

Translation

Japan Prime Realty Investment Corporation
Financial Report for the 42nd Fiscal Period Results (July 1, 2022 - December 31, 2022)

February 17, 2023

REIT Securities Issuer: Japan Prime Realty Investment Corporation Listing: Tokyo Stock Exchange
 Securities Code: 8955 URL: <https://www.jpr-reit.co.jp/en/>
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1. Financial Results for the 42nd Fiscal Period (July 1, 2022 – December 31, 2022)

[Amounts are rounded down to the nearest million yen, except for per unit figures.]
 [% figures represent the increase (decrease) compared with the previous fiscal period]

(1) Operating Results

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
For the six months ended								
December 31, 2022	18,739	2.1	9,273	(0.8)	8,469	(1.6)	8,469	(1.6)
June 30, 2022	18,357	0.6	9,343	8.3	8,607	9.1	8,607	9.1

	Net Income per Unit (EPU)	Net Income / Net Assets	Ordinary Income / Total Assets	Ordinary Income / Operating Revenue
	yen	%	%	%
For the six months ended				
December 31, 2022	8,493	3.1	1.7	45.2
June 30, 2022	8,664	3.2	1.7	46.9

(2) Distributions

	Distribution per Unit (DPU) [excluding exceeding profit distribution amount]	Distribution Amount	Exceeding Profit Distribution per Unit	Exceeding Profit Distribution Amount	Dividend Payout Ratio	Distribution / Net Assets
	yen	million yen	yen	million yen	%	%
For the six months ended						
December 31, 2022	7,750	7,728	–	–	91.2	2.8
June 30, 2022	7,800	7,777	–	–	90.3	2.9

- (Note 1) Dividend payout ratio is rounded down to the first decimal place.
 (Note 2) Dividend payout ratio for the six months ended June 30, 2022 is calculated by using the following formula, as JPR issued new investment units in the fiscal period:
 Dividend payout ratio = Distribution amount / Net income x 100
 (Note 3) The difference between the distribution amount and net income for the six months ended June 30, 2022, is attributable to the fact that part of the unappropriated retained earnings (830 million yen) was internally reserved as reserve for reduction entry.
 (Note 4) The difference between the distribution amount and net income for the six months ended December 31, 2022, is attributable to the fact that part of reserve for reduction entry (73 million yen) was reversed while part of the unappropriated retained earnings (815 million yen) was internally reserved as reserve for reduction entry.

(3) Financial Position

	Total Assets	Net Assets	Net Assets / Total Assets	Net Asset Per Unit
	million yen	million yen	%	yen
As of				
December 31, 2022	507,655	273,603	53.9	274,378
June 30, 2022	507,005	272,912	53.8	273,684

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
For the six months ended	million yen	million yen	million yen	million yen
December 31, 2022	15,155	(1,428)	(7,777)	45,506
June 30, 2022	14,317	(12,919)	2,611	39,557

2. Forecasts for the 43rd Fiscal Period Ending June 30, 2023 (January 1, 2023 – June 30, 2023) and the 44th Fiscal Period Ending December 31, 2023 (July 1, 2023 – December 31, 2023)

[Amounts are rounded down to the nearest million yen, except for per unit figures.]
[% figures represent the increase (decrease) compared with the previous fiscal period]

	Operating Revenue		Operating Income		Ordinary Income		Net Income		DPU [excluding exceeding profit distribution per unit]	Exceeding Profit Distribution Per Unit
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen
43rd Fiscal Period Ending June 30, 2023	18,101	(3.4)	8,760	(5.5)	7,990	(5.7)	7,990	(5.7)	7,600	–
44th Fiscal Period Ending December 31, 2023	17,469	(3.5)	8,057	(8.0)	7,230	(9.5)	7,230	(9.5)	7,600	–

(Reference) Estimated net income per unit (forecast net income / forecast number of investment units at end of period)

43rd fiscal period ending June 30, 2023: 8,012 yen

44th fiscal period ending December 31, 2023: 7,250 yen

(Note 1) DPU for the 43rd fiscal period ending June 30, 2023 is calculated on the assumption that part of the gain on sale of real estate (411 million yen) will be internally reserved in application of the Special Provisions for Taxation in Cases of Repurchase of Specified Assets (Article 65-7 of the Act on Special Measures Concerning Taxation).

(Note 2) DPU for the 44th fiscal period ending December 31, 2023 is calculated on the assumption that part of the reserve for reduction entry (348 million yen) will be reversed and distributed.

3. Other

(1) Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatement

- (a) Changes in accounting policies accompanying amendments to accounting standards, etc.: None
(b) Changes in accounting policies other than in (a): None
(c) Changes in accounting estimates: None
(d) Retrospective restatement: None

(2) Number of Investment Units Issued and Outstanding

- (a) Number of investment units (including treasury units) issued and outstanding at end of period

As of December 31, 2022: 997,178 units As of June 30, 2022: 997,178 units

- (b) Number of treasury units at end of period

As of December 31, 2022: 0 units As of June 30, 2022: 0 units

(Note) With regard to the number of investment units, which serves as the basis for calculating net income per unit, please refer to "Per Unit Information," on page 22.

* This financial report is not subject to audit procedures by public accountants or audit corporations.

* Special note

The forecasts for the 43rd fiscal period ending June 30, 2023, and the 44th fiscal period ending December 31, 2023, are calculated as of February 17, 2023, based on the assumptions described on pages 9 and 10 of this report. Accordingly, actual operating revenue, operating income, ordinary income, net income, DPU and exceeding profit distribution per unit may differ from the forecasts. Moreover, the forecasts should not be construed as a guarantee of the distribution amount.

This is an English-language translation of original Japanese announcement on our website released on February 17, 2023. However, no assurance or warranties are given with respect to the accuracy or completeness of this English-language translation. The Japanese original shall prevail in the case of discrepancies between this translation and the Japanese original.

1. Management Status

1) Overview of Fiscal Period under Review

a) Milestones of JPR

Japan Prime Realty Investment Corporation (JPR) was established on September 14, 2001, under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended), and was listed on the Tokyo Stock Exchange Real Estate Investment Trust Section on June 14, 2002, with 289,600 outstanding investment units. With the subsequently implemented public offerings and other capital raising measures by JPR, the number of investment units issued and outstanding totals 997,178 units as of the end of the 42nd fiscal period (December 31, 2022). JPR has assigned the asset management of its portfolio to Tokyo Realty Investment Management, Inc. (TRIM), through which JPR aims to maximize unitholder value by efficiently managing the portfolio primarily comprising office properties and retail properties.

b) Management Environment

During the 42nd fiscal period, the Japanese economy showed a pickup as progress was made to a certain degree in addressing COVID-19 while at the same time promoting socio-economic activities. On the demand side, a strong note was observed mainly in consumer spending and capital investment. Meanwhile, in terms of supply, partial stagnancy in production activities in China caused disruptions in supply chains, which affected Japan as production stagnated in some areas. Corporate earnings demonstrated recovery both in manufacturing industries and the non-manufacturing sector. However, price indexes in Japan have shown a year-on-year increase against the backdrop of rising commodity prices due to exchange rate fluctuations, causing concerns about how the economy and corporate earnings will be impacted.

The Office Property Leasing Market

In the office property leasing market, the vacancy rate in Central Tokyo had been rising until recently but has started to level off, partly due to socio-economic activities normalizing gradually, and the decrease in average rent has been decelerating. Similar trends are observed in Greater Tokyo and other cities.

The Retail Property Leasing Market

At urban retail properties which JPR targets for investment, sales recovery is underway with an increase in the number of customers visiting stores, given the socio-economic activities normalizing gradually.

The For-Sale Real Estate Market

In the for-sale real estate market, active transactions continued to take place in the 42nd fiscal period against the backdrop of weaker yen and low interest rates, etc. Close attention must be paid, however, on how the foreign exchange market and interest rate trends may affect the market conditions. For office properties that are major targets of JPR for investment, blue-chip properties are in short supply while investors both in and outside Japan still show a strong appetite to acquire them. Thus, with low-yield transactions continuing to prevail, the acquisition environment remains harsh. Accordingly, investors continue to look for ways to effectively acquire properties, such as by diversifying the target assets for investment and conducting asset replacement.

As for urban retail properties and hotels for which investors have shown a cautious attitude due to the impact of COVID-19, transactions with an eye to the post-pandemic era are visibly taking place.

c) Portfolio Management Status

Acquisition of New Properties and Asset Replacement

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

During the 42nd fiscal period, JPR conducted an exchange transaction by selling Gotanda First Bldg. (sale price: 4,270 million yen) and acquiring Shinjuku Center Bldg. (additional acquisition of 7% co-ownership interest) (acquisition price: 3,320 million yen) in December 2022. Moreover, in the same month, JPR conducted the third part of the sale of JPR Umeda Loft Bldg. (30% co-ownership, sale price of the relevant ownership interest: 5,250 million yen).

As a result of these transactions, the balance of JPR's assets under management totaled 65 properties, or 488.7 billion yen on an acquisition price basis as of the end of December 2022, with the total leasable floor space standing at 494,503 m² and the number of tenants at 1,180.

Operational Management of Portfolio

In the office property leasing market in the 42nd fiscal period, the upward trend in the vacancy rate and the downward trend in rent levels appeared to take a temporary pause, given the impact of COVID-19 being tamed. Nevertheless, the situation demands that close attention be continuously paid. Under such circumstances, JPR endeavored to attract new tenants through strategic leasing activities and enhance the satisfaction of existing tenants by maintaining close cooperation with property management companies and brokers, with an aim to secure stable earnings across the entire portfolio as well as its occupancy rate. As a result of these efforts, the occupancy rate at the end of the 42nd fiscal period was kept at a high level, standing at 97.5% to remain the same as the end of the previous fiscal period.

In terms of property management, JPR continued to proactively implement value enhancement works based on tenant needs, on the ground of its brand concept A/3S (Amenity/Service, Safety and Save Energy) that has been established with an aim to create spaces where the workers feel satisfaction. As an endeavor to reduce CO₂ emissions, JPR conducted renewal of elevators and escalators and replacement of lighting equipment with LED lamps, which are expected to be effective for the endeavor, at its multiple properties.

Moreover, as its initiatives on environmental issues, JPR has continuously obtained environmental certifications. As of December 31, 2022, JPR has acquired DBJ Green Building Certification*¹ for 13 properties in total. JPR has also obtained CASBEE for Building Certification*² for 37 properties in total (including 8 newly certified properties), and BELS*³ certification for 3 properties (including one newly certified property (ZEB*⁴ certification type: ZEB Oriented*⁵)). On top of these certifications JPR acquired, its endeavors on environmental issues were so acknowledged that it was designated as "Green Star" in the GRESB*⁶ Real Estate Assessment for 2022, marking the ninth consecutive year of recognition with the highest ranking in the survey. JPR has also been granted the highest rank of "5 Stars" in the rating, which makes relative assessment based on total scores, for four consecutive years.

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

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

*3 BELS is an abbreviation for Building-Housing Energy-efficiency Labeling System. It is a performance-labeling system created for the purpose that a third-party organization accurately conducts the evaluation and indication of energy-efficiency performance of non-residential buildings in accordance with the Assessment Guidelines on Energy Efficiency Performance of Non-residential Buildings (2013) established by the Ministry of Land, Infrastructure, Transport and Tourism.

*4 ZEB is an abbreviation of Net Zero Energy Building, and refers to buildings that aim to balance out the annual primary energy they consume to zero, while realizing a comfortable indoor environment.

*5 ZEB Oriented refers to special use buildings with a total floor space of 10,000 m² or more that have adopted measures to achieve energy conservation and reduced primary energy consumption by at least 40% from the standards set in the Act on the Improvement of Energy Consumption Performance of Buildings.

*6 GRESB is an annual benchmarking assessment to measure ESG (Environmental, Social and Governance) awareness of real estate companies and funds, as well as the name of the organization which runs the assessment system. It was founded in 2009 primarily by major European pension fund groups. Of the survey subjects, GRESB Real Estate Assessment covers real estate companies and funds that are mainly engaged in managing existing properties.

Fund Procurement

JPR focuses its endeavors on debt financing with an emphasis placed on lengthening debt maturity and diversifying repayment dates in an effort to make its financial base more solid and stronger. JPR borrowed 8.0 billion yen in the 42nd fiscal period to fund the refinancing of interest-bearing debts it repaid during the same fiscal period. This led to the average maturity of and the average interest on the new interest-bearing debts at 6.3 years and 0.54%, respectively, in contrast to 4.9 years and 0.41% for the relevant interest-bearing debts before refinancing.

