



32nd Fiscal Period

Securities code 8955

Japan Prime Realty Investment Corporation
Presentation Material
For the 32nd Fiscal Period Ended December 2017

February 20, 2018

(Asset Manager)
Tokyo Realty Investment Management, Inc.

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- The photos used in this material include those of the assets other than what JPR owns or plans to acquire. Please note that for assets indicated as land with leasehold interest, JPR owns only the land and does not own any building on it.
- Unless otherwise noted, the figures indicated in this material are rounded down to the nearest specified unit for monetary amounts and space areas, and rounded off to the nearest specified unit for percentages and other figures. Accordingly, the sum totals of monetary amounts or percentages of respective items may not match the sum totals of actual figures.

Overview of JPR

Name	Japan Prime Realty Investment Corporation (abbreviated as JPR)
Securities code	8955
Listing date	June 14, 2002 (15 years since listing)
Operational standard of portfolio (Target investment ratio)	(Ratio by asset class) Office 70~90% / Retail 10~30% (Ratio by area) Tokyo 80~90% / Other cities 10~20%
Asset Manager	Tokyo Realty Investment Management Inc. (abbreviated as TRIM)
Sponsors (shareholding ratio)	Tokyo Tatemono (52%) Yasuda Real Estate (18%) Taisei Corporation (10%) Sompo Japan Nipponkoa Insurance (10%) Meiji Yasuda Life Insurance (10%)

Characteristics of JPR

1 A track record of stable management for over 15 years

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

2 A portfolio focused on office properties in Tokyo

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

3 Superiority of a developer-sponsored REIT

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

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

The average occupancy rate of the entire portfolio has stayed at 97% or higher since the 26th fiscal period ended December 2014, and upward revision of rents continued to surpass downward revision by value for 7 straight fiscal periods.

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

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

Asset size

(After the asset replacement)

62 properties 435.0 bn. yen

Ratio by asset

(After the asset replacement)

(Area) Tokyo **84.5 %**

(Asset class) Office **76.8 %**

(planned) acquisition price and ratio of properties from sponsor pipelines

(After the asset replacement)

315.4 bn. yen · 72.5 %

Upward revision of rents

7 consecutive fiscal periods

(Dec. '14 ~ Dec. '17)

LTV

40.6 %

Ratio of long-term, fixed interest rate debts

100.0%

Credit rating

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

S&P **A (stable)**

1. The indicated figures are as of the date of this document. For Asset size, Investment ratios and (Planned) acquisition price and ratio of properties from sponsor pipelines, the indicated figures are those after the Asset Replacement is completed.

2. Properties from sponsor pipelines refer to properties acquired from sponsors, etc. and properties acquired based on information provided by sponsors. Sponsors, etc. represent the five sponsor companies of JPR, their affiliated companies and special purpose companies (SPCs) in which the sponsors have made equity investment. Ratio of properties from sponsor pipelines refers to the ratio of (planned) acquisition price of properties from sponsor pipelines over the total (planned) acquisition price of the entire portfolio.

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

DPU 7,223 yen

Continuing a record high since listing

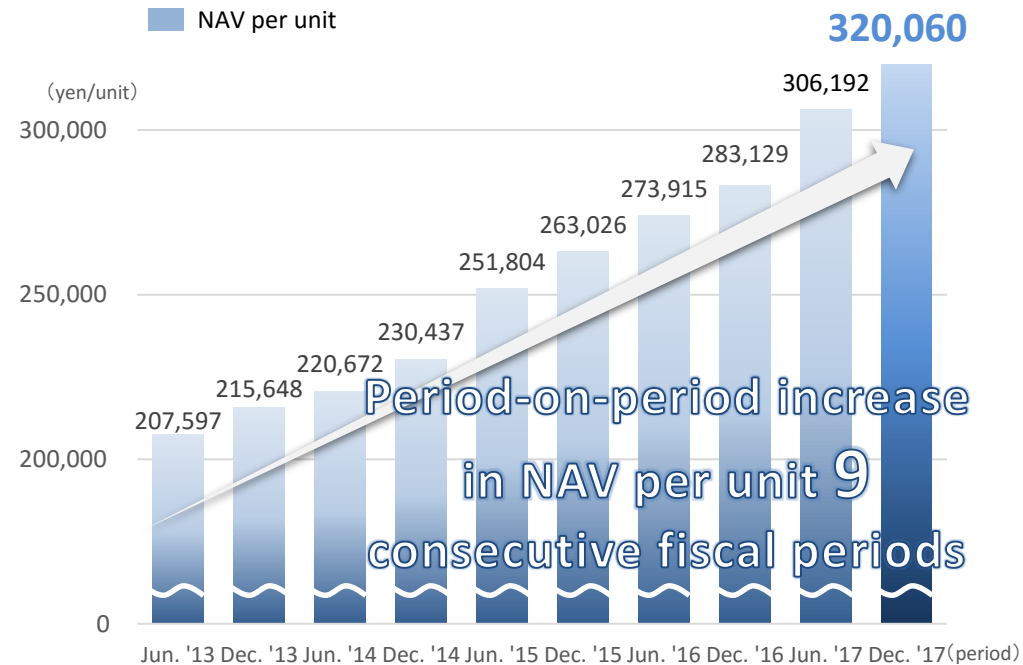
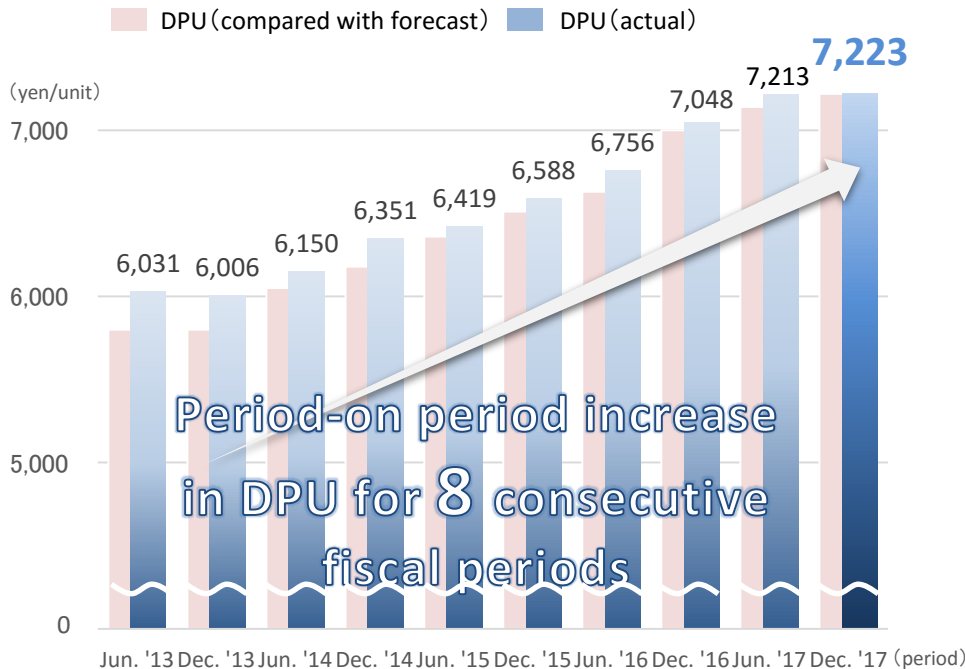
Compared with forecast at beginning of period **+3 yen**

Period-on-period comparison **+10 yen / +0.1 %**
 (Forecast DPU: 7,220 yen)

NAV per Unit 320,060 yen

Period-on-period increase in NAV per unit for 9 consecutive fiscal periods since Jun. '13

Period-on-period comparison **+13,868 yen / +4.5 %**



With plans for the 32nd fiscal period ended Dec. 2017 in steady progress, JPR continued to achieve stable growth by reinforcing its resilience to changes in the external environment

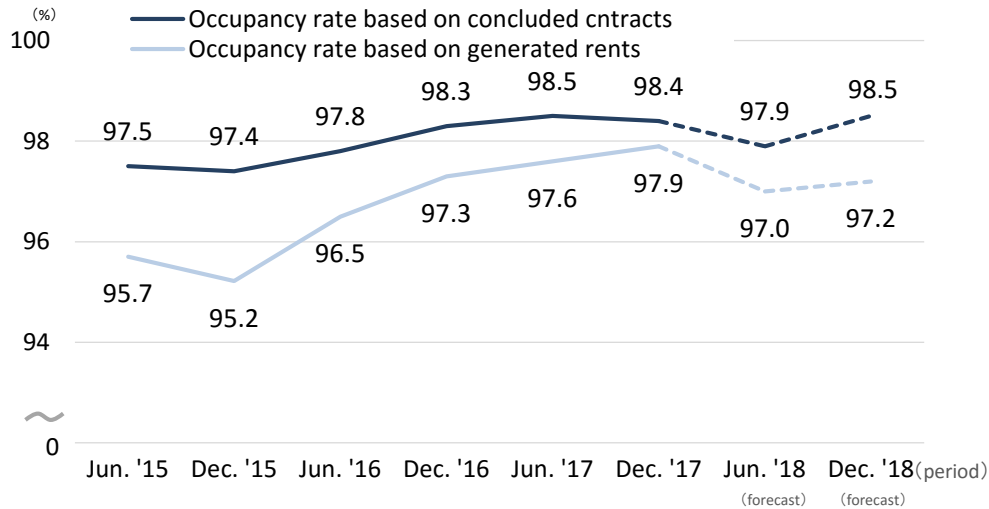
Placed emphasis on “continuation of contract renewals with upward revision of rents,” “measures to increase NOI,” “continuous external growth” and “stable fund procurement”

	Internal Growth Strategy	External Growth Strategy	Financial Strategy
Business environment perception	<ul style="list-style-type: none"> Needs to expand office space in the same building and relocate for larger space remain strong, given the strong employment conditions Leasing of large-scale office properties scheduled for completion by 2019 in Central Tokyo appears to be progressing steadily With vacancy rates on a downward trend nationwide, rents are also showing an upward trend Costs of holding properties are projected to increase in accordance with the revaluation of fixed assets for fiscal 2018 	<ul style="list-style-type: none"> Real estate prices in Central Tokyo have mostly reached the upper limit Properties in regional cities are also hard to acquire at appropriate prices, with their cap rates dropping further 	<ul style="list-style-type: none"> The Bank of Japan (BOJ) continues its monetary easing measures amid continuous cutbacks of monetary easing schemes in the U.S. and Europe Long-term yields remain stable under the yield curve control measures by the BOJ Caution must be taken as to the future course of monetary policy and yield trends
Results	<p>Progress was made in internal growth mostly as planned</p> <ul style="list-style-type: none"> Occupancy rate based on conclude contracts 98.4% (previous period 98.5%) Upward revision upon contract renewal (monthly rent, net) +6.1 million yen Raising of rents upon tenant replacement (monthly rent, net) +2.7 million yen Steady progress was made in leasing of spaces scheduled to be vacated in the 33rd fiscal period (Jun. '18) by contract cancellations 	<ul style="list-style-type: none"> Not much information was available in the for-sale real estate market on properties that suit JPR's acquisition criteria Despite collecting and investigating property information from the sponsors and through proprietary channels like close business connections, no acquisition was closed and completed 	<p>Further flattened lengthening the maturity of debts and reduced debt costs</p> <p>【Debt financing 32nd fiscal period (Dec. '18)】</p> <ul style="list-style-type: none"> Average maturity (Before refinancing) 5.2 years ⇒ (After refinancing) 7.9 years Average interest rate on borrowings (Before refinancing) 0.91% ⇒ (After refinancing) 0.61%
Outlook	<ul style="list-style-type: none"> The impact of mass supply in Central Tokyo is assumed to be limited, considering the situations of tenant diversification, rent levels, etc. Contract renewal with upward revision of rents is assumed to proceed steadily Endeavor to increase NOI through cost reduction and other measures in preparation for a possible future increase in management costs 	<ul style="list-style-type: none"> Continue vigorously selective investments in office properties in Tokyo and urban retail properties, with a focus on their location and quality. With the number of properties in the sponsors' pipelines steadily increasing, discussions on acquisition will be made after discerning the occupancy status, etc. of the properties Debt procurement capacity (Maximum LTV of 45%) approx. 35.8 billion yen 	<p>Continue to take measures in preparation for changes in the financial environment</p> <ul style="list-style-type: none"> Focus on refinances with an emphasis on flattening of repayment amount of each fiscal period and lengthening the maturity of debts Expand the scope of financial institutions to deal with Enhance refinance risk tolerance by expanding liquidity on hand and other measures

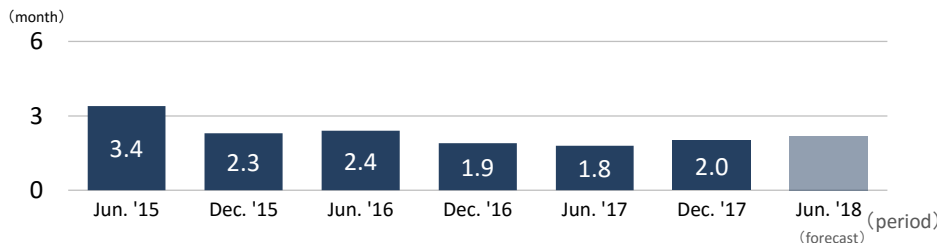
Occupancy rate remains stable at a high level due to strong demand for office spaces

Occupancy Rate

- Occupancy rate based on concluded contracts remained at the 98% level and occupancy rate based on generated rents stayed at the 97% level.
- Occupancy rate will drop temporarily in the 33rd fiscal period (Jun. '18) but is anticipated to pick up in the 34th fiscal period (Dec. '18) to the level of the 32nd fiscal period (Dec. '17) or higher



Average rent free period



1. Occupancy rate based on concluded contracts and occupancy rate based on generated rents represent period-average figures.
 2. The figures for the occupancy rate based on concluded contracts and the occupancy rate based on generated rents for the 33rd fiscal period (Jun. '18) are estimates that reflect consents regarding move-ins and move-outs that will become effective in the fiscal period. The respective figures for the 34th fiscal period (Dec. '18) are estimates based on assumptions by JPR regarding move-ins and move-outs becoming effective in the fiscal period.

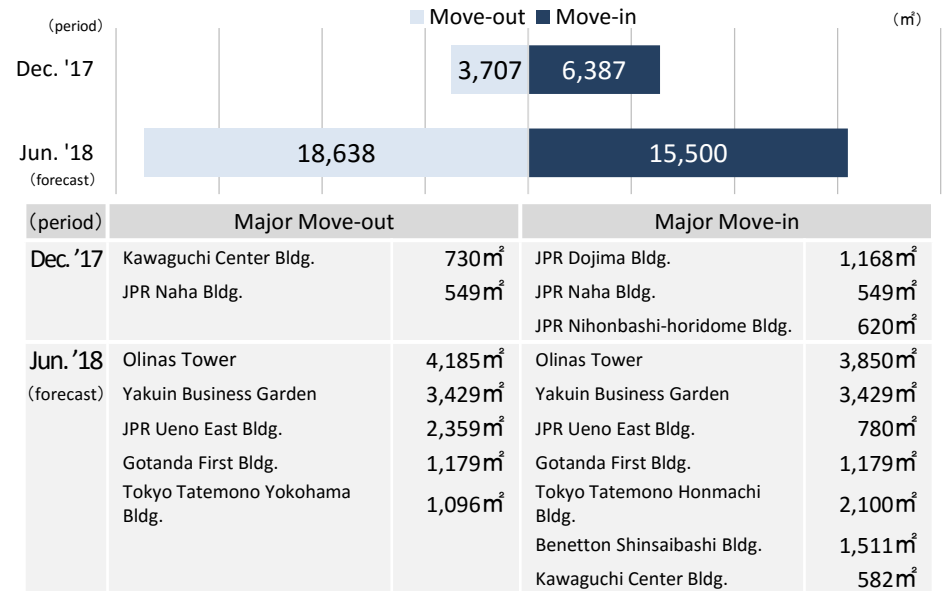
Move-Ins/Move-Outs

- The vacancies that arose at JPR properties in the 31st fiscal period (Jun. '17) have been almost fully leased up.
- Approx. 80% of the vacancies that arose at JPR properties in the 32nd fiscal period (Dec. '17) have already been either occupied or are under new lease contracts
- Move-outs will surpass 18,000m² in the 33rd fiscal period (Jun. '18) but the total vacant space is projected to remain at the same level as the 32nd fiscal period (Dec. '17) due to leasing up of the vacancies as soon as possible

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

End of Jun. '17 period	Dec. '17	Jun. '18	End of Jun. '18 period assumed vacancy space
Vacancy space	Move-in/move-out net space	Move-in/move-out net space	
9,465m ²	-2,680m ²	+3,138m ²	9,923m ²

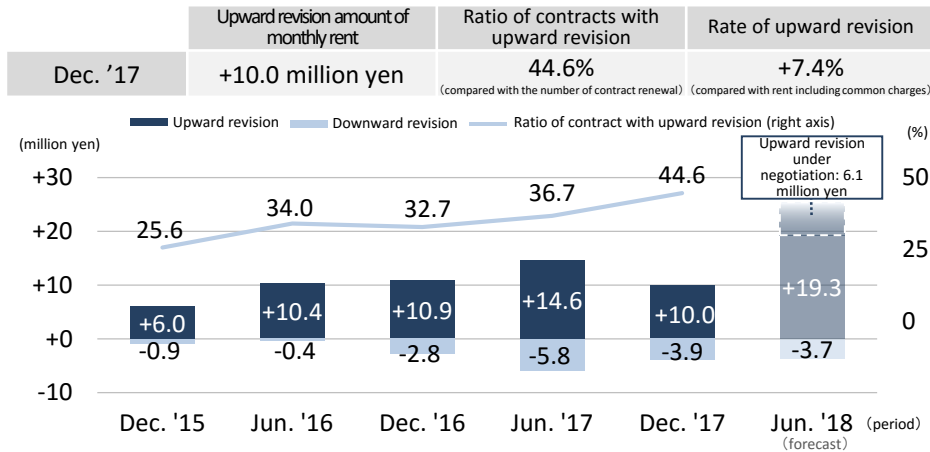
(Move-in/ move-out spaces and major move-in/move-out properties)



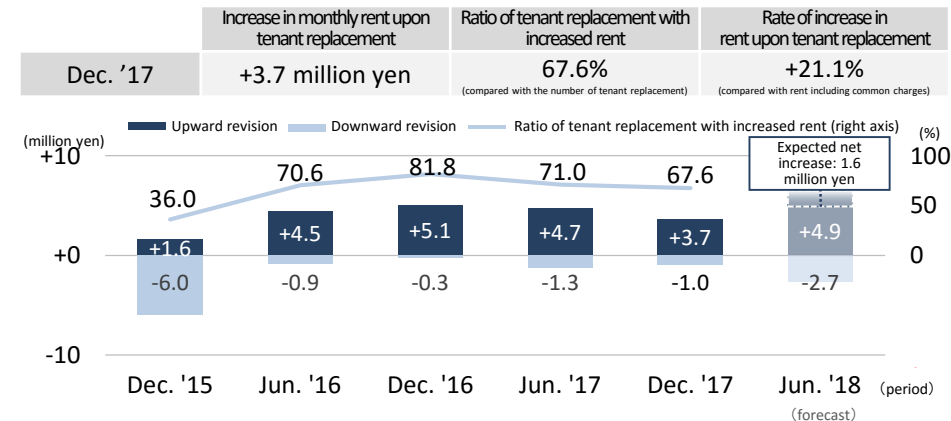
1. The move-in/move-out space in the 33rd fiscal period (Jun. '18) indicates the figure based on the lease contracts confirmed as of the date of this document.

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

Rent Revisions



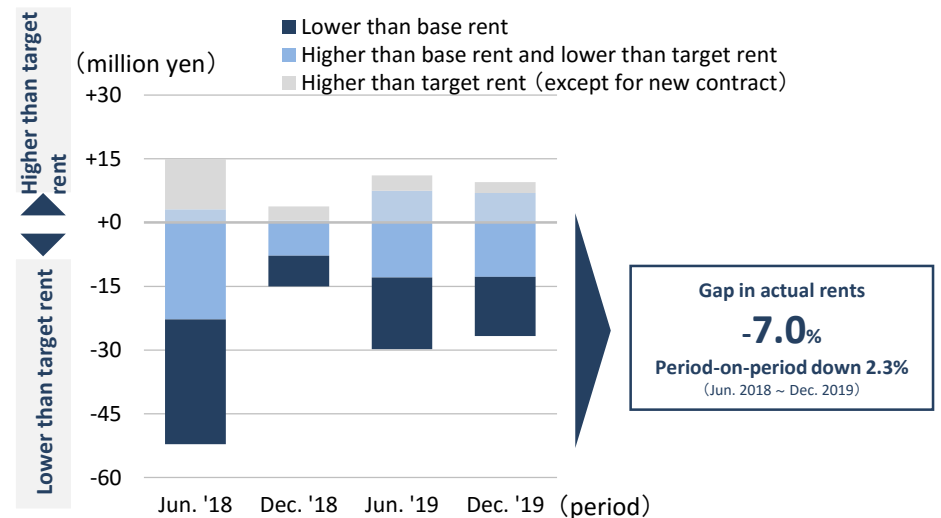
Rent upon Tenant Replacement (increase/decrease of rent through tenant replacement)



1. Revised amount of monthly rent indicates the sum total (including common charges) of monthly rent after revision minus monthly rent before revision upon contract renewal with rent revision in each fiscal period. For the revised amount of monthly rent for the 33rd fiscal period (Jun. '18), the amount of increase is an estimate based on consents regarding rents becoming effective in the fiscal period, and the amount of decrease is an estimate assumed for the rents becoming effective in the fiscal period.
2. Change amount in monthly rent upon tenant replacement indicates the sum total (including common charges) of monthly rent after tenant replacement minus monthly rent before tenant replacement in each fiscal period. The change amount of monthly rent upon tenant replacement for the 33rd fiscal period (Jun. '18) is an estimate based on consents regarding move-ins/move-outs and rents becoming effective in the fiscal period.

