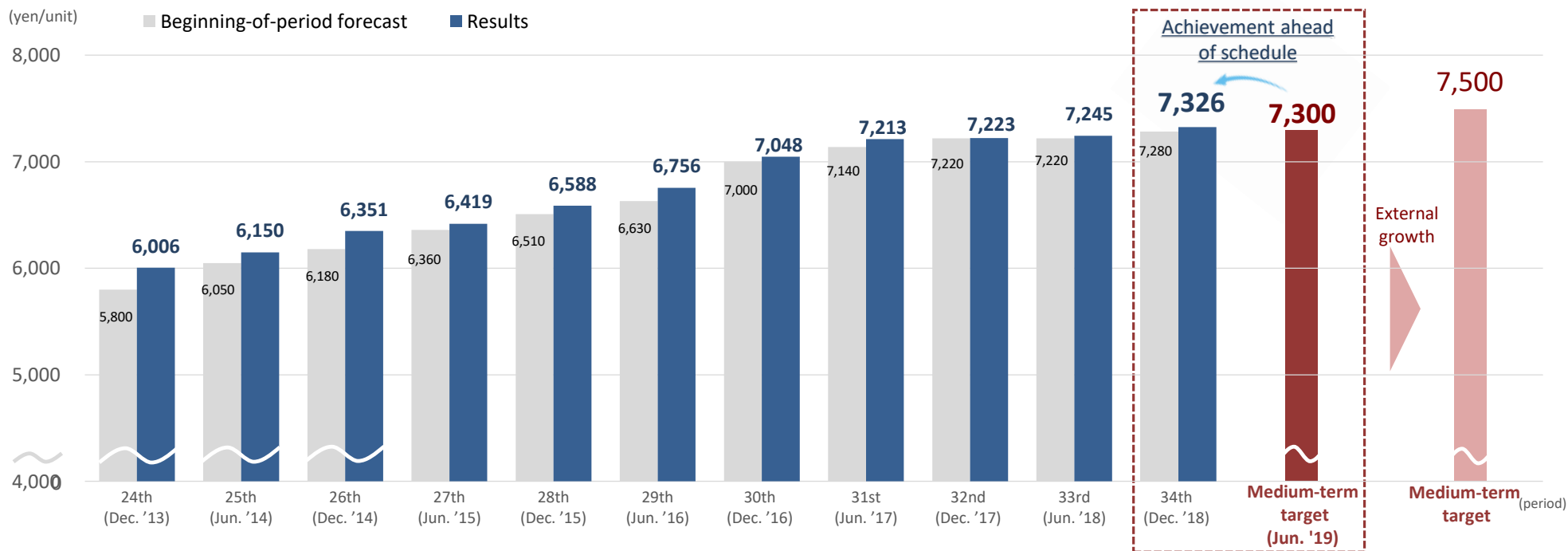
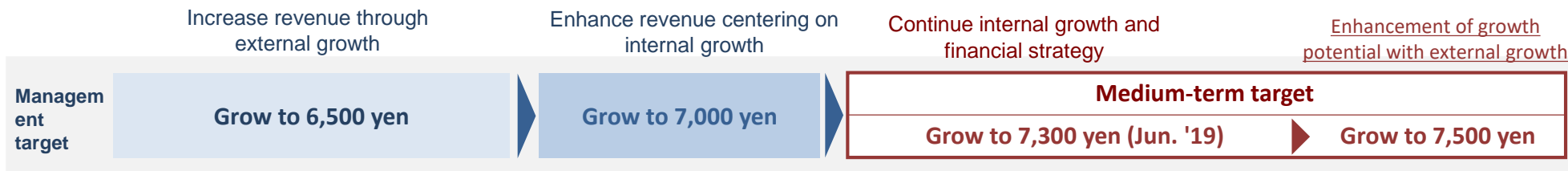


(*) Management association accounts refer to the surplus of management association fees, etc., which are contributed by JPR in buildings managed under the form of a management association, to be refunded as settlement money at the time of account settlement of the management association.

Aim to achieve medium-term target (DPU of 7,300 yen through internal growth and financial strategy) ahead of schedule.

While striving for continued internal growth, enhance growth potential with external growth and aim for DPU of 7,500 yen.

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



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

Simulation of DPU Growth

Target contributions to distributions of each growth driver

Growth drivers		Contribution to distributions	Notes
Internal growth	1% growth in rents and common charges (per period)	Around 68 yen	Assuming that income from rents and communal charges in the Dec. '18 period increased 1% (not including incidental income such as land rent and parking lot income)
External growth	Assuming acquisition of 10 billion yen property with after depreciation yield of 3.5% (not including financing costs)	Around 190 yen	Borrowing capacity as of the end of the Dec. '18 period was 36.7 billion yen (Assuming increase in borrowing until LTV reaches 45%)
Financial strategy	0.01% reduction in average cost of debt (per period)	Around 9 yen	Reduction of 0.03% per term based on actual reductions over most recent one-year period

Other major factors that affect DPU

- Increase or decrease in incidental income such as land rent and parking lot income
- Increase in management expenses
- Balance of utilities expenses (see page 31)
- Increase in property taxes and other property costs (see page 31)
- Increase or decrease in repairs and maintenance and depreciation (see page 11)

Estimated increase in DPU as a result of property acquisition

		After depreciation yield (%) (Yen per unit)						
		3.2	3.3	3.4	3.5	3.6	3.7	3.8
Acquisition cost (billion yen)	5	87	89	92	95	98	100	103
	10	173	179	184	190	195	200	206
	15	260	268	276	284	293	301	309
	20	347	358	368	379	390	401	412

1. The above figures are TRM's estimates of the impact of various measures on performance based on certain assumptions and TRIM makes no guarantee whatsoever concerning the achievability of the figures or the amounts and timings
2. Contribution to distributions is the estimated increase in distributions over the period based on various assumptions divided by the number of investment units outstanding at the end of the Dec. '18 period.
3. "Estimated increases in DPU as a result of property acquisition" does not include financing cost.

4. Appendix

Fund Summary



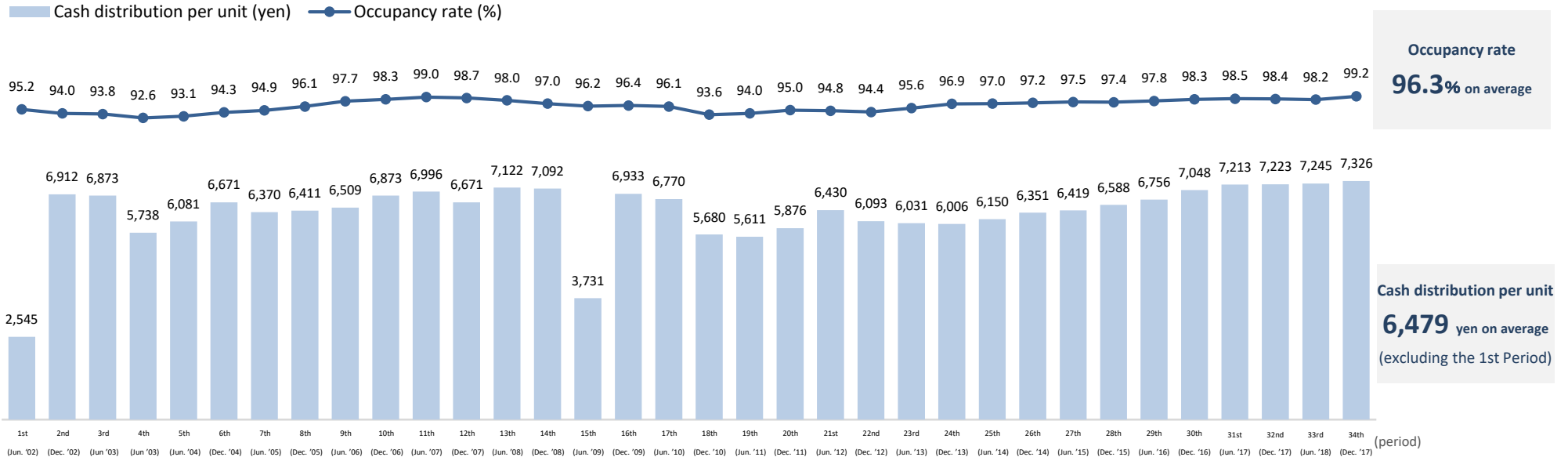
		29th Period (Jun. 2016)	30th Period (Dec. 2016)	31st Period (Jun. 2017)	32nd Period (Dec. 2017)	33rd Period (Jun. 2018)	34th Period (Dec. 2018)
LTV	(total assets)	42.1%	43.7%	40.7%	40.6%	40.6%	40.5%
	(unrealized gains and losses)	39.4%	40.3%	36.5%	35.5%	34.9%	34.2%
NOI yield	(acquisition value)	4.6%	4.9%	4.8%	4.7%	4.7%	4.7%
	(book value)	4.9%	5.1%	5.0%	4.9%	4.9%	5.0%
	(appraisal value)	4.5%	4.7%	4.5%	4.3%	4.2%	4.1%
After-depreciation yield	(acquisition value)	3.7%	4.0%	3.9%	3.8%	3.8%	3.8%
	(book value)	3.9%	4.2%	4.1%	4.0%	4.0%	4.0%
	(appraisal value)	3.6%	3.8%	3.6%	3.5%	3.4%	3.4%
Implied cap rate		3.7%	3.5%	3.8%	3.9%	3.7%	3.7%
FFO		7,783 million yen	8,336 million yen	8,577 million yen	8,587 million yen	8,632 million yen	8,707 million yen
AFFO		7,010 million yen	7,612 million yen	8,014 million yen	7,962 million yen	7,485 million yen	7,581 million yen
FFO per unit		8,915 yen	9,549 yen	9,293 yen	9,303 yen	9,352 yen	9,433 yen
EPS		6,754 yen	7,047 yen	7,440 yen	7,221 yen	7,243 yen	7,324 yen
Cash distribution per unit		6,756 yen	7,048 yen	7,213 yen	7,223 yen	7,245 yen	7,326 yen
Dividend yield		3.2%	3.0%	3.6%	3.9%	3.5%	3.5%
ROE		5.5%	5.6%	5.8%	5.6%	5.6%	5.7%
Reserve for reduction entry per unit		84 yen	84 yen	308 yen	308 yen	308 yen	308 yen
Net asset per unit		247,862 yen	248,154 yen	258,516 yen	258,525 yen	258,546 yen	258,626 yen
NAV per unit		273,915 yen	283,129 yen	306,192 yen	320,060 yen	329,845 yen	341,007 yen
Investment unit price (immediately before the ex-right date)		422,500 yen	465,000 yen	405,000 yen	367,000 yen	416,500 yen	423,000 yen
NAV multiple		1.5 times	1.6 times	1.3 times	1.1 times	1.3 times	1.2 times
PBR		1.7 times	1.9 times	1.6 times	1.4 times	1.6 times	1.6 times
PER		31.3 times	33.0 times	27.2 times	25.4 times	28.7 times	28.9 times
FFO multiple		23.7 times	24.3 times	21.8 times	19.7 times	22.3 times	22.4 times
AFFO payout ratio		84.1%	80.8%	83.1%	83.7%	89.3%	89.2%
DSCR		8.7 times	9.1 times	10.7 times	11.2 times	11.6 times	12.0 times
Interest coverage ratio		7.2 times	7.7 times	8.7 times	9.0 times	9.0 times	9.6 times