As of the end of the 42nd fiscal period, the balance of interest-bearing debts totaled 202.9 billion yen, with a balance of borrowings of 165.0 billion yen and a balance of investment corporation bonds of 37.9 billion yen. The ratio of interest-bearing debt to total assets (LTV) (Note 1) was 40.0%, long-term and fixed interest-bearing debt ratio (Note 2) was 100.0%, average debt cost (Note 3) was 0.76% and average maturity (Note 4) was 4.7 years as of the end of the fiscal period.

Moreover, JPR established a commitment line with a credit limit of 24.0 billion yen with six financial institutions.

The following represents the issuer ratings for JPR as of the end of the 42nd fiscal period.

Details of Corporate Credit Ratings as of December 31, 2022

Credit Rating Agency	Corporate Credit Rating (outlook)
Japan Credit Rating Agency, Ltd. (JCR)	AA (Stable)
Rating and Investment Information, Inc. (R&I)	AA- (Stable)

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

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

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

(Note 4) Average maturity is arrived at by calculating a weighted average of maturities from the end of the 42nd fiscal period to the repayment deadlines for all interest-bearing debts based on the balance of each interest-bearing debt.

d) Operating Results and Cash Distributions

As a result of the aforementioned management performance, JPR posted operating revenue of 18,739 million yen, ordinary income of 8,469 million yen and net income of 8,469 million yen for its 42nd fiscal period ended December 31, 2022. With regard to the cash distributions, JPR decided to distribute part of the retained earnings brought forward that had been internally reserved through the 41st fiscal period, with the aim of having the profit distributions deducted as expenses based on application of the special provision on taxation of investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation) and in order to minimize the burden to unitholders incurred by accrual of corporate income tax, etc. In addition, for the 42nd fiscal period, JPR decided to reverse part of reserve for reduction entry (73 million yen) reserved by 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), and internally reserve 815 million yen as reserve for reduction entry from the unappropriated retained earnings, pursuant to the Special Provisions for Taxation in Cases of Repurchase of Specified Assets (Article 65-7 of the Act on Special Measures Concerning Taxation). As a result, the cash distribution per unit came to 7,750 yen for the 42nd fiscal period.

2) Forecast for the Next Fiscal Period

a) Outlook for Management Status

Looking ahead, it is anticipated that more progress will be made in addressing COVID-19 while at the same time promoting socio-economic activities. In particular, due to a rise in demand from inbound foreign tourists and consumer spending as well as improvements in the supply chains, etc., the Japanese economy is expected to continue showing a pickup. However, attention should be paid to the impacts of fluctuations in the financial and capital markets associated with rising interest rates in and outside Japan. In addition, JPR will continue to pay close attention to the impact of the COVID-19 infections in Japan and abroad.

The office property leasing market is anticipated to hit the bottom in a gradually increasing manner, but close attention must be paid to the impact of the increased supply of office buildings in Central Tokyo anticipated for 2023 and 2025. In addition, corporate earnings trends in 2023 and thereafter must also be taken into consideration. Under these circumstances, JPR is resolved to continue its endeavors to enhance the competitiveness of its owned properties, as it has focused on improving tenant satisfaction through proactive implementation of value enhancement works and provision of elaborate management services.

In the for-sale real estate market, it has become even more important to discern the growth potential in earnings of respective properties, while continuously taking into account the impact of the changes in the Japanese economy on the leasing market. In consideration of the current situation in which the low-yield environment continues to stay, it is necessary to firmly keep the attitude of vigorously selective investment for implementing real estate investment that assumes possession of properties over the medium to long term.

i) Acquisition of New Properties and Asset Replacement

JPR will continue to make investment focused on office properties in the Tokyo area, with an aim to improve the quality of its portfolio and enhance its growth potential and stability over the long term. In the for-sale office property market, the purchase cap rate and expected cap rate levels are still low, with properties remaining in short supply. Although close attention must be paid to the trends in the leasing market going forward, JPR will fully investigate the stability and growth potential of candidate properties when acquiring them. As for retail properties, etc., JPR will work to invest in strictly selected blue-chip properties that can maintain stable revenues at a certain level in order to complement the stability of earnings of the entire portfolio. In doing so, JPR will have to be more prudent in investigating, paying close attention to sales trends, etc. of such properties under the influence of COVID-19. JPR will continue its endeavors to acquire new properties under reasonable terms by negotiating prices based on detailed market studies and property due diligence.

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

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

ii) Management of Portfolio

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

- Strengthen coordination with property management companies and respective tenant brokers
- Propose leasing terms and conditions in consideration of the current leasing market situations and promote rapid decision-making
- Conduct strategic value enhancement with the intent to improve property earnings and increase tenant satisfaction
- Reinforce responses to business continuity plans and environmental friendliness that command high social demand

iii) Fund Procurement

In accordance with its basic policy of implementing conservative financial operations that focus on stability, JPR will control its LTV in a conservative manner. In debt financing, JPR will endeavor to further lengthen maturity with a focus on stability in an effort to diversify repayment dates and reduce the repayment amount for each fiscal period, with an eye on reducing refinancing risks that may arise with future changes in the financial environment. Moreover, JPR intends to work on fund procurement through issuance of investment corporation bonds as it aims to diversify fund procurement means and sources.

iv) Information Disclosure

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

v) Significant Subsequent Events

Property Sale

JPR concluded a sale agreement regarding the following property on February 17, 2023.

< JPR Crest Takebashi Bldg. >

Asset type:	Beneficiary interest
Sale price:	4,169 million yen
Delivery date:	April 12, 2023 (scheduled)
Buyer:	Yasuda Real Estate Co., Ltd.
Impact on operating results:	JPR plans to record approximately 881 million yen in gain on sale of real estate as operating revenue for the 43rd fiscal period (January 1, 2023 – June 30, 2023).

<Reference Information>

Property Acquisition

After the settlement date of the 42nd fiscal period, JPR acquired the following properties.

< Osaka Dojima Bldg. >

Property overview

Location:	3-5 Dojima 2-chome, Kita-ku, Osaka-shi, Osaka (residential address)
Type of ownership:	Land: Ownership (co-ownership: approx. 95.4% co-ownership interest) Building: Sectional ownership
Site area:	938.01 m ² (equivalent to co-ownership interest: 894.91 m ²)
Total floor space:	4,977.52 m ² (exclusive area: 2,947.16 m ²)
Structure/floors:	S, RC with flat roof, B1/7F
Completed:	July 1996
Number of tenants:	8
Total leasable floor space:	3,074.30 m ²
Total leased floor space:	2,571.56 m ²
Occupancy rate:	83.6%

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

Transaction terms and conditions

Purchase price:	2,460 million yen
Asset type:	Real estate
Contract date:	December 21, 2022
Acquisition date:	January 11, 2023

< FUNDES Tenjin Nishidori >

Property overview

Location:	3-21 Tenjin 2-chome, Chuo-ku, Fukuoka-shi, Fukuoka (residential address)
Type of ownership:	Land: Ownership Building: Ownership
Site area:	219.26 m ²
Total floor space:	1,135.67 m ²
Structure/floors:	S with flat roof, 8F
Completed:	March 2022
Number of tenants:	5
Total leasable floor space:	1,054.30 m ²
Total leased floor space:	724.84 m ²
Occupancy rate:	68.8%

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

Transaction terms and conditions

Purchase price:	3,310 million yen
Asset type:	Real estate
Contract date:	December 21, 2022
Acquisition date:	January 11, 2023

On February 17, 2023, JPR concluded an agreement regarding acquisition of the following property.

< Ochanomizu Sola City >

Property overview

Location:	6-1 Kanda-Surugadai 4-chome, Chiyoda-ku, Tokyo and others (lot number)
Type of ownership:	Land: Ownership (co-ownership: 3.4% co-ownership interest) Building: Ownership (co-ownership: 3.4% co-ownership interest)
Site area:	9,681.02 m ² (equivalent to co-ownership interest: 329.15 m ²)
Total floor space:	96,897.25 m ² (equivalent to co-ownership interest: 3,294.51 m ²)
Structure/floors:	S with flat roof, B2/23F
Completed:	February 2013
Number of tenants:	26
Total leasable floor space:	2,235.01 m ²
Total leased floor space:	2,235.01 m ²
Occupancy rate:	100.0%

(Note) As a pass-through master lease agreement has been concluded between the trustee and Taisei Corporation (the master lessee), “Number of tenants” indicates the number of sublessees subleased by the master lessee at the time of concluding the purchase agreement. “Total leasable floor space,” “Total leased floor space” and “Occupancy rate” are based on the figures equivalent to co-ownership interest that JPR plans to acquire at the time of concluding the purchase agreement, out of the space leased by the master lessee to the sublessees.

Transaction terms and conditions

Purchase price:	6,490 million yen
Asset type:	Beneficiary interest
Contract date:	February 17, 2023
Acquisition date:	April 12, 2023 (scheduled)

b) Outlook for Management Status (Operating Results)

JPR expects the following management status in the 43rd fiscal period (from January 1, 2023 to June 30, 2023) and the 44th fiscal period (from July 1, 2023 to December 31, 2023).

	43rd Fiscal Period	44th Fiscal Period
Operating revenue	18,101 million yen	17,469 million yen
Operating income	8,760 million yen	8,057 million yen
Ordinary income	7,990 million yen	7,230 million yen
Net income	7,990 million yen	7,230 million yen
Distribution per unit	7,600 yen	7,600 yen
Exceeding profit distribution per unit	- yen	- yen

For the assumptions underlying this outlook of management status, please refer to “Assumptions for the 43rd Fiscal Period (from January 1, 2023 to June 30, 2023) and the 44th Fiscal Period (from July 1, 2023 to December 31, 2023)” shown below.

(Note) The forecast figures above are the current forecasts calculated based on certain assumptions. Accordingly, the actual operating revenue, operating income, ordinary income, net income, distribution per unit and exceeding profit distribution per unit may vary due to changes in the circumstances. Moreover, the forecast above should not be construed as a guarantee of the distribution amount.

Assumptions for the 43rd Fiscal Period (from January 1, 2023 to June 30, 2023) and
the 44th Fiscal Period (from July 1, 2023 to December 31, 2023)

Item	Assumptions
Operation Period	43rd fiscal period: from January 1, 2023 to June 30, 2023 (investment period: 181 days) 44th fiscal period: from July 1, 2023 to December 31, 2023 (investment period: 184 days)
Property Portfolio	<ul style="list-style-type: none"> On the basis of the 67 properties owned by JPR as of February 17, 2023, it is assumed that JPR will acquire Ochanomizu Sola City and sell JPR Crest Takebashi Bldg. (both scheduled for April 12, 2023). In practice, this assumption may vary due to such events as acquisition of additional properties or sale of existing properties other than the above-mentioned properties.
Operating Revenue	<ul style="list-style-type: none"> Real estate rental revenues are calculated on the basis of the lease contracts effective as of December 31, 2022, with consideration given to such factors as the market environment and status of negotiations with tenants, as well as taking into account the impact of certain tenant move-ins and move-outs, among other factors. JPR also assumes that rents will be paid on time and that no tenants will fail or decline to pay rents. Gain on sale of real estate is assumed to be 881 million yen for the 43rd fiscal period.
Operating Expenses	<ul style="list-style-type: none"> Among rental expenses, which are the principal operating expenses, outsourcing expenses and other expenses excluding depreciation are calculated based on historical data, etc., reflecting variable factors of expenses. Outsourcing expenses are assumed to be 711 million yen for the 43rd fiscal period and 709 million yen for the 44th fiscal period. For property taxes and city planning taxes, JPR assumes 2,591 million yen for the 43rd fiscal period and 2,579 million yen for the 44th fiscal period. In general practice, the property taxes and city planning taxes levied on properties acquired are settled after prorating for the period with the previous owner at the time of acquisition, but JPR includes the amount equivalent to such settlement in the acquisition costs for the properties. For expenditures for the repair and maintenance of buildings, the amount expected to be required in each of the fiscal periods has been recorded. However, the expenditures for repair and maintenance for each of the fiscal periods could differ significantly from the estimated amount, as expenditures may arise due to damage to the building caused by unexpected factors, etc., and because the variance in amounts generally tends to grow from year to year and repair expenses do not arise regularly. Depreciation is calculated using the straight line method, including additional future capital expenditures. Depreciation is assumed to be 2,041 million yen for the 43rd fiscal period and 2,056 million yen for the 44th fiscal period. Operating expenses excluding rental expenses other than rental business expenses (asset management fees, administrative service and custodian fees, etc.) are assumed to be 1,019 million yen for the 43rd fiscal period and 948 million yen for the 44th fiscal period.
Non-Operating Income	<ul style="list-style-type: none"> As for major non-operating income, JPR assumes income on settlement of management association accounts to be 30 million yen for the 43rd fiscal period and 3 million yen for the 44th fiscal period.
Non-Operating Expenses	<ul style="list-style-type: none"> As for major non-operating expenses, JPR assumes 791 million yen for the 43rd fiscal period and 822 million yen for the 44th fiscal period for interest expenses, borrowing expenses, interest expenses on investment corporation bonds and amortization of investment corporation bond issuance costs, etc.
Interest-Bearing Debt and Ratio of Interest-Bearing Debt to Total Assets	<ul style="list-style-type: none"> The ratio of interest-bearing debt to total assets as of February 17, 2023, stands at 40.0%, with interest-bearing debts of 202,900 million yen (comprised of 165,000 million yen in long-term loans payable and 37,900 million yen in investment corporation bonds). It is assumed that all interest-bearing debt for which repayment (redemption) dates will arrive during the 43rd and 44th fiscal periods will be refinanced. The ratio of interest-bearing debt to total assets is assumed to be 40.4% at the end of the 43rd fiscal period and 40.4% at the end of the 44th fiscal period. The following formula is used in calculating the ratio of interest-bearing debt to total assets in this table. Ratio of interest-bearing debt to total assets = Expected total interest-bearing debt / Expected total assets x 100

