Tokyo Realty Investment Management, Inc.

JPR

Japan Prime Realty Investment Corporation

The 8th Fiscal Period
（July 1, 2005 to December 31, 2005)

Japan Prime Realty Investment Corporation (Securities Code: 8955)
Tokyo Realty Investment Management, Inc.

March 2006

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These presentation materials are provided on the Company's Web site.

http://www.jpr-reit.co.jp/jpr_e/

Overview of Results for the 8th Fiscal Period (July 1, 2005 to December 31, 2005)

Highlights of the 8th Fiscal Period Results

Highlights of the 8th Fiscal Period Results

(Millions of yen, unless otherwise stated)	8th Period July 1, 2005 - Dec. 31, 2005	7th Period Jan. 1, 2005 - June 30, 2005
Operating revenues	8,587	8,503
Operating profits	3,984	3,954
Recurring profits	3,399	3,377
Net income	3,398	3,376
Total assets	225,882 (+4.3%)	216,574 (+9.0%)
Total unitholders' equity	118,829 (+0.0%)	118,807 (+29.2%)
Unitholders' equity per unit (Yen)	224,206	224,165
Equity ratio	52.6% (−2.3%)	54.9% (+8.6%)
Total Cash distributions DPU (Yen)	3,397 6,411	3,376 6,370
Total units outstanding (Units)	530,000	530,000

Comparison of Actual and Forecasted Results

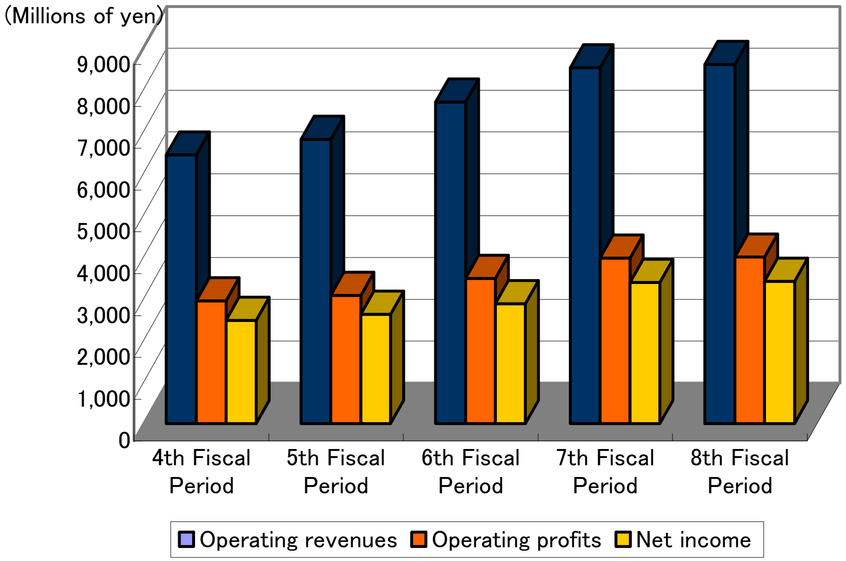
(Millions of yen, unless otherwise stated)	8th Period Results (Actual)	Forecasts in Aug. 2005	Difference	(Reference) Revised Forecast in Dec. 2005
Operating revenues	8,587	8,174	413	8,537
Operating profits	3,984	3,604	380	–
Recurring profits	3,399	3,022	377	3,287
Net income	3,398	3,021	377	3,286
Total Cash distributions DPU (Yen)	3,397 6,411	3,021 5,700	376 711	3,286 6,200
Total units outstanding (Units)	530,000	530,000	0	530,000

- Revenues and earnings increased for the 8th fiscal period. Healthy results are attributed to the full fiscal period's contribution from three properties acquired and increased ownership in two properties during the 7th fiscal period (aggregate investment amount ¥23,800 million), contributions from the Housing Design Center Kobe and the Tachikawa Business Center Building acquired during the period (aggregate acquisition price ¥8,100 million) and the gain on sale of two properties totaling ¥214 million.
- DPU above ¥16,000 is calculated on a pre-unit split basis (1-for-2.5 units split prior to the initial public offering).
- Significant increase in earnings above 8th fiscal period forecasts are due to profits from the two properties identified above, increased profitability from new tenants at existing properties and gain from the sale of two properties.

Note: Changes from the previous period are recorded to the nearest first decimal place.

Five Fiscal Period Summary of Principal Management Indicators

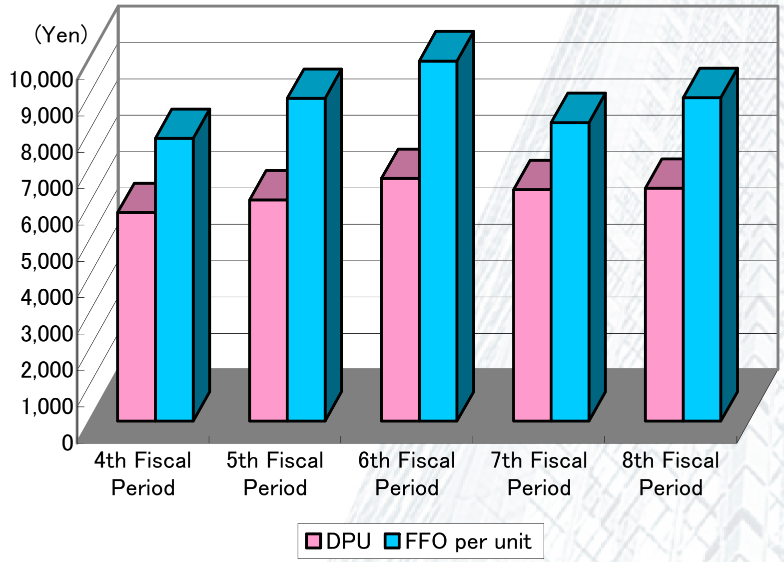
Steady Asset Growth in Concert with a Steady Increase in Revenues and Earnings



(Millions of yen)

	4th Fiscal Period	5th Fiscal Period	6th Fiscal Period	7th Fiscal Period	8th Fiscal Period
Operating revenues	6,421	6,790	7,685	8,503	8,587
Operating profits	2,933	3,061	3,469	3,954	3,984
Net income	2,467	2,614	2,868	3,376	3,398

Consistent and Stable Cash Distribution



(Yen)

	4th Fiscal Period	5th Fiscal Period	6th Fiscal Period	7th Fiscal Period	8th Fiscal Period
DPU (Note)	5,738	6,081	6,671	6,370	6,411
FFO per unit (Note)	7,778	8,874	9,907	8,214	8,896
Total units outstanding (Units)	430,000	430,000	430,000	530,000	530,000

Note: DPU and FFO per unit are calculated by the number of investment units outstanding as of the end of each fiscal period.

Statements of Income and Retained Earnings for the 8th Fiscal Period

(Millions of yen, unless otherwise stated)

	8th Fiscal Period July 1, 2005 – Dec. 31, 2005		7th Fiscal Period Jan. 1, 2005 – June 30, 2005		Change	
	Amount	%	Amount	%	Amount	%
Rental revenues	7,792	90.7%	7,340	86.3%	452	6.2%
Non-rental revenues	579	6.8%	460	5.4%	119	26.0%
Real estate rental revenues ①	8,372	97.5%	7,801	91.7%	571	7.3%
Gain on sale of real estate	214	2.5%	702	8.3%	-487	-69.4%
Operating revenues	8,587	100.0%	8,503	100.0%	84	1.0%
Property and other taxes	682	7.9%	706	8.3%	-23	-3.3%
Other rental expenses	1,829	21.3%	1,618	19.0%	211	13.1%
Outsourcing expenses	484	5.6%	458	5.4%	26	5.7%
Utilities expenses	545	6.4%	446	5.3%	98	22.1%
Casualty insurance	38	0.5%	37	0.4%	1	4.3%
Repairs and maintenance	182	2.1%	113	1.3%	68	60.5%
Property management fees	166	1.9%	159	1.9%	7	4.4%
Management association accounts	345	4.0%	334	3.9%	10	3.1%
Other	65	0.8%	66	0.8%	-1	-1.7%
Depreciation	1,531	17.8%	1,444	17.0%	87	6.1%
Real estate rental expenses ②	4,044	47.1%	3,768	44.3%	275	7.3%
Loss on sale of real estate	—	—	235	2.8%	-235	-100.0%
Asset management fees	345	4.0%	337	4.0%	8	2.5%
Adm. service/custodian fees	73	0.9%	86	1.0%	-13	-15.2%
Directors' remuneration	5	0.1%	5	0.1%	—	—
Custodian fees	52	0.6%	52	0.6%	0	-0.8%
Other operating expenses	81	0.9%	62	0.7%	18	29.9%
Operating expenses	4,602	53.6%	4,548	53.5%	54	1.2%
Operating profits	3,984	46.4%	3,954	46.5%	30	0.8%
Profits (①-②)	4,328	50.4%	4,032	47.4%	295	7.3%
Property net operating income (NOI)	5,860	68.2%	5,476	64.4%	383	7.0%
Non-operating revenues	13	0.2%	91	1.1%	-77	-84.9%
Non-operating expenses	599	7.0%	668	7.9%	-69	-10.4%
Interest expense (including corporate bonds)	545	6.4%	524	6.2%	21	4.1%
Loan arrangement fees	5	0.1%	18	0.2%	-12	-67.4%
Amortization of corporate bond issuance costs	42	0.5%	42	0.5%	0	—
New unit-issuance costs	—	—	65	0.8%	-65	-100.0%
Other non-operating expenses	5	0.1%	18	0.2%	-13	-70.0%
Recurring profits	3,399	39.6%	3,377	39.7%	22	0.7%
Income before income taxes	3,399	39.6%	3,377	39.7%	22	0.7%
Net income	3,398	39.6%	3,376	39.7%	22	0.7%
Retained earnings at end of period	3,398	39.6%	3,376	39.7%	21	0.7%
Distribution per unit (Yen)	6,411		6,370		41	

Increase in Revenues and Earnings
DPU: ¥6,411

1. Operating Revenues

Rental revenues increased ¥452 million compared with the previous fiscal period due to a full fiscal period's contribution from the three properties acquired and increased ownership in two properties during the 7th fiscal period (aggregate investment amount 23,800 million), contributions from two properties acquired during the period (aggregate acquisition price ¥8,100 million) and increased revenues from an improved occupancy rate at existing properties. In addition, other rental revenues climbed ¥119 million owing to seasonal factors. While gain on sale of real estate fell ¥487 million, overall operating revenues rose ¥84 million compared with the previous fiscal period.

2. Real Estate Rental Expenses

Utilities expense climbed ¥98 million reflecting seasonal factors. Repairs and maintenance expenses were essentially in line with plans and totaled ¥182 million.

3. Non-Operating Revenues and Expenses

Non-operating revenues declined ¥77 million compared with the previous period. This is attributed to the absence of income on settlement of management association accounts, which are received once a year and reported in the January through June fiscal period. Non-operating expenses decreased ¥69 million due to the absence of new investment unit issuance expenses.

4. Net Income

Net income rose ¥22 million mainly as a result of the increase in operating revenues.

Detailed Comparison of Actual and Forecasted Results

(Millions of yen, unless otherwise stated)

	Results for the 8th Fiscal Period (July 1, 2005 – Dec. 31, 2005): 43 Properties excl. New Acquistion and Sales	New Acquisition and Sales (1)	Total (42 Properties) Amount	Total (42 Properties) %	8th Fiscal Period Forecasted Results (2) July 1, 2005 – Dec. 31, 2005 Amount	%	Increase/Decrease from Forecasts Amount	%
Rental revenues	7,700	92	7,792	90.7%	7,652	93.6%	139	1.8%
Rental revenues	6,077	105	6,182	72.0%	6,055	74.1%	127	2.1%
Common charges	1,389	−15	1,374	16.0%	1,376	16.8%	−2	−0.2%
Non-rental revenues	579	0	579	6.8%	521	6.4%	58	11.2%
Incidental income	520	−4	516	6.0%	494	6.0%	22	4.5%
Real estate rental revenues ①	8,280	92	8,372	97.5%	8,174	100.0%	198	2.4%
Gain on sale of real estate	—	214	214	2.5%	—	—	214	—
Operating revenues	8,280	307	8,587	100.0%	8,174	100.0%	412	5.1%
Property and other taxes	688	−6	682	7.9%	683	8.4%	−1	−0.2%
Other rental expenses	1,842	−13	1,829	21.3%	1,841	22.5%	−11	−0.6%
Outsourcing expenses	491	−7	484	5.6%	485	5.9%	0	−0.1%
Utilities expenses	551	−6	545	6.4%	558	6.8%	−12	−2.3%
Casualty insurance	38	0	38	0.5%	42	0.5%	−3	−7.9%
Repairs and maintenance	180	2	182	2.1%	172	2.1%	10	6.0%
Property management fees	167	−1	166	1.9%	163	2.0%	2	1.8%
Management association accounts	345	0	345	4.0%	349	4.3%	−4	−1.3%
Other	68	−4	65	0.8%	69	0.8%	−3	−5.0%
Depreciation	1,483	48	1,531	17.8%	1,486	18.2%	45	3.1%
Real estate rental expenses ②	4,014	29	4,044	47.1%	4,011	49.1%	32	0.8%
Loss on sale of real estate	—	—	—	—	—	—	—	–
Asset management fees			345	4.0%	331	4.1%	14	4.4%
Adm. service/custodian fees			73	0.9%	75	0.9%	−2	−3.1%
Directors' remuneration			5	0.1%	5	0.1%	—	—
Custodian fees			52	0.6%	50	0.6%	1	2.7%
Other operating expenses			81	0.9%	95	1.2%	−13	−14.7%
Operating Expenses			4,602	53.6%	4,570	55.9%	32	0.7%
Operating profits			3,984	46.4%	3,604	44.1%	380	10.6%
Profits (①−②)	4,265	62	4,328	50.4%	4,163	50.9%	165	4.0%
Property net operating income (NOI)	5,749	111	5,860	68.2%	5,649	69.1%	210	3.7%
Non-operating revenues			13	0.2%	4	0.1%	9	198.2%
Non-operating expenses			599	7.0%	587	7.2%	12	2.1%
Interest expense (including corporate bonds)			545	6.4%	533	6.5%	11	2.2%
Recurring profits			3,399	39.6%	3,022	37.0%	377	12.5%
Income before income taxes			3,399	39.6%	3,022	37.0%	377	12.5%
Net income			3,398	39.6%	3,021	37.0%	377	12.5%
Retained earnings at end of period			3,398	39.6%	3,021	37.0%	377	12.5%
Distribution per unit (Yen)			6,411		5,700		711	

(1) During the 8th fiscal period, JPR acquired the Housing Design Center Kobe and sold the SK Hiroshima Building and the Park East Sapporo.

(2) The 8th fiscal period forecasted results are those announced in Sep. 2005, together with an announcement of JPR's 7th fiscal period results. Calculations are based on a property portfolio comprising 43 properties including the 42 properties held as of the end of the 7th fiscal period and the acquisition of the Tachikawa Business Center Building.