1. Implied cap rate = NOI (annualized, forecast for the next fiscal period x 2) / (market capitalization + interest-bearing debts – cash and deposits + tenant leasehold and security deposits)
2. FFO = Net income + depreciation – gain on loss on sale of real estate properties (including loss on retirement of non-current assets)
3. AFFO = FFO – capital expenditures
4. EPS = Net income / number of units outstanding (end of period)

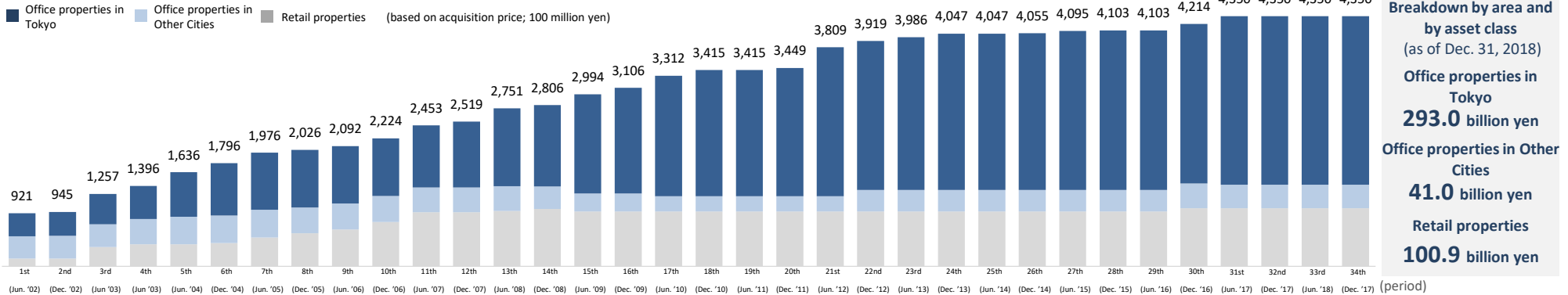
5. Dividend yield = Cash distribution per unit (annualized, most recent result x 2) / investment unit price
6. ROE (return on equity) = Net income (annualized, most recent result x 2) / net assets
7. NAV per unit = (Net assets + unrealized gains or losses – total cash distributions) / number of units outstanding (end of period)
8. NAV multiple = Investment unit price / NAV per unit
9. PBR (price book-value ratio) = Investment unit price / net assets per unit

10. PER (price earnings ratio) = Investment unit price / EPS (annualized, most recent result x 2)
11. FFO multiple = Investment unit price / FFO per unit (annualized, most recent result x 2)
12. AFFO payout ratio = Total cash distributions / AFFO
13. DSCR = (Income before income taxes + depreciation + interest expenses) / interest expenses
14. Interest coverage ratio = Operating revenue / interest expenses
15. Reserve for reduction entry indicates the figure calculated by adding or subtracting the amounts brought forward or reversed in the relevant fiscal period to or from the balance at the end of the fiscal period.

Cash Distribution per Unit and Occupancy Rate

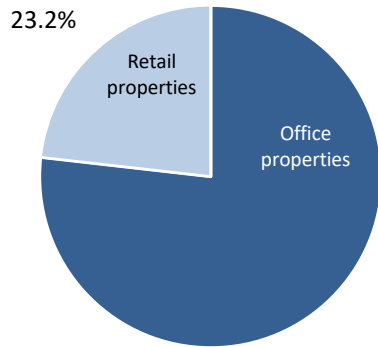


Asset Size



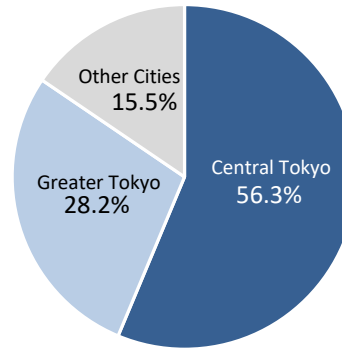
Ratio by Asset Class
(Ratio of Acquisition Price)

- Portfolio management standards :
70 - 90% for office properties / 30 - 10% for retail properties

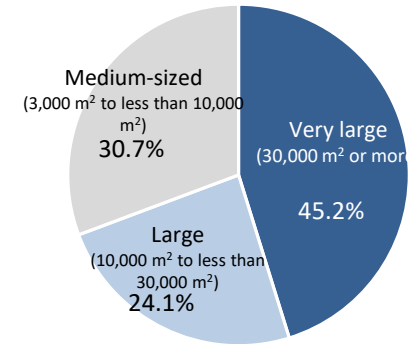


Ratio by Area
(Ratio of Acquisition Price)

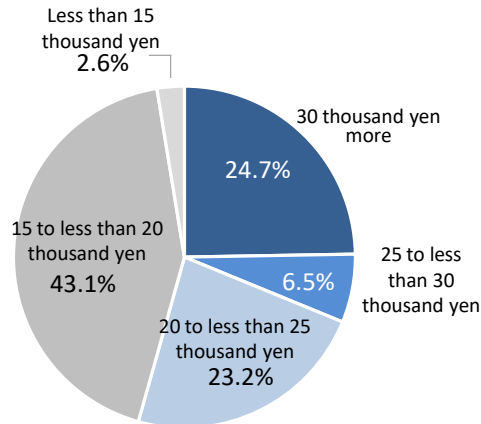
- Portfolio management standards :
80 - 90% for Tokyo / 20 - 10% for Other Cities



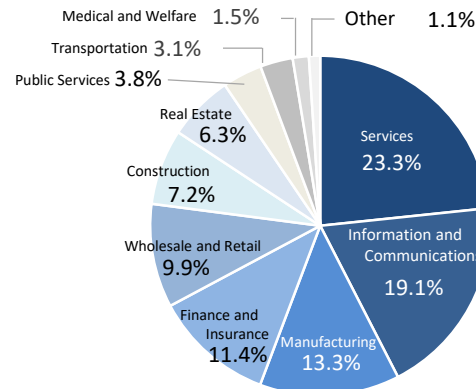
Ratio by Asset Size
(Office Properties, Ratio of Acquisition Price)



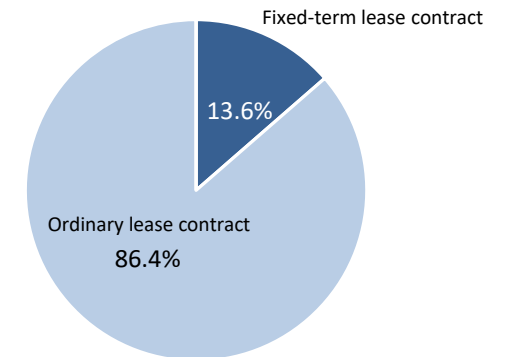
Ratio by Rent Zone
(Office Properties in Central Tokyo, Ratio of Acquisition Price)



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

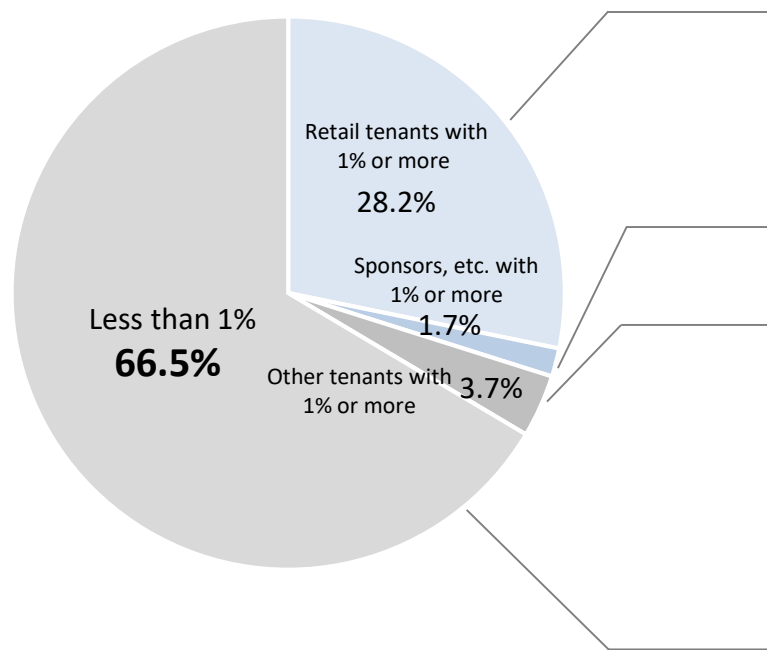


Ratio by Contract Type
(Office Properties, Area Ratio)



Ratio of Tenant Occupancy

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



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

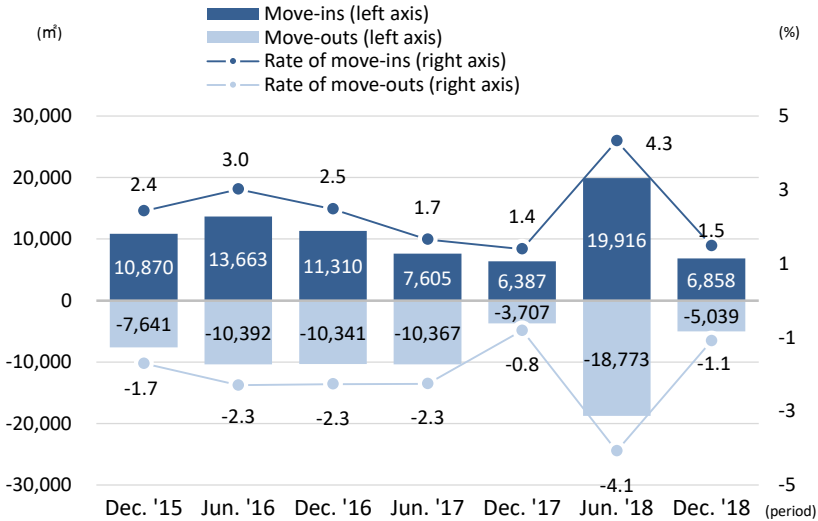
Category (No. of tenants)	Tenant	Occupying property	Leased space (m ²)	Ratio of occupancy (%)
Retail tenants with 1% or more (8 companies)	ABC Development Corporation	Housing Design Center Kobe	35,444.13	7.5
	Seiyu GK	Tanashi ASTA	31,121.71	6.6
	Ito-Yokado Co., Ltd.	JPR Musashikosugi Bldg.	19,740.95	4.2
	The LOFT, Co., Ltd.	JPR Umeda Loft Bldg.	18,586.97	3.9
	Olympic Group Corporation	Musashiurawa Shopping Square	9,558.51	2.0
	Tower Records Japan Inc.	JPR Shibuya Tower Records Bldg.	8,076.85	1.7
	The Maruetsu, Inc.	Cupo-la Main Bldg.	5,963.00	1.3
	A company	Musashiurawa Shopping Square	5,285.40	1.1
Sponsors, etc. with 1% or more (1 company)	Tokyo Prime Stage Inc.	The Otemachi Tower (land with Leasehold Interest)	7,875.50	1.7
Other tenants with 1% or more (3 companies)	B company	Yakuin Business Garden	6,029.57	1.3
	C company	Rise Arena Bldg.	6,023.39	1.3
	D company	JPR Nagoya Fushimi Bldg.	5,313.36	1.1
Less than 1% (735 companies)	E company	Olinas Tower	4,561.87	1.0
	Sompo Japan Nipponkoa Inc.	Sompo Japan Sendai Bldg.	4,379.30	0.9
	F company	Olinas Tower	4,255.56	0.9
	G company	Shinjuku Square Tower	4,242.48	0.9
	H company	Niigata Ekinan Center Bldg.	4,078.97	0.9
	I company	Omiya Prime East	4,005.05	0.8
	J company	MS Shibaura Bldg.	3,922.74	0.8
	K company	Gotanda First Bldg.	3,869.35	0.8