Item	Assumptions
Total Units Outstanding	<ul style="list-style-type: none"> The total number of investment units issued and outstanding is 997,178 units as of February 17, 2023, and it is assumed that no additional investment units will be issued.
Distribution Per Unit	<ul style="list-style-type: none"> For distribution per unit (DPU), it is assumed that all revenues will be distributed based on the distribution methods provided in the Articles of Incorporation. As for the gain on sale of real estate JPR expects to record for the 43rd fiscal period (881 million yen), it is assumed that 411 million yen will be internally reserved as reserve for reduction entry, in application of the Special Provisions for Taxation in Cases of Repurchase of Specified Assets as provided in Article 65-7 of the Act on Special Measures Concerning Taxation, for the purpose of stable management and cash distributions in the future. DPU for the 44th fiscal period ending December 31, 2023 is calculated on the assumption that part of the reserve for reduction entry (348 million yen) will be reversed and distributed. There is the possibility that the distribution per unit may vary due to various factors including variation of rental revenues due to acquisition or sale of assets under management and tenant replacement, and unpredicted repairs and maintenance.
Exceeding Profit Distribution Per Unit	<ul style="list-style-type: none"> Distribution of monies exceeding the profit is currently not assumed.
Others	<ul style="list-style-type: none"> It is assumed that there will be no changes in legislation, taxation, accounting standards, regulations applying to publicly listed companies, rules and requirements imposed by the Investment Trusts Association, Japan that will impact the aforementioned forecast. It is also assumed that there will be no unexpected material changes in general economic and real estate market conditions.

2. Financial Statements

(1) Balance Sheets

(Thousands of Yen)

	End of 41st Fiscal Period (Jun. 30, 2022)	End of 42nd Fiscal Period (Dec. 31, 2022)
Assets		
Current assets		
Cash and deposits	¥26,708,733	¥33,127,007
Cash and deposits in trust	12,848,490	12,379,450
Operating accounts receivable	492,985	583,489
Prepaid expenses	127,655	132,360
Other	42,311	39,604
Total current assets	40,220,177	46,261,911
Noncurrent assets		
Property, plant and equipment		
Buildings	68,379,448	69,506,736
Accumulated depreciation	(22,902,238)	(23,785,420)
Buildings, net	45,477,209	45,721,315
Buildings in trust	98,413,791	96,194,049
Accumulated depreciation	(38,619,956)	(38,559,767)
Buildings in trust, net	59,793,834	57,634,282
Structures	88,829	94,101
Accumulated depreciation	(36,612)	(38,968)
Structures, net	52,216	55,133
Structures in trust	127,940	128,272
Accumulated depreciation	(80,917)	(81,897)
Structures in trust, net	47,022	46,374
Machinery and equipment	834,144	834,332
Accumulated depreciation	(565,442)	(582,683)
Machinery and equipment, net	268,702	251,649
Machinery and equipment in trust	2,017,750	1,996,314
Accumulated depreciation	(1,537,147)	(1,544,705)
Machinery and equipment in trust, net	480,602	451,608
Tools, furniture and fixtures	215,516	217,792
Accumulated depreciation	(108,569)	(119,029)
Tools, furniture and fixtures, net	106,946	98,763
Tools, furniture and fixtures in trust	295,521	304,416
Accumulated depreciation	(195,072)	(202,509)
Tools, furniture and fixtures in trust, net	100,448	101,906
Land	139,394,811	140,959,190
Land in trust	207,559,589	202,608,096
Construction in progress	2,583	9,960
Construction in progress in trust	42,610	41,045
Total property, plant and equipment	453,326,577	447,979,326
Intangible assets		
Leasehold right	11,801,831	11,801,831
Other	2,970	2,463
Total intangible assets	11,804,801	11,804,294
Investments and other assets		
Investment securities	88,860	88,860
Lease and guarantee deposits	784,089	802,490
Long-term prepaid expenses	554,046	520,563
Other	710	710
Total investments and other assets	1,427,705	1,412,623
Total noncurrent assets	466,559,084	461,196,244
Deferred assets		
Investment corporation bond issuance costs	180,345	165,429
Investment unit issuance expenses	46,206	31,861
Total deferred assets	226,551	197,291
Total assets	¥507,005,813	¥507,655,447

(Thousands of Yen)

	End of 41st Fiscal Period (Jun. 30, 2022)	End of 42nd Fiscal Period (Dec. 31, 2022)
Liabilities		
Current liabilities		
Operating accounts payable	¥2,677,555	¥3,027,125
Current portion of investment corporation bonds	2,000,000	2,000,000
Current portion of long-term loans payable	16,000,000	21,000,000
Accounts payable-other	1,057,202	1,082,817
Accrued expenses	86,586	90,561
Income taxes payable	605	605
Accrued consumption taxes	542,378	499,038
Advances received	2,813,178	2,821,057
Other	1,215	3,274
Total current liabilities	25,178,722	30,524,479
Noncurrent liabilities		
Investment corporation bonds	35,900,000	35,900,000
Long-term loans payable	149,000,000	144,000,000
Tenant leasehold and security deposits	10,081,605	10,185,789
Tenant leasehold and security deposits in trust	13,932,856	13,441,294
Total noncurrent liabilities	208,914,462	203,527,083
Total liabilities	234,093,184	234,051,563
Net assets		
Unitholders' equity		
Unitholders' capital	261,751,240	261,751,240
Surplus		
Voluntary reserve		
Reserve for reduction entry	2,546,454	3,376,470
Total voluntary reserve	2,546,454	3,376,470
Unappropriated retained earnings (undisposed loss)	8,614,933	8,476,171
Total surplus	11,161,388	11,852,642
Total unitholders' equity	272,912,629	273,603,883
Total net assets	272,912,629	273,603,883
Total liabilities and net assets	¥507,005,813	¥507,655,447

(2) Statements of Income and Retained Earnings

(Thousands of Yen)

	41st Fiscal Period (Jan. 1, 2022 – Jun. 30, 2022)	42nd Fiscal Period (Jul. 1, 2022 – Dec. 31, 2022)
Operating revenue		
Rent revenue-real estate	¥17,019,663	¥17,392,648
Gain on sale of real estate	1,338,228	1,347,213
Total operating revenue	18,357,892	18,739,862
Operating expenses		
Expenses related to rent business	7,946,916	8,199,445
Loss on exchange of real estate	–	210,929
Asset management fee	802,633	792,966
Administrative service and asset custody fees	83,054	84,648
Directors' compensation	6,300	6,300
Trust fees	17,361	15,608
Other operating expenses	158,329	156,754
Total operating expenses	9,014,594	9,466,653
Operating income	9,343,297	9,273,209
Non-operating income		
Interest income	192	175
Income on settlement of management association accounts	39,536	4,279
Insurance income	1,449	2,979
Other	2,387	1,110
Total non-operating income	43,565	8,544
Non-operating expenses		
Interest expenses	510,215	529,585
Borrowing expenses	38,869	50,670
Interest expenses on investment corporation bonds	200,124	202,105
Amortization of investment corporation bond issuance costs	14,672	14,915
Amortization of investment unit issuance expenses	14,727	14,344
Other	284	284
Total non-operating expenses	778,893	811,905
Ordinary income	8,607,969	8,469,847
Income before income taxes	8,607,969	8,469,847
Income taxes-current	605	605
Total income taxes	605	605
Net income	8,607,364	8,469,242
Retained earnings brought forward	7,569	6,929
Unappropriated retained earnings (undisposed loss)	¥8,614,933	¥8,476,171

(3) Statements of Changes in Unitholders' Equity

(Thousands of Yen)

	41st Fiscal Period (Jan. 1, 2022 – Jun. 30, 2022)	42nd Fiscal Period (Jul. 1, 2022 – Dec. 31, 2022)
Unitholders' equity		
Unitholders' capital		
Balance at beginning of current period	¥247,860,796	¥261,751,240
Changes of items during the period		
Issuance of units	13,890,444	
Total changes of items during the period	13,890,444	–
Balance at end of current period	261,751,240	261,751,240
Surplus		
Voluntary reserve		
Balance at beginning of current period	1,887,437	2,546,454
Changes of items during the period		
Provision of reserve for reduction entry	659,017	830,016
Total changes of items during the period	659,017	830,016
Balance at end of current period	2,546,454	3,376,470
Unappropriated retained earnings (undisposed loss)		
Balance at beginning of current period	7,901,374	8,614,933
Changes of items during the period		
Provision of reserve for reduction entry	(659,017)	(830,016)
Dividends from surplus	(7,234,787)	(7,777,988)
Net income	8,607,364	8,469,242
Total changes of items during the period	713,559	(138,761)
Balance at end of current period	8,614,933	8,476,171
Total surplus		
Balance at beginning of current period	9,788,811	11,161,388
Changes of items during the period		
Provision of reserve for reduction entry	–	–
Dividends from surplus	(7,234,787)	(7,777,988)
Net income	8,607,364	8,469,242
Total changes of items during the period	1,372,576	691,254
Balance at end of current period	11,161,388	11,852,642
Total unitholders' equity		
Balance at the beginning of current period	257,649,607	272,912,629
Changes of items during the period		
Issuance of units	13,890,444	
Provision of reserve for reduction entry	–	–
Dividends from surplus	(7,234,787)	(7,777,988)
Net income	8,607,364	8,469,242
Total changes of items during the period	15,263,021	691,254
Balance at end of current period	272,912,629	273,603,883
Total net assets		
Balance at beginning of current period	257,649,607	272,912,629
Changes of items during the period		
Issuance of units	13,890,444	
Provision of reserve for reduction entry	–	–
Dividends from surplus	(7,234,787)	(7,777,988)
Net income	8,607,364	8,469,242
Total changes of items during the period	15,263,021	691,254
Balance at end of current period	¥272,912,629	¥273,603,883

(4) Statements of Cash Distributions

	41st Fiscal Period (Jan. 1, 2022 – Jun. 30, 2022)	42nd Fiscal Period (Jul. 1, 2022 – Dec. 31, 2022)
I. Unappropriated retained earnings	8,614,933,824 yen	8,476,171,884 yen
II. Reversal of voluntary reserve		
Reversal of reserve for reduction entry	–	73,946,740 yen
III. Distribution amount	7,777,988,400 yen	7,728,129,500 yen
(Distribution amount per unit)	(7,800 yen)	(7,750 yen)
IV. Voluntary reserve		
Provision of reserve for reduction entry	830,016,338 yen	815,777,113 yen
V. Retained earnings carried forward	6,929,086 yen	6,212,011 yen
Method for calculating distribution amount	<p>Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, JPR decided to pay out distributions of earnings of 7,777,988,400 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (997,178 units), from the balance of unappropriated retained earnings after deducting the provision of reserve for reduction entry pursuant to Article 65-7of the Act on Special Measures Concerning Taxation, while minimizing the burden to unitholders incurred by accrual of corporate income tax, etc. Furthermore, JPR shall not distribute cash in excess of earnings as stipulated in Article 30 (4) of the Articles of Incorporation.</p>	<p>Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, JPR decided to pay out distributions of earnings of 7,728,129,500 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (997,178 units), from the balance of unappropriated retained earnings after adding the reversal of reserve for reduction entry pursuant to Article 66-2 of the Act on Special Measures Concerning Taxation and deducting the provision of reserve for reduction entry pursuant to Article 65-7of the Act on Special Measures Concerning Taxation, while minimizing the burden to unitholders incurred by accrual of corporate income tax, etc. Furthermore, JPR shall not distribute cash in excess of earnings as stipulated in Article 30 (4) of the Articles of Incorporation.</p>

(5) Statements of Cash Flows

(Thousands of Yen)

