



37th

Sencity Bldg.

**Report on Operating and Management Results
Thirty-Seventh Fiscal Period Semi-Annual Report
January 1, 2020 – June 30, 2020**

Japan Prime Realty Investment Corporation



Sencity Bldg.

Contents

JPR at a Glance	1	Asset Management Report	30
Message to Our Unitholders	2	Financial Statements	52
Account Highlights	3	(1) Balance Sheets	52
37th Fiscal Period Topics	4	(2) Statements of Income and Retained Earnings	54
Internal Growth Strategy	6	(3) Statements of Changes in Unitholders' Equity	55
External Growth Strategy	7	(4) Statements of Cash Distributions	56
Financial Strategy	8	(5) Statements of Cash Flows	57
Initiatives on Sustainability	9	(6) Notes to Financial Statements	58
Portfolio Status	12	(7) Detailed Schedules	68
Overview of Portfolio Properties	14	(8) Independent Auditor's Report	72
Structure and History of JPR	28	(9) Other Notes (Information only)	74
Overview of Asset Manager	29	Investor Information	75

JPR at a Glance

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

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

Portfolio

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

(Note) Retail, etc. refers to retail properties and hotels (the same applies throughout this report).

Financial Base

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

Sponsors

JPR makes the best of the comprehensive capabilities in the real estate, construction and finance areas of the four sponsors led by Tokyo Tatemono together with Yasuda Real Estate, Taisei Corporation and Meiji Yasuda Life Insurance (as of June 30, 2020).

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

No. of Properties and Size

65 properties **457.1** billion yen

Investment Ratio by Area

Tokyo: **84.5%** Other Cities: **15.5%**

Investment Ratio by Asset Class

Office: **77.1%** Retail, etc. ^(Note): **22.9%**

Ratio of Interest-Bearing Debts to Total Assets (LTV)

39.5%

Ratio of Long-Term, Fixed Interest Rate Debts

100.0%

Issuer Rating

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

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

368.5 billion yen

Major Properties Acquired from Sponsors, etc.



The Otemachi Tower
(Land with Leasehold Interest)



Olinas Tower



Yakuin Business Garden

Message to Our Unitholders



Dear Unitholders,

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

We express our deepest condolences to those who have passed away because of the novel coronavirus (COVID-19) infection, and extend our heartfelt sympathies to those who have been stricken with the virus. Having settled the 37th fiscal period (January 1, 2020 – June 30, 2020), we would like to report on the performance results.

In the 37th fiscal period, the spread of COVID-19 forced the entire society to face a situation never experienced before, as the government declared a state of emergency in April, and economic activities also suffered a serious blow.

Under such circumstances, JPR newly acquired two properties and raised capital by issuing new investment units through public offering.

Moreover, properties owned by JPR continued to operate at a high occupancy level and upward revision of rents also made progress mostly as planned. Accordingly, cash distribution hit a record high since listing at 7,595 yen per unit.

For the 38th fiscal period ending December 2020 and thereafter, we presume that the impact of COVID-19 will linger and the management environment will become increasingly severe. In spite of this, JPR will continue its endeavors, together with Tokyo Realty Investment Management, Inc. (TRIM) to which it entrusts asset management, to realize our stable growth over the medium to long term while taking into account the governance of JPR as an investment corporation.

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

Determined Cash Distribution

37th fiscal period ending June 2020

¥7,595

Forecast Cash Distribution (reference)

38th fiscal period ending December 2020

¥7,720

39th fiscal period ending June 2021

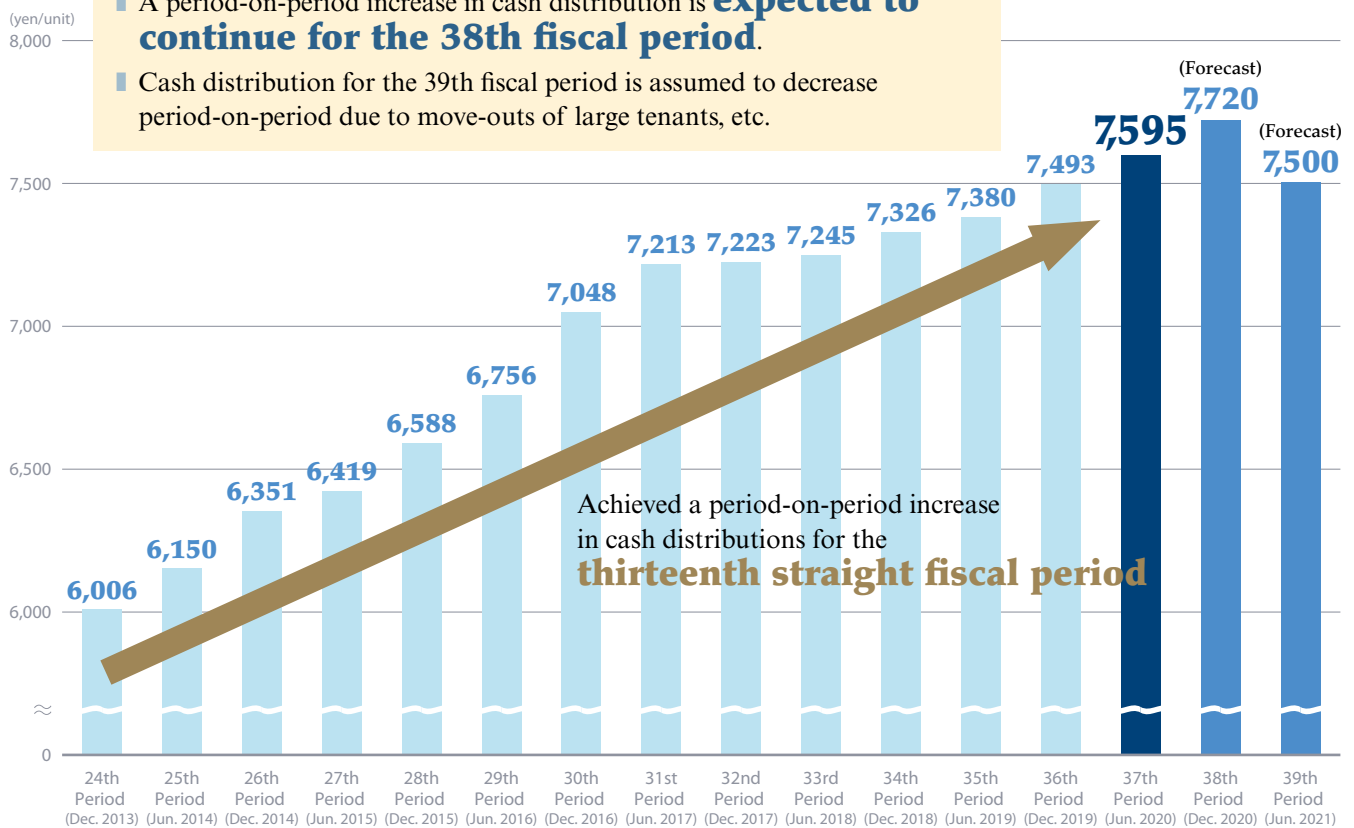
¥7,500

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

Account Highlights

Status of Distribution per Unit

- Distribution per unit renewed **its record high since listing.**
- A period-on-period increase in cash distribution is **expected to continue for the 38th fiscal period.**
- Cash distribution for the 39th fiscal period is assumed to decrease period-on-period due to move-outs of large tenants, etc.



Operating Results

	36th Period ended Dec. 2019 Results	37th Period ended Jun. 2020 Results	Change	
			Change	Rate of change
Operating revenue (million yen)	16,005	16,363	+357	+2.2%
Profits for rent business (million yen)	8,467	8,927	+460	+5.4%
Operating income (million yen)	7,684	8,013	+328	+4.3%
Ordinary income (million yen)	6,915	7,277	+362	+5.2%
Net income (million yen)	6,914	7,276	+362	+5.2%
Distribution per unit (yen)	7,493	7,595	+102	+1.4%

TOPIC 1

Rental revenue increased significantly by 357 million yen due to upward revision of rents and contribution by newly acquired properties, etc.

TOPIC 2

JPR conducted temporary rent reductions as part of its support to tenants under the impact of COVID-19. Please refer to page 5 for more details.

TOPIC 3

Distribution per unit increased period-on-period by 102 yen, despite the impact of dilution from issuance of new investment units.

37th Fiscal Period Topics

JPR newly acquired 2 properties by utilizing the sponsor pipelines, and procured funds through public offering to raise capital.

Sencity Bldg.

Demonstrating overwhelming superiority of location and size, the property is a large-scale, high-rise office building that features largest scarcity value in the area for all aspects, including convenience, name recognition and landmark quality.



Greenery and relaxing spaces established on the site.



Areas for refreshing with a sense of openness.



Location	Shinmachi, Chuo-ku, Chiba, Chiba
Acquisition Price	¥13,870 million
Ownership interest	12.4%
Acquisition Date	March 27, 2020
Completed	April 6, 1993
Site Area	20,054.15 m ² (entire site)
Total Floor Space	158,663.55 m ² (entire building)
Seller	Taisei-Yuraku Real Estate

Minami Sembu Bldg.

JPR acquired a well-located property situated in the Shinsaibashi area, one of the largest commercial cluster areas in Osaka, from the main sponsor.



