



36th

JPR Sendagaya Bldg.

**Report on Operating and Management Results
Thirty-Sixth Fiscal Period Semi-Annual Report
July 1, 2019 – December 31, 2019**

Japan Prime Realty Investment Corporation



JPR Kojimachi Bldg. (former name: KY Kojimachi Bldg.)

Determined Cash Distribution

The 36th fiscal period ended December 2019

¥7,493

Forecast Cash Distribution (reference)

The 37th fiscal period ending June 2020

¥7,590

The 38th fiscal period ending December 2020

¥7,720

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JPR at a Glance

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

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

Portfolio

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

No. of Properties and Size

63 properties **439.5** billion yen

Investment Ratio by Area

Tokyo: **84.7%** Other Cities: **15.3%**

Investment Ratio by Asset Class

Office: **76.2%** Retail, etc.: **23.8%**

Financial Base

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

Ratio of interest-bearing debts to total assets (LTV)

40.8%

Ratio of Long-Term, Fixed Interest Rate Debts

99.5%

Issuer Rating

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

Sponsors

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

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

350.9 billion yen

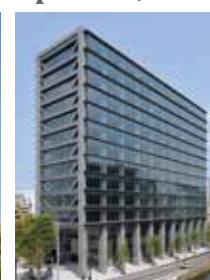
Major Properties Acquired from Sponsors, etc.



The Otemachi Tower
(Land with Leasehold Interest)



Olinas Tower



Yakuin Business Garden

(Note) Aggregate value of properties acquired from and based on information provided by sponsors, etc. refers to the aggregate acquisition price of real estate, etc. JPR has acquired since its listing either from the sponsors, etc. or based on the information provided by the sponsors, etc., and includes the properties already sold. Sponsors, etc. represent the five sponsor companies of JPR, their affiliate companies and special purpose companies (SPCs) in which the sponsors have made equity investment (the same applies throughout this report).

Message to Our Unitholders



Dear Unitholders,

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

Having settled the 36th fiscal period (July 1, 2019 – December 31, 2019) at the end of December 2019, we renew our cordial appreciation for your patronage and support.

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

We ask you, our unitholders, to extend us continued consideration and support of our operations.

Financial Results of the 36th Fiscal Period Ended December 2019

- **Cash distribution per unit: ¥7,493**
(up ¥113 period-on-period)
- Achieved a period-on-period increase in cash distributions for **the twelfth straight fiscal period**
- **Forecast distribution per unit for the next fiscal period: ¥7,590**
(37th fiscal period ending June 2020)
- **Forecast distribution per unit for the fiscal period after the next period: ¥7,720**
(38th fiscal period ending December 2020)

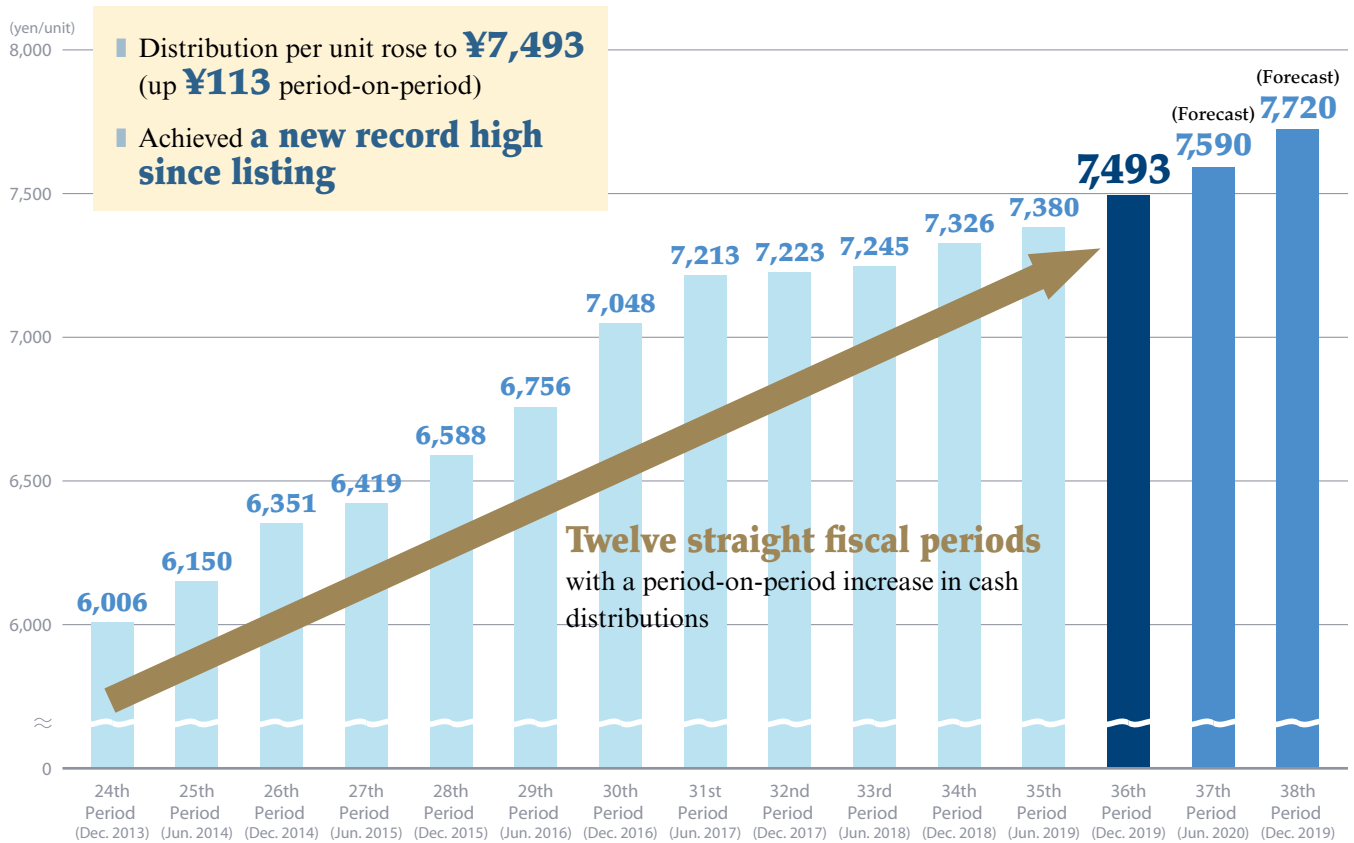
For the 36th fiscal period, occupancy continued to stay at a high level, backed by the office property leasing market remaining in good shape, and upward revision of rents upon contract renewals also made steady progress. Distribution per unit stood at 7,493 yen to achieve a new record high since listing, marking the twelfth straight fiscal period with a period-on-period increase.

For the 37th fiscal period ending June 2020 and thereafter, JPR expects distribution per unit to remain strong. On top of internal growth anticipated to continue, JPR will put efforts into external growth with an aim to achieve stable growth of distribution per unit. We are united in this endeavor in an effort to meet the expectations of our unitholders.

*The operating forecasts are calculated based on certain assumptions, and the distribution per unit may vary depending on additional acquisition or sale of specified assets in the future, changes in the management environment and other factors. Moreover, the forecasts should not be construed as a guarantee of the amount of distribution per unit.

Account Highlights

Status of Distribution per Unit



Operating Results

	35th Period ended Jun. 2019	36th Period ended Dec. 2019	Change
Operating revenue (million yen)	16,101 [15,695]	16,005	-95 (+309)
Operating expenses (million yen)	8,147	8,320	+173
Operating income (million yen)	7,954 [7,548]	7,684	-269 (+136)
Non-operating income (million yen)	72	7	-65
Non-operating expenses (million yen)	810	777	-32
Ordinary income (million yen)	7,216 [6,811]	6,915	-301 (+104)
Net income (million yen)	7,216 [6,810]	6,914	-301 (+104)
Distribution per unit (yen)	7,380	7,493	+113

TOPIC 1

Revenue from rent business excluding gain on sale of property increased by 309 million yen due to asset replacement conducted in the previous fiscal period contributing throughout the 36th fiscal period and upward revision of rents upon contract renewals, among other factors.

TOPIC 2

Utilities expenses (a seasonal factor) and brokerage fees increased.

TOPIC 3

Non-operating expenses decreased due to a decrease in interest expenses through refinancing of borrowings in a low interest rate environment.

*Figures in brackets indicate the amount excluding gain on sale of property.

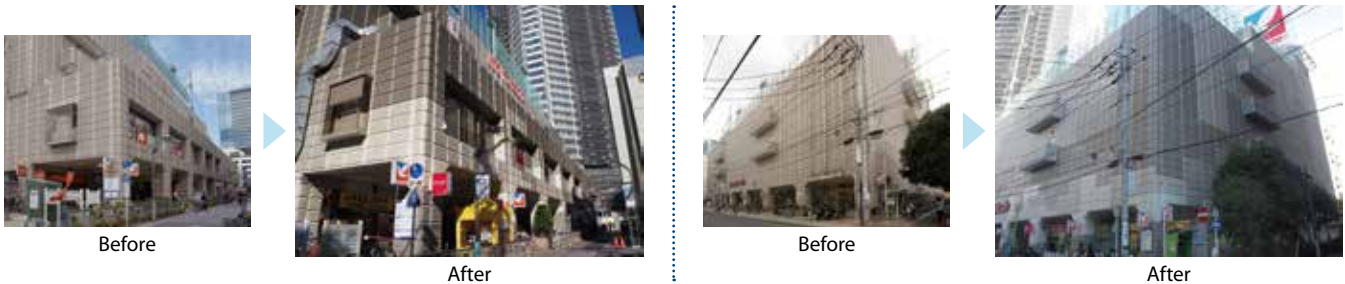
36th Fiscal Period Topics

Reinforced Competitiveness through Investments for Value Enhancement

JPR conducts continuous maintenance operations and proactive investments for value enhancement, based on systematic repair plans. These activities have led to enhanced tenant satisfaction and other benefits, contributing to reinforced competitiveness of the properties owned by JPR.

Case 1

JPR Musashikosugi Bldg.



Case 2

JPR Ningyo-cho Bldg.



Promotion of Works for Reducing Environmental Footprint

JPR believes that expanding eco-friendly assets should help enhance the quality of its portfolio. JPR systematically conducts works to upgrade to more energy-efficient facilities and equipment, resulting in enhanced property value and reduced utilities expenses and other costs.

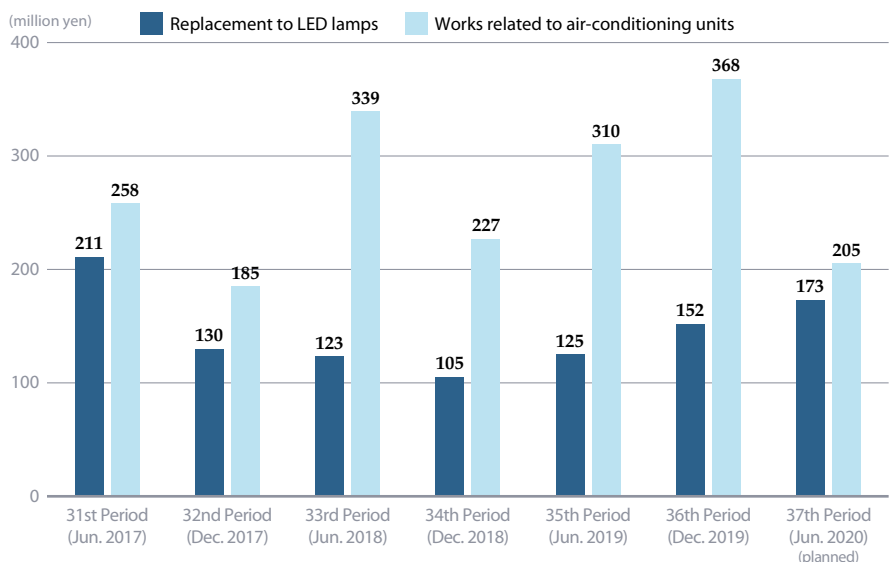


Replacement of lighting equipment with LED lamps in exclusive areas of Kanematsu Bldg.



Replacement of air-conditioning units in elevator halls of JPR Shinsaibashi Bldg.

Trends of Works Related to LED Lamps and Air-Conditioning Units



Internal Growth Strategy

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

Major Reinforcement Strategies

1. Flexibly use target rents

JPR conducts leasing by setting target rents, to be used upon concluding new contracts or renewing existing contracts for respective properties, for each fiscal period in accordance with the market trends.

2. Reinforce investments for value enhancement

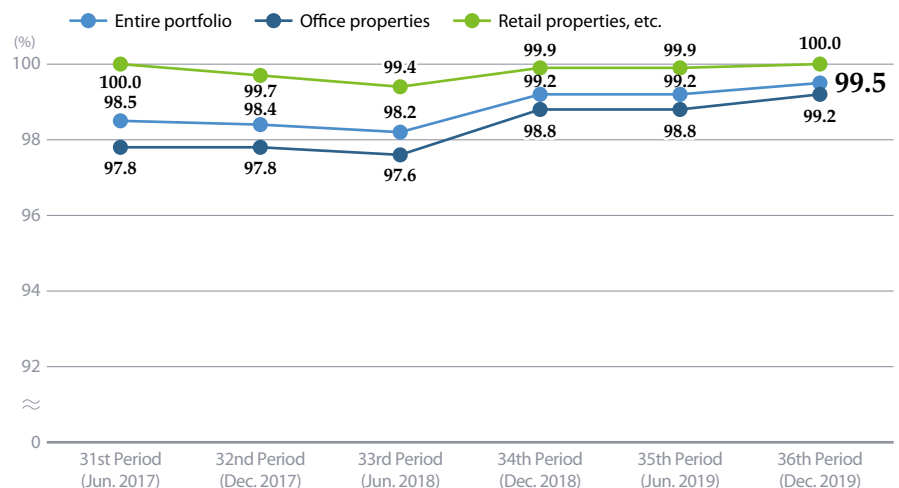
JPR works to raise rents for new contracts and reinforce property competitiveness by investing in interior fittings and facilities, etc. that meet tenant needs.

3. Continuously enhance tenant satisfaction

Deliberately responding to tenants and creating safe and secured environments are important initiatives that positively affect rent negotiations as well as help prevent contract cancellations from happening.

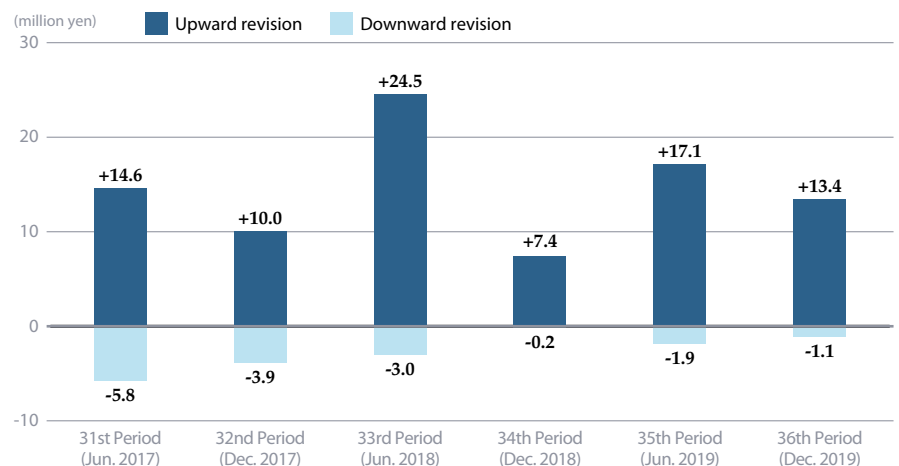
Average Occupancy Rate

The average occupancy rate of the portfolio (period average of occupancy rates at end of months) remained at a high level, with the figure reaching the 99% level for the 36th fiscal period.



Changes in Revised Amount of Monthly Rent, Etc.

Steady progress was made in negotiations on upward revision of rents.



External Growth Strategy

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

Basic Strategy

1. Focused investments in office properties in Tokyo

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

Compared with other regional cities, Tokyo allows expectations for more stable occupancy and higher rent levels. Looking ahead, JPR will continue to make investments focused on office properties in Tokyo, with an aim to further improve the quality of its portfolio and enhance its growth potential over a long term.

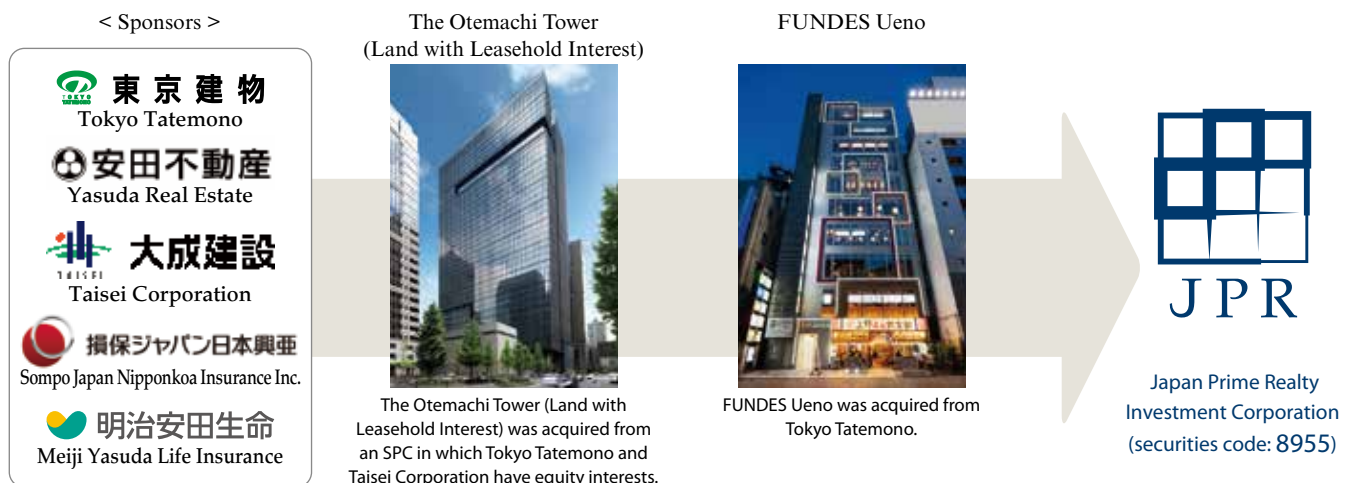
2. Vigorously selective investments in retail properties, etc. as well as office properties in regional cities

For retail properties, etc. as well as office properties in regional cities, work to invest in strictly selected blue-chip properties that can keep stable revenues at a certain level

While securing growth potential by making focused investments in office properties in Tokyo, JPR will make vigorously selective investments in urban retail properties, etc. with long-term, fixed-rent contracts and in large office properties in regional cities having a high competitive advantage in the areas, in order to complement the stability of earnings from the entire portfolio.

Cases in which JPR Acquired Properties by Utilizing Sponsor Pipelines

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



■ Utilization of Sponsor Pipelines

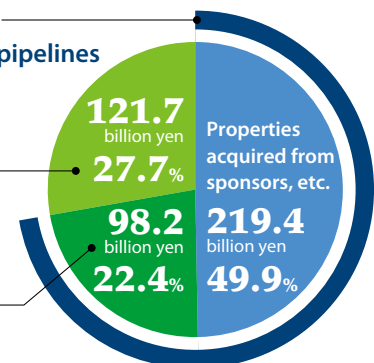
At JPR, properties acquired from its sponsors, etc. (49.9%) and properties acquired based on the information provided by the sponsors (22.4%) together constitute 72.3% of the entire portfolio (on an acquisition price basis).

Going forward, JPR will continue to utilize the sponsor pipelines in an endeavor to enhance the quality of the portfolio through vigorously selective investments in blue-chip properties and strategic asset replacement.

Properties acquired by utilizing sponsor pipelines
72.3%

Properties acquired from third parties

Properties acquired based on information provided by sponsors



Financial Strategy

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

Financial Status

JPR has maintained its conservative leverage control policy, in which it targets to keep the ratio of interest-bearing debts to total assets largely at up to 50%, and secured a stable fund procurement base with the ratio of long-term, fixed interest rate debts at 95% or more.

Major Financial Indicators (at end of the 36th fiscal period)

Ratio of interest-bearing debts to total assets (LTV)	40.8%
Ratio of long-term, fixed interest rate debts	99.5%

Status of Corporate Credit Ratings Assigned to JPR

R&I (Rating and Investment Information, Inc.)	AA- (Stable)
S&P (S&P Global Ratings Japan Inc.)	Long-term: A (Stable) Short-term: A-1

Financing Status for the 36th Fiscal Period

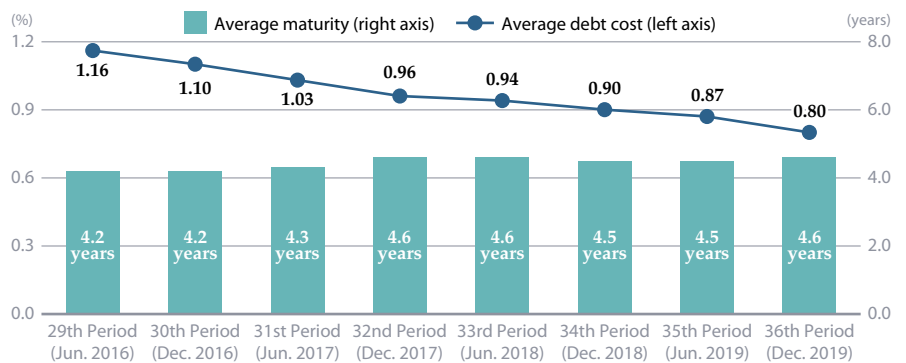
JPR has successfully reduced debt cost while placing more emphasis on lengthening the maturity of procured debts and diversifying the repayment dates.

Comparison of Debts Matured and New Debts Procured in the 36th Period

Average maturity (excluding short-term loans payable)	6.5 years ➔ 8.4 years (up 1.8 years)
Average debt cost (excluding short-term loans payable)	0.93% ➔ 0.48% (down 0.44%)

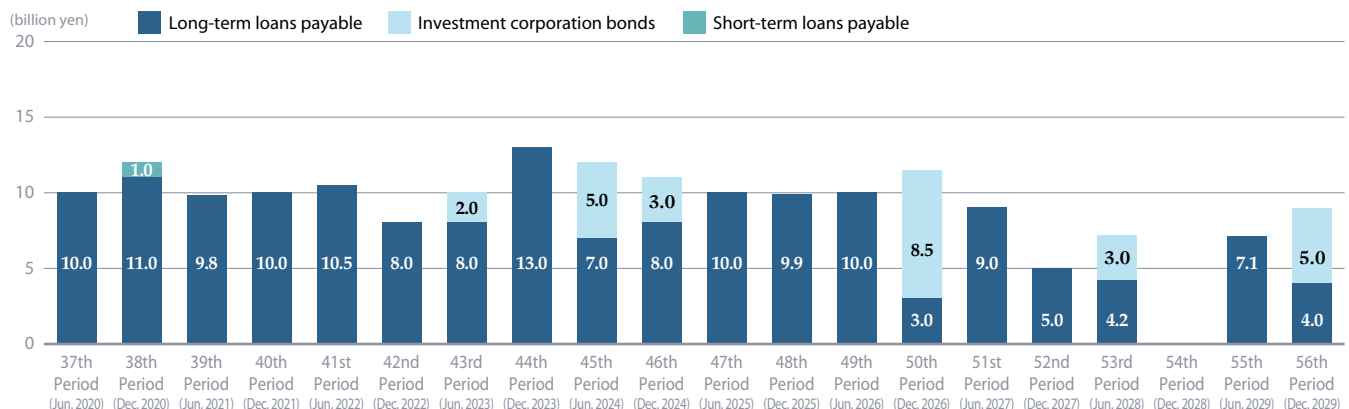
Average Maturity of the Entire Interest-Bearing Debts and Average Debt Cost

JPR has worked to reduce financing costs and stabilize financial operations by lowering the average debt costs and lengthening the average maturity.



Diversification of Repayment Dates for Interest-Bearing Debts

JPR has endeavored to mitigate refinance risks by diversifying repayment dates while establishing a commitment line with a credit limit of 24 billion yen.



Initiatives on Sustainability

For JPR to grow stably over the medium to long term, it is essential to address such social requirements as considerations to the environment, society and governance. JPR will continue its endeavors to enhance sustainability, including its initiatives for environmental friendliness.

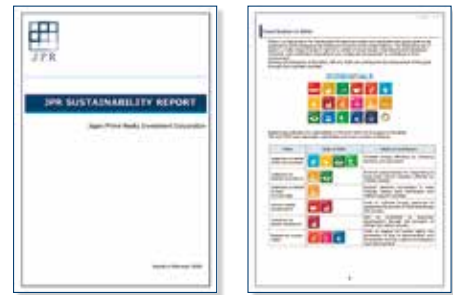
1. Sustainability Promotion System

TRIM has established the Sustainability Committee to continuously and systematically promote its initiatives on sustainability.



Publication of JPR Sustainability Report

JPR has started to issue the report for the purpose of reporting to its stakeholders.



2. Signing of the Principles for Responsible Investment (PRI)

The Principles for Responsible Investment (PRI) refers to the six principles as well as the international network of investors established to realize the principles. PRI is promoted by the United Nations Environment Programme (UNEP) and the United Nations Global Compact (UNGC). TRIM became a signatory to PRI in May 2019, in agreement with its fundamental thinking.

Signatory of:



3. Contributing to the SDGs

SDGs, or abbreviation of Sustainable Development Goals, represent the international goals through 2030, adopted by the United Nations Sustainable Development Summit. In sympathy with the ideals of the SGs, JPR and TRIM will contribute to achieving the goals through respective business activities.



Materialities for JPR and TRIM

Material agenda	Initiatives on behalf of the environment	Initiatives on disaster prevention	Local community initiatives	Development of employee capabilities	Initiatives on tenant satisfaction	Respect to human rights
Goals of SDGs						
Description of contributions	Increase energy efficiency by renewing facilities and equipment, etc.	Construct a system to address large-scale natural disasters affected by climate change, etc.	Support connections of people in cities through various local contribution and welfare support activities.	Work to cultivate human resources to facilitate the personal development of TRIM employees.	Aim to contribute to economic growth through the provision of office spaces that satisfy tenants.	Endeavor to promote respect for human rights, prohibit the acts of discrimination and harassment, and secure a pleasant work environment.

Initiatives on Environmental Friendliness

Recognizing the importance of addressing environmental issues, JPR strives to reduce its environmental footprint by upgrading facilities and improving operation at the properties it owns.