Balance Sheet for the 8th Fiscal Period (as of Dec. 31, 2005)

(Millions of yen)

	As of Dec. 31, 2005 Amount	%	As of June 30, 2005 Amount	%	Change Amount	%
Total current assets	24,183	10.7%	20,639	9.5%	3,543	17.2%
Cash and bank deposits	10,875	4.8%	6,980	3.2%	3,894	55.8%
Entrusted cash and deposits	13,035	5.8%	13,323	6.2%	−288	−2.2%
Other current assets	272	0.1%	335	0.2%	−62	−18.8%
Total fixed assets	201,597	89.2%	195,791	90.4%	5,806	3.0%
Total property and equipment	200,021	88.6%	195,775	90.4%	4,246	2.2%
Real estate	36,706	16.3%	29,358	13.6%	7,347	25.0%
Buildings and structures	14,396	6.4%	9,390	4.3%	5,005	53.3%
Land	22,309	9.9%	19,967	9.2%	2,342	11.7%
Entrusted real estate	163,315	72.3%	166,417	76.8%	−3,101	−1.9%
Buildings and structures	63,704	28.2%	65,986	30.5%	−2,281	−3.5%
Land	99,611	44.1%	100,430	46.4%	−819	−0.8%
Total intangible assets	6	0.0%	3	0.0%	3	93.9%
Other intangible assets	6	0.0%	3	0.0%	3	93.9%
Total investments and other assets	1,569	0.7%	12	0.0%	1,557	12948.5%
Investment securities	1,558	0.7%	—	—	1,558	—
Deposits	10	0.0%	10	0.0%	—	—
Long-term prepaid expenses	0	0.0%	1	0.0%	−1	−71.8%
Total deferred assets	101	0.0%	143	0.1%	−42	−29.4%
Corporate bond issuance costs	101	0.0%	143	0.1%	−42	−29.4%
Total assets	225,882	100.0%	216,574	100.0%	9,308	4.3%
Total current liabilities	25,030	11.1%	7,548	3.5%	17,481	231.6%
Accounts payable and accrued expenses	1,608	0.7%	1,498	0.7%	109	7.3%
Rent received in advance	921	0.4%	850	0.4%	71	8.4%
Short-term borrowings	7,500	3.3%	5,200	2.4%	2,300	44.2%
Current portion of long-term borrowings	15,000	6.6%	—	—	15,000	—
Total long-term liabilities	82,022	36.3%	90,217	41.7%	−8,195	−9.1%
Deposits received from tenants	13,556	6.0%	11,751	5.4%	1,804	15.4%
Long-term borrowings	26,466	11.7%	36,466	16.8%	−10,000	−27.4%
Corporate bonds	42,000	18.6%	42,000	19.4%	—	—
Other long-term liabilities	—	—	—	—	—	—
Total liabilities	107,052	47.4%	97,766	45.1%	9,286	9.5%
Unitholders' capital	115,431	51.1%	115,431	53.3%	—	—
Retained earnings	3,398	1.5%	3,376	1.6%	21	0.7%
Total unitholders' equity	118,829	52.6%	118,807	54.9%	21	0.0%
Total liabilities and unitholders' equity	225,882	100.0%	216,574	100.0%	9,308	4.3%

(Millions of yen)

Cash and bank deposits	8th Period-End	7th Period-End	Change
Cash and bank deposits	10,875	6,980	3,894
Deposits received from tenants	3,739	1,991	1,748
Others	7,135	4,989	2,146
Entrusted cash and deposits	13,035	13,323	−288
Deposits received from tenants	9,816	9,760	56
Others	3,218	3,563	−345

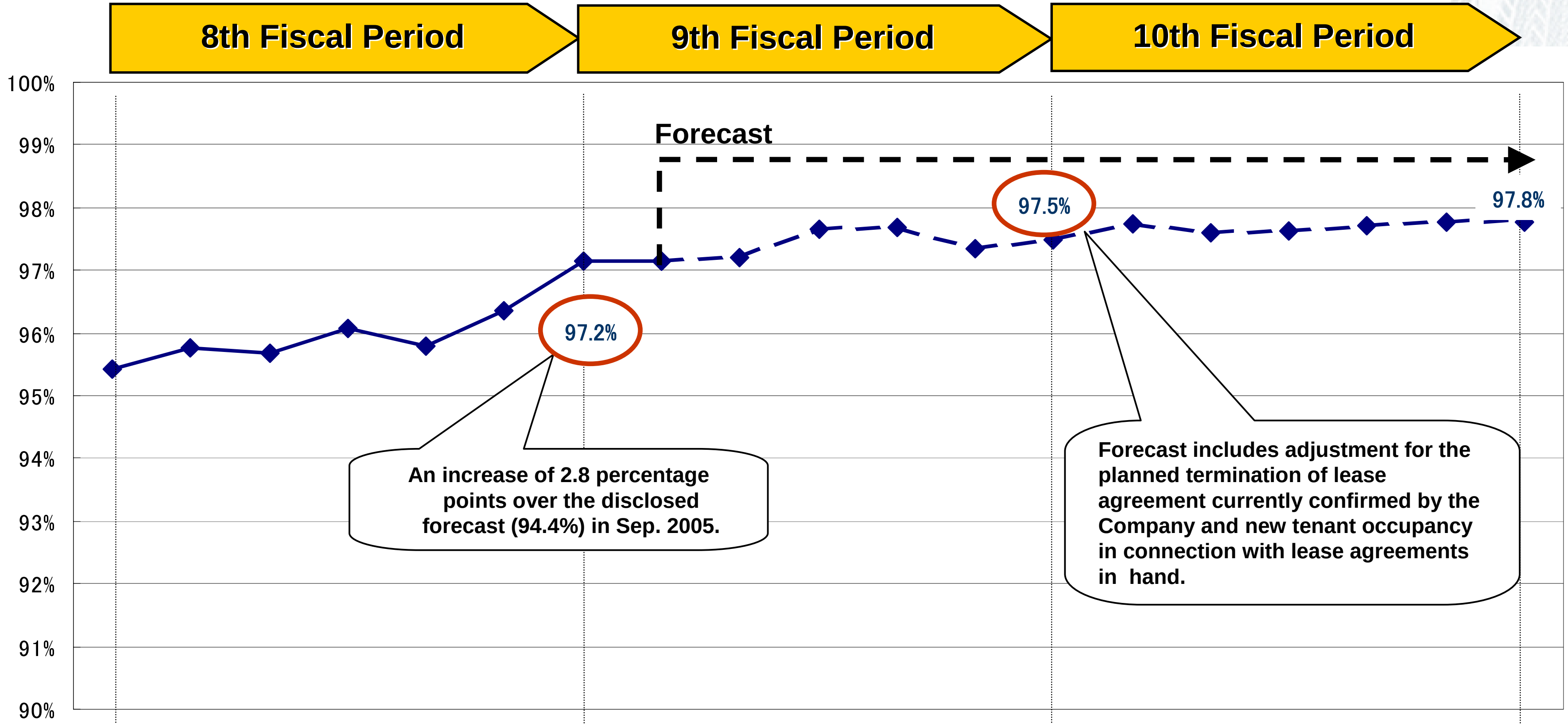
Total fixed assets	7th Period-End Book value	Increase/Decrease	Depreciation	8th Period-End Book value
Total property and equipment	195,775	5,777	1,531	200,021
Real estate	29,358	7,800	452	36,706
Buildings and structures	9,390	5,458	452	14,396
Land	19,967	2,342	—	22,309
Entrusted real estate	166,417	−2,023	1,078	163,315
Buildings and structures	65,986	−1,203	1,078	63,704
Land	100,430	−820	—	99,611
Total intangible assets	3	3	0	6
Other intangible assets	3	3	0	6
(Total fixed assets)	195,779	5,781	1,531	200,028

	8th Period-End	7th Period-End	Change
Total investments and other assets	1,569	12	1,557
Deposits	10	10	—
Investment securities	1,558	—	1,558

Borrowings and Corporate bonds		8th Period-End	7th Period-End	Change
Interest-bearing liabilities		90,966	83,666	7,300
Interest-Bearing Liabilities to Total Assets ratio	Debt + Corporate bonds / Total assets	40.3%	38.6%	1.6
Long-Term Interest-Bearing Liabilities ratio (Note)	Long-term Interest-bearing liabilities / Interest-bearing liabilities	75.3%	93.8%	−18.5
Interest-Bearing Liabilities ratio	nterest-bearing liabilitie / Interest-bearing liabilities +Unitholders' capital	44.1%	42.0%	2.1

Note: Current portion of long-term borrowings are not included.

Forecasts of Future Occupancy Rate Trends



(Reference) Total leasable floor space: 308,205.26 m^2 (As of Dec. 31, 2005)

- **Calculations for occupancy rates from the 9th and 10th fiscal period onward are based on the following assumptions:**

  January 2006 to February 2006: Occupancy rates for a total of 42 properties

  After March 2006: Occupancy rates for a total 44 properties. In addition to the 42 properties as of the end of February 2006, the planned acquisition in March 2006 of the Cupo-la Main Building (Note), and the planned acquisition of the JPR Jingumae 432 (provisional name).
- **Occupancy rate for the 9th fiscal period includes adjustments for the planned termination of lease agreements and new lease agreements in hand.**
- **Occupancy rate for the 10th fiscal period includes the aforementioned and estimates based on certain new tenant occupancy forecasts.**

(Note) The Cupo-la Main Building (1-1 Kawaguchi Redevelopment Project) is recorded in this document either by its full name or the abbreviation the "Cupo-la Main Building."

Financial Forecasts for the 9th and 10th Fiscal Periods

JPR

Forecasts for the 9th Fiscal Period

(Millions of yen, unless otherwise stated)	9th Period Forecasts Jan. 1, 2006 – June 30, 2006
Operating revenues	8,516
Operating profits	3,858
Recurring profits	3,287
Net income	3,286
Cash distributions	3,286
DPU (Yen)	6,200
Total units outstanding (Units)	530,000

Forecasts for the 10th Fiscal Period

(Millions of yen, unless otherwise stated)	10th Period Forecasts July 1, 2006 – Dec. 31, 2006
Operating revenues	8,753
Operating profits	4,033
Recurring profits	3,340
Net income	3,339
Cash distributions	3,339
DPU (Yen)	6,300
Total units outstanding (Units)	530,000

Assumptions (Detailed assumptions are described on page 11 of this report. Please refer to "Assumptions for the 9th Fiscal Period Forecasts.")

The 9th Fiscal Period Earnings Forecasts

- Average month-end occupancy rate for the period is estimated at 97.4%.
- Occupancy rate for the 9th fiscal period includes adjustments for the planned termination of lease agreements currently confirmed by the Company and new tenant occupancy in connection with lease agreements in hand.
- An increase in operating revenues is forecast due to full-period contributions from properties acquired during the 8th fiscal period, contributions from the Cupo-la Main Building and the JPR Jingumae 432 (provisional name) planned for acquisition during the period, an expected improvement in occupancy rates for existing properties and other factors.
- A gain on the sale of real estate will not be reported for the 9th fiscal period. Gain on the sales of real estate for the 8th fiscal period totaled ¥214 million.
- DPU for the period is estimated at ¥6,200.

(Reference) The 10th Fiscal Period Earnings Forecasts

- Average month-end occupancy rate for the period is estimated at 97.7%. This also includes estimates for forecast occupancy by certain new tenants.
- An increase in operating revenues of ¥237 million compared with the 9th fiscal period is forecast due to full-period contributions from the Cupo-la Main Building and the JPR Jingumae 432 (provisional name) acquired during the 9th fiscal period. Net income is forecast to increase ¥53 million compared with the 9th fiscal period due to improvements in earnings from existing properties and other factors.
- DPU for the period is estimated at ¥6,300.

Impact from the termination of lease agreements after the 9th fiscal period

- Shin-Kojimachi Building (Lease agreement termination by Gianni Versace Japan)
  9th fiscal period: A decrease of ¥3 million 10th fiscal period: A decrease of ¥16 million
- BYGS Shinjuku Building (Lease agreement termination by Yasuda Enterprise Development Co., Ltd.)
  9th fiscal period: A decrease of ¥16 million 10th fiscal period: A decrease of ¥20 million

Note: The aforementioned details of lease agreement termination impact are limited to amounts confirmed by the Company as of the date of this report. Potential revenues from new tenants have not been included in calculations.

Detailed Forecasts for the 9th Fiscal Period

(Millions of yen, unless otherwise stated)

	Forecasts for 9th Fiscal Period Jan. 1, 2006 – June 30, 2006						Change	
	42 Properties	Kawasaki Dice TMK Preferred capital contribution certificates	Cupo-la Main Building	JPR Jingumae 432	Amount	%	Amount	%
Rental revenues	7,955	—	34	31	8,021	94.2%	228	2.9%
Non-rental revenues	456	—	—	3	459	5.4%	−120	−20.7%
Real estate rental revenues ①	8,412	—	34	34	8,480	99.6%	108	1.3%
Gain on sale of real estate	—	—	—	—	—	—	−214	−100.0%
Devidend income	—	35	—	—	35	0.4%	35	—
Operating revenues	8,412	35	34	34	8,516	100.0%	−71	−0.8%
Property and other taxes	795	—	—	—	795	9.3%	112	16.5%
Other rental expenses	1,705	—	10	5	1,722	20.2%	−107	−5.9%
Outsourcing expenses	456	—	—	1	457	5.4%	−27	−5.6%
Utilities expenses	476	—	—	0	477	5.6%	−68	−12.5%
Casualty insurance	37	—	—	—	37	0.4%	−1	−5.1%
Repairs and maintenance	171	—	—	—	171	2.0%	−10	−5.9%
Property management fees	161	—	1	0	163	1.9%	−2	−1.7%
Management association accounts	348	—	9	—	357	4.2%	12	3.6%
Other	53	—	—	3	57	0.7%	−8	−13.1%
Depreciation	1,545	—	14	7	1,567	18.4%	35	2.3%
Real estate rental expenses ②	4,046	—	24	13	4,084	48.0%	40	1.0%
Loss on sale of real estate					—	—	—	—
Asset management fees					345	4.1%	—	−0.1%
Adm. service/custodian fees					75	0.9%	1	2.6%
Directors' remuneration					5	0.1%	—	—
Custodian fees					51	0.6%	−1	−2.4%
Other operating expenses					95	1.1%	14	18.0%
Operating expenses					4,657	54.7%	55	1.2%
Operating profits					3,858	45.3%	−126	−3.2%
Profits (①-②)	4,365	—	9	20	4,396	51.6%	67	1.6%
Property net operating income (NOI)	5,911	—	23	28	5,963	70.0%	103	1.8%
Non-operating revenues					74	0.9%	60	437.4%
Non-operating expenses					645	7.6%	46	7.7%
Recurring profits					3,287	38.6%	−112	−3.3%
Income before income taxes					3,287	38.6%	−112	−3.3%
Net income					3,286	38.6%	−112	−3.3%
Retained earnings at end of period					3,286	38.6%	−112	−3.3%
Distribution per unit (Yen)					6,200		−211	

Assumptions for the 9th Fiscal Period Forecasts (January 1, 2006 to June 30, 2006)

Item	Assumption
Calculation period	From January 1, 2006 to June 30, 2006 (181 days)
Properties owned	As of December 31, 2005, JPR owned 42 properties and held preferred securities. In addition, JPR intends to acquire the Cupo-la Main Building (1-1 Kawaguchi Redevelopment Project) in March 2006 and the JPR Jingumae 432 for a total of 44 properties and ownership of preferred securities. An average month-end occupancy rate for the period is forecast at 97.4%. The actual number of properties owned may change due to the acquisition of new properties and the sale of existing properties.
Investment units issued	Based on 530,000 investment units issued and outstanding as of December 31, 2005.
Interest-bearing debt ratio	Based on an interest-bearing debt ratio of 44.1% as of December 31, 2005. In accordance with purchase agreements, JPR intends to acquire the Cupo-la Main Building (1-1 Kawaguchi Redevelopment Project) and the JPR Jingumae 432. After the procurement of funds to facilitate the aforementioned acquisitions, the interest-bearing debt ratio is expected to be 45.8% and will remain at this level to the end of the period. Interest-bearing debt ratio = Interest-bearing debt / (Interest-bearing debt + Unitholders' capital) x 100
Operating costs and expenses	Property taxes and urban planning taxes applicable to the acquisitions of the Cupo-la Main Building (1-1 Kawaguchi Redevelopment Project) and the JPR Jingumae 432 after January 1, 2006 are included in the acquisition prices of each property and are not reported as operating expenses. (However, property taxes and urban planning taxes charged to property owners on January 1, 2007 are reported as operating expenses from the fiscal period ending June 30, 2007.)
Cash distributions	Forecasts assume the distribution of an amount of net income available for distribution, divided by total units outstanding and limited to the amount of unappropriated profits. Amounts less than ¥1 are discarded. Forecasts also assume that there will be no distribution in excess of profit, in accordance with corporate policy.