Breakdown and Changes in Move-Ins and Move-Outs

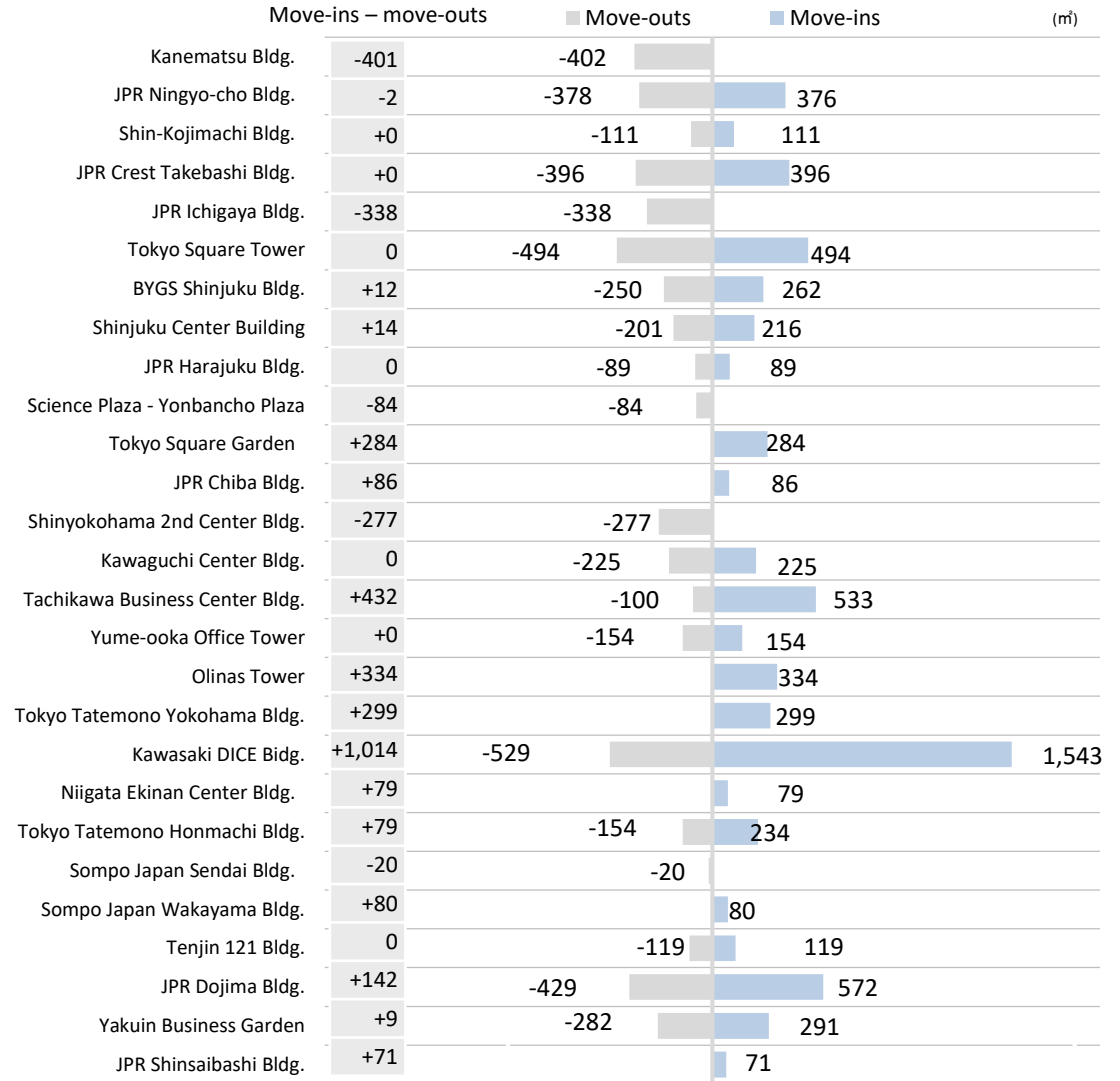
(Move-in/move-out spaces by area and asset class: m²)

	Move-Ins	Move-Outs	Net Increase /Decrease
Office properties in Central Tokyo	2,231	-2,745	-514
Office properties in Greater Tokyo	1,635	-758	+876
Office properties in Other Cities	1,448	-1,005	+442
Retail properties	1,543	-529	+1,014
Total	6,858	-5,039	+1,818

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



Move-In/Move-Out Spaces by Property



Changes in Occupancy Rate, Average Downtime and Rents

(forecast)

Item		Dec. 2015 (28th period)	Jun. 2016 (29th period)	Dec. 2016 (30th period)	Jun. 2017 (31st period)	Dec. 2017 (32nd period)	Jun. 2018 (33rd period)	Dec. 2018 (34th period)	Jun. 2019 (35th period)
Office	Occupancy rate based on concluded contract, %	96.1	96.8	97.5	97.8	97.8	97.6	98.8	99.1
	Occupancy rate based on generated rents, %	92.9	94.7	96.0	96.5	97.1	95.8	97.8	98.4
	Base rent, yen	15,120	15,596	15,933	15,980	16,523	17,110	17,535	17,975
	Target rent, yen	16,447	16,887	17,206	17,338	17,934	18,512	18,919	19,371
	Average rent (entire area), yen	16,716	16,961	17,003	17,579	17,626	17,859	17,980	18,176
	Average rent (central Tokyo), yen	19,321	19,663	19,715	20,705	20,748	20,882	21,053	21,387
	Average rent (greater Tokyo), yen	17,233	16,813	16,778	16,861	16,888	17,134	17,233	17,238
	Average rent (other cities), yen	13,149	11,967	12,347	12,164	12,322	13,032	13,149	13,333
Gap in actual rent, %	-	-6.3	-4.1	-4.7	-7.0	-7.5	-8.8	-	
Retail	Occupancy rate based on concluded contract, %	100.0	99.9	100.0	100.0	99.7	99.4	99.9	99.9
	Occupancy rate based on generated rents, %	99.9	99.9	99.9	99.9	99.6	99.2	99.4	99.8

Status of Rent revision, Rent Through Tenant Replacement and Contribution Rate (Dec. '18)

Item	Number of contracts	Area (m ²)	Area ratio(%)	Increase/Decrease (million yen)	Increase/Decrease ratio (%)
Rent revision subtotal	133	41,188	85.9	+7.2	+3.4
Upward revision of rent	64	21,135	44.1	+7.4	+7.5
Downward revision of rent	2	400	0.8	-0.2	-7.5
Neither upward or downward revision of rent	67	19,652	41.0	0.0	0.0
Tenant replacement subtotal	26	6,784	14.1	+6.5	+18.9
Increase through tenant replacement	20	5,429	11.3	+7.2	+27.6
Decrease through tenant replacements	6	1,355	2.8	-0.6	-7.7
Total (Rent revision + Tenant replacement)	159	47,972	100.0	+13.7	+5.6

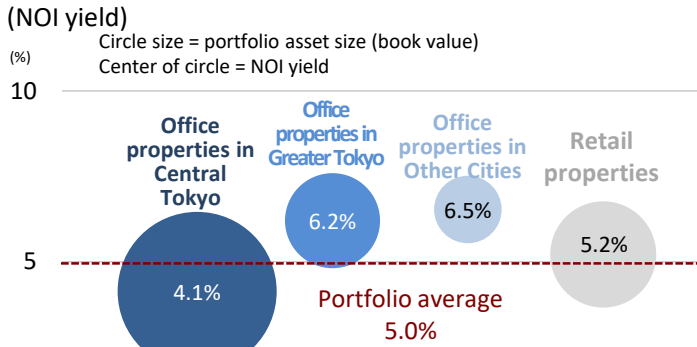
Leased Area by Rent Level/Ratio of Contracts with Upward Rent Revision (Contracts renewed Dec. '18 period)

Item	Area (thousand m ²)	Area ratio (%)	Ratio of contracts with upward revision (%)
Less than market rent	4.4	45.3	71.0
Within market rent	3.7	38.7	39.3
Market rent more	1.5	16.0	8.3

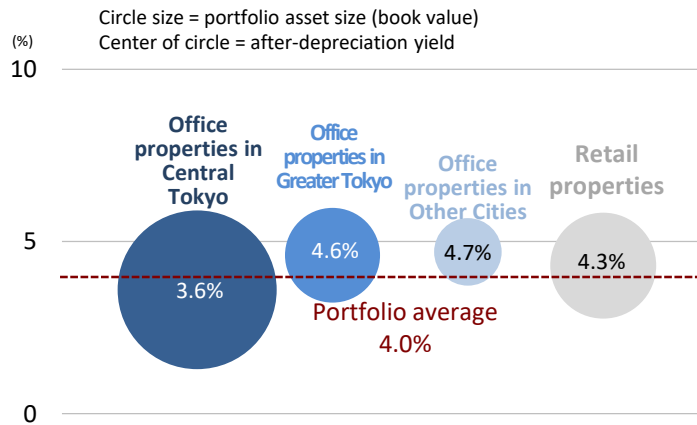
Leased Area by Rent Level (Contracts renewed Jun. '19. period - Dec. '20 period)

Item	Area (thousand m ²)	Area ratio (%)
Less than market rent	118.3	48.7
Market rent	63.0	25.9
Market rent more	61.7	25.4