1. Environmental Target

JPR is endeavoring on energy saving and reduction of CO₂ emissions, under its environmental target of “reducing at least 5% of its energy consumption intensity and CO₂ emission intensity in five years from 2017.”

2. Introduction of Green Lease Arrangement

A green lease arrangement is an initiative in which both the owner and the tenants of a building agree to promote environmental awareness through the lease agreement of the building.

JPR has established green lease clauses in the lease agreement to be newly concluded, and works to reduce its environmental footprint in cooperation with the tenants.

Case of green lease arrangement

Niigata Ekinan Center Bldg.

For Niigata Ekinan Center Bldg., JPR has concluded green lease agreements with tenants who are highly conscious of environmental friendliness. The major points in concluding the agreements are as follows:

- Reducing costs and CO₂ emissions by replacing lighting equipment with LED lamps
- Enhancing the quality of the property through reduction of environmental footprint
- Addressing the needs of the tenant who is highly conscious of environmental friendliness



Initiatives on Social Awareness

JPR and TRIM, the Asset Manager, are related with a variety of stakeholders that include, on top of the unitholders, the lenders, tenants, local communities, property management companies and the employees of TRIM. We are resolved to conduct business with a strong sense of integrity and responsibility, in order to build a good relationship with the stakeholders over a long term.

Initiatives on Behalf of Tenants

Realizing better customer satisfaction (CS) of tenants is an important theme for stabilizing cash distributions, as it leads to stable occupancy over a long term and reduced risks of contract cancellation by tenants. JPR conducts a variety of initiatives, considering that it is the quickest way for enhanced CS to directly listen to the requests and opinions of tenants and users and reflect them to its facilities and services.

Betterment of Tenant Services

JPR has established the “JPR Performance Award” based on the CS survey results and recommendations from property managers, etc. to commend building managers exhibiting outstanding levels of management services and to recognize them as model building managers for others to follow.

JPR Best Performance Award 2019

Awardee

JPR Ichigaya Bldg. Management Office, Tokyo Real Estate Management Co., Ltd.

Reason for award

- Exerts high coordination capabilities amid refurbishment works for tenant replacement for store portions and tenant move-outs taking place simultaneously
- Always works to establish a good relationship with the tenants, and highly evaluated continuously in the CS survey
- Evaluated the fact that the awardee serves as a model for other properties as it meticulously conducts maintenance operations of facilities and equipment



JPR Ichigaya Bldg.

Initiatives on Sustainability

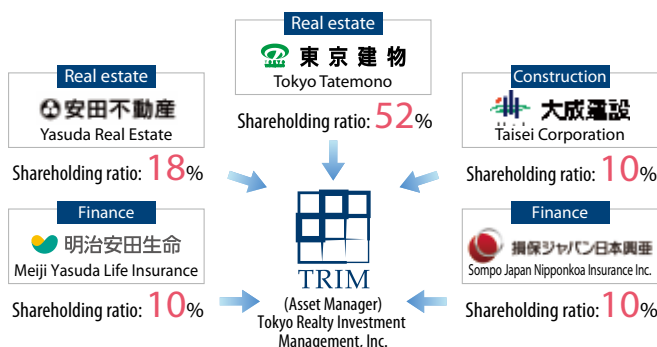
Initiatives on Governance

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

Merits of Having Diversified Sponsors and Monitoring of Operations

- The five sponsors that are active in the respective areas provide properties, human resources, information and other support by taking advantage of their respective strengths.
- Each sponsor exercises its monitoring function, from a variety of perspectives, on the business operations of the investment corporation.
- The Compliance Office general manager that is the head of the department in charge of internal control at TRIM is not seconded from any of the sponsor companies.

Shareholder Composition of TRIM



Decision Making Based on Stringent Processes

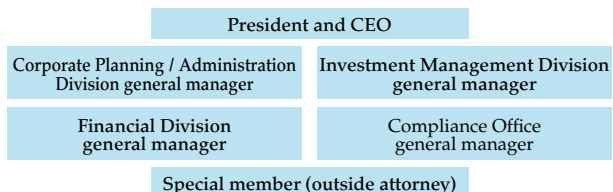
- Upon making decisions on property acquisitions, asset management and other issues, TRIM conducts stringent screening and takes other procedures from various perspectives through designated committees and other institutions.
- In particular, material transaction matters conducted with the sponsors,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

Stringent Decision-Making Process (for property acquisitions)



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

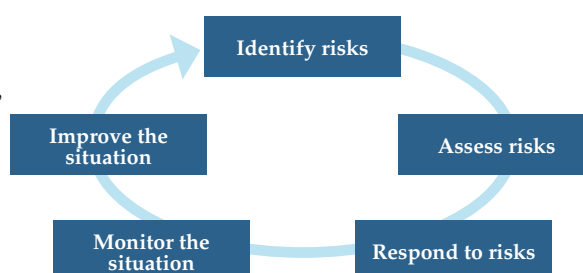
Members of the Compliance Committee of TRIM



Risk Management

- JPR and TRIM has established an effective risk management system, and endeavor to avoid occurrence of risks related to investment management and address risks in case they occur.
- In order to enhance and reinforce risk management activities, JPR and TRIM continuously work to identify, assess and respond to risks and monitor and improve the situation.
- In conducting information management, TRIM implements safety measures against various threats and has prepared contingency plans to prepare for failures, etc.

TRIM's Risk Response Scheme



Recognition by External Bodies

JPR is endeavoring to enhance energy use efficiency and safety and convenience of users from the perspective of environmental awareness that is increasingly heightened socially. As part of such endeavors, JPR is promoting acquisition of recognitions from external assessment bodies in order to objectively monitor the green building performance of its owned properties.

1. Acquisition of 5 Stars, the Highest Rank, in the GRESB Real Estate Assessment

The 2019 GRESB Real Estate Assessment acknowledged JPR's superiority both in the "Management & Policy" and "Implementation & Measurement" dimensions, and designated JPR as "Green Star" for the sixth consecutive year. JPR was also granted the highest rank of "5 Stars" in the GRESB Rating, which makes relative assessments in five ranks based on total scores. In addition, JPR received an "A" mark, the highest ranking, in the GRESB Public Disclosure (Evaluation of ESG Disclosure Level).



2. Acquisition of Assessment in CASBEE for Building Certification

CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a system for comprehensively assessing and ranking the environmental performance of buildings with regard to aspects such as the enhancement of environmental quality and performance including indoor comfort and consideration for the landscape, on top of the aspect of environmental consideration such as energy saving and the use of materials and equipment with a lower environmental burden. JPR has acquired the assessment for seven properties in total.

In December 2019, JPR Kojimachi Bldg. and FUNDES Ueno acquired the highest "S" rank.



JPR Kojimachi Bldg.



FUNDES Ueno



Properties certified by CASBEE (7 properties)

Rating	Property
S	JPR Kojimachi Bldg., FUNDES Ueno, Musashiurawa Shopping Square, JPR Umeda Loft Bldg., Housing Design Center Kobe
A	JPR Shibuya Tower Records Bldg., Yakuin Business Garden

3. Acquisition of DBJ Green Building Certification

The DBJ Green Building Certification is a certification system established by Development Bank of Japan Inc., designed to promote and popularize real estate properties that are environmentally friendly and equipped to mitigate disaster and prevent crime, as well as meet the social requirements from various stakeholders. JPR has acquired the Certification for 16 properties in total.

Rating	Property
★★★★★	Tokyo Square Garden, Olinas Tower
★★★★	Oval Court Ohsaki Mark West, Shinjuku Center Bldg., JPR Sendagaya Bldg.
★★★	Kanematsu Bldg., BYGS Shinjuku Bldg., Shinagawa Canal Bldg., Omiya Prime East, Rise Arena Bldg., Yume-ooka Office Tower, Kawasaki Dice Bldg.
★★	JPR Crest Takebashi Bldg., Shinjuku Square Tower, Minami Azabu Bldg., JPR Chiba Bldg.



Portfolio Status

Portfolio Management Standards

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

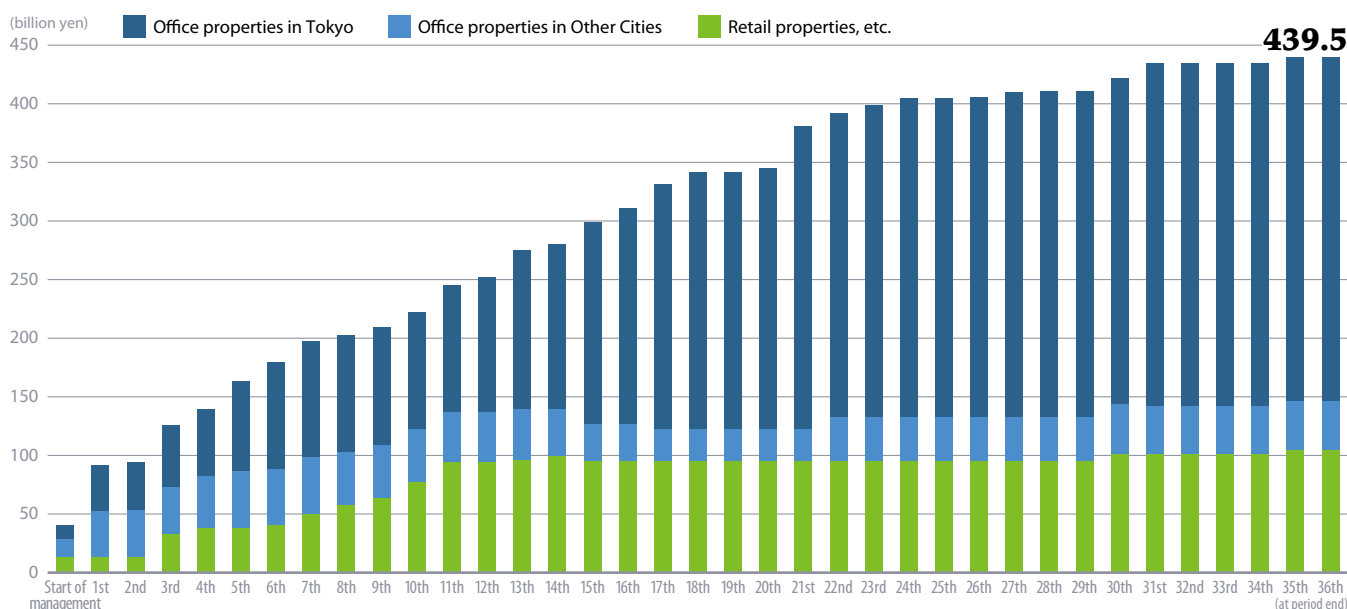
Target investment ratio by area

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

Target investment ratio by asset class

Office: 70 - 90%
Retail, etc.: 30 - 10%

Asset Size Expansion Trends



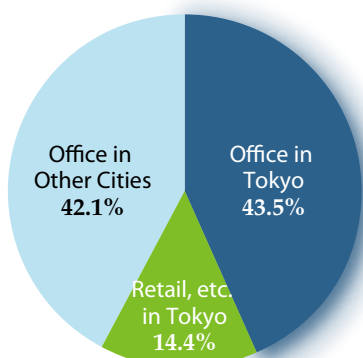
(Note) The asset size represents the aggregate acquisition price of the respective properties in JPR's portfolio as of the relevant date, rounded off to the nearest 100 million yen.

Changes in Investment Ratios by Area and by Asset Class

As a result of focused investments in office properties in Tokyo, the investment ratio of office properties in Tokyo stood at 66.8% as of the end of the 36th fiscal period, up 23.3% compared with the 43.5% as of the end of the 1st fiscal period.

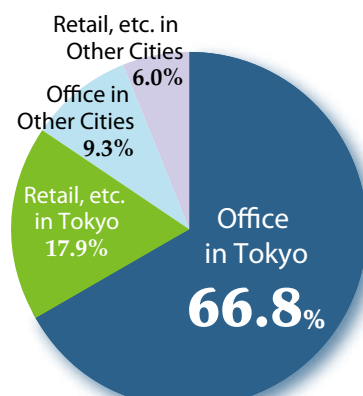
End of 1st Fiscal Period (June 30, 2002)

End of 36th Fiscal Period (December 31, 2019)



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

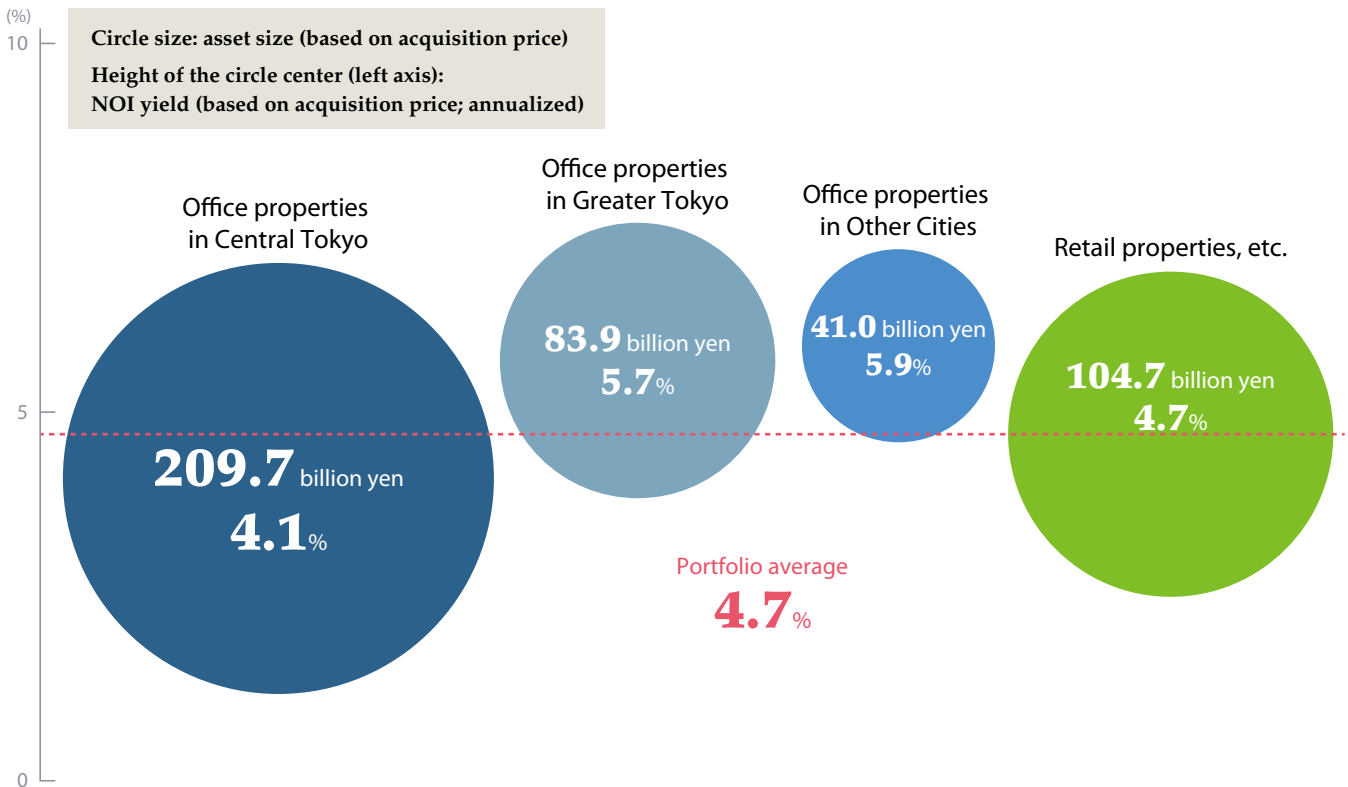
+23.3%



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

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

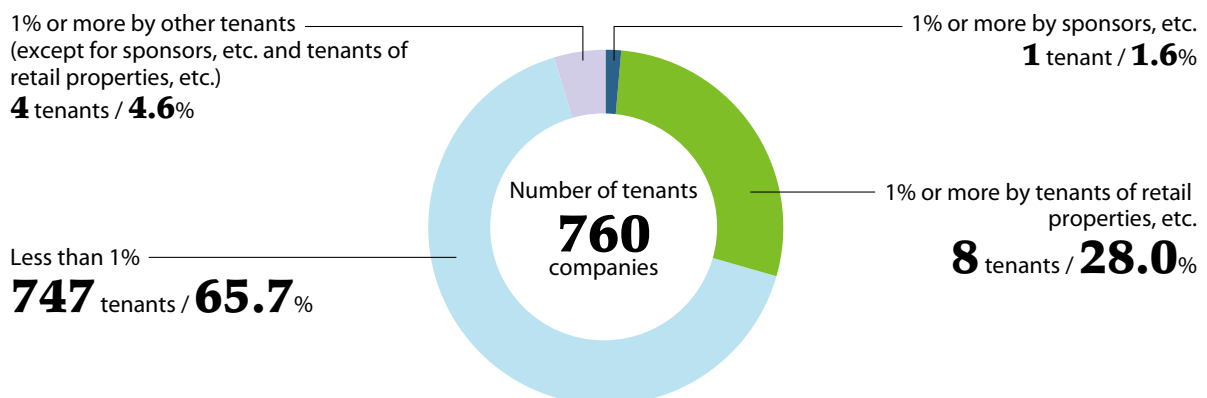
Status of Diversified Investments (asset size by area/asset class and NOI yields)



(Note 1) Asset size (based on acquisition price) refers to the total acquisition price of properties (limited to those owned at the end of the fiscal period) belonging to each category.
 (Note 2) NOI yield (based on acquisition price; annualized) refers to the yield of NOI* in each category, annualized in accordance with the number of operating days of properties (including those acquired or sold in the fiscal period) in the relevant category (the average number of operating days weighted by acquisition price). Figures are rounded to the first decimal place.
 *NOI = Real estate rental revenues - real estate rental expenses + depreciation

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

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



(Note) Ratio of occupancy = Leased space of each tenant / total leasable space
 The number of tenants indicates the number of sublessees, which shows the diversification status in effect, when the tenant subleases the relevant property to sublessees (end tenants), etc. and the leasing terms and conditions vary in accordance with the situation of subleasing. 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.

Overview of Portfolio Properties

List of Properties (63 Properties for the Entire Portfolio)

Central Tokyo (31 Properties)

	Property Number	Property Name	Location	Acquisition Date	Acquisition Price (in millions)	Percentage of Portfolio Acquisition Price (%)	Leasable Floor Space (m ²)	PML (%)
Office	A-1	Kanematsu Bldg.	Chuo-ku, Tokyo	Dec. 27, 2001	¥16,276	3.7	8,090.42	3.9
	A-2	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 27, 2001	2,874	0.7	2,291.13	5.8
	A-3	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 16, 2001	2,100	0.5	2,802.22	3.7
	A-4	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 16, 2001	1,670	0.4	3,319.37	4.4
				Nov. 21, 2002	550	0.1		
				Nov. 12, 2004	200	0.0		
				Total	2,420	0.6		
	A-5	JPR Crest Takebashi Bldg.	Chiyoda-ku, Tokyo	Jun. 21, 2002	4,000	0.9	3,265.34	7.8
	A-6	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 28, 2003	11,200	2.5	14,468.38	6.8
	A-7	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 23, 2003	2,920	0.7	4,241.22	7.3
	A-9	JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	May 28, 2004	5,100	1.2	4,240.37	4.9
	A-10	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 1, 2004	3,500	0.8	4,088.44	3.5
	A-11	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2, 2004	10,000	2.3	19,266.38	1.3
				Sep. 26, 2008	180	0.0		
				Mar. 25, 2015	4,000	0.9		
				Oct. 21, 2015	786	0.2		
				Total	14,966	3.4		
	A-12	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 9, 2004	2,900	0.7	15,227.80	3.1
				Apr. 12, 2005	8,921	2.0		
				Jul. 13, 2010	3,300	0.8		
				Total	15,121	3.4		
	A-13	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 26, 2004	710	0.2	1,253.39	4.7
	A-14	Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Mar. 27, 2008	21,000	4.8	8,865.71	1.3
	A-15	Minami Azabu Bldg.	Minato-ku, Tokyo	Jul. 14, 2008	3,760	0.9	3,405.73	6.0
				Dec. 19, 2008	1,870	0.4		
				Total	2,041	0.5		
	A-16	Shinagawa Canal Bldg.	Minato-ku, Tokyo	Mar. 8, 2019	171	0.0	1,870.50	5.3
A-17	Rokubancho Bldg.	Chiyoda-ku, Tokyo	Dec. 2, 2009	2,800	0.6	2,488.36	7.7	
A-18	JPR Harajuku Bldg.	Shibuya-ku, Tokyo	Dec. 25, 2009	8,400	1.9	4,761.51	6.8	
A-20	JPR Nihonbashi-horidome Bldg.	Chuo-ku, Tokyo	Mar. 31, 2010	5,100	1.2	5,299.88	5.0	
A-21	JPR Sendagaya Bldg.	Shibuya-ku, Tokyo	May 31, 2010	15,050	3.4	6,177.74	2.6	
A-22	Ginza Sanwa Bldg.	Chuo-ku, Tokyo	Aug. 29, 2011	3,400	0.8	1,896.69	4.5	
A-23	The Otemachi Tower (Land with Leasehold Interest)	Chiyoda-ku, Tokyo	Mar. 13, 2012	36,000	8.2	11,034.78	—	
A-24	Science Plaza – Yonbancho Plaza	Chiyoda-ku, Tokyo	Dec. 6, 2013	2,660	0.6	3,325.29	3.1	
			Dec. 6, 2013	3,420	0.8			
			Total	4,220	1.0			
A-25	Shibadaimon Center Bldg.	Minato-ku, Tokyo	Jul. 30, 2014	800	0.2	5,401.46	5.6	
			Total	4,220	1.0			
			Feb. 1, 2017	9,200	2.1			
			Apr. 4, 2017	9,200	2.1			
A-26	Tokyo Square Garden	Chuo-ku, Tokyo	Total	18,400	4.2	5,971.73	2.6	
			Jun. 27, 2019	5,750	1.3			
			Jun. 30, 2003	12,000	2.7			
Retail, etc.	A-3	JPR Jingumae 432	Shibuya-ku, Tokyo	Mar. 24, 2006	4,275	1.0	1,027.33	5.4
	A-4	Shinjuku Sanchoe East Bldg.	Shinjuku-ku, Tokyo	Mar. 14, 2007	540	0.1	2,347.81	1.6
				Apr. 24, 2008	2,200	0.5		
				Total	2,740	0.6		
	A-5	Yurakucho Ekimae Bldg. (Yurakucho Itocia)	Chiyoda-ku, Tokyo	Aug. 27, 2008	3,400	0.8	1,101.92	3.0
	A-6	JPR Ginza Namiki-dori Bldg.	Chuo-ku, Tokyo	Dec. 15, 2016	10,100	2.3	1,665.79	6.8
	A-7	FUNDES Suidobashi	Chiyoda-ku, Tokyo	Dec. 15, 2016	3,250	0.7	1,367.56	6.5
Subtotal					¥245,533	55.9	162,134.77	—

Greater Tokyo (18 Properties)

	Property Number	Property Name	Location	Acquisition Date	Acquisition Price (in millions)	Percentage of Portfolio Acquisition Price (%)	Leasable Floor Space (m ²)	PML (%)
Office	B-1	Arca East	Sumida-ku, Tokyo	Nov. 16, 2001	¥5,880	1.3	7,022.76	3.2
	B-2	JPR Chiba Bldg.	Chiba, Chiba	Dec. 13, 2001	2,350	0.5	5,539.12	3.9
	B-3	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 16, 2001	2,927	0.7	6,079.74	6.7
	B-5	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 25, 2002	920	0.2	5,284.75	10.5
				Mar. 28, 2013	570	0.1		
				Total	1,490	0.3		
	B-6	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 13, 2004	8,100	1.8	15,503.27	6.8
	B-7	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 1, 2004	3,250	0.7	6,454.84	3.9
				Sep. 30, 2005	888	0.2		
	B-8	Tachikawa Business Center Bldg.	Tachikawa, Tokyo	Feb. 28, 2007	2,300	0.5	4,588.89	4.1
				Total	3,188	0.7		
	B-9	Rise Arena Bldg.	Toshima-ku, Tokyo	Mar. 22, 2007	5,831	1.3	6,023.39	1.3
	B-10	Yume-ooka Office Tower	Yokohama, Kanagawa	Jul. 10, 2007	6,510	1.5	12,000.08	3.4
B-11	Olinas Tower	Sumida-ku, Tokyo	Jun. 29, 2009	31,300	7.1	23,987.40	2.4	
B-12	Tokyo Tatemono Yokohama Bldg.	Yokohama, Kanagawa	Dec. 27, 2010	7,000	1.6	6,493.99	5.2	
B-13	Omiya Prime East	Saitama, Saitama	Mar. 22, 2013	6,090	1.4	6,871.45	2.4	
Retail, etc.	B-1	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 16, 2001	10,200	2.3	31,121.71	3.5
	B-3	Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 31, 2006	2,100	0.5	5,963.00	8.1
	B-4	JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Sep. 28, 2006	7,254	1.7	19,740.95	4.5
	B-5	Musashiurawa Shopping Square	Saitama, Saitama	Mar. 19, 2007	4,335	1.0	14,960.69	7.1
	B-6	Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 12, 2007	15,080	3.4	12,070.15	5.9
	B-7	FUNDES Ueno	Taito-ku, Tokyo	Jun. 27, 2019	3,800	0.9	1,989.66	4.3
Subtotal					¥126,685	28.8	191,695.84	—

Other Cities (14 Properties)

	Property Number	Property Name	Location	Acquisition Date	Acquisition Price (in millions)	Percentage of Portfolio Acquisition Price (%)	Leasable Floor Space (m ²)	PML (%)
Office	C-1	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 16, 2001	¥2,140	0.5	5,327.50	1.7
	C-4	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 16, 2001	4,150	0.9	7,150.22	4.3
	C-7	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 16, 2001	2,900	0.7	6,577.26	0.5
	C-9	JPR Naha Bldg.	Naha, Okinawa	Nov. 16, 2001	1,560	0.4	3,944.98	5.7
	C-12	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 26, 2002	3,150	0.7	7,129.14	2.0
	C-13	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 26, 2002	1,670	0.4	4,876.71	10.6
	C-14	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 21, 2002	2,810	0.6	3,257.72	1.6
	C-17	JPR Dojima Bldg.	Osaka, Osaka	Jan. 23, 2004	2,140	0.5	3,918.28	5.0
	C-19	JPR Nagoya Fushimi Bldg.	Nagoya, Aichi	Mar. 22, 2005	4,137	0.9	7,086.37	6.3
	C-20	Yakuin Business Garden	Fukuoka, Fukuoka	Aug. 8, 2012	10,996	2.5	16,654.33	1.6
	C-21	JPR Shinsaibashi Bldg.	Osaka, Osaka	May 30, 2005	5,430	1.2	4,021.53	11.5
May 15, 2003				8,000	1.8			
Retail, etc.	C-1	JPR Umeda Loft Bldg.	Osaka, Osaka	Jul. 16, 2003	5,000	1.1	18,586.97	4.3
			Total	13,000	3.0			
			C-4	Housing Design Center Kobe	Kobe, Hyogo	Sep. 28, 2005		
C-5	JPR Chayamachi Bldg.	Osaka, Osaka	Aug. 30, 2006	6,000	1.4	2,478.42	8.4	
Subtotal					¥67,303	15.3	126,453.56	—
Total					¥439,521	100.0	480,284.17	2.0

(Note 1) The table above shows properties owned by JPR as of December 31, 2019.