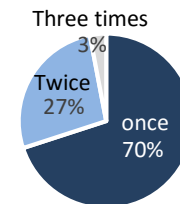
Status of Rent Levels by Fiscal Period with Contract Renewal (office properties)

- Gap in actual rents: difference between target rents and ongoing rents
- Target rent: the rent level JPR sets on its own in order to raise rents

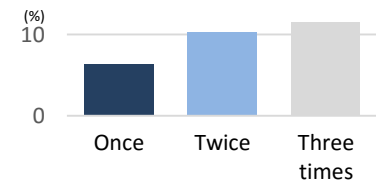


Status of Upward Rent Revision in Dec. '17

Ratio of cases with upward revision



Ratio of change in upward revision



1. Gap in actual rents refers to the ratio obtained by dividing the difference of monthly amount (or, of the difference of monthly amount after deducting the target rent from the ongoing rent for contracts to be renewed in the four fiscal periods through the 36th fiscal period ended Dec. 2019, the difference of monthly amount after deducting the rents higher than the target rent (excluding new contract rents) from the sum total of rents that are lower than the base rent and rents that are lower than the target rent but higher than the base rent) by the monthly rent that serves as the calculation base.
2. Base rent refers to the rent level (the lowest limit) TRIM sets for each fiscal period as the base for inviting new tenants and revising rents for existing tenants, primarily for office properties, and are set at roughly the same level as market rent.

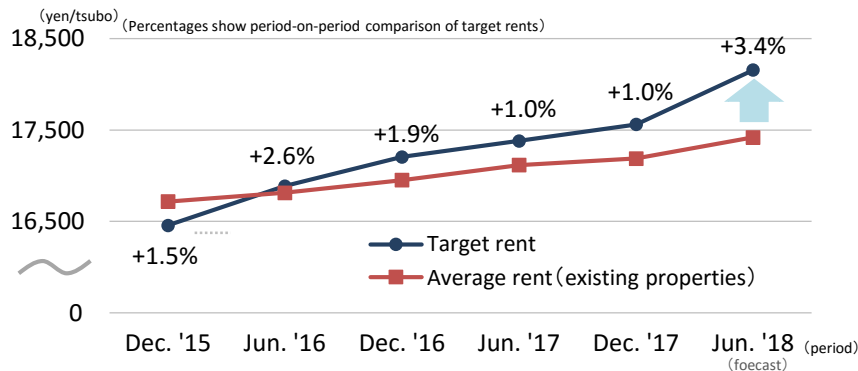
On top of measures to achieve continuous raising of rents, energetically endeavor to increase other revenues and reduce expenses

Basic Strategy

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

Target Rents

- Conduct rent revisions and leasing by pursuing the target rents
- Review the target rents each fiscal period to realize continuous raising of office rents



Initiatives for Increasing NOI

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

Subject properties	27 properties (Buildings fully owned by JPR)
Reductions in power charges (annual estimate)	Approx. 63 million yen
Rate of reductions (subject properties)	Down 9.7%

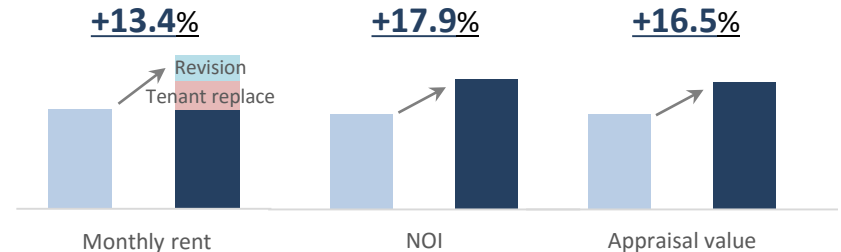
1. The reduction amount indicates the difference the past results of power use at the subject buildings and the estimated amount after switching power providers based on the past results.

[A case for increased NOI: Yakuin Business Garden]



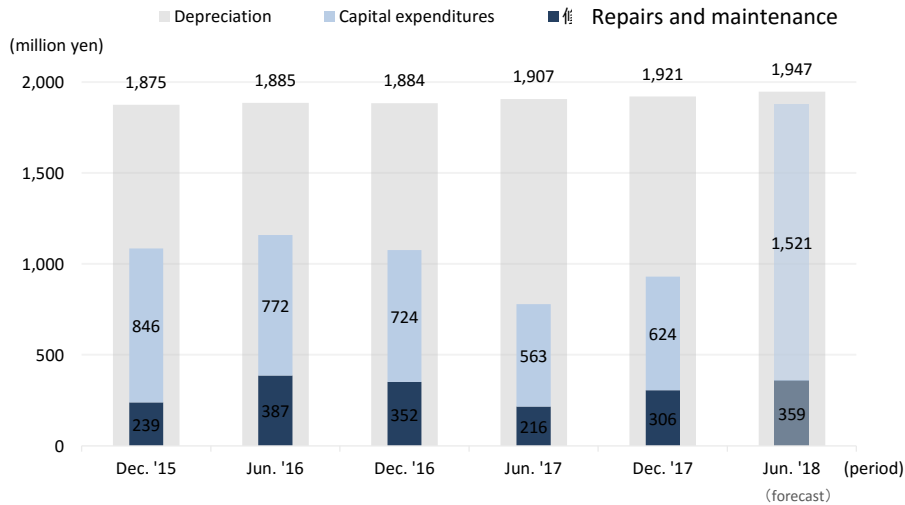
JPR Best Performance Award 2017

- Highly evaluated by tenants in terms of building management status, cleaning status and responses of staff in charge of facilities and cleaning
- Good communications kept with tenants, allowing prompt responses to their complaints, etc.
- These results of improved tenant satisfaction have led to filling of vacancies, which occurred after move-outs of large tenants, with expansion of leased floors within the same building as soon as possible and contract renewals with upward revision of rents, successfully increasing NOI



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

Changes in Construction Costs and Depreciation



Summary of Construction Works in the 32nd Fiscal Period (Dec. '17)

- Total construction costs **931 million yen**
- ⇒ Of which, works for value enhancement **301 million yen**
- ⇒ Of which, works to switch to LED lamp, etc. **156 million yen**

< Main construction >

- Kawaguchi Center Bldg. (AC etc./111 million yen)
- Olinas Tower (LED etc./87 million yen)
- BYGS Shinjuku Bldg. (LED etc./59 million yen)
- Benetton Shinsaibashi Bldg. (AC etc./92 million yen)
- Shinjuku Center Bldg. (AC·water supply and drainage, etc./73 million yen)

1. Repairs and maintenance expenses indicate the amount obtained by deducting the repairs and maintenance expenses equivalent to the expenses for restoration to original condition, paid by tenants, from the amount actually recorded for each fiscal period.
 2. RN, EV and AC represent "renovation," "work on elevators" and "work on air condition units", respectively.
 3. Each of the construction costs indicates the amount that includes construction management fees.

Example of construction works for value enhancement in the 32nd fiscal period: replacement with LED lamps at Olinas Tower



Replaced lighting equipment in exclusive and common-use areas with LED lamps in the 31st (Jun. '17) through 33rd (Jun. '18) fiscal periods, as an energy-saving measure and for enhancing tenant satisfaction

Reduction effect of power consumption - 52%

After: Refresh corner



After: Elevator hall



Construction works scheduled for the 33rd fiscal period (Jun. '18)

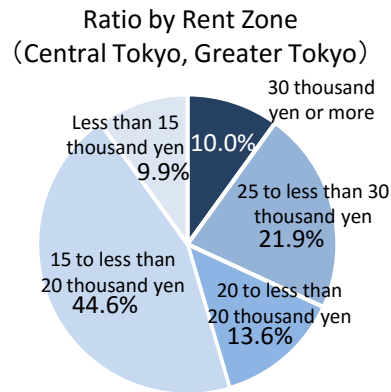
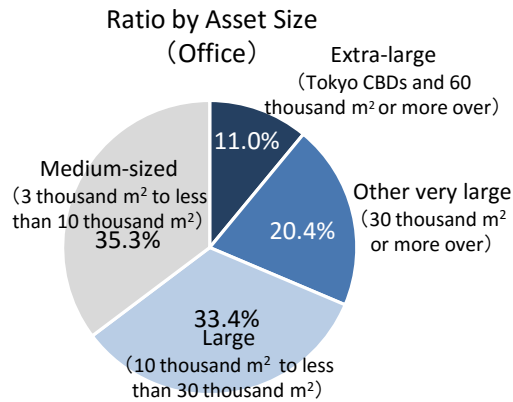
Large-scale renovations as well as replacement of air conditioning units and adoption of LED lamps are planned with an aim to maintain and enhance the value of owned properties provide spaces that satisfy tenants and other users

< Main construction >

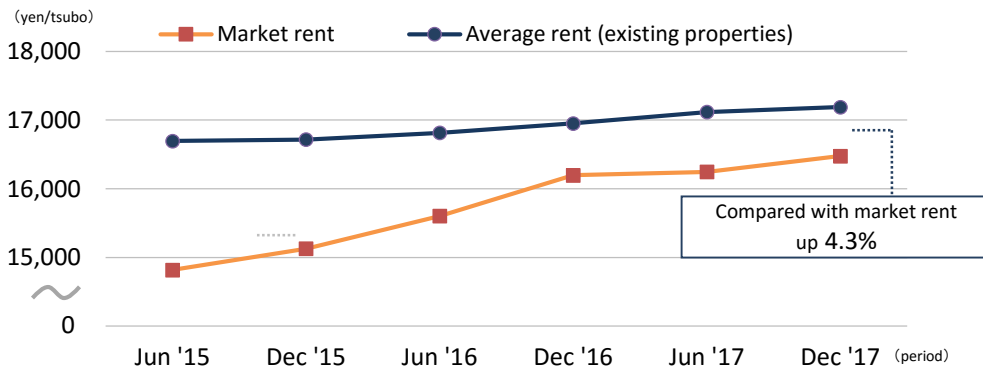
- Tokyo Tatemono Honmachi Bldg. (RN·AC etc./390 million yen)
- Benetton Shinsaibashi Bldg. (refurbishment, etc./154 million yen)
- Olinas Tower (LED/98 million yen)
- JPR Naha Bldg. (replacement of power generators/56 million yen)
- Kawaguchi Center Bldg. (AC etc./235 million yen)
- Tokyo Tatemono Yokohama Bldg. (RN·EV, etc./122 million yen)
- BYGS Shinjuku Bldg. (LED etc./88 million yen)
- JPR Umeda Loft Bldg. (RN etc./53 million yen)

A portfolio centering on large and medium-sized office properties secures JPR's superiority in the market

- Office supply has been centered on very large properties in Central Tokyo in recent years
- Properties owned by JPR exert their competitiveness in the large and medium-sized office property market through appropriate maintenance and control operations as well as management

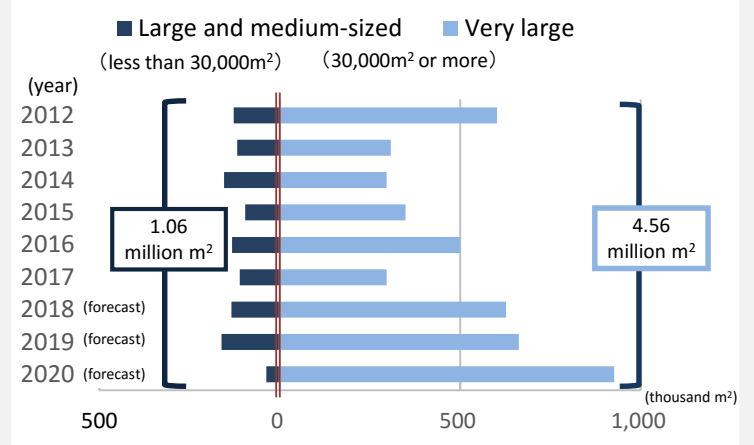


- Average rent of office properties owned by JPR has stayed higher than the market rent



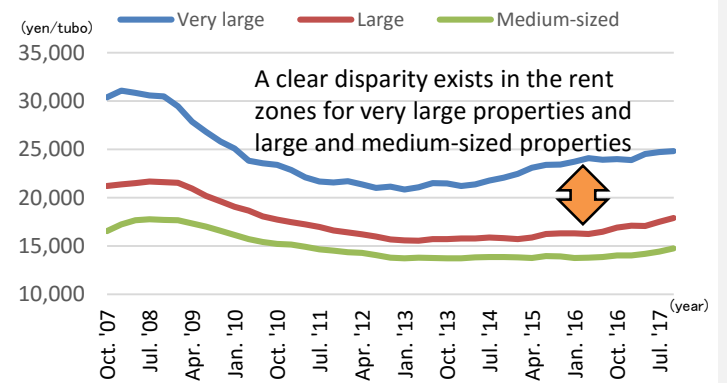
- Ratio by Size (Office properties) indicates the ratios based on the total leased space of office properties in each size category, which is classified by the total leasable space of an entire office property. Furthermore, The Otemachi Tower (Land with Leasehold Interest) is excluded from the calculation as it is a land property.
- Ratio of JPR office properties by rent level refers to the ratio of acquisition price, by average unit rent (including common charges) zone, against the total acquisition price of office properties JPR owns in Central Tokyo and Greater Tokyo.
- Existing properties represent the properties JPR has continuously owned since the 27th fiscal period (Jun. '15).
- Market rent represents the market rent level (medium value between the upper and lower limits), appraised by CBRE Japan K.K., for the office properties owned by JPR.

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



- Prepared by TRIM based on the Office Report (Tokyo CBDs) by Miki Shoji Co., Ltd.
- The figures indicate the sum total of the increase in leasable floor, caused by the supply of newly-built office properties, for each year.

Changes in the average rent of the 23 wards of Tokyo



- Prepared by TRIM based on the statistics data publicized by Sanko Estate Co., Ltd.
- For the Changes in the average rent of the 23 wards of Tokyo, very large, large and medium-sized properties refer to the properties with a standard floor space of at least 200 tsubos, between 100 and 200 tsubos, and between 50 and 100 tsubos, respectively.

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

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

Portfolio breakdown

Type	Urban type	Station-front type
Characteristics	Urban retail properties situated on prime locations in Tokyo and Osaka	Retail properties located in front of stations near Tokyo and in major regional cities
NOI yield	4.1%	6.0%

8 properties / 54.76 billion yen (asset size)



GINZA GATES

JPR Chayamachi Bldg.

JPR Shibuya Tower Records Bldg.

Yurakucho Ekimae Bldg. (Yurakucho Itocia)

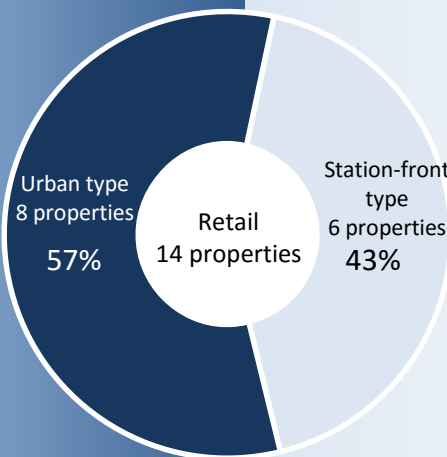


JPR Jingumae 432

Shinjuku Sanchome East Bldg.

FUNDES Suidobashi

JPR Umeda Loft Bldg.



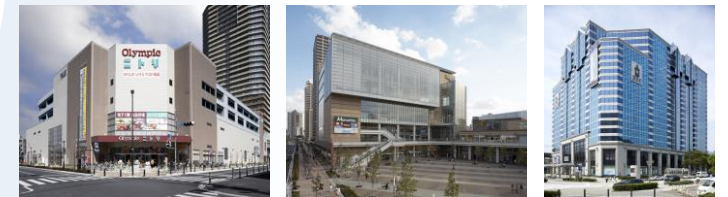
6 properties / 46.18 billion yen (asset size)



Tanashi ASTA

Kawasaki Dice Bldg.

JPR Musashikosugi Bldg.



Musashiurawa Shopping Square

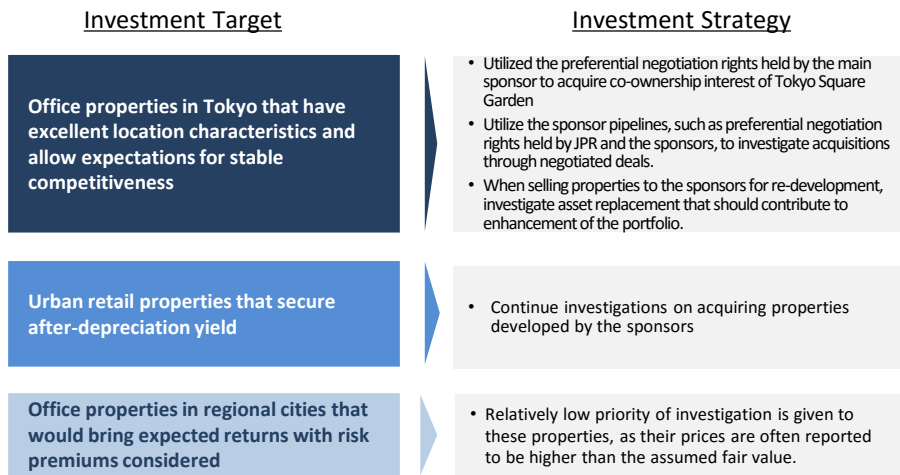
Cupo-la Main Bldg.

Housing Design Center Kobe

Utilize sponsor pipelines to conduct vigorously selective investments and asset replacement

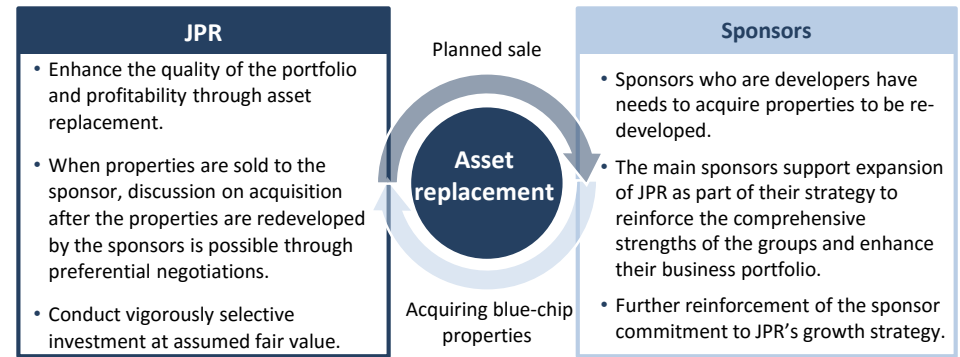
Implement external growth strategy with a focus on quality, by utilizing acquisition capacity through debt procurement

Utilizing the Preferential Negotiation Rights and the Main Sponsor of Pipelines



Continue External Growth by Utilizing Asset Replacement (Asset replacement policy)

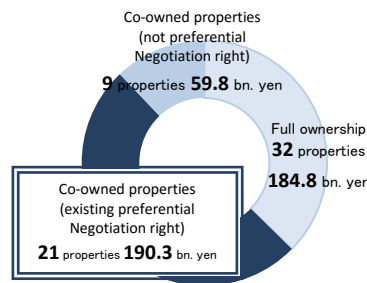
- Aim to build a strong and solid portfolio by systematically promoting asset replacement.



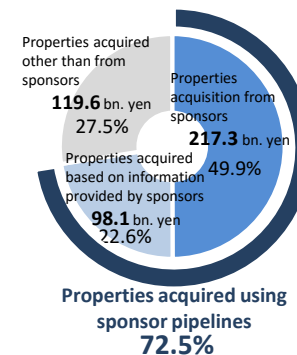
Major cases for property acquisitions utilizing preferential negotiation rights

Property name	Ownership ratio upon initial acquisition	Additional acquisitions	Current ownership ratio
Tokyo Square Garden	—	—	8.22%
Shinjuku Square Tower	38.9%	+23.7% ⇒ +4.7%	67.4%
Shibadaimon Center Bldg.	52.8%	+12.6%	65.4%
Shinyokohama 2nd Center Bldg.	50.0%	+50.0%	100%
BYGS Shinjuku Bldg.	25.0%	+50.0% ⇒ +25.0%	100%

(Ratio of Co-Owned Properties, Etc.)



(Ratio of Properties by Property Acquisition Channel)



(Top 5 properties)

	Properties name	Bn. Yen
1	The Otemachi Tower (land leasehold interest)	36.0
2	Olinas Tower	31.3
3	Shinjuku Center Bldg.	21.0
4	Tokyo Square Garden	18.4
5	Kanematsu Bldg.	16.2

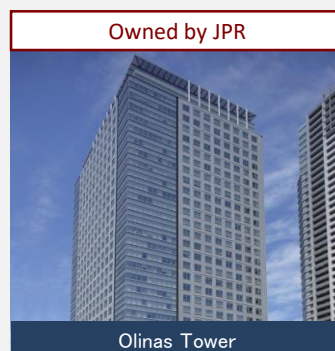
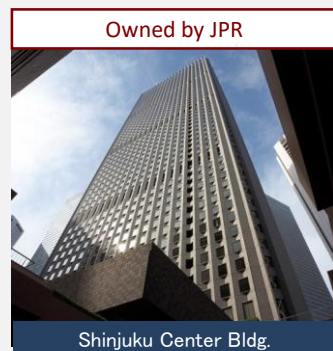
JPR's top 5 properties were either acquired through sponsor pipelines or developed by sponsors

1. JPR acquired Tokyo Square Garden by utilizing the preferential negotiation rights of Tokyo Tatemono, while acquiring the other properties in the above table by utilizing its own preferential negotiation rights.