The forecasts for the 9th fiscal period are based on " Assumptions for the 9th Fiscal Period Forecast (from January 1, 2006 to June 30, 2006)." Actual operating revenue, recurring profit, net income and distribution per unit are subject to change due to the acquisition of new properties, changes in market conditions and other factors. Accordingly, the forecasts are not a guarantee of any cash distribution amounts.

Overview of Operations for the 8th Fiscal Period

Activity Highlights

Growth

- **Building a portfolio that emphasizes stable growth and quality**
  - Asset scale as of December 31, 2005 stood at ¥202.6 billion on an acquisition price basis
  - Laying the platform for stable growth through innovative acquisition methods (such as preferred securities acquisition and development proposal participation)
- **Developing closer ties with sponsors**
  - Pursuing development proposals in collaboration with Tokyo Tatemono Co., Ltd. and Taisei Corporation
- **Contributing to profits through internal growth**
  - Promoting rental revenue recovery through increases in new rent rates and improved occupancy

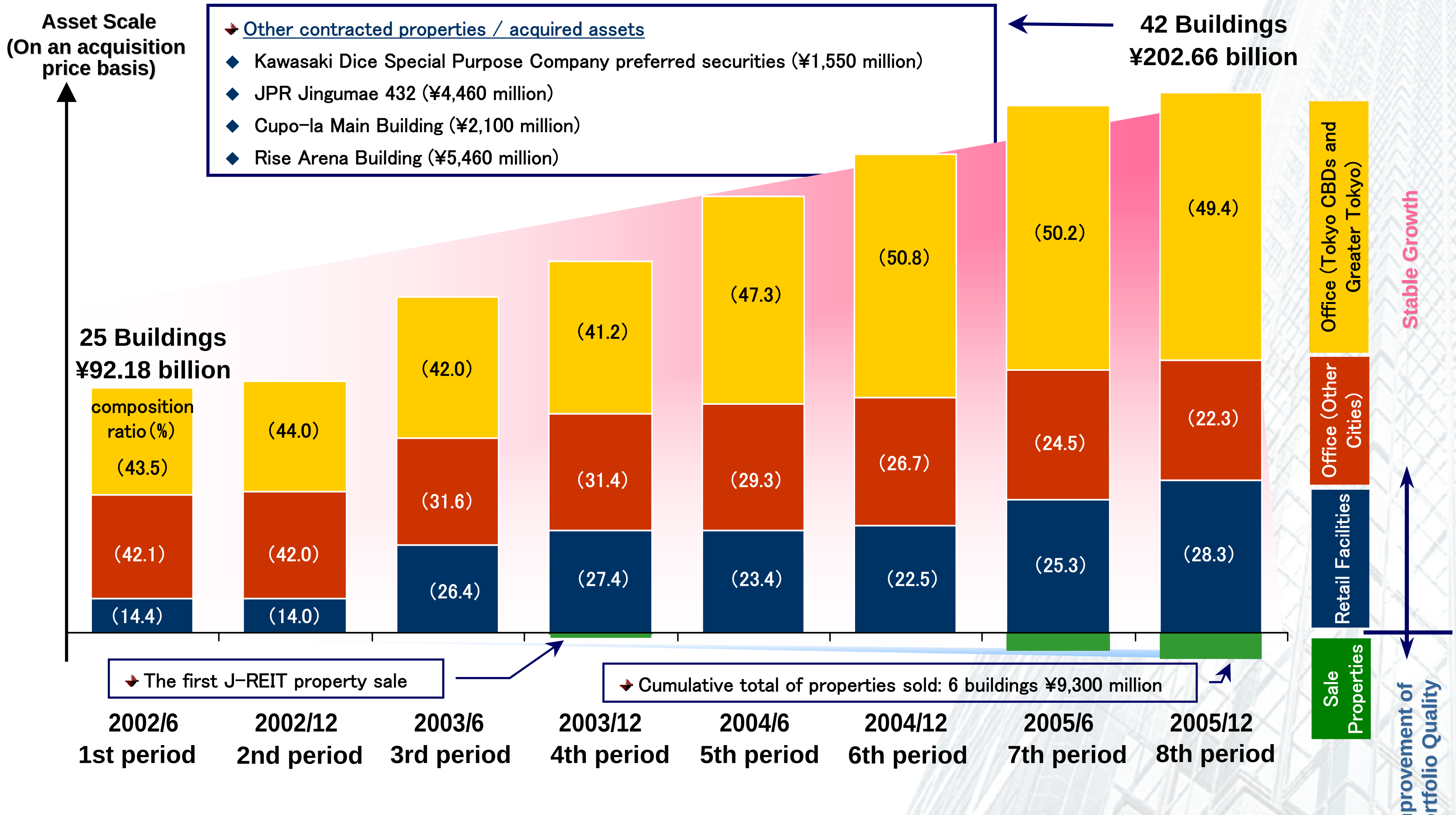
Stability

- **Maintaining portfolio diversification and stable earnings while expanding asset scale**
- **Prospering from continued high levels of office building profits in other major cities**
  - Office building NOI in other major cities exceeding overall office building portfolio NOI by approximately 1%
  - Pursuing property sales to enhance portfolio quality
- **Ensuring the steady implementation of JPR's "A/3S" brand strategy**
- **Continuing to secure increased stability in financial management by enhancing flexibility**
  - Minimizing financial risk through commitment line establishment and registration of corporate bonds

Growth

Portfolio Growth

Building a portfolio that emphasizes stable growth and quality



Note: Listing date is June 14, 2002. Composition ratio is rounded to one decimal place.

Properties Acquired and Purchase Agreements Executed during the 8th Fiscal Period

Properties acquired in the 8th Fiscal Period

Tachikawa Business Center Building

Use: Office building

Acquisition date: September 30, 2005

Acquisition price: ¥888 million

Type of ownership (buildings): Unit ownership

Occupancy rate as of the acquisition date: 100.0%

Forecast NOI yield as of the acquisition date: 6.8%

Location: Tachikawa-shi, Tokyo

Housing Design Center Kobe

Use: Retail Property

Acquisition date: September 28, 2005

Acquisition price: ¥7,220 million

Type of ownership (buildings): Ownership

Occupancy rate as of the acquisition date: 100.0%

Forecast NOI yield as of the acquisition date: 5.7%

Location: Kobe-shi, Hyogo

Preferred securities acquired in the 8th Fiscal period

Kawasaki Dice Special Purpose Company Preferred Securities

Contract date: December 21, 2005

Acquisition price: ¥1,553 million

(Preferred equity ratio: 10.0%)

Seller: Tokyo Tatemono Co., Ltd.

Name of the asset backing preferred securities: Kawasaki Dice Building

Location: Kawasaki-shi, Kanagawa

Purchase Agreement of Development Project

Higashi-Ikebukuro 4-chome Redevelopment Project Rise Arena Building (1)

Contract date: September 30, 2005

Seller: Taisei Corporation

Acquisition price: ¥5,467 million (Planned)

*In the event profitability improves as a result of efforts by the seller to attract tenants, the acquisition price is subject to revision based on a predetermined formula.

Acquisition date: March 2007 (Planned)

Completion date: January 2007 (Planned)

Location: Toshima-ku, Tokyo

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(1) The image of the Rise Arena Building (Higashi-Ikebukuro 4-chome Redevelopment Project) is based on architectural designs and plans. The actual property may differ from the image provided following construction completion.

Properties Planned for Acquisition during the 9th Fiscal Period

JPR Jingumae 432 [1]

Use: Retail Property

Contract date: February 7, 2006

Acquisition price: ¥4,460 million

Acquisition date: March 2006 (Planned)

Completion date: March 2006 (Planned)

Type of ownership (buildings): Ownership

Occupancy rate as of the acquisition date: 100.0% (Planned)

Forecast NOI yield as of the acquisition date: 3.5%

Location: Shibuya-ku, Tokyo

1-1 Kawaguchi Redevelopment Project (Cupo-la Main Building) [1]

Use: Retail Property

Contract date: November 25, 2004

Seller: Taisei Corporation

Acquisition price: ¥2,100 million

Acquisition date: March 2006 (Planned)

Completion date: March 2006 (Planned)

Type of ownership (buildings): Unit ownership

Occupancy rate as of the acquisition date: 100.0% (Planned)

Forecast NOI yield as of the acquisition date: 6.5%

Location: Kawaguchi-shi, Saitama

(1) The images of the JPR Jingumae 432 and a part of the Cupo-la Main Building are based on architectural designs and plans. The actual properties may differ from the images provided following construction completion.

Total Rental Revenue Recovery and Rent Increase

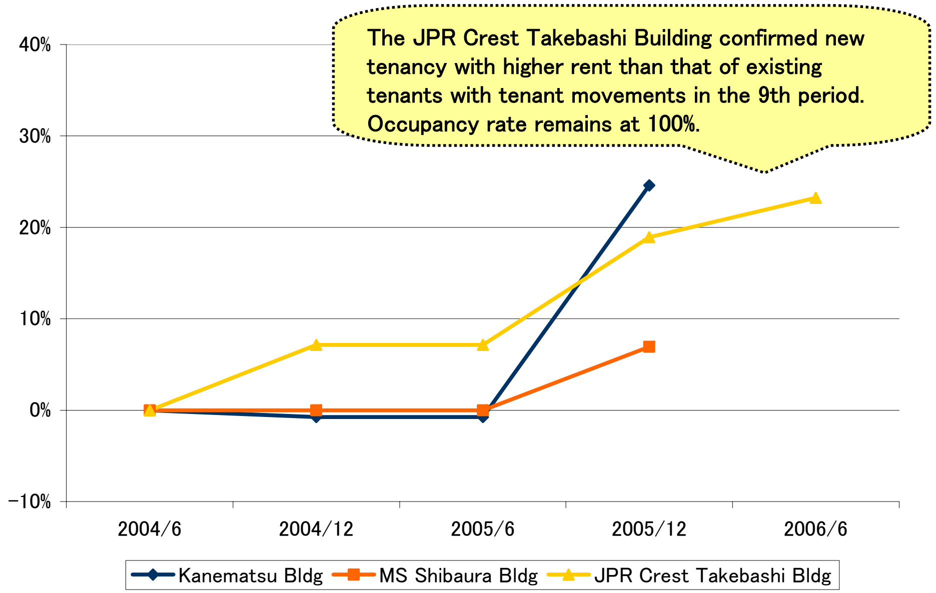
- **Total rental revenue[1] from office buildings is steadily recovering**
- **Rents increased in major buildings of Tokyo CBDs**

Tokyo CBDs
◎ Increasing occupancy rate
◎ Raising rents for new tenants
◎ Shortened free-rent period

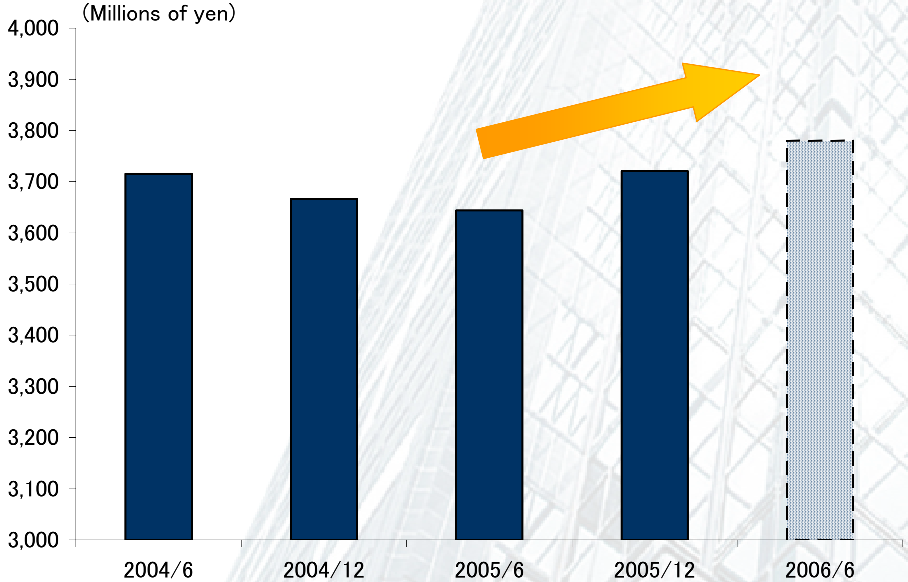
Greater Tokyo
◎ Increasing occupancy rate

Other Cities
○ Flattened occupancy rate
○ Rents for new tenants and free-rent period remain at existing level

Improvement of new rents prices (incl. common-area charges) in Tokyo CBDs' major buildings[2]



Improvement of total rent revenue from 23 office buildings held from the end of the 4th period

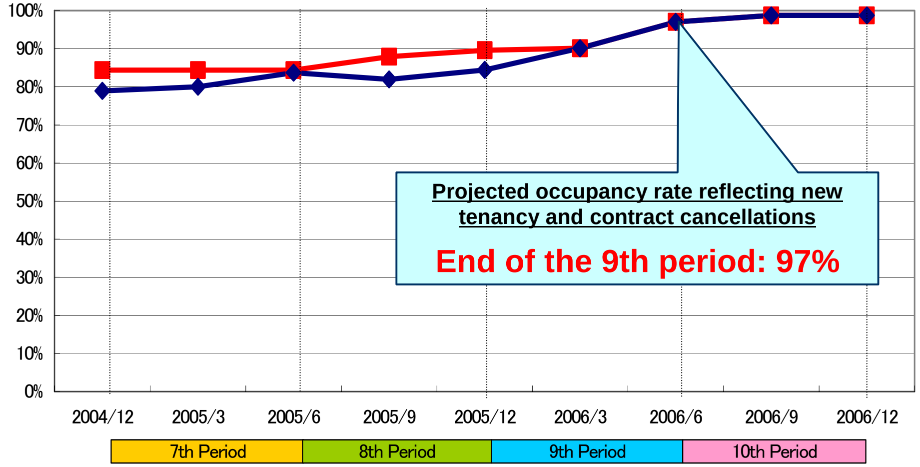


(1) Total rental revenues include rental revenues, common charges, parking revenues, storage revenues, and revenues from advertising displays.
(2) Rents of change is shown with the 5th period as the benchmark.