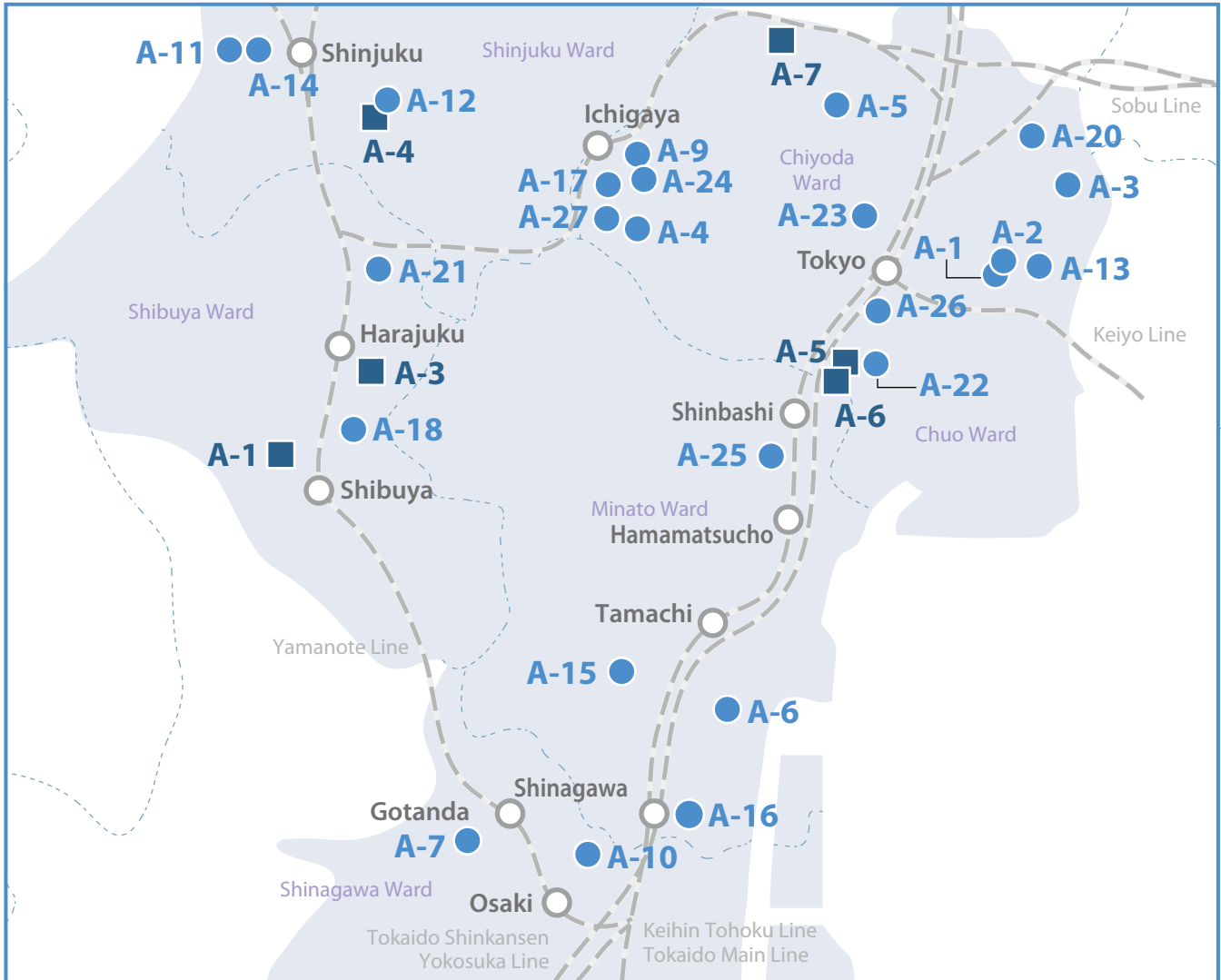
(Note 2) The leasable floor space indicates only the portions owned by JPR. For co-owned properties, the figure indicates the portions corresponding to the ownership interest held by JPR.

(Note 3) The PML indicates the figures stated in the Portfolio Earthquake PML Valuation Report prepared by Sompo Risk Management Inc., rounded down to the first decimal place.

(Note 4) The property was renamed from KY Kojimachi Bldg. to JPR Kojimachi Bldg. as of January 1, 2020.

Portfolio Map

A Central Tokyo



Office

- A-1 Kanematsu Bldg.
- A-2 Kanematsu Bldg. Annex
- A-3 JPR Ningyo-cho Bldg.
- A-4 Shin-Kojimachi Bldg.
- A-5 JPR Crest Takebashi Bldg.
- A-6 MS Shibaura Bldg.
- A-7 Gotanda First Bldg.
- A-9 JPR Ichigaya Bldg.
- A-10 Oval Court Ohsaki Mark West
- A-11 Shinjuku Square Tower
- A-12 BYGS Shinjuku Bldg.
- A-13 Across Shinkawa Bldg. Annex
- A-14 Shinjuku Center Bldg.
- A-15 Minami Azabu Bldg.

- A-16 Shinagawa Canal Bldg.
- A-17 Rokubancho Bldg.
- A-18 JPR Harajuku Bldg.
- A-20 JPR Nihonbashi-horidome Bldg.
- A-21 JPR Sendagaya Bldg.
- A-22 Ginza Sanwa Bldg.
- A-23 The Otemachi Tower (Land with Leasehold Interest)
- A-24 Science Plaza – Yonbancho Plaza
- A-25 Shibadaimon Center Bldg.
- A-26 Tokyo Square Garden
- A-27 JPR Kojimachi Bldg.

Retail

- A-1 JPR Shibuya Tower Records Bldg.
- A-3 JPR Jingumae 432
- A-4 Shinjuku Sanchome East Bldg.
- A-5 Yurakucho Ekimae Bldg. (Yurakucho Itocia)
- A-6 JPR Ginza Namiki-dori Bldg.
- A-7 FUNDES Suidobashi

A Central Tokyo

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

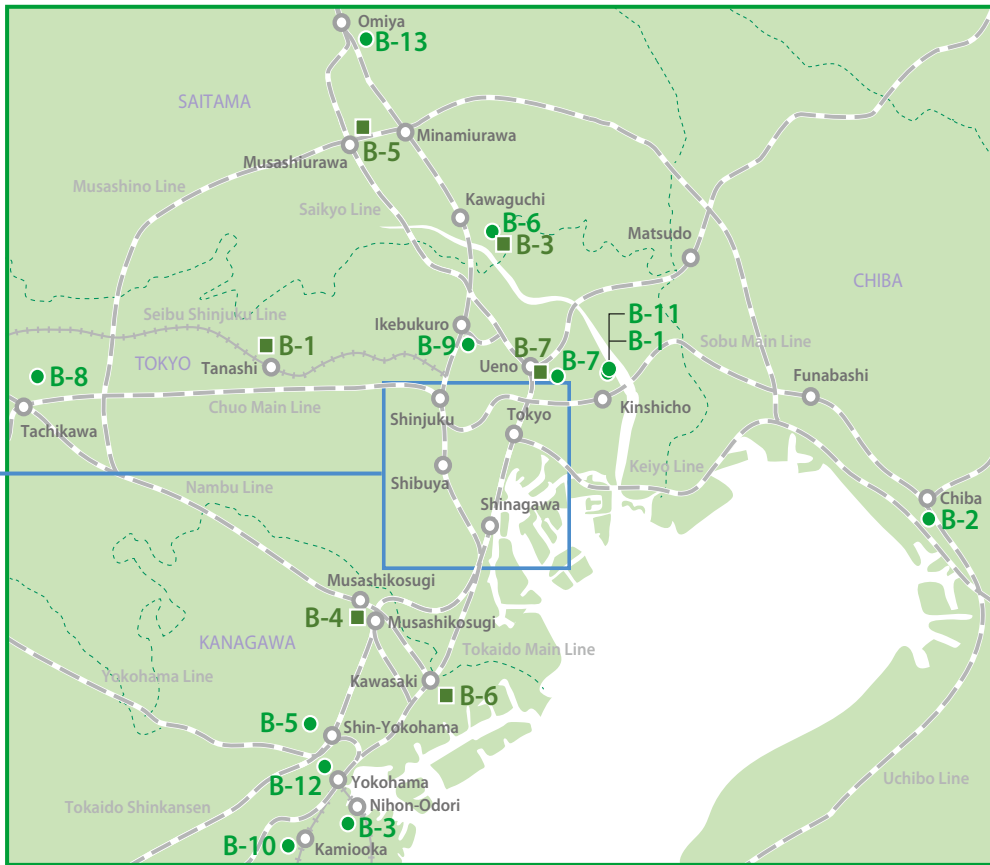
B Greater Tokyo

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

C Other Cities

All other areas in Japan

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



Office

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

Retail

- B-1 Tanashi ASTA
- B-3 Cupo-la Main Bldg.
- B-4 JPR Musashikosugi Bldg.
- B-5 Musashiurawa Shopping Square
- B-6 Kawasaki Dice Bldg.
- B-7 FUNDES Ueno

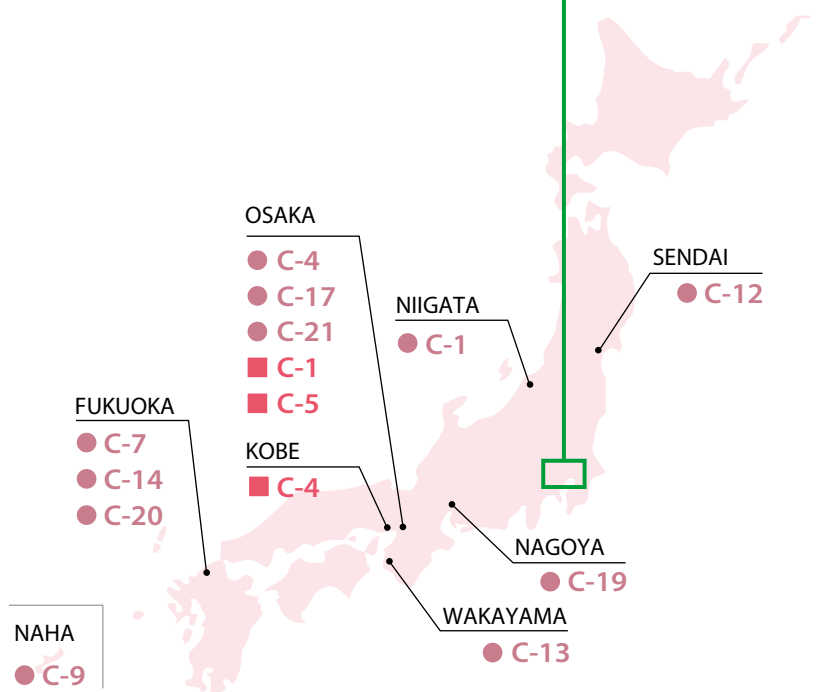
C Other Cities

Office

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

Retail

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



Properties Owned by JPR

Central Tokyo

Office

Retail

A-1 Kanematsu Bldg.

Chuo Ward, Tokyo



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



A-2 Kanematsu Bldg. Annex

Chuo Ward, Tokyo



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

A-3 JPR Ningyo-cho Bldg.

Chuo Ward, Tokyo



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

A-4 Shin-Kojimachi Bldg.

Chiyoda Ward, Tokyo



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

A-5 JPR Crest Takebashi Bldg.

Chiyoda Ward, Tokyo



Acquisition Price	¥4,000 million
Site Area	636.90 m ²
Total Floor Space	4,790.68 m ²
Structure/Floors	SRC B1/9F
Completed	September 1999
Property Manager	Tokyo Tatemono Co., Ltd.



A-6 MS Shibaura Bldg.

Minato Ward, Tokyo



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

A-7 Gotanda First Bldg.

Shinagawa Ward, Tokyo



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


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

A-9 JPR Ichigaya Bldg.
Chiyoda Ward, Tokyo



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


A-10 Oval Court Ohsaki Mark West
Shinagawa Ward, Tokyo



DBJ Green Building 2018

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


A-11 Shinjuku Square Tower
Shinjuku Ward, Tokyo



DBJ Green Building 2018

Acquisition Price	¥14,966 million	Structure/Floors	S/RC/SRC B4/30F
Site Area	8,409.52 m ² (entire redevelopment project)	Completed	October 1994
Total Floor Space	78,796.00 m ² (entire redevelopment project)	Property Manager	Tokyo Tatemono Co., Ltd.

A-12 BYGS Shinjuku Bldg.
Shinjuku Ward, Tokyo



DBJ Green Building 2018

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

A-13 Across Shinkawa Bldg. Annex
Chuo Ward, Tokyo



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

Properties Owned by JPR

Central Tokyo Office Retail

A-14 Shinjuku Center Bldg. Shinjuku Ward, Tokyo



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

A-15 Minami Azabu Bldg. Minato Ward, Tokyo



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

A-16 Shinagawa Canal Bldg. Minato Ward, Tokyo



Acquisition Price	¥2,041 million
Site Area	828.82 m ²
Total Floor Space	5,216.21 m ²
Structure/Floors	S B1/8F
Completed	July 2008
Property Manager	Tokyo Tatemono Co., Ltd.

A-17 Rokubancho Bldg. Chiyoda Ward, Tokyo



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

A-18 JPR Harajuku Bldg. Shibuya Ward, Tokyo



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

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



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

A-21 JPR Sendagaya Bldg. Shibuya Ward, Tokyo



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

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

A-22 **Ginza Sanwa Bldg.**
Chuo Ward, Tokyo



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

A-24 **Science Plaza - Yonbancho Plaza**
Chiyoda Ward, Tokyo



Acquisition Price	¥2,660 million
Site Area	5,289.01 m ²
Total Floor Space	24,560.36 m ²
Structure/Floors	S/SRC/RC B2/12F
Completed	February 1995
Property Manager	Nomura Real Estate Partners Co., Ltd.

A-25 **Shibadaimon Center Bldg.**
Minato Ward, Tokyo



Acquisition Price	¥4,220 million
Site Area	1,915.50 m ²
Total Floor Space	11,419.93 m ²
Structure/Floors	S/SRC B1/10F
Completed	July 1993
Property Manager	Nomura Real Estate Partners Co., Ltd.

A-27 **JPR Kojimachi Bldg.**
Chiyoda Ward, Tokyo



Acquisition Price	¥5,750 million
Site Area	643.13 m ²
Total Floor Space	4,438.46 m ²
Structure/Floors	S B1/9F
Completed	February 1999
Property Manager	Tokyo Tatemono Co., Ltd.

A-23 **The Otemachi Tower (Land with Leasehold Interest)**
Chiyoda Ward, Tokyo



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

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

A-26 **Tokyo Square Garden**
Chuo Ward, Tokyo



Acquisition Price	¥18,400 million	Structure/Floors	S/SRC B4/24F
Site Area	8,124.72 m ²	Completed	February 2013
Total Floor Space	112,645.83 m ²	Property Manager	Tokyo Tatemono Co., Ltd.

Properties Owned by JPR

Central Tokyo

Office

Retail

A-1

JPR Shibuya Tower Records Bldg.

Shibuya Ward, Tokyo



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

(Note) Changed from Tokyo Tatemono Co., Ltd. as of October 1, 2019.

A-3

JPR Jingumae 432

Shibuya Ward, Tokyo



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

A-4

Shinjuku Sanhome East Bldg.

Shinjuku Ward, Tokyo



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

(Note) Changed from Tokyo Tatemono Co., Ltd. as of October 1, 2019.

A-5

Yurakucho Ekimae Bldg. (Yurakucho Itocia)

Chiyoda Ward, Tokyo



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

(Note) Changed from Tokyo Tatemono Co., Ltd. as of October 1, 2019.

A-6

JPR Ginza Namiki-dori Bldg.

Chuo Ward, Tokyo



Acquisition Price	¥10,100 million
Site Area	230.11 m ²
Total Floor Space	1,821.67 m ²
Structure/Floors	S 11F
Completed	June 2008
Property Manager	Prime Place Co., Ltd.

A-7

FUNDES Suidobashi

Chiyoda Ward, Tokyo



Acquisition Price	¥3,250 million
Site Area	281.59 m ²
Total Floor Space	1,477.91 m ²
Structure/Floors	S 9F
Completed	July 2015
Property Manager	Prime Place Co., Ltd.

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

B-1 Arca East
Sumida Ward, Tokyo



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

B-2 JPR Chiba Bldg.
Chiba City, Chiba



Acquisition Price	¥2,350 million
Site Area	1,382.35 m ²
Total Floor Space	9,072.57 m ²
Structure/Floors	S/SRC B1/13F
Completed	January 1991
Property Manager	Jones Lang LaSalle K.K.

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



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

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



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

B-6 Kawaguchi Center Bldg.
Kawaguchi City, Saitama



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

B-7 JPR Ueno East Bldg.
Taito Ward, Tokyo



Acquisition Price	¥3,250 million
Site Area	1,242.97 m ²
Total Floor Space	8,490.44 m ²
Structure/Floors	S/SRC B1/8F
Completed	October 1992
Property Manager	Jones Lang LaSalle K.K.

Properties Owned by JPR

Greater Tokyo Office Retail

B-8 Tachikawa Business Center Bldg.

Tachikawa City, Tokyo



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



B-9 Rise Arena Bldg.

Toshima Ward, Tokyo



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

(Note) The office building has 15 floors above ground and 2 floors underground.

B-10 Yume-ooka Office Tower

Yokohama City, Kanagawa



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

B-11 Olinas Tower

Sumida Ward, Tokyo



Acquisition Price	¥31,300 million	Structure/Floors	SRC/RC/S B2/45F ^(Note)
Site Area	27,335.29 m ² (entire site area)	Completed	February 2006
Total Floor Space	257,842.41 m ² (includes commercial tower and residential tower)	Property Manager	Tokyo Tatemono Co., Ltd.

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

B-12 Tokyo Tatemono Yokohama Bldg.

Yokohama City, Kanagawa



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

Greater Tokyo Office Retail**B-13 Omiya Prime East**
Saitama City, Saitama

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

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

Acquisition Price	¥10,200 million
Site Area	12,326.30 m ²
Total Floor Space	80,675.27 m ²
Structure/Floors	SRC B2/17F
Completed	February 1995
Property Manager	Prime Place Co., Ltd. (Note)
(Note) Changed from Tokyo Tatemono Co., Ltd. as of October 1, 2019.	

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

Acquisition Price	¥2,100 million
Site Area	15,008.28 m ² (entire redevelopment project)
Total Floor Space	48,321.96 m ²
Structure/Floors	S/RC/SRC B2/10F
Completed	January 2006
Property Manager	Prime Place Co., Ltd. (Note)
(Note) Changed from Tokyo Tatemono Co., Ltd. as of October 1, 2019.	

B-4 JPR Musashikosugi Bldg.
Kawasaki City, Kanagawa

Acquisition Price	¥7,254 million
Site Area	4,757.09 m ²
Total Floor Space	18,394.32 m ²
Structure/Floors	SRC/RC/S B1/6F
Completed	March 1983
Property Manager	Prime Place Co., Ltd. (Note)
(Note) Changed from Tokyo Tatemono Co., Ltd. as of October 1, 2019.	

B-5 Musashiurawa Shopping Square
Saitama City, Saitama

Acquisition Price	¥4,335 million
Site Area	8,317.99 m ²
Total Floor Space	28,930.36 m ²
Structure/Floors	S B1/4F
Completed	October 2005
Property Manager	Geo-Akamatsu Co., Ltd. Prime Place Co., Ltd. (Note)
(Note) Changed from Tokyo Tatemono Co., Ltd. as of October 1, 2019.	

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

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

**B-7 FUNDES Ueno**
Taito Ward, Tokyo

Acquisition Price	¥3,800 million
Site Area	383.74 m ²
Total Floor Space	2,235.60 m ²
Structure/Floors	S B1/10F
Completed	July 2017
Property Manager	Prime Place Co., Ltd.



Properties Owned by JPR

Other Cities Office Retail

C-1 Niigata Ekinan Center Bldg. Niigata City, Niigata



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

C-4 Tokyo Tatemono Honmachi Bldg. Osaka City, Osaka



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

C-7 JPR Hakata Bldg. Fukuoka City, Fukuoka



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

C-9 JPR Naha Bldg. Naha City, Okinawa



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

C-12 Sompo Japan Sendai Bldg. Sendai City, Miyagi



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

C-13 Sompo Japan Wakayama Bldg. Wakayama City, Wakayama



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

C-14 Tenjin 121 Bldg. Fukuoka City, Fukuoka



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

C-17 JPR Dojima Bldg. Osaka City, Osaka



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

Other Cities

Office

Retail

C-19 JPR Nagoya Fushimi Bldg.
Nagoya City, Aichi



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

C-21 JPR Shinsaibashi Bldg.
Osaka City, Osaka



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

C-1 JPR Umeda Loft Bldg.
Osaka City, Osaka



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

C-20 Yakuin Business Garden
Fukuoka City, Fukuoka



Acquisition Price	¥10,996 million	Structure/Floors	SRC 14F
Site Area	4,486.44 m ²	Completed	January 2009
Total Floor Space	22,286.35 m ²	Property Manager	Tokyo Tatemono Co., Ltd.

C-4 Housing Design Center Kobe
Kobe City, Hyogo



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

C-5 JPR Chayamachi Bldg.
Osaka City, Osaka



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

Structure and History of JPR

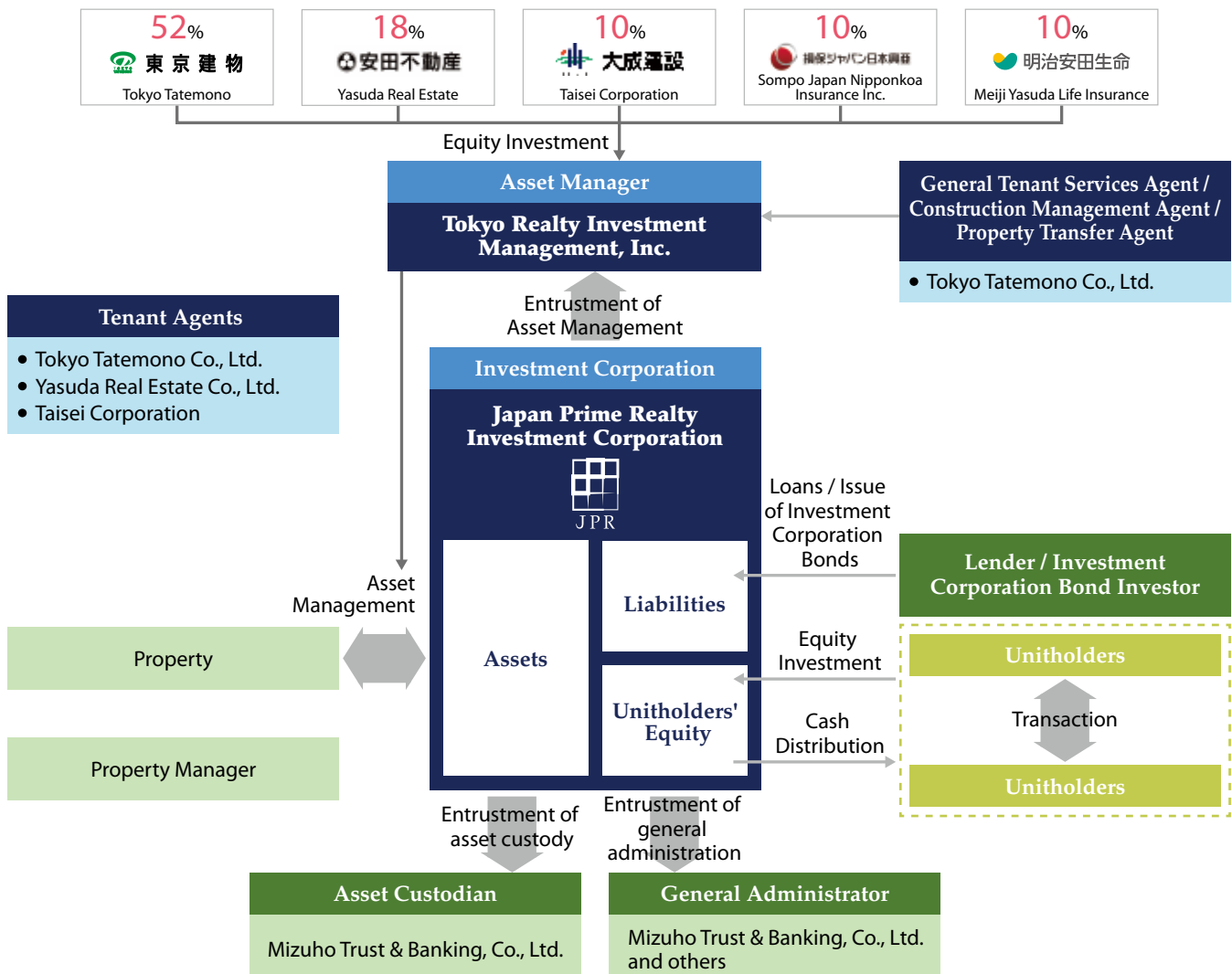
The Objective and Basic Characteristics of JPR (as of December 31, 2019)

With the fundamental concept of “investment in urban commercial real estate,” JPR shall invest primarily in real estate, which comprises superior urban office buildings (urban commercial facilities), retail properties (urban retail properties) located in thriving commercial areas, hotels (urban accommodation facilities) (urban retail properties and urban accommodation facilities referred together as “urban retail properties, etc.”) and urban multi-use facilities, and the land on which these buildings are located. In addition, in light of the returns and risks of these investment targets, JPR shall make it a basic policy to invest not only in Tokyo, but also strive to diversify into other regional cities so as to maximize the advantages of portfolio management.