Urban development business of the main sponsor

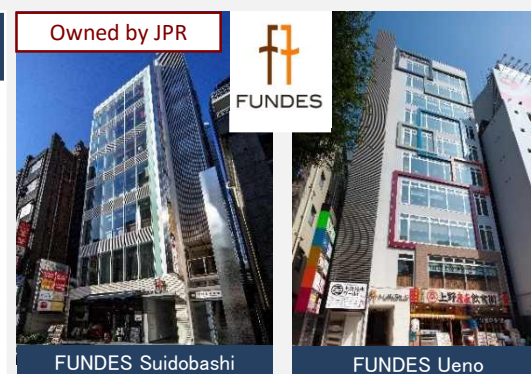
Examples of development projects by Tokyo Tatemono Co., Ltd.

Large-scale redevelopment projects



Urban compact retail properties (FUNDES series)

Property name	Urban compact retail properties
FUNDES Suidobashi (Owned by JPR)	July 2015
FUNDES Jinbocho	November 2016
FUNDES Ueno	July 2017
(Name to be determined)Tenjin	July 2018
FUNDES Gotanda	July 2019
FUNDES Ginza	October 2019



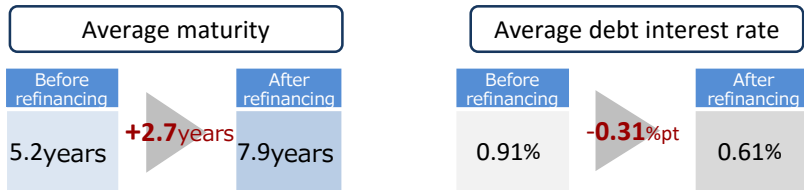
Urban hotels

Hotel name	No. guestroom	Completion/planned completion
Candeo Hotels Tokyo Roppongi	149	September 2017
The Square Hotel Ginza	182	August 2018
(Tentative name) Hotel Gracery Asakusa	125	September 2018
(Tentative name) The b Osaka Shinsaibashi	309	February 2019
(Tentative name) Candeo Hotels Omiya	321	June 2019
(Name to be determined) Kyoto Shijo	Unfixed	Summer 2020
(Name to be determined)Kyoto Sanjo	Unfixed	Unfixed



Flatten repayment amount for each fiscal period and reduce debt costs

Debt Procurement Results in the 32nd Fiscal Period (Dec. '17)



Financial Indicators and Credit Rating Status

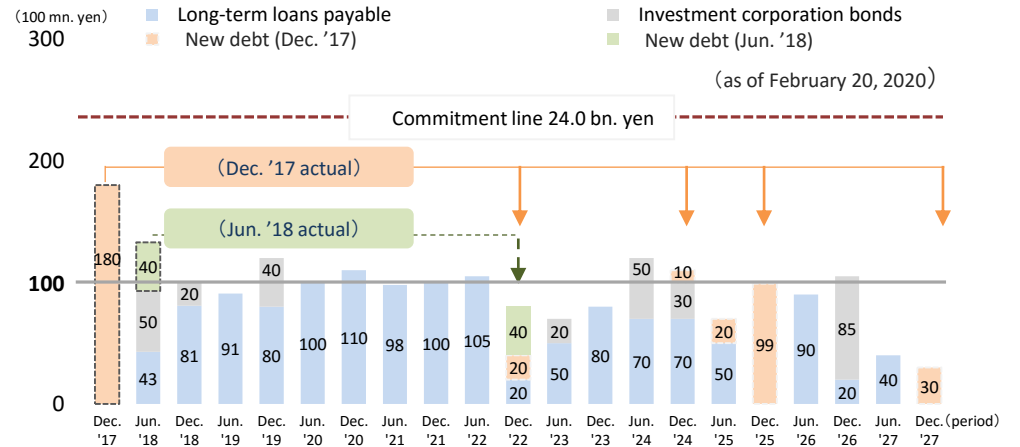
(Status of Borrowings by Fiscal Period)	Jun. 2017	Dec. 2017	Change
New debt	19.0 bn. yen	17.9 bn. yen	-1.1 bn. Yen
Average maturity (change)	4.4 years (-0.6 years)	7.9 years (+2.7 years)	+3.5 years
Average borrowing interest rate (change)	0.37% (-0.72%pt)	0.61% (-0.31%pt)	+0.24%pt

(Status of entire interest-bearing debts)	Jun. 2017	Dec. 2017	Change
Total interest-bearing debts	181.3 bn. yen	181.2 bn. yen	-0.1 bn. yen
Average maturity	4.3 years	4.6 years	+0.3 years
Average debt cost	1.03%	0.96%	-0.07%pt
Ratio of long-term, fixed interest rate debts	100%	100%	±0%pt

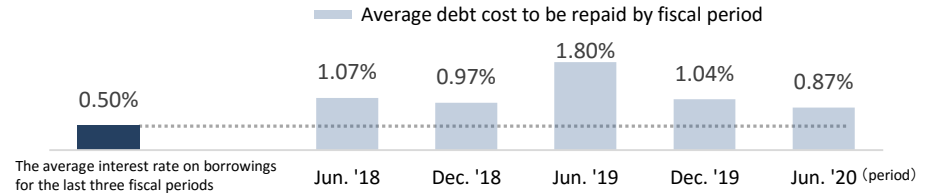
(LTV)	Jun. 2017	Dec. 2017	Change
LTV (based on total assets)	40.7%	40.6%	-0.1%pt
Acquisition capacity (maximum LTV of 45%)	35.1 bn. yen	35.8 bn. yen	+0.6 bn. yen

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

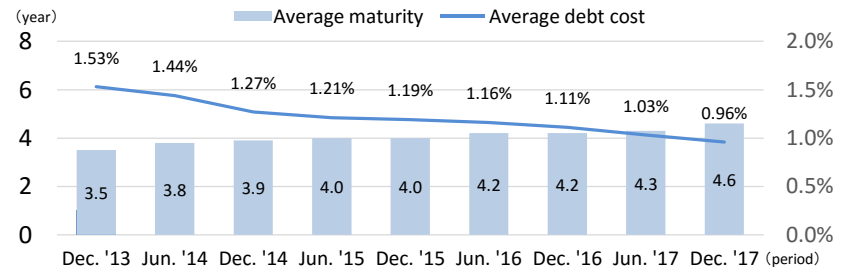
Lengthening of Maturity and Flattening of Repayment Amount for Each Fiscal Period to Around 10 Billion Yen



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



Average Maturity and Average Debt Cost

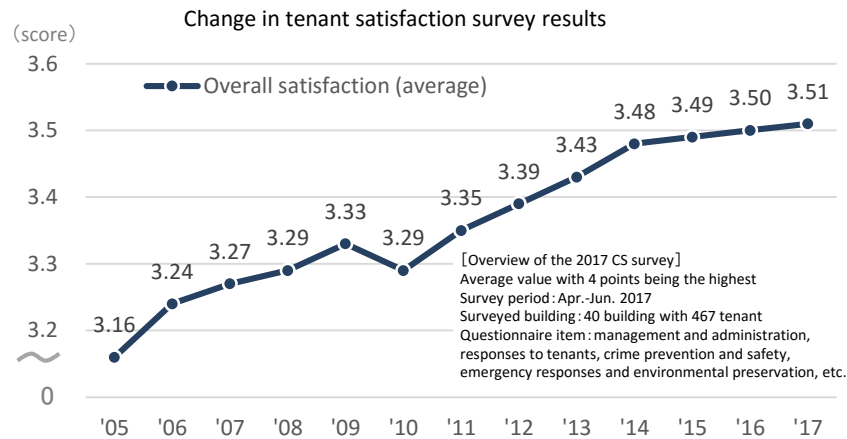


Initiatives for Enhancement of Tenant Satisfaction

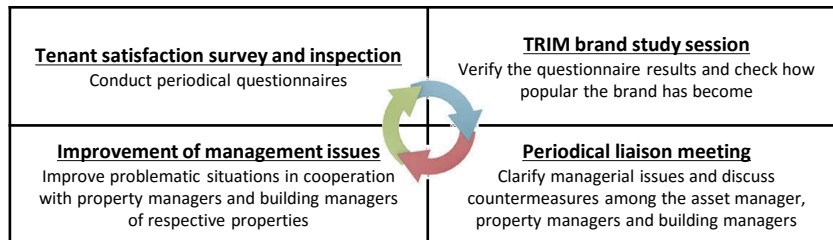
Initiatives on Behalf of Tenants

Periodical Tenant Satisfaction Surveys

- Questionnaires are periodically conducted to check the tenant service levels by each property
- The survey results are used to respond to tenants' requests as promptly as possible, in an effort to improve any problematic situation
- Surveys are assigned to a third-party think tank to ensure that respondents can make a fair evaluation



Inspection Flow Chart for CS



Enhancement of Tenant Services

Coordination with Property Managers and Building Managers

- Building management companies with excellent management levels are recognized and honored as a model for other properties
- Tenant satisfaction is set as the criteria for the honor, providing incentives to enhance satisfaction
- Excellent initiatives at honored properties are shared with the staff for other properties to raise the level of the entire portfolio

JPR Best Performance Award 2017: Yakuin Business Garden



- Good communications are maintained by prompt responses to tenants and other measures
- Expansion of leased floors within the building has kept the property at high occupancy even after move-outs by large tenants
- Tenants give high evaluation for the responses of the staff in charge of facilities and cleaning
- Steady building management activities on a daily basis make great contributions to increased earnings of the portfolio

Social Contributions and Securing BCP

Initiatives of JPR Sendagaya Bldg.

On-site sales of snacks and sweets were conducted by Palette, a non-profit organization. The event, arranged by way of Daikyo Incorporated which is a tenant of the property, was intended to support social participation and independence of handicapped people through sales of snacks and sweets.



Earthquake Drills/Distribution of Anti-Disaster Goods

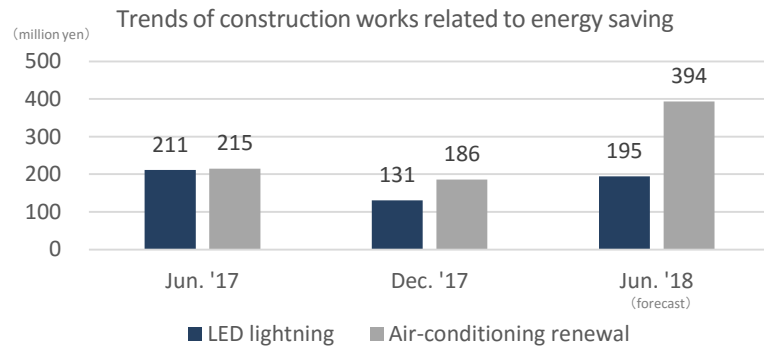
- Drills to cope with earthquake disasters are periodically conducted, assuming an earthquake that directly hits the Greater Tokyo area
- Anti-disaster goods are distributed to tenants to let them prepare for and learn about disasters



Reinforcing Continuous Improvement Initiatives on Environmental Issues

Construction Works for Reducing Environmental Load

Systematically implement refurbishment to highly energy-efficient facilities



Solar Power Generation

Utilize renewable energy by solar power generation

Solar power generation (kWh)

Property name	2016	2017
Olinas Tower	8,483	9,082
Tokyo Square Garden	53,152	55,386



Tokyo Square Garden (roof)



Olinas Tower (solar panel)

GRESB

Acquisition of “Green Star,” the highest ranking, for four consecutive years

- JPR has been granted “Green Star,” the highest ranking of assessment, for four consecutive years
- JPR was granted a higher rank of “4 Stars” in the GRESB Rating, which makes relative assessment based on total scores
- JPR was assessed as level B, the second highest, in the GRESB Public Disclosure (measuring the level of ESG disclosure)



DBJ Green Building

17 properties in total have been certified, representing 28.2% of the portfolio based on leasable floor space

Tokyo Square Garden was granted a 5-star assessment in July 2017

- Recognition was given to efforts concerning energy saving such as installation of LED lighting both in the common and exclusive areas
- Recognition was given to efforts concerning disaster prevention such as installation of an emergency power generator
- Recognition was given to heat island countermeasures such as large-scale greening



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

JPR's Corporate Governance

JPR's decision-making organs

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

Criteria for appointing investment corporation officers and remuneration

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

Position	Name	Other Current Assignments	Fee (Dec '17) (thousand yen)	Owned units
Executive Officer	Satoshi Okubo	Tokyo Realty Investment Management Inc. Director	2,400	1
	Hirohito Kaneko	Representative Counsel, Hirohito Kaneko Law Office		—
Supervising Officer	Masato Denawa	Partner Attorney, Spring Partners	4,200	—
	Nobuhisa Kusanagi	Gyosei Certified Public Tax Accountants' Co. Group Representative Partner		—
Independent Auditor	Ernst & Young ShinNihon LLC	—	13,000	—

Remuneration System of the Asset Manager

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

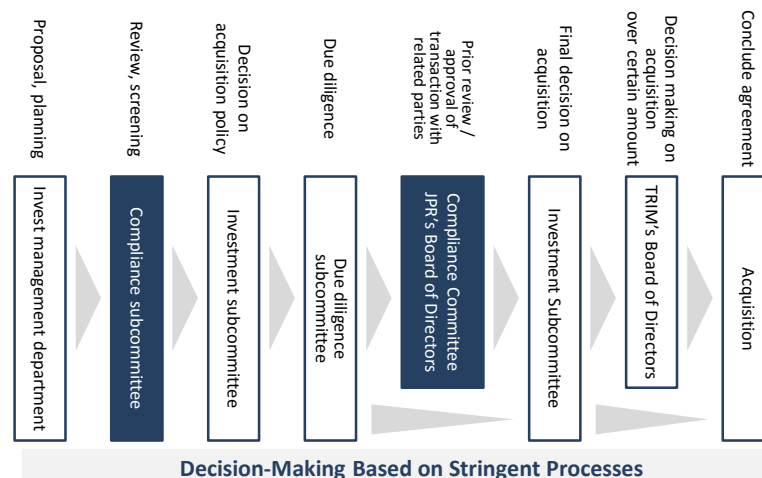
Item	Calculation of Compensation	Remuneration (Dec. '17) (million yen)	Share
Fixed fee	12.5 million yen per month	75	13.7%
Incentive Fee 1	2% of JPR's total revenue (1.5% for 8 billion yen or higher)	267	48.7%
Incentive Fee 2	3% of JPR's income before income taxes (income before income taxes before deducting Incentive Fee 2)	206	37.6%
Incentive Fee 3	0.25% of the acquisition price upon new acquisition	—	—

TRIM's Corporate Governance

Decision-making process for property acquisitions

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

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



Decision-making based on stringent processes

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

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

1. Satoshi Okubo was newly appointed as Executive Officer at the 11th General Meeting of Unitholders held on September 5, 2017 and took office on September 15, 2017. Hirohito Kaneko, former Executive Officer, retired from office on September 14, 2017 due to expiration of the term of office.

Results of the 32nd fiscal period ended December 2017

DPU:7,223 yen (up10 yen, period-on-period)

On top of the properties acquired in the 31st fiscal period operating for the entire fiscal period, rent revenue from existing properties continued to increase period-on-period. Reduction of financial costs also contributed to achieving a period-on-period increase in cash distributions for the 8th consecutive fiscal period.

Item		31st Period (Jun. 30, 2017)	32nd Period (Dec. 31, 2017)	Change
Revenue and profit (million yen)	Operating revenue	15,118	15,141	+23
	(Of which, gain on sale of properties)	(210)	-	(-210)
	Operating expenses	7,370	7,572	+202
	Operating income	7,747	7,569	-178
	Non-operating income	96	8	-88
	Non-operating expenses	976	910	-65
	Ordinary income	6,868	6,666	-201
	Net income	6,867	6,665	-201
Rserve (million yen)	Transferred from reserve	210	-	-210
DPU (yen)	(per unit)	7,213	7,223	+10
Operating indicators (million yen)	NOI	10,216	10,252	+36
	NOI yield (book value)	5.0%	4.9%	-0.1%pt
	Rental income - real estate	8,308	8,331	+22
	After-depreciation yield (book value)	4.1%	4.0%	-0.1%pt
	Depreciation	1,907	1,921	+13
	Capital expenditures	563	624	+61
	Repairs and maintenance	246	329	+83
	Average occupancy rate	98.5%	98.4%	-0.1%pt
Period-end occupancy rate	98.0%	98.5%	+0.5%pt	

Number of units outstanding (units)	923,000	923,000	-
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Major Factors of Period-on-Period Changes

		(JPY mn)
Net income	-201	
		* Impacts on net income indicated by plus and minus
Rental income	+22	
	<u>Increase in rent revenue (existing properties)</u>	+68
	<u>Contribution in rent revenue (properties acquired in 31st period (Jun. '17))</u>	+156
	<u>Lack of rent revenue (properties sold in 31st period (Jun. '17))</u>	-93
	Decrease in incidental income	+106
	Increase in Increase in utilities expense	-108
	(Reference) Deterioration in the balance of utilities (incidental income - utilities expense)	-1
	Increase in outsourcing fees	-22
	<u>Increase in repairs and maintenance utilities expenses</u>	-83
<u>Gain or loss on sale of properties</u>	-210	
	(Lack of gain on sale of properties in 31st period (Jun. '17))	
Nonoperating income	-22	
	<u>Lack of settlement on management association accounts</u>	-84
	<u>Decrease in interest expense on loans and investment corporation bonds</u>	+44

1. With regard to the gain on sale of real estate for the 31st fiscal period (Jun. '17), JPR recorded 210 million yen as reserve for reduction entry, applying the Special Measures in Case Land or Other Property is Acquired in Advance in 2009 or 2010 (Article 66-2 of the Act on Special Measures Concerning Taxation).

Results of the 32nd fiscal period ended December 2017

DPU compared with the forecast at beginning of period: up 3 yen

Despite negatively impacted by an increase in utilities expenses and other expenses, DPU eventually reached the level surpassing the forecast at beginning of period due to such factors as an increase in cancellation penalty and a reduction in financial costs

Item		32nd Period (Forecast)	32nd Period (Result)	Change
Revenue and profit (million yen)	Operating revenue	15,073	15,141	+68
	Operating expenses	7,494	7,572	+77
	Operating income	7,578	7,569	-9
	Non-operating income	4	8	+3
	Non-operating expenses	917	910	-6
	Ordinary income	6,664	6,666	+1
	Net income	6,664	6,665	+1
DPU (yen)		7,220	7,223	+3
Operating indicators (million yen)	NOI	10,271	10,252	-19
	NOI yield (book value)	4.9%	4.9%	-0.0%pt
	Rental income - real estate	8,346	8,331	-14
	After-depreciation yield (book value)	4.0%	4.0%	-0.0%pt
	Depreciation	1,925	1,921	-4
	Capital expenditures	911	624	-286
	Repairs and maintenance	278	329	+51
	Average occupancy rate	98.2%	98.4%	+0.2%pt
	Period-end occupancy rate	97.9%	98.5%	+0.6%pt
Number of units outstanding (units)	923,000	923,000	-	

Major Factors of Changes from Forecasts

		(JPY mn)
Net income	+1	* Impacts on net income indicated by plus and minus
Rental income	-14	
	Increase in rent revenue	+3
	<u>Increase in cancellation penalty, etc. and income equivalent to expense for restoration to original condition</u>	+54
	Increase in incidental income	+2
	<u>Increase in utilities expense</u>	-36
	<u>(Reference) Deterioration in the balance of utilities (incidental income - utilities expense)</u>	-33
	<u>Increase in repairs and maintenance utilities expenses</u>	-51
Nonoperating income	+10	
	<u>Decrease in interest expense on loans and investment corporation bonds</u>	+5

1. Forecasts of financial results for the 32nd fiscal period ended December 2017 are the figures announced on August 14, 2017, based on the following assumptions.
Investment properties owned: Total 62 properties (the properties owned at end of the 31st period ended June 2017)
Average occupancy rate: 98.2%(an estimate that reflect consents regarding move-ins and move-outs that will become effective in the fiscal period)
LTV (based on total assets): 40.6% (end of 32nd period (Dec. '17))

Forecast of the 33rd fiscal period ending June 2018

DPU: 7,220 yen (down 3 yen from 32nd period (Dec. '17) actual results)

Rent revenue will continue to increase period-on-period, although an increase in such expenses as property taxes is projected, DPU is expected to be almost at the same level as the 32nd fiscal period (Dec. '17) due to recording of non-operating income

Item		32nd Period (Result) (Dec. 31, 2017)	33rd Period (Forecast) (Jun. 30, 2018)	Change
Revenue and profit (million yen)	Operating revenue	15,141	15,085	-56
	Operating expenses	7,572	7,757	+185
	Operating income	7,569	7,327	-241
	Non-operating income	8	213	+205
	Non-operating expenses	910	877	-33
	Ordinary income	6,666	6,664	-1
	Net income	6,665	6,664	-1
DPU (yen)	(per unit)	7,223	7,220	-3
Operating indicators (million yen)	NOI	10,252	10,028	-224
	NOI yield (book value)	4.9%	4.9%	-0.0%pt
	Rental income - real estate	8,331	8,080	-250
	After-depreciation yield(book value)	4.0%	4.0%	-0.1%pt
	Depreciation	1,921	1,947	+26
	Capital expenditures	624	1,521	+896
	Repairs and maintenance	329	373	+43
	Average occupancy rate	98.4%	97.9%	-0.5%pt
	Period-end occupancy rate	98.5%	97.9%	-0.6%pt
Number of units outstanding (units)		923,000	923,000	-

Major Factors of Period-on-Period Changes

(JPY mn)

Net income	-1	* Impacts on net income indicated by plus and minus
Rental income	-250	
<u>Increase in rent revenue</u>	<u>+81</u>	
<u>Decrease in cancellation penalty, etc. and income equivalent to expense for restoration to original condition</u>	<u>-42</u>	
Decrease in incidental income	-90	
Decrease in utilities expense	+104	
(Reference) Improvement in the balance of utilities expenses (incidental income expenses - utilities expenses)	+14	
<u>Increase in property and other taxes (property and planning taxes)</u>	<u>-164</u>	
<u>Increase in repairs and maintenance utilities expenses</u>	<u>-43</u>	
Increase in depreciation	-26	
<u>Increase in brokerage fee</u>	<u>-45</u>	
Increase in management fees (including compensation for upward revision rents)	-15	
Nonoperating income	+239	
<u>Appropriation of settlement on management association accounts</u>	<u>+208</u>	
<u>Decrease in interest expense on loans and investment corporation bonds</u>	<u>+28</u>	

1. Forecasts of financial results for the 33rd fiscal period ending June 2018 based in the following assumption.

Investment properties owned: Total 62 properties (end of the 32nd period (Dec. '17))

Average occupancy rate : 97.9% (an estimate that reflect consents regarding move-ins and move-outs that will become effective in the fiscal period)

LTV (based on total assets) : 40.6% (end of 33rd period (Jun. '18))

Forecast of the 34th fiscal period ending December 2018

Rental income – real estate, etc.: +220 million yen (compared with the 33rd period (Jun. '18))

With upward revision of rents and leasing up of vacancies making a steady progress, rent revenue is projected to show a significant period-on-period increase

Aim to further increase income by filling the lack of non-operating income to be recorded in the 33rd fiscal period (Jun. '18)

Item		33rd Period (Forecast) (Jun. 30, 2018)	34th Period (Forecast) (Dec. 31, 2018)	Change
Revenue and profit (million yen)	Rental revenue-real estate (a)	15,085	15,376	+291
	Expenses related to rent business (b)	7,005	7,076	+70
	Gain on sale of properties	-	-	-
	Loss on sale of properties	-	-	-
	Rental income-real estate, etc.	8,080	8,300	+220
Operating indicators (million yen)	NOI	10,028	10,261	+232
	NOI yield (book value)	4.9%	4.9%	+0.0%pt
	Rental income-real estate (a-b)	8,080	8,300	+220
	After-depreciation yield (book value)	4.0%	4.0%	+0.1%pt
	Depreciation	1,947	1,960	+12
	Capital expenditures	1,521	1,633	+112
	Repairs and maintenance	373	417	+44
	Average occupancy rate	97.9%	98.5%	+0.6%pt
	Period-end occupancy rate	97.9%	98.9%	+1.0%pt

Major Factors of Period-on-Period Changes

Rental income – real estate, etc.		(JPY mn)
Rental income	+220	* Impacts on net income indicated by plus and minus
<u>Increase in rent revenue</u>	+220	+229
Lack of cancellation penalty, etc. and income equivalent to expense for restoration to original condition		-23
Increase in incidental income		+83
Increase in utilities expense		-71
(Reference) Improvement in the balance of utilities expenses (incidental income - utilities expense)		+12
<u>Increase in repairs and maintenance utilities expenses</u>		-44
Decrease in brokerage fee		+18

1. Rental income – real estate, etc. represents income obtained by adding or subtracting gain or loss on sale of real estate to or from rental income – real estate.