Location	Minamisemba, Chuo-ku, Osaka, Osaka
Acquisition Price	¥3,750 million
Acquisition Date	January 30, 2020
Completed	September 30, 1986
Site Area	1,405.74 m ²
Total Floor Space	7,738.47 m ²
Seller	Tokyo Tatemono Co., Ltd.

Overview of Public Offering

Issuance Resolution Date

February 14, 2020

Number of Newly Issued Units

35,250 units

Total Purchase Price

16,207 million yen

After issuance of new investment units

Unitholders' Capital

231.6 billion yen ➤ **247.8 billion yen**

Number of Issued Investment Units Issued and Outstanding

923,000 units ➤ **958,250 units**

Implementation of Various Measures Responding to the Declaration of a State of Emergency Due to the Spread of COVID-19

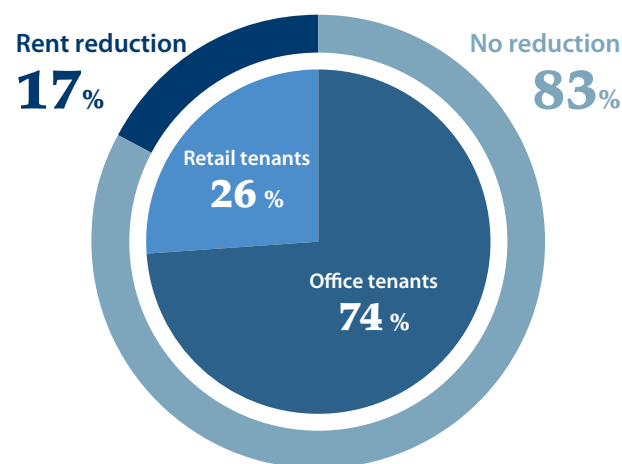
In response to calls for self-restraint of operations following the declaration of a state of emergency, operations were voluntarily suspended and business hours were shortened mainly by retail tenants. JPR provided support for business continuity to the tenants who suffered resulting sales declines and other impacts, comprehensively considering the requests from relevant government agencies and the impact on its future asset management.

■ Significance of the Provision of Support

- ① Protect good tenants and reinforce the relationship of trust with them, as well as avoid any increase in the occupancy rate due to inflexible management sticking to immediate rent revenue.
- ② Work to maximize unitholder value by fulfilling our social responsibility as a facility owner and contributing to the evolution of the society.

■ Overview of the Provision of Support

Ratio of Tenants Granted Rent Reductions (based on rent)



Office tenants

- Impact was slight on office tenants, none of whom was granted rent reductions by JPR

Retail tenants

- Tenant compensation was granted in association with the closure of whole buildings at some retail properties
- Payment moratorium and reduction of rents were conducted, in consideration of the operational status of individual tenants, etc.

Ratio of tenants granted rent reductions
(based on rent): 17%

Total rent reductions granted: 144 million yen ^(Note)

(Note) Indicates the currently estimated amount.

* Tenants are classified in consideration of the actual use situation, judged by the Asset Manager. Retail tenants include those housed in office buildings.

■ Impact on Operating Results

37th Fiscal Period Ended June 2020

-94 million yen

38th Fiscal Period Ending December 2020

-49 million yen
(estimate)

Internal Growth Strategy

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

Major Reinforcement Strategies

1. Flexibly use target rents

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

2. Reinforce investments for value enhancement

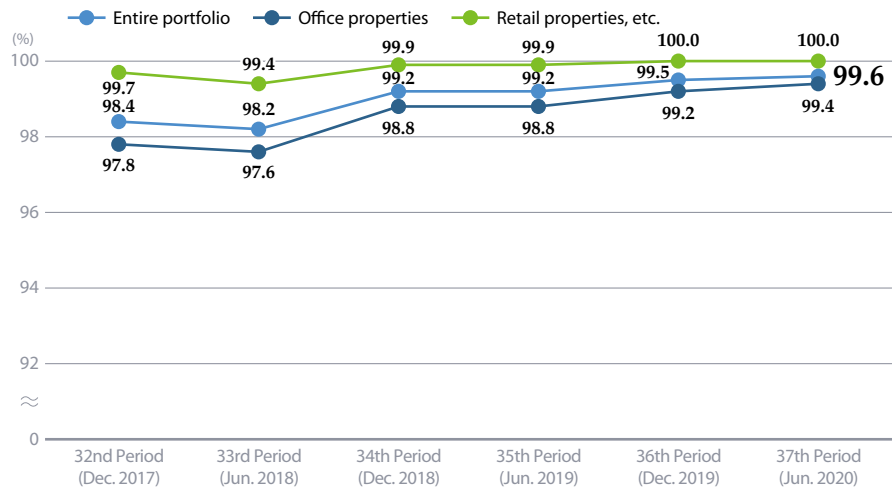
JPR works to raise rents for new contracts and reinforce property competitiveness by investing in interior fittings and facilities, etc. that meet tenant needs.

3. Continuously enhance tenant satisfaction

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

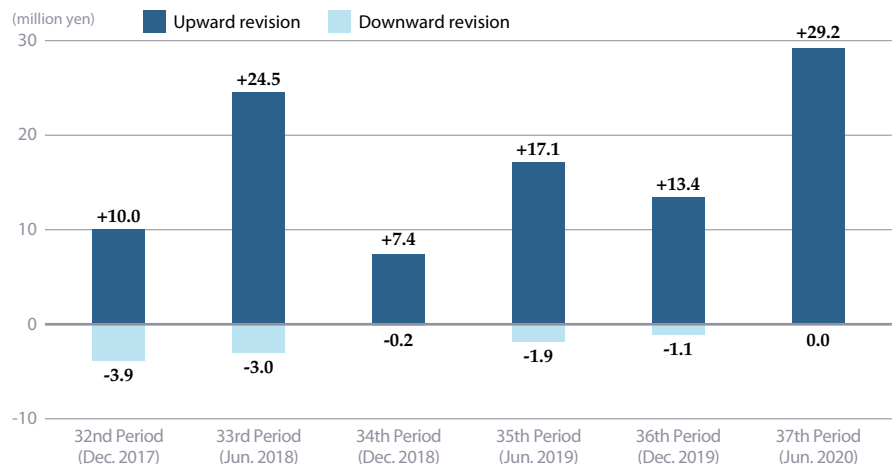
Average Occupancy Rate

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



Changes in Revised Amount of Monthly Rent, Etc.

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



External Growth Strategy

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

Basic Strategy

1. Focused investments in office properties in Tokyo

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

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

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

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

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

Cases in which JPR Acquired Properties by Utilizing Sponsor Pipelines

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

< Sponsors >

東京建物
Tokyo Tatemono

安田不動産
Yasuda Real Estate

大成建設
Taisei Corporation

明治安田生命
Meiji Yasuda Life Insurance

The Otemachi Tower
(Land with Leasehold Interest)



The Otemachi Tower (Land with Leasehold Interest) was acquired from an SPC in which Tokyo Tatemono and Taisei Corporation have equity interests.

FUNDES Ueno



FUNDES Ueno was acquired from Tokyo Tatemono.



Japan Prime Realty Investment Corporation
(securities code: 8955)

Utilization of Sponsor Pipelines

At JPR, properties acquired from its sponsors, etc. (51.9%) and properties acquired based on the information provided by the sponsors (21.5%) together constitute 73.4% of the entire portfolio (on an acquisition price basis).

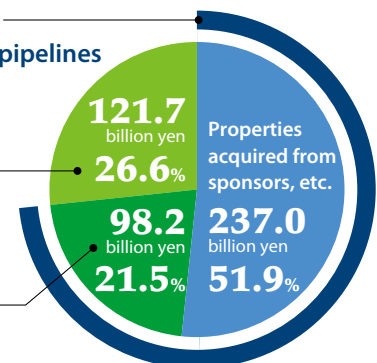
Going forward, JPR will continue to utilize the sponsor pipelines in an endeavor to enhance the quality of the portfolio through vigorously selective investments in blue-chip properties and strategic asset replacement.

Properties acquired by utilizing sponsor pipelines

73.4%

Properties acquired from third parties

Properties acquired based on information provided by sponsors



*Based on the status at the time when respective properties were acquired.

Financial Strategy

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

Financial Status

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

Major Financial Indicators (at end of the 37th fiscal period)

Ratio of Interest-Bearing Debts to Total Assets (LTV)	39.5%
Ratio of Long-Term, Fixed Interest Rate Debts	100.0%

Status of Corporate Credit Ratings Assigned to JPR

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

Financing Status for the 37th Fiscal Period

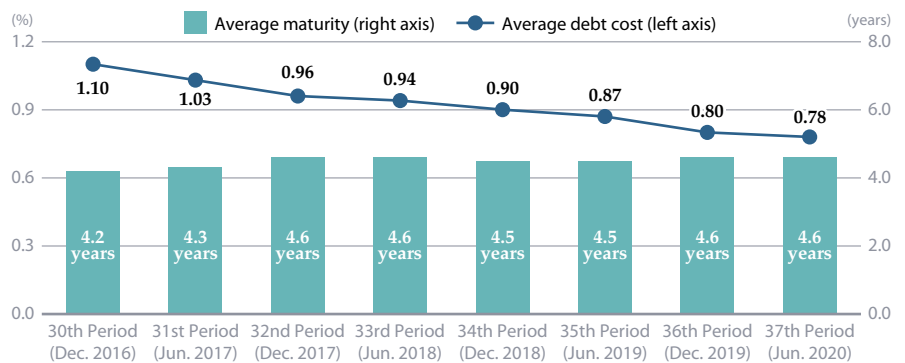
JPR has successfully reduced debt cost while placing more emphasis on lengthening the maturity of procured debts and diversifying the repayment dates.