	41st Fiscal Period (Jan. 1, 2022 – Jun. 30, 2022)	42nd Fiscal Period (Jul. 1, 2022 – Dec. 31, 2022)
Net cash provided by (used in) operating activities		
Income before income taxes	¥8,607,969	¥8,469,847
Depreciation and amortization	2,046,347	2,055,734
Difference related to exchange of noncurrent assets	–	1,121,208
Amortization of investment corporation bond issuance costs	14,672	14,915
Amortization of investment unit issuance expenses	14,727	14,344
Interest income	(192)	(175)
Interest expenses	710,339	731,690
Decrease (increase) in operating accounts receivable	(177,953)	(90,504)
Decrease (increase) in consumption taxes receivable	346,039	–
Decrease (increase) in prepaid expenses	5,076	(4,704)
Increase (decrease) in operating accounts payable	(17,856)	79,299
Increase (decrease) in accounts payable-other	(67,972)	(10,899)
Increase (decrease) in accrued consumption taxes	368,920	(43,340)
Increase (decrease) in advances received	(73,131)	7,879
Decrease in property, plant and equipment in trust due to sale	3,727,070	3,718,086
Other, net	(470,497)	(179,814)
Subtotal	15,033,561	15,883,569
Interest income received	192	175
Interest expenses paid	(716,082)	(727,716)
Income taxes (paid) refund	(602)	(602)
Net cash provided by (used in) operating activities	14,317,068	15,155,425
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(11,976,312)	(590,345)
Purchase of property, plant and equipment in trust	(1,125,644)	(648,384)
Purchase of intangible assets	–	(1,081)
Payments of lease and guarantee deposits	(43,836)	(18,400)
Repayments of tenant leasehold and security deposits	(538,677)	(49,788)
Proceeds from tenant leasehold and security deposits	877,788	153,971
Repayments of tenant leasehold and security deposits in trust	(678,824)	(540,221)
Proceeds from tenant leasehold and security deposits in trust	566,303	265,649
Net cash provided by (used in) investing activities	(12,919,203)	(1,428,600)
Net cash provided by (used in) financing activities		
Repayment of short-term loans payable	(12,000,000)	–
Proceeds from long-term loans payable	18,500,000	8,000,000
Repayment of long-term loans payable	(10,500,000)	(8,000,000)
Proceeds from issuance of investment units	13,845,913	–
Dividends paid	(7,233,977)	(7,777,592)
Net cash provided by (used in) financing activities	2,611,935	(7,777,592)
Net changes in cash and cash equivalents	4,009,800	5,949,232
Cash and cash equivalents at beginning of current period	35,547,423	39,557,224
Cash and cash equivalents at end of current period	¥39,557,224	¥45,506,457

(6) Notes to the Going Concern Assumption

No relevant items.

(7) Notes to Significant Accounting Policies

The disclosure is omitted as there are no significant changes from the descriptions in the latest securities report (submitted on September 26, 2022).

(8) Notes to Financial Statements

Notes to Balance Sheets

1. Reduction Entry of Property, Plant and Equipment Acquired through Exchange

	(Thousands of yen)	
	End of 41st Fiscal Period (as of June 30, 2022)	End of 42nd Fiscal Period (as of December 31, 2022)
Land	–	¥1,537,018
Total	–	¥1,537,018

2. Balance of Unused Commitment Line

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

	(Thousands of yen)	
	End of 41st Fiscal Period (as of June 30, 2022)	End of 42nd Fiscal Period (as of December 31, 2022)
Credit limit	¥24,000,000	¥24,000,000
Outstanding debts at end of period	–	–
Unused commitment line at end of period	¥24,000,000	¥24,000,000

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

	(Thousands of yen)	
	End of 41st Fiscal Period (as of June 30, 2022)	End of 42nd Fiscal Period (as of December 31, 2022)
	¥50,000	¥50,000

Notes to Statements of Income and Retained Earnings

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

	(Thousands of yen)	
	41st Fiscal Period (January 1, 2022 – June 30, 2022)	42nd Fiscal Period (July 1, 2022 – December 31, 2022)
A. Rent Revenue-Real Estate		
Rent Revenue		
Rents	¥12,546,684	¥12,547,291
Land rents	1,802,000	1,802,000
Common charges	1,352,858	1,283,973
Parking fees	278,951	286,561
Advertising fees	36,602	37,152
Antenna usage fees	28,943	29,902
Other	46,012	45,240
Subtotal	16,092,051	16,032,122
Other rental revenues		
Incidental rent income	798,305	1,006,164
Time-based parking fees	14,092	14,192
Cancellation charges	11,173	82,368
Income equivalent to expenses for restoration to original condition	42,263	182,839
Other miscellaneous income	61,777	74,960
Subtotal	927,611	1,360,526
Total rent revenue-real estate	17,019,663	17,392,648
B. Expenses Related to Rent Business		
Outsourcing expenses	¥699,677	¥703,637
Utilities expenses	952,258	1,301,145
Property and other taxes	2,523,554	2,507,086
Casualty insurance	29,368	30,028
Repairs and maintenance	469,805	432,326
Property management fees	307,961	306,930
Management association accounts	630,331	643,099
Depreciation	2,045,976	2,055,273
Other	287,982	219,918
Total expenses related to rent business	7,946,916	8,199,445
C. Profits for Rent Business (A-B)	9,072,747	9,193,203

2. Breakdown of Gain/Loss on Sale of Real Estate

41st fiscal period (January 1, 2022 – June 30, 2022)	(Thousands of yen)
JPR Umeda Loft Bldg. (30.0% co-ownership interest)	
Proceeds from sale of real estate	¥5,250,000
Cost of sale of real estate	3,727,070
Other expenses related to sale	184,700
Gain on sale of real estate	1,338,228
42nd fiscal period (July 1, 2022 – December 31, 2022)	(Thousands of yen)
JPR Umeda Loft Bldg. (30.0% co-ownership interest)	
Proceeds from sale of real estate	¥5,250,000
Cost of sale of real estate	3,718,086
Other expenses related to sale	184,700
Gain on sale of real estate	1,347,213

3. Breakdown of Loss on Exchange of Real Estate

41st fiscal period (January 1, 2022 – June 30, 2022)	
No relevant items.	
42nd fiscal period (July 1, 2022 – December 31, 2022)	(Thousands of yen)
Gotanda First Bldg.	
Consideration for transfer of real estate	¥4,270,000
Cost of transfer of real estate	2,921,061
Other expenses related to transfer	22,850
Reduction of noncurrent assets	1,537,018
Loss on exchange of real estate	210,929

Notes to Statements of Changes in Unitholders' Equity

	41st Fiscal Period (January 1, 2022 – June 30, 2022)	42nd Fiscal Period (July 1, 2022 – December 31, 2022)
Total number of authorized units and number of units outstanding		
Total number of authorized units	5,000,000 units	5,000,000 units
Number of units outstanding	997,178 units	997,178 units

Financial Instruments

1. Matters Concerning Status of Financial Instruments

(1) Policy for Financial Instruments

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

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

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

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

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

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

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

Certain assumptions are used in calculating the fair value of financial instruments, and there can be cases where the values may vary based on different assumptions, etc.

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

The following are the carrying values and fair values as of June 30, 2022, of financial instruments, and the difference between these amounts. Furthermore, notes on “Cash and deposits,” “Cash and deposits in trust” and “Short-term loans payable” are omitted as these are settled with cash and within a short period of time and thus the book value approximates the fair value. Notes on “Investment securities” and “Tenant leasehold and security deposits” and “Tenant leasehold and security deposits in trust” are also omitted as they lack materiality.

	(Thousands of yen)		
	Carrying Value (Note 1)	Fair Value (Note 1)	Difference
(1) Current portion of investment corporation bonds	(¥2,000,000)	(¥2,021,000)	¥21,000
(2) Current portion of long-term loans payable	(16,000,000)	(16,061,296)	61,296
(3) Investment corporation bonds	(35,900,000)	(36,269,932)	369,932
(4) Long-term loans payable	(¥149,000,000)	(¥148,909,766)	-¥90,233

The following are the carrying values and fair values as of December 31, 2022, of financial instruments, and the difference between these amounts. Furthermore, notes on “Cash and deposits,” “Cash and deposits in trust” and “Short-term loans payable” are omitted as these are settled with cash and within a short period of time and thus the book value approximates the fair value. Notes on “Investment securities” and “Tenant leasehold and security deposits” and “Tenant leasehold and security deposits in trust” are also omitted as they lack materiality.

	(Thousands of yen)		
	Carrying Value (Note 1)	Fair Value (Note 1)	Difference
(1) Current portion of investment corporation bonds	(¥2,000,000)	(¥2,009,200)	¥9,200
(2) Current portion of long-term loans payable	(21,000,000)	(21,063,847)	63,847
(3) Investment corporation bonds	(35,900,000)	(35,526,389)	-373,610
(4) Long-term loans payable	(¥144,000,000)	(¥141,695,800)	-¥2,304,199

(Note 1) Liabilities are shown in parentheses.

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

(1) Current portion of investment corporation bonds and (3) Investment corporation bonds

Of the fair value of these financial instruments, those with market price are calculated based on market price and those with no market price are calculated in accordance with (2) and (4) below.

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

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

(Note 3) Amount of repayment of long-term loans payable or redemption of investment corporation bonds scheduled to be due subsequent to June 30, 2022, and December 31, 2022

End of 41st Fiscal Period (as of June 30, 2022)

	(Thousands of yen)					
	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Investment corporation bonds	¥2,000,000	¥5,000,000	¥3,000,000	¥-	¥8,500,000	¥19,400,000
Long-term loans payable	¥16,000,000	¥20,000,000	¥21,000,000	¥20,900,000	¥13,000,000	¥74,100,000

End of 42nd Fiscal Period (as of December 31, 2022)

	(Thousands of yen)					
	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Investment corporation bonds	¥2,000,000	¥8,000,000	¥-	¥8,500,000	¥-	¥19,400,000
Long-term loans payable	¥21,000,000	¥15,000,000	¥23,900,000	¥14,000,000	¥18,000,000	¥73,100,000

Investment and Rental Properties

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

	(Thousands of yen)	
	41st Fiscal Period (January 1, 2022 – June 30, 2022)	42nd Fiscal Period (July 1, 2022 – December 31, 2022)
Carrying Value on the Balance Sheets		
Balance at Beginning of Period	¥458,014,900	¥465,129,001
Amount of Increase (Decrease) during the Period	¥7,114,101	(¥5,347,296)
Balance at End of Current Period	¥465,129,001	¥459,781,704
Fair Value at End of Period	¥593,184,000	¥587,035,000

(Note 1) The carrying value on the Balance Sheets is the cost of acquisition less accumulated depreciation.

(Note 2) For the 41st fiscal period, the amount of increase is primarily attributable to the acquisition of Tokyo Tatemono Higashi Shibuya Bldg. (11,463,589 thousand yen), and the amount of decrease is primarily attributable to the sale of JPR Umeda Loft Bldg. (30.0% co-ownership interest) (3,727,070 thousand yen) and depreciation (2,045,976 thousand yen). For the 42nd fiscal period, the amount of increase is primarily attributable to the additional acquisition of Shinjuku Center Bldg. (1,838,124 thousand yen), and the amount of decrease is primarily attributable to the sale of Gotanda First Bldg. (2,921,061 thousand yen), the sale of JPR Umeda Loft Bldg. (30.0% co-ownership interest) (3,718,086 thousand yen) and depreciation (2,055,273 thousand yen).

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

The income (loss) in the 41st and 42nd fiscal periods for investment and rental properties are as presented in the “Notes to Statements of Income and Retained Earnings.”

Revenue Recognition

41st fiscal period (January 1, 2022 – June 30, 2022)

Breakdown information on revenue from contracts with customers

(Thousands of yen)

	Revenue from Contracts with Customers (Note 1)	Sales to External Customers (Note 2)
Sale of real estate	¥5,250,000	¥1,338,228
Utilities income (Note 3)	798,305	798,305
Others	—	16,221,358
Total	6,048,305	18,357,892

(Note 1) Rent revenue subject to the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13) are excluded from “Revenue from contracts with customers” as such revenue is not subject to Accounting Standard for Revenue Recognition. Revenue from contracts with customers mainly represents proceeds from sale of real estate and utilities income.

(Note 2) As sale of real estate is recorded as gain or loss on sale of real estate, etc. in the Statements of Income and Retained Earnings, the amount obtained by deducting cost of sale of real estate and other expenses related to sale from proceeds from sale of real estate is indicated for sales to external customers. Furthermore, as JPR records gain on sale of real estate for operating revenue while recording loss on sale of real estate for operating expenses, the table above indicates the amount of gain on sale of real estate only.

(Note 3) Utilities income indicates the amount recorded as revenue in accordance with the supply of electricity and water, etc. to the lessee who is a customer based on the lease agreement of real estate and details of agreements incidental to it.