2. Forecasts of financial results for the 34th fiscal period ending December 2018 based on the following assumptions.

Investment properties owned: Total 62 properties (end of the 33rd period (Jun. '17))

Average occupancy rate: 98.9% (an estimate that reflects consents regarding move-ins and move-outs that will become effective in the fiscal period)

LTV (based on total assets): 40.6% (end of 34th period (Dec. '18))

Rental income – real estate for the 34th fiscal period ending December 2018 will decrease by 7 million yen from the 31st fiscal period (Jun. '17)

Rents and common charges are expected to increase period-on-period by 326 million yen

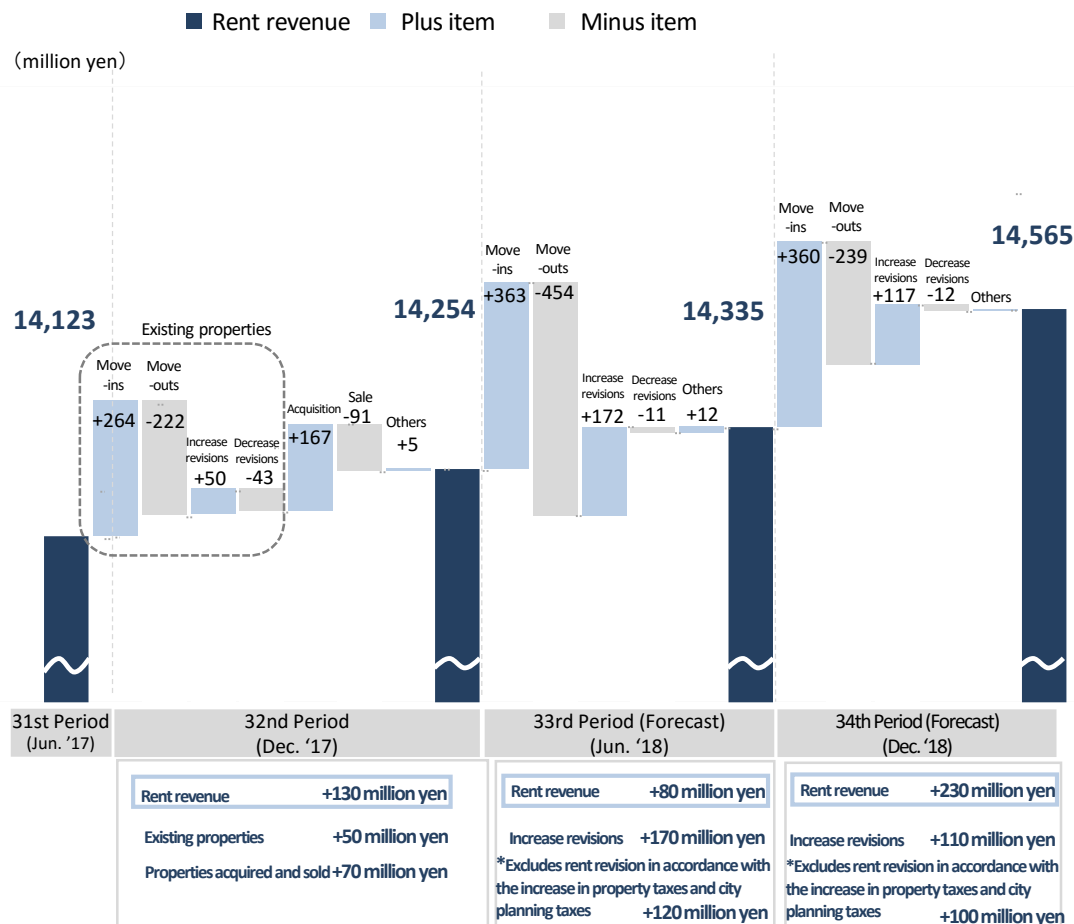
(up 264 million yen from existing properties (up 1.5% when annualized), up 61 million yen from the properties acquired and sold in the 31st fiscal period (Jun. '17))

Item	31st Period	32nd Period	33rd Period (Forecast)	34th Period (Forecast)	34th Period (compared with 31st period)	
	(Jun. 30, 2017)	(Dec. 31, 2017)	(Jun. 30, 2018)	(Dec. 31, 2017)	Change	%
Rental revenue - real estate	14,907	15,141	15,085	15,376	+469	+3.1
Rent revenue (fixed income)	14,123	14,254	14,335	14,565	+442	+3.1
Rents and common charges	12,149	12,275	12,297	12,475	+326	+2.7
Land rents	1,580	1,580	1,628	1,675	+94	+6.0
Other fixed income	393	398	410	414	+21	+5.4
Other rental revenue (variable income)	783	887	749	810	+26	+3.4
Incidental income	682	788	698	781	+99	+14.6
Cancellation penalty, etc.	31	35	-	-	-31	-100.0
Income equivalent to expenses for restoration to original condition	35	29	23	-	-35	-100.0
Other variable income	34	33	28	29	-5	-16.8
Expenses related to rent business (excluding depreciation)	4,691	4,889	5,057	5,115	+424	+9.0
Outsourcing fees	575	598	591	599	+23	+4.1
Utilities expenses	770	878	774	845	+75	+9.7
Property and other taxes	2,061	2,044	2,209	2,201	+140	+6.8
Insurance premiums	25	25	26	25	-0	-0.0
Repairs and maintenance	246	329	373	417	+171	+69.7
Property management fees	259	268	283	270	+10	+4.1
Management association accounts	578	584	568	562	-15	-2.7
Other expenses related to rent business	172	160	230	191	+19	+11.0
NOI	10,216	10,252	10,028	10,261	+45	+0.4
Depreciation	1,907	1,921	1,947	1,960	+52	+2.8
Expenses related to rent business	6,599	6,810	7,005	7,076	+476	+7.2
Rental income - real estate (a)	8,308	8,331	8,080	8,300	-7	-0.1
Gain or loss on sale of real estate (million yen)						
Gain on sale of real estate (b)	210	-	-	-	-210	-100.0
Loss on sale of real estate (c)	-	-	-	-	-	-
Rental income - real estate, etc. (million yen, a + b - c)	8,518	8,331	8,080	8,300	-218	-2.6

Rent revenue will increase by 80 million yen (from the 32nd fiscal period (Dec. '17)) for the 33rd fiscal period (Jun. '18) and by 230 million yen (from the 33rd fiscal period (Jun. '18)) for the 34th fiscal period (Dec. '18)

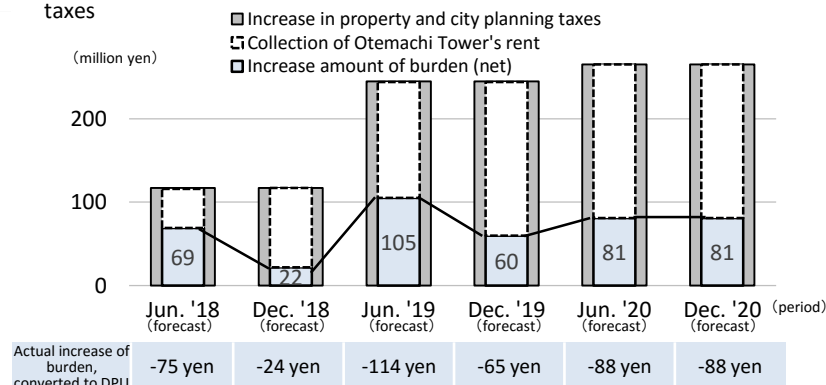
Property taxes and city planning taxes will increase significantly in accordance with the revaluation of fixed assets, while the balance of utilities expenses payment is expected to improve

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



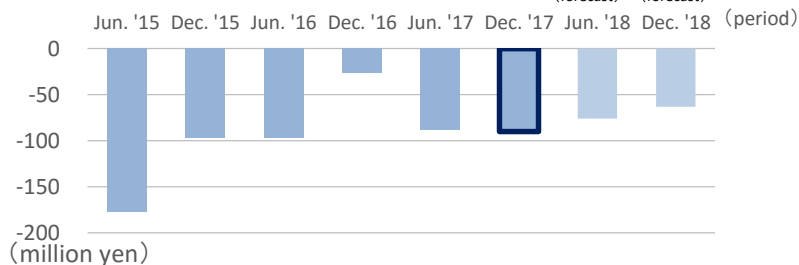
Property Taxes and City Planning Taxes Expected to Increase (from the 32nd fiscal period (Dec. '17))

- Property taxes and city planning taxes are projected to increase significantly in accordance with the revaluation of fixed assets in fiscal 2018
- Property taxes and city planning taxes for The Otemachi Tower will be collected by adding them on rents, starting three months after paying the taxes



Balance of Utilities Expenses (incidental income-utilities expense)

- The balance for the 32nd fiscal period (Dec. '17) worsened by 34 million yen from the 31st fiscal period (Jun. '17) forecast
- The balance is expected to improve in the 33rd fiscal period (Jun. '18) and thereafter due to cost reductions including switches of power providers

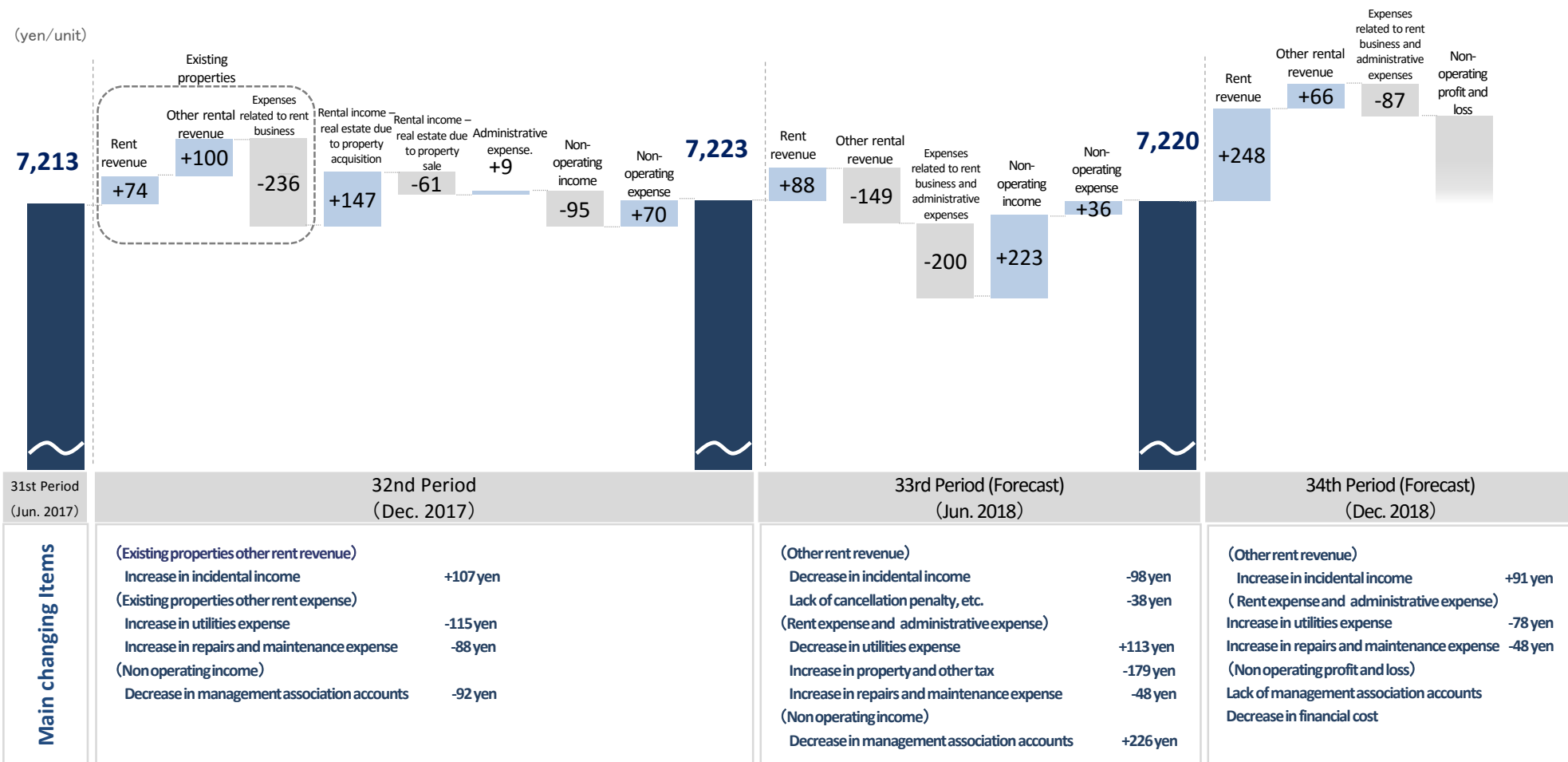


1. Balance of utilities expenses represents the amount obtained by simply deducting the utilities expenses for each fiscal period from incidental income for the period. Incidental income means revenues mainly from exclusive areas, while utilities expenses accrue mainly for exclusive and common areas, etc. Accordingly, the balance of utilities does not indicate the balance of incidental income and utilities expenses for exclusive areas.

DPU for the 33rd fiscal period (Jun. '18) is expected to remain almost at the same level with the 32nd fiscal period (Dec. '17), despite a significant increase in property taxes and city planning taxes and other factors
 Aim to increase DPU period-on-period for the 34th fiscal period (Dec. '18) by continuously increasing rents

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

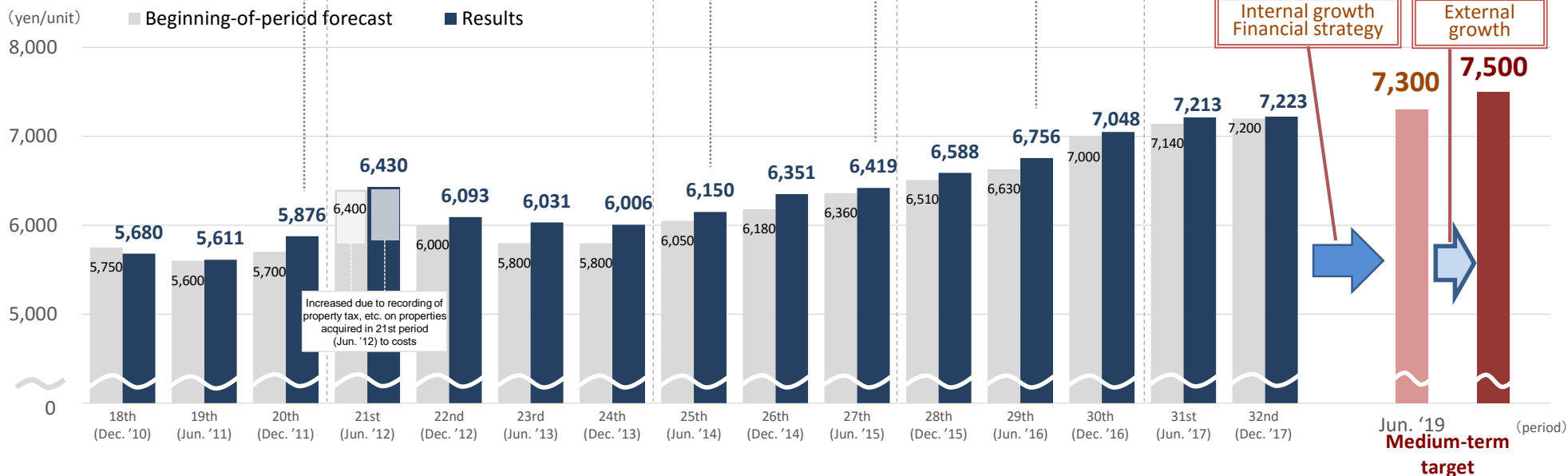
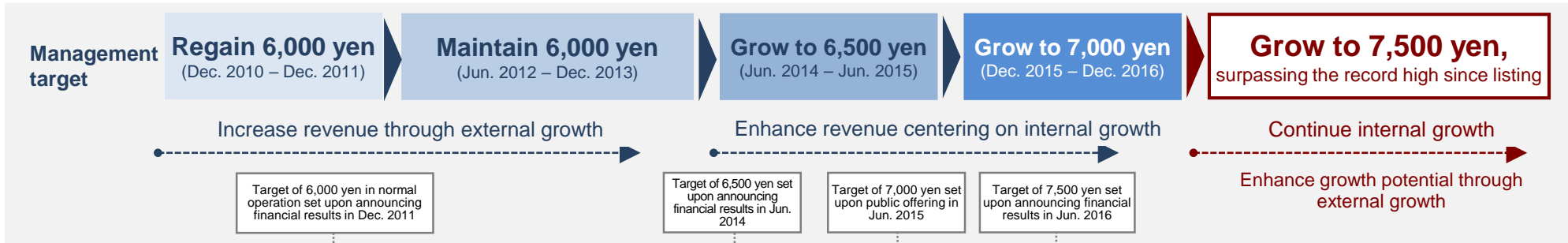
■ Distribution per unit ■ Plus item ■ Minus item



Realize Growth by Steadily Achieving Targets

Aim to achieve medium-term target by continuing stable growth centering on internal growth

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



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

Growth Scenarios for Achieving Medium-Term Target

Achieve the medium-term target by continuing internal growth, reducing debt costs and realizing external growth

Simulation for Achieving the Medium-Term Target (contribution amounts to distribution per unit) (Growth Scenario for Distribution per Unit)

Internal growth strategy

Amount of increase in rent revenue: **at least 100 yen as a target of 35th** (yen/unit)

(Assumptions for occupancy rate based on generated rents for office properties and rate of increase in rent revenue)

- Occupancy rate based on generated rents for office properties and rate (%): at least 97.0%
- rate of increase in rent revenue (%): at least up 0.4%

Rate of increase in rent revenue (%)	Occupancy rate based on generated rents for office properties and rate (%)						
	96.0	96.5	97.0	97.5	98.0	98.5	
+0.0	-105	-53	0	53	105	158	
+1.0	-4	49	102	156	209	262	
+2.0	97	151	205	259	312	366	
+3.0	199	253	307	361	416	470	

Financial strategy

Increase by reducing debt costs **at least 95 yen as a target of 35th** (yen/unit)

(Assumptions of debts costs through future refinancing)

- Average debt cost of repayments over three fiscal periods since the 33rd period (Jun. '18): 1.16%
- Average debt amount of repayments: about 32.3 billion yen (until 35th fiscal period ending Jun. 2019)
- Average debt cost with assumed refinance: 0.5%~0.9%
- Work to flatten repayment amount for each fiscal period while procuring funds focused on long-term debt in consideration of the recent interest rate trends

Debt cost (%)	Jun. '18~Jun. '19			
	Jun. '18	Dec. '18	Jun. '19	Total
0.90	12	4	45	61
0.80	20	10	50	80
0.70	27	15	54	96
0.60	34	21	59	114
0.50	41	26	64	131

External growth strategy

Amount of increase in rental income – real estate through property acquisitions: **at least 200 yen as a target** (yen/unit)

(Assumptions for after-depreciation yield and acquisition price)

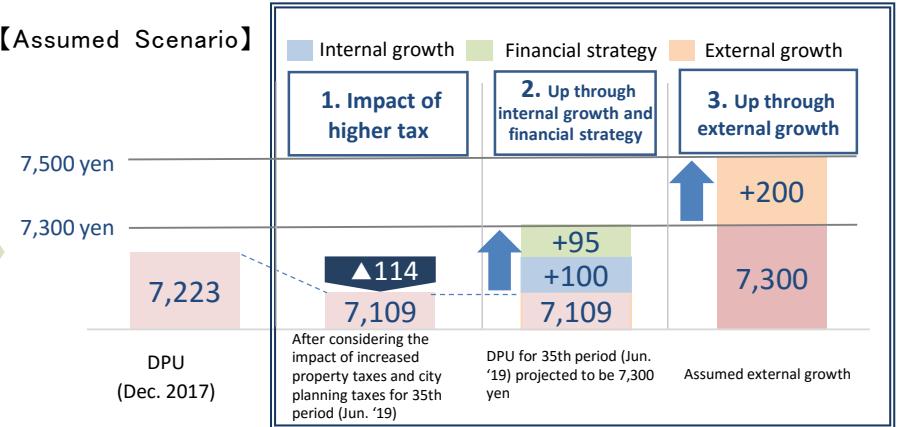
- Work to acquire properties that should contribute to earnings from existing portfolio by utilizing preferential negotiation rights and asset replacement, etc.
- Acquisition price: 10.0~15.0 billion yen

*The estimates in the table to the right do not include fund procurement costs.