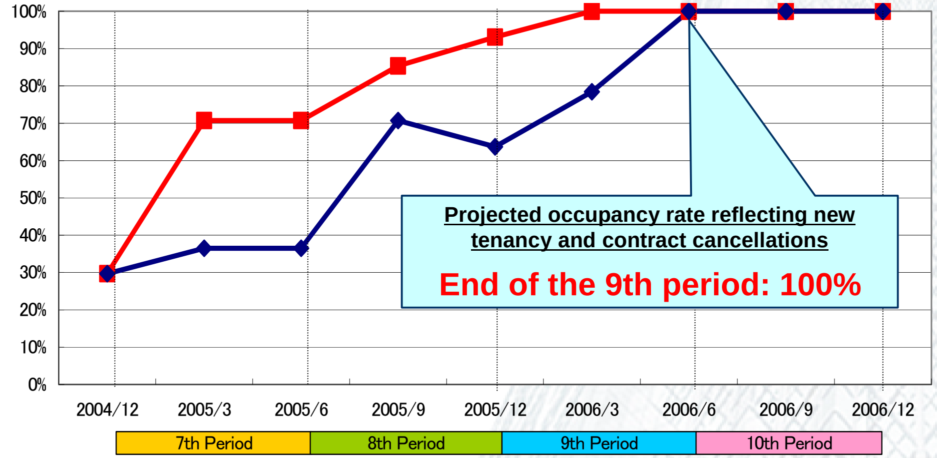
Improvement of Occupancy Rates of Selected Buildings

Steadily secured new tenants through active leasing activities during the 8th fiscal period. Attain an occupancy rate of over 90% on a fixed agreement basis during the 9th fiscal period.

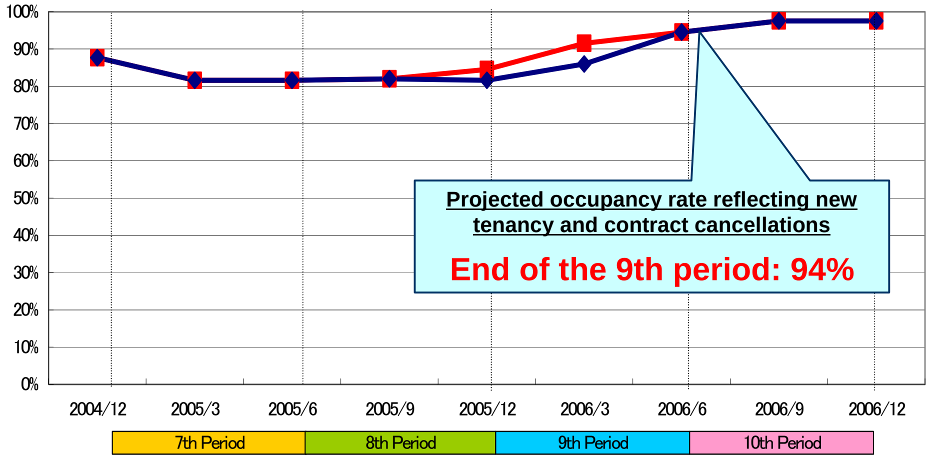
◆Shinjuku Square Tower



◆Arca East



◆BYGS Shinjuku Bldg.



Aggressive leasing activities in collaboration with property management company

- Attain a high occupancy rate for two Shinjuku properties through effective leasing activities, working in a strategic trio with the building management company and property management company.

  Shinjuku Square Tower: Shinjuku Square Tower Management Co., Ltd.; Tokyo Tatemono Co., Ltd.
  BYGS Shinjuku Building: Central General Development Co., Ltd.; Tokyo Tatemono Co., Ltd.

- Expected improvement in NOI through increased occupancy of the Arca East
  8th period actual 2.2% ⇒ 9th period forecast 3.6% ⇒ 10th period forecast 4.4%

Occupancy rate (contract base)   Occupancy rate (revenue base) (free-rent period considered vacant)

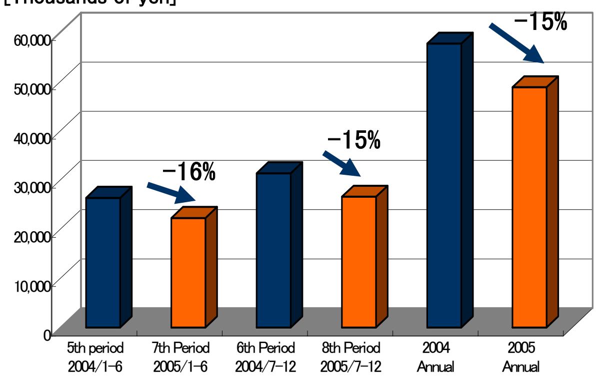
Reduction of Rental Expense

Installation of energy-saving air-conditioning systems → Reduction of electricity consumption

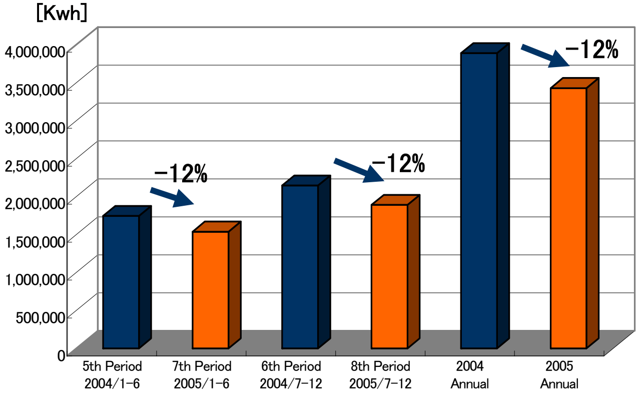
<Kawaguchi Center Bldg.>

* Inverter: power controller (frequency changer)

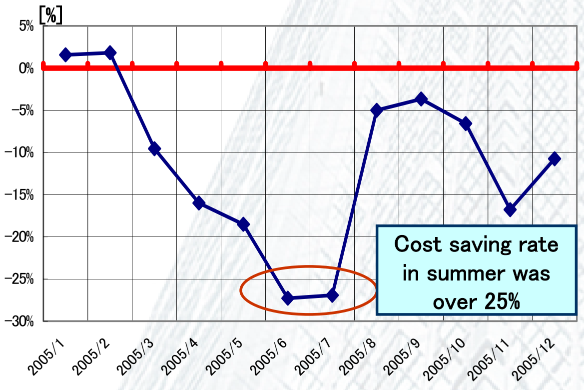
◆Annual and periodical cost of electricity in common areas



◆Historical data of periodical usage of electricity in common areas



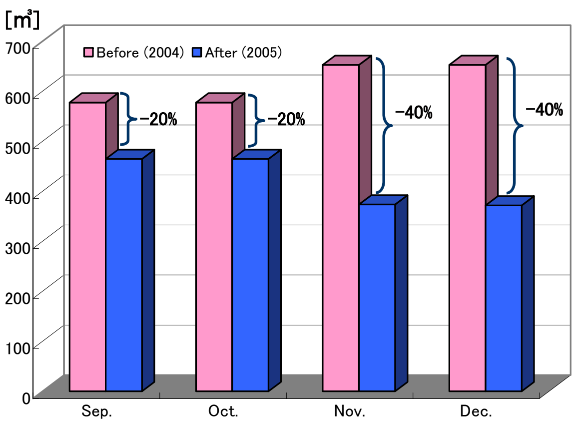
◆Month to month change of periodical usage of electricity in common areas



Installation of water-saving devices for toilets → Reduction of water expenses

* Water-saving devices for toilets: Water-flow control type toilet flushing system

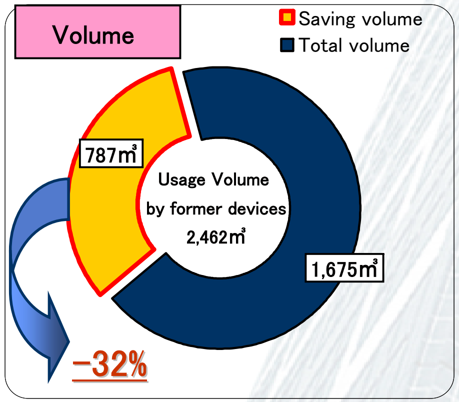
<JPR Chiba Bldg.>

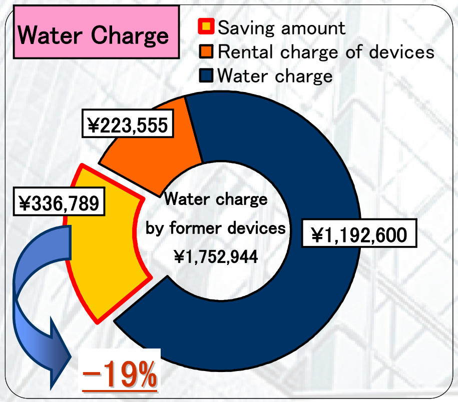


Actual saving after 4 month installation

Volume −32%

Water Charge −19%

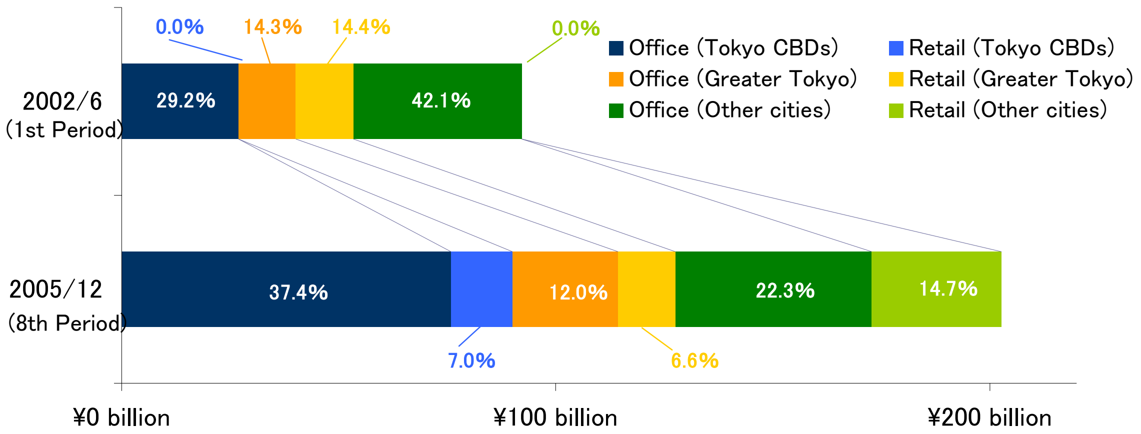




Stability

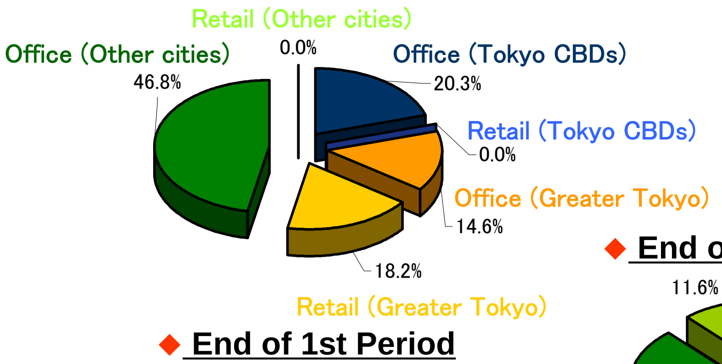
Portfolio Diversification

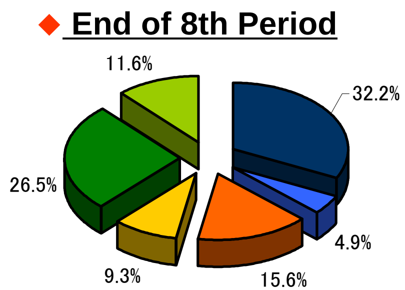
Portfolio Diversification (on an acquisition price basis)



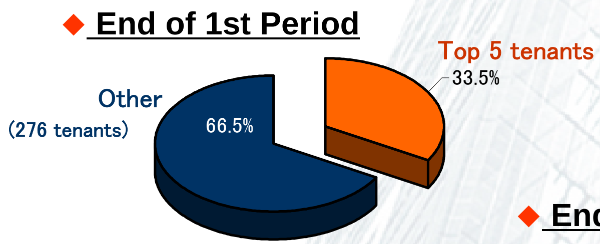
- Greater portfolio diversification in conjunction with the increase in asset scale
- Increase in Tokyo area proportion
- Continued profit stabilization through portfolio diversification

Portfolio Diversification (Monthly rental revenue(1) basis)

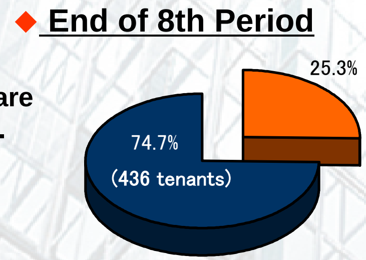




Top 5 tenants share (Monthly rental revenue(1) basis)



- Percentage of top 5 tenants share decreased to 25.3% from 33.5%.
- Percentage of top tenant (The Seiyu, Ltd.) has decreased to 9.3% from 18.2%

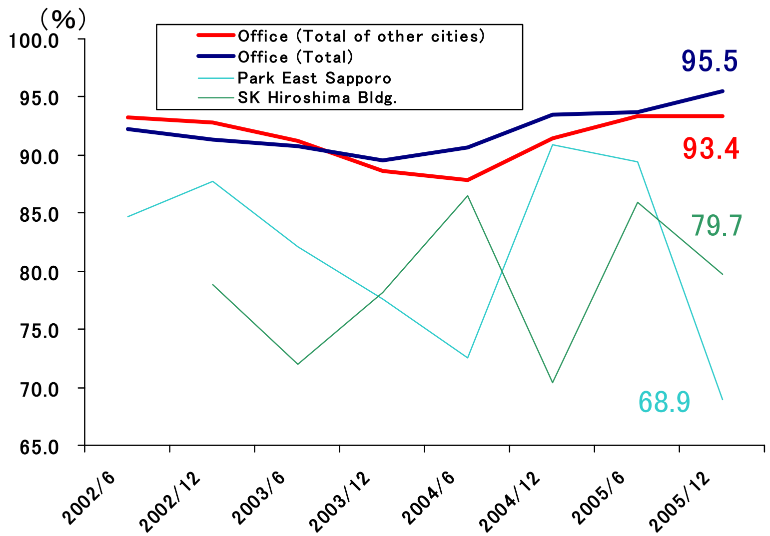


(1) Monthly rent include the rental revenue, common charge, parking revenue, storage charge and revenue from advertising displays.