Comparison of Debts Matured and New Debts Procured in the 37th Period

Average maturity (excluding short-term loans payable)	5.4 years ➔ 8.8 years (up 3.4 years)
Average debt cost (excluding short-term loans payable)	0.83% ➔ 0.53% (down 0.30 percentage points)

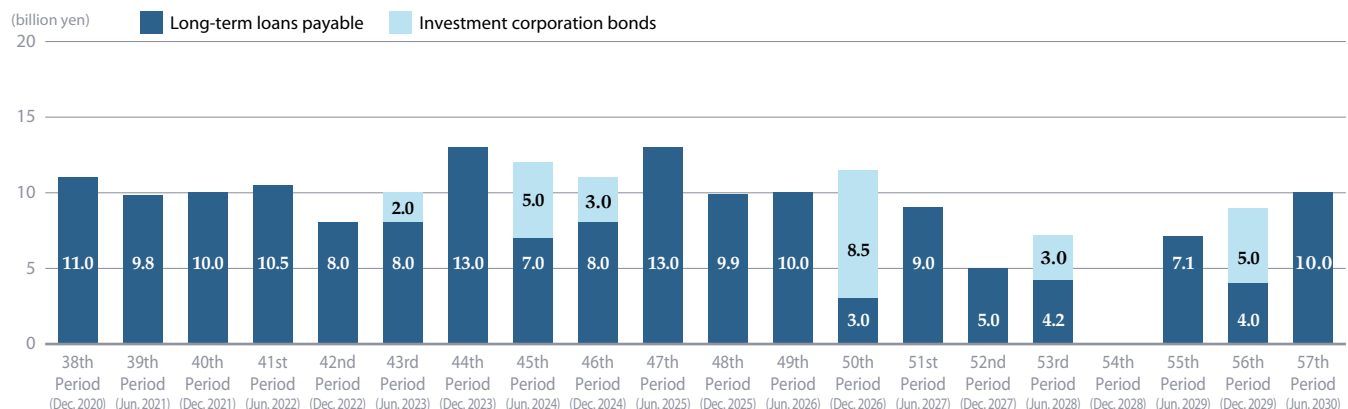
Average Maturity of the Entire Interest-Bearing Debts and Average Debt Cost

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



Diversification of Repayment Dates for Interest-Bearing Debts

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



Initiatives on Sustainability

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

Sustainability Policy

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

1. Initiatives on Behalf of Tenants

Respond to tenants with integrity and responsibility, and endeavor to provide them with new and distinct value as well as enhance their satisfaction.

2. Initiatives on Behalf of the Environment

Aim to reduce environmental footprint through managing the assets JPR owns, in recognition of the importance of addressing environmental issues.

- Promote energy saving and reduction of greenhouse gas emissions.
- Work on effective use of water resources and promote "3Rs" (reuse, reduce and recycle) of waste.
- Strive to proactively disclose information on environmental issues.

3. Initiatives on Behalf of Local Communities

Work to coordinate with local communities through managing the assets JPR owns in the area, in an effort to contribute to enhancing the brand value of the entire area.

4. Initiatives on Behalf of Employees

Respect each one of the employees and promote realization of a pleasant work environment by helping them enhance their professional expertise.

5. Initiatives on Behalf of the Society

Abide by laws and regulations as well as rules of the society and, with a high ethical perspective, focus on transparency and objectivity in conducting business.

Initiatives on Environmental Friendliness

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

Energy-saving and Reduction of CO₂ Emissions


Social responsibility towards climate change is becoming increasingly larger. Therefore, JPR is working on such environmental and energy-saving measures as upgrading to more energy-efficient equipment (like LED lamps), while promoting reduction of CO₂ emissions by conducting measurement of greenhouse gas emissions figures at its properties.

Item	Unit	2017	2018	2019	Year-on-year change
Power use	MWh/m ²	0.142	0.145	0.141	-2.7%
Gas use	MWh/m ²	0.027	0.028	0.026	-6.3%
Water use	m ³ /m ²	0.798	0.807	0.790	-2.1%
CO ₂ emission	t-CO ₂ /m ²	0.084	0.079	0.076	-2.8%

Initiatives on Sustainability

Initiatives on Social Awareness

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

Cases	Tokyo Square Garden	
<p>An urban infrastructure facility located in front of Kyobashi Station, the property is undergoing preparation of living support facilities for enhanced international financial functions, in an effort to promote creation of a comfortable and safe town.</p> <p>Giving considerations to communities</p> <ul style="list-style-type: none"> • Offer a space to accept commuters when they are stranded • Offer a storage for disaster prevention stockpile • Provide an emergency power source at the time of power outage • Offer a barrier-free network for pedestrians • Offer a comprehensive primary healthcare facility for foreigners • Offer a multilingual childcare support facility • Offer a support program for sustainability-oriented venture companies 		
<p>Major acknowledgements</p> <ul style="list-style-type: none"> • Good Design Award • SEGES (Social and Environmental Green Evaluation System) Urban Oasis 2016 • Selected as a leading project of housing and buildings for reducing CO₂ emission • Minister of Land, Infrastructure, Transport and Tourism Award for rooftop and wall special greening technology contest 		

Initiatives on Governance

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

Decision Making Based on Stringent Processes

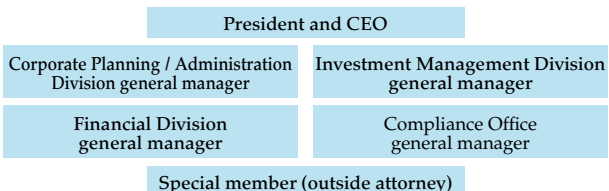
- Upon making decisions on property acquisitions, asset management and other issues, TRIM conducts stringent screening and takes other procedures from various perspectives through designated committees and other institutions.
- In particular, material transaction matters conducted with the sponsors,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

Stringent Decision-Making Process (for property acquisitions)



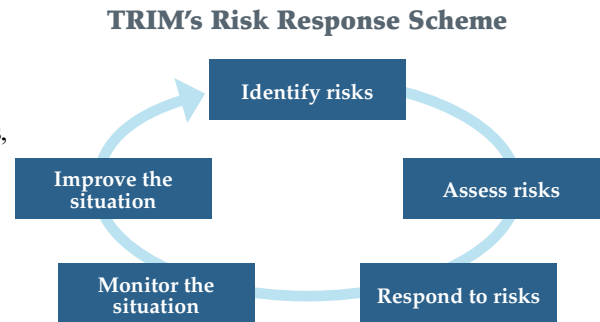
In addition to the processes indicated in the above chart, there may be cases where approval by the Board of Directors and consent by JPR are required as designated in the Act on Investment Trusts and Investment Corporations.

Members of the Compliance Committee of TRIM



Risk Management

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

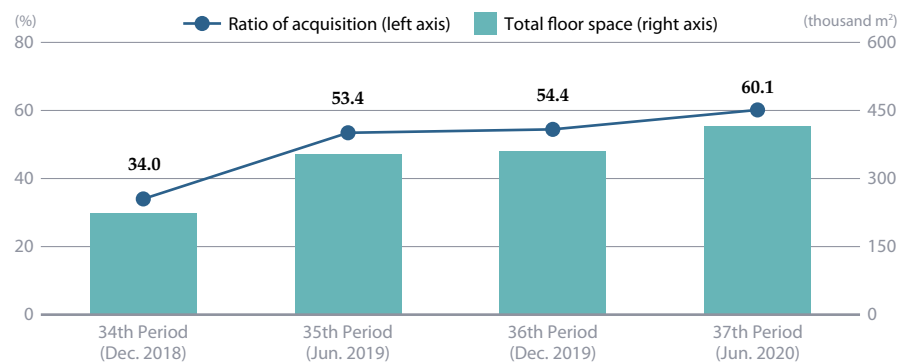


Recognition by External Bodies

JPR is endeavoring to enhance energy use efficiency and safety and convenience of users from the perspective of environmental awareness that is increasingly heightened socially.

1. Status of Acquisition of Environmental Certifications

JPR is promoting acquisition of recognitions from external assessment bodies in order to objectively monitor the environmental performance of its owned properties.



2. Acquisition of Assessment in CASBEE for Building Certification

CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a system for comprehensively assessing and ranking the environmental performance of buildings with regard to aspects such as the enhancement of environmental quality and performance including indoor comfort and consideration for the landscape, on top of the aspect of environmental consideration such as energy saving and the use of materials and equipment with a lower environmental burden. In the 37th fiscal period, Sompo Japan Sendai Bldg. acquired the highest “S” rank assessment while Kawaguchi Center Bldg. acquired “A” rank assessment.



Sompo Japan Sendai Bldg.



JPR Musashikosugi Bldg.



Kawaguchi Center Bldg.