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

- The scenario for achieving the medium-term target was revised in 31st period (Jun. '17), in consideration of a significant increase in expense burdens in accordance with the fiscal 2018 revaluation of property taxes and city planning taxes, etc.
- Expecting a progress made in internal growth and financial strategy as previously assumed, DPU is projected to reach 7,300 yen for 35th period (Jun. '19)
- Assume to achieve 7,500 yen through external growth, though in consideration of the current acquisition environment the period by which this target is to be achieved has not been set

【Assumed Scenario】



DPU (Dec. '17)
+
Considering the impact of increased property taxes and city planning taxes
+
Up through internal growth and financial strategy until Jun. '19

+ Assumed external growth

- Deduct the impact amount of increased property taxes and city planning taxes for 35th period (Jun. '19) from the 32nd period (Dec. '17) DPU
- Assumption that adds expected growth (from internal growth and financial strategy) through 35th period (Jun. '19)
- As the impact of mass supply of office spaces in Central Tokyo in 2018 and afterward is limited, it is assumed that vacancy rate does not surpass 5% and the market rent does not fall
- It is assumed that long-term interest rate does not rise significantly from the current level
- Scenario that assumes external growth through property acquisitions

1. Each of these figures is just a target or a plan. There is no guarantee that the figures are achieved. The details of these policies may be changed without prior notice in accordance with the real estate market conditions and the investment environment in the future.
 2. The contribution amounts to distribution per unit shown in the simulation of internal growth strategy, financial strategy and external growth strategy indicate the figures obtained by dividing the assumed full-period increase amounts based on respective assumptions by the total number of investment units outstanding assumed for the end of the 32nd fiscal period (Dec. '17).



JAPAN PRIME REALTY INVESTMENT CORPORATION

4. Appendix

	27th Period (Jun. 2015)	28th Period (Dec. 2015)	29th Period (Jun. 2016)	30th Period (Dec. 2016)	31st Period (Jun. 2017)	32nd Period (Dec. 2017)
LTV (total assets)	42.1%	42.1%	42.1%	43.7%	40.7%	40.6%
LTV (unrealized gains and losses)	41.2%	40.3%	39.4%	40.3%	36.5%	35.5%
NOI yield (acquisition value)	4.6%	4.6%	4.6%	4.9%	4.8%	4.7%
NOI yield (book value)	4.8%	4.8%	4.9%	5.1%	5.0%	4.9%
After-depreciation yield (acquisition price)	3.7%	3.7%	3.7%	4.0%	3.9%	3.8%
After-depreciation yield (book value)	3.8%	3.8%	3.9%	4.2%	4.1%	4.0%
Implied cap rate	3.6%	3.5%	3.7%	3.5%	3.8%	3.9%
FFO	7,457 million yen	7,624 million yen	7,783 million yen	8,336 million yen	8,577 million yen	8,587 million yen
AFFO	6,796 million yen	6,778 million yen	7,010 million yen	7,612 million yen	8,014 million yen	7,962 million yen
FFO per unit	8,543 yen	8,733 yen	8,915 yen	9,549 yen	9,293 yen	9,303 yen
EPS	6,418 yen	6,586 yen	6,754 yen	7,047 yen	7,440 yen	7,221 yen
Cash distribution per unit (result)	6,419 yen	6,588 yen	6,756 yen	7,048 yen	7,213 yen	7,223 yen
Dividend yield	3.2%	3.1%	3.2%	3.0%	3.6%	3.9%
ROE	5.2%	5.3%	5.5%	5.6%	5.8%	5.6%
Reserve for reduction entry per unit	84 yen	84 yen	84 yen	84 yen	308 yen	308 yen
Net asset per unit	247,529 yen	247,696 yen	247,862 yen	248,154 yen	258,516 yen	258,525 yen
NAV per unit	251,804 yen	263,026 yen	273,915 yen	283,129 yen	306,192 yen	320,060 yen
Investment unit price (immediately before the ex-right date)	397,000 yen	420,500 yen	422,500 yen	465,000 yen	405,000 yen	367,000 yen
NAV multiple	1.6 times	1.7 times	1.5 times	1.6 times	1.3 times	1.1 times
PBR	1.9 times	1.9 times	1.7 times	1.9 times	1.6 times	1.4 times
PER	30.9 times	31.9 times	31.3 times	33.0 times	27.2 times	25.4 times
FFO multiple	23.2 times	24.1 times	23.7 times	24.3 times	21.8 times	19.7 times
AFFO payout ratio	82.4%	84.8%	84.1%	80.8%	83.1%	83.7%
DSCR	7.9 times	8.7 times	8.7 times	9.1 times	10.7 times	11.2 times
Interest coverage ratio	6.2 times	6.9 times	7.2 times	7.7 times	8.7 times	9.0 times

1. Implied cap rate = NOI (annualized, forecast for the next fiscal period x 2) / (market capitalization + interest-bearing debts – cash and deposits + tenant leasehold and security deposits)

2. FFO = Net income + depreciation – gain on loss on sale of real estate properties (including loss on retirement of non-current assets)

3. AFFO = FFO – capital expenditures

4. EPS = Net income / number of units outstanding (end of period)

5. Dividend yield = Cash distribution per unit (annualized, most recent result x 2) / investment unit price

6. ROE (return on equity) = Net income (annualized, most recent result x 2) / net assets

7. NAV per unit = (Net assets + unrealized gains or losses – total cash distributions) / number of units outstanding (end of period)

8. NAV multiple = Investment unit price / NAV per unit

9. PBR (price book-value ratio) = Investment unit price / net assets per unit

10. PER (price earnings ratio) = Investment unit price / EPS (annualized, most recent result x 2)

11. FFO multiple = Investment unit price / FFO per unit (annualized, most recent result x 2)

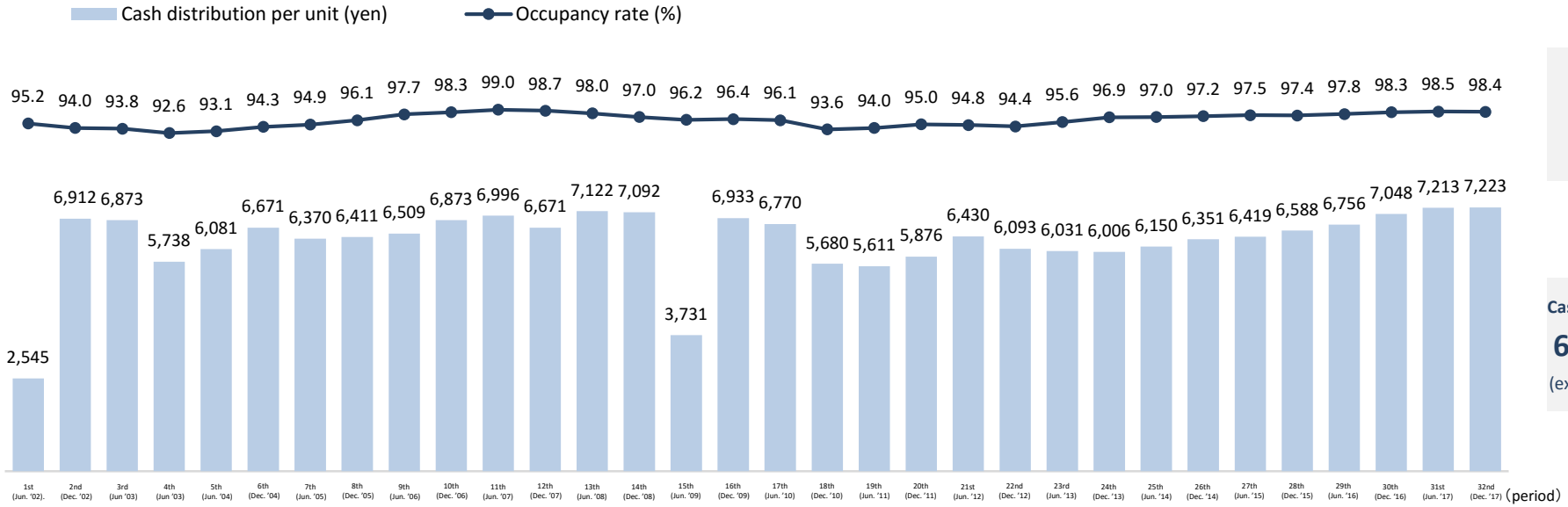
12. AFFO payout ratio = Total cash distributions / AFFO

13. DSCR = (Net income + depreciation + interest expenses) / interest expenses

14. Interest coverage ratio = Operating revenue / interest expenses

15. Reserve for reduction entry indicates the figure calculated by adding or subtracting the amounts brought forward or reversed in the relevant fiscal period to or from the balance at the end of the fiscal period.

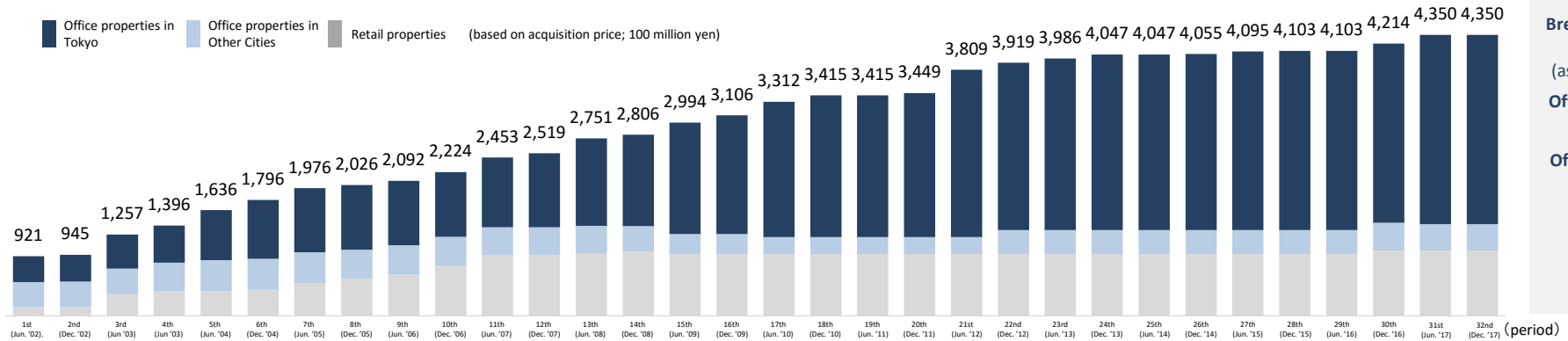
Cash Distribution per Unit and Occupancy Rate



Occupancy rate
96.2% on average

Cash distribution per unit
6,427 yen on average
(excluding the 1st Period)

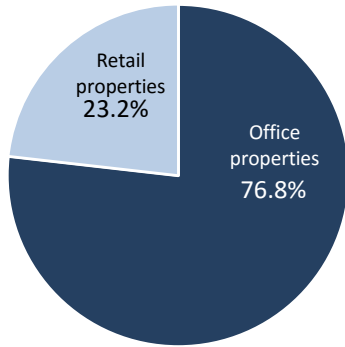
Asset Size



Breakdown by area and by asset class
(as of December 31, 2017)
Office properties in Tokyo
293.0 billion yen
Office properties in Other Cities
41.0 billion yen
Retail properties
100.9 billion yen

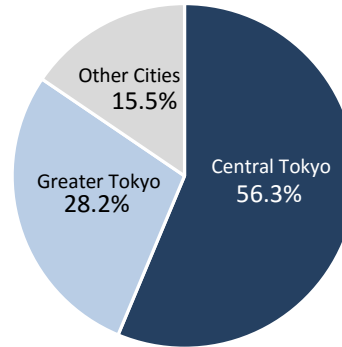
Ratio by Asset Class

- Portfolio management standards (target investment ratios): 70 - 90% for office properties / 30 - 10% for retail properties



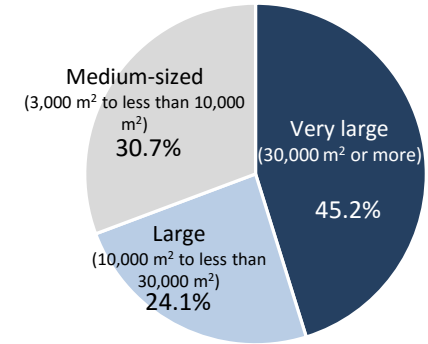
Ratio by Area

- Portfolio management standards (target investment ratios): 80 - 90% for Tokyo / 20 - 10% for Other Cities

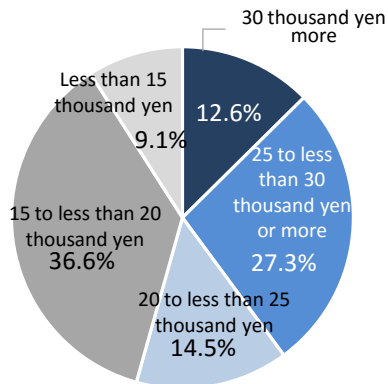


Ratio by Asset Size (Office Properties)

- Comprised of medium-sized to very large properties with a focus on quality
(Small-scale properties with a standard floor of less than 100 tsubos are excluded from investment targets.)

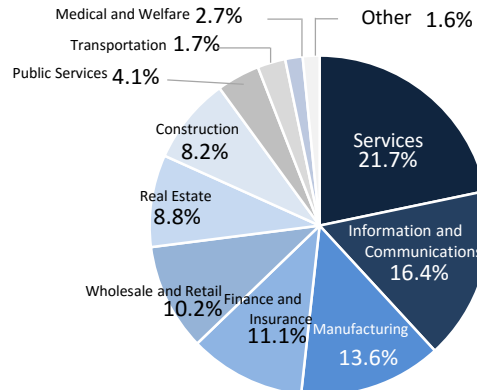


Ratio by Rent Zone (Office Properties in Tokyo)



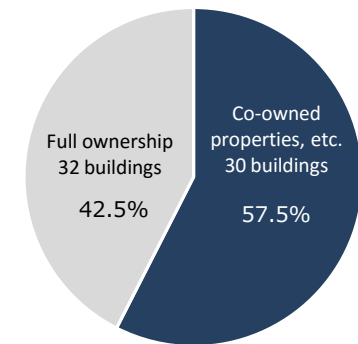
Ratio by Tenant's Industry (Office Properties)

- Comprised of tenants mainly in the services, information and communication and manufacturing sectors



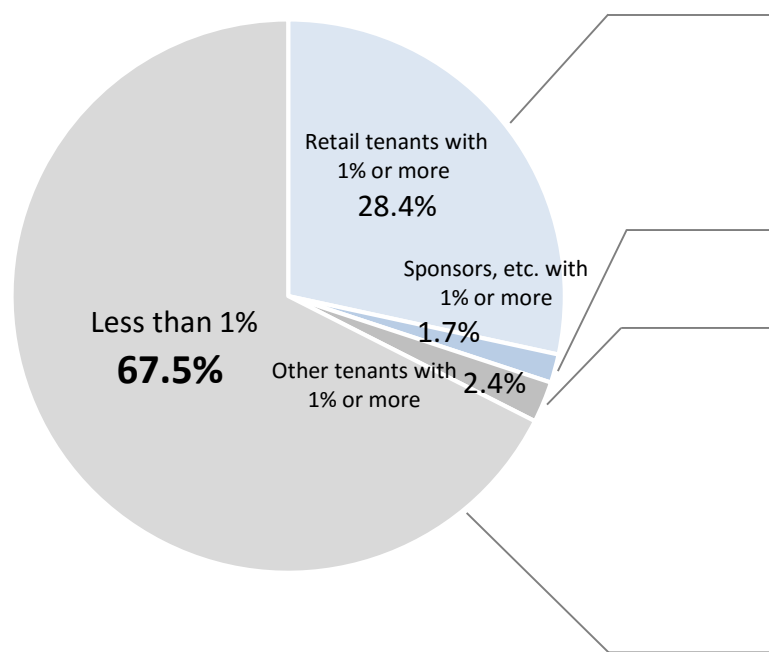
Ratio of Co-Owned Properties, Etc.

- Obtained preferred negotiation rights for most of the co-owned properties, etc.



Ratio of Tenant Occupancy (by property; based on end tenants)

- The number of office tenants other than the sponsors, etc. with tenant occupancy of 1% or more is only 2 (combined occupancy: 2.4%) (excluding property comprising land with leasehold interest).
- Many of the retail tenants have long-term lease contracts, and the possibility for them to cancel is rather small.



Except for retail properties with long-term lease contracts, most of the tenants have a tenant occupancy of less than 1% so that the risk of tenant move-outs is mitigated.

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

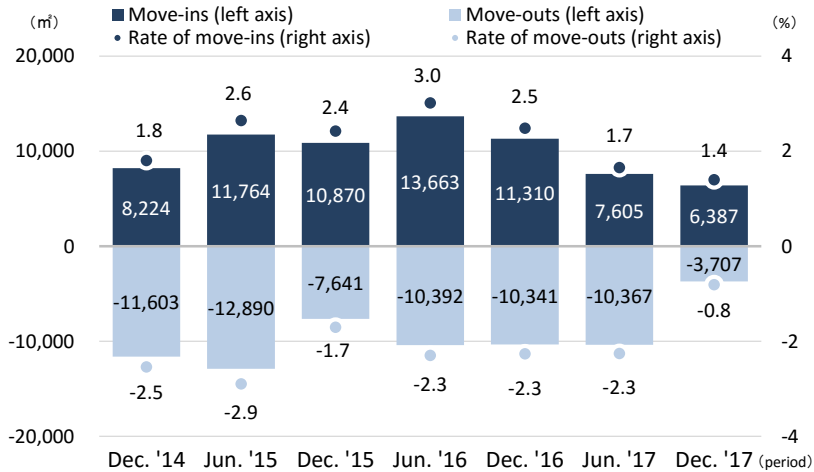
Category (No. of tenants)	Tenant	Occupying property	Leased space (m ²)	Ratio of occupancy (%)
Retail tenants with 1% or more (8 companies)	ABC Development Corporation	Housing Design Center Kobe	35,444.13	7.5
	Seiyu GK	Tanashi ASTA	31,121.71	6.6
	Ito-Yokado Co., Ltd.	JPR Musashikosugi Bldg.	19,740.95	4.2
	The LOFT, Co., Ltd.	JPR Umeda Loft Bldg.	18,586.97	3.9
	Olympic Group Corporation	Musashiurawa Shopping Square	9,558.51	2.0
	Tower Records Japan Inc.	JPR Shibuya Tower Records Bldg.	8,076.85	1.7
	The Maruetsu, Inc.	Cupo-la Main Bldg.	5,963.00	1.3
	Nitori Holdings Co., Ltd.	Musashiurawa Shopping Square	5,285.40	1.1
Sponsors, etc. with 1% or more (1 company)	Tokyo Prime Stage Inc.	The Otemachi Tower (land with Leasehold Interest)	7,875.50	1.7
Other tenants with 1% or more (2 companies)	Hitachi, Ltd.	Rise Arena Bldg.	6,023.39	1.3
	Hitachi Systems, Ltd.	JPR Nagoya Fushimi Bldg.	5,313.36	1.1
Less than 1% (734 companies)	LEVEL-5 Inc.	Yakuin Business Garden	4,579.17	1.0
	Sompo Japan Nipponkoa Inc.	Sompo Japan Sendai Bldg.	4,400.03	0.9
	ATM Japan, Ltd.	Olinas Tower	4,255.56	0.9
	Nihon Suido Consultants Co., Ltd.	Shinjuku Square Tower	4,242.48	0.9
	Canon Imaging Systems Inc.	Niigata Ekinan Center Bldg.	4,078.97	0.9
	Kajima Corporation	Omiya Prime East	4,005.05	0.9
	Mitsubishi Electric Information Systems Corporation	MS Shibaura Bldg.	3,922.74	0.8
	SBS Holdings, Inc.	Olinas Tower	3,850.43	0.8
	Security communication Association (foundation)	Olinas Tower	3,544.12	0.8