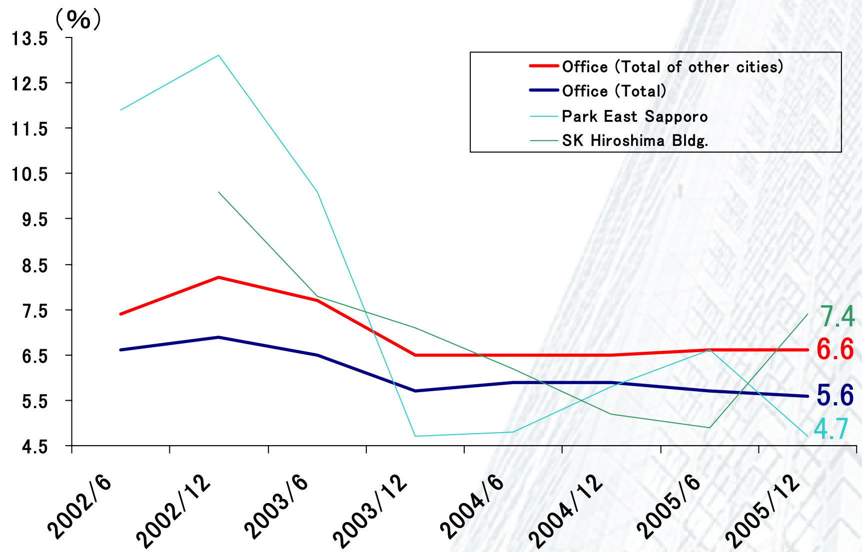
Office Buildings in Other Cities

Occupancy rate and NOI Yield of Office Buildings in Other Cities

Occupancy rate (1)



NOI Yield (2)



Details of Properties Sold

Property name	SK Hiroshima Bldg.	Park East Sapporo
Settlement Date	2005/9	2005/11
Sale Price	¥1,040 million	¥2,400 million
Acquisition Price	¥947 million	¥2,150 million
Appraisal Value (as of June 30, 2005)	¥840 million	¥1,720 million
Difference Between Sale Price and Book Value	¥37 million	¥249 million

- **Overall office occupancy rates in areas outside Tokyo during the 8th fiscal period were on par with the previous fiscal period**
- **NOI yield for offices outside Tokyo remained significantly above the total office average, supporting the profitability of the portfolio**
- **Property sale to improve portfolio quality**

(1) Occupancy rates shown are for properties held as of the end of each fiscal period. Occupancy rates for the fiscal period ending December 31, 2005, however, show the occupancy rate at the time of transfer of the SK Hiroshima Building and the Park East Sapporo.

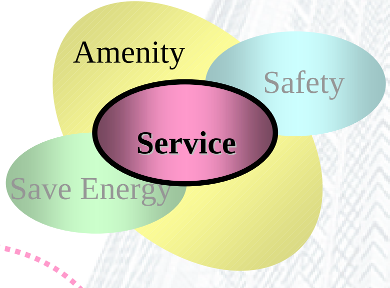
(2) Annualized NOI up to the transfer date is shown for the following properties: the Yasuda Life Tenroku Building transferred in September 2003, the JPR Takamatsu Building and the JPR Hakata Building transferred in March 2005, the SK Hiroshima Building transferred in September 2005, and the Park East Sapporo transferred in November 2005.

JPR Brand Equity - Service -

Improving tenant satisfaction by service expansion, such as renovation of common spaces and addition of seasonal installations

"A／3S"

We supply amenity space based on "3S" concept, namely "Service, Safety and Saving Energy."



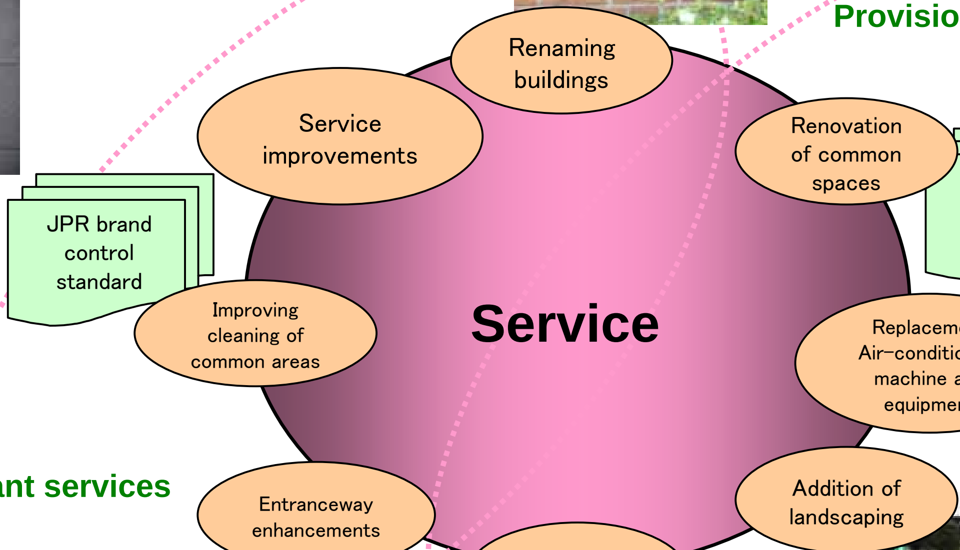
Renaming buildings with "JPR"

Brand prominence

JPR brand prominent in building entrances

Provision of comfortable environments

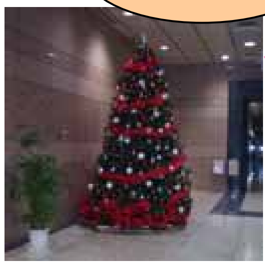
Hospitable tenant services



Renovation of common spaces

Restroom refurbishment

Greening entrance spaces



Entranceway enhancements (e.g. Christmas decoration)

JPR Brand Equity - Safety -

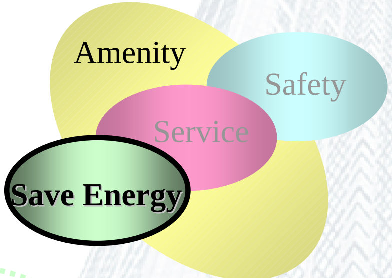
Placing the principal emphasis on "security," which is highly valued according to tenant satisfaction surveys

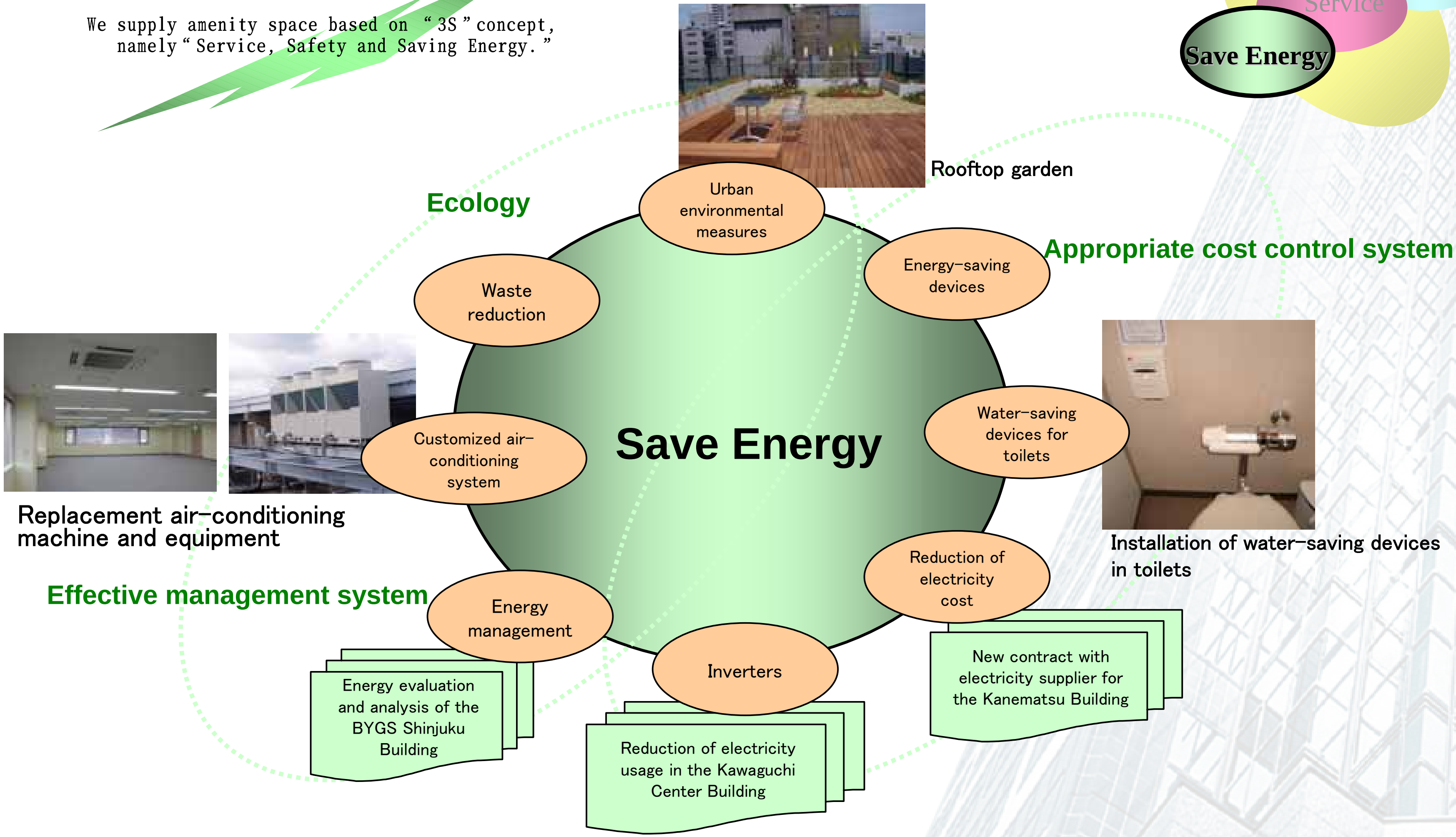
JPR Brand Equity - Saving Energy -

Making "Eco-Friendly Buildings" with initiatives for greening and installation of energy-saving devices

"A／3S"

We supply amenity space based on "3S" concept, namely "Service, Safety and Saving Energy."





Financial Strategy - Sustain Stable Financial Operation

Enhanced flexibility with establishment of commitment line of credit and registration of corporate bonds, JPR sustains stable financial operation

Establishment of Commitment Line of Credit

- Reduce refinance risk
- Maintain flexibility in finance

<Overview>

Limit : ¥20.0 billion

Lender: Mizuho Corporate Bank, Ltd.,
The Bank of Tokyo-Mitsubishi UFJ, Ltd.,
Aozora Bank, Ltd., Resona Bank, Ltd.,
Mitsubishi UFJ Trust and Banking, Corp.,
Shinsei Bank, Ltd.

Registration of Corporate Bonds

- Enable flexible bond issuance responding to bond market trends
- Expand investor universe through public offering bonds

<Overview>

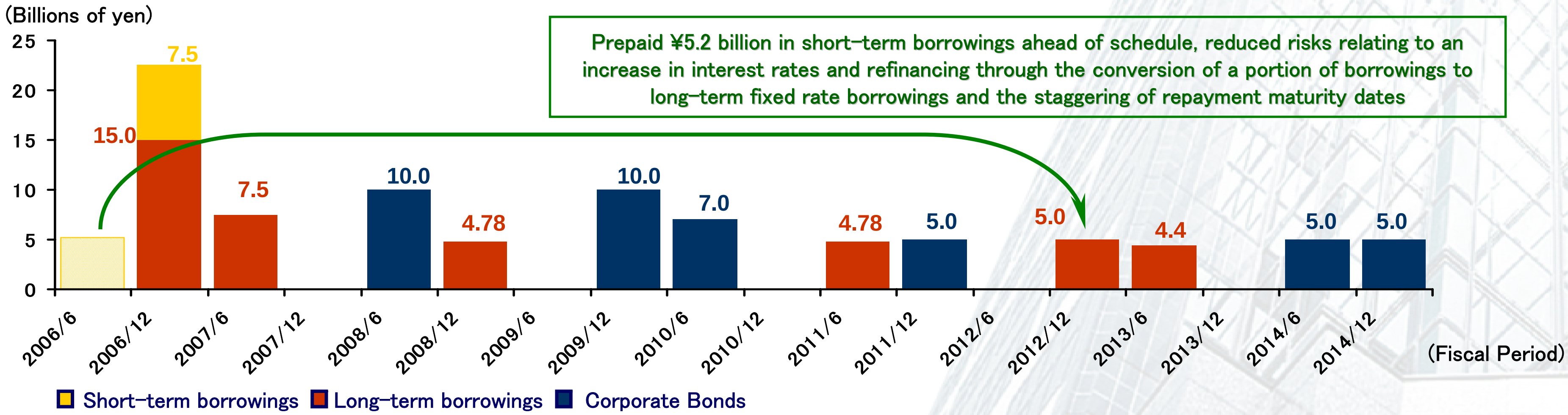
Total Registered Amount: ¥100 billion

Registration Period: Nov. 2005～Nov. 2007

– Credit Rating –

R&I (A+), S&P (A−), Moody's (A3)

Maturity Ladder



Future Investment and Management Strategies

Real Estate Market Environment and Portfolio Expansion Strategy

Real Estate Leasing Market

Improvement in the office leasing market through a recovery in corporate earnings
Increase in new store openings and adding of floor space to existing stores owing to a recovery in consumer spending

Steady recovery in Japan's economy

Outlook for sound economic growth

Interest Rate Trends

With pressure to eliminate "quantitative monetary easing" subject to the rate of change in the consumer price index, which consistently hovers above 0% year on year, a modest increase in interest rates is expected.