Corporate History

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

Structure of JPR



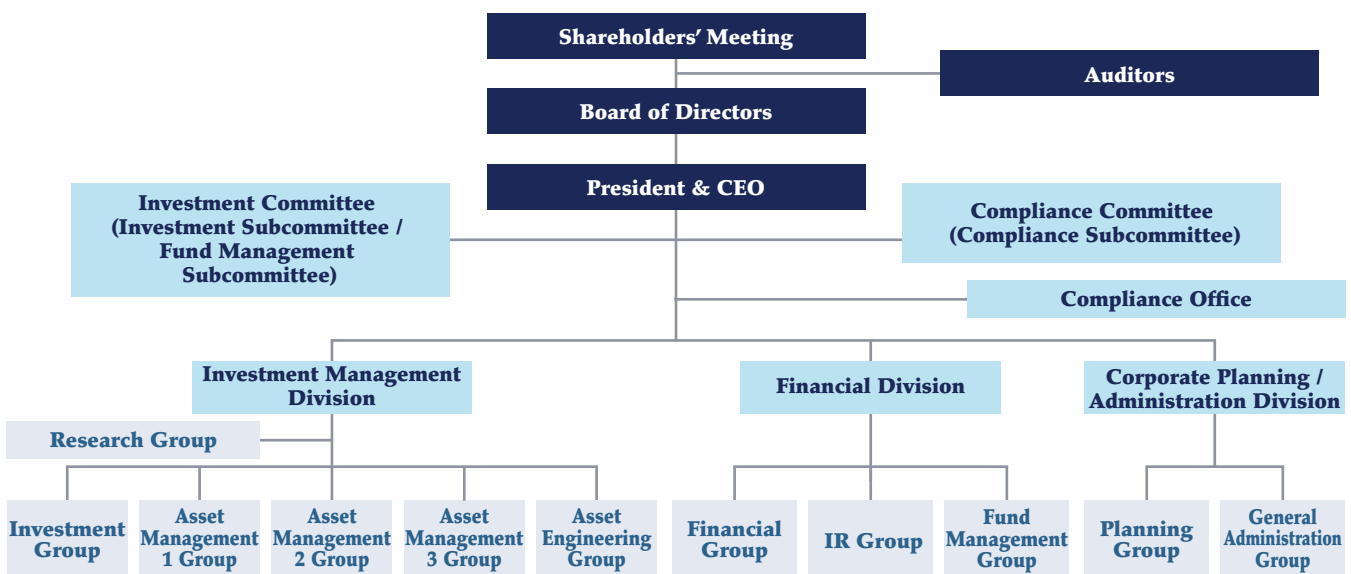
Overview of Asset Manager

Overview

Name	Tokyo Realty Investment Management, Inc. (TRIM)
Business Description	Asset management for investment corporations
Capitalization	¥350 million
Shareholder Composition (Shareholding ratio)	Tokyo Tatemono Co., Ltd. (52%) Yasuda Real Estate Co., Ltd. (18%) Taisei Corporation (10%) Sompo Japan Nipponkoa Insurance Inc. (10%) Meiji Yasuda Life Insurance Company (10%)
Corporate History	
April 28, 2000	Established
October 13, 2000	Obtained license as real estate transaction agent (currently: No. (4) 79025 licensed by Governor of Tokyo)
March 16, 2001	Obtained license as discretionary transaction agent under the Building Lots and Building Transactions Business Act (Approval Number: No. 3)
June 20, 2001	Obtained license as asset management agent for investment corporation under the Act on Investment Trusts and Investment Corporations (Approval Number: No. 7 licensed by the Prime Minister)
September 30, 2007	Registered for financial instruments exchange business (investment management business) (Registration Number: No.362 (Kinsho) Head of Kanto Local Finance Bureau) ^(Note)
November 28, 2007	Applied for registration and submitted application form for financial instruments exchange business

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

Organization Chart



Decision-Making Institutions for Investment Management

TRIM has established the Investment Committee as the institution to make investment management decisions, as well as the Investment Subcommittee (including the Due Diligence Subcommittee) and the Fund Management Subcommittee as subsidiary bodies of the Committee. These committees are comprised of the President and CEO, Investment Management Division General Manager, Financial Division General Manager, and Corporate Planning / Administration Division General Manager. The Compliance Office General Manager also participates in these committees to enhance confirmation in terms of legal compliance. Matters concerning the targets and policies of investment management are decided by the Board of Directors, and matters concerning planning and implementation of asset management are decided by the Investment Committee.

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

1. Overview of Asset Management

(1) Changes in Operating Results and Other Management Data

	Fiscal Period	Unit	32nd Fiscal Period (Jul. 1, 2017 - Dec. 31, 2017)	33rd Fiscal Period (Jan. 1, 2018 - Jun. 30, 2018)	34th Fiscal Period (Jul. 1, 2018 - Dec. 31, 2018)	35th Fiscal Period (Jan. 1, 2019 - Jun. 30, 2019)	36th Fiscal Period (Jul. 1, 2019 - Dec. 31, 2019)
Operating Performance	Operating Revenue	Million yen	15,141	15,204	15,652	16,101	16,005
	Rent revenue – real estate	Million yen	15,141	15,204	15,652	15,695	16,005
	Gain on sale of real estate	Million yen	–	–	–	405	–
	Operating Expenses	Million yen	7,572	7,869	8,066	8,147	8,320
	Expenses related to rent business	Million yen	6,810	7,114	7,311	7,349	7,538
	Operating Income	Million yen	7,569	7,335	7,586	7,954	7,684
	Ordinary Income	Million yen	6,666	6,685	6,761	7,216	6,915
	Net Income	Million yen	6,665	6,686	6,760	7,216	6,914
Assets, etc.	Total Assets	Million yen	446,487	446,297	447,157	452,366	453,467
	(Period-on-period variation)	%	(+0.1)	(-0.0)	(+0.2)	(+1.2)	(+0.2)
	Interest-bearing Debts	Million yen	181,228	181,120	181,020	185,020	185,020
	Total Unitholders Equity	Million yen	238,619	238,638	238,712	239,166	239,269
	(Period-on-period variation)	%	(+0.0)	(+0.0)	(+0.0)	(+0.2)	(+0.0)
Unitholders' Capital	Million yen	231,653	231,653	231,653	231,653	231,653	
Cash Distribution per Unit, etc.	Total Cash Distributions	Million yen	6,666	6,687	6,761	6,811	6,916
	Dividend payout ratio	%	100.0	100.0	100.0	94.3	100.0
	Number of Units Outstanding	Units	923,000	923,000	923,000	923,000	923,000
	Total Unitholders' Equity per unit	Yen	258,525	258,546	258,626	259,118	259,230
	Cash Distribution per Unit	Yen	7,223	7,245	7,326	7,380	7,493
	Distribution amount	Yen	7,223	7,245	7,326	7,380	7,493
	Exceeding profit distribution amount	Yen	–	–	–	–	–
Financial Indices	Ordinary Income on Total Assets (Note 1)	%	1.5	1.5	1.5	1.6	1.5
	Annualized (Note 10)	%	3.0	3.0	3.0	3.2	3.0
	Net Income on Total Unitholders' Equity (Note 2)	%	2.8	2.8	2.8	3.0	2.9
	Annualized (Note 10)	%	5.5	5.7	5.6	6.1	5.7
	Total unitholders' equity at beginning of period	Million yen	238,611	238,619	238,638	238,712	239,166
	Unitholders' Equity Ratio at End of Period (Note 3)	%	53.4	53.5	53.4	52.9	52.8
	(Period-on-period variation)		(-0.0)	(+0.0)	(-0.1)	(-0.5)	(-0.1)
	Interest-bearing Debts to Total Assets at End of Period (Note 4)	%	40.6	40.6	40.5	40.9	40.8
	DSCR (Note 5)	Times	11.2	11.6	12.0	12.5	13.2
	Net income before interest and amortization (Note 6)	Million yen	9,430	9,442	9,500	9,536	9,620
	Interest expenses	Million yen	842	812	794	760	731
	NOI from Leasing (Note 7)	Million yen	10,252	10,033	10,285	10,311	10,441
	Annualized NOI yield (Notes 9 and 10)	%	4.7	4.7	4.7	4.7	4.7
	NCF from Leasing (Note 8)	Million yen	9,627	8,887	9,158	8,986	8,858
	Annualized NCF yield (Notes 9 and 10)	%	4.4	4.1	4.2	4.1	4.0
Reference Information	Investment Properties Owned (Note 11)		62	62	62	63	63
	Number of Tenants		745	747	747	757	760
	Total Leasable Floor Space (Note 12)	m ²	478,169.25	478,117.02	478,088.25	480,277.86	480,284.17
	Occupancy Rate	%	98.5	98.8	99.2	98.6	99.6

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

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

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

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

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

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

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

(Note 8) NOI from leasing - capital expenditures

(Note 9) Annualized NOI from leasing / property acquisition price (32nd fiscal period: ¥435.05 billion, 33rd fiscal period: ¥435.05 billion, 34th fiscal period: ¥435.05 billion, 35th fiscal period: ¥444.77 billion and 36th fiscal period: ¥439.52 billion)
Annualized NCF from leasing / property acquisition price

(Note 10) Annualization is based on 365 days for a year and calculated by using the following management days: 32nd fiscal period: 184 days, 33rd fiscal period: 181 days, 34th fiscal period: 184 days, 35th fiscal period: 181 days and 36th fiscal period: 184 days.

(Note 11) Properties acquired at multiple times are calculated as one property.

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

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

(2) 36th Fiscal Period Asset Management

1) Milestones of JPR

Japan Prime Realty Investment Corporation (JPR) was established on September 14, 2001 under the Act on Investment Trusts and Investment Corporations (hereafter, the Investment Trusts Act), and was listed on the Tokyo Stock Exchange Real Estate Investment Trust Section (securities code: 8955) on June 14, 2002 with 289,600 outstanding investment units. With the subsequently implemented public offerings and other capital raising measures by JPR, the number of investment units issued and outstanding totals 923,000 units as of the end of the 36th fiscal period (December 31, 2019). JPR has assigned the asset management of its portfolio to Tokyo Realty Investment Management, Inc. (hereafter, the Asset Manager), through which JPR aims to maximize unitholder value by efficiently managing the portfolio primarily comprising office properties and retail properties.

As of September 5, 2019, amendments were made to the Articles of Incorporation of JPR and the internal rules of TRIM (JPR Asset Management Guidelines) in order to add hotels to the investment targets of JPR (hereinafter, retail properties and hotels collectively referred to as “retail properties, etc.”).

2) Management Environment

Looking at the Japanese economy in the 36th fiscal period, although corporate earnings remained at a high level, exports and production were on a weak note and certain industries took a cautious stance on the business outlook, with a decrease in corporate earnings in some areas mainly in the manufacturing industry. Meanwhile, capital investment kept a modest upward trend, and consumer spending showed a pickup under the solid employment and income environment. As such, the Japanese economy continued to witness a moderate recovery. The overseas economy also continued to stay on a mild recovery path, although political and economic risk factors including trade issues still exist nonetheless and the pace of recovery has somewhat slowed.

The Office Property Leasing Market

The supply and demand conditions in the office property leasing market remained tight as new demand for such positive development as setting up new offices, expanding the office spaces and moving to better locations continued to be strong. The upward trend of the rent levels for new contracts also continued, although at a moderate pace.

The Retail Property Leasing Market

The need of tenants to open stores remained strong for urban retail properties which JPR targets for investment. Consumption by inbound foreign tourists also remained largely stable and the leasing market for urban retail properties continued to stay in good shape in good locations, such as Ginza, Omotesando and Shinsaibashi.

The For-Sale Real Estate Market

In the for-sale real estate market, investors remain highly willing to purchase properties while blue-chip properties, JPR's investment targets, are in short supply. With low-yield transactions continuing to prevail, the acquisition environment remains harsh. Accordingly, investors continue to look for ways to effectively acquire properties, such as diversifying the target assets for investment and conducting asset replacement.

3) Portfolio Management Status

Acquisition of New Properties

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

During the 36th fiscal period, JPR investigated possible investments primarily in office properties in the Tokyo area, but no acquisition was closed and completed. As of the end of December 31, 2019, the balance of JPR's assets under management totaled 63 properties, or 439.5 billion yen on an acquisition price basis, with the total leasable floor space standing at 480,284 m² and the number of tenants at 760.

Operational Management of Portfolio

In the office property leasing market in the 36th fiscal period, the vacancy rate stayed at a low level, given a more advanced improvement in the supply and demand balance in Tokyo and other areas. Under such circumstances, JPR endeavored to attract new tenants through strategic leasing activities and enhance the satisfaction of existing tenants by keeping close cooperation with property management companies and brokers, with an aim of enhancing earnings from the entire portfolio and improving its occupancy rate. As a result of these efforts, the occupancy rate at the end of the 36th fiscal period increased 1.0 points period-on-period to 99.6%.

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

Moreover, as its initiatives on environmental issues, JPR has continuously obtained environmental certifications. As of December 31, 2019, JPR acquired the DBJ Green Building Certification^{*1} for 16 properties and the CASBEE for Building Certification^{*2} for 7 properties (including 2 newly certified properties). On top of these certifications JPR acquired, its endeavors on environmental issues were so acknowledged that it was designated as "Green Star" in the GRESB^{*3} Real Estate Assessment (the survey conducted in 2019), marking the sixth consecutive year of recognition with the highest ranking in the survey. JPR was also granted the highest rank of "5 Stars" in the GRESB Rating, which makes relative assessment based on total scores.

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

*2 CASBEE, which stands for Comprehensive Assessment System for Built Environment Efficiency, is a system for comprehensively assessing the environmental performance of buildings. Efforts to develop and popularize the system in Japan are being made under the leadership of the Ministry of Land, Infrastructure, Transport and Tourism.

*3 GRESB, which stands for Global Real Estate Sustainability Benchmark, is a benchmark system for analyzing and evaluating sustainability of real estate companies, REITs and real estate private placement funds, in terms of environmental friendliness and social nature. It is based on surveys conducted by a group of the same name composed of more than 60 organizations worldwide such as European pension asset managers.

Fund Procurement

JPR is engaged in debt financing with more emphasis placed on lengthening the debt maturity and diversifying repayment dates, in an effort to make its financial base more solid and stronger against the backdrop of the favorable fund procurement environment and low interest rates. In the 36th fiscal period, JPR borrowed 13.0 billion yen (excluding short-term debts) to fund the refinance of interest-bearing debts that matured during the fiscal period. The average maturity of and the average interest on the new interest-bearing debts stood at 8.4 years and 0.48%, respectively, in contrast to 6.5 years and 0.93% for the relevant interest-bearing debts before refinancing.

As of the end of the 36th fiscal period, the balance of interest-bearing debts totaled 185.0 billion yen, with balance of borrowings of 158.5 billion yen and balance of investment corporation bonds of 26.5 billion yen. The ratio of interest-bearing debt to total assets (Note 1) was 40.8%, long-term and fixed interest-bearing debt ratio (Note 2) was 99.5%, average debt cost (Note 3) was 0.80% and average maturity (Note 4) was 4.6 years as of the end of the 36th fiscal period.

Moreover, JPR established a commitment line with a credit limit of 24 billion yen with six financial institutions.

The following represents the issuer ratings for JPR as of the end of the 36th fiscal period.

Details of Corporate Credit Ratings as of December 31, 2019

Credit Rating Agency	Corporate Credit Rating
Rating and Investment Information, Inc.	AA- (Stable)
S & P Global Ratings Japan Inc.	Long-term: A (Stable) Short-term: A-1

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

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

(Note 3) Average debt cost: sum total of interest expenses, interest expenses on investment corporation bonds, borrowing expenses (excluding expenses for early repayment of borrowings and for commitment line agreements), amortization of investment corporation bond issuance costs and investment corporation bond management expenses, divided by the number of business days for each fiscal period and annualized by multiplying by 365 days / average balance of borrowings and investment corporation bonds for each fiscal period

(Note 4) Average maturity is arrived at by calculating a weighted average of maturities from the end of the 36th fiscal period to the repayment deadlines for all interest-bearing debts based on the balance of each interest-bearing debt.

(3) Additional Offerings, etc.

The table below indicates additional offerings, etc. JPR has conducted in the last five years.

Date	Event	Number of Units Outstanding		Unitholders' Capital (millions of yen)		Remarks
		Variation	Balance	Variation	Balance	
June 16, 2015	Additional public offering	45,700	870,700	17,472	209,516	(Note 1)
June 24, 2015	Third-party allotment	2,300	873,000	879	210,395	(Note 2)
January 24, 2017	Additional public offering	47,600	920,600	20,237	230,632	(Note 3)
February 14, 2017	Third-party allotment	2,400	923,000	1,020	231,653	(Note 4)

(Note 1) New investment units were issued through a public offering at 394,875 yen per unit (underwriting price of 382,320 yen per unit) to repay debts, etc.

(Note 2) New investment units were issued through a third-party allotment at 382,320 yen per unit to repay debts, etc.

(Note 3) New investment units were issued through a public offering at 439,040 yen per unit (underwriting price of 425,152 yen per unit) to fund acquisition of new specific assets and partly repay debts.

(Note 4) New investment units were issued through a third-party allotment at 425,152 yen per unit to fund acquisition of new specific assets and partly repay debts.

(4) Cash Distributions

With regard to the cash distributions of the 36th fiscal period, JPR decided to distribute part of the retained earnings brought forward that had been internally reserved through the 35th fiscal period, with the aim of having the profit distributions deducted as expenses based on application of the special provision on taxation of investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation) and in order to minimize the burden to unitholders incurred by accrual of corporate income tax, etc. As a result, the cash distribution per unit came to 7,493 yen for the 36th fiscal period.

(Thousands of yen unless otherwise indicated)

Fiscal Period		32nd Fiscal Period (Jul. 1, 2017 - Dec. 31, 2017)	33rd Fiscal Period (Jan. 1, 2018 - Jun. 30, 2018)	34th Fiscal Period (Jul. 1, 2018 - Dec. 31, 2018)	35th Fiscal Period (Jan. 1, 2019 - Jun. 30, 2019)	36th Fiscal Period (Jul. 1, 2019 - Dec. 31, 2019)
Unappropriated Retained Earnings at End of Period		6,681,774	6,701,131	6,774,889	7,229,214	6,926,967
Internal Reserves		14,945	13,996	12,991	417,474	10,928
Total Cash Distributions		6,666,829	6,687,135	6,761,898	6,811,740	6,916,039
(Cash Distribution per Unit)		(7,223 yen)	(7,245 yen)	(7,326 yen)	(7,380 yen)	(7,493 yen)
Breakdown	Total Cash Distributions from Net Income	6,666,829	6,687,135	6,761,898	6,811,740	6,916,039
	(Cash distribution from net income per unit)	(7,223 yen)	(7,245 yen)	(7,326 yen)	(7,380 yen)	(7,493 yen)
	Repayment of Paid-in Capital	-	-	-	-	-
	(Repayment of paid-in capital per unit)	(- yen)	(- yen)	(- yen)	(- yen)	(- yen)
Of the repayment of paid-in capital, total cash distributions from the reserve for temporary difference adjustments		-	-	-	-	-
(Of the repayment of paid-in capital per unit, distribution per unit from the reserve for temporary difference adjustments)		(- yen)	(- yen)	(- yen)	(- yen)	(- yen)
Of the repayment of paid-in capital, total cash distributions through the reduction in unitholders' capital for tax purposes		-	-	-	-	-
(Of the repayment of paid-in capital per unit, distribution per unit through the reduction in unitholders' capital for tax purposes)		(- yen)	(- yen)	(- yen)	(- yen)	(- yen)

(5) Future Management Policies and Vital Issues

Looking ahead, the Japanese economy is anticipated to recover moderately, given continued improvements in the employment and income environments and supported by the effects of various policies. However, attention should be paid to the outcome of trade issues, uncertainty in overseas economies including the outlook of the Chinese economy and the U.K. withdrawal from the EU, fluctuations in the financial and capital markets under the influence of the Western monetary policies, and the impact of the consumption tax rate hike conducted in October 2019.

In the office property leasing market, new supply in the 23 wards of Tokyo is expected to increase in 2020. However, as leasing of newly-constructed buildings continues to be strong, the market situation in general is likely to stay in good shape. In this regard, JPR believes it will be able to fully enjoy the positive impact of the good market situation as it has focused on improving tenant satisfaction through proactive implementation of value enhancement works and provision of elaborate management services. When conducting real estate transactions in the for-sale real estate market that continues to appear overheated, it will become even more important to discern the growth potential in earnings of respective properties. Considering the situation in which cap rates are decreasing in a low interest rate environment, it is required to firmly keep the attitude of vigorously selective investment for implementing real estate investment that assumes possession of properties over the medium to long term.

1) Acquisition of New Properties and Asset Replacement

JPR will continue to make investment focused on the Tokyo office properties, with an aim to improve the quality of its portfolio and enhance its growth potential and stability over the long term. Given the briskness in the office property leasing market, the for-sale real estate market sees a decrease in purchase cap rate and expected cap rate levels. Moreover, with properties remaining in short supply, there are deals closed at prices that have factored in lower cap rates and rent increases. However, JPR will fully investigate the stability and growth potential of such properties when acquiring them. As for retail properties, etc., JPR will work to invest in strictly selected blue-chip properties that can keep stable revenues at a certain level in order to complement the stability of earnings from the entire portfolio. JPR will strive to acquire new properties under reasonable terms by negotiating prices based on detailed market studies and property due diligence in considering properties.

Moreover, JPR will continue to make investment decisions after a proactive collection of information through such sources as sponsors of the Asset Manager (Tokyo Tatemono Co., Ltd., Yasuda Real Estate Co., Ltd., Taisei Corporation, Sompo Japan Nipponkoa Insurance Inc. and Meiji Yasuda Life Insurance Company), accurately following market trends and carefully researching investment value, including the future potential of candidate properties.

Furthermore, JPR will also investigate asset replacement while taking into consideration the timing of implementation, in order to improve the quality of its portfolio and enhance its growth potential over the long term.

2) Management of Portfolio

JPR will aim to secure stable earnings over a medium to long term by working to prevent move-outs of existing tenants, encourage them to expand office spaces in the same buildings and renew contracts with upward revision of rents through endeavors to enhance tenant satisfaction, while continuously inviting new tenants through strategic leasing activities. Specifically, JPR will conduct management and operations based on the following policies:

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

3) Fund Procurement

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

(6) Information Disclosure

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

(7) Significant Subsequent Events

Issuance of new investment units

JPR resolved at its Board of Directors meetings held on February 14, 2020 and February 26, 2020 to issue new investment units, as outlined below. With payment completed on March 3, 2020, JPR issued the units under the following conditions. As a result of the issuance, unitholders' capital stands at 247,860,796,100 yen with the number of investment units outstanding totaling 958,250 units as of the date of this document. Furthermore, with regard to the issuance of new investment units through third-party allotment that was resolved on at the said Board of Directors meetings, the allottee notified JPR that it would not subscribe in whole the planned number of units to be issued. Accordingly, the issuance of new investment units through third-party allotment was cancelled.

< Issuance of new investment units through public offering (primary offering) >

Number of new investment units issued:	35,250 units
Issue price (offer price):	474,810 yen per unit
Total issue price (total offer price):	16,737,052,500 yen
Paid-in amount (purchase price):	459,790 yen per unit
Total paid-in amount (total purchase price):	16,207,597,500 yen
Payment date:	March 3, 2020

<Reference Information>

Property Acquisition

After the settlement date, JPR acquired a property and concluded a purchase agreement to acquire another property, as described below.

<Minami Semba Bldg.>

Property overview

Location:	11-28 Minamisemba 4-chome, Chuo-ku, Osaka (residential indication)
Type of ownership:	Land: Ownership Building: Ownership
Site area:	1,405.74 m ²
Total floor space:	7,738.47 m ²
Structure/floors:	SRC with flat roof, B1/8F
Completed:	September 1986
Number of tenants:	13
Total leasable floor space:	5,695.71 m ²
Total leased floor space:	5,692.56 m ²
Occupancy rate:	99.9%

Transaction terms and conditions

Purchase price:	3,750 million yen
Asset type:	Beneficiary interest
Acquisition date:	January 30, 2020

(Note) Number of tenants, total leasable floor space, total leased floor space and occupancy rate indicate the figures as of the acquisition date.

<Sencity Bldg.>

Property overview

Location:	1000, Shinmachi, Chuo-ku, Chiba-shi, Chiba, etc. (residential indication)
Type of ownership:	Land: Ownership (co-ownership: 11.1%) Building: Sectional ownership
Site area:	20,054.15 m ² (equivalent to co-ownership interest: 2,226.85 m ²)
Total floor space:	158,663.55 m ² (floor space of the co-ownership to be acquired: 13,290.06 m ²)
Structure/floors:	S/SRC with flat roof, B2/23F
Completed:	April 1993
Number of tenants:	71 (Note 2)
Total leasable floor space:	13,212.98 m ² (Note 3)

Total leased floor space: 13,097.22 m² (Note 3)
Occupancy rate: 99.1%

Transaction terms and conditions

Purchase price: 13,870 million yen
Asset type: Real estate
Contract date: February 14, 2020
Planned acquisition date: March 27, 2020

(Note 1) Number of tenants, total leasable floor space, total leased floor space and occupancy rate indicate the figures as of the contract date.

(Note 2) Number of tenants indicates the number of the sublessees to whom Taisei-Yuraku Real Estate Co., Ltd., the lessee, will sublease. Furthermore, JPR will lease the sections to be acquired on the lower floors (from the 1st basement floor to the 4th floor) and the upper floors (from the 5th floor to the 23rd floor) of the property to Taisei-Yuraku Real Estate Co., Ltd. in a lump sum, and Taisei-Yuraku Real Estate Co., Ltd. will sublease the sections to be subleased to sublessees.

(Note 3) Total leasable floor space and total leased floor space respectively indicates the figures that are sum total of the floor space of the co-ownership interest to be acquired by JPR for the lower floors and the figure obtained by multiplying the floor space of the co-ownership interest to be acquired by JPR by the corresponding cumulative ratio for the upper floors.