Breakdown and Changes in Move-Ins and Move-Outs

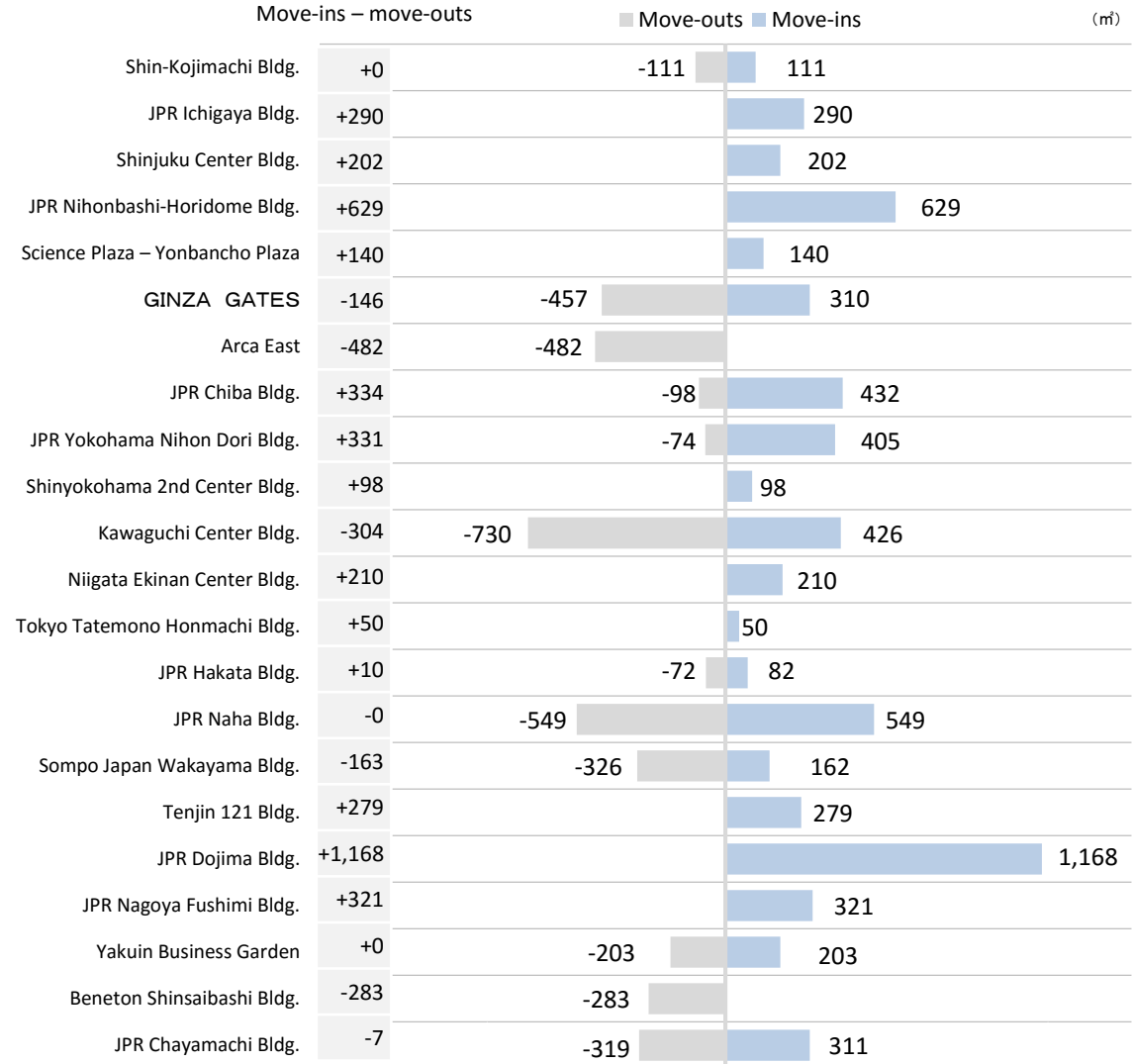
(Move-in/move-out spaces by area and asset class: m²)

	Move-Ins	Move-Outs	Net Increase /Decrease
Office properties in Central Tokyo	1,373	-111	+1,262
Office properties in Greater Tokyo	1,362	-1,385	-22
Office properties in Other Cities	3,028	-1,435	+1,593
Retail properties	622	-776	-153
Total	6,387	-3,707	+2,679

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



Move-In/Move-Out Spaces by Property



Changes in Occupancy Rate, Average Downtime and Rents

	Jun. 2015 (27th period)	Dec. 2015 (28th period)	Jun. 2016 (29th period)	Dec. 2016 (30th period)	Jun. 2017 (31st period)	Dec. 2017 (32nd period)	Jun. 2018 (forecast) (33rd period)	Dec. 2018 (forecast) (34th period)
Occupancy rate based on conclude contract (office), %	96.2	96.1	96.8	97.5	97.8	97.8	97.3	98.2
Occupancy rate based on conclude contract (retail), %	99.8	100.0	99.9	100.0	100.0	99.7	99.3	99.3
Occupancy rate based on generated rents (office), %	93.7	92.9	94.7	96.0	96.5	97.1	95.9	96.2
Occupancy rate based on generated rents (retail), %	99.6	99.9	99.9	99.9	99.9	99.6	99.2	99.2
Average downtime, month	12.2	8.5	7.9	3.8	4.3	9.5	3.6	-
Target rents (average), yen	16,218	16,456	16,886	17,206	17,380	17,561	18,157	-
Base rent (average), yen	14,817	15,127	15,602	15,933	16,031	16,196	16,802	-
Average rent (existing properties), yen	14,381	14,406	14,463	14,563	14,654	14,708	14,861	-

Changes in Rent Revision

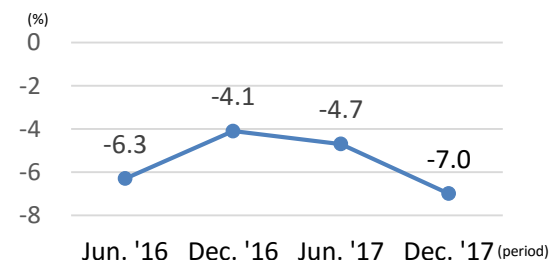
	Dec. 2014 (26th period)	Jun. 2015 (27th period)	Dec. 2015 (28th period)	Jun. 2016 (29th period)	Dec. 2016 (30th period)	Jun. 2017 (31st period)	Dec. 2017 (32nd period)
Upward revision amount of monthly rent, million yen	+5.9	+15.3	+6	+10.4	+10.9	+14.6	+10
Downward revision amount of monthly rent, million yen	-1.4	-5.1	-0.9	-0.4	-2.8	-5.8	-3.9
Net revision amount of monthly rent, million yen	+4.5	+10.2	+5.1	+10	+8.1	+8.8	+6.1

Status of Rent revision, Rent Through Tenant Replacement and Contribution Rate

	Amount of monthly rent, million yen	Number of cases	Percentage of cases, %
Upward revision	+10.0	62	35.8
Downward revision	-3.9	7	4.0
Not change revision	0.0	70	40.4
Increase in rent upon tenant replacement	+3.7	23	13.3
Decrease in rent upon tenant replacement	-1.0	11	6.4
Total	+8.8	173	100.0

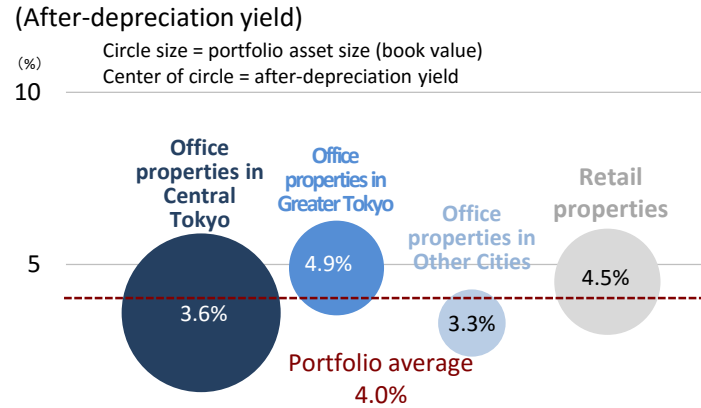
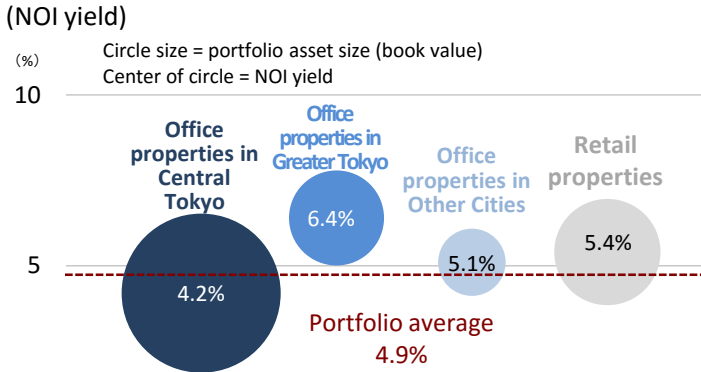
Contribution rate
+0.43%

Change in Gap Actual Rent

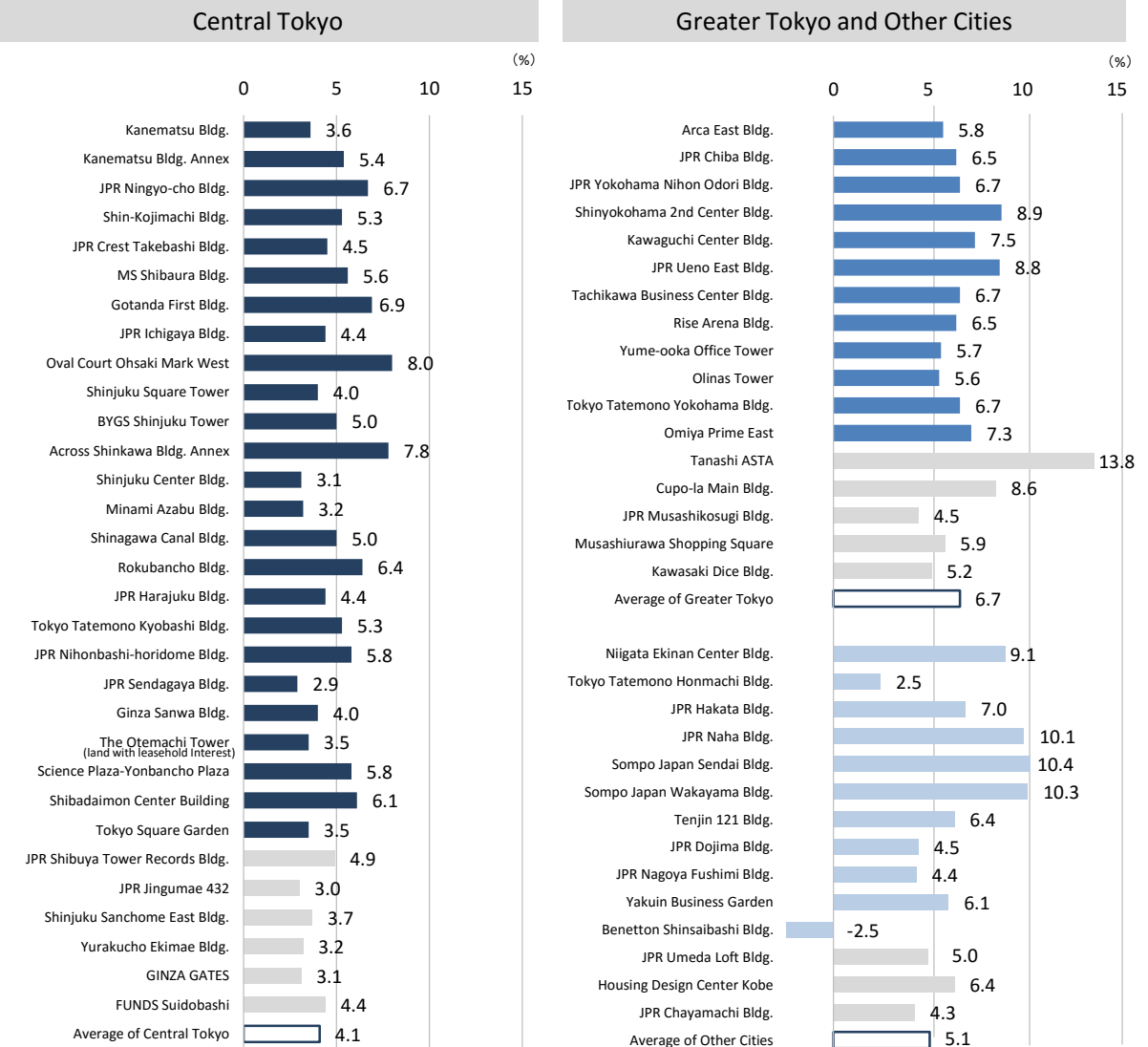


1. Average rent (existing properties) indicates the assumed average rent at full occupancy for the properties that JPR has continuously held since the 27th fiscal period (Jun. '15).
2. Contribution ratio indicates the figure obtained by dividing the sum total of increases and decreases in rents through rent revisions and upon tenant replacement by the assumed average rent at full occupancy for the properties that JPR has continuously held since the 27th fiscal period (Jun. '15).

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



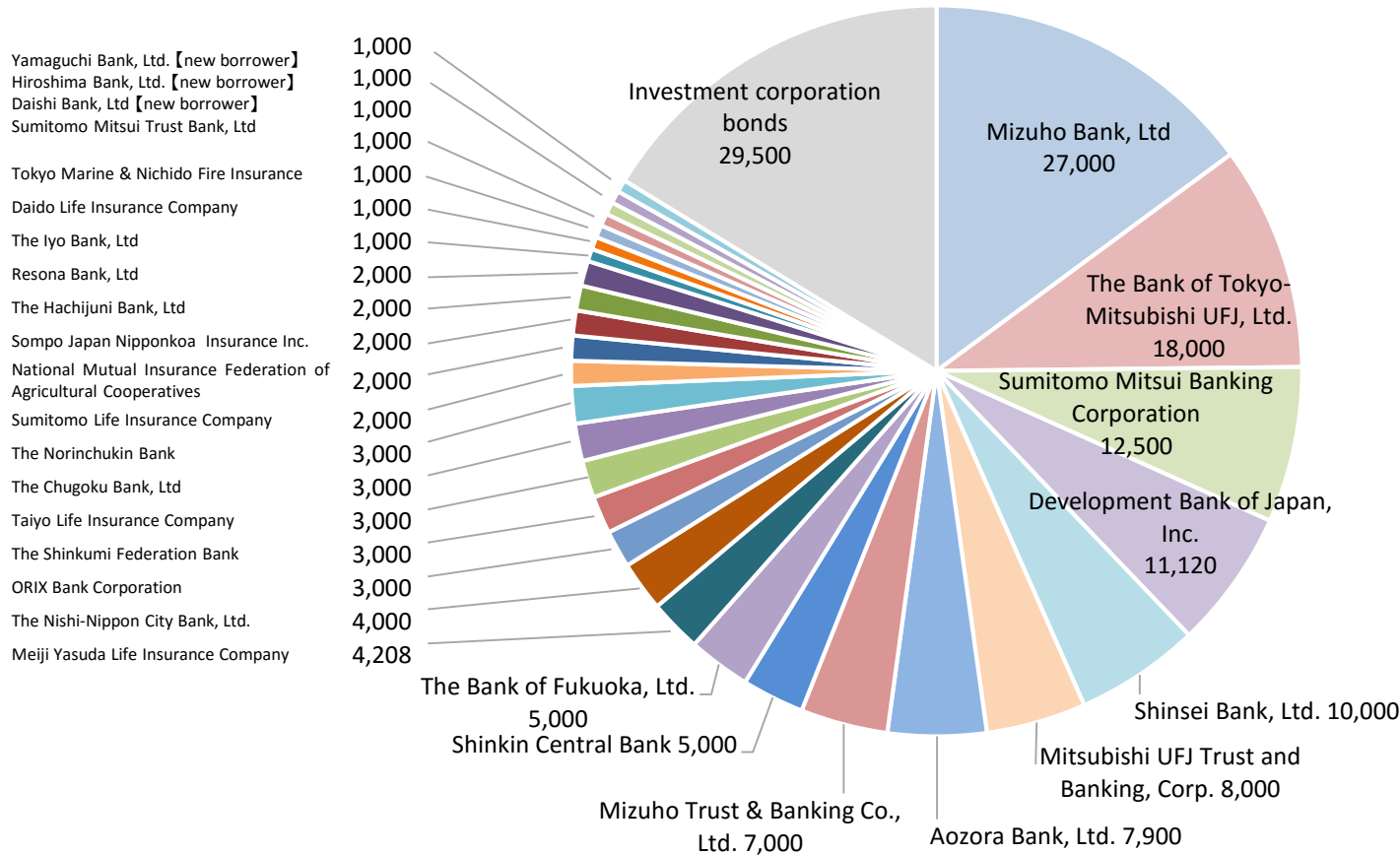
NOI Yield by Property (based on book value)



Diversifying fund procurement sources with a lender formation comprising 29 financial institutions and through issuance of investment corporation bonds

Interest-bearing debt balance: 181,228 million yen

(million yen)



(Breakdown of investment corporation bonds)

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

(Status of commitment line)

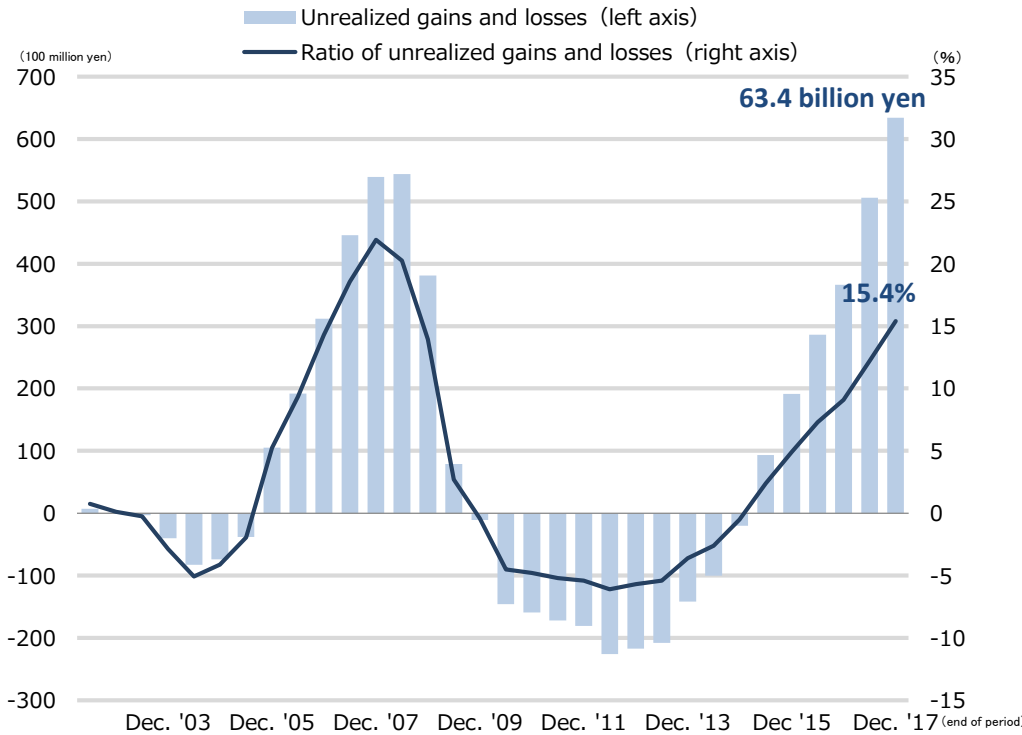
Lender	Credit Limit
Mizuho Bank, Ltd.	4,000
Sumitomo Mitsui Banking Corporation	4,000
Aozora Bank, Ltd	4,000
Mizuho Trust & Banking Co, Ltd.	4,000
Mitsubishi UFJ Trust and Banking Corp.	4,000
Resona Bank, Ltd	4,000
Total	24,000

An Increase in Unrealized Gains

- Unrealized gains expanded to 63.4 billion yen due to an increase in appraisal value
- Appraisal value increased for 43 properties with direct cap rate falling for 35 properties (out of 62 properties in total)

Appraisal value	Unrealized gains	Ratio of unrealized gains
476.0 billion yen (up 11.5 billion yen from 31st period (Jun. '17))	63.4 billion yen (up 12.8 billion yen from 31st period (Jun. '17))	15.4% (up 3.1%pt from 31st period (Jun. '17))

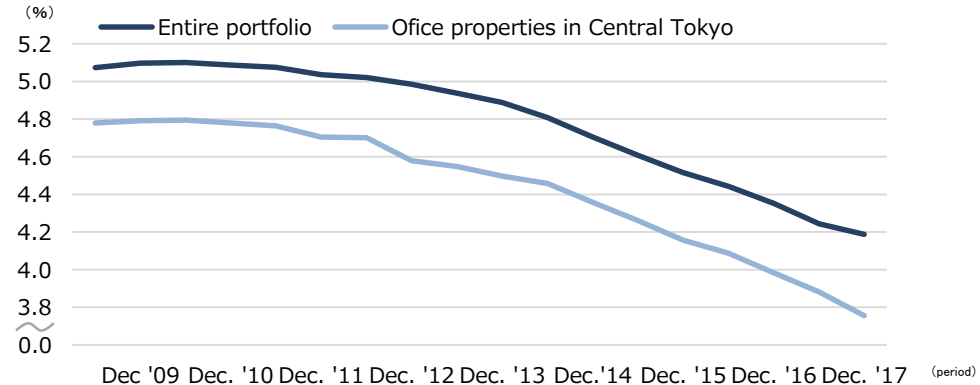
(Changes in unrealized gains and losses)



Factors of Change in Appraisal Value

(Changes in direct cap rate)

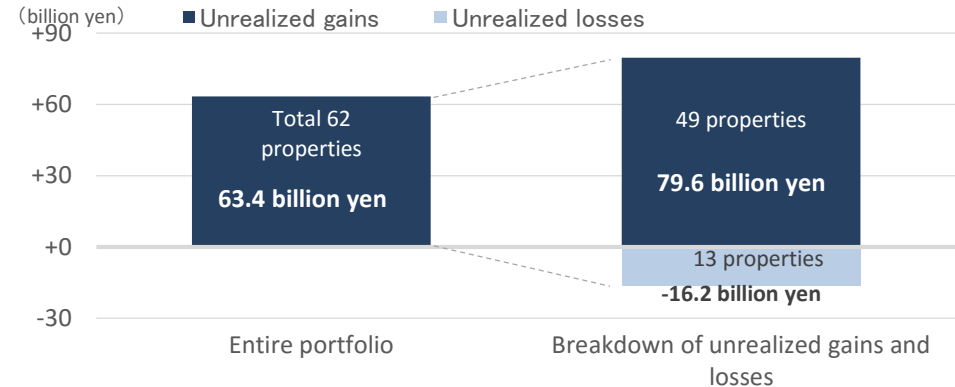
- Decreased by 1.0 percentage points from the 17th period ended June 2010 (4.8%), the peak period for office properties in Central Tokyo



1. The changes in direct cap rate indicate the figures for the 48 properties JPR has owned since the end of June 2009 for the "Entire portfolio," and for the 15 properties JPR owns since the date for "Office properties in Central Tokyo," respectively.