Real Estate Trading Market

Sell Side

Exit of private fund

Increased sales of corporate assets

Exit of developing project

＜Overheating＞

Overall decline of profitability

Less yield difference

Buy Side

Increasing Market Participants

Money Inflow to the Real Estate Trading Market

Expanding the Portfolio Size to ¥300 billion

- **Selective investment is essential in the face of a decreasing cap-rate due to increasing competition to acquire prime properties**
- **Priority to ensure a stable DPU of ¥6,000**
- **On top of stabilizing profitability, JPR considers a portfolio size of ¥300 billion to be a necessity and is focused on rapidly attaining this level. Such a scale decreases property and individual tenant risks and enhances mobility and flexibility in asset management.**

Targets for New Acquisition - Area Strategy and Portfolio Quality Enhancement -

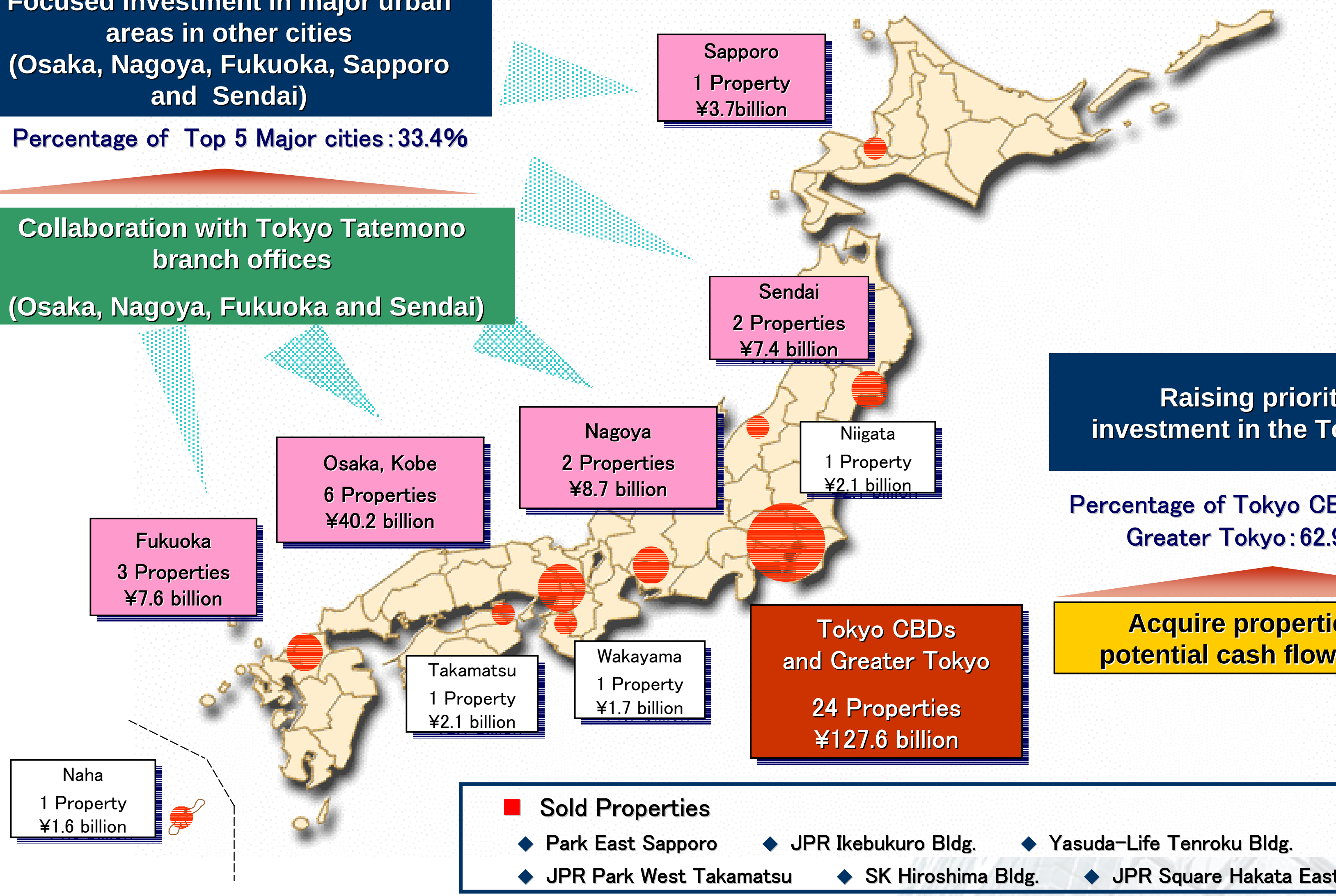
Raising priority of investment in the Tokyo area while maintaining diversified investment in major cities outside Tokyo

Focused investment in major urban areas in other cities (Osaka, Nagoya, Fukuoka, Sapporo and Sendai)

Percentage of Top 5 Major cities: 33.4%

Collaboration with Tokyo Tatemono branch offices

(Osaka, Nagoya, Fukuoka and Sendai)



Raising priority of investment in the Tokyo area

Percentage of Tokyo CBD's and Greater Tokyo: 62.9%

Acquire properties with potential cash flow increase

■ Sold Properties

- ◆ Park East Sapporo
- ◆ JPR Ikebukuro Bldg.
- ◆ Yasuda-Life Tenroku Bldg.
- ◆ JPR Park West Takamatsu
- ◆ SK Hiroshima Bldg.
- ◆ JPR Square Hakata East/West

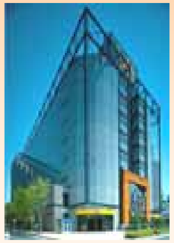
Note: Investment amount is on an acquisition price basis

Targets for New Acquisition - Retail Property Investment Strategies -

With "Stable-type" retail facilities targeted for long-term sustainable income, JPR will add "growth-type" retail properties for potential cash flow increases by carefully screening site locations

Urban Areas of Major Cities

Stable-Type



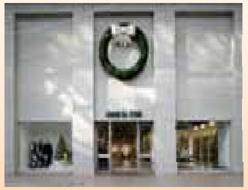
JPR Umeda Loft Bldg.

JPR Shibuya Tower Records Bldg.

Tanashi ASTA

Cupo-la Main Bldg. (1)

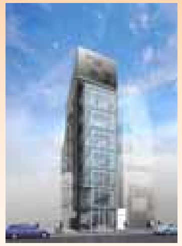
Tsurumi fuga 1



Strasse Ichibancho

Housing Design Center Kobe

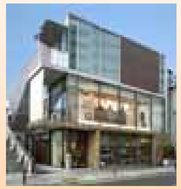
Growth-Type



JPR Jingumae 432 (1)

Benetton Shinsaibashi Bldg.

Kawasaki Dice Bldg. (2)



JPR Daikanyama

	Stable-Type		Growth-Type
Tenants	Single-Tenant	↔	Multi-Tenants
Lease Term	Long-Term	↔	Short-Term
Rent	Fixed-Rent	↔	Variable-Rent

(1) The Cupo-la Main Building and the JPR Jingumae 432 are planned for acquisition in March 2006
(2) The Company invested in "Kawasaki Dice Special Purpose Company preferred securities"

Specific Acquisition Strategies

Using unique measures for "acquisition" by enhancing sponsor collaboration in the over-competitive market

Acquisition strategies to avoid over-competitiveness

Collaboration with Sponsor Companies	JPR actively seeks to add properties to its portfolio that are being sold or introduced by sponsor companies. We remain especially keen to obtain development properties that sponsor companies are utilizing for business operations.
Obtaining additional ownership in buildings with unit ownership and co-ownership	JPR aims to continuously expand its ownership portions in properties of which it is currently partial owner by collaborating with property management companies and persistently approaching other co-owners.
Development property conditions	In order to eliminate development risks, JPR follows a premise of investigating purchases upon the completion of construction. However, with the aim of adding prime properties to its portfolio, JPR may consider making certain commitments related to land purchase by developers, including the sponsor companies, in the case of properties confirmed to be superior in terms of location, scale or other features.
Leveraging opportunities to purchase equity	As with the Kawasaki Dice Building, JPR will actively explore opportunities to purchase equity within a limited investment amount as an effective way to make future property purchases. In particular, JPR will seek to make commitments for development properties.

Investment development projects(1) under consideration

Region	2006	2007	2008	After 2009
Tokyo CBDs	0	0	2	0
Greater Tokyo	0	1	1	0
Other Cities	0	1	0	0

Asset Class	2006	2007	2008	After 2009
Office Building	0	2	2	0
Retail Facilities	0	0	1	0

Projects
5 Properties Approx. ¥70.0 billion

(1) Excluding the development project which is already contracted.

Cost Model Development and Future Cost Reduction Measures

JPR's cost structure and target items of the modeling

JPR Cost Model Development

Outsourcing expenses	Utilities expenses	Property and other taxes	Casualty insurance	Repairs and maintenance	Property management fees	Management association accounts	Other
20%	19%	30%	2%	5%	7%	14%	3%

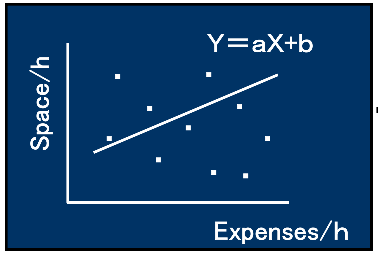
- JPR Cost Model development is mainly focused on outsourcing expenses
- Utilities expenses do not include target items, but other cost reduction measures will be considered

◆Break down

Outsourcing expenses breakdown	
Equipment operating expenses	6%
Other	13%
Cleaning	21%
Maintenance expenses for equipment	22%
Personnel expenses	34%

3 items total 76%

Modeling



JPR's Cost Model will develop and focus on 3 items as a benchmark, and enable effective cost reduction

<Sample>
The Company analyze the expense items by dividing the expenses per square meter to unit square meter per hour and unit expenses per hour.

Schedule

Outsourcing Expenses: Feasibility study → Investigation and data analysis → Development of JPR Cost Model → Select the target building → Negotiation with outsourcing company → Additional cost reduction

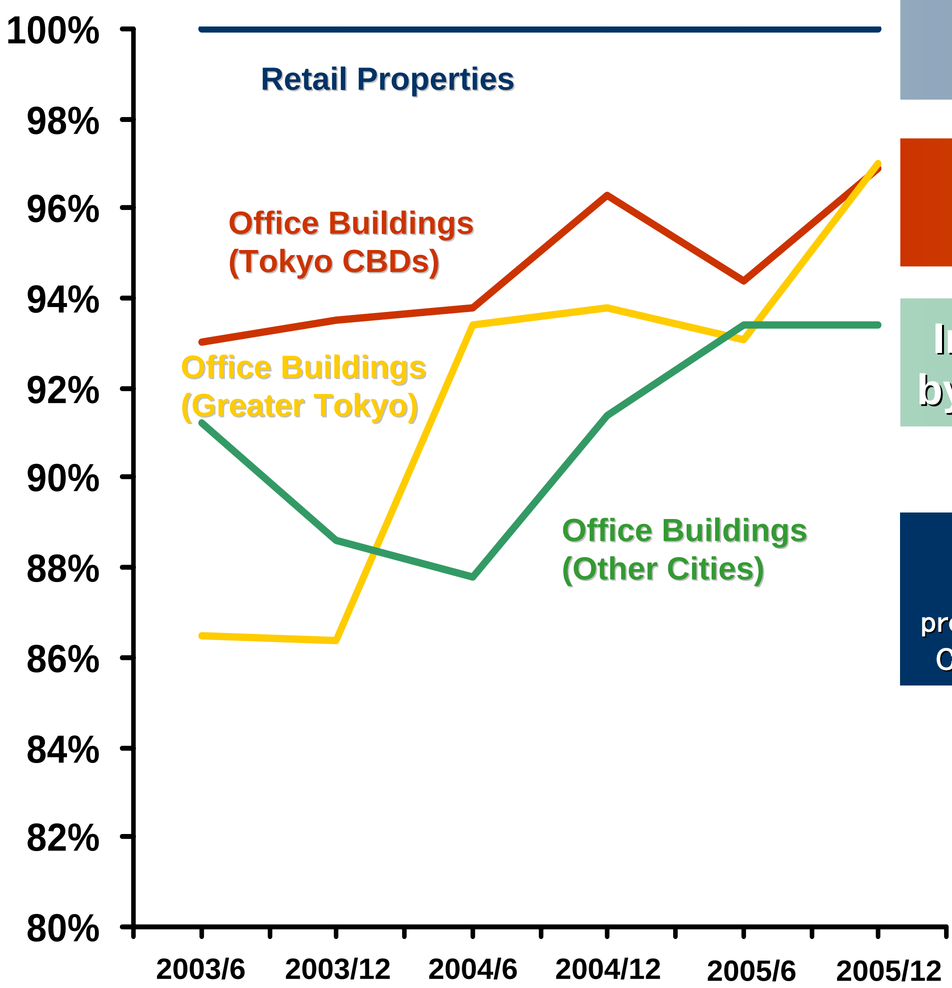
8th Fiscal Period | 9th Fiscal Period (Incl. Planned issue)

Utilities Expenses: Water-saving devices for restroom JPR Chiba bldg. JPR Yokohama Nihon Odori bldg. → Installation of water-saving devices to other buildings Excluding co-ownership and unit-ownership building

The Company expects additional cost reduction from 10th Fiscal period

Cash Flow Growth Strategies

◆ **Long-Term Occupancy Rate(1) Trends**



Investment to Growth-Type Retail Properties

Raise new and existing tenants' rent

Improvement of Occupancy rate by collaborating with PM Company

Cash Flow Growth

External growth to acquire new properties which have CF growth potential

Internal growth by adopting JPR Brand strategies

Sound financial strategy with low level LTV and maturity diversification

Maximize Investors' Value

(1) Occupancy rates shown are for properties held as of the end of each fiscal period.

JPR

Appendix

Cash Distribution for the Eighth Fiscal Period

Cash Distribution for the 8th Fiscal Period

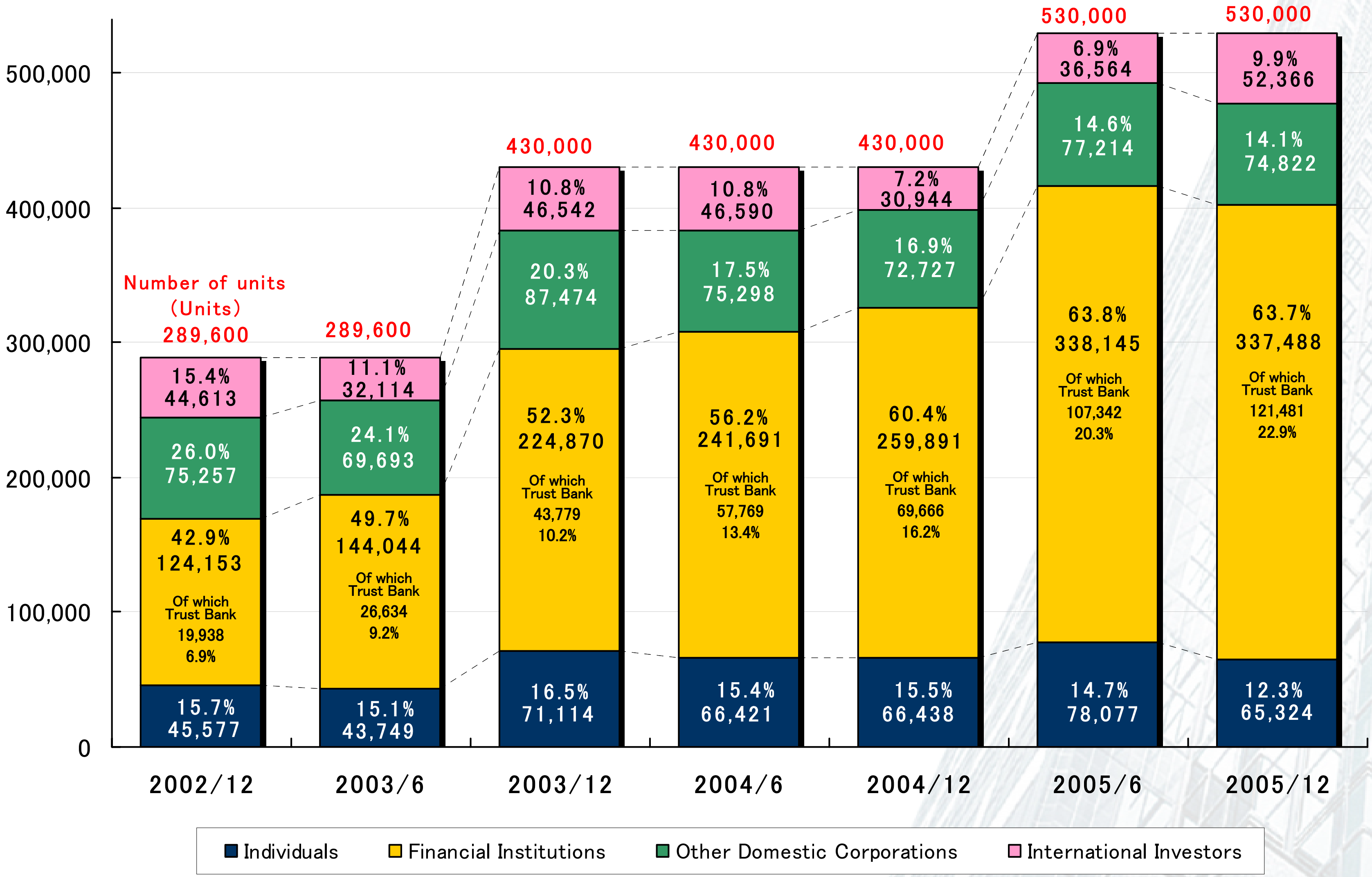
NO.	(Yen)	8th Period (Jul. 1, 2005–Dec. 31, 2005)	7th Period (Jan. 1, 2005–Jun. 30, 2005)
1.	Retained earnings at end of period	3,398,137,679	3,376,139,701
2.	Total cash distributions	3,397,830,000	3,376,100,000
	DPU	6,411	6,370
3.	Retained earnings carried forward	307,679	39,701
4.	Total units outstanding (Units)	530,000	530,000

Comparison of Actual and Forecasted Results for the 8th Period

(Millions of yen, unless otherwise stated)	Operating revenues	Recurring profits	Net income	DPU (Yen)
Actual Results (1)	8,587	3,399	3,398	6,411
Forecasts (2)	8,174	3,022	3,021	5,700
Difference between Actual and Forecasted (3)=(1)−(2)	413	377	377	711
Difference between Actual and Forecasted (4)=(3)/(2)	5.1%	12.5%	12.5%	12.5%
(Reference) Revised Forecast as of Dec. 20, 2005	8,537	3,287	3,286	6,200

Unitholder Composition (by Category)

Trust Banks' holding units increased, but total financial institutions remained at the same level
International Investors' holding units increased over the previous 5 fiscal periods



Note: The composition ratio is rounded to one decimal place.