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

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



Portfolio Status

Portfolio Management Standards

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

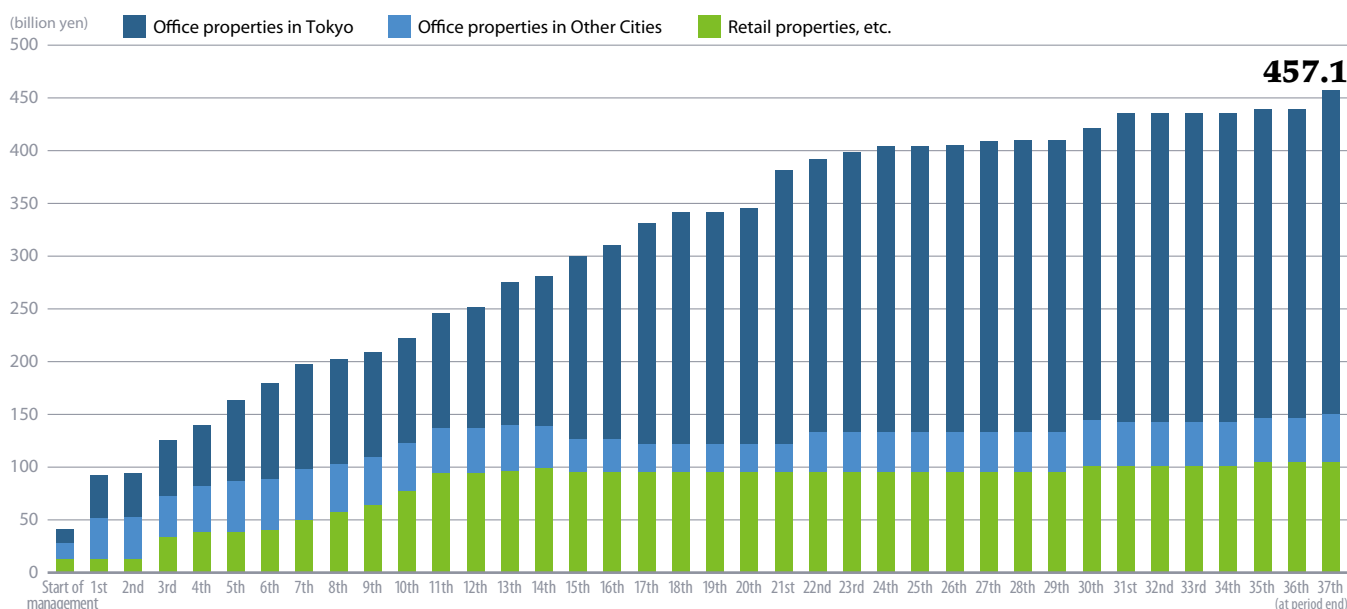
Target investment ratio by area

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

Target investment ratio by asset class

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

Asset Size Expansion Trends

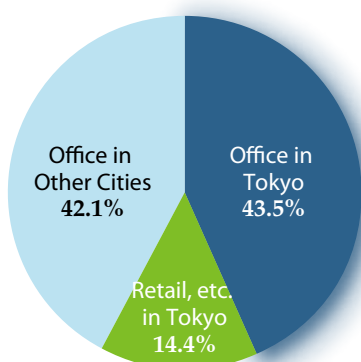


(Note) The asset size represents the aggregate acquisition price of the respective properties in JPR's portfolio as of the relevant date, rounded off to the nearest 100 million yen.

Changes in Investment Ratios by Area and by Asset Class

As a result of focused investments in office properties in Tokyo, the investment ratio of office properties in Tokyo stood at 67.3% as of the end of the 37th fiscal period, up 23.8 percentage points compared with the 43.5% as of the end of the 1st fiscal period.

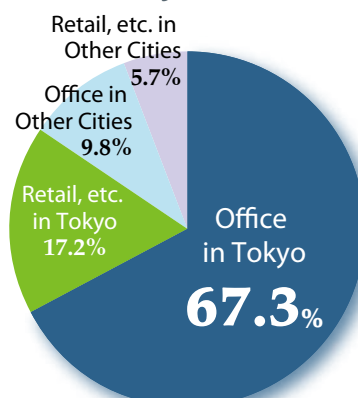
End of 1st Fiscal Period (June 30, 2002)



End of 37th Fiscal Period (June 30, 2020)

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

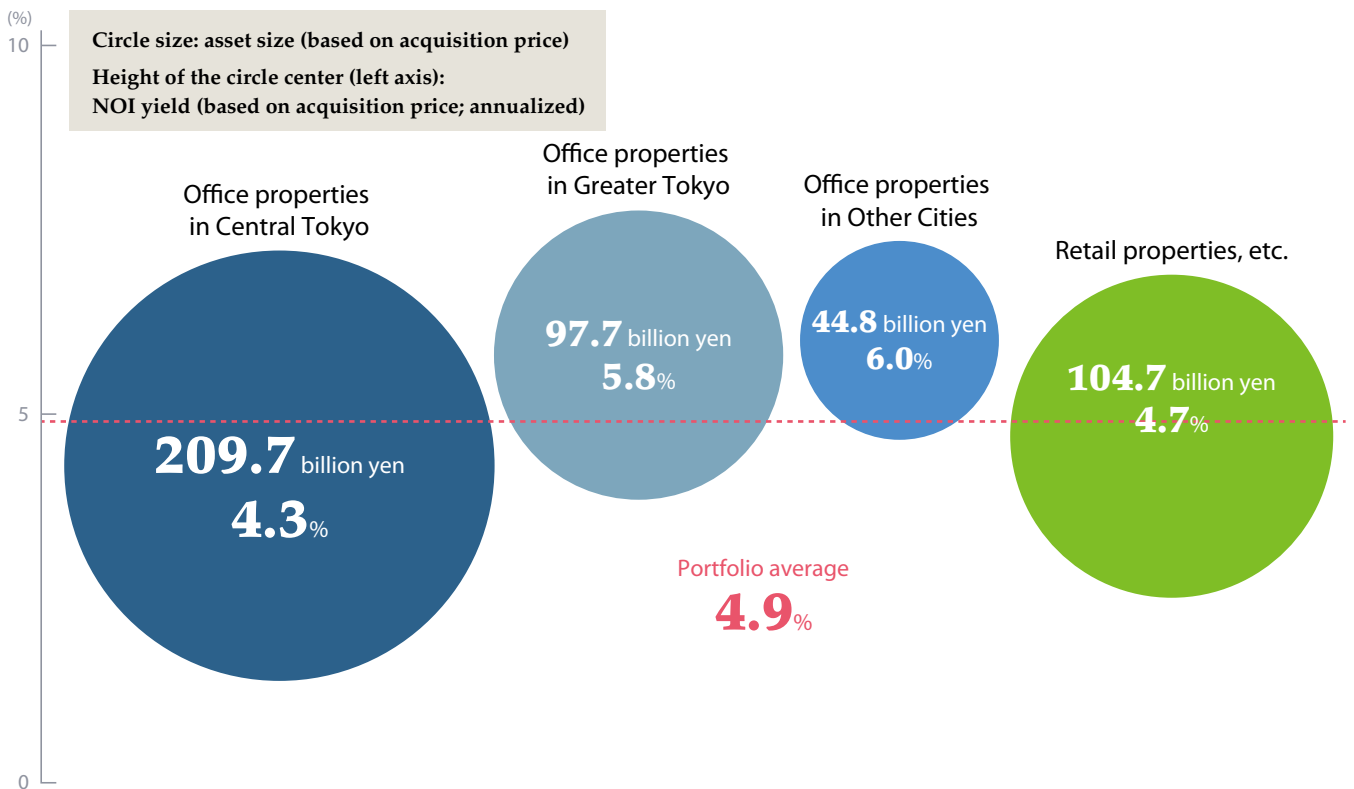
+23.8 percentage points



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

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

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



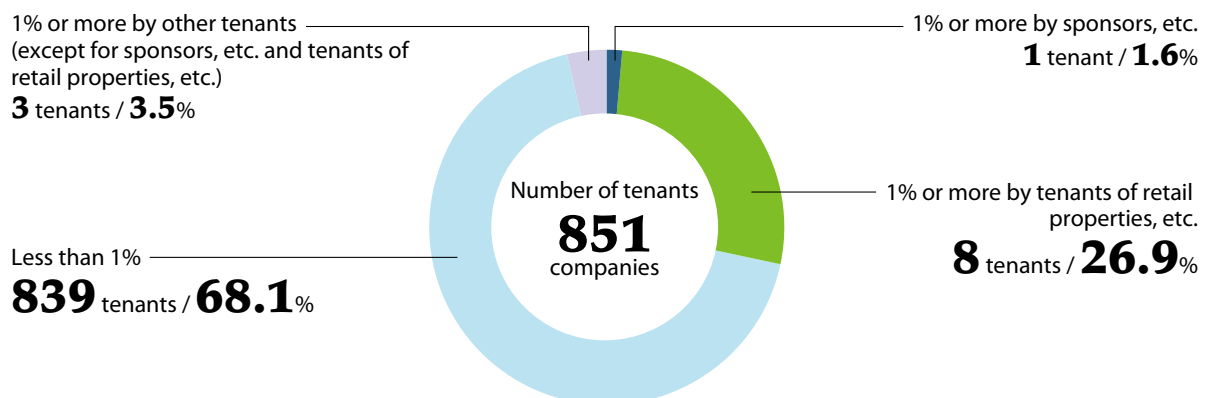
(Note 1) Asset size (based on acquisition price) refers to the total acquisition price of properties (limited to those owned at the end of the fiscal period) belonging to each category.