(Breakdown of unrealized gains and losses)

- Number of properties with unrealized losses decreased by 1 from 14 properties as of the end of the 31st period (Jun. '17)



4. Appendix

Appraisal Value by Property (as of December 31, 2017)



Property name	Appraisal value (mn yen)	Change (mn yen)	Direct cap (NCF Cap) (%)	Change (% pt)	DCF discount rate (%)	Change (% pt)	DCF terminal cap (%)	Change (% pt)	Book value (mn yen)	Unrealized gain or loss (mn yen)
Kanematsu Bldg.	13,800	+100	3.5	-0.1	3.3	-0.1	3.7	-0.1	14,642	-842
Kanematsu Bldg. Annex	2,520	-110	3.9	-0.1	3.7	-0.1	4.1	-0.1	2,437	+82
JPR Ningyo-cho Bldg.	2,710	-	4.2	0.0	4.0	0.0	4.4	0.0	1,959	+750
Shin-Kojimachi Bldg.	3,310	-	4.0	0.0	3.7	0.0	4.2	0.0	2,454	+855
JPR Crest Takebashi Bldg.	3,330	+40	3.8	-0.1	3.6	-0.1	4.0	-0.1	3,265	+64
MS Shibaura Bldg.	11,700	-	4.4	0.1	4.1	0.1	4.6	0.1	11,005	+694
Gotanda First Bldg.	2,780	+150	4.0	0.0	3.7	0.0	4.2	0.0	2,958	-178
JPR Ichigaya Bldg.	5,210	+130	3.7	-0.1	3.5	-0.1	3.9	-0.1	5,205	+4
Oval Court Ohsaki Mark West	4,940	+100	3.9	-0.1	3.7	-0.1	4.1	-0.1	2,844	+2,095
Shinjuku Square Tower	14,400	-	3.9	0.0	3.7	0.0	4.1	0.0	13,379	+1,020
BYGS Shinjuku Bldg.	19,000	+1,200	3.7	-0.1	3.5	-0.1	3.9	-0.1	15,447	+3,552
Across Shinkawa Bldg. Annex	890	+15	4.6	-0.1	4.4	-0.1	4.8	-0.1	600	+289
Shinjuku Center Bldg.	15,800	+800	3.5	-0.1	3.2	-0.1	3.7	-0.1	22,179	-6,379
Minami Azabu Bldg.	2,840	-	4.2	0.0	4.0	0.0	4.4	0.0	3,838	-998
Shinagawa Canal Bldg.	1,870	-	4.2	0.0	3.9	0.0	4.4	0.0	1,728	+141
Rokubancho Bldg.	3,410	+10	5.2	0.0	4.1	0.0	4.5	0.0	2,836	+573
JPR Harajuku Bldg.	9,140	+240	3.9	0.0	3.7	0.0	4.1	0.0	8,698	+441
Tokyo Tatemono Kyobashi Bldg.	5,720	-	4.2	0.0	3.7	0.0	4.3	0.0	5,311	+408
JPR Nihonbashi-horidome Bldg.	6,720	-	4.3	0.0	4.1	0.0	4.5	0.0	4,753	+1,966
JPR Sendagaya Bldg.	11,800	-	3.9	0.0	3.7	0.0	4.1	0.0	14,891	-3,091
Ginza Sanwa Bldg.	4,060	+40	3.3	0.0	3.1	0.0	3.5	0.0	3,715	+344
The Otemachi Tower (Land with Leasehold Interest)	47,700	+1,700	2.8	-0.1	2.7	-0.1	2.9	-0.1	38,388	+9,311
Science Plaza - Yonbancho Plaza	3,290	-	4.2	0.0	3.8	0.0	4.4	0.0	2,694	+595
Shibadaimon Center Bldg.	6,390	+540	3.9	0.0	3.6	0.0	4.1	0.0	4,184	+2,205
Tokyo Square Garden	20,400	+300	2.7	-0.1	2.5	-0.1	2.9	-0.1	18,658	+1,741
JPR Shibuya Tower Records Bldg.	14,400	+300	3.5	-0.1	3.3	-0.1	3.7	-0.1	11,508	+2,891
JPR Jingumae 432	4,100	+50	3.1	-0.1	3.2	-0.1	3.3	-0.1	4,286	-186
Shinjuku Sanchoe East Bldg.	2,820	+70	3.6	-0.1	3.1	-0.1	3.8	-0.1	2,618	+201
Yurakucho Ekimae Bldg. (Yurakucho Itocia)	3,140	+80	3.2	-0.1	2.8	-0.1	3.4	-0.1	3,315	-175
Ginza Gates	10,800	-	3.1	0.0	2.8	0.0	3.1	0.0	10,144	+655
FUNDES Suidoubashi	3,570	+100	3.7	-0.1	3.5	-0.1	3.9	-0.1	3,243	+326

Property name	Appraisal value (mn yen)	Change (mn yen)	Direct cap (NCF Cap) (%)	Change (% pt)	DCF discount rate (%)	Change (% pt)	DCF terminal cap (%)	Change (% pt)	Book value (mn yen)	Unrealized gain or loss (mn yen)
Arca East	6,250	+10	4.2	0.0	3.9	0.0	4.4	0.0	4,294	+1,955
JPR Chiba Bldg.	1,680	+20	5.3	-0.1	5.1	-0.1	5.5	-0.1	2,232	-552
JPR Yokohama Nihon Odori Bldg.	2,340	+50	4.9	-0.1	4.7	-0.1	5.1	-0.1	2,464	-124
Shinyokohama 2nd Center Bldg.	1,750	-100	4.9	-0.1	4.7	-0.1	5.1	-0.1	1,425	+324
Kawaguchi Center Bldg.	8,980	+730	5.1	-0.1	4.8	-0.1	5.3	-0.1	6,941	+2,038
JPR Ueno East Bldg.	4,500	-230	4.2	0.0	3.9	-0.1	4.3	-0.1	2,947	+1,552
Tachikawa Business Center Bldg.	3,810	+300	4.5	-0.1	4.2	-0.1	4.7	-0.1	2,871	+938
Rise Arena Bldg.	8,500	+880	4.1	-0.1	3.8	-0.1	4.2	-0.1	5,285	+3,214
Yume-ooka Office Tower	6,510	+260	4.5	-0.1	4.2	-0.1	4.7	-0.1	5,447	+1,062
Olinas Tower	36,800	+100	4.0	0.0	3.7	0.0	4.2	0.0	27,560	+9,239
Tokyo Tatemono Yokohama Bldg.	8,260	+60	4.5	0.0	4.2	-0.1	4.6	-0.1	6,850	+1,409
Omiya Prime East	8,380	+430	4.6	-0.1	4.4	-0.1	4.8	-0.1	5,837	+2,542
Tanashi ASTA	12,500	-	5.2	0.0	5.1	0.0	5.4	0.0	7,306	+5,193
Cupo-la Main Bldg.	2,800	+50	5.2	-0.1	5.0	-0.1	5.4	-0.1	1,713	+1,086
JPR Musashikosugi Bldg.	5,740	+70	4.8	0.0	4.6	0.0	5.0	0.0	7,027	-1,287
Musashiurawa Shopping Square	4,290	-	5.0	0.0	4.9	0.0	5.2	0.0	3,698	+591
Kawasaki Dice Bldg.	16,500	+300	4.2	0.0	4.1	0.0	4.4	0.0	13,436	+3,063
Niigata Ekinan Center Bldg.	2,230	+20	5.8	-0.1	5.8	-0.1	6.0	-0.1	1,628	+601
Tokyo Tatemono Honmachi Bldg.	3,470	+90	4.8	-0.1	4.5	-0.1	5.0	-0.1	4,036	-566
JPR Hakata Bldg.	3,400	+220	4.5	-0.1	4.4	-0.1	4.7	-0.1	2,935	+464
JPR Naha Bldg.	1,720	+140	5.4	-0.1	5.4	-0.1	5.6	-0.1	1,325	+394
Sompo Japan Sendai Bldg.	3,950	+200	5.2	-0.1	5.0	-0.1	5.5	-0.1	2,442	+1,507
Sompo Japan Wakayama Bldg.	1,590	-120	6.6	-0.1	6.4	-0.1	6.9	-0.1	1,324	+265
Tenjin 121 Bldg.	2,930	+200	4.6	-0.1	4.2	-0.1	4.8	-0.1	2,079	+850
JPR Dojima Bldg.	3,000	+70	4.5	-0.1	4.3	-0.1	4.6	-0.1	2,171	+828
JPR Nagoya Fushimi Bldg.	2,890	+80	5.3	-0.1	4.8	-0.1	5.2	-0.1	3,876	-986
Yakuin Business Garden	16,200	+1,400	4.4	0.0	4.1	-0.1	4.5	-0.1	10,494	+5,705
Benetton Shinsaibashi Bldg.	4,240	-70	4.1	0.1	3.6	-0.1	4.0	-0.1	5,093	-853
JPR Umeda Loft Bldg.	13,900	-	4.2	0.0	3.9	0.0	4.4	0.0	12,423	+1,476
Housing Design Center Kobe	7,260	+140	5.6	-0.1	5.4	-0.1	5.7	-0.1	6,175	+1,084
JPR Chayamachi Bldg.	7,120	+350	3.6	-0.1	3.3	-0.1	3.7	-0.1	6,039	+1,080

Total	476,050	+11,505							412,586	+63,463
Central Tokyo	262,560	+5,855							243,195	+19,364
Greater Tokyo	139,590	+2,930							107,343	+32,246
Other Cities	73,900	+2,720							62,046	+11,853

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

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

Summary of Asset Manager

(as of December 31, 2017)

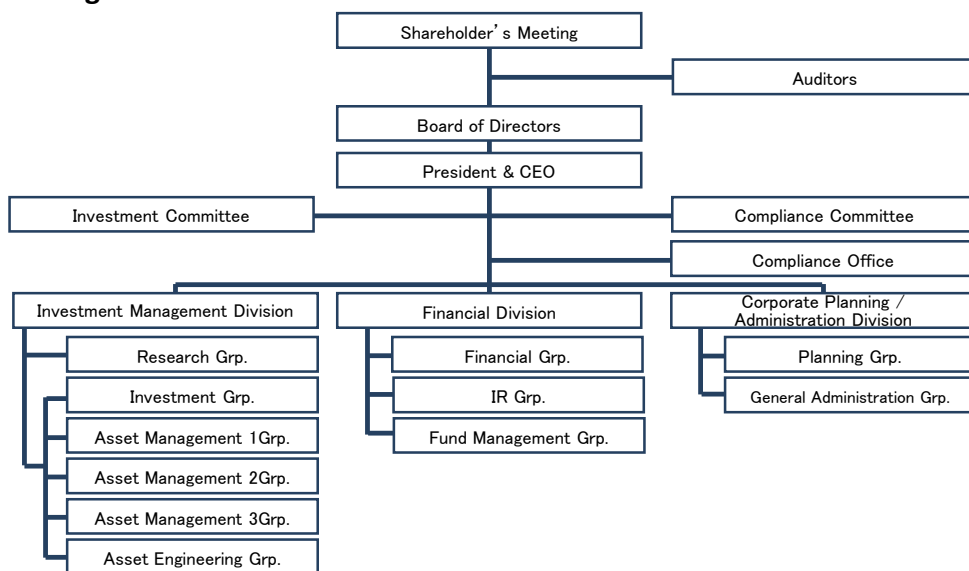
Name	Tokyo Realty Investment Management, Inc. (TRIM)
Address	4-16 Yaesu 1-Chome, Chuo-ku, Tokyo
Date of Foundation	April 28, 2000
Paid-in Capital	350 million yen
Business Description	Asset management for investment corporation
President and CEO	Yoshihiro Jozaki
Directors	10 (5 full-time and 5 part-time)
Number of Officers	37

Sponsors

(as of December 31, 2017)

Name	Shareholding ratio	No. of seconded staff from sponsors
Tokyo Tatemono	52%	11
Yasuda Real Estate	18%	—
Taisei Corporation	10%	—
Sompo Japan Nipponkoa Insurance	10%	1
Meiji Yasuda Life Insurance	10%	2

Organization Chart



Sponsors Support

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

The number of JPR's competing properties in Chiyoda and Minato Wards, on which mass supply will be focused, is limited

Ratio of JPR Properties by Size and by Area

Supply of very large office space
(Tokyo CBDs: 2018-2021)

Approx. 1.02 million m²	Approx. 0.30million m ²	Approx. 0.97 million m²	Approx. 0.32 million m ²	Approx. 0.15 million m ²
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Size	Tokyo's five central wards		Chiyoda Ward		Chuo Ward		Minato Ward		Shibuya Ward		Shinjuku Ward		Shinagawa Ward		Greater Tokyo		Other City		Total	
	Area (m ²)	Count	Area (m ²)	Count	Area (m ²)	Count	Area (m ²)	Count	Area (m ²)	Count	Area (m ²)	Count	Area (m ²)	Count	Area (m ²)	Count	Area (m ²)	Count	Area (m ²)	Count
Very large	48,601m ²	4			5,985m ²	1	14,468m ²	1			28,148m ²	2			49,033m ²	4			97,634m ²	8
	15.6%				1.9%		4.7%				9.0%				15.8%				31.4%	
Large	31,947m ²	4	3,325m ²	1	7,994m ²	1	5,401m ²	1			15,227m ²	1	8,329m ²	2	20,173m ²	2	43,333m ²	5	103,782m ²	13
	10.3%		1.1%		2.6%		1.7%			4.9%		2.7%		6.5%		13.9%		33.4%		
Middle-size	46,451m ²	14	13,308m ²	4	17,096m ²	6	5,106m ²	2	10,941m ²	2					36,742m ²	6	26,410m ²	6	109,711m ²	26
	14.9%		4.3%		5.5%		1.6%		3.5%					11.8%		8.5%		35.3%		
Total	126,999m ²	22	16,633m ²	5	31,075m ²	8	24,975m ²	4	10,941m ²	2	43,375m ²	3	8,329m ²	2	105,948m ²	12	69,851m ²	11	311,127m ²	47
	40.8%		5.3%		10.0%		8.0%		3.5%		13.9%		2.7%		34.1%		22.5%		100.0%	

1. Buildings are classified as "medium-sized," "large" and "very large" in accordance with the total floor space of "3,000m² to less than 10,000m²," "10,000m² to less than 30,000m²" and "30,000m² or more," respectively.

2. Figures for area and ratio in the table are based on leasable floor area.

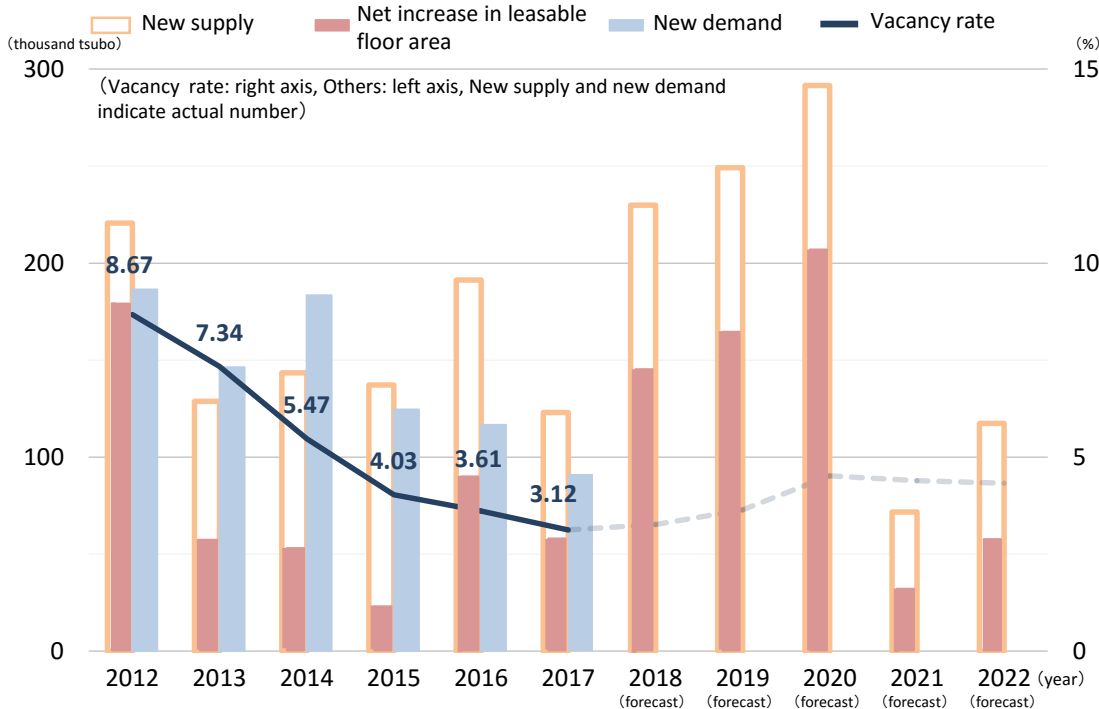
3. Land with leasehold interest, such as The Otemachi Tower, is excluded from the calculation.

4. New supply in 2018 and thereafter by floor space is estimated based on the surveys conducted by TRIM.

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

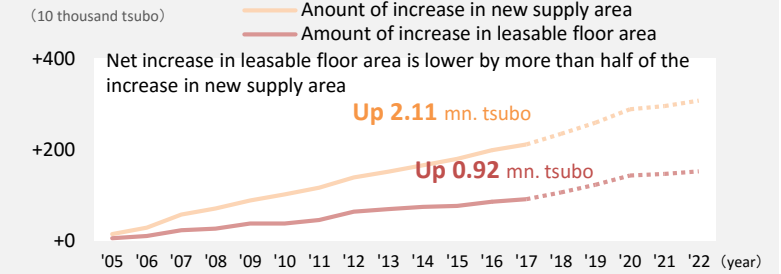
Changes in New Supply/Demand Area, Leasable Floor Area and Vacancy Rate (Tokyo CBDs)

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

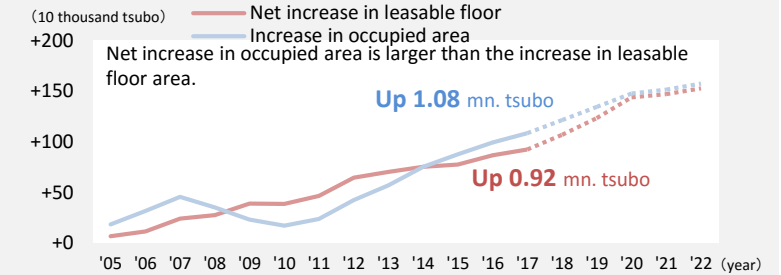


1. Actual results of the vacancy rate, leasable floor area and occupied area through December 2017 are based on the Office Report (Tokyo CBDs) by Miki Shoji Co., Ltd. New supply, new demand and loss areas as well as the leasable floor area and vacancy rate in 2018 and thereafter have been estimated based on surveys and simulations conducted by TRIM.
 2. As an assumption for the simulation, the new supply area uses an estimate obtained by applying a certain multiplying factor to the average of the past results. The lost area is based on the average of the past results as assumption.
 3. The employed population was prepared by TRIM based on the Labor Force Survey, the Ministry of Internal Affairs and Communications.