Major Unitholders

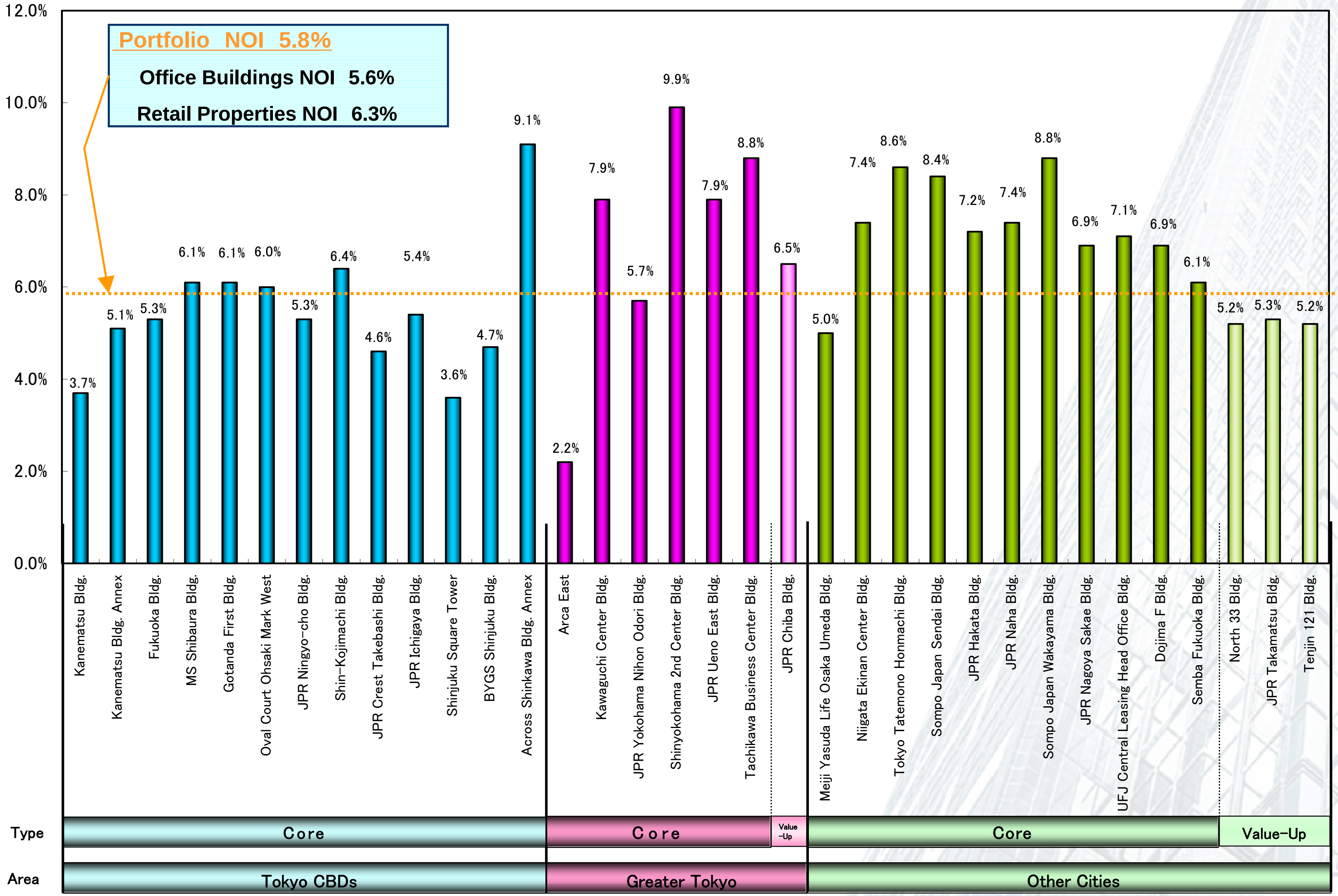
As of December 31, 2005			As of June 30, 2005		
Name	Units	% (1)	Name	Units	% (1)
Japan Trustee Services Bank, Ltd.	47,240	8.91%	Japan Trustee Services Bank, Ltd.	50,253	9.48%
Tokyo Tatemono Co., Ltd.	29,300	5.53%	Tokyo Tatemono Co., Ltd.	29,300	5.53%
NikkoCiti Trust and Banking Corporation	25,496	4.81%	Kawasaki Gakuen	24,200	4.57%
Kawasaki Gakuen	25,000	4.72%	Meiji Yasuda Life Insurance Company	24,000	4.53%
Meiji Yasuda Life Insurance Company	24,000	4.53%	The Master Trust Bank of Japan, Ltd.	22,491	4.24%
The Master Trust Bank of Japan, Ltd.	22,631	4.27%	Trust & Custody Service Bank, Ltd.	17,259	3.26%
Trust & Custody Service Bank, Ltd.	20,315	3.83%	The Hiroshima Bank, Ltd.	10,837	2.04%
AIG Star Life Insurance Co., Ltd.	13,190	2.49%	AIG Star Life Insurance Co., Ltd.	10,208	1.93%
The Hiroshima Bank, Ltd.	10,837	2.04%	NikkoCiti Trust and Banking Corporation	10,052	1.90%
The Senshu Bank, Ltd.	8,936	1.69%	The Bank of Ikeda, Ltd.	9,461	1.79%
Total	226,945	42.82%	Total	208,061	39.26%

(1) Percentage figures are rounded to the nearest third decimal place.

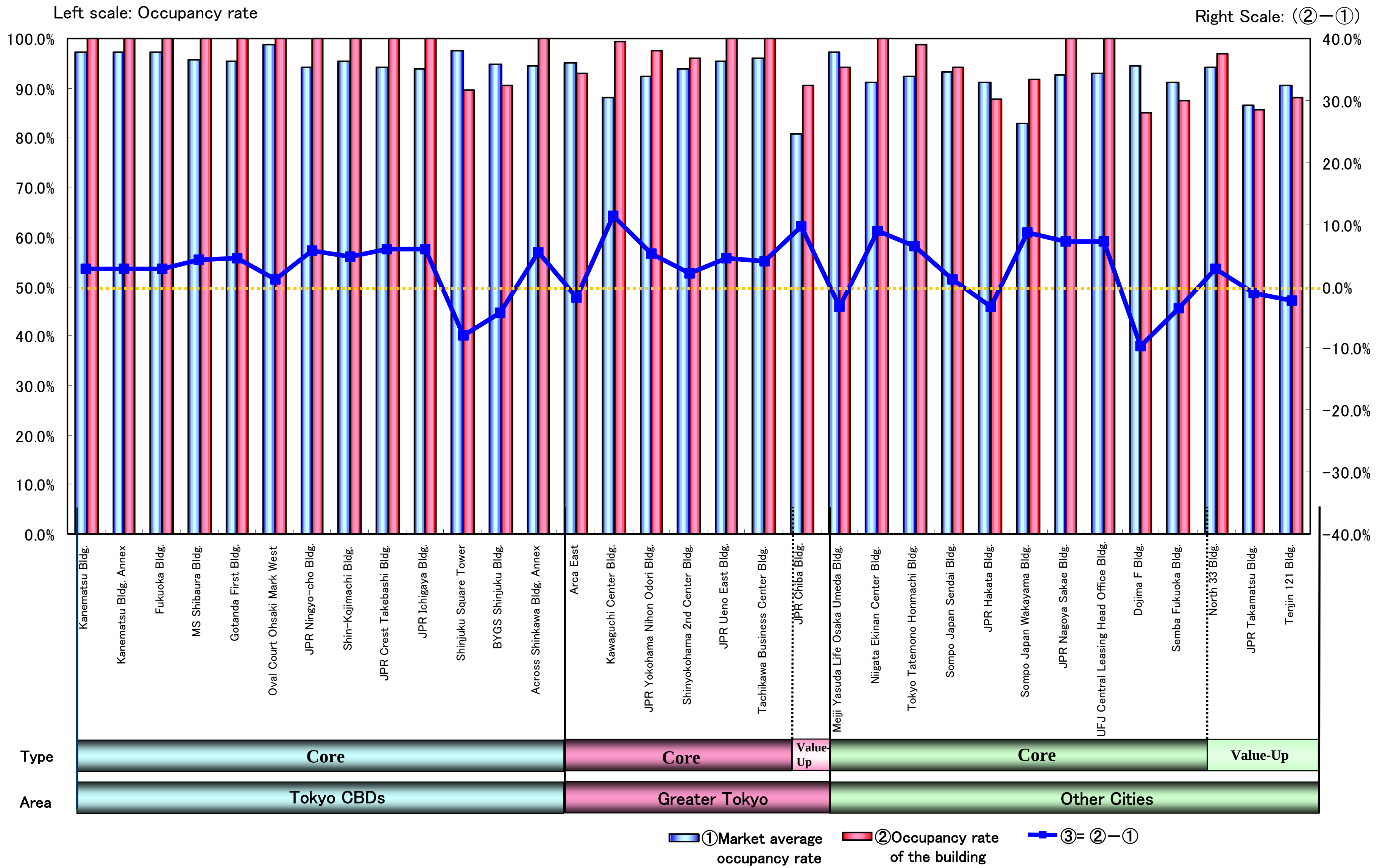
Investment Unit Price since Public Listing (Jun. 14, 2002—Feb. 10, 2006)

Fiscal Term	2002/6	2002/12	2003/6	2003/12	2004/6	2004/12	2005/6	2005/12
DPU (Yen)	2,545	6,912	6,873	5,738	6,081	6,671	6,370	6,411

NOI for the 8th Fiscal Period by Property (Jul. 1, 2005－Dec. 31, 2005)



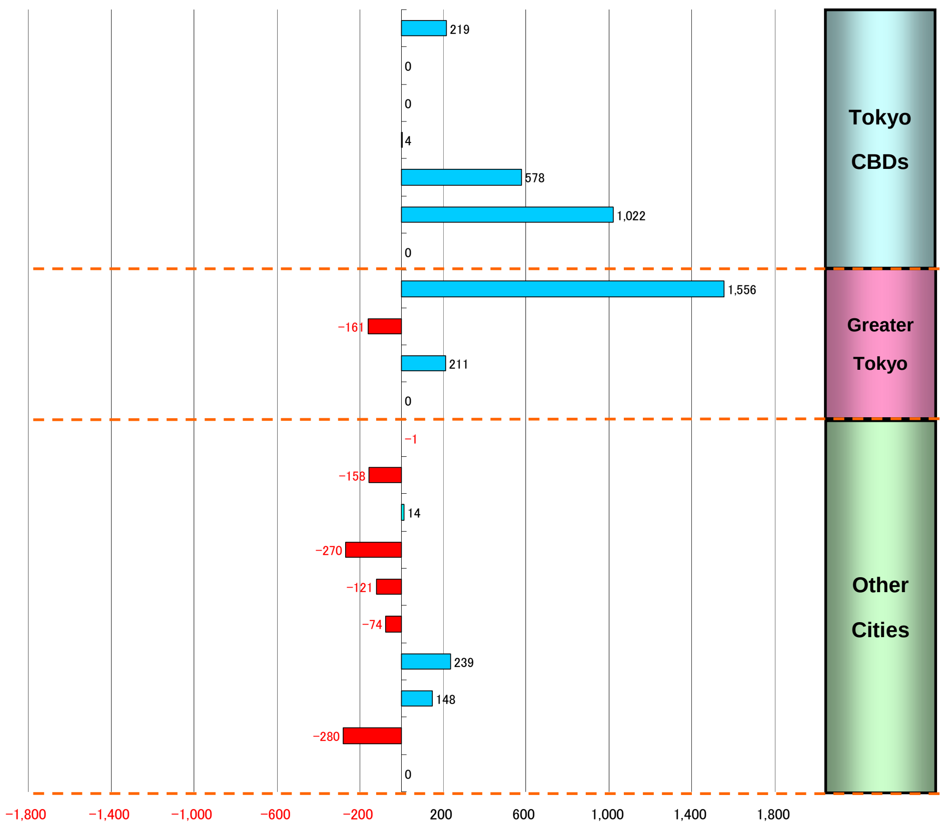
Occupancy Rate as of the 8th Fiscal Period-End by Property (Market Comparison)



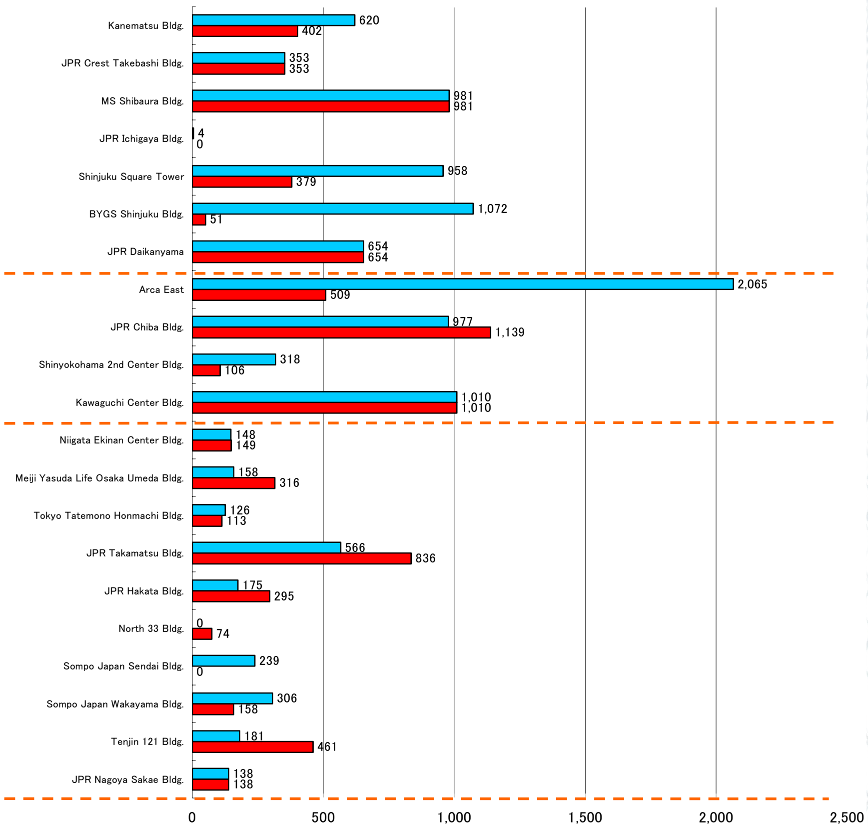
Note: The market occupancy rate was based on data provided by IKOMA DATA SERVICE Inc., on Dec.31, 2005.
Excluding the JPR Naha Bldg. because no market data was provided.