42nd fiscal period (July 1, 2022 – December 31, 2022)

Breakdown information on revenue from contracts with customers

(Thousands of yen)

	Revenue from Contracts with Customers (Note 1)	Sales to External Customers (Note 2)
Sale of real estate	¥9,520,000	¥1,347,213
Utilities income (Note 3)	1,006,164	1,006,164
Others	—	16,386,483
Total	10,526,164	18,739,862

(Note 1) Rent revenue subject to the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13) are excluded from “Revenue from contracts with customers” as such revenue is not subject to Accounting Standard for Revenue Recognition. Revenue from contracts with customers mainly represents proceeds from sale of real estate and utilities income.

(Note 2) As sale of real estate is recorded as gain or loss on sale of real estate, etc. in the Statements of Income and Retained Earnings, the amount obtained by deducting cost of sale of real estate and other expenses related to sale from proceeds from sale of real estate is indicated for sales to external customers. Furthermore, as JPR records gain on sale of real estate for operating revenue while recording loss on sale of real estate for operating expenses, the table above indicates the amount of gain on sale of real estate only.

(Note 3) Utilities income indicates the amount recorded as revenue in accordance with the supply of electricity and water, etc. to the lessee who is a customer based on the lease agreement of real estate and details of agreements incidental to it.

Per Unit Information

(Yen)

	41st Fiscal Period (January 1, 2022 – June 30, 2022)	42nd Fiscal Period (July 1, 2022 – December 31, 2022)
Total net assets per unit	¥273,684	¥274,378
Net income per unit	¥8,664	¥8,493

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

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

(Thousands of yen)

	41st Fiscal Period (January 1, 2021 – June 30, 2022)	42nd Fiscal Period (July 1, 2022 – December 31, 2022)
Net income	¥8,607,364	¥8,469,242
Amounts not attributable to ordinary unitholders	—	—
Net income attributable to ordinary investment units	¥8,607,364	¥8,469,242
Average number of units during the fiscal period	993,389 units	997,178 units

Subsequent Events

Property Sale

JPR concluded a sale agreement regarding the following property on February 17, 2023.

< JPR Crest Takebashi Bldg. >

Asset type:	Beneficiary interest
Sale price:	4,169 million yen
Delivery date:	April 12, 2023 (scheduled)
Buyer:	Yasuda Real Estate Co., Ltd.
Impact on operating results:	JPR plans to record approximately 881 million yen in gain on sale of real estate as operating revenue for the 43rd fiscal period (January 1, 2023 – June 30, 2023).

Omission of Disclosure

JPR omits the disclosure of notes to Statements of Cash Flows, lease transactions, securities, derivative transactions, transactions with affiliated parties, tax effect accounting, retirement benefits, asset retirement obligations and segment information, etc. as it does not find substantial need for disclosure in the Financial Report for Fiscal Period Results.

(9) Changes in Investment Units Issued and Outstanding

There was no change in the number of units outstanding and unitholders' capital in the 42nd fiscal period. The changes in the number of units outstanding and unitholders' capital in the last five years are summarized as follows.

Date	Event	Number of Units Outstanding		Unitholders' Capital (million yen)		Remarks
		Variation	Balance	Variation	Balance	
March 3, 2020	Additional public offering	35,250	958,250	16,207	247,860	(Note 1)
January 18, 2022	Additional public offering	38,100	996,350	13,594	261,455	(Note 2)
February 16, 2022	Third-party allotment	828	997,178	295	261,751	(Note 3)

(Note 1) New investment units were issued through a public offering at 474,810 yen per unit (underwriting price of 459,790 yen per unit) to fund acquisition of new specified assets and partly repay debt.

(Note 2) New investment units were issued through a public offering at 368,480 yen per unit (underwriting price of 356,824 yen per unit) to fund acquisition of new specified assets and partly repay debt.

(Note 3) New investment units were issued through a third-party allotment at 356,824 yen per unit to partly repay debt.

3. Reference Information

(1) JPR's Asset Structure

Asset Type	Category of Investment Area	41st Fiscal Period (as of June 30, 2022)		42nd Fiscal Period (as of December 31, 2022)	
		Assets Owned by JPR (thousands of yen)	Percentage of Total Assets (%)	Assets Owned by JPR (thousands of yen)	Percentage of Total Assets (%)
Real Estate	Central Tokyo	109,961,118	21.7	111,801,978	22.0
	Greater Tokyo	67,499,150	13.3	67,281,625	13.3
	Other Cities	19,644,226	3.9	19,814,414	3.9
Real Estate in Trust	Central Tokyo	155,493,241	30.7	152,469,216	30.0
	Greater Tokyo	61,453,840	12.1	61,169,274	12.0
	Other Cities	51,077,424	10.1	47,245,195	9.3
Deposits and Other Assets	–	41,876,811 (–)	8.3 (–)	47,873,742 (–)	9.4 (–)
Total Assets	–	507,005,813 (465,129,001)	100.0 (91.7)	507,655,447 (459,781,704)	100.0 (90.6)

(Note 1) Total assets owned are based on the amounts appropriated on the balance sheets as of the settlement date (book values after depreciation for real estate and real estate in trust).

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

(Note 3) As for the category of investment area, please refer to (2) Investment Assets 1) Overview of Investment Assets below.

(2) Investment Assets

1) Overview of Investment Assets

The overview of the real estate and real estate in trust regarding trust beneficiary interests in real estate in which JPR invests are as follows. All of the real estate and trust beneficiary interests in real estate are shown in the table below.

Descriptions in the table below are based on the following policies.

- The table below indicates the properties JPR owned as of the end of the 42nd fiscal period.
- JPR defines the categories of investment areas as designated below.

Category	Investment Area
Central Tokyo	Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya Wards
Greater Tokyo	All other areas of Tokyo, Chiba, Kanagawa and Saitama Prefectures
Other Cities	All other areas in Japan

- “Location,” “Site Area,” “Total Floor Space,” “Structure/Floors” and “Completed” are based on data recorded in the real estate registry.
- “Site Area” and “Total Floor Space” indicate the areas of the entire building sites and the entire buildings, respectively, including the portions owned by other sectional owners, etc. except for the following properties:

MS Shibaura Bldg.: The site area includes land of the Trinity Shibaura, which was developed together with the property.

Shinjuku Square Tower: The site area and the total floor space are for the entire redevelopment area.

Otemachi Financial City North Tower: The site area and the total floor space include South Tower.

Rise Arena Bldg.: The site area is for the entire redevelopment area including the residential building, and the total floor space includes the space of the residential building.

Olinas Tower: The site area and the total floor space are for the entire property including the retail and residential buildings.

Sencity Bldg.: The site area and the total floor space are for the entire redevelopment area.

Cupo-la Main Bldg.: The site area is for the entire redevelopment area.

- The abbreviations in the “Structure/Floors” represent the following phrases, respectively.

S: Steel-framed, RC: Reinforced concrete, SRC: Steel-framed reinforced concrete

Area	Type	Property Name	Location	Site Area (m ²)	Total Floor Space (m ²)	Structure/ Floors	Completed
Central Tokyo	Office	Kanematsu Bldg.	Kyobashi 2-chome, Chuo-ku, Tokyo	1,751.13	14,995.09	S, RC, SRC B2/13F	Feb. 1993
		Kanematsu Bldg. Annex	Kyobashi 2-chome, Chuo-ku, Tokyo	679.06	4,351.46	SRC B1/8F	Feb. 1993
		JPR Ningyo-cho Bldg.	Nihonbashi Ningyocho 1-chome, Chuo-ku, Tokyo	550.06	4,117.70	SRC, RC B1/8F	Dec. 1989
		Shin-Kojimachi Bldg.	Kojimachi 4-chome, Chiyoda-ku, Tokyo	657.80	5,152.98	SRC B1/9F	Oct. 1984
		JPR Crest Takebashi Bldg.	Kanda-Nishikicho 3-chome, Chiyoda-ku, Tokyo	636.90	4,790.68	SRC B1/9F	Sep. 1999
		MS Shibaura Bldg.	Shibaura 4-chome Minato-ku, Tokyo	8,992.18	31,020.21	SRC, RC, S B2/13F	Feb. 1988
		JPR Ichigaya Bldg.	Kudan-Minami 4-chome, Chiyoda-ku, Tokyo	1,058.04	5,888.82	SRC B1/9F	Mar. 1989
		Oval Court Osaki Mark West	Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo	4,006.00	28,575.80	S, SRC B2/17F	Jun. 2001
		Shinjuku Square Tower	Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo	8,409.52	78,796.00	S, RC, SRC B4/30F	Oct. 1994
		BYGS Shinjuku Bldg.	Shinjuku 2-chome, Shinjuku-ku, Tokyo	3,522.46	25,733.10	SRC B2/14F	Apr. 1985
		Across Shinkawa Bldg. Annex	Shinkawa 1-chome, Chuo-ku, Tokyo	858.48	5,535.90	S, SRC B2/10F	Jun. 1994
		Shinjuku Center Bldg.	Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo	14,917.11	176,607.89	SRC, RC, S B5/54F	Oct. 1979
		Minami Azabu Bldg.	Minami-Azabu 2-chome, Minato-ku, Tokyo	778.09	4,570.63	S 9F	Jun. 1992
		Shinagawa Canal Bldg.	Konan 2-chome, Minato-ku, Tokyo	828.82	5,216.21	S B1/8F	Jul. 2008
		Rokubancho Bldg.	Rokubancho, Chiyoda-ku, Tokyo	716.95	4,205.09	SRC B3/7F	Oct. 1991
		JPR Harajuku Bldg.	Jingumae 6-chome, Shibuya-ku, Tokyo	1,205.07	6,466.94	SRC B1/9F	Mar. 1989
		JPR Nihonbashi-horidome Bldg.	Nihonbashi-Horidomecho 1-chome, Chuo-ku, Tokyo	937.59	7,190.82	S, RC B1/9F	Jun. 2002
		JPR Sendagaya Bldg. (Note)	Sendagaya 4-chome, Shibuya-ku, Tokyo	2,185.22	7,683.19	S 8F	May 2009
		Ginza Sanwa Bldg.	Ginza 4-chome, Chuo-ku, Tokyo	1,119.27	8,851.00	SRC B2/9F	Oct. 1982
		Otemachi Tower (Land with Leasehold Interest)	Otemachi 1-chome, Chiyoda-ku, Tokyo	11,034.78	-	-	-
		Science Plaza-Yonbancho Plaza	Yonbancho, Chiyoda-ku, Tokyo	5,289.01	24,560.36	S, SRC, RC B2/12F	Feb. 1995
		Shibadaimon Center Bldg.	Shibadaimon 1-chome, Minato-ku, Tokyo	1,915.50	11,419.93	S, SRC B1/10F	Jul. 1993
		Tokyo Square Garden	Kyobashi 3-chome, Chuo-ku, Tokyo	8,124.72	112,645.83	S, SRC B4/24F	Feb. 2013
		JPR Kojimachi Bldg.	Kojimachi 5-chome, Chiyoda-ku, Tokyo	643.13	4,438.46	S B1/9F	Feb. 1999
	Otemachi Financial City North Tower	Otemachi 1-chome, Chiyoda-ku, Tokyo	15,838.93	239,769.07	S, SRC B4/35F	Oct. 2012	
	Tokyo Tatemono Higashi Shibuya Bldg.	Higashi 1-chome, Shibuya-ku, Tokyo	2,643.15	15,662.20	S, RC, SRC B3/14F	May 1993	
	Retail, etc.	JPR Shibuya Tower Records Bldg.	Jinnan 1-chome, Shibuya-ku, Tokyo	1,010.47	8,449.56	SRC, S B3/8F	Feb. 1992
		JPR Jingumae 432	Jingumae 4-chome, Shibuya-ku, Tokyo	198.10	1,066.81	S, SRC B1/7F	Feb. 2006
		Shinjuku Sanchoe East Bldg.	Shinjuku 3-chome, Shinjuku-ku, Tokyo	2,578.69	24,617.65	S, SRC, RC B3/14F	Jan. 2007
		Yurakucho Ekimae Bldg. (Yurakucho Itocia)	Yurakucho 2-chome, Chiyoda-ku, Tokyo	6,808.12	71,957.65	S, SRC B4/20F	Oct. 2007
JPR Ginza Namiki-dori Bldg.		Ginza 5-chome, Chuo-ku, Tokyo	230.11	1,821.67	S 11F	Jun. 2008	
FUNDES Suidobashi		Kanda Misakicho 2-chome, Chiyoda-ku, Tokyo	281.59	1,477.91	S 9F	Jul. 2015	