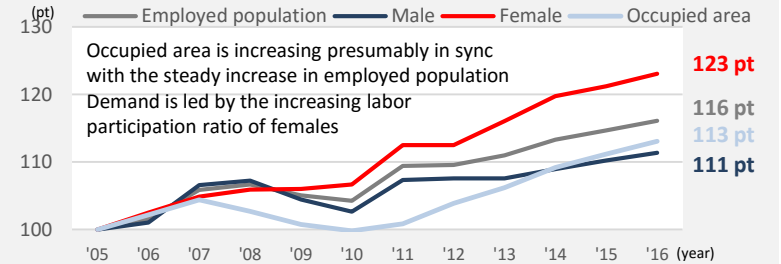
Comparison of increases in new supply area and leasable floor area



Comparison of increases in leasable floor area and occupied area



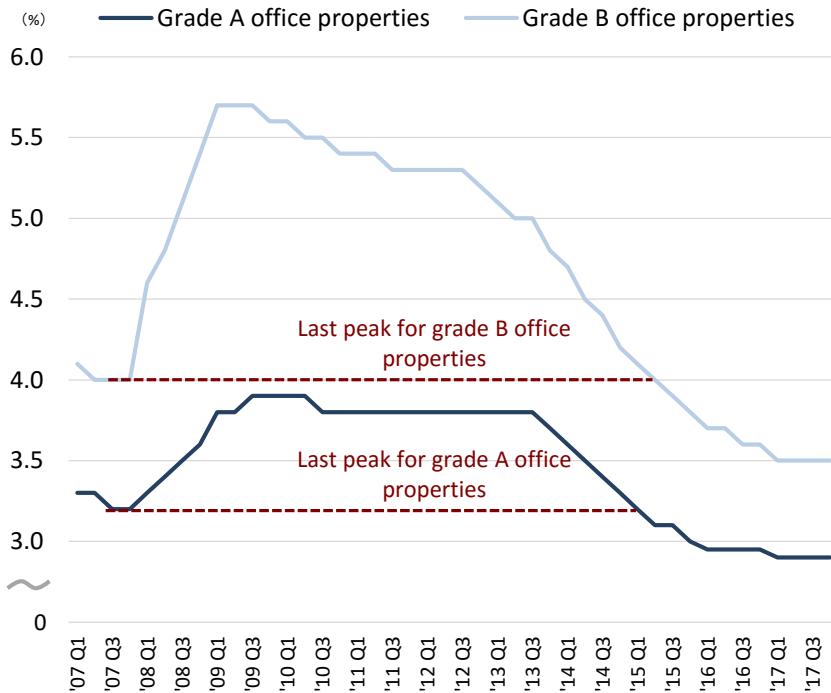
Comparison of employed population and occupied area ('05=100pt)



Cap Rate of Tokyo Office Properties Continues to Drop

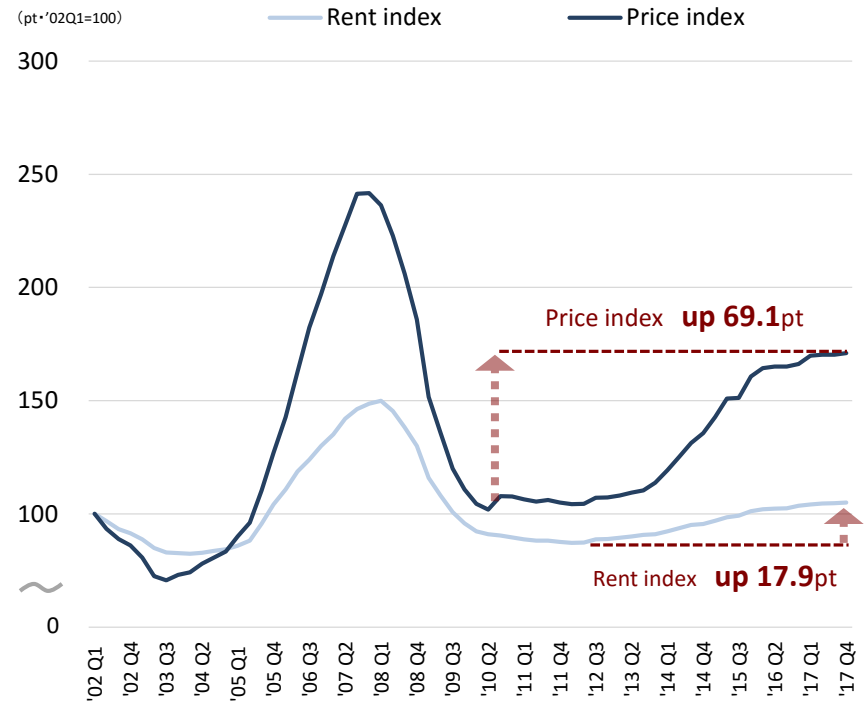
■ Cap Rates of Office Properties in Tokyo

- Cap rate dropped in 2016 to 2017
Grade A office properties: 2.90% (year on year: minus 0.05% pt), grade B office properties: 3.50% (year on year: minus 0.10 pt)
- Cap rate fell below the peak in 2007 and continues to drop further.



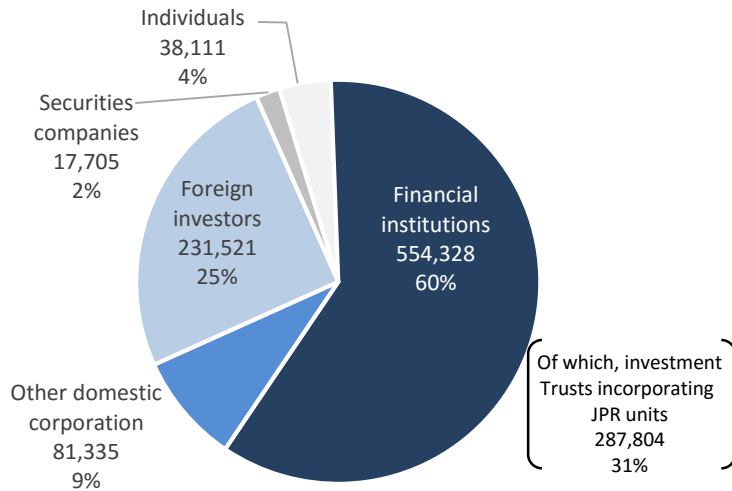
■ Correlation between Price and Rent of Grade A Office Properties in Tokyo

- Rent increased 17.9 points from the bottom in 2012 while price rose 69.1 points from 2010 by index



1. Prepared by TRIM based on reports publicized by Jones Lang LaSalle K.K

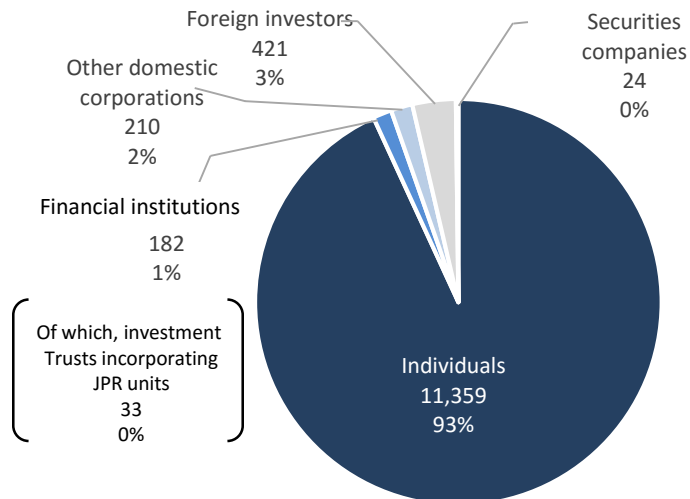
Number of Units by Unitholder Type (923,000 units in total)



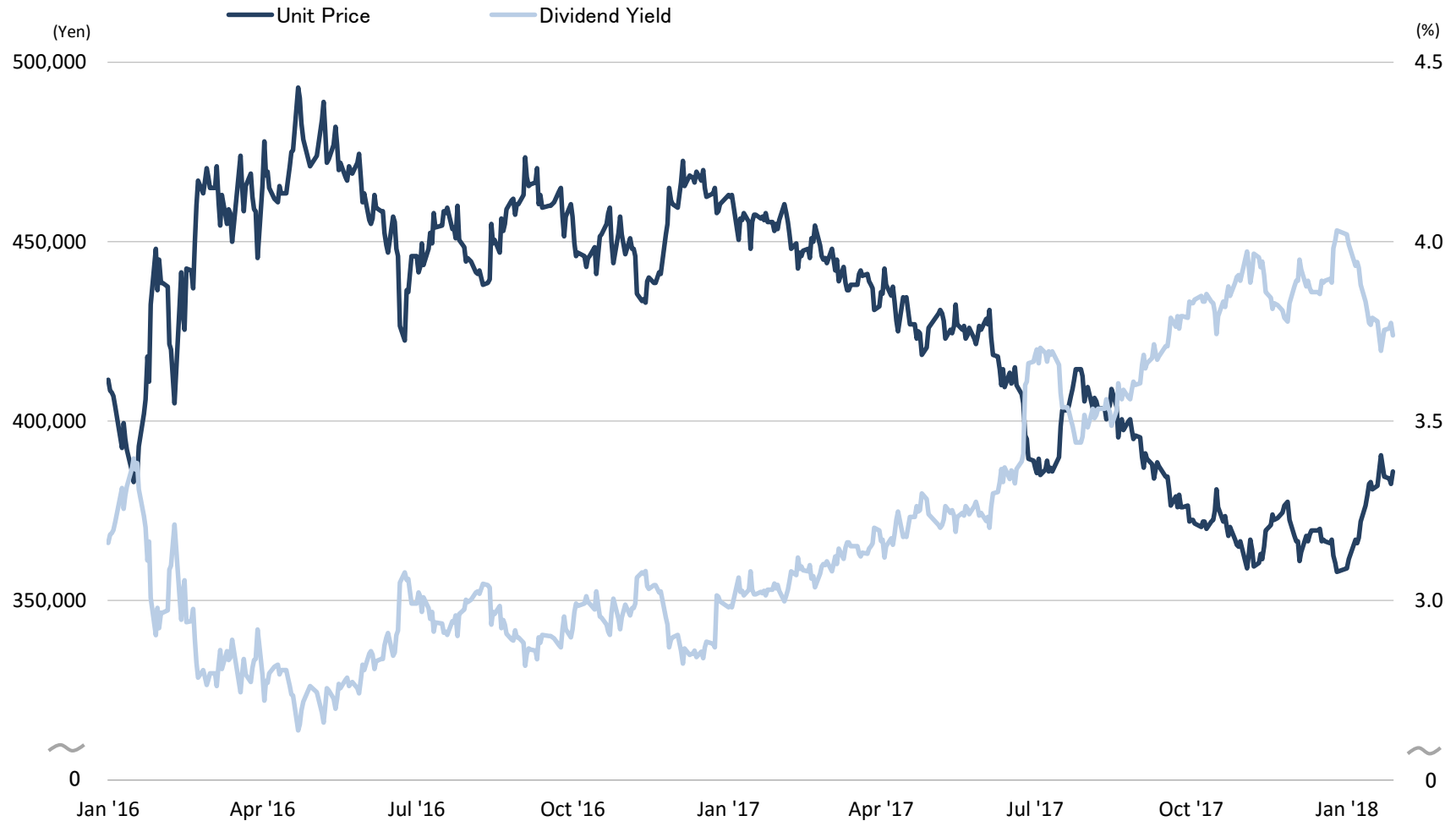
Top Unitholders

	Name	Number of Owned Units	Share(%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	228,332	24.7
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	94,619	10.3
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	39,607	4.3
4	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	30,274	3.3
5	Tokyo Tatemono Co., Ltd.	29,300	3.2
6	State Street Bank West Client Treaty 505234	25,815	2.8
7	Kawasaki Gakuen	25,000	2.7
8	Meiji Yasuda Life Insurance Company	24,000	2.6
9	State Street Bank West Pension Fund Clients Exempt 505233	18,700	2.0
10	DFA International Real Estate Securities Portfolio	11,306	1.2
	Total	526,953	57.1

Number of Unitholders by Unitholder Type (12,196 unitholders in total)



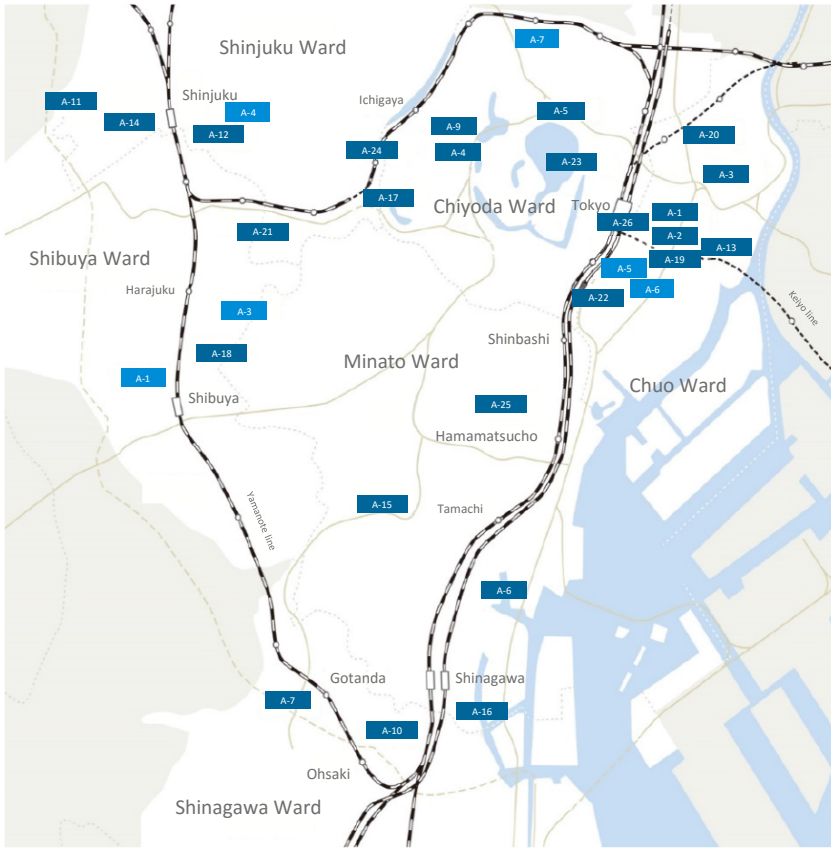
■ Changes in JPR Unit Price and Dividend Yield



1. Prepared by TRIM based on Bloomberg data.

Central Tokyo

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



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

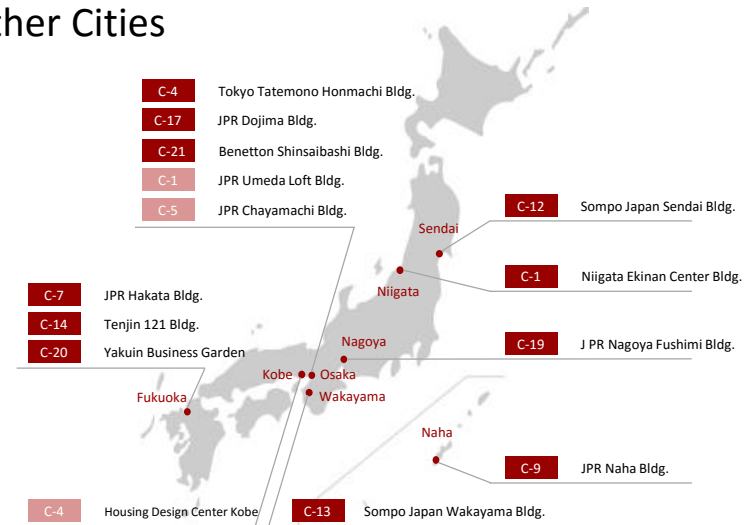
Greater Tokyo

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



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

Other Cities



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

A-1 Kanematsu Bldg.



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

A-2 Kanematsu Bldg. Annex



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

A-3 JPR Ningyo-cho Bldg.



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

A-4 Shin-Kojimachi Bldg.



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

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



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

A-5 JPR Crest Takebashi Bldg.



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



A-6 MS Shibaura Bldg.



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

A-7 Gotanda First Bldg.



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

A-9 JPR Ichigaya Bldg.



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

A-14 Shinjuku Center Building



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

A-10 Oval Court Ohsaki Mark West



- ① Shinagawa-ku
- ② S・SRC B2/17F
- ③ Jun. 2001
- ④ 28,575m²



A-11 Shinjuku Square Tower



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

A-12 BYGS Shinjuku Bldg.



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



A-13 Across Shinkawa Bldg. Annex



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

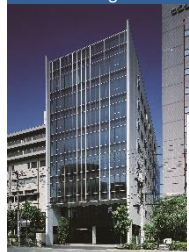
A-15 Minami Azabu Bldg.



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



A-16 Shinagawa Canal Bldg.



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



A-17 Rokubancho Building



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

A-18 JPR Harajuku Bldg.



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

1. The property overview indicates (1) location, (2) structure/floors, (3) completion, and (4) total floor space (entire building). The same applies hereafter.

A-19 Tokyo Tatemono Kyobashi Building



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

A-20 JPR Nihonbashi-horidome Building



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



A-21 JPR Sendagaya Bldg.



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



A-26 Tokyo Square Garden



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



A-22 Ginza Sanwa Bldg.



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

A-24 Science Plaza - Yonbancho Plaza



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

A-25 Shibadaimon Center Bldg.



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

A-1 JPR Shibuya Tower Records Bldg.



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

A-3 JPR Jingumae 432



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

A-4 Shinjuku Sanchoe East Bldg.



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

A-5 Yurakucho Ekimae Building (Yurakucho Itocia)



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

A-7 FUNDES Suidobashi



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

A-6 GINZA GATES



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

B-1 Arca East



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

B-2 JPR Chiba Bldg.



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



B-3 JPR Yokohama Nihon Odori Bldg.



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

B-5 Shinyokohama 2nd Center Bldg.



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

B-6 Kawaguchi Center Bldg.



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

B-11 Olinas Tower



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



B-7 JPR Ueno East Bldg.



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



B-8 Tachikawa Business Center Bldg.



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

B-9 Rise Arena Bldg.



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



B-10 Yume-ooka Office Tower



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



B-12 Tokyo Tatemono Yokohama Building



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

B-13 Omiya Prime East



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



B-1 Tanashi ASTA



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

B-3 Cupo-la Main Bldg.



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

B-4 JPR Musashikosugi Bldg.



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

B-5 Musashirawa Shopping Square



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

B-6 Kawasaki Dice Bldg.



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

C-1 Niigata Ekinan Center Bldg.



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

C-4 Tokyo Tatemono Honmachi Bldg.



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

C-7 JPR Hakata Bldg.



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

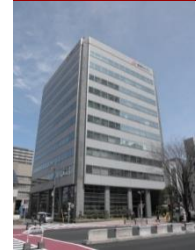
C-9 JPR Naha Bldg.



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



C-12 Sampo Japan Sendai Bldg.



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

C-13 Sampo Japan Wakayama Bldg.



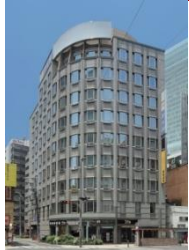
- ① Wakayama, Wakayama
- ② S 9F
- ③ Jul. 1996
- ④ 6,715m²

C-14 Tenjin 121 Bldg.



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

C-17 JPR Dojima Bldg.



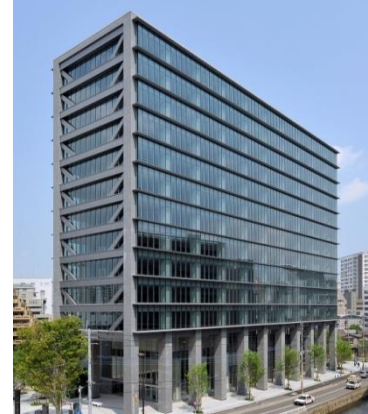
- ① Osaka, Osaka
- ② SRC B2/9F
- ③ Oct. 1993
- ④ 5,696m²

C-19 JPR Nagoya Fushimi Bldg.



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

C-20 Yakuin Business Garden



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



C-3 Benetton Shinsaibashi Bldg.



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

C-1 JPR Umeda Loft Bldg.



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

C-4 Housing Design Center Kobe



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

C-5 JPR Chayamachi Bldg.



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

Term	Meaning
Acquisition price	The transaction price indicated in the sale and purchase agreement for acquisition of properties (hereafter, the “owned properties”) or properties it plans to acquire (exclusive of expenses related to acquisition, property taxes and consumption taxes, etc.)
Total (acquisition price)	The asset size refers to the total amount of the acquisition prices of the owned properties.
Investment ratio	The investment ratio refers to the ratio of the acquisition price of relevant properties owned by JPR to the total acquisition price of its portfolio.
Occupancy rate / occupancy rate based on concluded contracts	Total leased space / total leasable space When simply stated as occupancy rate, it represents the occupancy rate based on concluded contracts. When occupancy rate for each fiscal period is indicated, it represents the average occupancy rate as of the end of each month that belongs to the relevant fiscal period (period average of occupancy rate at end of month). Furthermore, it may be described as “average occupancy rate” in order to distinguish it from “period-end occupancy rate.”
Occupancy rate based on generated rents	(Total leased space – total leased space during rent-free and rent-holiday periods) / total leasable space
Average unit rent	Total monthly rent / total leased space Calculated based on the monthly rents (including common charges) indicated in the lease contracts with tenants; for certain properties, the figure includes common charges, etc. received by master lessees without being recorded as JPR’s revenue
Average downtime	The average period of vacancy between the move-in dates stipulated in the new lease contracts becoming effective in each fiscal period and the move-out days of the previous tenants for the same leased spaces.
Average rent-free period	The average of the rent-free periods agreed upon in new lease contracts becoming effective in each fiscal period.
NOI yield	(Rental revenue - real estate — expenses related to rent business + depreciation) / book value (or acquisition price, depending on the case) NOI yield is calculated using the above formula, by dividing the book value (or acquisition price) in the formula by 365 days and multiplying it by the number of business days of the relevant fiscal period.
After-depreciation yield	(Rental revenue - real estate — expenses related to rent business) / book value (or acquisition price, depending on the case)

Term	Meaning
Number of tenants	The number of tenants counts the parties with whom JPR has concluded lease contracts for the building floors. When a single tenant leases multiple rooms, it is counted as one if the tenant uses the same property. If the leased rooms are in multiple buildings, the tenant is counted in plural.
Ratio of long-term, fixed interest rate debts	Long-term interest-bearing debts with fixed interests / total interest-bearing debts
Average maturity	Weighted average calculated by dividing the remaining periods to the repayment dates and redemption dates of borrowings and investment corporation bonds at the end of each fiscal period by the balance of respective borrowings and investment corporation bonds at the end of each fiscal period For borrowings with scheduled repayment in installments, the weighted average of the remaining period to the scheduled repayment dates of each installment payment in accordance with the relevant repayment amount
Average debt cost	Sum total of interest expenses on borrowings and 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 issuance management expenses, divided by the number of business days for the relevant fiscal period and annualized by multiplying by 365 days / sum total of borrowings and investment corporation bonds
LTV	Interest-bearing debts / total assets at end of period (based on total assets) There are other calculation methods of LTV. +LTV based on unitholders’ capital = Interest-bearing debts / (interest-bearing debts + unitholders’ capital) +LTV (based on valuation) = Interest-bearing debts / (total assets at end of period + unrealized gains or losses from valuation) Unrealized gains or losses from valuation refer to the difference between appraisal value and book value.
NAV per unit	(Unitholders’ value + reserve for reduction entry, etc. + unrealized gains or losses) / number of units outstanding
Ratio of unrealized gains or losses	(Appraisal value – book value) / book value
Cap rate	Capitalization rate by the direct capitalization method Direct capitalization method is one of the methods to calculate the value estimated by income approach (a method to estimate the value of the target property by calculating the sum total of present value of the net operating income which the target property is expected to generate in the future), and capitalizes the net operating income of a certain period by using the capitalization rate.
Tokyo/ Other cities	“Tokyo” defined by JPR as its investment area collectively refers to “Central Tokyo” and “Greater Tokyo” as defined below, and “Other Cities” refers to other regions. +Central Tokyo: Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya Wards +Greater Tokyo: All other areas of Tokyo Prefecture, and Chiba, Kanagawa and Saitama Prefectures