Tenant Trends during the 8th Fiscal Period by Property (Jul. 1, 2005－Dec. 31, 2005)

Net Increase by Property
(Move In － Move Out)



Move In/Out by Property

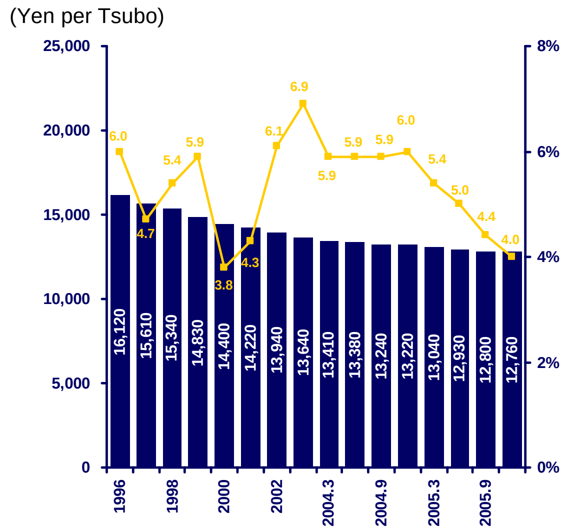


	In (㎡)	Out (㎡)	Net (㎡)
Office (Tokyo CBDs)	3,989	2,165	1,823
Office (Greater Tokyo)	4,370	2,765	1,605
Office (Other Cities)	2,036	2,540	−503
Retail (Tokyo CBDs)	654	654	0
Total	11,049	8,124	2,925

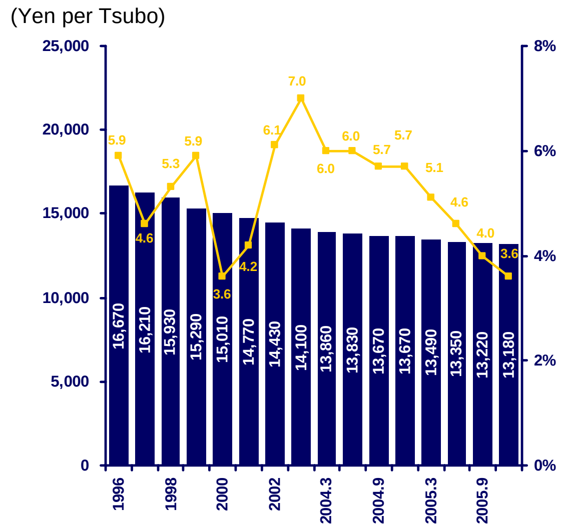
Note: Excluding the property which is no action. Including the move in / out by amendment of lease contract.

Office Building Vacancy Rate and Average Rental Rate Trends (1)

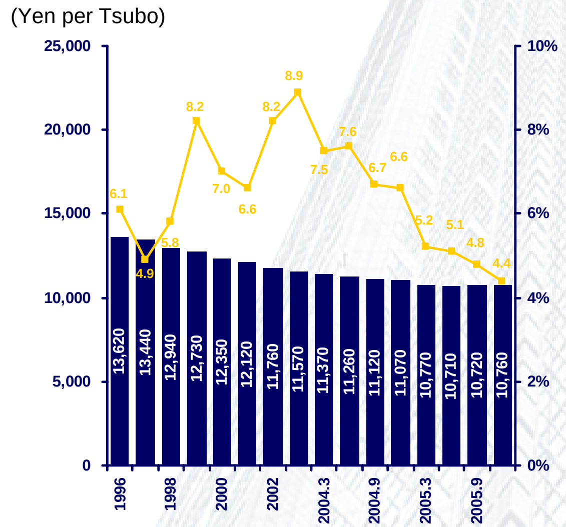
23 wards of Tokyo



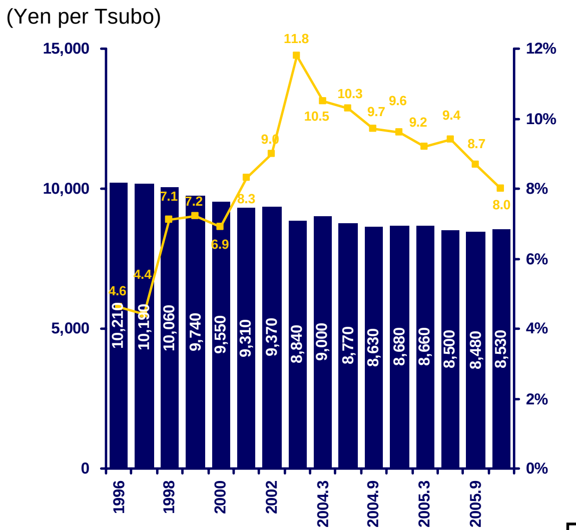
5 wards of Tokyo (CBDs)



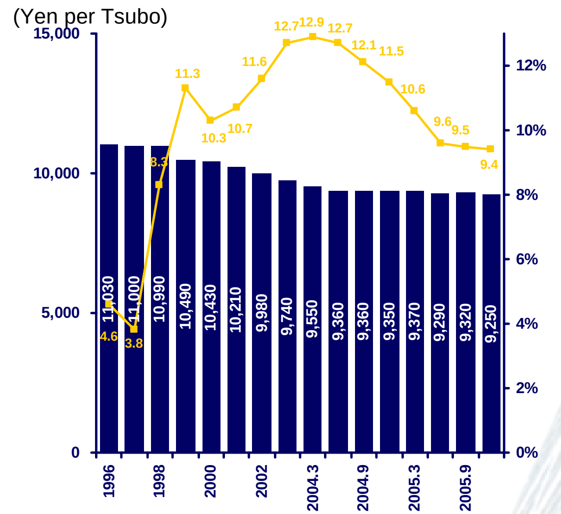
Yokohama



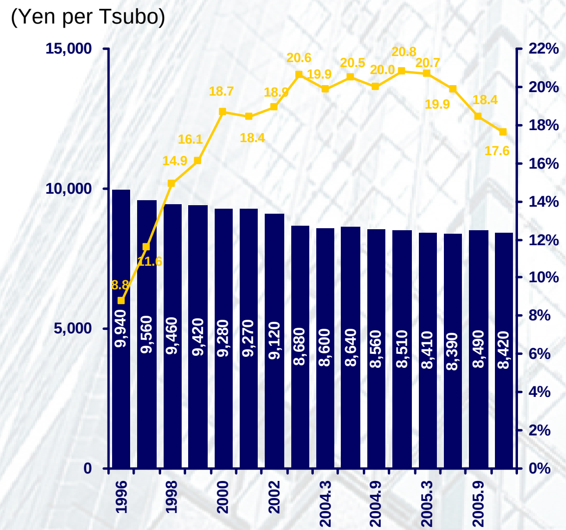
Sapporo



Sendai



Niigata



Source: Office Market Report (IKOMA CBRE)

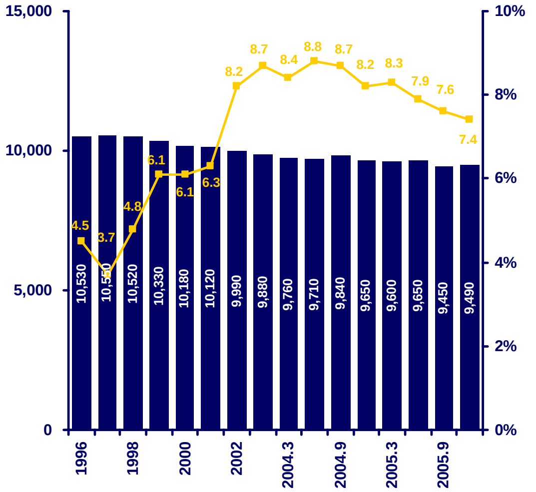
■ Rent Rate ■ Vacancy Rate

Note: Rent Rate is "monthly offered rate Base" / Vacancy Rate is calculated as of Dec 31, every year.

Office Building Vacancy Rate and Average Rental Rate Trends (2)

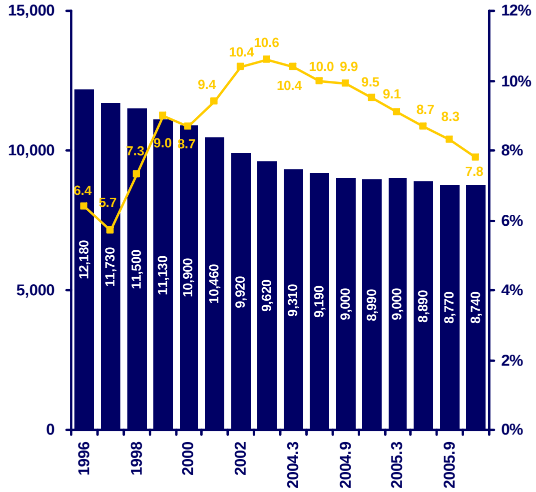
Nagoya

(Yen per Tsubo)



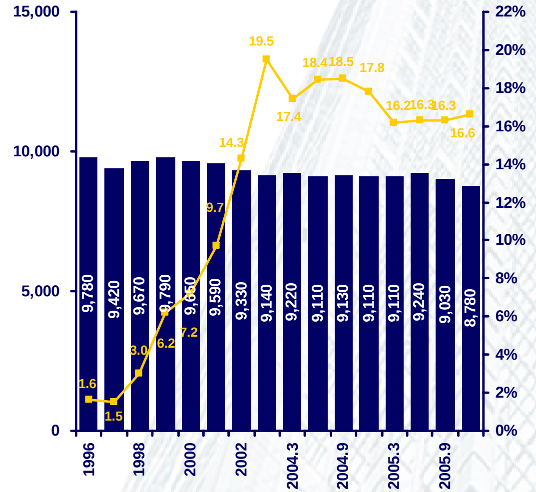
Osaka

(Yen per Tsubo)



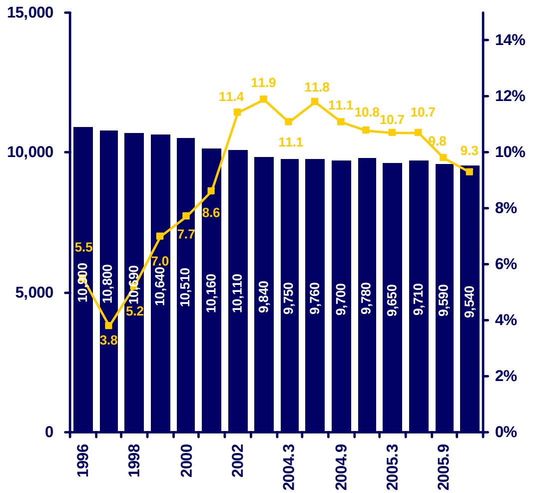
Takamatsu

(Yen per Tsubo)



Fukuoka

(Yen per Tsubo)



Source: Office Market Report (IKOMA CBRE)

■Rent Rate ■Vacancy Rate

Note: Rent Rate is “Monthly offered rate Base” / Vacancy Rate is calculated as of Dec 31, every year.

Stability Measures

Concerning problems related to falsified structural calculations

- JPR has confirmed, as of February 20, 2006, that structural calculations of all 42 properties in its portfolio are the results of independent surveys, and that it has engaged in no construction business whatsoever with Aneha Kenchiku Sekkei Jimusho, the Huser Company Ltd., Kimura Kensetsu, Heisei Sekkei Company Ltd., the Sougo Keiei Kenkyuusho Company Ltd., or Samshing Company Ltd.
- For all properties in our portfolio (with the exception of properties acquired for structural evaluation) a statement has been provided by the lead contractor attesting to the correctness of all structural designs, and that absolutely no falsified calculations or other illegal act has been committed. For properties where the lead contractor has ceased business or the document has for some other reason proved difficult to obtain, a structural survey and report was commissioned from a specialized third party.

Concerning earthquake risk-assessment measures

- The data used in our assessment of probable maximum loss (PML) (the maximum foreseeable loss associated with earthquake risk analysis) is based on an evaluation of earthquake risk conducted by Shinozuka Research Institute Co., Ltd. Analysis of earthquake risk provided by the same laboratory in the period from July to December 2005 was used by the Ministry of Education, Culture, Sports, Science and Technology to produce a map forecasting seismic movements throughout the country during an earthquake, as well as for other databases. If the database is to be renewed, this data will be reflected in the laboratory's report and the new PML data will reflect the most current data available.

Dealing with asbestos-related problems

- Of the 42 properties in JPR's portfolio as of January 2006, 33 properties completed before 1996 were inspected either visually or on the basis of their blueprints. These inspections revealed that spraying materials had been used in 26 properties. A further inspection was conducted of these properties to establish the presence of asbestos, the use of which (in excess of 1% of weight of materials susceptible to being inhaled) is prohibited by Article 55 of the Industrial Safety and Health Law. This inspection confirmed the presence of asbestos in the MS Shibaura Building, the Fukuoka Building, the Across Shinkawa Building Annex, and the Kawaguchi Center Building. However, after a complete dusting of the buildings, they have been returned to stable condition, and we can confirm that none of them pose asbestos-related concerns or problems in complying with legal requirements.

Physical inspections at the time of acquisition of properties

- As part of its due diligence, JPR carries out thorough physical inspections of properties before acquiring them, which includes a structural engineering survey, an earthquake risk assessment (earthquake risk evaluation form) and an analysis of the soil environment, and proceeds with acquisition only if these stringent safety standards can be confirmed.
- In future, when a structural report is to be obtained from a third-party, a preliminary safety inspection shall also be conducted. In addition, where necessary, special features of individual buildings shall be contained in an overview of individual properties section in press releases and financial reports, strengthening our information disclosure.

Note: The Company reported above issues based on the fact and /or measures as of Feb.17,2006. In the event subsequent items or matters of importance arise, the Company shall promptly report details.

Caution Regarding Forward-Looking Statements

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