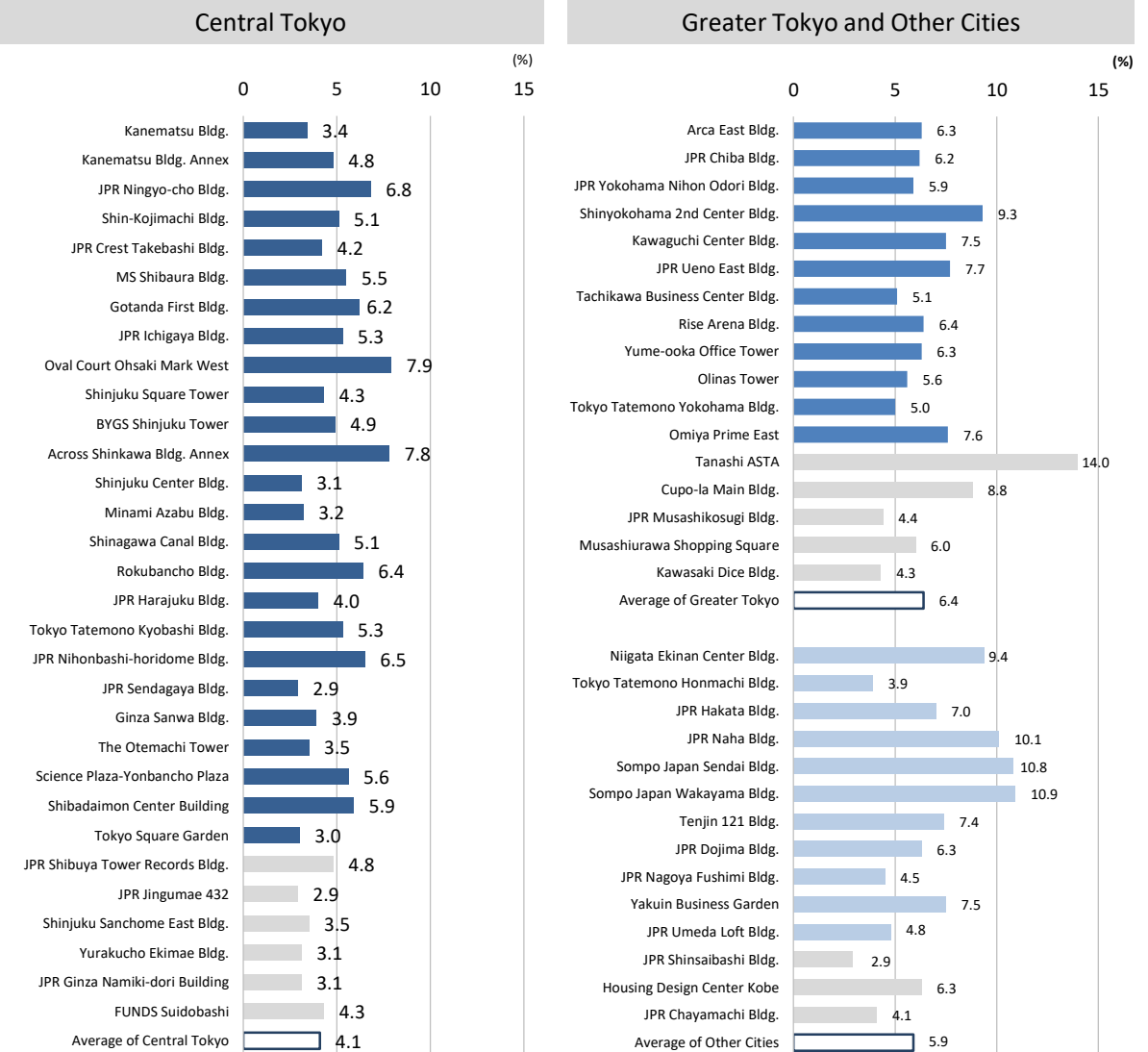
■ Yields by Area and by Asset Class (based on book value)



(After-depreciation yield)

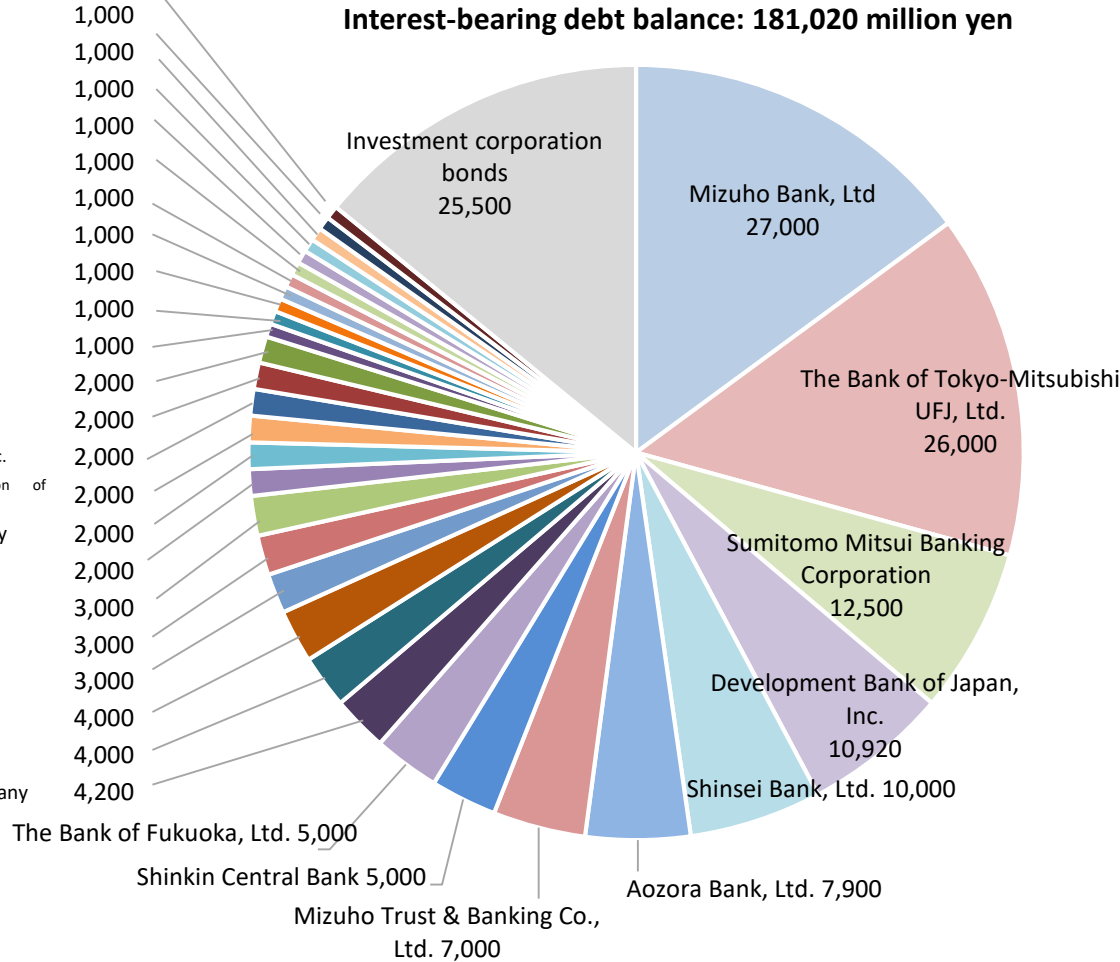


■ NOI Yield by Property (based on book value)



Diversifying fund procurement sources with a lender formation comprising 32 financial institutions and through issuance of investment corporation bonds

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



(million yen)

(Breakdown of investment corporation bonds)

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

(Status of commitment line)

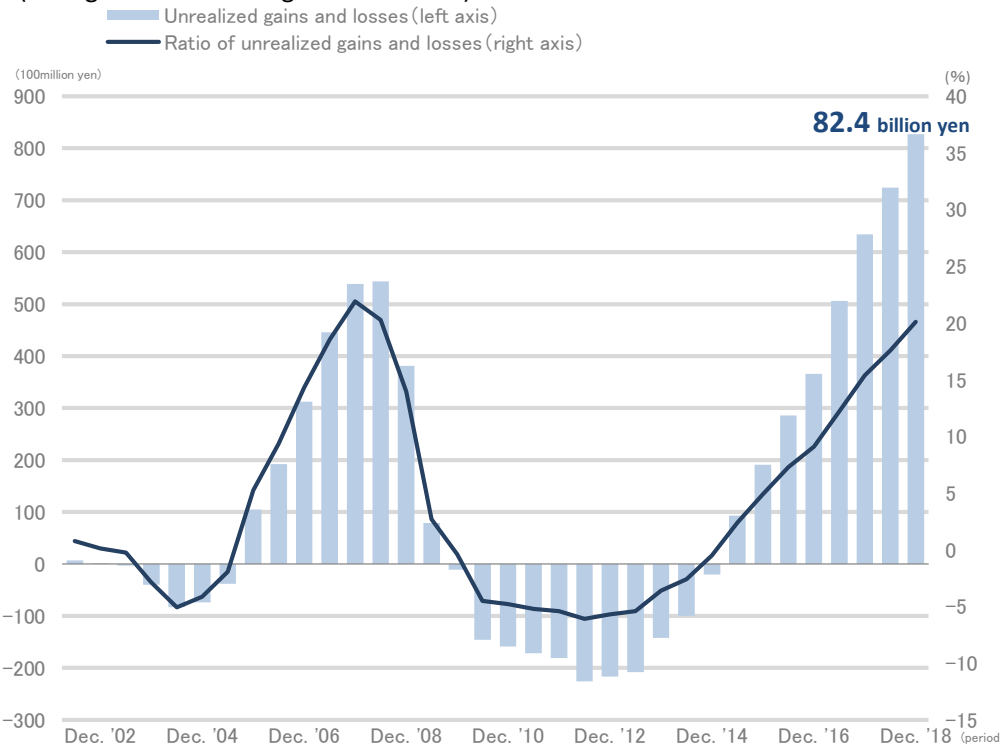
Lender	Credit Limit
Mizuho Bank, Ltd.	4,000
MUFG Bank, Ltd.	4,000
Sumitomo Mitsui Banking Corporation	4,000
Aozora Bank, Ltd	4,000
Mizuho Trust & Banking Co, Ltd.	4,000
Resona Bank, Ltd	4,000
Total	24,000

An Increase in Unrealized Gains

- Unrealized gains expanded to 82.7 billion yen due to an increase in appraisal value
- Appraisal value increased for 39 properties with direct cap rate falling for 36 properties (out of 62 properties in total)

Appraisal value	Unrealized gains	Ratio of unrealized gains
49.37 billion yen (up 9.4 billion yen from 33rd period (Jun. '18))	82.7 billion yen (up 10.3 billion yen from 33rd period (Jun. '18))	20.1% (up 2.5% pt from 33rd period (Jun. '18))

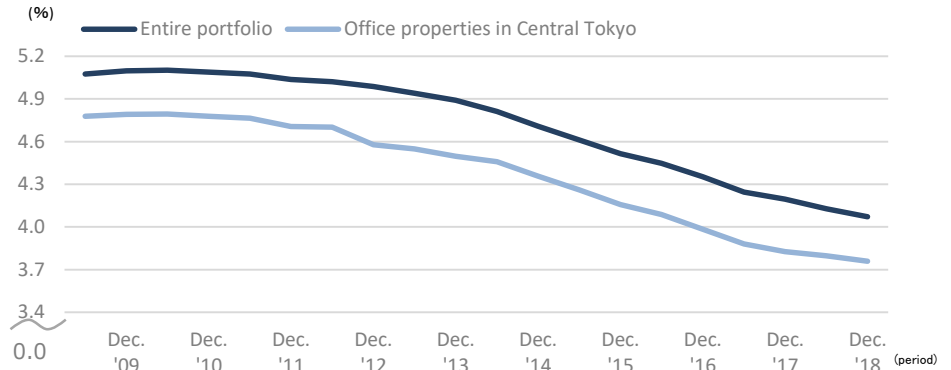
(Changes in unrealized gains and losses)



Factors of Change in Appraisal Value

(Changes in direct cap rate)

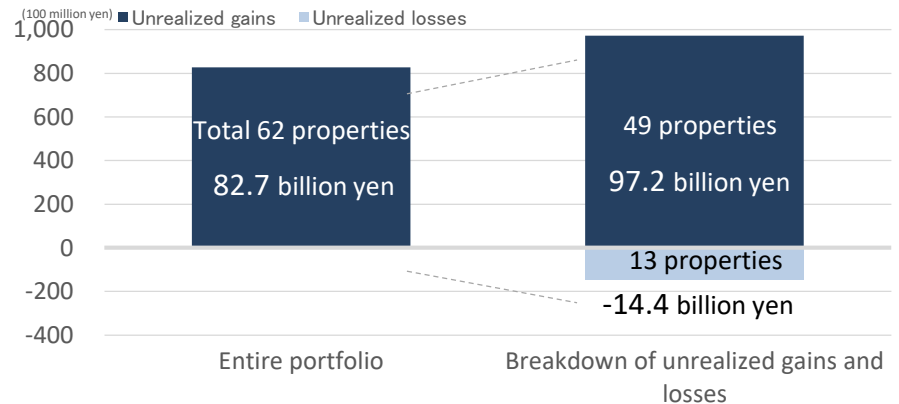
- Decreased by 1.0 percentage points from the 17th period ended June 2010 (4.8%), the peak period for office properties in Central Tokyo



1. The changes in direct cap rate indicate the figures for the 47 properties JPR has owned since the end of June 2009 for the "Entire portfolio," and for the 15 properties JPR owns since the date for "Office properties in Central Tokyo," respectively.