(Note 2) NOI yield (based on acquisition price; annualized) refers to the yield of NOI* in each category, annualized in accordance with the number of operating days of properties (including those acquired or sold in the fiscal period) in the relevant category (the average number of operating days weighted by acquisition price). Figures are rounded to the first decimal place.

*NOI = Real estate rental revenues - real estate rental expenses + depreciation

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

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



(Note) Ratio of occupancy = Leased space of each tenant / total leasable space

The number of tenants indicates the number of sublessees, which shows the diversification status in effect, when the tenant subleases the relevant property to sublessees (end tenants), etc. and the leasing terms and conditions vary in accordance with the situation of subleasing. When a single tenant leases multiple rooms, it is counted as one if the tenant uses the same property. If the leased rooms are in multiple buildings, the tenant is counted in plural.

Overview of Portfolio Properties

List of Properties (65 Properties for the Entire Portfolio)

Central Tokyo (31 Properties)

	Property Number	Property Name	Location	Acquisition Date	Acquisition Price (in millions)	Percentage of Portfolio Acquisition Price (%)	Leasable Floor Space (m ²)	PML (%)
Office	A-1	Kanematsu Bldg.	Chuo-ku, Tokyo	Dec. 27, 2001	¥16,276	3.6	8,090.42	3.9
	A-2	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 27, 2001	2,874	0.6	2,291.13	5.8
	A-3	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 16, 2001	2,100	0.5	2,802.22	3.7
	A-4	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 16, 2001	1,670	0.4	3,319.37	4.4
				Nov. 21, 2002	550	0.1		
				Nov. 12, 2004	200	0.0		
				Total	2,420	0.5		
	A-5	JPR Crest Takebashi Bldg.	Chiyoda-ku, Tokyo	Jun. 21, 2002	4,000	0.9	3,265.34	7.8
	A-6	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 28, 2003	11,200	2.5	14,468.38	6.8
	A-7	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 23, 2003	2,920	0.6	4,241.22	7.3
	A-9	JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	May 28, 2004	5,100	1.1	4,240.37	4.9
	A-10	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 1, 2004	3,500	0.8	4,088.44	3.5
	A-11	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2, 2004	10,000	2.2	19,266.38	1.3
				Sep. 26, 2008	180	0.0		
				Mar. 25, 2015	4,000	0.9		
				Oct. 21, 2015	786	0.2		
	Total	14,966	3.3					
	A-12	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 9, 2004	2,900	0.6	15,227.80	3.1
				Apr. 12, 2005	8,921	2.0		
				Jul. 13, 2010	3,300	0.7		
	Total	15,121	3.3					
	A-13	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 26, 2004	710	0.2	1,253.39	4.7
	A-14	Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Mar. 27, 2008	21,000	4.6	8,865.71	1.3
	A-15	Minami Azabu Bldg.	Minato-ku, Tokyo	Jul. 14, 2008	3,760	0.8	3,405.73	6.0
				Dec. 19, 2008	1,870	0.4		
				Mar. 8, 2019	171	0.0		
	Total	2,041	0.4					
A-16	Shinagawa Canal Bldg.	Minato-ku, Tokyo	Dec. 2, 2009	2,800	0.6	2,488.36	7.7	
A-17	Rokubancho Bldg.	Chiyoda-ku, Tokyo	Dec. 25, 2009	8,400	1.8	4,761.51	6.8	
A-18	JPR Harajuku Bldg.	Shibuya-ku, Tokyo	Mar. 31, 2010	5,100	1.1	5,299.88	5.0	
A-20	JPR Nihonbashi-horidome Bldg.	Chuo-ku, Tokyo	May 31, 2010	15,050	3.3	6,177.74	2.6	
A-21	JPR Sendagaya Bldg.	Shibuya-ku, Tokyo	Aug. 29, 2011	3,400	0.7	1,896.69	4.5	
A-22	Ginza Sanwa Bldg.	Chuo-ku, Tokyo	Mar. 13, 2012	36,000	7.9	11,034.78	—	
A-23	The Otemachi Tower (Land with Leasehold Interest)	Chiyoda-ku, Tokyo	Dec. 6, 2013	2,660	0.6	3,325.29	3.1	
			Dec. 6, 2013	3,420	0.7			
A-24	Science Plaza – Yonbancho Plaza	Chiyoda-ku, Tokyo	Jul. 30, 2014	800	0.2	5,401.46	5.6	
			Total	4,220	0.9			
			Feb. 1, 2017	9,200	2.0			
A-25	Shibadaimon Center Bldg.	Minato-ku, Tokyo	Apr. 4, 2017	9,200	2.0	5,971.73	2.6	
			Total	18,400	4.0			
			Jun. 27, 2019	5,750	1.3			
A-26	Tokyo Square Garden	Chuo-ku, Tokyo	Jun. 27, 2019	5,750	1.3	3,493.67	3.3	
Retail, etc.	A-1	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 30, 2003	12,000	2.6	8,076.85	5.8
	A-3	JPR Jingumae 432	Shibuya-ku, Tokyo	Mar. 24, 2006	4,275	0.9	1,027.33	5.4
				Mar. 14, 2007	540	0.1		
	A-4	Shinjuku Sanchoe East Bldg.	Shinjuku-ku, Tokyo	Apr. 24, 2008	2,200	0.5	2,347.81	1.6
				Total	2,740	0.6		
	A-5	Yurakucho Ekimae Bldg. (Yurakucho Itocia)	Chiyoda-ku, Tokyo	Aug. 27, 2008	3,400	0.7	1,101.92	3.0
	A-6	JPR Ginza Namiki-dori Bldg.	Chuo-ku, Tokyo	Dec. 15, 2016	10,100	2.2	1,665.79	6.8
A-7	FUNDES Suidobashi	Chiyoda-ku, Tokyo	Dec. 15, 2016	3,250	0.7	1,367.56	6.5	
Subtotal					¥245,533	53.7	162,134.77	—

Greater Tokyo (19 Properties)

	Property Number	Property Name	Location	Acquisition Date	Acquisition Price (in millions)	Percentage of Portfolio Acquisition Price (%)	Leasable Floor Space (m ²)	PML (%)	
Office	B-1	Arca East	Sumida-ku, Tokyo	Nov. 16, 2001	¥5,880	1.3	7,022.76	3.2	
	B-2	JPR Chiba Bldg.	Chiba, Chiba	Dec. 13, 2001	2,350	0.5	5,541.00	3.9	
	B-3	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 16, 2001	2,927	0.6	6,079.74	6.7	
	B-5	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 25, 2002	920	0.2	5,284.75	10.5	
				Mar. 28, 2013	570	0.1			
					Total	1,490	0.3		
	B-6	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 13, 2004	8,100	1.8	15,503.27	6.8	
	B-7	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 1, 2004	3,250	0.7	6,454.84	3.9	
	B-8	Tachikawa Business Center Bldg.	Tachikawa, Tokyo	Sep. 30, 2005	888	0.2	4,588.89	4.1	
				Feb. 28, 2007	2,300	0.5			
					Total	3,188	0.7		
	B-9	Rise Arena Bldg.	Toshima-ku, Tokyo	Mar. 22, 2007	5,831	1.3	6,023.39	1.3	
	B-10	Yume-ooka Office Tower	Yokohama, Kanagawa	Jul. 10, 2007	6,510	1.4	11,998.77	3.4	
	B-11	Olinas Tower	Sumida-ku, Tokyo	Jun. 29, 2009	31,300	6.8	23,987.40	2.4	
B-12	Tokyo Tatemono Yokohama Bldg.	Yokohama, Kanagawa	Dec. 27, 2010	7,000	1.5	6,493.99	5.2		
B-13	Omiya Prime East	Saitama, Saitama	Mar. 22, 2013	6,090	1.3	6,871.45	2.4		
B-14	Sencity Bldg.	Chiba, Chiba	Mar. 27, 2020	13,870	3.0	13,271.20	2.4		
Retail, etc.	B-1	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 16, 2001	10,200	2.2	31,121.71	3.5	
	B-3	Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 31, 2006	2,100	0.5	5,963.00	8.1	
	B-4	JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Sep. 28, 2006	7,254	1.6	19,740.95	4.5	
	B-5	Musashiurawa Shopping Square	Saitama, Saitama	Mar. 19, 2007	4,335	0.9	14,960.69	7.1	
	B-6	Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 12, 2007	15,080	3.3	12,106.71	5.9	
	B-7	FUNDES Ueno	Taito-ku, Tokyo	Jun. 27, 2019	3,800	0.8	1,989.66	4.3	
Subtotal					¥140,555	30.7	205,004.17	—	

Other Cities (15 Properties)