2. Overview of the Investment Corporation

(1) Unitholders' Capital

	32nd Fiscal Period as of December 31, 2017	33rd Fiscal Period as of June 30, 2018	34th Fiscal Period as of December 31, 2018	35th Fiscal Period as of June 30, 2019	36th Fiscal Period as of December 31, 2019
Total number of authorized units	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total number of units issued and outstanding	923,000	923,000	923,000	923,000	923,000
Unitholders' capital (millions of yen)	231,653	231,653	231,653	231,653	231,653
Total number of unitholders	12,196	11,647	11,050	10,376	9,841

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

The following table shows the ten largest investors according to the percentage of their owned investment units to the total number of investment units outstanding as of the end of the 36th fiscal period.

Name	Address	Number of Owned Units	Percentage of Total Units Outstanding (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11 Harumi, Chuo-ku, Tokyo	180,163	19.51
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	141,119	15.28
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	39,800	4.31
State Street Bank West Client Treaty 505234 (Standing Proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, MA 02171, U.S.A. (Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo)	30,887	3.34
Tokyo Tatemono Co., Ltd.	1-9-9 Yaesu, Chuo-ku, Tokyo	29,300	3.17
Kawasaki Gakuen	577 Matsushima, Kurashiki-shi, Okayama	25,000	2.70
Meiji Yasuda Life Insurance Company	2-1-1 Marunouchi, Chiyoda-ku, Tokyo	24,000	2.60
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Harumi Island Triton Square Office Tower Z, 1-8-12 Harumi, Chuo-ku, Tokyo	21,836	2.36
JPMorgan Securities Japan Co., Ltd.	Tokyo Building, 2-7-3 Marunouchi, Chiyoda-ku, Tokyo	16,605	1.79
State Street Bank and Trust Company 505103 (Standing Proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	P.O. Box 351, Boston, MA 02101, U.S.A. (Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo)	11,767	1.27
Total		520,477	56.38

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

(3) Items Related to Directors

A. The Executive Officer, Supervising Officers and Independent Auditors as of the end of the 36th fiscal period are as follows.

Position	Name	Other Current Assignments	Total Directors' Fee during the 36th Fiscal Period (thousands of yen)	Number of Owned Units
Executive Officer	Yoshihiro Jozaki (Note 3)	President and Chief Executive Officer, Tokyo Realty Investment Management, Inc. Managing Officer, Tokyo Tatemono Co., Ltd. (Note 4)	– (Note 5)	–
	Satoshi Okubo (Note 3)	–	866	1
Supervising Officers (Note 1)	Masato Denawa	Partner Attorney, Spring Partners	4,200	–
	Nobuhisa Kusanagi	Group Representative Partner of GYOSEI Certified Public Tax & Accountants' Co.		–
Independent Auditor (Note 2)	EY ShinNihon LLC	–	16,500	–

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

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

(Note 3) Satoshi Okubo resigned from the office of Executive Officer at the Twelfth General Meeting of Unitholders of JPR held on September 5, 2019, and Yoshihiro Jozaki was newly appointed as, and took office of, Executive Officer as of the same date.

(Note 4) Yoshihiro Jozaki, Executive Officer, resigned from the office of Managing Officer of Tokyo Tatemono Co., Ltd. as of December 31, 2019.

(Note 5) Yoshihiro Jozaki, Executive Officer, does not receive any compensation from JPR.

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

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

(4) Asset Manager, Asset Custodian and Administrative Agent

The asset manager, asset custodian and administrative agents of JPR at the end of the 36th fiscal period are as follows.

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

3. Status of JPR's Assets Under Management

(1) JPR's Asset Structure

Asset Type	Area	35th Fiscal Period (as of June 30, 2019)		36th Fiscal Period (as of December 31, 2019)	
		Assets owned by JPR (thousands of yen)	Percentage of total assets (%)	Assets owned by JPR (thousands of yen)	Percentage of total assets (%)
Real estate	Central Tokyo	86,948,130	19.2	86,968,578	19.2
	Greater Tokyo	60,045,976	13.3	59,930,822	13.2
	Other Cities	20,133,415	4.5	20,024,036	4.4
Real estate in trust	Central Tokyo	156,029,941	34.5	155,925,261	34.4
	Greater Tokyo	50,070,401	11.1	49,886,624	11.0
	Other Cities	41,639,292	9.2	41,767,339	9.2
Deposits and other assets	–	37,499,443 (–)	8.3 (–)	38,965,069 (–)	8.6 (–)
Total assets	–	452,366,601 (414,867,157)	100.0 (91.7)	453,467,733 (414,502,663)	100.0 (91.4)

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

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

(2) Major Assets Owned by JPR

The following is an overview of the major assets (ten largest properties by book value at end of period) owned by JPR as of the end of the 36th fiscal period.

Property Name	Book Value (thousands of yen)	Leasable Floor Space (m ²)	Leased Floor Space (m ²)	Occupancy Rate (%)	Rate of Monthly Contracted Rent at End of Period (%)	Asset Class
Otemachi Tower (Land with Leasehold Interest)	38,388,259	11,034.78	11,034.78	100.0	11.9	Office
Olinas Tower	26,732,024	23,987.40	23,987.40	100.0	6.4	Office
Shinjuku Center Bldg.	22,151,921	8,865.71	8,687.73	98.0	3.3	Office
Tokyo Square Garden	18,495,976	5,971.73	5,971.73	100.0	2.7	Office
BYGS Shinjuku Bldg.	15,341,927	15,227.80	15,170.47	99.6	3.8	Office
JPR Sendagaya Bldg.	14,781,061	6,177.74	6,177.74	100.0	1.9	Office
Kanematsu Bldg.	14,608,653	8,090.42	8,090.42	100.0	2.6	Office
Shinjuku Square Tower	13,160,572	19,266.38	19,266.38	100.0	2.8	Office
Kawasaki Dice Bldg.	13,057,178	12,070.15	12,018.91	99.6	2.7	Retail, etc.
JPR Umeda Loft Bldg.	12,471,737	18,586.97	18,586.97	100.0	2.2	Retail, etc.
Total	189,189,312	129,279.08	128,992.53	99.8	40.2	

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

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

(3) Itemized Portfolio Assets

The following table provides an overview of the real estate properties and beneficiary interests in real estate owned by JPR as of the end of the 36th fiscal period (December 31, 2019).

Area	Type	Property Name	Location	Form of Ownership	Book Value as of December 31, 2019 (thousands of yen)	Appraisal Value as of December 31, 2019 (thousands of yen) (Note)	
Central Tokyo	Office	Kanematsu Bldg.	14-1 Kyobashi 2-chome, Chuo-ku, Tokyo	Beneficiary interest	14,608,653	15,200,000	
		Kanematsu Bldg. Annex	17-5 Kyobashi 2-chome, Chuo-ku, Tokyo	Beneficiary interest	2,433,443	3,570,000	
		JPR Ningyo-cho Bldg.	17-4 Nihonbashi Ningyocho 1-chome, Chuo-ku, Tokyo	Beneficiary interest	2,101,112	2,890,000	
		Shin-Kojimachi Bldg.	3-3 Kojimachi 4-chome, Chiyoda-ku, Tokyo	Beneficiary interest	2,428,613	4,190,000	
		JPR Crest Takebashi Bldg.	21-4, etc., Kanda-Nishikicho 3-chome, Chiyoda-ku, Tokyo	Beneficiary interest	3,218,344	3,740,000	
		MS Shibaura Bldg.	13-23 Shibaura 4-chome, Minato-ku, Tokyo	Beneficiary interest	10,907,482	14,900,000	
		Gotanda First Bldg.	8-1 Nishi-Gotanda 2-chome, Shinagawa-ku, Tokyo	Beneficiary interest	2,894,659	3,780,000	
		JPR Ichigaya Bldg.	7-15 Kudan-Minami 4-chome, Chiyoda-ku, Tokyo	Beneficiary interest	5,192,216	4,970,000	
		Oval Court Ohsaki Mark West	17-1 Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo	Beneficiary interest	2,782,734	5,450,000	
		Shinjuku Square Tower	22-1 Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo	Beneficiary interest	13,160,572	14,900,000	
		BYGS Shinjuku Bldg.	19-1 Shinjuku 2-chome, Shinjuku-ku, Tokyo	Real estate	15,341,927	21,600,000	
		Across Shinkawa Bldg. Annex	16-14 Shinkawa 1-chome, Chuo-ku, Tokyo	Real estate	577,465	790,000	
		Shinjuku Center Bldg.	25-1 Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo	Real estate	22,151,921	17,300,000	
		Minami Azabu Bldg.	12-3 Minami-Azabu 2-chome, Minato-ku, Tokyo	Real estate	3,801,112	2,910,000	
		Shinagawa Canal Bldg.	12-33 Konan 2-chome, Minato-ku, Tokyo	Real estate	1,882,064	2,360,000	
		Rokubancho Bldg.	2-9, etc., Rokubancho, Chiyoda-ku, Tokyo	Real estate	2,921,604	3,650,000	
		JPR Harajuku Bldg.	17-11 Jingumae 6-chome, Shibuya-ku, Tokyo	Beneficiary interest	8,720,726	11,500,000	
		JPR Nihonbashi-horidome Bldg.	11-12 Nihonbashi-Horidomecho 1-chome, Chuo-ku, Tokyo	Beneficiary interest	4,788,842	6,840,000	
		JPR Sendagaya Bldg.	23-5 Sendagaya 4-chome, Shibuya-ku, Tokyo	Real estate	14,781,061	12,100,000	
		Ginza Sanwa Bldg.	6-1 Ginza 4-chome, Chuo-ku, Tokyo	Real estate	3,687,157	3,770,000	
	Otemachi Tower (Land with Leasehold Interest)	6-6, etc., Otemachi 1-chome, Chiyoda-ku, Tokyo	Beneficiary interest	38,388,259	51,900,000		
	Science Plaza-Yonbancho Plaza	9-6, etc., Yonbancho, Chiyoda-ku, Tokyo	Beneficiary interest	2,739,914	3,300,000		
	Shibadaimon Center Bldg.	10-11 Shibadaimon 1-chome, Minato-ku, Tokyo	Beneficiary interest	4,146,943	6,170,000		
	Tokyo Square Garden	1-1 Kyobashi 3-chome, Chuo-ku, Tokyo	Beneficiary interest	18,495,976	21,700,000		
	JPR Kojimachi Bldg.	6-1 Kojimachi 5-chome, Chiyoda-ku, Tokyo	Real estate	5,822,516	6,410,000		
	Retail, etc.	JPR Shibuya Tower Records Bldg.	22-14 Jinnan 1-chome, Shibuya-ku, Tokyo	Beneficiary interest	11,446,226	13,800,000	
		JPR Jingumae 432	32-13 Jingumae 4-chome, Shibuya-ku, Tokyo	Beneficiary interest	4,261,705	4,230,000	
		Shinjuku Sanhome East Bldg.	1-26, Shinjuku 3-chome, Shinjuku-ku, Tokyo	Real estate	2,573,906	2,800,000	
		Yurakucho Ekimae Bldg. (Yurakucho Itocia)	7-1 Yurakucho 2-chome, Chiyoda-ku, Tokyo	Real estate	3,290,498	3,240,000	
		JPR Ginza Namiki-dori Bldg.	5-14 Ginza 5-chome, Chuo-ku, Tokyo	Real estate	10,137,343	11,100,000	
		FUNDES Suidobashi	20-8 Kanda Misakicho 2-chome, Chiyoda-ku, Tokyo	Beneficiary interest	3,208,833	3,570,000	
	Greater Tokyo	Office	Arca East	2-1 Kinshi 3-chome, Sumida-ku, Tokyo	Beneficiary interest	4,200,782	6,880,000
			JPR Chiba Bldg.	1-7, etc., Shinmachi, Chuo-ku, Chiba, Chiba	Beneficiary interest	2,205,239	1,810,000
JPR Yokohama Nihon Odori Bldg.			17 Nihon-Odori, Naka-ku, Yokohama, Kanagawa	Beneficiary interest	2,408,291	2,360,000	
Shinyokohama 2nd Center Bldg.			19-5, etc., Shinyokohama 3-chome, Kohoku-ku, Yokohama, Kanagawa	Beneficiary interest	1,423,346	2,310,000	
Kawaguchi Center Bldg.			1-8 Honcho 4-chome, Kawaguchi, Saitama	Beneficiary interest	7,363,727	9,740,000	
JPR Ueno East Bldg.			3-5 Matsugaya 1-chome, Taito-ku, Tokyo	Real estate	2,937,934	5,380,000	
Tachikawa Business Center Bldg.			38-5 Akebonocho 2-chome, Tachikawa, Tokyo	Beneficiary interest	2,878,554	4,470,000	
Rise Arena Bldg.			5-2 Higashi-Ikebukuro 4-chome, Toshima-ku, Tokyo	Real estate	5,176,581	9,520,000	
Yume-ooka Office Tower			6-1 Kamiooka Nishi 1-chome, Konan-ku, Yokohama, Kanagawa	Real estate	5,310,567	7,040,000	
Olinas Tower			1-3 Taihei 4-chome, Sumida-ku, Tokyo	Real estate	26,732,024	40,000,000	

Area	Type	Property Name	Location	Form of Ownership	Book Value as of December 31, 2019 (thousands of yen)	Appraisal Value as of December 31, 2019 (thousands of yen) (Note)
Greater Tokyo	Office	Tokyo Tatemono Yokohama Bldg.	5-10 Kitasaiwai 1-chome, Nishi-ku, Yokohama, Kanagawa	Real estate	7,121,636	9,580,000
		Omiya Prime East	1-1, etc., Shimochō 2-chome, Omiya-ku, Saitama, Saitama	Beneficiary interest	5,651,758	9,430,000
	Retail, etc.	Tanashi ASTA	1-1 Tanashicho 2-chome, Nishitokyo, Tokyo	Beneficiary interest	7,143,818	12,500,000
		Cupo-la Main Bldg.	1-1 Kawaguchi 1-chome, Kawaguchi, Saitama	Real estate	1,642,963	2,970,000
		JPR Musashikosugi Bldg.	420-1, etc., Kosugimachi 3-chome, Nakahara-ku, Kawasaki, Kanagawa	Real estate	7,197,076	5,680,000
		Musashiurawa Shopping Square	3-1 Bessho 7-chome, Saitama, Saitama	Beneficiary interest	3,553,926	4,350,000
		Kawasaki Dice Bldg.	8-3, etc., Ekimae-Honcho, Kawasaki, Kanagawa	Beneficiary interest	13,057,178	16,300,000
		FUNDES Ueno	2-4 Ueno 7-chome, Taito-ku, Tokyo	Real estate	3,812,038	4,000,000
Other Cities	Office	Niigata Ekinan Center Bldg.	24 Yoneyama 1-chome, Chuo-ku, Niigata, Niigata	Beneficiary interest	1,566,507	2,270,000
		Tokyo Tatemono Honmachi Bldg.	4-8 Honmachi 3-chome, Chuo-ku, Osaka, Osaka	Beneficiary interest	4,328,638	3,620,000
		JPR Hakata Bldg.	4-4 Hakataeki-mae 1-chome, Hakata-ku, Fukuoka, Fukuoka	Beneficiary interest	2,927,545	3,920,000
		JPR Naha Bldg.	1-19 Matsuyama 1-chome, Naha, Okinawa	Beneficiary interest	1,476,471	2,130,000
		Sompo Japan Sendai Bldg.	7-35 Tsutsujigaoka 3-chome, Miyagino-ku, Sendai, Miyagi	Beneficiary interest	2,355,210	4,620,000
		Sompo Japan Wakayama Bldg.	31-1, etc., Misonocho 3-chome, Wakayama, Wakayama	Beneficiary interest	1,327,076	1,660,000
		Tenjin 121 Bldg.	3-38 Tenjin 1-chome, Chuo-ku, Fukuoka, Fukuoka	Beneficiary interest	2,031,172	3,400,000
		JPR Dojima Bldg.	1-23 Sonezaki-Shinchi 2-chome, Kita-ku, Osaka, Osaka	Beneficiary interest	2,146,144	3,530,000
		JPR Nagoya Fushimi Bldg.	24-15 Sakae 1-chome, Naka-ku, Nagoya, Aichi	Real estate	3,803,676	3,400,000
		Yakuin Business Garden	1-1 Yakuin 1-chome, Chuo-ku, Fukuoka, Fukuoka	Real estate	10,131,287	20,000,000
		JPR Shinsaibashi Bldg.	2-11 Minami-Senba 4-chome, Chuo-ku, Osaka, Osaka	Beneficiary interest	5,131,956	4,690,000
	Retail, etc.	JPR Umeda Loft Bldg.	16-7 Chayamachi, Kita-ku, Osaka, Osaka	Beneficiary interest	12,471,737	14,400,000
		Housing Design Center Kobe	2-2 Higashi-Kawasakicho 1-chome, Chuo-ku, Kobe, Hyogo	Real estate	6,089,072	7,570,000
		JPR Chayamachi Bldg.	2-19 Chayamachi, Kita-ku, Osaka, Osaka	Beneficiary interest	6,004,878	8,500,000
			Total			414,502,663

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

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

Area	Type	Property Name	35th Fiscal Period (from Jan. 1, 2019 to Jun. 30, 2019)				36th Fiscal Period (from Jul. 1, 2019 to Dec. 31, 2019)				
			Number of Tenants at Period End (Note 1)	Occupancy Rate at Period End (%)	Rental Revenues throughout Period (thousands of yen)	Ratio to Total Rental Revenues (%)	Number of Tenants at Period End (Note 1)	Occupancy Rate at Period End (%)	Rental Revenues throughout Period (thousands of yen)	Ratio to Total Rental Revenues (%)	
Central Tokyo	Office	Kanematsu Bldg.	9	84.9	409,010	2.6	11	100.0	393,386	2.5	
		Kanematsu Bldg. Annex	0	0.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		JPR Ningyo-cho Bldg.	5	100.0	87,931	0.6	5	100.0	94,767	0.6	
		Shin-Kojimachi Bldg.	17	100.0	114,005	0.7	17	100.0	116,015	0.7	
		JPR Crest Takebashi Bldg.	7	87.8	113,487	0.7	8	100.0	112,713	0.7	
		MS Shibaura Bldg.	10	100.0	454,724	2.9	10	100.0	468,088	2.9	
		Gotanda First Bldg.	3	100.0	132,431	0.8	2	100.0	136,917	0.9	
		JPR Ichigaya Bldg.	10	100.0	150,780	1.0	10	100.0	152,421	1.0	
		Oval Court Ohsaki Mark West	2	100.0	189,991	1.2	2	100.0	195,075	1.2	
		Shinjuku Square Tower	24	100.0	396,486	2.5	23	100.0	413,294	2.6	
		BYGS Shinjuku Bldg.	23	96.6	587,987	3.7	23	99.6	615,851	3.8	
		Across Shinkawa Bldg. Annex	4	100.0	36,963	0.2	4	100.0	37,308	0.2	
		Shinjuku Center Bldg.	34	97.5	512,236	3.3	34	98.0	518,147	3.2	
		Minami Azabu Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		Shinagawa Canal Bldg.	6	100.0	69,472	0.4	6	100.0	74,643	0.5	
		Rokubancho Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		JPR Harajuku Bldg.	9	100.0	247,916	1.6	9	100.0	299,995	1.9	
		Tokyo Tatemono Kyobashi Bldg. (Note 3)	—	—	205,738	1.3	—	—	—	—	
		JPR Nihonbashi-horidome Bldg.	5	100.0	188,308	1.2	5	100.0	192,169	1.2	
		JPR Sendagaya Bldg.	6	100.0	288,626	1.8	7	100.0	293,019	1.8	
		Ginza Sanwa Bldg.	9	100.0	120,360	0.8	9	100.0	120,945	0.8	
		Otemachi Tower (Land with Leasehold Interest)	2	100.0	1,726,749	11.0	2	100.0	1,774,000	11.1	
		Science Plaza-Yonbancho Plaza	22	94.1	114,448	0.7	23	95.8	113,931	0.7	
	Shibadaimon Center Bldg.	9	100.0	188,559	1.2	9	100.0	188,793	1.2		
	Tokyo Square Garden	48	100.0	395,705	2.5	46	100.0	402,309	2.5		
	JPR Kojimachi Bldg.	7	100.0	3,178	0.0	6	95.5	161,357	1.0		
	Retail, etc.	JPR Shibuya Tower Records Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		JPR Jingumae 432	7	100.0	88,852	0.6	7	100.0	88,757	0.6	
		Shinjuku Sanchoe East Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		Yurakucho Ekimae Bldg. (Yurakucho Itocia)	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		JPR Ginza Namiki-dori Bldg.	9	100.0	207,754	1.3	9	100.0	209,279	1.3	
		FUNDES Suidobashi	6	100.0	94,911	0.6	6	100.0	101,776	0.6	
Arca East		6	100.0	261,774	1.7	6	100.0	265,311	1.7		
Greater Tokyo	Office	JPR Chiba Bldg.	39	97.0	135,508	0.9	38	96.3	136,176	0.9	
		JPR Yokohama Nihon Odori Bldg.	18	100.0	122,627	0.8	18	100.0	129,337	0.8	
		Shinyokohama 2nd Center Bldg.	21	100.0	105,789	0.7	20	98.1	107,607	0.7	
		Kawaguchi Center Bldg.	44	100.0	445,858	2.8	42	97.2	445,811	2.8	
		JPR Ueno East Bldg.	10	100.0	177,372	1.1	10	100.0	179,147	1.1	
		Tachikawa Business Center Bldg.	24	100.0	147,048	0.9	24	98.0	153,076	1.0	
		Rise Arena Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		Yume-ooka Office Tower	37	100.0	337,618	2.2	40	100.0	338,295	2.1	
		Olinas Tower	16	100.0	1,019,185	6.5	16	100.0	1,029,072	6.4	
		Tokyo Tatemono Yokohama Bldg.	21	100.0	292,505	1.9	22	100.0	302,688	1.9	
		Omiya Prime East	4	100.0	276,722	1.8	4	100.0	280,519	1.8	
		Tanashi ASTA	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		Cupo-la Main Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		JPR Musashikosugi Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		Musashiurawa Shopping Square	3	100.0	127,041	0.8	3	100.0	127,041	0.8	
		Kawasaki Dice Bldg.	28	97.9	489,201	3.1	29	99.6	517,330	3.2	
	FUNDES Ueno	10	100.0	2,932	0.0	10	100.0	124,134	0.8		
	Other Cities	Office	Niigata Ekinan Center Bldg.	10	100.0	126,282	0.8	10	100.0	124,885	0.8
			Tokyo Tatemono Honmachi Bldg.	8	94.4	152,307	1.0	8	94.4	154,159	1.0
			JPR Hakata Bldg.	43	100.0	162,347	1.0	43	100.0	168,793	1.1
			JPR Naha Bldg.	18	91.4	101,865	0.6	21	100.0	106,039	0.7
			Sompo Japan Sendai Bldg.	15	99.7	188,764	1.2	14	98.1	189,277	1.2
			Sompo Japan Wakayama Bldg.	15	98.3	107,661	0.7	15	98.3	108,207	0.7
Tenjin 121 Bldg.			16	100.0	115,776	0.7	15	98.3	120,321	0.8	
JPR Dojima Bldg.			12	100.0	132,377	0.8	12	100.0	133,943	0.8	
JPR Nagoya Fushimi Bldg.			4	93.8	153,215	1.0	5	99.5	154,321	1.0	
Yakuin Business Garden			16	99.9	529,076	3.4	15	99.9	545,285	3.4	
Retail, etc.	JPR Shinsaibashi Bldg.	10	100.0	125,340	0.8	10	100.0	131,698	0.8		
	JPR Umeda Loft Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
	Housing Design Center Kobe	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
JPR Chayamachi Bldg.	5	100.0	166,720	1.1	5	100.0	171,154	1.1			
Total			757	98.6	15,695,954	100.0	760	99.6	16,005,870	100.0	

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

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

(Note 2) JPR does not disclose the rental revenues of the properties throughout the period and their ratio to total rental revenues due to inevitable reasons, as no consent to disclosure has been obtained from the tenants or co-owners.

(Note 3) JPR sold Tokyo Tatemono Kyobashi Bldg. on June 27, 2019.

(4) Status of Other Assets

Beneficiary interests with real estate as major entrusted properties have been included in (3) Itemized Portfolio Assets above. There were no additional major assets that are main investment targets of JPR other than those listed under (3) above as of the end of the 36th fiscal period.

4. Capital Expenditures of Owned Real Estate

(1) Planned Capital Expenditures

The following are major items of capital expenditures for renovation works, etc. planned as of the end of the 36th fiscal period for JPR-owned real estate and entrusted real estate regarding beneficiary interests in real estate. Furthermore, the planned construction expenses include portions that are classified as expenses in accounting.

Property Name	Location	Purpose	Schedule	Planned (millions of yen)		
				Total Value	Payment during the 36th Fiscal Period	Amount Already Paid
Gotanda First Bldg.	Shinagawa-ku, Tokyo	Replacement of toilets, etc. on 1st basement floor and 6th through 11th floors	Nov. 2019–Jun. 2020	128	–	–
JPR Naha Bldg.	Naha, Okinawa	3rd through 4th phases of replacement of toilets and hot-water supply rooms	Jan. 2020–Sep. 2020	111	–	–
JPR Nihonbashihoridome Bldg.	Chuo-ku, Tokyo	2nd phase of replacement of air conditioning units	Jan. 2020–May 2020	93	–	–
JPR Naha Bldg.	Naha, Okinawa	Repair of exterior walls and rooftop	Jan. 2020–Jun. 2020	90	–	–
JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	Replacement of toilets on 2nd through 7th floors	Jan. 2020–Jun. 2020	89	–	–
Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Replacement of distribution boards and replacement of lighting equipment with LED lamps on 4th and 9th floors	Apr. 2020–Jun. 2020	88	–	–
BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Replacement of ceilings in common areas on 3rd through 12th floors	Mar. 2020–Jun. 2020	46	–	–
Yakuin Business Garden	Fukuoka, Fukuoka	Renovation of smoking rooms to comply with the Health Promotion Act	Mar. 2020–Jun. 2020	46	–	–
Niigata Ekinan Center Bldg.	Niigata, Niigata	Replacement of lighting equipment with LED lamps on 5th through 10th floors	Jan. 2020–Mar. 2020	43	–	–
Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Installation of variable air volume system for air conditioning units on 4th and 9th floors	Apr. 2020–Jun. 2020	41	–	–
Kawaguchi Center Bldg.	Kawaguchi, Saitama	6th phase of replacement of air conditioning units	Oct. 2019–Mar. 2020	41	–	–
BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Renovation of the entrance hall on 1st floor (ceiling, walls and replacement of lighting equipment with LED lamps)	Mar. 2020–Apr. 2020	35	–	–
Arca East	Sumida-ku, Tokyo	Replacement of power receiving and transforming facilities	Feb. 2020–Mar. 2020	31	–	–

(2) Capital Expenditures during the 36th Fiscal Period

The following are the capital expenditure amounts JPR invested in real estate and entrusted real estate during the 36th fiscal period. Among major capital expenditures, JPR conducted replacement of air conditioning units to maintain and enhance tenant satisfaction, as well as renovation of common-use areas and installation of office automation floors for leased offices with the aim of attracting new tenants. In addition, aside from these constructions, JPR conducted construction of 625 million yen (Note), which was appropriated as expenditures for repair and maintenance.