(Breakdown of unrealized gains and losses)

- Amounts of both unrealized gains and unrealized losses improved from the end of the 33rd period (Jun. '18).



4. Appendix

Appraisal Value by Property (as of December 31, 2018)



Property name	Appraisal value (mn yen)	Change (mn yen)	Direct cap (NCF Cap) (%)	Change (% pt)	DCF discount rate (%)	Change (% pt)	DCF terminal cap (%)	Change (% pt)	Book value (mn yen)	Unrealized gain or loss (mn yen)
Kanematsu Bldg.	14,000	+100	3.5	0.0	3.3	0.0	3.7	0.0	14,578	-578
Kanematsu Bldg. Annex	2,520	-	3.9	0.0	3.7	0.0	4.1	0.0	2,418	+101
JPR Ningyo-cho Bldg.	2,710	+220	4.0	-0.1	3.8	-0.1	4.2	-0.1	1,985	+724
Shin-Kojimachi Bldg.	3,860	+280	3.8	-0.1	3.5	-0.1	4.0	-0.1	2,449	+1,410
JPR Crest Takebashi Bldg.	3,570	+210	3.8	0.0	3.6	0.0	4.0	0.0	3,236	+333
MS Shibaura Bldg.	13,500	+1,200	4.3	0.0	4.0	0.0	4.5	0.0	10,905	+2,594
Gotanda First Bldg.	3,510	+700	3.9	-0.1	3.6	-0.1	4.1	-0.1	2,919	+590
JPR Ichigaya Bldg.	4,830	-400	3.7	0.0	3.5	0.0	3.9	0.0	5,190	-360
Oval Court Ohsaki Mark West	4,950	+10	3.9	0.0	3.7	0.0	4.1	0.0	2,812	+2,137
Shinjuku Square Tower	14,800	-	3.7	-0.1	3.5	-0.1	3.9	-0.1	13,264	+1,535
BYGS Shinjuku Bldg.	18,900	-100	3.7	0.0	3.5	0.0	3.9	0.0	15,391	+3,508
Across Shinkawa Bldg. Annex	894	+3	4.6	0.0	4.4	0.0	4.8	0.0	588	+305
Shinjuku Center Bldg.	16,600	+800	3.4	-0.1	3.1	-0.1	3.6	-0.1	22,183	-5,583
Minami Azabu Bldg.	2,900	-30	4.0	-0.1	3.8	-0.1	4.2	-0.1	3,820	-920
Shinagawa Canal Bldg.	2,020	+150	4.1	-0.1	3.8	-0.1	4.3	-0.1	1,718	+301
Rokubancho Bldg.	3,490	+50	5.0	-0.1	3.9	-0.1	4.3	-0.1	2,823	+666
JPR Harajuku Bldg.	11,000	+1,330	3.7	0.0	3.5	0.0	3.9	0.0	8,674	+2,325
Tokyo Tatemono Kyobashi Bldg.	5,700	-20	4.0	-0.2	3.5	-0.2	4.1	-0.2	5,285	+414
JPR Nihonbashi-horidome Bldg.	6,830	-	4.2	0.0	4.0	0.0	4.4	0.0	4,710	+2,119
JPR Sendagaya Bldg.	12,100	+100	3.8	0.0	3.6	0.0	4.0	0.0	14,824	-2,724
Ginza Sanwa Bldg.	4,080	-	3.1	0.0	2.8	0.0	3.2	0.0	3,701	+378
The Otemachi Tower (Land with Leasehold Interest)	48,300	-	2.8	0.0	2.7	0.0	2.9	0.0	38,388	+9,911
Science Plaza - Yonbancho Plaza	3,470	+90	4.0	-0.1	3.6	-0.1	4.2	-0.1	2,716	+753
Shibadaimon Center Bldg.	6,830	+170	3.7	-0.1	3.4	-0.1	3.9	-0.1	4,160	+2,669
Tokyo Square Garden	20,600	-	2.7	0.0	2.5	0.0	2.9	0.0	18,582	+2,017
JPR Shibuya Tower Records Bldg.	14,100	-400	3.5	0.0	3.3	0.0	3.7	0.0	11,478	+2,621
JPR Jingumae 432	4,110	-	3.1	0.0	3.2	0.0	3.3	0.0	4,273	-163
Shinjuku Sanchoe East Bldg.	2,970	+60	3.3	-0.2	2.8	-0.2	3.5	-0.2	2,595	+374
Yurakucho Ekimae Bldg. (Yurakucho Itocia)	3,300	+60	3.0	-0.1	2.6	-0.1	3.2	-0.1	3,302	-2
Ginza Gates	11,300	-	2.9	0.0	2.6	0.0	2.9	0.0	10,142	+1,157
FUNDES Suidoubashi	3,640	-	3.6	0.0	3.4	0.0	3.8	0.0	3,228	+411

Property name	Appraisal value (mn yen)	Change (mn yen)	Direct cap (NCF Cap) (%)	Change (% pt)	DCF discount rate (%)	Change (% pt)	DCF terminal cap (%)	Change (% pt)	Book value (mn yen)	Unrealized gain or loss (mn yen)
Arca East	6,570	+150	4.0	-0.1	3.7	-0.1	4.2	-0.1	4,242	+2,327
JPR Chiba Bldg.	1,780	-	5.3	0.0	5.1	0.0	5.5	0.0	2,219	-439
JPR Yokohama Nihon Odori Bldg.	2,340	-	4.9	0.0	4.7	0.0	5.1	0.0	2,438	-98
Shinyokohama 2nd Center Bldg.	1,930	+120	4.7	-0.1	4.5	-0.1	4.9	-0.1	1,408	+521
Kawaguchi Center Bldg.	10,000	+410	4.9	-0.1	4.6	-0.1	5.1	-0.1	7,240	+2,759
JPR Ueno East Bldg.	5,020	+170	3.9	-0.1	3.7	-0.1	4.1	-0.1	2,952	+2,067
Tachikawa Business Center Bldg.	3,960	+20	4.3	-0.1	4.0	-0.1	4.5	-0.1	2,877	+1,082
Rise Arena Bldg.	8,560	-70	4.0	0.0	3.7	0.0	4.1	0.0	5,231	+3,328
Yume-ooka Office Tower	6,660	+150	4.2	-0.1	3.9	-0.1	4.4	-0.1	5,369	+1,290
Olinas Tower	38,100	+600	3.8	-0.1	3.5	-0.1	4.0	-0.1	27,143	+10,956
Tokyo Tatemono Yokohama Bldg.	8,870	+370	4.3	-0.1	4.0	-0.1	4.4	-0.1	7,018	+1,851
Omiya Prime East	8,760	+150	4.5	-0.1	4.3	-0.1	4.7	-0.1	5,738	+3,021
Tanashi ASTA	12,500	-	5.2	0.0	5.1	0.0	5.4	0.0	7,224	+5,275
Cupo-la Main Bldg.	2,860	+60	5.1	-0.1	4.9	-0.1	5.3	-0.1	1,678	+1,181
JPR Musashikosugi Bldg.	5,690	-	4.7	0.0	4.5	0.0	4.9	0.0	6,999	-1,309
Musashiurawa Shopping Square	4,350	-	4.9	0.0	4.8	0.0	5.1	0.0	3,627	+722
Kawasaki Dice Bldg.	16,200	-	4.2	0.0	4.1	0.0	4.4	0.0	13,248	+2,951
Niigata Ekinan Center Bldg.	2,250	+20	5.7	-0.1	5.7	-0.1	5.9	-0.1	1,598	+651
Tokyo Tatemono Honmachi Bldg.	3,500	+10	4.6	-0.1	4.3	-0.1	4.8	-0.1	4,256	-756
JPR Hakata Bldg.	3,650	+180	4.4	-0.1	4.3	-0.1	4.6	-0.1	2,955	+694
JPR Naha Bldg.	1,950	+90	5.2	-0.1	5.2	-0.1	5.4	-0.1	1,346	+603
Sompo Japan Sendai Bldg.	4,110	+70	5.0	-0.1	4.8	-0.1	5.3	-0.1	2,403	+1,706
Sompo Japan Wakayama Bldg.	1,620	-	6.4	-0.1	6.2	-0.1	6.7	-0.1	1,324	+295
Tenjin 121 Bldg.	3,150	+120	4.4	-0.1	4.0	-0.1	4.6	-0.1	2,053	+1,096
JPR Dojima Bldg.	3,410	+310	4.3	-0.1	4.1	-0.1	4.4	-0.1	2,164	+1,245
JPR Nagoya Fushimi Bldg.	3,030	+70	5.1	-0.1	4.6	-0.1	5.0	-0.1	3,849	-819
Yakuin Business Garden	18,000	+1,400	4.2	-0.1	4.0	-0.1	4.4	-0.1	10,312	+7,687
Benetton Shinsuibashi Bldg.	4,420	-70	3.8	0.0	3.5	0.0	3.9	0.0	5,147	-727
JPR Umeda Loft Bldg.	14,200	+100	3.9	-0.1	3.6	-0.1	4.1	-0.1	12,402	+1,797
Housing Design Center Kobe	7,430	+150	5.4	-0.1	5.2	-0.1	5.5	-0.1	6,099	+1,330
JPR Chayamachi Bldg.	7,510	+310	3.4	-0.1	3.1	-0.1	3.5	-0.1	6,034	+1,475
Total (Dec. 31, '18)	493,764	+9,473							410,964	+82,799
Central Tokyo	271,384	+4,583							242,355	+29,028
Greater Tokyo	144,150	+2,130							106,659	+37,490
Other Cities	78,230	+2,760							61,949	+16,280

1. Direct cap indicates the capitalization rate that serves as the standard for calculating the value estimated by income approach based on the direct capitalization method.

2. DCF discount rate and DCF terminal cap indicate the period income discount rate and the terminal capitalization rate that serve as the standard for calculating the value estimated by income approach based on the discounted cash flow (DCF) method.