	Property Number	Property Name	Location	Acquisition Date	Acquisition Price (in millions)	Percentage of Portfolio Acquisition Price (%)	Leasable Floor Space (m ²)	PML (%)
Office	C-1	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 16, 2001	¥2,140	0.5	5,327.50	1.7
	C-4	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 16, 2001	4,150	0.9	7,132.22	4.3
	C-7	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 16, 2001	2,900	0.6	6,577.53	0.5
	C-9	JPR Naha Bldg.	Naha, Okinawa	Nov. 16, 2001	1,560	0.3	3,945.18	5.7
	C-12	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 26, 2002	3,150	0.7	7,129.14	2.0
	C-13	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 26, 2002	1,670	0.4	4,876.35	10.6
	C-14	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 21, 2002	2,810	0.6	3,257.07	1.6
	C-17	JPR Dojima Bldg.	Osaka, Osaka	Jan. 23, 2004	2,140	0.5	3,918.28	5.0
	C-19	JPR Nagoya Fushimi Bldg.	Nagoya, Aichi	Mar. 22, 2005	4,137	0.9	7,086.37	6.3
	C-20	Yakuin Business Garden	Fukuoka, Fukuoka	Aug. 8, 2012	10,996	2.4	16,654.33	1.6
	C-21	JPR Shinsaibashi Bldg.	Osaka, Osaka	May 30, 2005	5,430	1.2	4,021.63	11.5
	C-22	Minami Sembu Bldg.	Osaka, Osaka	Jan. 30, 2020	3,750	0.8	5,695.71	7.6
Retail, etc.	C-1	JPR Umeda Loft Bldg.	Osaka, Osaka	May 15, 2003	8,000	1.8	18,586.97	4.3
				Jul. 16, 2003	5,000	1.1		
				Total	13,000	2.8		
C-4	Housing Design Center Kobe	Kobe, Hyogo	Sep. 28, 2005	7,220	1.6	35,444.13	7.2	
C-5	JPR Chayamachi Bldg.	Osaka, Osaka	Aug. 30, 2006	6,000	1.3	2,478.42	8.4	
Subtotal					¥71,053	15.5	132,130.83	—
Total					¥457,141	100.0	499,269.77	2.0

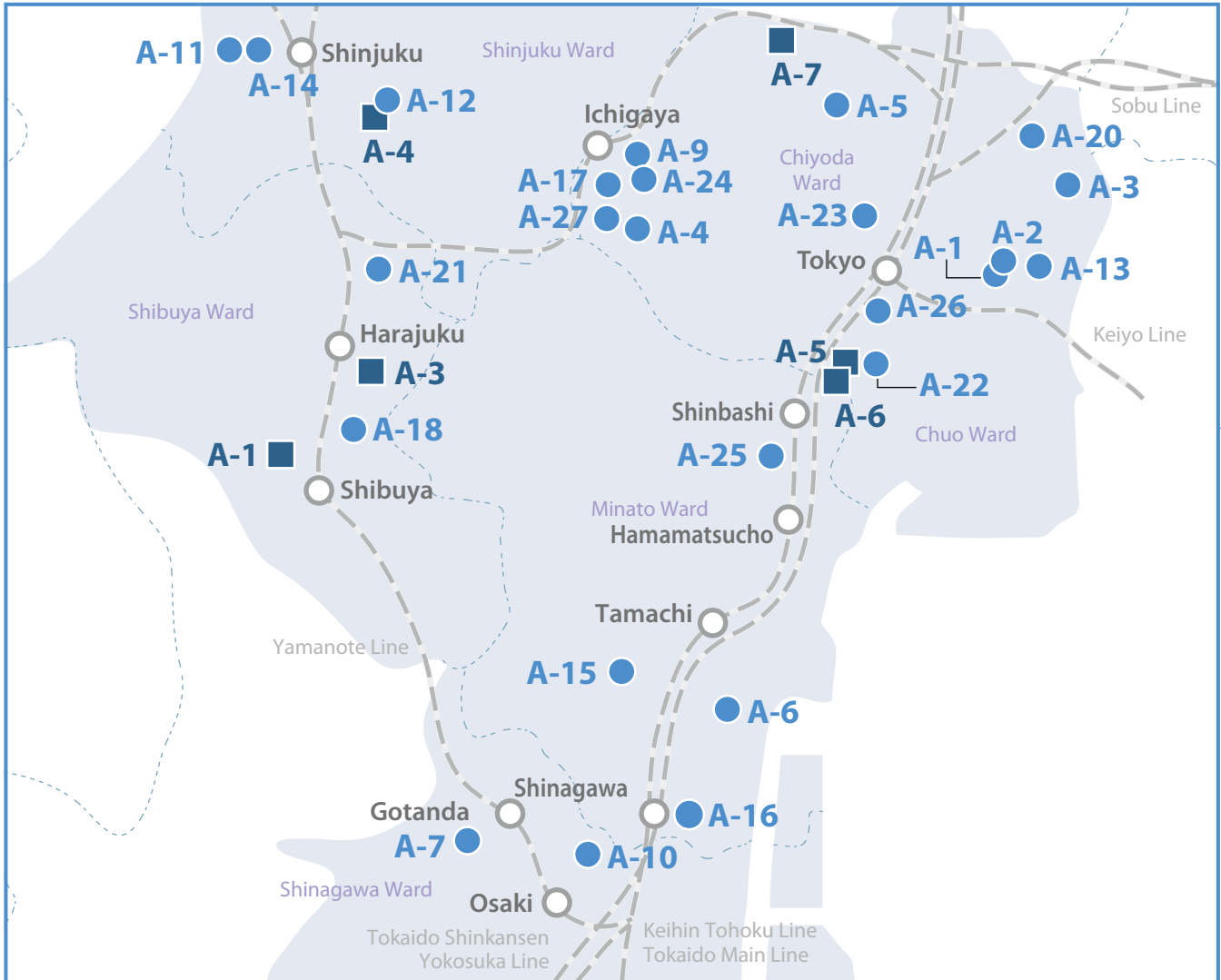
(Note 1) The table above shows properties owned by JPR as of June 30, 2020.

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

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

Portfolio Map

A Central Tokyo



Office

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

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

Retail

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

A Central Tokyo

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

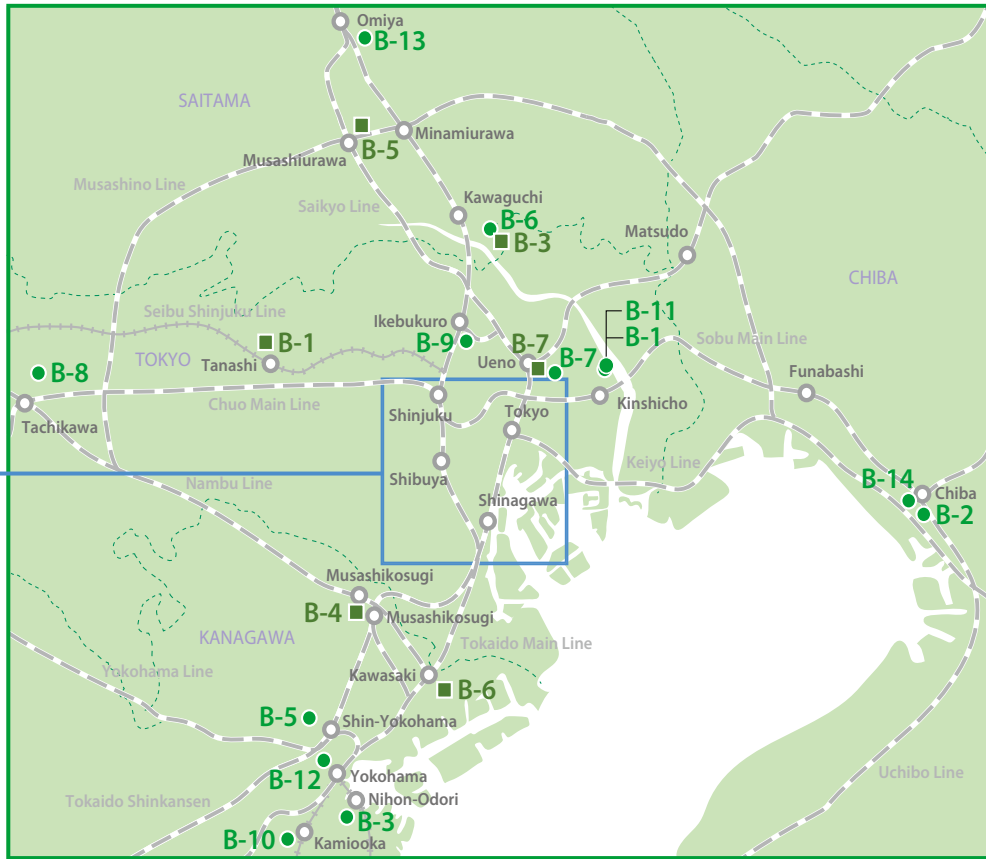
B Greater Tokyo

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

C Other Cities

All other areas in Japan

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



Office

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

Property acquired in 37th fiscal period

- B-14 Sencity Bldg.