Property Name	Location	Purpose	Period	Construction Expenses (millions of yen)
JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Repair of exterior walls	Aug. 2019–Dec. 2019	244
JPR Nihonbashi-horidome Bldg.	Chuo-ku, Tokyo	1st phase of replacement of air conditioning units	Sep. 2019–Dec. 2019	102
Kawaguchi Center Bldg.	Kawaguchi, Saitama	5th phase of replacement of air conditioning units	Apr. 2019–Sep. 2019	84
Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Replacement of air conditioning units	May 2019–Dec. 2019	75
JPR Naha Bldg.	Naha, Okinawa	2nd phase of replacement of toilets and hot-water supply rooms	Jun. 2019–Dec. 2019	66
Rokubancho Bldg.	Chiyoda-ku, Tokyo	Repair of exterior walls	Jul. 2019–Dec. 2019	60
JPR Umeda Loft Bldg.	Osaka, Osaka	3rd phase of replacement of escalators	Sep. 2019–Oct. 2019	45
BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Replacement of central monitoring facilities	Jun. 2019–Dec. 2019	38
Other Properties		Replacement of air conditioning units, repair of common areas, replacement of lighting equipment with LED lamps, etc.		864
Total				1,582

(Note) Expenditures for repair and maintenance included 15 million yen of construction management fees paid to construction management companies as well as the amounts for repair and maintenance constructions themselves.

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

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

(Millions of yen)

Operation Period	32nd Fiscal Period (Jul. 1, 2017 - Dec. 31, 2017)	33rd Fiscal Period (Jan. 1, 2018 - Jun. 30, 2018)	34th Fiscal Period (Jul. 1, 2018 - Dec. 31, 2018)	35th Fiscal Period (Jan. 1, 2019 - Jun. 30, 2019)	36th Fiscal Period (Jul. 1, 2019 - Dec. 31, 2019)
Balance of deposits at beginning of current period	1,075	1,178	1,215	1,222	1,319
Deposits during the period	422	821	624	1,038	997
Amounts used from deposits during the period	319	784	617	941	1,006
Deposits carried forward to the next period	1,178	1,215	1,222	1,319	1,310

5. Expenses and Liabilities

(1) Details of Expenses Related to Management

(Thousands of yen)

Item	35th Fiscal Period (Jan. 1, 2019 - Jun. 30, 2019)	36th Fiscal Period (Jul 1, 2019 - Dec. 31, 2019)
(a) Asset Management Fees (Note)	574,894	569,134
Fixed compensation	75,000	75,000
Incentive-based compensation 1	276,506	280,189
Incentive-based compensation 2	223,388	213,945
(b) Administrative Service and Custodian Fees	79,048	79,051
(c) Directors' Fee	6,600	5,066
(d) Trust Fees	24,790	23,752
(e) Other Expenses	112,068	105,262
Total	797,401	782,268

(Note) Aside from the amounts of the asset management fees entered above, fees for asset management of the acquired properties (35th fiscal period: 24,302 thousand yen) have been paid and included in the book value of each property.

(2) Status of Loans Payable

As of December 31, 2019 JPR has the following loans payable.

Category	Lender	Drawdown Date	Balance as of Jul. 1, 2019 (millions of yen)	Balance as of Dec. 31, 2019 (millions of yen)	Average interest Rate (%) (Note 1) (Note 2)	Repayment Date	Repayment Method	Use	Remarks
Short-Term Loans Payable	Resona Bank, Ltd.	May 27, 2019	2,000	—	0.169	Jul. 5, 2019	Principal lump sum repayment on maturity	(Note 3)	Unsecured/ Unguaranteed
	Mizuho Bank Ltd.	Dec. 5, 2019	—	1,000	0.169	Jul. 3, 2020			
	Total		2,000	1,000					
Long-Term Loans Payable	Mizuho Bank Ltd.	Dec. 5, 2012	2,000	—	1.027	Dec. 5, 2019	Principal lump sum repayment on maturity	(Note 3)	Unsecured/ Unguaranteed
	Mizuho Bank Ltd.	Nov. 27, 2013	3,000	3,000	0.970	Nov. 27, 2020			
	Mizuho Bank Ltd.	Jun. 27, 2014	5,000	5,000	1.178	Jun. 27, 2023			
	Mizuho Bank Ltd.	Mar. 11, 2015	2,000	2,000	1.011	Mar. 11, 2024			
	Mizuho Bank Ltd.	Mar. 24, 2015	2,000	2,000	1.056	Mar. 24, 2025			
	Mizuho Bank Ltd.	Feb. 4, 2016	5,000	5,000	0.804	Feb. 4, 2026			
	Mizuho Bank Ltd.	Mar. 30, 2017	3,000	3,000	0.351	Mar. 30, 2021			
	Mizuho Bank Ltd.	Mar. 30, 2017	4,000	4,000	0.400	Mar. 30, 2022			
	Mizuho Bank Ltd.	Nov. 21, 2017	1,000	1,000	0.795	Nov. 19, 2027			
	Mizuho Bank Ltd.	Dec. 5, 2019	—	2,000	0.646	Dec. 5, 2029			
	MUFG Bank, Ltd.	Aug. 8, 2012	1,000	—	1.178	Aug. 8, 2019			
	MUFG Bank, Ltd.	Dec. 5, 2012	1,000	—	1.027	Dec. 5, 2019			
	MUFG Bank, Ltd.	Nov. 27, 2013	3,000	3,000	0.970	Nov. 27, 2020			
	MUFG Bank, Ltd.	Jun. 27, 2014	4,000	4,000	0.889	Jun. 25, 2021			
	MUFG Bank, Ltd.	Aug. 31, 2015	1,000	1,000	0.873	Aug. 31, 2023			
	MUFG Bank, Ltd.	Mar. 25, 2016	5,000	5,000	0.510	Mar. 25, 2024			
	MUFG Bank, Ltd.	Dec. 15, 2016	2,000	2,000	0.633	Dec. 13, 2024			
	MUFG Bank, Ltd.	Aug. 8, 2017	1,000	1,000	0.638	Aug. 8, 2025			
	MUFG Bank, Ltd.	Aug. 29, 2017	5,000	5,000	0.600	Aug. 29, 2025			
	MUFG Bank, Ltd.	Sep. 5, 2017	3,000	3,000	0.593	Sep. 5, 2025			
	Sumitomo Mitsui Banking Corporation	Dec. 5, 2012	1,000	—	1.027	Dec. 5, 2019			
	Sumitomo Mitsui Banking Corporation	Jun. 27, 2013	3,000	3,000	1.265	Jun. 26, 2020			
Sumitomo Mitsui Banking Corporation	Jun. 27, 2014	2,500	2,500	1.033	Jun. 27, 2022				
Sumitomo Mitsui Banking Corporation	Mar. 30, 2017	2,000	2,000	0.351	Mar. 30, 2021				
Sumitomo Mitsui Banking Corporation	Mar. 30, 2017	4,000	4,000	0.400	Mar. 30, 2022				

Category	Lender	Drawdown Date	Balance as of Jul. 1, 2019 (millions of yen)	Balance as of Dec. 31, 2019 (millions of yen)	Average interest Rate (%) (Note 1) (Note 2)	Repayment Date	Repayment Method	Use	Remarks
Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	Dec. 5, 2019	—	1,000	0.245	Dec. 5, 2023	Principal lump sum repayment on maturity	(Note 3)	Unsecured/Unguaranteed
	Development Bank of Japan, Inc.	Jun. 27, 2013	820	820	1.449	Jun. 25, 2021			
	Development Bank of Japan, Inc.	Dec. 5, 2013	2,000	2,000	1.188	Dec. 3, 2021			
	Development Bank of Japan, Inc.	Mar. 24, 2015	2,000	2,000	1.056	Mar. 24, 2025			
	Development Bank of Japan, Inc.	Dec. 15, 2016	3,000	3,000	0.843	Jun. 14, 2027			
	Development Bank of Japan, Inc.	Nov. 21, 2017	1,000	1,000	0.795	Nov. 19, 2027			
	Development Bank of Japan, Inc.	Jun. 27, 2019	2,100	2,100	0.572	Jun. 27, 2029			
	Shinsei Bank, Ltd.	Sep. 24, 2013	2,000	2,000	1.076	Sep. 24, 2020			
	Shinsei Bank, Ltd.	Dec. 5, 2014	2,000	2,000	1.134	Dec. 5, 2024			
	Shinsei Bank, Ltd.	Dec. 15, 2016	1,000	1,000	0.843	Jun. 14, 2027			
	Shinsei Bank, Ltd.	Apr. 5, 2019	5,000	5,000	0.673	April 5, 2029			
	Shinkin Central Bank	Dec. 15, 2016	2,000	2,000	0.388	Dec. 14, 2021			
	Shinkin Central Bank	Dec. 5, 2018	3,000	3,000	0.663	Jun. 4, 2027			
	Shinkin Central Bank	Jun. 27, 2019	2,000	2,000	0.447	Dec. 27, 2027			
	Mizuho Trust & Banking Co., Ltd.	Feb. 4, 2013	3,000	3,000	1.076	Feb. 4, 2020			
	Mizuho Trust & Banking Co., Ltd.	Mar. 30, 2017	4,000	4,000	0.309	Mar. 30, 2020			
	Aozora Bank Ltd.	Aug. 8, 2012	2,000	—	1.178	Aug. 8, 2019			
	Aozora Bank Ltd.	Sep. 30, 2013	1,000	1,000	1.069	Sep. 24, 2020			
	Aozora Bank Ltd.	Jul. 3, 2017	900	900	0.625	Jul. 3, 2025			
	Aozora Bank Ltd.	Aug. 25, 2017	1,000	1,000	0.534	Aug. 23, 2024			
	Aozora Bank Ltd.	Aug. 25, 2017	1,000	1,000	0.574	Feb. 25, 2025			
	Aozora Bank Ltd.	Aug. 30, 2018	2,000	2,000	0.553	Feb. 25, 2025			
	The Norinchukin Bank	Dec. 15, 2016	2,000	2,000	0.388	Dec. 14, 2021			
	The Norinchukin Bank	Dec. 5, 2017	1,000	1,000	0.604	Jun. 5, 2025			
	The Norinchukin Bank	Jun. 27, 2019	2,000	2,000	0.405	Jun. 25, 2027			
	The Bank of Fukuoka, Ltd.	Sep. 24, 2013	1,000	—	0.911	Sep. 24, 2019			
	The Bank of Fukuoka, Ltd.	Oct. 9, 2015	2,000	2,000	0.816	Oct. 6, 2023			
	The Bank of Fukuoka, Ltd.	Jul. 7, 2016	2,000	2,000	0.480	Jul. 7, 2026			
	The Bank of Fukuoka, Ltd.	Sep. 24, 2019	—	1,000	0.554	Sep. 21, 2029			
	Meiji Yasuda Life Insurance Company	Feb. 5, 2015	1,000	1,000	1.042	Feb. 5, 2025			
	Meiji Yasuda Life Insurance Company	Jun. 21, 2018	3,200	3,200	0.813	Jun. 21, 2028			
	The Shinkumi Federation Bank	Feb. 5, 2018	4,000	4,000	0.404	Aug. 5, 2022			
	The Nishi-Nippon City Bank, Ltd.	May 27, 2016	3,000	3,000	0.646	May 27, 2026			
	The Nishi-Nippon City Bank, Ltd.	Dec. 15, 2016	1,000	1,000	0.388	Dec. 14, 2021			
	Sumitomo Life Insurance Company	Oct. 11, 2016	2,000	2,000	0.453	Oct. 11, 2024			
	Sumitomo Life Insurance Company	Jul. 22, 2019	—	1,000	0.583	Jul. 20, 2029			
	Taiyo Life Insurance Company	Dec. 27, 2013	1,000	1,000	1.011	Dec. 25, 2020			
	Taiyo Life Insurance Company	Sep. 24, 2015	1,000	1,000	0.969	Sep. 24, 2024			
	Taiyo Life Insurance Company	Jun. 4, 2018	1,000	1,000	0.811	Jun. 5, 2028			
	The Chugoku Bank, Ltd.	Oct. 9, 2015	2,000	2,000	0.816	Oct. 6, 2023			
The Chugoku Bank, Ltd.	Sep. 25, 2018	1,000	1,000	0.661	Mar. 25, 2026				
National Mutual Insurance Federation of Agricultural Cooperatives	Dec. 15, 2016	2,000	2,000	0.388	Dec. 14, 2021				
Sompo Japan Nipponkoa Insurance Inc.	Dec. 25, 2015	2,000	2,000	0.759	Dec. 25, 2023				
Nippon Life Insurance Company	Nov. 22, 2019	—	2,000	0.225	Nov. 22, 2023				
The Hachijuni Bank, Ltd.	Oct. 9, 2015	1,000	1,000	0.489	Oct. 9, 2020				

Category	Lender	Drawdown Date	Balance as of Jul. 1, 2019 (millions of yen)	Balance as of Dec. 31, 2019 (millions of yen)	Average interest Rate (%) (Note 1) (Note 2)	Repayment Date	Repayment Method	Use	Remarks
	The Hachijuni Bank, Ltd.	Sep. 26, 2016	1,000	1,000	0.209	Sep. 24, 2021			
	Resona Bank, Ltd.	Mar. 30, 2017	2,000	2,000	0.438	Sep. 30, 2022			
	The Iyo Bank, Ltd.	Oct. 9, 2015	1,000	1,000	0.816	Oct. 6, 2023			
	NTT FINANCE CORPORATION	May 31, 2018	1,000	1,000	0.408	May 31, 2023			
	The 77 Bank, Ltd.	May 31, 2018	1,000	1,000	0.408	May 31, 2023			
	The Daishi Bank, Ltd.	Nov. 21, 2017	1,000	1,000	0.396	Nov. 21, 2022			
	Daido Life Insurance Company	Dec. 27, 2018	1,000	1,000	0.316	Dec. 25, 2023			
	The Chiba Bank, Ltd.	Oct. 25, 2018	1,000	1,000	0.449	Oct. 25, 2023			
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Dec. 27, 2018	1,000	1,000	0.299	Jun. 27, 2023			
	The Hyakugo Bank, Ltd.	Oct. 25, 2018	1,000	1,000	0.582	Apr. 25, 2025			
	The Hiroshima Bank, Ltd.	Nov. 21, 2017	1,000	1,000	0.396	Nov. 21, 2022			
	Mitsui Sumitomo Insurance Company, Limited	Oct. 4, 2019	—	1,000	0.310	Oct. 2, 2026			
	Sumitomo Mitsui Trust Bank Limited	Mar. 25, 2016	1,000	1,000	0.691	Mar. 25, 2026			
	The Yamaguchi Bank, Ltd.	Nov. 21, 2017	1,000	1,000	0.795	Nov. 19, 2027			
	Total		157,520	157,520					

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

(Note 2) Short-term loans payable are floating-rate loans payable. Long-term loans payable are fixed-rate loans payable.

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

(3) Investment Corporation Bonds

Details of JPR's investment corporation bonds outstanding as of December 31, 2019 are as follows.

Name	Issue Date	Balance as of Jul. 1, 2019 (millions of yen)	Balance as of Dec. 31, 2019 (millions of yen)	Coupon Rate (%)	Maturity Date	Redemption Method	Use	Remarks
Seventh Series of Investment Corporation Bonds	Dec. 14, 2006	4,500	4,500	2.900	Dec. 14, 2026	Bullet repayment	(Note 1)	(Note 2)
Sixteenth Series of Investment Corporation Bonds	Nov. 22, 2012	2,000	—	1.030	Nov. 22, 2019			
Eighteenth Series of Investment Corporation Bonds	May 31, 2013	2,000	2,000	1.460	May 31, 2023			
Nineteenth Series of Investment Corporation Bonds	Feb. 5, 2014	5,000	5,000	1.110	Feb. 5, 2024			
Twentieth Series of Investment Corporation Bonds	Jul. 22, 2014	2,000	—	0.303	Jul. 22, 2019			
Twenty-first Series of Investment Corporation Bonds	Jul. 22, 2014	4,000	4,000	1.278	Jul. 22, 2026			
Twenty-second Series of Investment Corporation Bonds	Dec. 4, 2014	3,000	3,000	0.831	Dec. 4, 2024			
Twenty-third Series of Investment Corporation Bonds	May 31, 2018	3,000	3,000	0.550	May 31, 2028			
Twenty-fourth Series of Investment Corporation Bonds (Green Bonds)	July 31, 2019	—	5,000	0.570	July 31, 2029			
Total		25,500	26,500					

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

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

(4) Subscription Rights to Shares

Not applicable

6. Acquisitions and Sales during the 36th Fiscal Period

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

Not applicable

(2) Acquisition and Sale of Other Assets

JPR made no acquisition or sale of other assets in the 36th fiscal period.

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

Not applicable

(4) Transactions with Interested Parties and Major Shareholders

1) Transaction Status

No transaction of special assets or other deals with interested parties and major shareholders were conducted during the 36th fiscal period.

2) Value of Fee Expenses

Category	Total Paid Fees (A)	Breakdown of Transaction with Interested Parties and Major Shareholders		(Thousands of yen)
		Paid Party	Paid Amount (B)	Ratio to Total Amount (B/A)
Management Fees (Note 2)	336,753	Tokyo Tatemono Co., Ltd.	264,577	78.6%
		Prime Place Co., Ltd.	15,943	4.7%
Outsourcing Fees	614,244	Tokyo Tatemono Co., Ltd.	463,743	75.5%
		Prime Place Co., Ltd.	13,239	2.2%
Tenant Brokerage Fees	94,818	Tokyo Tatemono Co., Ltd.	55,809	58.9%
		Prime Place Co., Ltd.	1,527	1.6%

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

(Note 2) The management fees indicated in the above table include construction management fees (total of 37,524 thousand yen) appropriated as assets and not handled as expenses.

(Note 3) Aside from transactions indicated in the above table, JPR paid the following amounts for repairs, etc. conducted by below parties who are interested parties or major shareholders during the 36th fiscal period.

Tokyo Tatemono Co., Ltd.	736,634 thousand yen
Prime Place Co., Ltd.	20,194 thousand yen
Tokyo Real Estate Management Co., Ltd.	151,254 thousand yen
Shinjuku Center Building Management Co., Ltd.	34,205 thousand yen

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

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

7. Overview of Accounting

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

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

(2) Changes in Calculation Method of Depreciation

No change has been made.

(3) Changes in Valuation Method of Real Estate and Infrastructure Assets

No change has been made.

8. Overview of Self-Managed Investment Trust Beneficiary

(1) Acquisition

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

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

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

(2) Units Held

	Number of Units Held at End of Period	Total Investment at End of Period (Note) (millions of yen)	Ratio to Total Units Issued and Outstanding (%)
27th Fiscal Period (Jan. 1, 2015 – Jun. 30, 2015)	100	20	0.0
28th Fiscal Period (Jul. 1, 2015 – Dec. 31, 2015)	100	20	0.0
29th Fiscal Period (Jan. 1, 2016 – Jun. 30, 2016)	100	20	0.0
30th Fiscal Period (Jul. 1, 2016 – Dec. 31, 2016)	100	20	0.0
31st Fiscal Period (Jan. 1, 2017 – Jun. 30, 2017)	100	20	0.0
32nd Fiscal Period (Jul. 1, 2017 – Dec. 31, 2017)	100	20	0.0
33rd Fiscal Period (Jan. 1, 2018 – Jun. 30, 2018)	100	20	0.0
34th Fiscal Period (Jul. 1, 2018 – Dec. 31, 2018)	100	20	0.0
35th Fiscal Period (Jan. 1, 2019 – Jun. 30, 2019)	100	20	0.0
36th Fiscal Period (Jul. 1, 2019 – Dec. 31, 2019)	100	20	0.0

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

9. Disclosure on Corporation Owning Foreign Real Estate

Not applicable

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

Not applicable

11. Other

(1) Notice

1) General Meeting of Unitholders

The Twelfth General Meeting of Unitholders of JPR was held on September 5, 2019.
Items approved at the General Meeting of Unitholders are summarized below.

Agenda	Overview
Partial amendments to the Articles of Incorporation	Amendments were made to the following items of the Articles of Incorporation. (1) Amendments to the Articles of Incorporation were made in order to add hotels (urban accommodation facilities) to the investment target of JPR. (2) With regard to the asset management fee JPR pays to the asset management company, for the purpose of introducing an asset management fee system which is more linked to unitholder interest, amendments were made to (i) change “Fixed fee” to “Management Fee 1” linking it to total acquisition amount, (ii) change “Incentive Fee 1” to “Management Fee 2” lowering the fee rate from 1.5% or 2% to 1.2%, (iii) change “Incentive Fee 2” to “Management Fee 3” introducing a new calculation method based on the distributable amount and also changing the fee rate. Amendments were also made to (iv) change “Incentive Fee 3” to “Management Fee 4,” raising the fee rate from 0.25% to 0.5% while newly establishing a merger fee and (v) newly establish “Management Fee 5” to set fees for sales. (3) In order to ensure that the amendments to the Articles of Incorporation described in (2) above take effect as to asset management fees arising on January 1, 2020 and after, as well as to take transitional measures for calculating Management Fee 3, supplementary provisions stipulated such matters. (4) Other than the above, necessary provisions were established, expressions were changed and clarified, unnecessary definitions were deleted, and corrections were made to terminology.
Appointment of one Executive Officer	Yoshihiro Jozaki was appointed as Executive Officer.
Appointment of one Substitute Executive Officer	Yoshinaga Nomura was appointed as Substitute Executive Officer.
Appointment of two Supervising Officers	Masato Denawa and Nobuhisa Kusanagi were appointed as Supervising Officers.
Appointment of one Substitute Supervising Officer	Akihiro Kawaguchi was appointed as Substitute Supervising Officer.

2) Board of Directors of JPR

Major issues related to the execution and modification, etc. of major agreements approved at JPR’s Board of Directors meeting in the 36th fiscal period include the following:

Date of Board of Directors Meeting	Approved Item	Overview
July 1, 2019	Consignment of administrative services concerning the issuance of the Twenty-Fourth Series of Unsecured Investment Corporation Bonds (Note)	JPR consigned the administrative services related to the issuance of the Twenty-Fourth Series of Unsecured Investment Corporation Bonds to Mizuho Securities Co., Ltd., SMBC Nikko Securities Inc. and Mizuho Bank, Ltd., on the condition that the Executive Officer should decide to issue the relevant Bonds.
August 14, 2019	Conclusion of memorandum concerning amendments to the asset management agreement	Reviews were made to necessary articles and provisions of the asset management agreement, subject to the approval of the proposed amendments to the Articles of Incorporation at the Twelfth General Meeting of Unitholders of JPR held on September 5, 2019.

(Note) The board of directors’ meeting held on April 18, 2019 passed the comprehensive resolution on the issuance of the relevant investment corporation bonds. Based on this, JPR issued the Twenty-Fourth Series of Unsecured Investment Corporation Bonds on July 31, 2019.