Summary of Asset Manager

(as of December 31, 2018)

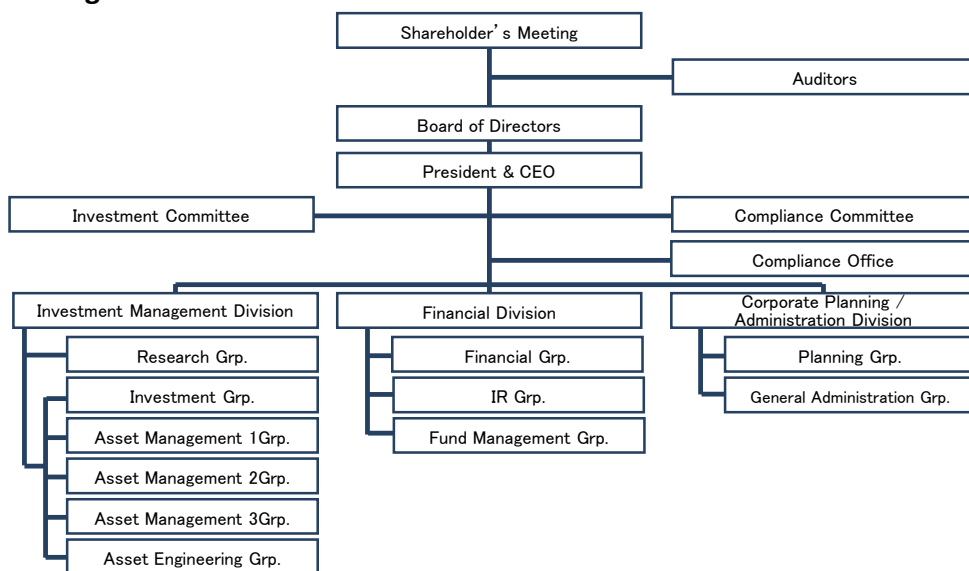
Name	Tokyo Realty Investment Management, Inc. (TRIM)
Address	4-16 Yaesu 1-Chome, Chuo-ku, Tokyo
Date of Foundation	April 28, 2000
Paid-in Capital	350 million yen
Business Description	Asset management for investment corporation
President and CEO	Yoshihiro Jozaki
Directors	10 (5 full-time and 5 part-time)
Number of Officers	35

Sponsors

(as of December 31, 2018)

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

Organization Chart



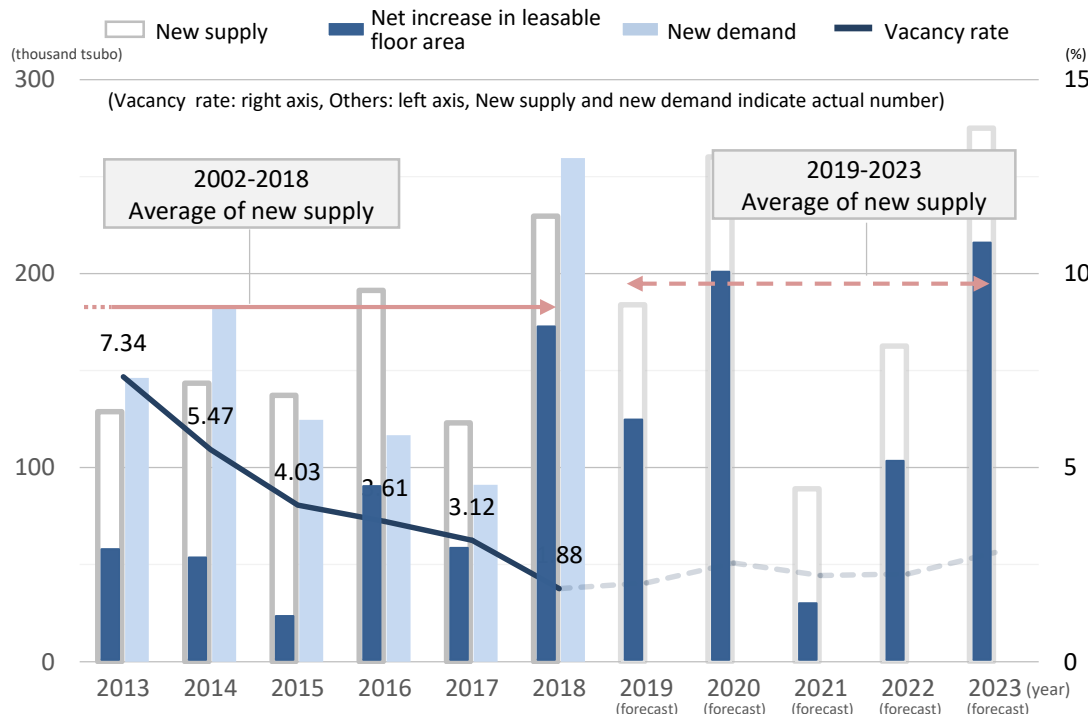
Sponsors Support

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

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

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

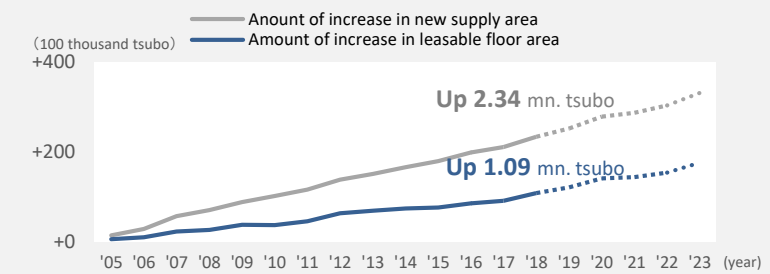
- Net increase in leasable floor area (in stock) over the new supply area is small.
- New demand has remained strong, surpassing the increase in leasable floor area by volume
- Employed population is on an upward trend, leading new demand in Tokyo. Increase in labor participation ratio, primarily by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



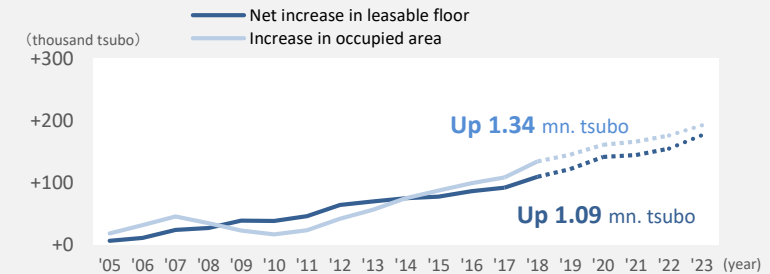
1. Actual results of the vacancy rate, leasable floor area and occupied area through December 2018 are based on the Office Report (Tokyo CBDs) by Miki Shoji Co., Ltd. New supply, new demand and loss areas as well as the leasable floor area and vacancy rate in 2019 and thereafter have been estimated based on surveys and simulations conducted by market research agency and TRIM.
As an assumption for the simulation, the new supply area uses an estimate obtained by applying a certain multiplying factor to the average of the past results. The lost area is based on the average of the past results as assumption.

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

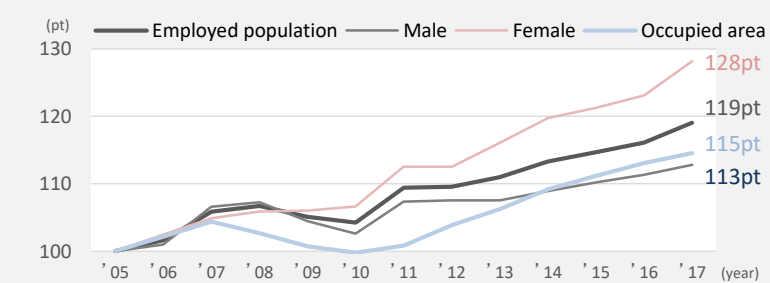
Comparison of increases in new supply area and leasable floor area



Comparison of increases in leasable floor area and occupied area

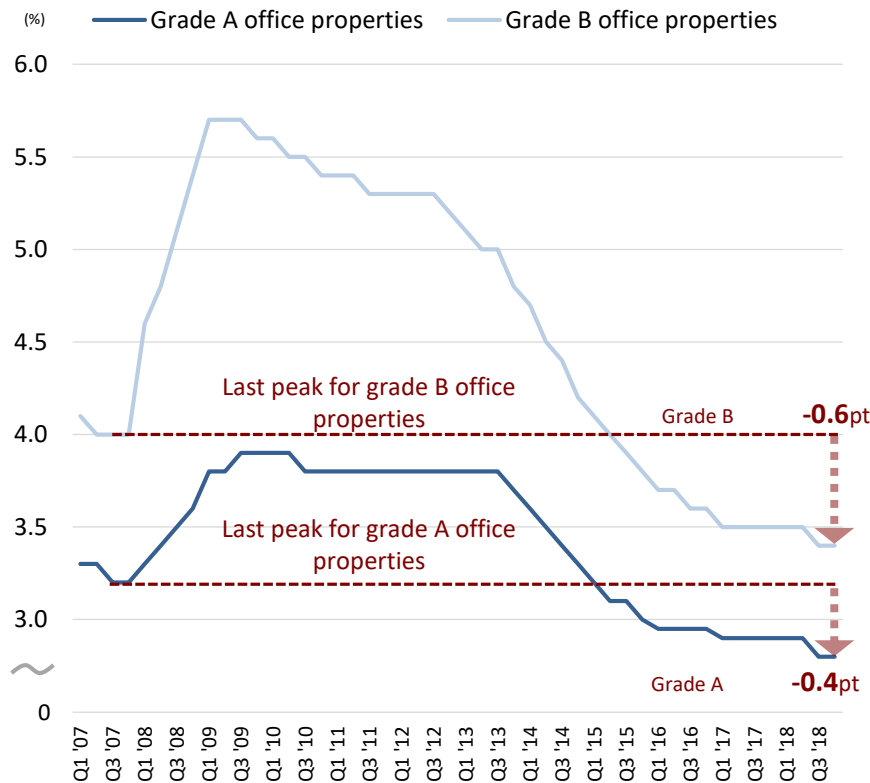


Comparison of employed population and occupied area ('05=100pt)