Retail

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

C Other Cities

Office

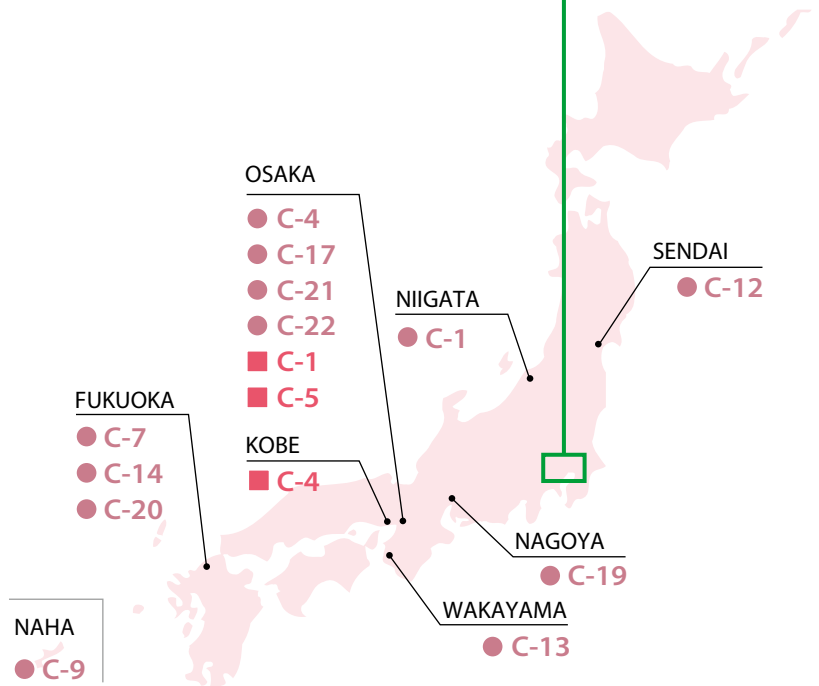
- C-1 Niigata Ekinan Center Bldg.
- C-4 Tokyo Tatemono Honmachi Bldg.
- C-7 JPR Hakata Bldg.
- C-9 JPR Naha Bldg.
- C-12 Sampo Japan Sendai Bldg.
- C-13 Sampo Japan Wakayama Bldg.
- C-14 Tenjin 121 Bldg.
- C-17 JPR Dojima Bldg.
- C-19 JPR Nagoya Fushimi Bldg.
- C-20 Yakuin Business Garden
- C-21 JPR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

Property acquired in 37th fiscal period

- C-22 Minami Semba Bldg.

Retail

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



Properties Owned by JPR

Central Tokyo

Office

Retail

A-1 Kanematsu Bldg.

Chuo Ward, Tokyo



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

A-2 Kanematsu Bldg. Annex

Chuo Ward, Tokyo



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

A-3 JPR Ningyo-cho Bldg.

Chuo Ward, Tokyo



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

A-4 Shin-Kojimachi Bldg.

Chiyoda Ward, Tokyo



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

A-5 JPR Crest Takebashi Bldg.

Chiyoda Ward, Tokyo



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

A-6 MS Shibaura Bldg.

Minato Ward, Tokyo



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

A-7 Gotanda First Bldg.

Shinagawa Ward, Tokyo



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

Central Tokyo

Office Retail

A-9

JPR Ichigaya Bldg.

Chiyoda Ward, Tokyo



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

A-10

Oval Court Ohsaki Mark West

Shinagawa Ward, Tokyo



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

A-11

Shinjuku Square Tower

Shinjuku Ward, Tokyo



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

A-12

BYGS Shinjuku Bldg.

Shinjuku Ward, Tokyo



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

A-13

Across Shinkawa Bldg. Annex

Chuo Ward, Tokyo



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

Properties Owned by JPR

Central Tokyo Office Retail

A-14 Shinjuku Center Bldg. Shinjuku Ward, Tokyo



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

A-15 Minami Azabu Bldg. Minato Ward, Tokyo



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

A-16 Shinagawa Canal Bldg. Minato Ward, Tokyo



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

A-17 Rokubancho Bldg. Chiyoda Ward, Tokyo



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

A-18 JPR Harajuku Bldg. Shibuya Ward, Tokyo



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

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



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

A-21 JPR Sendagaya Bldg. Shibuya Ward, Tokyo



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


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

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



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

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



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

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

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



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

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



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

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



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

DBJ Green Building 2020

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




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

Properties Owned by JPR

Central Tokyo

Office

Retail



A-1 JPR Shibuya Tower Records Bldg.

Shibuya Ward, Tokyo



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

A-3 JPR Jingumae 432

Shibuya Ward, Tokyo



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

A-4 Shinjuku Sanhome East Bldg.

Shinjuku Ward, Tokyo



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

A-5 Yurakucho Ekimae Bldg. (Yurakucho Itocia)

Chiyoda Ward, Tokyo



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

A-6 JPR Ginza Namiki-dori Bldg.

Chuo Ward, Tokyo



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

A-7 FUNDES Suidobashi

Chiyoda Ward, Tokyo



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

Greater Tokyo Office Retail**B-1 Arca East**
Sumida Ward, Tokyo

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

B-2 JPR Chiba Bldg.
Chiba City, Chiba

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

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

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

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

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

B-6 Kawaguchi Center Bldg.
Kawaguchi City, Saitama

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

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

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

B-8 Tachikawa Business Center Bldg.
Tachikawa City, Tokyo

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

B-9 Rise Arena Bldg.
Toshima Ward, Tokyo

Acquisition Price	¥5,831 million
Site Area	9,377.28 m ² (entire redevelopment project)
Total Floor Space	91,280.94 m ² (including residential tower)
Structure/Floors	RC/SRC/S B3/42F (Note)
Completed	January 2007
Property Manager	Taisei-Yuraku Real Estate Co., Ltd.
(Note)	The office building has 15 floors above ground and 2 floors underground.

Properties Owned by JPR

Greater Tokyo Office Retail

B-10 Yume-ooka Office Tower Yokohama City, Kanagawa



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

B-11 Olinas Tower Sumida Ward, Tokyo



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

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

B-12 Tokyo Tatemono Yokohama Bldg. Yokohama City, Kanagawa



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

B-13 Omiya Prime East Saitama City, Saitama



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

B-14 Sencity Bldg. Chiba City, Chiba



Acquisition Price	¥13,870 million	Structure/Floors	S/SRC B2/23F
Site Area	20,054.15 m ² (entire redevelopment project)	Completed	April 1993
Total Floor Space	158,663.55 m ² (entire redevelopment project)	Property Manager	Taisei-Yuraku Real Estate Co., Ltd.

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

B-1 Tanashi ASTA
Nishitokyo City, Tokyo



Acquisition Price	¥10,200 million	Structure/Floors	SRC B2/17F
Site Area	12,326.30 m ²	Completed	February 1995
Total Floor Space	80,675.27 m ²	Property Manager	Prime Place Co., Ltd.

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



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

B-4 JPR Musashikosugi Bldg.
Kawasaki City, Kanagawa



Acquisition Price	¥7,254 million
Site Area	4,757.09 m ²
Total Floor Space	18,394.32 m ²
Structure/Floors	SRC/RC/S B1/6F
Completed	March 1983
Property Manager	Prime Place Co., Ltd.

B-5 Musashiurawa Shopping Square
Saitama City, Saitama



Acquisition Price	¥4,335 million
Site Area	8,317.99 m ²
Total Floor Space	28,930.36 m ²
Structure/Floors	S B1/4F
Completed	October 2005
Property Manager	Geo-Akamatsu Co., Ltd. Prime Place Co., Ltd.

B-6 Kawasaki Dice Bldg.
Kawasaki City, Kanagawa



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

B-7 FUNDES Ueno
Taito Ward, Tokyo



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

Properties Owned by JPR

Other Cities Office Retail

C-1 Niigata Ekinan Center Bldg.

Niigata City, Niigata



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

C-4 Tokyo Tatemono Honmachi Bldg.

Osaka City, Osaka



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

C-7 JPR Hakata Bldg.

Fukuoka City, Fukuoka



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

C-9 JPR Naha Bldg.

Naha City, Okinawa



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

C-12 Sampo Japan Sendai Bldg.

Sendai City, Miyagi



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

C-13 Sampo Japan Wakayama Bldg.

Wakayama City, Wakayama



Acquisition Price	¥1,670 million
Site Area	1,128.45 m ²
Total Floor Space	6,715.07 m ²
Structure/Floors	S 9F
Completed	July 1996
Property Manager	Nomura Real Estate Partners Co., Ltd. ^(Note)
<small>(Note) The property manager was changed from Tokyo Tatemono Co., Ltd. as of April 1, 2020.</small>	

C-14 Tenjin 121 Bldg.

Fukuoka City, Fukuoka



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

C-17 JPR Dojima Bldg.

Osaka City, Osaka



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

Other Cities

Office

Retail

C-19

JPR Nagoya Fushimi Bldg.

Nagoya City, Aichi



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

C-21

JPR Shinsaibashi Bldg.

Osaka City, Osaka



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

C-22

Minami Semba Bldg.

Osaka City, Osaka



Acquisition Price	¥3,750 million
Site Area	1,405.74 m ²
Total Floor Space	7,738.47 m ²
Structure/Floors	SRC B1/8F
Completed	September 1986
Property Manager	Nomura Real Estate Partners Co., Ltd.

C-4

Housing Design Center Kobe

Kobe City, Hyogo



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

C-20

Yakuin Business Garden

Fukuoka City, Fukuoka



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

C-1

JPR Umeda Loft Bldg.

Osaka City, Osaka



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

C-5

JPR Chayamachi Bldg.