Area	Type	Property Name	Location	Site Area (m ²)	Total Floor Space (m ²)	Structure/Floors	Completed
Greater Tokyo	Office	Arca East	Kinshi 3-chome, Sumida-ku, Tokyo	3,755.01	34,281.86	S, SRC B3/19F	Mar. 1997
		JPR Chiba Bldg.	Shinmachi, Chuo-ku, Chiba, Chiba	1,382.35	9,072.57	S, SRC B1/13F	Jan. 1991
		JPR Yokohama Nihon Odori Bldg.	Nihon-Odori, Naka-ku, Yokohama, Kanagawa	1,100.59	9,146.52	SRC B1/11F	Oct. 1989
		Shinyokohama 2nd Center Bldg.	Shinyokohama 3-chome, Kohoku-ku, Yokohama, Kanagawa	841.71	7,781.93	S, SRC B2/12F	Aug. 1991
		Kawaguchi Center Bldg.	Honcho 4-chome, Kawaguchi, Saitama	4,524.61	28,420.85	S, SRC B2/15F	Feb. 1994
		JPR Ueno East Bldg.	Matsugaya 1-chome, Taito-ku, Tokyo	1,242.97	8,490.44	S, SRC B1/8F	Oct. 1992
		Tachikawa Business Center Bldg.	Akebonocho 2-chome, Tachikawa, Tokyo	2,047.22	14,706.36	S, SRC B1/12F	Dec. 1994
		Rise Arena Bldg.	Higashi-Ikebukuro 4-chome, Toshima-ku, Tokyo	9,377.28	91,280.94	RC, SRC, S B3/42F	Jan. 2007
		Yume-ooka Office Tower	Kamiooka Nishi 1-chome, Konan-ku, Yokohama, Kanagawa	12,011.00	185,974.87	S, SRC, RC B3/27F	Mar. 1997
		Olinas Tower	Taihei 4-chome, Sumida-ku, Tokyo	27,335.29	257,842.41	SRC, RC, S B2/45F	Feb. 2006
		JPR Yokohama Bldg.	Kitasaiwai 1-chome, Nishi-ku, Yokohama, Kanagawa	1,110.28	8,772.51	SRC B1/9F	May 1981
		JPR Omiya Bldg.	Shimocho 2-chome, Omiya-ku, Saitama, Saitama	2,268.09	9,203.98	S 9F	Feb. 2009
		Sencity Bldg.	Shinmachi, Chuo-ku, Chiba, Chiba	20,054.15	158,663.55	S, SRC B2/23F	Apr. 1993 Aug. 1998 Expanded
	Retail, etc.	Tanashi ASTA	Tanashicho 2-chome, Nishitokyo, Tokyo	12,326.30	80,675.27	SRC B2/17F	Feb. 1995
		Cupo-la Main Bldg.	Kawaguchi 1-chome, Kawaguchi, Saitama	15,008.28	48,321.96	S, RC, SRC B2/10F	Jan. 2006
		JPR Musashikosugi Bldg.	Kosugimachi 3-chome, Nakahara-ku, Kawasaki, Kanagawa	4,757.09	18,394.32	SRC, RC, S B1/6F	Mar. 1983
		Musashiurawa Shopping Square	Bessho 7-chome, Minami-ku, Saitama, Saitama	8,317.99	28,930.36	S B1/4F	Oct. 2005
		Kawasaki Dice Bldg.	Ekimae-Honcho, Kawasaki-ku, Kawasaki, Kanagawa	4,475.45	36,902.01	S, SRC, RC B2/11F	Aug. 2003
		FUNDES Ueno	Ueno 7-chome, Taito-ku, Tokyo	383.74	2,235.60	S B1/10F	Jul. 2017
Other Cities	Office	Niigata Ekinan Center Bldg.	Yoneyama 1-chome, Chuo-ku, Niigata, Niigata	2,706.99	19,950.42	S, SRC B1/10F	Mar. 1996
		JPR Naha Bldg.	Matsuyama 1-chome, Naha, Okinawa	959.87	5,780.71	SRC, S 12F	Oct. 1991
		Sompo Japan Sendai Bldg.	Tsutsujigaoka 3-chome, Miyagino-ku, Sendai, Miyagi	1,895.67	10,783.52	SRC B1/12F	Dec. 1997
		Sompo Japan Wakayama Bldg.	Misonocho 3-chome, Wakayama, Wakayama	1,128.45	6,715.07	S 9F	Jul. 1996
		Tenjin 121 Bldg.	Tenjin 1-chome, Chuo-ku, Fukuoka, Fukuoka	1,164.39	8,690.95	S, SRC 13F	Jul. 2000
		JPR Dojima Bldg.	Sonezaki-Shinchi 2-chome, Kita-ku, Osaka, Osaka	668.11	5,696.01	SRC B2/9F	Oct. 1993
		JPR Nagoya Fushimi Bldg.	Sakae 1-chome, Naka-ku, Nagoya, Aichi	1,610.38	10,201.44	SRC B1/9F	Mar. 1991
		Yakuin Business Garden	Yakuin 1-chome, Chuo-ku, Fukuoka, Fukuoka	4,486.44	22,286.35	SRC 14F	Jan. 2009
		JPR Shinsaibashi Bldg.	Minamisemba 4-chome, Chuo-ku, Osaka, Osaka	609.31	5,303.98	S B2/10F	Feb. 2003 Jan. 2005 Expanded
		JPR Shinsaibashi West	Minamisemba 4-chome, Chuo-ku, Osaka, Osaka	1,405.74	7,738.47	SRC B1/8F	Sep. 1986 Feb. 2007 Expanded
		GRAND FRONT OSAKA (Umekita Plaza and South Building)	Ofuka-cho, Kita-ku, Osaka, Osaka	20,488.08	191,597.49	RC, S B2/2F (Umekita Plaza) S, SRC B3/38F (South Building)	Feb. 2013 (Umekita Plaza) Mar. 2013 (South Building)
		GRAND FRONT OSAKA (North Building)	Ofuka-cho, Kita-ku, Osaka, Osaka	22,680.03	290,030.59	S, SRC B3/38F	Feb. 2013
	Retail, etc.	Housing Design Center Kobe	Higashi-Kawasakicho 1-chome, Chuo-ku, Kobe, Hyogo	3,994.47	33,877.71	SRC, S B2/11F	Jun. 1994
JPR Chayamachi Bldg.		Chayamachi, Kita-ku, Osaka, Osaka	592.45	3,219.36	S, SRC 9F	Jun. 1994	

(Note) The site area of JPR Sendagaya Bldg. was changed from 2,217.49 m² to 2,185.22 m² on October 17, 2022. as JPR registered correction of the property's parcel area in accordance with the actual measured area.

2) Price and Investment Ratio

- “Acquisition Price” is the deal price (rounded down to the nearest million yen) described in the real estate transaction contracts or trust beneficiary interest transfer contracts, and does not include expenses related to acquisitions of the relevant properties and consumption taxes.
Furthermore, the total amount is also rounded down to the nearest million yen after summing up respective acquisition prices including fractions.
- For “Appraisal Value at End of Period,” JPR adopts the assessed value in the real estate appraisal reports or the survey value in the real estate price survey reports, prepared by the real estate appraisers indicated below, based on the asset evaluation method designated by JPR and the rules of The Investment Trusts Association, Japan. The adopted appraisal value has been rounded down to the nearest million yen.

Japan Real Estate Institute	JPR Ningyo-cho Bldg., Shin-Kojimachi Bldg., MS Shibaura Bldg., Shinjuku Center Bldg., Minami Azabu Bldg., Shinagawa Canal Bldg., Rokubancho Bldg., Science Plaza- Yonbancho Plaza, Shibadaimon Center Bldg., JPR Kojimachi Bldg., Otemachi Financial City North Tower, JPR Shibuya Tower Records Bldg., Shinjuku Sanchome East Bldg., Yurakucho Ekimae Bldg. (Yurakucho Itocia), FUNDES Suidobashi, Arca East, Shinyokohama 2nd Center Bldg., Kawaguchi Center Bldg., JPR Ueno East Bldg., Tachikawa Business Center Bldg., Yume-ooka Office Tower, Olinas Tower, JPR Yokohama Bldg., JPR Omiya Bldg., Sencity Bldg., Cupo-la Main Bldg., FUNDES Ueno, Sompo Japan Sendai Bldg., Sompo Japan Wakayama Bldg., Tenjin 121 Bldg., JPR Dojima Bldg., Yakuin Business Garden, JPR Shinsaibashi West
Tanizawa Sogo Appraisal Co., Ltd.	JPR Jingumae 432, Tokyo Tatemono Higashi Shibuya Bldg., Kawasaki Dice Bldg., Niigata Ekinan Center Bldg., JPR Naha Bldg.
CBRE KK	Rise Arena Bldg., JPR Nagoya Fushimi Bldg., JPR Shinsaibashi Bldg., Housing Design Center Kobe, JPR Chayamachi Bldg.
Daiwa Real Estate Appraisal Co., Ltd.	Kanematsu Bldg., Kanematsu Bldg. Annex, JPR Crest Takebashi Bldg., JPR Ichigaya Bldg., Oval Court Ohsaki Mark West, BYGS Shinjuku Bldg., Across Shinkawa Bldg. Annex, Otemachi Tower (Land with Leasehold Interest), Tokyo Square Garden, JPR Chiba Bldg., JPR Yokohama Nihon Odori Bldg., Tanashi ASTA
Japan Valuers Co., Ltd.	Shinjuku Square Tower, JPR Harajuku Bldg., JPR Nihonbashi-horidome Bldg., JPR Sendagaya Bldg., Ginza Sanwa Bldg., JPR Ginza Namiki-dori Bldg., JPR Musashikosugi Bldg., Musashiurawa Shopping Square
JLL Morii Valuation & Advisory K.K.	GRAND FRONT OSAKA (Umekita Plaza and South Building), GRAND FRONT OSAKA (North Building)

- The “Investment Ratio” in terms of the “Acquisition Price” and the “Appraisal Value at End of Period” represents the ratio of the Acquisition Price and the Appraisal Value at End of Period of respective properties, including fractions not indicated herein, to the total amounts of the Acquisition Price or the Appraisal Value at End of Period of the properties owned by JPR at end of the 42nd fiscal period, indicated in a percentage rounded to the first decimal place.

Area	Type	Property Name	Acquisition Date	Acquisition Price		Appraisal Value at End of Period	
				Price (million yen)	Investment Ratio (%)	Appraisal Value (million yen)	Investment Ratio (%)
Central Tokyo	Office	Kanematsu Bldg.	Dec. 27, 2001	16,276	3.3	14,500	2.5
		Kanematsu Bldg. Annex	Dec. 27, 2001	2,874	0.6	3,050	0.5
		JPR Ningyo-cho Bldg.	Nov. 16, 2001	2,100	0.4	3,110	0.5
		Shin-Kojimachi Bldg.	Nov. 16, 2001	1,670	0.5	4,510	0.8
			Nov. 21, 2002	550			
			Nov. 12, 2004	200			
		JPR Crest Takebashi Bldg.	Jun. 21, 2002	4,000	0.8	3,790	0.6
		MS Shibaura Bldg.	Mar. 28, 2003	11,200	2.3	16,300	2.8
		JPR Ichigaya Bldg.	May 28, 2004	5,100	1.0	4,940	0.8
		Oval Court Ohsaki Mark West	Jun. 1, 2004	3,500	0.7	5,120	0.9
		Shinjuku Square Tower	Jul. 2, 2004	10,000	3.1	15,300	2.6
			Sep. 26, 2008	180			
			Mar. 25, 2015	4,000			
			Oct. 21, 2015	786			
		BYGS Shinjuku Bldg.	Nov. 9, 2004	2,900	3.1	19,400	3.3
			Apr. 12, 2005	8,921			
			Jul. 13, 2010	3,300			
		Across Shinkawa Bldg. Annex	Nov. 26, 2004	710	0.1	805	0.1
		Shinjuku Center Bldg.	Mar. 27, 2008	21,000	5.0	22,300	3.8
			Dec. 22, 2022	3,320			
		Minami Azabu Bldg.	Jul. 14, 2008	3,760	0.8	3,420	0.6
		Shinagawa Canal Bldg.	Dec. 19, 2008	1,870	0.4	2,360	0.4
			Mar. 8, 2019	171			
		Rokubancho Bldg.	Dec. 2, 2009	2,800	0.6	3,720	0.6
		JPR Harajuku Bldg.	Dec. 25, 2009	8,400	1.7	10,500	1.8
		JPR Nihonbashi-horidome Bldg.	Mar. 31, 2010	5,100	1.0	6,820	1.2
		JPR Sendagaya Bldg.	May 31, 2010	15,050	3.1	11,900	2.0
	Ginza Sanwa Bldg.	Aug. 29, 2011	3,400	0.7	3,770	0.6	
	Otemachi Tower (Land with Leasehold Interest)	Mar. 13, 2012	36,000	7.4	54,600	9.3	
	Science Plaza-Yonbancho Plaza	Dec. 6, 2013	2,660	0.5	3,480	0.6	
	Shibadaimon Center Bldg.	Dec. 6, 2013	3,413	0.9	6,760	1.2	
		Jul. 30, 2014	800				
	Tokyo Square Garden	Feb. 1, 2017	9,200	3.8	21,500	3.7	
Apr. 4, 2017		9,200					
JPR Kojimachi Bldg.	Jun. 27, 2019	5,750	1.2	6,290	1.1		
Otemachi Financial City North Tower	Dec. 24, 2020	11,400	2.3	13,000	2.2		
Tokyo Tatemono Higashi Shibuya Bldg.	Jan. 18, 2022	11,300	2.3	12,200	2.1		
Retail, etc.	JPR Shibuya Tower Records Bldg.	Jun. 30, 2003	12,000	2.5	14,800	2.5	
	JPR Jingumae 432	Mar. 24, 2006	4,275	0.9	4,210	0.7	
	Shinjuku Sanhome East Bldg.	Mar. 14, 2007	540	0.6	2,720	0.5	
		Apr. 24, 2008	2,200				
	Yurakucho Ekimae Bldg. (Yurakucho Itocia)	Aug. 27, 2008	3,400	0.7	3,400	0.6	
	JPR Ginza Namiki-dori Bldg.	Dec. 15, 2016	10,100	2.1	11,100	1.9	
FUNDES Suidobashi	Dec. 15, 2016	3,250	0.7	3,440	0.6		
Subtotal of Central Tokyo				268,626	55.0	313,115	53.3