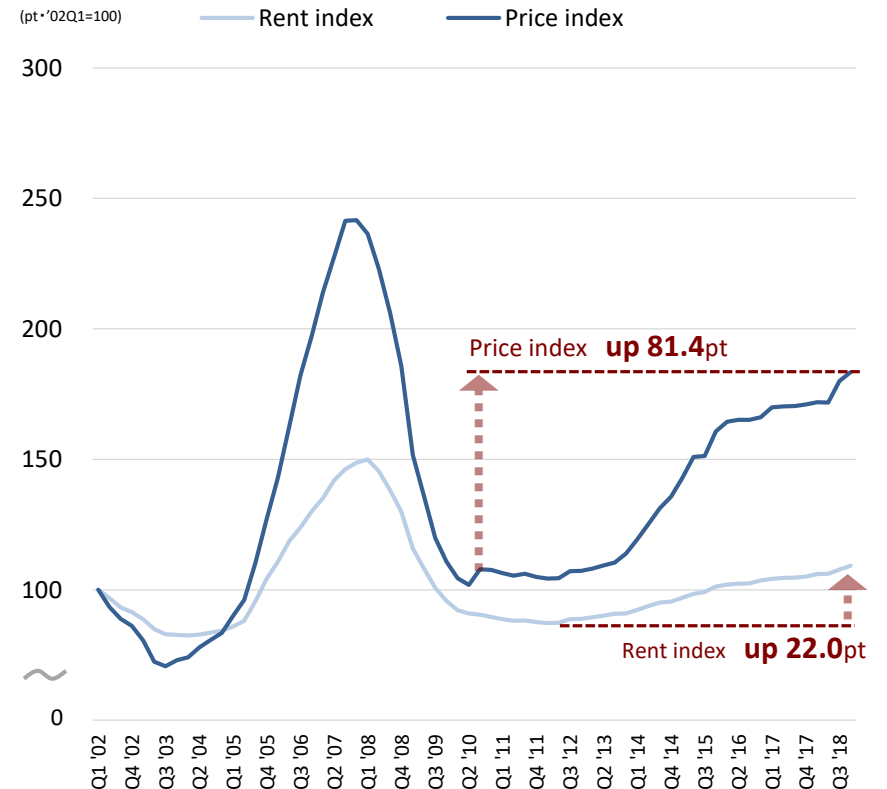


Cap Rate of Tokyo Office Properties Continues to Dro

■ Cap Rates of Office Properties in Tokyo

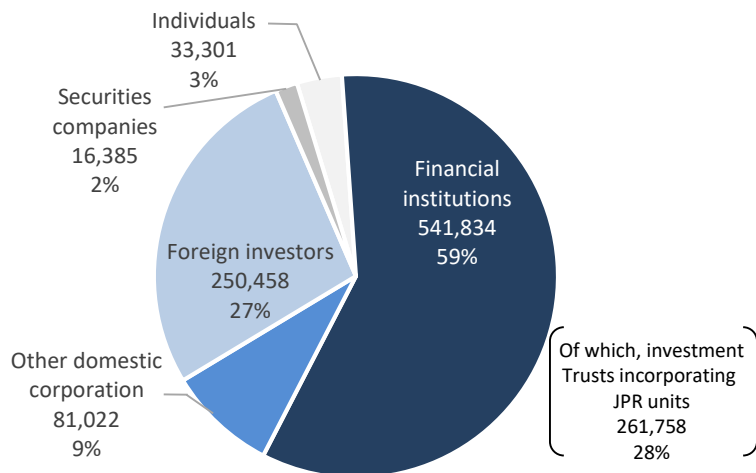


■ Correlation between Price and Rent of Grade A Office Properties in Tokyo

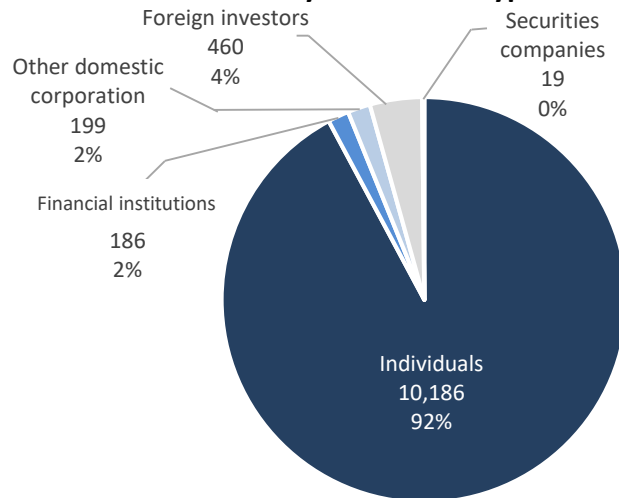


1. Prepared by TRIM based on reports publicized by Jones Lang LaSalle K.K.
 2. Grade A: Central 5 wards, total floor area of 30,000m2 or more, at least 20 floors, completed since 1990
 Grade B: Central 5 wards, total floor area of 5,000m2 or more but less than 30,000m2, at least 8 floors, completed since 1982

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



■ Number of Unitholders by Unitholder Type (10,050 unitholders in total)



■ Top Unitholders

	Name	Number of Owned Units	Share(%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	194,981	21.1
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	121,463	13.2
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	34,595	3.7
4	State Street Bank West Client Treaty 505234	31,979	3.5
5	Tokyo Tatemono Co., Ltd.	29,300	3.2
6	Kawasaki Gakuen	25,000	2.7
7	Meiji Yasuda Life Insurance Company	24,000	2.6
8	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	21,708	2.4
9	JP Morgan Chase Bank 385771	12,100	1.3
10	State Street Bank and Trust company 505103	9,089	1.0
	Total	504,215	54.6



■ Changes in JPR Unit Price



■ Changes in JPR Dividend Yield



1. Prepared by TRIM based on Refinitiv (Thomson Reuters) data.

Central Tokyo

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



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

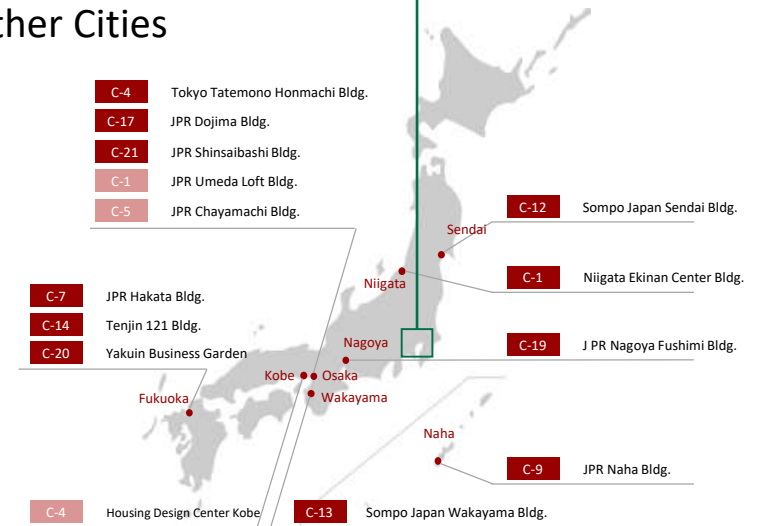
Greater Tokyo

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



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

Other Cities



C-4	Tokyo Tatemono Honmachi Bldg.	C-12	Sompo Japan Sendai Bldg.
C-17	JPR Dojima Bldg.	C-1	Niigata Ekinan Center Bldg.
C-21	JPR Shinsaibashi Bldg.	C-19	J PR Nagoya Fushimi Bldg.
C-1	JPR Umeda Loft Bldg.		
C-5	JPR Chayamachi Bldg.		
C-7	JPR Hakata Bldg.		
C-14	Tenjin 121 Bldg.		
C-20	Yakuin Business Garden		
C-4	Housing Design Center Kobe	C-13	Sompo Japan Wakayama Bldg.
		C-9	JPR Naha Bldg.

A-1 Kanematsu Bldg.



- ① Chuo-ku
- ② S・SRC SRC B2/13F
- ③ Feb. 1993
- ④ 14,995m²



A-2 Kanematsu Bldg. Annex



- ① Chuo-ku
- ② SRC B1/8F
- ③ Feb. 1993
- ④ 4,351m²

A-3 JPR Ningyo-cho Bldg.



- ① Chuo-ku
- ② SRC RC B1/8F
- ③ Dec. 1989
- ④ 4,117m²

A-4 Shin-Kojimachi Bldg.



- ① Chiyoda-ku
- ② SRC B1/9F
- ③ Oct. 1984
- ④ 5,152m²

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



- ① Chiyoda-ku
- ② -
- ③ Apr. 2014
- ④ 11,034m² (ground area)

A-5 JPR Crest Takebashi Bldg.



- ① Chiyoda-ku
- ② SRC B1/9F
- ③ Sep. 1999
- ④ 4,790m²



A-6 MS Shibaura Bldg.



- ① Minato-ku
- ② SRC RC S B2/13F
- ③ Feb. 1988
- ④ 31,020m²

A-7 Gotanda First Bldg.



- ① Shinagawa-ku
- ② SRC RC B2/11F
- ③ Jul. 1989
- ④ 10,553m²

A-9 JPR Ichigaya Bldg.



- ① Chiyoda-ku
- ② SRC B1/9F
- ③ Mar. 1989
- ④ 5,888m²

A-14 Shinjuku Center Building



- ① Shinjuku-ku
- ② SRC RC S B5/54F
- ③ Oct. 1979
- ④ 176,607m²

A-10 Oval Court Ohsaki Mark West



- ① Shinagawa-ku
- ② S SRC B2/13F
- ③ Jun. 2001
- ④ 28,575m²



A-11 Shinjuku Square Tower



- ① Shinjuku-ku
- ② S SRC B4/30F
- ③ Oct. 1994
- ④ 78,796m² (entire redevelopment area)

A-12 BYGS Shinjuku Bldg.



- ① Shinjuku-ku
- ② SRC B2/14F
- ③ Apr. 1985
- ④ 25,733m²



A-13 Across Shinkawa Bldg. Annex



- ① Chuo-ku
- ② S SRC B2/10F
- ③ Jun. 1994
- ④ 5,535m²

A-15 Minami Azabu Bldg.



- ① Minato-ku
- ② S 9F
- ③ Jun. 1992
- ④ 4,570m²



A-16 Shinagawa Canal Bldg.



- ① Minato-ku
- ② S B1/8F
- ③ Jul. 2008
- ④ 5,216m²



A-17 Rokubancho Building



- ① Chiyoda-ku
- ② SRC B3/7F
- ③ Oct. 1991
- ④ 4,205m²

A-18 JPR Harajuku Bldg.



- ① Shibuya-ku
- ② SRC B1/9F
- ③ Mar. 1989
- ④ 6,466m²

1. The property overview indicates (1) location, (2) structure/floors, (3) completion, and (4) total floor space (entire building). The same applies hereafter.
 2. DBJ Green Building certification is as of December 2018; the same applies hereinafter.

A-19 Tokyo Tatemono Kyobashi Building



- ① Chuo-ku
- ② SRC B1/10F
- ③ Jan. 1981
- ④ 4,419m²

A-20 JPR Nihonbashi-horidome Building



- ① Chuo-ku
- ② SRC B1/9F
- ③ Jun. 2002
- ④ 7,190m²



A-21 JPR Sendagaya Bldg.



- ① Shibuya-ku
- ② S 8F
- ③ May 2009
- ④ 7,683m²



A-26 Tokyo Square Garden



- ① Chuo-ku
- ② SRC B4/24F
- ③ Feb. 2013
- ④ 112,645m²



A-22 Ginza Sanwa Bldg.



- ① Chuo-ku
- ② SRC B2/9F
- ③ Oct. 1982
- ④ 8,851m²

A-24 Science Plaza - Yonbancho Plaza



- ① Chiyoda-ku
- ② S-SRC-RC B2/12F
- ③ Feb. 1995
- ④ 24,560m²

A-25 Shibadaimon Center Bldg.



- ① Minato-ku
- ② S-SRC B1/10F
- ③ Jul. 1993
- ④ 11,419m²

A-1 JPR Shibuya Tower Records Bldg.



- ① Shibuya-ku
- ② SRC-S B3/8F
- ③ Feb. 1992
- ④ 8,449m²

A-3 JPR Jingumae 432



- ① Shibuya-ku
- ② S-SRC B1/7F
- ③ Feb. 2006
- ④ 1,066m²

A-4 Shinjuku Sanchoe East Bldg.



- ① Shinjuku-ku
- ② S-SRC-RC B3/14F
- ③ Jan. 2007
- ④ 24,617m²

A-5 Yurakucho Ekimae Building (Yurakucho Itocia)



- ① Chiyoda-ku
- ② S-SRC B4/20F
- ③ Oct. 2007
- ④ 71,957m²

A-7 FUNDES Suidobashi



- ① Chiyoda-ku
- ② S 9F
- ③ Jul. 2015
- ④ 1,477m²

A-6 JPR Ginza Namiki-dori Building



- ① Chuo-ku
- ② S 11F
- ③ Jun. 2008
- ④ 1,821m²

B-1 Arca East



- ① Sumida-ku
- ② S-SRC B3/19F
- ③ Mar. 1997
- ④ 34,281m²

B-2 JPR Chiba Bldg.



- ① Chiba, Chiba
- ② S-SRC B1/13F
- ③ Jan. 1991
- ④ 9,072m²



B-3 JPR Yokohama Nihon Odori Bldg.



- ① Yokohama, Kanagawa
- ② SRC B1/11F
- ③ Oct. 1989
- ④ 9,146m²

B-5 Shinyokohama 2nd Center Bldg.



- ① Yokohama, Kanagawa
- ② S-SRC B2/12F
- ③ Aug. 1991
- ④ 7,781m²

B-6 Kawaguchi Center Bldg.



- ① Kawaguchi, Saitama
- ② S-SRC B2/15F
- ③ Feb. 1994
- ④ 28,420m²

B-11 Olinas Tower



- ① Sumida-ku
- ② SRC-RC-S B2/45F
- ③ Feb. 2006
- ④ 257,842m²



B-7 JPR Ueno East Bldg.