(2) Other

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

(1) Balance Sheets

(Thousands of yen)

	End of 35th Fiscal Period (Jun. 30, 2019)	End of 36th Fiscal Period (Dec. 31, 2019)
Assets		
Current assets		
Cash and deposits	23,484,645	25,016,928
Cash and deposits in trust	12,782,464	12,758,578
Operating accounts receivable	385,838	246,507
Prepaid expenses	138,878	159,405
Other	11,959	15,198
Total current assets	36,803,787	38,196,618
Noncurrent assets		
Property, plant and equipment		
Buildings	59,982,967	60,602,042
Accumulated depreciation	(18,061,478)	(18,920,510)
Buildings, net	41,921,489	41,681,532
Buildings in trust	92,611,962	93,481,011
Accumulated depreciation	(34,475,696)	(35,522,474)
Buildings in trust, net	58,136,265	57,958,537
Structures	58,409	58,409
Accumulated depreciation	(25,144)	(26,812)
Structures, net	33,264	31,597
Structures in trust	144,695	146,650
Accumulated depreciation	(85,434)	(88,531)
Structures in trust, net	59,260	58,118
Machinery and equipment	799,611	821,773
Accumulated depreciation	(520,489)	(542,077)
Machinery and equipment, net	279,122	279,696
Machinery and equipment in trust	1,875,622	1,919,756
Accumulated depreciation	(1,408,464)	(1,435,893)
Machinery and equipment in trust, net	467,158	483,862
Tools, furniture and fixtures	101,869	129,582
Accumulated depreciation	(58,744)	(64,452)
Tools, furniture and fixtures, net	43,124	65,129
Tools, furniture and fixtures in trust	222,723	232,578
Accumulated depreciation	(161,023)	(169,599)
Tools, furniture and fixtures in trust, net	61,699	62,979
Land	113,047,999	113,060,949
Land in trust	189,014,043	189,014,043
Construction in progress	383	2,413
Construction in progress in trust	247	2,035
Total property, plant and equipment	403,064,057	402,700,894
Intangible assets		
Leasehold right	11,801,831	11,801,831
Other	4,352	3,962
Total intangible assets	11,806,183	11,805,793
Investments and other assets		
Lease and guarantee deposits	544,858	590,776
Long-term prepaid expenses	38,413	43,220
Total investments and other assets	583,271	633,997
Total noncurrent assets	415,453,512	415,140,685
Deferred assets		
Investment corporation bond issuance costs	101,044	129,512
Investment unit issuance expenses	8,256	917
Total deferred assets	109,301	130,429
Total assets	452,366,601	453,467,733

(Thousands of yen)

	End of 35th Fiscal Period (Jun. 30, 2019)	End of 36th Fiscal Period (Dec. 31, 2019)
Liabilities		
Current liabilities		
Operating accounts payable	2,771,354	3,379,730
Short-term loans payable	2,000,000	1,000,000
Current portion of long-term loans payable	18,000,000	21,000,000
Current portion of investment corporation bonds	4,000,000	—
Accounts payable-other	739,135	669,920
Accrued expenses	70,252	81,175
Income taxes payable	605	605
Accrued consumption taxes	130,292	381,254
Advances received	2,860,847	3,022,445
Other	43,775	5,033
Total current liabilities	30,616,261	29,540,165
Noncurrent liabilities		
Investment corporation bonds	21,500,000	26,500,000
Long-term loans payable	139,520,000	136,520,000
Tenant leasehold and security deposits	8,098,431	8,049,652
Tenant leasehold and security deposits in trust	13,465,138	13,588,304
Total noncurrent liabilities	182,583,569	184,657,957
Total liabilities	213,199,831	214,198,122
Net assets		
Unitholders' equity		
Unitholders' capital	231,653,198	231,653,198
Surplus		
Voluntary reserve		
Reserve for reduction entry	284,356	689,444
Total voluntary reserve	284,356	689,444
Unappropriated retained earnings (undisposed loss)	7,229,214	6,926,967
Total surplus	7,513,570	7,616,411
Total unitholders' equity	239,166,769	239,269,610
Total net assets	*2 239,166,769	*2 239,269,610
Total liabilities and net assets	452,366,601	453,467,733

(2) Statements of Income and Retained Earnings

(Thousands of yen)

	35th Fiscal Period (Jan. 1, 2019 - Jun. 30, 2019)		36th Fiscal Period (Jul. 1, 2019 - Dec. 31, 2019)	
Operating revenue				
Rent revenue-real estate	*1	15,695,954	*1	16,005,870
Gain on sale of real estate	*2	405,791		—
Total operating revenue		16,101,745		16,005,870
Operating expenses				
Expenses related to rent business	*1	7,349,926	*1	7,538,619
Asset management fee		574,894		569,134
Administrative service and asset custody fees		79,048		79,051
Directors' compensation		6,600		5,066
Trust fees		24,790		23,752
Other operating expenses		112,068		105,262
Total operating expenses		8,147,328		8,320,887
Operating income		7,954,417		7,684,983
Non-operating income				
Interest income		182		189
Income on settlement of management association accounts		59,246		4,357
Insurance income		11,239		1,527
Other		2,096		1,639
Total non-operating income		72,766		7,713
Non-operating expenses				
Interest expenses		593,661		556,344
Borrowing expenses		32,040		27,753
Interest expenses on investment corporation bonds		166,407		174,899
Amortization of investment corporation bond issuance costs		10,835		10,953
Amortization of investment unit issuance expenses		7,219		7,339
Other		191		221
Total non-operating expenses		810,355		777,510
Ordinary income		7,216,828		6,915,185
Income before income taxes		7,216,828		6,915,185
Income taxes-current		605		605
Total income taxes		605		605
Net income		7,216,223		6,914,580
Retained earnings brought forward		12,991		12,386
Unappropriated retained earnings (undisposed loss)		7,229,214		6,926,967

(3) Statements of Changes in Unitholders' Equity

(Thousands of yen)

	35th Fiscal Period (Jan. 1, 2019 - Jun. 30, 2019)	36th Fiscal Period (Jul. 1, 2019 - Dec. 31, 2019)
Unitholders' equity		
Unitholders' capital		
Balance at beginning of current period	231,653,198	231,653,198
Changes of items during the period		
Total changes of items during the period	—	—
Balance at end of current period	231,653,198	231,653,198
Surplus		
Voluntary reserve		
Balance at beginning of current period	284,356	284,356
Changes of items during the period		
Provision of reserve for reduction entry		405,088
Total changes of items during the period	—	405,088
Balance at end of current period	284,356	689,444
Unappropriated retained earnings (undisposed loss)		
Balance at beginning of current period	6,774,889	7,229,214
Changes of items during the period		
Provision of reserve for reduction entry		(405,088)
Dividends from surplus	(6,761,898)	(6,811,740)
Net income	7,216,223	6,914,580
Total changes of items during the period	454,325	(302,247)
Balance at end of current period	7,229,214	6,926,967
Total surplus		
Balance at beginning of current period	7,059,245	7,513,570
Changes of items during the period		
Provision of reserve for reduction entry		—
Dividends from surplus	(6,761,898)	(6,811,740)
Net income	7,216,223	6,914,580
Total changes of items during the period	454,325	102,840
Balance at end of current period	7,513,570	7,616,411
Total unitholders' equity		
Balance at the beginning of current period	238,712,444	239,166,769
Changes of items during the period		
Provision of reserve for reduction entry		—
Dividends from surplus	(6,761,898)	(6,811,740)
Net income	7,216,223	6,914,580
Total changes of items during the period	454,325	102,840
Balance at end of current period	239,166,769	239,269,610
Total net assets		
Balance at beginning of current period	238,712,444	239,166,769
Changes of items during the period		
Provision of reserve for reduction entry		—
Dividends from surplus	(6,761,898)	(6,811,740)
Net income	7,216,223	6,914,580
Total changes of items during the period	454,325	102,840
Balance at end of current period	239,166,769	239,269,610

(4) Statements of Cash Distributions

	35th Fiscal Period (Jan. 1, 2019 - Jun. 30, 2019)	36th Fiscal Period (Jul. 1, 2019 - Dec. 31, 2019)
I. Unappropriated retained earnings	7,229,214,642 yen	6,926,967,425 yen
II. Distribution amount (Distribution amount per unit)	6,811,740,000 yen (7,380 yen)	6,916,039,000 yen (7,493 yen)
III. Voluntary reserve Provision of reserve for reduction entry	405,088,162 yen	—
IV. Retained earnings carried forward	12,386,480 yen	10,928,425 yen
Method for calculating distribution amount	<p>Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, JPR decided to pay out distributions of earnings of 6,811,740,000 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (923,000 units) from the balance of unappropriated retained earnings after deducting the provision of reserve for reduction entry pursuant to Article 66-2 of the Act on Special Measures Concerning Taxation and to the extent of minimizing the burden to unitholders incurred by accrual of corporate income tax, etc. Furthermore, JPR shall not distribute cash in excess of earnings as stipulated in Article 30 (4) of the Articles of Incorporation.</p>	<p>Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, JPR decided to pay out distributions of earnings of 6,916,039,000 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (923,000 units) in an amount not in excess of unappropriated retained earnings and to the extent of minimizing the burden to unitholders incurred by accrual of corporate income tax, etc. Furthermore, JPR shall not distribute cash in excess of earnings as stipulated in Article 30 (4) of the Articles of Incorporation.</p>

(5) Statements of Cash Flows

(Thousands of yen)

	35th Fiscal Period (Jan. 1, 2019 - Jun. 30, 2019)	36th Fiscal Period (Jul. 1, 2019 - Dec. 31, 2019)
Net cash provided by (used in) operating activities		
Income before income taxes	7,216,828	6,915,185
Depreciation and amortization	1,965,898	1,974,265
Amortization of investment corporation bond issuance costs	10,835	10,953
Amortization of investment unit issuance expenses	7,219	7,339
Interest income	(182)	(189)
Interest expenses	760,069	731,243
Decrease (increase) in operating accounts receivable	(93,912)	139,330
Decrease (increase) in prepaid expenses	15,734	(20,526)
Increase (decrease) in operating accounts payable	111,534	76,706
Increase (decrease) in accounts payable-other	70,167	(69,756)
Increase (decrease) in accrued consumption taxes	(132,073)	250,962
Increase (decrease) in advances received	34,473	161,598
Decrease in property, plant and equipment due to sale	2,020,668	—
Decrease in intangible assets due to sale	3,251,290	—
Other, net	55,016	(72,891)
Subtotal	15,293,568	10,104,222
Interest income received	182	189
Interest expenses paid	(765,902)	(720,320)
Income taxes (paid) refund	(605)	(606)
Net cash provided by (used in) operating activities	14,527,242	9,383,485
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(9,804,326)	(429,256)
Purchase of property, plant and equipment in trust	(759,308)	(649,786)
Purchase of intangible assets	(365,875)	—
Payments of lease and guarantee deposits	(49,857)	(45,918)
Repayments of tenant leasehold and security deposits	(484,149)	(206,466)
Proceeds from tenant leasehold and security deposits	647,991	157,687
Repayments of tenant leasehold and security deposits in trust	(431,553)	(239,597)
Proceeds from tenant leasehold and security deposits in trust	691,979	387,903
Net cash provided by (used in) investing activities	(10,555,099)	(1,025,434)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	2,000,000	4,000,000
Repayment of short-term loans payable	—	(5,000,000)
Proceeds from long-term loans payable	11,100,000	8,000,000
Repayment of long-term loans payable	(9,100,000)	(8,000,000)
Proceeds from issuance of investment corporation bonds	—	4,960,579
Redemption of investment corporation bonds	—	(4,000,000)
Dividends paid	(6,761,902)	(6,810,234)
Net cash provided by (used in) financing activities	(2,761,902)	(6,849,654)
Net changes in cash and cash equivalents	1,210,240	1,508,397
Cash and cash equivalents at beginning of current period	35,056,869	36,267,109
Cash and cash equivalents at end of current period	*1 36,267,109	*1 37,775,506

(6) Notes to Financial Statements

(Basis of Presenting Financial Statements)

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

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

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

(Significant Accounting Policies)

- | | |
|---|---|
| 1 Depreciation/Amortization
Method for Long-lived Assets | <p>(1) Property and Equipment (including entrusted properties)
Depreciation is calculated using the straight-line method. The estimated useful lives of major property and equipment ranges are as follows:
Buildings 3 - 65 years
Structures 10 - 35 years
Machinery and equipment 3 - 17 years
Tools, furniture and fixtures 3 - 20 years
Assets with purchase costs of 100,000 yen or more but less than 200,000 yen are depreciated over three years based on the Corporation Tax Act.</p> <p>(2) Intangible Assets
Intangible assets are amortized utilizing the straight-line method.</p> <p>(3) Long-term Prepaid Expenses
Long-term prepaid expenses are amortized utilizing the straight-line method.</p> |
| 2. Accounting for Deferred Assets | <p>(1) Investment Corporation Bond Issuance Costs
Investment corporation bond issuance costs are amortized utilizing the straight-line method over the redemption periods.</p> <p>(2) Investment unit issuance expenses
Investment unit issuance expenses are amortized utilizing the straight-line method over three years.</p> |
| 3. Standards for Recording
Revenues and Expenses | <p>Accounting Treatment of Taxes on Property and Equipment
In connection with property taxes, city planning taxes and depreciated asset taxes (the "property taxes"), JPR uses the method of charging the corresponding amounts of assessed taxes to the current fiscal period as expenses related to rent business.
Furthermore, JPR capitalized an amount equivalent to the property taxes paid to the sellers during the first fiscal period as a part of the purchase cost, not as expenses, in connection with the acquisition of real estate or entrusted beneficiary interests in real estate as entrusted property. Taxes on property and equipment capitalized amounted to 17,423 thousand yen for the fiscal period ended June 30, 2019, and were nil for the fiscal period ended December 31, 2019.</p> |
| 4. Scope of Cash and Cash
Equivalents in the Statements of
Cash Flows | <p>Cash and cash equivalents in the Statements of Cash Flows include the following items</p> <p>(1) Cash on hand and cash in trust</p> <p>(2) Deposits placed with banks and deposits in trust that can be withdrawn at any time</p> <p>(3) Short-term investments that are readily convertible to cash and have insignificant risk of price fluctuations and have original maturities of three months or less from the acquisition date.</p> |
| 5. Other Significant Items
Fundamental to the Preparation of
Financial Statements | <p>(1) Accounting Policies on Trust Beneficiary Interests in Real Estate as Property in Trust
Regarding trust beneficiary interests in real estate, all asset and liability accounts of entrusted properties as well as all revenue and expense accounts generated by the property in trust are recorded in relevant accounts on the balance sheets and statements of income and retained earnings.
Furthermore, the following material accounts are separately presented in the balance sheets for properties in trust recorded in relevant accounts.</p> <p style="margin-left: 20px;">a. Cash and deposits in trust</p> <p style="margin-left: 20px;">b. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust</p> <p style="margin-left: 20px;">c. Tenant leasehold and security deposits in trust</p> <p>(2) Accounting for Consumption Taxes
Revenues and expenses in the Statements of Income and Retained Earnings do not include consumption taxes.</p> |

(Notes to Accounting Standards Not Yet Adopted)

- Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 issued by the Accounting Standards Board of Japan (ASBJ) on March 30, 2018)
- Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30 issued by ASBJ on March 30, 2018)

(1) Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) jointly developed a comprehensive accounting standard for revenue recognition, and issued it as Revenue from Contracts with Customers (IFRS 15 issued by IASB and Topic 606 issued by FASB) in May 2014. The IFRS 15 is applicable for accounting periods beginning on January 1, 2018 and thereafter, and the Topic 606 is applicable for accounting periods beginning after December 15, 2017. In accordance with this, the ASBJ has developed a comprehensive accounting standard for revenue recognition and issued it together with its implementation guidance.

In developing the accounting standard for revenue recognition, the ASBJ made it a basic policy to adopt the basic principles of the IFRS 15 as a starting point. By doing so, the ASBJ established the accounting standard from the viewpoint of comparability, which is a benefit for securing consistency with the IFRS 15, between financial statements based on the Japanese GAAP and those based on other accounting standards. Alternative treatments were also added, to the extent that they do not harm the comparability, in cases where there are items to be considered in the actual practices conducted in Japan to date.

(2) Scheduled date of adoption

JPR will adopt the Accounting Standard and Implementation Guidance from the beginning of the fiscal period ending December 31, 2021.

(3) Impact of adoption of the accounting standard and implementation guidance

The amount of impact on the financial statements by the adoption of the Accounting Standard and Implementation Guidance for Revenue Recognition is being assessed at present.

- Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 issued by ASBJ on July 4 2019)
- Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued by ASBJ on July 4, 2019)

(1) Overview

IASB and FASB have established detailed guidance for fair value measurement (IFRS 13 “Fair Value Measurement” by IASB and Topic 820 “Fair Value Measurement” by FASB). In order to improve the comparability between these international accounting standards and the Japanese accounting standard, ASBJ held repeated deliberations concerning mainly the guidance and disclosure on the fair value of financial instruments, and has published the accounting standard and implementation guidance for fair value measurement.

(2) Scheduled date of adoption

JPR will adopt the Accounting Standard and Implementation Guidance from the beginning of the fiscal period ending December 31, 2021.

(3) Impact of adoption of the accounting standard and implementation guidance

The amount of impact on the financial statements by the adoption of the Accounting Standard and Implementation Guidance for Fair Value Measurement is being assessed at present.

(Notes to Balance Sheets)

1. Balance of Unused Commitment Line

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

(Thousands of yen)

	End of 35th Fiscal Period (as of June 30, 2019)	End of 36th Fiscal Period (as of December 31, 2019)
Credit limit	24,000,000	24,000,000
Outstanding debts at end of period	—	—
Unused commitment line at end of period	24,000,000	24,000,000

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

(Thousands of yen)

End of 35th Fiscal Period (as of June 30, 2019)	End of 36th Fiscal Period (as of December 31, 2019)
50,000	50,000

(Notes to Statements of Income and Retained Earnings)

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

(Thousands of yen)

	35th Fiscal Period (January 1, 2019 – June 30, 2019)	36th Fiscal Period (July 1, 2019 – December 31, 2019)
A. Rent Revenue-Real Estate		
Rent Revenue		
Rents	11,131,988	11,372,402
Land rents	1,726,749	1,774,000
Common charges	1,591,893	1,567,002
Parking fees	266,789	262,373
Advertising fees	75,465	36,467
Antenna usage fees	25,761	26,176
Other	39,276	43,384
Subtotal	14,857,925	15,081,806
Other rental revenues		
Incidental rent income	683,694	799,897
Time-based parking fees	8,711	8,286
Cancellation charges	46,466	21,686
Income equivalent to expenses for restoration to original condition	71,164	62,445
Other miscellaneous income	27,992	31,748
Subtotal	838,028	924,063
Total rent revenue-real estate	15,695,954	16,005,870
B. Expenses Related to Rent Business		
Outsourcing expenses	593,100	609,389
Utilities expenses	782,428	866,496
Property and other taxes	2,349,569	2,335,893
Casualty insurance	24,690	25,316
Repairs and maintenance	578,869	610,360
Property management fees	293,791	299,229
Management association accounts	569,179	570,509
Depreciation	1,965,736	1,973,941
Other	192,562	247,482
Total expenses related to rent business	7,349,926	7,538,619
C. Profits for Rent Business (A-B)		
	8,346,027	8,467,251

*2. Breakdown of Gain on Sale of Real Estate, etc.

(Thousands of yen)

	35th Fiscal Period (January 1, 2019 – June 30, 2019)	36th Fiscal Period (July 1, 2019 – December 31, 2019)
Tokyo Tatemono Kyobashi Bldg.		
Proceeds from sale of real estate	5,800,000	—
Cost of sale of real estate	5,271,959	—
Other expenses related to sale	122,248	—
Gain on sale of real estate	405,791	—

(Notes to Statements of Changes in Unitholders' Equity)

	35th Fiscal Period (January 1, 2019 – June 30, 2019)	36th Fiscal Period (July 1, 2019 – December 31, 2019)
Total number of authorized units and number of units outstanding		
Total number of authorized units	5,000,000 units	5,000,000 units
Number of units outstanding	923,000 units	923,000 units

(Notes to Statements of Cash Flows)

*1. Reconciliation of the Amounts of the Cash and Cash Equivalents at End of Period in the Statements of Cash Flows with the Amounts of the Corresponding Accounts on the Balance Sheets

(Thousands of yen)

	35th Fiscal Period (January 1, 2019 – June 30, 2019)	36th Fiscal Period (July 1, 2019 – December 31, 2019)
Cash and deposits	23,484,645	25,016,928
Cash and deposits in trust	12,782,464	12,758,578
Cash and cash equivalents	36,267,109	37,775,506

(Leases)

Future minimum lease payments to be received under non-cancelable operating leases

(Thousands of yen)

	35th Fiscal Period (January 1, 2019 – June 30, 2019)	36th Fiscal Period (July 1, 2019 – December 31, 2019)
Due within one year	6,566,448	5,468,297
Due after one year	11,643,861	9,625,164
Total	18,210,309	15,093,461

(Financial Instruments)

1. Matters Concerning Status of Financial Instruments

(1) Policy on Handling Financial Instruments

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

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

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

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

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

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

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

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

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

The following are the carrying values and fair values as of June 30, 2019 of financial instruments, and the difference between these amounts. Please note that the following table does not include those for which discerning of fair value is recognized to be extremely difficult (please refer to Note 3).

(Thousands of yen)

	Carrying Value (Note 1)	Estimated Fair Value (Note 1)	Difference
(1) Cash and deposits	23,484,645	23,484,645	—
(2) Cash and deposits in trust	12,782,464	12,782,464	—
(3) Short-term loans payable	(2,000,000)	(2,000,000)	—
(4) Current portion of long-term loans payable	(18,000,000)	(18,079,700)	79,700
(5) Current portion of investment corporation bonds	(4,000,000)	(4,010,073)	10,073
(6) Investment corporation bonds	(21,500,000)	(23,073,405)	1,573,405
(7) Long-term loans payable	(139,520,000)	(142,182,670)	2,662,670

The following are the carrying values and fair values as of December 31, 2019 of financial instruments, and the difference between these amounts. Please note that the following table does not include those for which discerning of fair value is recognized to be extremely difficult (please refer to Note 3)

(Thousands of yen)

	Carrying Value (Note 1)	Estimated Fair Value (Note 1)	Difference
(1) Cash and deposits	25,016,928	25,016,928	—
(2) Cash and deposits in trust	12,758,578	12,758,578	—
(3) Short-term loans payable	(1,000,000)	(1,000,000)	—
(4) Current portion of long-term loans payable	(21,000,000)	(21,091,412)	91,412
(5) Current portion of investment corporation bonds	—	—	—
(6) Investment corporation bonds	(26,500,000)	(27,732,745)	1,232,745
(7) Long-term loans payable	(136,520,000)	(138,243,341)	1,723,341

(Note 1) Liabilities are shown in parentheses.

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

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

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

(3) Short-term loans payable

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

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

The fair value of these financial instruments is calculated based on the discounted cash flow method under which the total amount of principal and interests are discounted by the rate assumed as being applicable in the event of a new drawdown whose term is corresponding to the remaining loan term.

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

Of the fair value of these financial instruments, those with market price are measured based on market price and those with no market price are calculated in accordance with (4) and (7) above.

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

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

(Thousands of yen)

Category	End of 35th Fiscal Period (as of June 30, 2019)	End of 36th Fiscal Period (as of December 31, 2019)
Tenant leasehold and security deposits	8,098,431	8,049,652
Tenant leasehold and security deposits in trust	13,465,138	13,588,304

(Note 4) Scheduled redemption of monetary claims to be due subsequent to the 35th fiscal period end (June 30, 2019)

(Thousands of yen)

	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Cash and deposits	23,484,645	—	—	—	—	—
Cash and deposits in trust	12,782,464	—	—	—	—	—

Scheduled redemption of monetary claims to be due subsequent to the 36th fiscal period end (December 31, 2019)

(Thousands of yen)

	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Cash and deposits	25,016,928	—	—	—	—	—
Cash and deposits in trust	12,758,578	—	—	—	—	—

(Note 5) Amount of repayment or redemption of short-term loans payable, investment corporation bonds and long-term loans payable scheduled to be due subsequent to the 35th fiscal period end (June 30, 2019)

(Thousands of yen)

	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Short-term loans payable	2,000,000	—	—	—	—	—
Investment corporation bonds	4,000,000	—	—	2,000,000	5,000,000	14,500,000
Long-term loans payable	18,000,000	20,820,000	20,500,000	16,000,000	17,000,000	65,200,000

Amount of repayment or redemption of short-term loans payable, investment corporation bonds and long-term loans payable scheduled to be due subsequent to the 36th fiscal period end (December 31, 2019)

(Thousands of yen)

	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Short-term loans payable	1,000,000	—	—	—	—	—
Investment corporation bonds	—	—	—	2,000,000	8,000,000	16,500,000
Long-term loans payable	21,000,000	19,820,000	18,500,000	21,000,000	15,000,000	62,200,000

(Securities)

35th fiscal period (as of June 30, 2019)

Not applicable

36th fiscal period (as of December 31, 2019)

Not applicable

(Derivative Transactions)

35th fiscal period (as of June 30, 2019)

Not applicable as JPR entered into no derivative transactions

36th fiscal period (as of December 31, 2019)

Not applicable as JPR entered into no derivative transactions

(Retirement Benefits)

35th fiscal period (as of June 30, 2019)

Not applicable as JPR does not have any retirement benefit plans

36th fiscal period (as of December 31, 2019)

Not applicable as JPR does not have any retirement benefit plans

(Tax Effect Accounting)

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

	35th Fiscal Period (January 1, 2019 – June 30, 2019)	36th Fiscal Period (July 1, 2019 – December 31, 2019)
Effective statutory tax rate	31.51%	31.51%
(Adjustment)		
Deductible cash distributions	(29.74%)	(31.51%)
Other	(1.76%)	0.01%
Effective tax rate after applying tax effect accounting	0.01%	0.01%

(Equity Method Income and Retained Earnings)

35th fiscal period (January 1, 2019 – June 30, 2019)

Not applicable as JPR does not have any affiliated companies

36th fiscal period (July 1, 2019 – December 31, 2019)

Not applicable as JPR does not have any affiliated companies

(Transactions with Related Parties)

1. Parent Company and Major Corporation Unitholders

35th fiscal period (January 1, 2019 – June 30, 2019)

Not applicable

36th fiscal period (July 1, 2019 – December 31, 2019)

Not applicable

2. Subsidiaries

35th fiscal period (January 1, 2019 – June 30, 2019)

Not applicable

36th fiscal period (July 1, 2019 – December 31, 2019)

Not applicable

3. Sister Companies

35th fiscal period (January 1, 2019 – June 30, 2019)

Not applicable

36th fiscal period (July 1, 2019 – December 31, 2019)

Not applicable

4. Directors and Major Individual Unitholders

35th fiscal period (January 1, 2019 – June 30, 2019)

Not applicable

36th fiscal period (July 1, 2019 – December 31, 2019)

Not applicable

(Asset Retirement Obligations)

35th fiscal period (January 1, 2019 – June 30, 2019)

Not applicable

36th fiscal period (July 1, 2019 – December 31, 2019)

Not applicable

(Segment Information)

[Segment Information]

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

[Related Information]

35th fiscal period (January 1, 2019 – June 30, 2019)

1. Information about Products and Services

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

2. Information about Geographic Areas

(1) Revenues from Overseas Customers

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

(2) Tangible Fixed Assets

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

3. Information about Major Customers

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

36th fiscal period (July 1, 2019 – December 31, 2019)

1. Information about Products and Services

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

2. Information about Geographic Areas

(1) Revenues from Overseas Customers

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

(2) Tangible Fixed Assets

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

3. Information about Major Customers

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

(Investment and Rental Properties)

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

(Thousands of yen)

	35th Fiscal Period (January 1, 2019 – June 30, 2019)	36th Fiscal Period (July 1, 2019 – December 31, 2019)
Carrying Value on the Balance Sheets		
Balance at Beginning of Period	410,964,607	414,867,157
Amount of Increase (Decrease) during the Period	3,902,549	(364,493)
Balance at End of Current Period	414,867,157	414,502,663
Fair Value at End of Period	509,065,000	522,660,000

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

(Note 2) For the 35th fiscal period, the amount of increase is primarily attributable to the additional acquisition of Shinagawa Canal Bldg. (179,872 thousand yen), and the acquisition of KY Kojimachi Bldg. (5,813,591 thousand yen) and FUNDES Ueno (3,822,914 thousand yen), and the amount of decrease is primarily attributable to the sale of Tokyo Tatemono Kyobashi Bldg. (5,271,959 thousand yen) and depreciation (1,965,736 thousand yen). For the 36th fiscal period, the amount of decrease is primarily attributable to depreciation (1,973,941 thousand yen).

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

The income (loss) in the 35th and 36th fiscal periods for investment and rental properties are as presented in the “Notes to Statements of Income and Retained Earnings.”