Area	Type	Property Name	Acquisition Date	Acquisition Price		Appraisal Value at End of Period	
				Price (million yen)	Investment Ratio (%)	Appraisal Value (million yen)	Investment Ratio (%)
Greater Tokyo	Office	Arca East	Nov. 16, 2001	5,880	1.2	6,740	1.1
		JPR Chiba Bldg.	Dec. 13, 2001	2,350	0.5	1,910	0.3
		JPR Yokohama Nihon Odori Bldg.	Nov. 16, 2001	2,927	0.6	2,460	0.4
		Shinyokohama 2nd Center Bldg.	Sep. 25, 2002	920	0.3	2,630	0.4
			Mar. 28, 2013	570			
		Kawaguchi Center Bldg.	Feb. 13, 2004	8,100	1.7	11,300	1.9
		JPR Ueno East Bldg.	Mar. 1, 2004	3,250	0.7	5,840	1.0
		Tachikawa Business Center Bldg.	Sep. 30, 2005	888	0.7	4,630	0.8
			Feb. 28, 2007	2,300			
		Rise Arena Bldg.	Mar. 22, 2007	5,831	2.7	18,600	3.2
			Oct. 28, 2021	7,300			
		Yume-ooka Office Tower	Jul. 10, 2007	6,510	1.3	7,640	1.3
		Olinas Tower	Jun. 29, 2009	31,300	6.4	40,100	6.8
	JPR Yokohama Bldg.	Dec. 27, 2010	7,000	1.4	10,600	1.8	
	JPR Omiya Bldg.	Mar. 22, 2013	6,090	1.2	11,200	1.9	
	Sencity Bldg.	Mar. 27, 2020	13,870	2.8	15,400	2.6	
	Retail, etc.	Tanashi ASTA	Nov. 16, 2001	10,200	2.1	11,100	1.9
		Cupo-la Main Bldg.	Mar. 31, 2006	2,100	0.4	3,040	0.5
		JPR Musashikosugi Bldg.	Sep. 28, 2006	7,254	1.5	5,320	0.9
		Musashiurawa Shopping Square	Mar. 19, 2007	4,335	0.9	4,280	0.7
		Kawasaki Dice Bldg.	Apr. 12, 2007	15,080	3.1	13,800	2.4
FUNDES Ueno		Jun. 27, 2019	3,800	0.8	4,130	0.7	
Subtotal of Greater Tokyo				147,855	30.2	180,720	30.8
Other Cities	Office	Niigata Ekinan Center Bldg.	Nov. 16, 2001	2,140	0.4	2,170	0.4
		JPR Naha Bldg.	Nov. 16, 2001	1,560	0.3	2,350	0.4
		Sompo Japan Sendai Bldg.	Jun. 26, 2002	3,150	0.6	4,120	0.7
		Sompo Japan Wakayama Bldg.	Jun. 26, 2002	1,670	0.3	1,480	0.3
		Tenjin 121 Bldg.	Jun. 21, 2002	2,810	0.6	4,190	0.7
		JPR Dojima Bldg.	Jan. 23, 2004	2,140	0.4	4,050	0.7
		JPR Nagoya Fushimi Bldg.	Mar. 22, 2005	4,137	0.8	3,480	0.6
		Yakuin Business Garden	Aug. 8, 2012	10,996	2.2	23,700	4.0
		JPR Shinsaibashi Bldg.	May 30, 2005	5,430	1.1	4,620	0.8
		JPR Shinsaibashi West	Jan. 30, 2020	3,750	0.8	4,900	0.8
		GRAND FRONT OSAKA (Umekita Plaza and South Building) (Note)	Dec. 24, 2021	11,800	2.4	12,300	2.1
	GRAND FRONT OSAKA (North Building) (Note)	Dec. 24, 2021	9,500	1.9	10,100	1.7	
	Retail, etc.	Housing Design Center Kobe	Sep. 28, 2005	7,220	1.5	7,330	1.2
		JPR Chayamachi Bldg.	Aug. 30, 2006	6,000	1.2	8,410	1.4
Subtotal of Other Cities				72,303	14.8	93,200	15.9
Total				488,784	100.0	587,035	100.0

(Note) In association with the acquisition of GRAND FRONT OSAKA (Umekita Plaza and South Building) and GRAND FRONT OSAKA (North Building), JPR acquired 1,666 shares in KMO Corporation for 83,740 thousand yen, a claim for refund of funds of Knowledge Capital, a general incorporated association, for 5,120 thousand yen, and a claim for refund of funds of GRAND FRONT OSAKA TMO, a general incorporated association, for 710 thousand yen.

The appraisal value at end of the 42nd fiscal period of these shares and claims for refund of funds is 83,740 thousand yen for the 1,666 shares of KMO Corporation, 5,120 thousand yen for the claim for refund of funds of Knowledge Capital, and 710 thousand yen for the claim for refund of funds of GRAND FRONT OSAKA TMO.

(3) Capital Expenditures

1) Planned Capital Expenditures

The following are major items of capital expenditures for renovation works, etc. planned as of the end of the 42nd fiscal period for real estate and real estate in trust regarding trust beneficiary interests in real estate which JPR owns. Furthermore, the planned construction expenses include portions that are classified as expenses in accounting.

Property Name	Location	Purpose	Schedule	Planned Amount (million yen)		
				Total Value	Payment during the 42nd fiscal period	Amount Already Paid
Housing Design Center Kobe	Kobe, Hyogo	Second phase of replacement of toilets	Jan. 2023 – Jun. 2023	100	–	–
Sompo Japan Sendai Bldg.	Sendai, Miyagi	Replacement of generators for emergency	Oct. 2022 – Mar. 2023	93	–	–
MS Shibaura Bldg.	Minato-ku, Tokyo	Second phase of reinforcement of elevators	Aug. 2022 – Mar. 2023	67	–	–
Tokyo Tatemono Higashi Shibuya Bldg.	Shibuya-ku, Tokyo	First phase of reinforcement of elevators	Mar. 2023 – Jun. 2023	51	–	–
Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Replacement of air conditioning units	Apr. 2023 – Jun. 2023	49	–	–
Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Renovation of the entrance hall	Jan. 2023 – Jun. 2023	46	–	–
JPR Shinsaibashi Bldg.	Osaka, Osaka	Repair of exterior walls	Jan. 2023 – Jun. 2023	46	–	–
Kawaguchi Center Bldg.	Kawaguchi, Saitama	First phase of replacement of lighting equipment with LED lamps	Jun. 2022 – Mar. 2023	43	–	–
JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Repair of exterior walls	Jan. 2023 – Jun. 2023	40	–	–
Sencity Bldg.	Chiba, Chiba	Replacement of power receiving equipment	Jan. 2023 – Mar. 2023	40	–	–
Sencity Bldg.	Chiba, Chiba	Reinforcement of elevators (West No. 27)	Jan. 2023 – Mar. 2023	35	–	–
Sencity Bldg.	Chiba, Chiba	Reinforcement of elevators (West No. 24)	Apr. 2023 – Jun. 2023	35	–	–
Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Fifth phase of replacement of piping equipment	Jan. 2023 – Mar. 2023	35	–	–
Housing Design Center Kobe	Kobe, Hyogo	Replacement of escalators	Jan. 2023 – Jun. 2023	33	–	–
Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Replacement of air conditioning units	Jan. 2023 – Jun. 2023	30	–	–
JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Reinforcement of elevators	Jan. 2023 – Jun. 2023	30	–	–
Olinas Tower	Sumida-ku, Tokyo	Renewal of elevator monitor boards	Jan. 2023 – Jun. 2023	30	–	–

2) Capital Expenditures during the 42nd Fiscal Period

The following are the capital expenditure amounts JPR invested in real estate and real estate in trust during the 42nd fiscal period. Among major capital expenditures, JPR conducted replacement of air-conditioning units to maintain and enhance tenant satisfaction, as well as renovation of common-use areas with the aim of attracting new tenants, among other works. In addition, aside from these constructions, JPR conducted construction of 443 million yen (Note), which was appropriated as expenditures for repair and maintenance.

Property Name	Location	Purpose	Period	Construction Expenses (million yen)
Yakuin Business Garden	Fukuoka, Fukuoka	Repair of exterior walls	May 2022 – Dec. 2022	220
JPR Harajuku Bldg.	Shibuya-ku, Tokyo	Replacement of toilets and repair of corridors in common areas	Jun. 2022 – Dec. 2022	112
Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Fourth phase of replacement of piping equipment	Jul. 2022 – Nov. 2022	67
BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Replacement of escalators	Oct. 2022 – Dec. 2022	65
MS Shibaura Bldg.	Minato-ku, Tokyo	First phase of reinforcement of elevators	Jul. 2021 – Aug. 2022	57
JPR Sendagaya Bldg.	Shibuya-ku, Tokyo	Repair of exterior walls	Jul. 2022 – Nov. 2022	44
JPR Ueno East Bldg.	Taito-ku, Tokyo	Repair of exterior walls	Jul. 2022 – Dec. 2022	43
JPR Shinsaibashi West	Osaka, Osaka	Replacement of elevators (No.1 and No.2)	Jun. 2022 – Dec. 2022	40
Housing Design Center Kobe	Kobe, Hyogo	Reinforcement of elevator (No. 3)	Sep. 2022 – Dec. 2022	35
Sencity Bldg.	Chiba, Chiba	Reinforcement of elevators	Jul. 2022 – Oct. 2022	31
Other capital expenditures		Replacement of air-conditioning units, repair of common areas, replacement of lighting equipment with LED lamps, etc.		782
Total				1,503

(Note) Expenditures for repair and maintenance included 10 million yen of construction management fees paid to construction management companies as well as the amounts for repair and maintenance construction itself.

(4) Major Investment Assets

The following is the investment property with rental revenues exceeding 10% of total rental revenues of the entire portfolio of JPR for the 42nd fiscal period.

<Property Name: Otemachi Tower (Land with Leasehold Interest)>

Total Number of Tenants	2	
Rental Revenues	1,802,000 thousand yen	
Percentage to Total Rental Revenues (Note 1)	10.4%	
Total Leased Floor Space (Note 2)	11,034.78 m ²	
Total Leasable Floor Space (Note 2)	11,034.78 m ²	
Changes in Occupancy Rate in Last 5 Years (Note 1)	December 31, 2022	100.0%
	June 30, 2022	100.0%
	December 31, 2021	100.0%
	June 30, 2021	100.0%
	December 31, 2020	100.0%
	June 30, 2020	100.0%
	December 31, 2019	100.0%
	June 30, 2019	100.0%
	December 31, 2018	100.0%
	June 30, 2018	100.0%

(Note 1) The percentage figures have been rounded to the first decimal place.

(Note 2) The total leased floor space and total leasable floor space are those as of December 31, 2022.

(5) Information Concerning Tenants

1) Overview of Lease Status by JPR as a Whole

	No. of Properties	Total No. of Tenants	Total Leasable Floor Space	Occupancy Rate
June 30, 2018	62	747	478,117.02 m ²	98.8%
December 31, 2018	62	747	478,088.25 m ²	99.2%
June 30, 2019	63	757	480,277.86 m ²	98.6%
December 31, 2019	63	760	480,284.17 m ²	99.6%
June 30, 2020	65	851	499,269.77 m ²	99.7%
December 31, 2020	66	857	501,162.78 m ²	99.3%
June 30, 2021	65	804	496,876.92 m ²	98.1%
December 31, 2021	66	1,134	500,628.05 m ²	97.3%
June 30, 2022	67	1,171	502,889.81 m ²	97.5%
July 31, 2022	67	1,173	502,898.64 m ²	97.3%
August 31, 2022	67	1,179	502,898.16 m ²	97.5%
September 30, 2022	67	1,178	502,885.85 m ²	96.6%
October 31, 2022	67	1,173	502,885.85 m ²	96.5%
November 30, 2022	67	1,178	502,885.85 m ²	96.6%
December 31, 2022	65	1,180	494,503.72 m ²	97.5%

(Note) Occupancy rates have been rounded to the first decimal place.