- ① Taito-ku
- ② S-SRC B1/8F
- ③ Oct. 1992
- ④ 8,490m²



B-8 Tachikawa Business Center Bldg.



- ① Tachikawa, Tokyo
- ② S-SRC B1/12F
- ③ Dec. 1994
- ④ 14,706m²

B-9 Rise Arena Bldg.



- ① Toshima-ku
- ② RC-SRC-S B3/42F
- ③ Jan. 2007
- ④ 91,280m²



B-10 Yume-ooka Office Tower



- ① Yokohama, Kanagawa
- ② S-SRC-RC B3/27F
- ③ Mar. 1997
- ④ 185,976m²



B-12 Tokyo Tatemono Yokohama Building



- ① Yokohama, Kanagawa
- ② SRC B1/9F
- ③ May 1981
- ④ 8,772m²

B-13 Omiya Prime East



- ① Saitama, Saitama
- ② S 9F
- ③ Feb. 2009
- ④ 9,203m²



B-1 Tanashi ASTA



- ① Nishitokyo, Tokyo
- ② SRC B2/17F
- ③ Feb. 1995
- ④ 80,675m²

B-3 Cupo-la Main Bldg.



- ① Kawaguchi, Saitama
- ② S-RC-SRC B2/10F
- ③ Jan. 2006
- ④ 48,321m²

B-4 JPR Musashikosugi Bldg.



- ① Kawasaki, Kanagawa
- ② SRC-RC-S B1/6F
- ③ Mar. 1983
- ④ 18,394m²

B-5 Musashirawa Shopping Square



- ① Saitama, Saitama
- ② S B1/4F
- ③ Oct. 2005
- ④ 28,930m²

B-6 Kawasaki Dice Bldg.



- ① Kawasaki, Kanagawa
- ② S-SRC-RC B2/11F
- ③ Aug. 2003
- ④ 36,902m²

C-1 Niigata Ekinan Center Bldg.



- ① Niigata, Niigata
- ② S-SRC B1/10F
- ③ Mar. 1996
- ④ 19,950m²

C-4 Tokyo Tatemono Honmachi Bldg.



- ① Osaka, Osaka
- ② SRC B3/9F
- ③ Feb. 1970
- ④ 14,619m²

C-7 JPR Hakata Bldg.



- ① Fukuoka, Fukuoka
- ② S-RC B1/12F, S1F
- ③ Jun. 1985
- ④ 9,828m²

C-9 JPR Naha Bldg.



- ① Naha, Okinawa
- ② SRC-S 12F
- ③ Oct. 1991
- ④ 5,780m²



C-12 Sampo Japan Sendai Bldg.



- ① Sendai, Miyagi
- ② SRC B1/12F
- ③ Dec. 1997
- ④ 10,783m²

C-13 Sampo Japan Wakayama Bldg.



- ① Wakayama, Wakayama
- ② S 9F
- ③ Jul. 1996
- ④ 6,715m²

C-14 Tenjin 121 Bldg.



- ① Fukuoka, Fukuoka
- ② S-SRC 13F
- ③ Jul. 2000
- ④ 8,690m²

C-17 JPR Dojima Bldg.



- ① Osaka, Osaka
- ② SRC B2/9F
- ③ Oct. 1993
- ④ 5,696m²

C-19 JPR Nagoya Fushimi Bldg.



- ① Nagoya, Aichi
- ② SRC B1/9F
- ③ Mar. 1991
- ④ 10,201m²

C-20 Yakuin Business Garden



- ① Fukuoka, Fukuoka
- ② SRC 14F
- ③ Jan. 2009
- ④ 22,286m²



C-3 JPR Shinsaibashi Bldg.



- ① Osaka, Osaka
- ② S B2/10F
- ③ Feb. 2003
- ④ 5,303m²

C-1 JPR Umeda Loft Bldg.



- ① Osaka, Osaka
- ② SRC B1/8F
- ③ Apr. 1990
- ④ 17,897m²

C-4 Housing Design Center Kobe



- ① Kobe, Hyogo
- ② SRC-S B2/11F
- ③ Jun. 1994
- ④ 33,877m²

C-5 JPR Chayamachi Bldg.



- ① Osaka, Osaka
- ② S-SRC 9F
- ③ Jun. 1994
- ④ 3,219m²

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

IR Mail Delivery Service



Property Information

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

物件名	面積	稼働率	稼働率	稼働率	稼働率	稼働率
丸の内線丸の内駅ビル	12,000	95.0%	95.0%	95.0%	95.0%	95.0%
丸の内線有楽町線丸の内駅ビル	12,000	95.0%	95.0%	95.0%	95.0%	95.0%
丸の内線丸の内駅ビル	12,000	95.0%	95.0%	95.0%	95.0%	95.0%
丸の内線丸の内駅ビル	12,000	95.0%	95.0%	95.0%	95.0%	95.0%
丸の内線丸の内駅ビル	12,000	95.0%	95.0%	95.0%	95.0%	95.0%
丸の内線丸の内駅ビル	12,000	95.0%	95.0%	95.0%	95.0%	95.0%
丸の内線丸の内駅ビル	12,000	95.0%	95.0%	95.0%	95.0%	95.0%
丸の内線丸の内駅ビル	12,000	95.0%	95.0%	95.0%	95.0%	95.0%
丸の内線丸の内駅ビル	12,000	95.0%	95.0%	95.0%	95.0%	95.0%
丸の内線丸の内駅ビル	12,000	95.0%	95.0%	95.0%	95.0%	95.0%

Overview of Property・Access Map

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



Information of initiatives on sustainability

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



Extensive ESG related information Regularly announce updated data

5. Glossary

Term	Meaning
Rent	The rents stated in this report include common charges.
Acquisition price	The transaction price indicated in the sale and purchase agreement for acquisition of properties (hereafter, the "owned properties") or properties it plans to acquire (exclusive of expenses related to acquisition, property taxes and consumption taxes, etc.)
Asset size	The asset size refers to the total amount of the acquisition prices of the owned properties.
Investment ratio	The investment ratio refers to the ratio of the acquisition price of relevant properties owned by JPR to the total acquisition price of its portfolio.
Occupancy rate / 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. When occupancy rate for each fiscal period is indicated, it represents the average occupancy rate as of the end of each month that belongs to the relevant fiscal period (period average of occupancy rate at end of month). Furthermore, it may be described as "average occupancy rate" in order to distinguish it from "period-end occupancy rate."
Occupancy rate based on generated rents	(Total leased space – total leased space during rent-free periods) / total leasable space
Average unit rent	Total monthly rent / total leased space Calculated based on the monthly rents (including common charges) indicated in the lease contracts with tenants; for certain properties, the figure includes common charges, etc. received by master lessees without being recorded as JPR's revenue
Average rent-free period	The average of the rent-free periods agreed upon in new lease contracts becoming effective in each fiscal period.
Revised amount of monthly rent	Revised amount of monthly rent indicates the sum total (including common charges) of monthly rent after revision minus monthly rent before revision upon contract renewal with rent revision in each fiscal period. For the revised amount of monthly rent for the 34th fiscal period (Dec. '18), the amount of increase is an estimate based on consents regarding rents becoming effective in the fiscal period, and the amount of decrease is an estimate assumed for the rents becoming effective in the fiscal period.
Change amount in monthly rent upon tenant replacement	Change amount in monthly rent upon tenant replacement indicates the sum total (including common charges) of monthly rent after tenant replacement minus monthly rent before tenant replacement in each fiscal period. The change amount of monthly rent upon tenant replacement for the 35th fiscal period (Jun. '19) is an estimate based on consents regarding move-ins/move-outs and rents becoming effective in the fiscal period.
Target rent	Target rent refers to the rent level (the highest limit) TRIM sets for each fiscal period as the target for inviting new tenants and revising rents for existing tenants, and are set at roughly the same level as the highest limit of market rent.
Base rent	Base rent refers to the rent level (the lowest limit) TRIM sets for each fiscal period as the base for inviting new tenants and revising rents for existing tenants, and are set at roughly the same level as market rent.

Term	Meaning
Definition of building classes	The definitions of building classes used in "Changes in the average rent of the 23 wards of Tokyo" on page 12 are as follows. Target area: Major business districts in 5 central wards of Tokyo and areas with high percentage of office buildings in surrounding wards (Gotanda/Osaki, Kita-Shinagawa/Higashi-shinagawa, Yushima/Hongo/Koraku, Meguro-ku) Class A: Total floor area of 10,000 tsubo or more, floor size of 300 tsubo or more, age less than 15 years Facilities (as a general rule): Ceiling height of 2.7m or more, individual air-conditioning, high earthquake resistance and environmental performance Class B: Floor size of 200 tsubo or more Class C: Floor size of 100 tsubo or more but less than 200 tsubo
NOI yield	(Rental revenue - real estate — expenses related to rent business + depreciation) / book value (or acquisition price, depending on the case) NOI yield is calculated using the above formula, by dividing the book value (or acquisition price) in the formula by 365 days and multiplying it by the number of business days of the relevant fiscal period.
After-depreciation yield	(Rental revenue - real estate — expenses related to rent business) / book value (or acquisition price, depending on the case)
Number of tenants	The number of tenants counts the parties with whom JPR has concluded lease contracts for the building floors. When a single tenant leases multiple rooms, it is counted as one if the tenant uses the same property. If the leased rooms are in multiple buildings, the tenant is counted in plural.
Ratio of long-term, fixed interest rate debts	Long-term interest-bearing debts with fixed interests / total interest-bearing debts
Average maturity	Weighted average calculated by dividing the remaining periods to the repayment dates and redemption dates of borrowings and investment corporation bonds at the end of each fiscal period by the balance of respective borrowings and investment corporation bonds at the end of each fiscal period For borrowings with scheduled repayment in installments, the weighted average of the remaining period to the scheduled repayment dates of each installment payment in accordance with the relevant repayment amount
Average debt cost	Weighted average calculated by dividing the remaining periods to the repayment dates and redemption dates of borrowings and investment corporation bonds at the end of each fiscal period by the balance of respective borrowings and investment corporation bonds at the end of each fiscal period For borrowings with scheduled repayment in installments, the weighted average of the remaining period to the scheduled repayment dates of each installment payment in accordance with the relevant repayment amount
LTV	Interest-bearing debts / total assets at end of period (based on total assets) There are other calculation methods of LTV. * LTV based on unitholders' capital = Interest-bearing debts / (interest-bearing debts + unitholders' capital) * LTV (based on valuation) = Interest-bearing debts / (total assets at end of period + unrealized gains or losses from valuation) Unrealized gains or losses from valuation refer to the difference between appraisal value and book value.
Ratio of unrealized gains or losses	(Appraisal value – book value) / book value
Cap rate	Capitalization rate by the direct capitalization method Direct capitalization method is one of the methods to calculate the value estimated by income approach (a method to estimate the value of the target property by calculating the sum total of present value of the net operating income which the target property is expected to generate in the future), and capitalizes the net operating income of a certain period by using the capitalization rate.
Tokyo/ Other cities	"Tokyo" defined by JPR as its investment area collectively refers to "Central Tokyo" and "Greater Tokyo" as defined below, and "Other Cities" refers to other regions. * Central Tokyo: Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya Wards * Greater Tokyo: All other areas of Tokyo Prefecture, and Chiba, Kanagawa and Saitama Prefectures