(Per Unit Information)

	35th Fiscal Period (January 1, 2019 – June 30, 2019)	36th Fiscal Period (July 1, 2019 – December 31, 2019)
Total net assets per unit	259,118 yen	259,230 yen
Net income per unit	7,818 yen	7,491 yen

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

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

	35th Fiscal Period (January 1, 2019 – June 30, 2019)	36th Fiscal Period (July 1, 2019 – December 31, 2019)
Net income (thousands of yen)	7,216,223	6,914,580
Amounts not attributable to ordinary unitholders (thousands of yen)	—	—
Net income attributable to ordinary investment units (thousands of yen)	7,216,223	6,914,580
Average number of units during the fiscal period	923,000 units	923,000 units

(Subsequent Events)*Issuance of new investment units*

JPR resolved at its Board of Directors meetings held on February 14, 2020 and February 26, 2020 to issue new investment units, as outlined below. With payment completed on March 3, 2020, JPR issued the units under the following conditions. As a result of the issuance, unitholders' capital stands at 247,860,796,100 yen with the number of investment units outstanding totaling 958,250 units as of the date of this document. Furthermore, with regard to the issuance of new investment units through third-party allotment that was resolved on at the said Board of Directors meetings, the allottee notified JPR that it would not subscribe in whole the planned number of units to be issued. Accordingly, the issuance of new investment units through third-party allotment was cancelled.

<Issuance of new investment units through public offering (primary offering)>

Number of new investment units issued:	35,250 units
Issue price (offer price):	474,810 yen per unit
Total issue price (total offer price):	16,737,052,500 yen
Paid-in amount (purchase price):	459,790 yen per unit
Total paid-in amount (total purchase price):	16,207,597,500 yen
Payment date:	March 3, 2020

(7) Detailed Schedules

1) Schedule of Securities

Not applicable

2) Status of Contract Amounts, etc. and Fair Value of Derivative Transactions and Forward Exchange Transactions

Not applicable

3) Schedule of Assets Related to Real Estate

Asset Type	Balance as of July 1, 2019 (thousands of yen)	Increase during the Period (thousands of yen)	Decrease during the Period (thousands of yen)	Balance as of December 31, 2019 (thousands of yen)	Accumulated Depreciation		Net Balance as of December 31, 2019 (thousands of yen)	Remarks
					Or Accumulated Amortization (thousands of yen)	Depreciation during the Period (thousands of yen)		
Current Assets	-	-	-	-	-	-	-	
Noncurrent Assets (Property, plant and equipment)								
Buildings	59,982,967	619,075	—	60,602,042	18,920,510	859,031	41,681,532	
Structures	58,409	—	—	58,409	26,812	1,667	31,597	
Machinery and equipment	799,611	22,162	—	821,773	542,077	21,588	279,696	
Tools, furniture and fixtures	101,869	27,713	—	129,582	64,452	5,708	65,129	
Land	113,047,999	12,950	—	113,060,949	—	—	113,060,949	
Construction in progress	383	2,156	126	2,413	—	—	2,413	
Subtotal	173,991,240	684,057	126	174,675,170	19,553,852	887,995	155,121,318	
(Beneficiary interests in trust)								
Buildings in trust	92,611,962	869,049	—	93,481,011	35,522,474	1,046,777	57,958,537	
Structures in trust	144,695	1,954	—	146,650	88,531	3,096	58,118	
Machinery and equipment in trust	1,875,622	44,134	—	1,919,756	1,435,893	27,429	483,862	
Tools, furniture and fixtures in trust	222,723	9,855	—	232,578	169,599	8,576	62,979	
Land in trust	189,014,043	—	—	189,014,043	—	—	189,014,043	
Construction in progress in trust	247	2,035	247	2,035	—	—	2,035	
Subtotal	283,869,293	927,029	247	284,796,075	37,216,499	1,085,880	247,579,575	
Total	457,860,533	1,611,086	373	459,471,246	56,770,352	1,973,876	402,700,894	
Intangible Assets								
Leasehold right	11,801,831	—	—	11,801,831	—	—	11,801,831	
Other	5,849	—	—	5,849	1,886	389	3,962	
Total	11,807,680	—	—	11,807,680	1,886	389	11,805,793	

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

(Note 2) The "Decrease during the Period" is due to the transfer to relevant accounts as a result of construction completion for construction in progress and construction in progress in trust.

4) Schedule of Other Specified Assets

Not applicable

5) Schedule of Investment Corporation Bonds

Name	Issue Date	Balance as of July 1, 2019 (thousands of yen)	Decrease during the Period (thousands of yen)	Balance as of December 31, 2019 (thousands of yen)	Coupon Rate (%)	Maturity Date	Use	Remarks
Seventh Series of Investment Corporation Bonds (Note 1)	Dec. 14, 2006	4,500,000	—	4,500,000	2.900	Dec. 14, 2026	(Note 2)	Unsecured
Sixteenth Series of Investment Corporation Bonds (Note 1)	Nov. 22, 2012	2,000,000	2,000,000	—	1.030	Nov. 22, 2019		
Eighteenth Series of Investment Corporation Bonds (Note 1)	May 31, 2013	2,000,000	—	2,000,000	1.460	May 31, 2023		
Nineteenth Series of Investment Corporation Bonds (Note 1)	Feb. 5, 2014	5,000,000	—	5,000,000	1.110	Feb. 5, 2024		
Twentieth Series of Investment Corporation Bonds (Note 1)	Jul. 22, 2014	2,000,000	2,000,000	—	0.303	Jul. 22, 2019		
Twenty-first Series of Investment Corporation Bonds (Note 1)	Jul. 22, 2014	4,000,000	—	4,000,000	1.278	Jul. 22, 2026		
Twenty-second Series of Investment Corporation Bonds (Note 1)	Dec. 4, 2014	3,000,000	—	3,000,000	0.831	Dec. 4, 2024		
Twenty-third Series of Investment Corporation Bonds (Note 1)	May 31, 2018	3,000,000	—	3,000,000	0.550	May 31, 2028		
Twenty-fourth Series of Investment Corporation Bonds (Green Bonds) (Note 1)	Jul. 31, 2019	—	—	5,000,000	0.570	Jul. 31, 2029		
Total		25,500,000	4,000,000	26,500,000				

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

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

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

	Due in One Year or Less (thousands of yen)	Due after One Year through Two Years (thousands of yen)	Due after Two Years through Three Years (thousands of yen)	Due after Three Years through Four Years (thousands of yen)	Due after Four Years through Five Years (thousands of yen)
Investment corporation bonds	—	—	—	2,000,000	8,000,000

6) Schedule of Loans Payable

Lender	Balance as of July 1, 2019 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of December 31, 2019 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Short-Term Loans Payable								
Mizuho Bank Ltd. (Note 5)	—	1,000,000	1,000,000	—	0.170%	Jul.3, 2020	(Note 4)	Unsecured/ Unguaranteed
Mizuho Bank Ltd.	—	1,000,000	—	1,000,000	0.169%	Jul.3, 2020		
Resona Bank, Ltd.	2,000,000	—	2,000,000	—	0.169%	Jul. 5, 2019		
Resona Bank, Ltd. (Note 6)	—	2,000,000	2,000,000	—	0.165%	Jul.3, 2020		
Total	2,000,000	4,000,000	5,000,000	1,000,000				

Lender	Balance as of July 1, 2019 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of December 31, 2019 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Long-Term Loans Payable (Note 1)								
Mizuho Bank Ltd.	2,000,000	—	2,000,000	—	1.027%	Dec. 5, 2019	(Note 4)	Unsecured/ Unguaranteed
Mizuho Bank Ltd.	3,000,000	—	—	3,000,000	0.970%	Nov. 27, 2020		
Mizuho Bank Ltd.	3,000,000	—	—	3,000,000	0.351%	Mar. 30, 2021		
Mizuho Bank Ltd.	4,000,000	—	—	4,000,000	0.400%	Mar. 30, 2022		
Mizuho Bank Ltd.	5,000,000	—	—	5,000,000	1.178%	Jun. 27, 2023		
Mizuho Bank Ltd.	2,000,000	—	—	2,000,000	1.011%	Mar. 11, 2024		
Mizuho Bank Ltd.	2,000,000	—	—	2,000,000	1.056%	Mar. 24, 2025		
Mizuho Bank Ltd.	5,000,000	—	—	5,000,000	0.804%	Feb. 4, 2026		
Mizuho Bank Ltd.	1,000,000	—	—	1,000,000	0.795%	Nov. 19, 2027		
Mizuho Bank Ltd.	—	2,000,000	—	2,000,000	0.646%	Dec. 5, 2029		
MUFG Bank, Ltd.	1,000,000	—	1,000,000	—	1.178%	Aug. 8, 2019		
MUFG Bank, Ltd.	1,000,000	—	1,000,000	—	1.027%	Dec. 5, 2019		
MUFG Bank, Ltd.	3,000,000	—	—	3,000,000	0.970%	Nov. 27, 2020		
MUFG Bank, Ltd.	4,000,000	—	—	4,000,000	0.889%	Jun. 25, 2021		
MUFG Bank, Ltd.	1,000,000	—	—	1,000,000	0.873%	Aug. 31, 2023		
MUFG Bank, Ltd.	5,000,000	—	—	5,000,000	0.510%	Mar. 25, 2024		
MUFG Bank, Ltd.	2,000,000	—	—	2,000,000	0.633%	Dec. 13, 2024		
MUFG Bank, Ltd.	1,000,000	—	—	1,000,000	0.638%	Aug. 8, 2025		
MUFG Bank, Ltd.	5,000,000	—	—	5,000,000	0.600%	Aug. 29, 2025		
MUFG Bank, Ltd.	3,000,000	—	—	3,000,000	0.593%	Sep. 5, 2025		
Sumitomo Mitsui Banking Corporation	1,000,000	—	1,000,000	—	1.027%	Dec. 5, 2019		
Sumitomo Mitsui Banking Corporation	3,000,000	—	—	3,000,000	1.265%	Jun. 26, 2020		
Sumitomo Mitsui Banking Corporation	2,000,000	—	—	2,000,000	0.351%	Mar. 30, 2021		
Sumitomo Mitsui Banking Corporation	4,000,000	—	—	4,000,000	0.400%	Mar. 30, 2022		
Sumitomo Mitsui Banking Corporation	2,500,000	—	—	2,500,000	1.033%	Jun. 27, 2022		
Sumitomo Mitsui Banking Corporation	—	1,000,000	—	1,000,000	0.245%	Dec. 5, 2023		
Development Bank of Japan, Inc.	820,000	—	—	820,000	1.449%	Jun. 25, 2021		
Development Bank of Japan, Inc.	2,000,000	—	—	2,000,000	1.188%	Dec. 3, 2021		
Development Bank of Japan, Inc.	2,000,000	—	—	2,000,000	1.056%	Mar. 24, 2025		
Development Bank of Japan, Inc.	3,000,000	—	—	3,000,000	0.843%	Jun. 14, 2027		
Development Bank of Japan, Inc.	1,000,000	—	—	1,000,000	0.795%	Nov. 19, 2027		
Development Bank of Japan, Inc.	2,100,000	—	—	2,100,000	0.572%	Jun. 27, 2029		
Shinsei Bank, Ltd.	2,000,000	—	—	2,000,000	1.076%	Sep. 24, 2020		
Shinsei Bank, Ltd.	2,000,000	—	—	2,000,000	1.134%	Dec. 5, 2024		
Shinsei Bank, Ltd.	1,000,000	—	—	1,000,000	0.843%	Jun. 14, 2027		
Shinsei Bank, Ltd.	5,000,000	—	—	5,000,000	0.673%	Apr. 5, 2029		
Shinkin Central Bank	2,000,000	—	—	2,000,000	0.388%	Dec. 14, 2021		
Shinkin Central Bank	3,000,000	—	—	3,000,000	0.663%	Jun. 4, 2027		
Shinkin Central Bank	2,000,000	—	—	2,000,000	0.447%	Dec. 27, 2027		
Mizuho Trust & Banking Co., Ltd.	3,000,000	—	—	3,000,000	1.076%	Feb. 4, 2020		
Mizuho Trust & Banking Co., Ltd.	4,000,000	—	—	4,000,000	0.309%	Mar. 30, 2020		
Aozora Bank Ltd.	2,000,000	—	2,000,000	—	1.178%	Aug. 8, 2019		
Aozora Bank Ltd.	1,000,000	—	—	1,000,000	1.069%	Sep. 24, 2020		
Aozora Bank Ltd.	1,000,000	—	—	1,000,000	0.534%	Aug. 23, 2024		
Aozora Bank Ltd.	2,000,000	—	—	2,000,000	0.553%	Feb. 25, 2025		

Lender	Balance as of July 1, 2019 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of December 31, 2019 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Long-Term Loans Payable (Note 1)								
Aozora Bank Ltd.	1,000,000	—	—	1,000,000	0.574%	Feb. 25, 2025	(Note 4)	Unsecured/ Unguaranteed
Aozora Bank Ltd.	900,000	—	—	900,000	0.625%	Jul. 3, 2025		
The Norinchukin Bank	2,000,000	—	—	2,000,000	0.388%	Dec. 14, 2021		
The Norinchukin Bank	1,000,000	—	—	1,000,000	0.604%	Jun. 5, 2025		
The Norinchukin Bank	2,000,000	—	—	2,000,000	0.405%	Jun. 25, 2027		
The Bank of Fukuoka, Ltd.	1,000,000	—	1,000,000	—	0.911%	Sep. 24, 2019		
The Bank of Fukuoka, Ltd.	2,000,000	—	—	2,000,000	0.816%	Oct. 6, 2023		
The Bank of Fukuoka, Ltd.	2,000,000	—	—	2,000,000	0.480%	Jul. 7, 2026		
The Bank of Fukuoka, Ltd.	—	1,000,000	—	1,000,000	0.554%	Sep. 21, 2029		
Meiji Yasuda Life Insurance Company	1,000,000	—	—	1,000,000	1.042%	Feb. 5, 2025		
Meiji Yasuda Life Insurance Company	3,200,000	—	—	3,200,000	0.813%	Jun. 21, 2028		
The Shinkumi Federation Bank	4,000,000	—	—	4,000,000	0.404%	Aug. 5, 2022		
The Nishi-Nippon City Bank, Ltd.	1,000,000	—	—	1,000,000	0.388%	Dec. 14, 2021		
The Nishi-Nippon City Bank, Ltd.	3,000,000	—	—	3,000,000	0.646%	May 27, 2026		
Sumitomo Life Insurance Company	2,000,000	—	—	2,000,000	0.453%	Oct. 11, 2024		
Sumitomo Life Insurance Company	—	1,000,000	—	1,000,000	0.583%	Jul. 20, 2029		
Taiyo Life Insurance Company	1,000,000	—	—	1,000,000	1.011%	Dec. 25, 2020		
Taiyo Life Insurance Company	1,000,000	—	—	1,000,000	0.969%	Sep. 24, 2024		
Taiyo Life Insurance Company	1,000,000	—	—	1,000,000	0.811%	Jun. 5, 2028		
The Chugoku Bank, Ltd.	2,000,000	—	—	2,000,000	0.816%	Oct. 6, 2023		
The Chugoku Bank, Ltd.	1,000,000	—	—	1,000,000	0.661%	Mar. 25, 2026		
National Mutual Insurance Federation of Agricultural Cooperatives	2,000,000	—	—	2,000,000	0.388%	Dec. 14, 2021		
Sompo Japan Nipponkoa Insurance Inc.	2,000,000	—	—	2,000,000	0.759%	Dec. 25, 2023		
Nippon Life Insurance Company	—	2,000,000	—	2,000,000	0.225%	Nov. 22, 2023		
The Hachijuni Bank, Ltd.	1,000,000	—	—	1,000,000	0.489%	Oct. 9, 2020		
The Hachijuni Bank, Ltd.	1,000,000	—	—	1,000,000	0.209%	Sep. 24, 2021		
Resona Bank, Ltd.	2,000,000	—	—	2,000,000	0.438%	Sep. 30, 2022		
The Iyo Bank, Ltd.	1,000,000	—	—	1,000,000	0.816%	Oct. 6, 2023		
NTT FINANCE CORPORATION	1,000,000	—	—	1,000,000	0.408%	May 31, 2023		
The 77 Bank, Ltd.	1,000,000	—	—	1,000,000	0.408%	May 31, 2023		
The Daishi Bank, Ltd.	1,000,000	—	—	1,000,000	0.396%	Nov. 21, 2022		
Daido Life Insurance Company	1,000,000	—	—	1,000,000	0.316%	Dec. 25, 2023		
The Chiba Bank, Ltd.	1,000,000	—	—	1,000,000	0.449%	Oct. 25, 2023		
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000,000	—	—	1,000,000	0.299%	Jun. 27, 2023		
The Hyakugo Bank, Ltd.	1,000,000	—	—	1,000,000	0.582%	Apr. 25, 2025		
The Hiroshima Bank, Ltd.	1,000,000	—	—	1,000,000	0.396%	Nov. 21, 2022		
Mitsui Sumitomo Insurance Company, Limited	—	1,000,000	—	1,000,000	0.310%	Oct. 2, 2026		
Sumitomo Mitsui Trust Bank Limited	1,000,000	—	—	1,000,000	0.691%	Mar. 25, 2026		
The Yamaguchi Bank, Ltd.	1,000,000	—	—	1,000,000	0.795%	Nov. 19, 2027		
Total	157,520,000	8,000,000	8,000,000	157,520,000				

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

	Due in One Year or Less (thousands of yen)	Due after One Year through Two Years (thousands of yen)	Due after Two Years through Three Years (thousands of yen)	Due after Three Years through Four Years (thousands of yen)	Due after Four Years through Five Years (thousands of yen)
Long-term loans payable	21,000,000	19,820,000	18,500,000	21,000,000	15,000,000

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

(Note 3) Short-term loans payable are floating-rate loans payable. Long-term loans payable are fixed-rate loans payable.

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

(Note 5) JPR made early repayment of the 1,000 million yen in short-term loans payable on October 4, 2019, which was borrowed on July 22, 2019 from Mizuho Bank, Ltd.

(Note 6) JPR made early repayment of the 2,000 million yen in short-term loans payable on August 5, 2019, which was borrowed on July 5, 2019 from Resona Bank, Ltd.

(8) Independent Auditor's Report

Ernst & Young ShinNihon LLC
 Hibiya Mitsui Tower, Tokyo Midtown Hibiya
 1-1-2 Yurakucho, Chiyoda-ku
 Tokyo 100-0006, Japan

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Independent Auditor's Report

The Board of Directors
 Japan Prime Realty Investment Corporation.

We have audited the accompanying financial statements of Japan Prime Realty Investment Corporation, which comprise the balance sheet as at December 31, 2019, and the statements of income and retained earnings, changes in unitholders' equity, cash distributions, and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Japan Prime Realty Investment Corporation as at December 31, 2019, and its financial performance and cash flows for the six-month period then ended in conformity with accounting principles generally accepted in Japan.

Ernst & Young ShinNihon LLC

March 24, 2020
 Tokyo, Japan

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

35th Fiscal Period (January 1, 2019 – June 30, 2019)	36th Fiscal Period (July 1, 2019 – December 31, 2019)
No property and equipment was leased to JPR	No property and equipment was leased to JPR

(Transactions with Interested Parties)

35th fiscal period (January 1, 2019 – June 30, 2019)

Attribute	Name of Company, etc.	Business Description or Occupation	Percentage of Number of Investment Units Held Among Total Number of Investment Units	Transactions	Transaction Amount (thousands of yen)	Account	Balance at End of Period (thousands of yen)
Interested party	Tokyo Tatemono Co., Ltd.	Real estate business	3.17%	Purchase of real estate	9,550,000	—	—
				Sale of real estate	5,800,000	—	—
Asset Custodian	Mizuho Trust & Banking Co., Ltd.	Banking business and trust business	—	—	—	Current portion of long-term loans payable	7,000,000
				Interest expenses	22,136	Accrued expenses	366

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

36th fiscal period (July 1, 2019 – December 31, 2019)

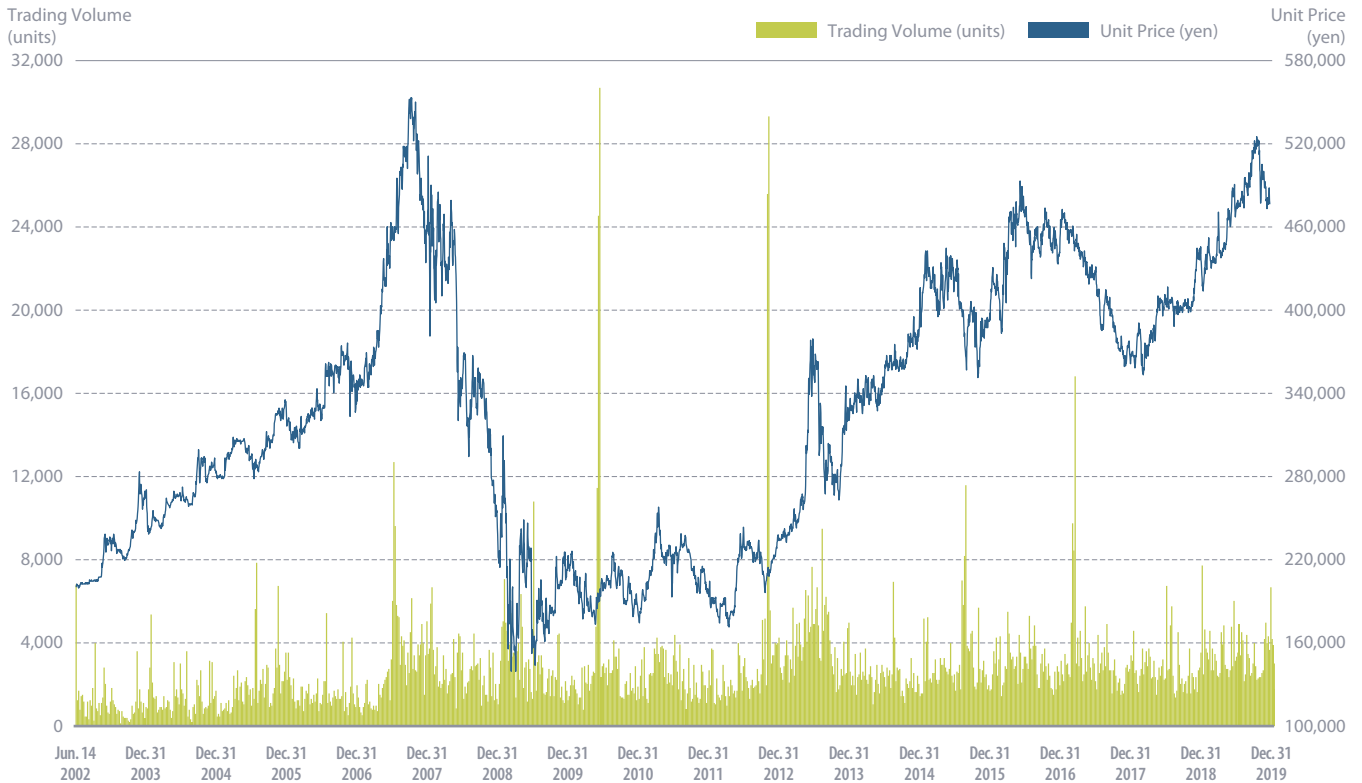
Attribute	Name of Company, etc.	Business Description or Occupation	Percentage of Number of Investment Units Held Among Total Number of Investment Units	Transactions	Transaction Amount (thousands of yen)	Account	Balance at End of Period (thousands of yen)
Asset Custodian	Mizuho Trust & Banking Co., Ltd.	Banking business and trust business	—	—	—	Current portion of long-term loans payable	7,000,000
				Interest expenses	22,503	Accrued expenses	489

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

Status of Investment Unit Price (as of December 31, 2019)

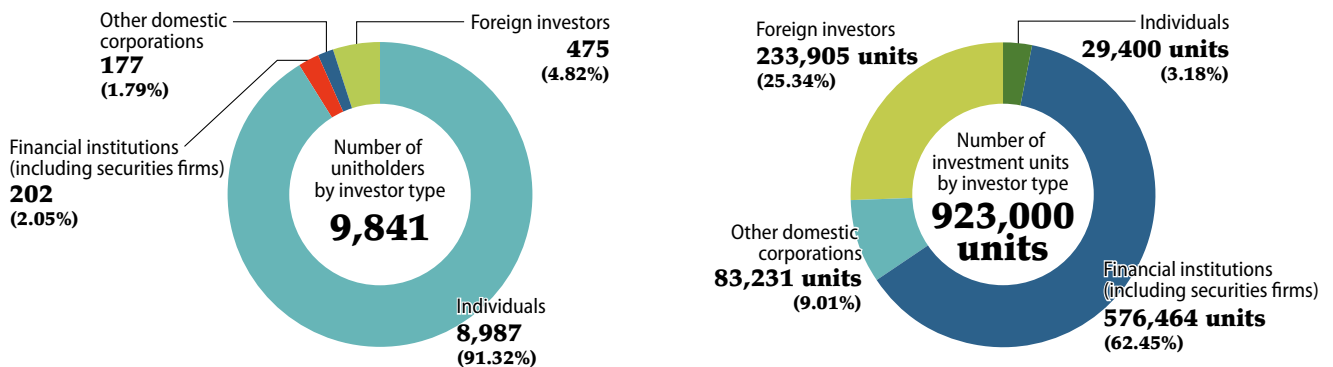
Market capitalization: **¥439.8 billion**
 Unit price at end of 36th Fiscal Period: **¥476,500**

High: **¥564,000** (May 7, 2007)
 Low: **¥130,300** (October 28, 2008)



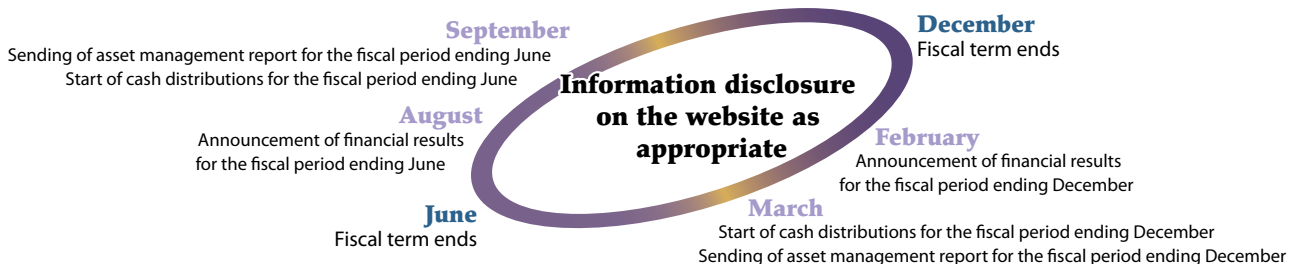
(Note) Unit prices are based on closing prices.

Breakdown of Unitholders (as of December 31, 2019)



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

Annual Schedule (provisional)



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



Point 1
Digest of Financial Results



Point 2
Initiatives on Sustainability



Point 3
Property Overview



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

Notes for Investors

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

Procedures for Change of Address

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

Cash Distributions

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

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

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