Furthermore, the following table shows the total number of tenants, total leased floor space and total leasable floor space as of the end of the 42nd fiscal period, as well as the total rental income for the 42nd fiscal period.

Total Number of Tenants	1,180
Total Leased Floor Space	482,379.10 m ²
Total Leasable Floor Space	494,503.72 m ²
Total Rental Revenues	17,392,648 thousand yen

2) Overview of Lease Status for Respective Properties

Area	Type	Property Name	42nd Fiscal Period (July 1, 2022 – December 31, 2022)					
			Information on Period End Floor Space, Etc.				Rental Revenues	
			Total Leasable Floor Space (m ²)	Total Leased Floor Space (m ²)	No. of Tenants (Note 1)	Occupancy Rate (%)	(thousands of yen)	Ratio (%)
Central Tokyo	Office	Kanematsu Bldg.	8,090.40	8,090.40	12	100.0	464,773	2.7
		Kanematsu Bldg. Annex	2,291.13	2,291.13	1	100.0	(Note 2)	(Note 2)
		JPR Ningyo-cho Bldg.	2,802.22	2,802.22	5	100.0	95,030	0.5
		Shin-Kojimachi Bldg.	3,319.38	2,925.14	17	88.1	101,125	0.6
		JPR Crest Takebashi Bldg.	3,265.34	2,912.20	7	89.2	114,803	0.7
		MS Shibaura Bldg.	14,468.38	14,468.38	10	100.0	496,498	2.9
		Gotanda First Bldg. (Note 3)	–	–	–	–	253,100	1.5
		JPR Ichigaya Bldg.	4,240.37	3,562.69	8	84.0	150,751	0.9
		Oval Court Ohsaki Mark West	4,088.44	4,088.44	1	100.0	(Note 2)	(Note 2)
		Shinjuku Square Tower	19,266.47	17,603.87	26	91.4	405,573	2.3
		BYGS Shinjuku Bldg.	15,233.17	14,989.60	23	98.4	610,851	3.5
		Across Shinkawa Bldg. Annex	1,264.51	1,264.51	4	100.0	38,731	0.2
		Shinjuku Center Bldg. (Note 4)	10,417.24	9,875.93	26	94.8	550,652	3.2
		Minami Azabu Bldg.	3,405.73	3,405.73	1	100.0	(Note 2)	(Note 2)
		Shinagawa Canal Bldg.	1,870.50	1,870.50	6	100.0	75,593	0.4
		Rokubancho Bldg.	2,501.16	2,501.16	1	100.0	(Note 2)	(Note 2)
		JPR Harajuku Bldg.	4,759.80	4,365.51	9	91.7	289,998	1.7
		JPR Nihonbashi-horidome Bldg.	5,299.88	5,299.88	5	100.0	195,144	1.1
		JPR Sendagaya Bldg.	6,177.74	6,177.74	6	100.0	303,441	1.7
		Ginza Sanwa Bldg.	1,896.70	1,896.70	9	100.0	122,736	0.7
		Otemachi Tower (Land with Leasehold Interest)	11,034.78	11,034.78	2	100.0	1,802,000	10.4
		Science Plaza-Yonbancho Plaza	3,325.29	3,325.29	25	100.0	117,657	0.7
		Shibadaiimon Center Bldg.	5,401.48	5,401.48	9	100.0	165,447	1.0
		Tokyo Square Garden	5,971.69	5,703.97	49	95.5	373,660	2.1
		JPR Kojimachi Bldg.	3,493.67	3,493.67	8	100.0	127,877	0.7
	Otemachi Financial City North Tower	4,191.96	4,188.84	9	99.9	284,269	1.6	
	Tokyo Tatemono Higashi Shibuya Bldg.	7,822.75	7,822.75	17	100.0	307,659	1.8	
	Retail, etc.	JPR Shibuya Tower Records Bldg.	8,076.85	8,076.85	1	100.0	(Note 2)	(Note 2)
		JPR Jingumae 432	1,027.33	1,027.33	7	100.0	91,213	0.5
		Shinjuku Sanchome East Bldg.	2,347.81	2,347.81	1	100.0	(Note 2)	(Note 2)
Yurakucho Ekimae Bldg. (Yurakucho Itocia)		1,101.92	1,101.92	1	100.0	(Note 2)	(Note 2)	
JPR Ginza Namiki-dori Bldg.		1,667.92	1,667.92	9	100.0	202,905	1.2	
FUNDES Suidobashi		1,367.56	1,192.77	5	87.2	75,655	0.4	
Greater Tokyo	Office	Arca East	7,022.76	7,022.76	7	100.0	273,024	1.6
		JPR Chiba Bldg.	5,544.78	5,464.09	42	98.5	140,610	0.8
		JPR Yokohama Nihon Odori Bldg.	6,079.73	6,079.73	19	100.0	135,258	0.8
		Shinyokohama 2nd Center Bldg.	5,287.97	5,287.97	24	100.0	117,598	0.7
		Kawaguchi Center Bldg.	15,519.71	15,519.71	40	100.0	487,237	2.8
		JPR Ueno East Bldg.	6,454.89	6,454.89	10	100.0	185,978	1.1

Area	Type	Property Name	42nd Fiscal Period (July 1, 2022 – December 31, 2022)					
			Information on Period End Floor Space, Etc.				Rental Revenues	
			Total Leasable Floor Space (m ²)	Total Leased Floor Space (m ²)	No. of Tenants (Note 1)	Occupancy Rate (%)	(thousands of yen)	Ratio (%)
Greater Tokyo	Office	Tachikawa Business Center Bldg.	4,587.93	4,275.25	21	93.2	142,486	0.8
		Rise Arena Bldg.	10,531.13	10,531.13	8	100.0	433,829	2.5
		Yume-ooka Office Tower	11,999.58	11,886.78	43	99.1	353,080	2.0
		Olinas Tower	23,987.40	21,485.29	18	89.6	904,822	5.2
		JPR Yokohama Bldg.	6,494.71	6,494.71	21	100.0	295,254	1.7
		JPR Omiya Bldg.	6,755.32	4,768.87	6	70.6	191,288	1.1
		Sencity Bldg.	13,271.26	12,474.24	70	94.0	479,804	2.8
	Retail, etc.	Tanashi ASTA	31,121.71	31,121.71	1	100.0	(Note 2)	(Note 2)
		Cupo-la Main Bldg.	5,963.00	5,963.00	1	100.0	(Note 2)	(Note 2)
		JPR Musashikosugi Bldg.	19,740.95	19,740.95	1	100.0	(Note 2)	(Note 2)
		Musashiurawa Shopping Square	14,960.70	14,960.70	3	100.0	127,041	0.7
		Kawasaki Dice Bldg.	12,113.10	11,920.13	29	98.4	465,702	2.7
		FUNDES Ueno	1,989.66	1,989.66	10	100.0	127,726	0.7
Other Cities	Office	Niigata Ekinan Center Bldg.	5,327.50	5,327.50	11	100.0	126,696	0.7
		JPR Naha Bldg.	3,944.84	3,944.84	23	100.0	118,600	0.7
		Sompo Japan Sendai Bldg.	7,132.69	7,124.72	15	99.9	199,190	1.1
		Sompo Japan Wakayama Bldg.	4,873.84	4,866.34	18	99.8	109,825	0.6
		Tenjin 121 Bldg.	3,258.24	2,681.95	14	82.3	107,440	0.6
		JPR Dojima Bldg.	3,917.91	3,917.91	12	100.0	138,406	0.8
		JPR Nagoya Fushimi Bldg.	7,086.23	7,075.06	6	99.8	153,730	0.9
		Yakuin Business Garden	16,654.33	16,644.71	16	99.9	620,763	3.6
		JPR Shinsaibashi Bldg.	4,021.63	4,021.63	8	100.0	132,541	0.8
		JPR Shinsaibashi West	5,695.71	5,464.62	13	95.9	152,141	0.9
		GRAND FRONT OSAKA (Umekita Plaza and South Building)	5,278.29	4,823.92	243	91.4	(Note 2)	(Note 2)
		GRAND FRONT OSAKA (North Building)	8,474.10	8,344.67	101	98.5	(Note 2)	(Note 2)
	Retail, etc.	JPR Umeda Loft Bldg. (Note 5)	–	–	–	–	(Note 2)	(Note 2)
Housing Design Center Kobe	35,444.13	35,444.13	1	100.0	(Note 2)	(Note 2)		
JPR Chayamachi Bldg.	2,478.42	2,478.42	5	100.0	181,469	1.0		
Total			494,503.72	482,379.10	1,180	97.5	17,392,648	100.0

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

The tenants of Shinjuku Square Tower, Shinjuku Center Bldg., Residential part of Science Plaza-Yonbancho Plaza, Tokyo Square Garden, Otemachi Financial City North Tower, Rise Arena Bldg., Sencity Bldg., Kawasaki Dice Bldg., GRAND FRONT OSAKA (Umekita Plaza and South Building) and part of GRAND FRONT OSAKA (North Building) have sublet space to sublessees and lease agreements have been executed where the rent paid by the tenants fluctuates in accordance with the lease conditions of the sublessees and thus the numbers of sublessees have been entered as the numbers of tenants. (For, GRAND FRONT OSAKA (North Building), some portions employ fixed master lease or direct lease, but the figure indicates the number of end tenants, including those of such portions.)

(Note 2) JPR does not disclose rental revenues and their ratios for these properties due to inevitable reasons, as JPR has not been able to obtain consent from tenants or co-owners, etc. regarding disclosure of rental revenues, etc.

(Note 3) JPR sold Gotanda First Bldg. on December 22, 2022 through an exchange transaction.

(Note 4) For Shinjuku Center Bldg., JPR additionally acquired 7.0% co-ownership interest of the sectionally-owned building (equivalent to 21.5% of the entire building) through an exchange transaction on December 22, 2022.

(Note 5) For JPR Umeda Loft Bldg., JPR sold its 40.0% co-ownership interest on December 24, 2021 and 30.0% co-ownership interest on June 30, 2022 and sold the remaining 30.0% co-ownership interest on December 23, 2022.

3) Ten Largest Tenants

The following table shows the ten largest tenants in terms of leased floor space as of December 31, 2022.

Rank	Tenant	Property Name	Leased Floor Space at End of Period (m ²) (Note 1)	Percentage to Total Leased Floor Space at End of Period (Note 2)
1	Tokyo Tatemono Co., Ltd.	Shinjuku Square Tower Shinjuku Center Bldg. Tokyo Square Garden Olinas Tower Kawasaki Dice Bldg.	50,196.82	10.3%
		GRAND FRONT OSAKA (North Building)		
2	ABC Development Corporation	Housing Design Center Kobe	35,444.13	7.3%
3	Seiyu Co., Ltd.	Tanashi ASTA	31,121.71	6.4%
4	Taisei-Yuraku Real Estate Co., Ltd.	Rise Arena Bldg. Sencity Bldg.	24,075.05	4.9%
5	Ito-Yokado Co., Ltd.	JPR Musashikosugi Bldg.	19,740.95	4.0%
6	Olympic Group Corporation	Musashiurawa Shopping Square	9,558.51	2.0%
7	Mitsubishi Estate Co., Ltd.	Otemachi Financial City North Tower	4,191.96	0.9%
		GRAND FRONT OSAKA (Umekita Plaza and South Building) GRAND FRONT OSAKA (North Building)		
8	Tower Records Japan Inc.	JPR Shibuya Tower Records Bldg.	8,076.85	1.7%
9	Y.K. Tokyo Prime Stage	Otemachi Tower (Land with Leasehold Interest)	7,875.50	1.6%
10	Hitachi Real Estate Partners, Ltd.	BYGS Shinjuku Bldg. JPR Ueno East Bldg. Yume-ooka Office Tower JPR Nagoya Fushimi Bldg.	7,066.60	1.4%

(Note 1) For co-owned properties, etc., the figure indicates the leased floor space corresponding to the ownership interest held by JPR.

(Note 2) The figures have been rounded to the first decimal place. The total leased floor space at end of period in the above table is based on the space corresponding to the ownership interest held by JPR (487,898.35 m²).

(Note 3) Leased floor space at end of period for GRAND FRONT OSAKA (Umekita Plaza and South Building) and GRAND FRONT OSAKA (North Building) is not disclosed as no consent to disclosure has been obtained from the co-owners, etc.