Osaka City, Osaka



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

Structure and History of JPR

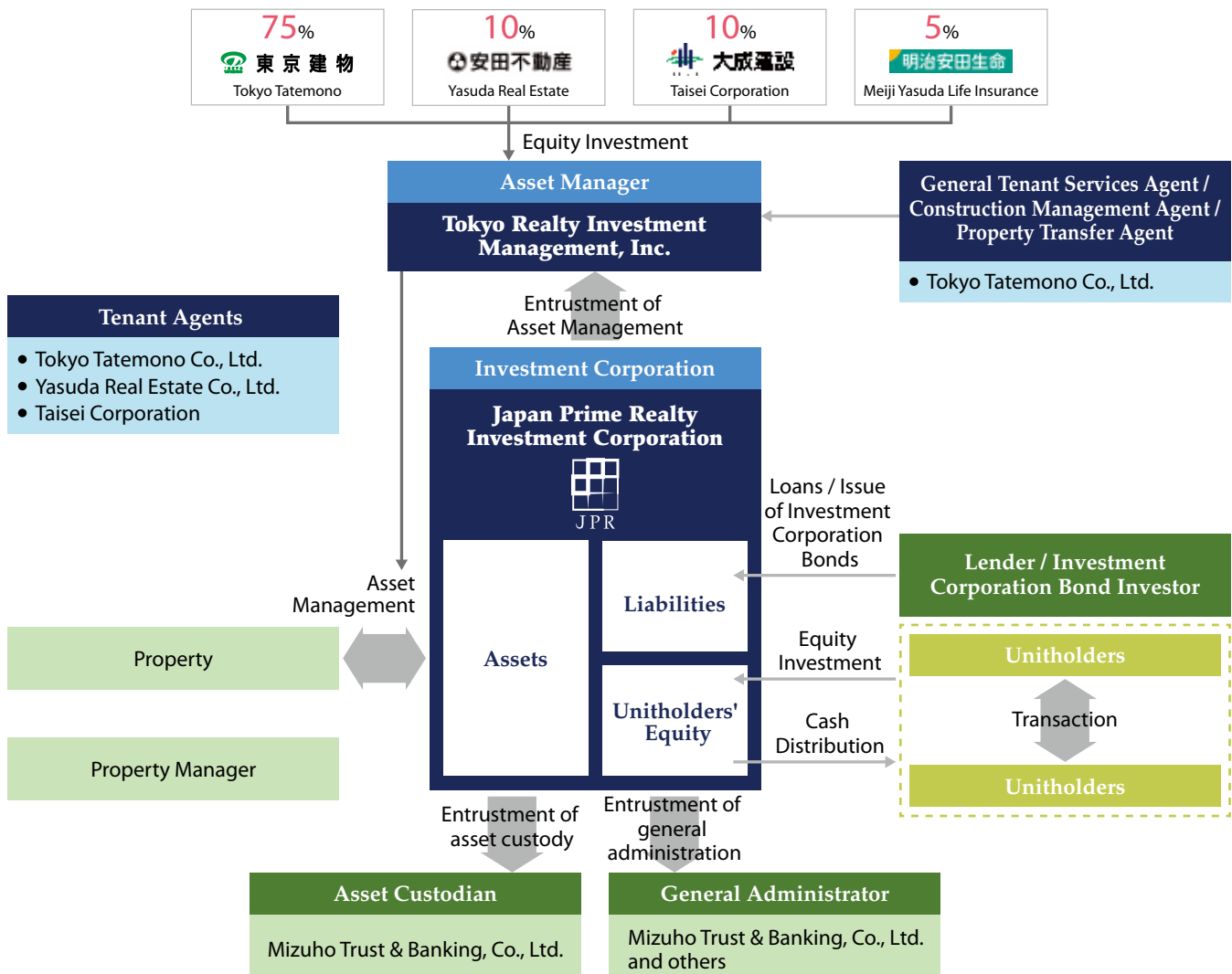
The Objective and Basic Characteristics of JPR (as of June 30, 2020)

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

Corporate History

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

Structure of JPR



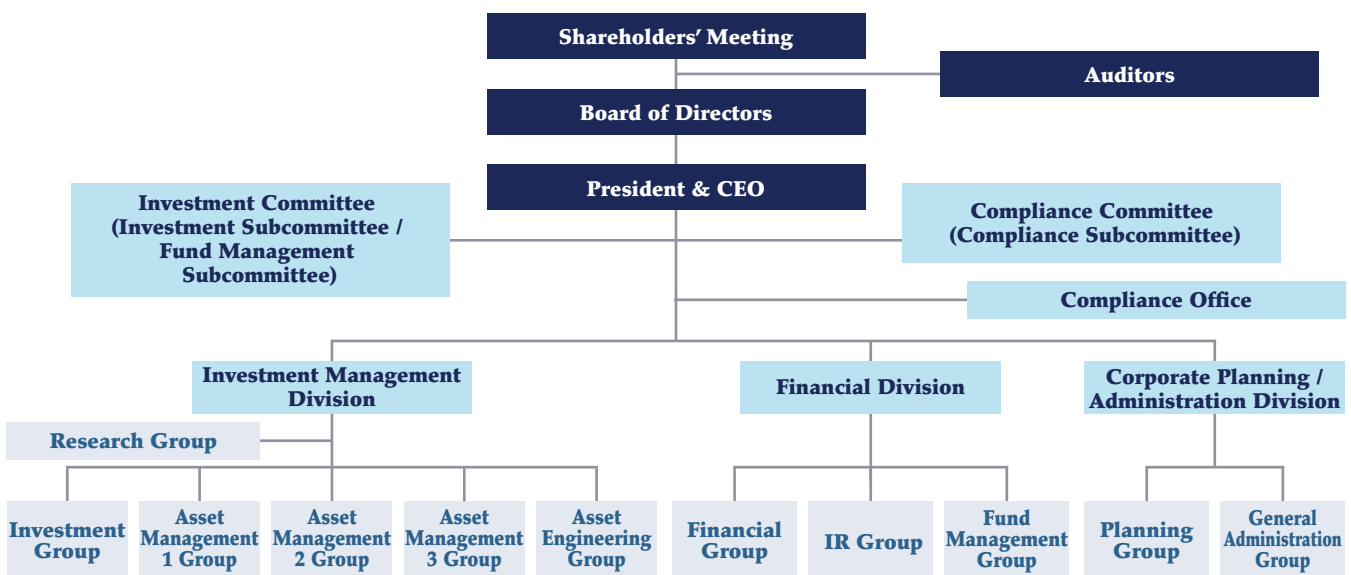
Overview of Asset Manager

Overview

Name	Tokyo Realty Investment Management, Inc. (TRIM)
Business Description	Asset management for investment corporations
Capitalization	¥350 million
Shareholder Composition (Shareholding ratio)	Tokyo Tatemono Co., Ltd. (75%) Yasuda Real Estate Co., Ltd. (10%) Taisei Corporation (10%) Meiji Yasuda Life Insurance Company (5%)
Corporate History	
April 28, 2000	Established
October 13, 2000	Obtained license as real estate transaction agent (currently: No. (4) 79025 licensed by Governor of Tokyo)
March 16, 2001	Obtained license as discretionary transaction agent under the Building Lots and Building Transactions Business Act (Approval Number: No. 3)
June 20, 2001	Obtained license as asset management agent for investment corporation under the Act on Investment Trusts and Investment Corporations (Approval Number: No. 7 licensed by the Prime Minister)
September 30, 2007	Registered for financial instruments exchange business (investment management business) (Registration Number: No.362 (Kinsho) Head of Kanto Local Finance Bureau) ^(Note)
November 28, 2007	Applied for registration and submitted application form for financial instruments exchange business

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

Organization Chart



Decision-Making Institutions for Investment Management

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

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

1. Overview of Asset Management

(1) Changes in Operating Results and Other Management Data

	Fiscal Period	Unit	33rd Fiscal Period (Jan. 1, 2018 - Jun. 30, 2018)	34th Fiscal Period (Jul. 1, 2018 - Dec. 31, 2018)	35th Fiscal Period (Jan. 1, 2019 - Jun. 30, 2019)	36th Fiscal Period (Jul. 1, 2019 - Dec. 31, 2019)	37th Fiscal Period (Jan. 1, 2020 - Jun. 30, 2020)
Operating Performance	Operating Revenue	Million yen	15,204	15,652	16,101	16,005	16,363
	Rent revenue – real estate	Million yen	15,204	15,652	15,695	16,005	16,363
	Gain on sale of real estate	Million yen	–	–	405	–	–
	Operating Expenses	Million yen	7,869	8,066	8,147	8,320	8,350
	Expenses related to rent business	Million yen	7,114	7,311	7,349	7,538	7,436
	Operating Income	Million yen	7,335	7,586	7,954	7,684	8,013
	Ordinary Income	Million yen	6,685	6,761	7,216	6,915	7,277
	Net Income	Million yen	6,686	6,760	7,216	6,914	7,276
Assets, etc.	Total Assets	Million yen	446,297	447,157	452,366	453,467	473,186
	(Period-on-period variation)	%	(-0.0)	(+0.2)	(+1.2)	(+0.2)	(+4.3)
	Interest-bearing Debts	Million yen	181,120	181,020	185,020	185,020	187,020
	Total Unitholders Equity	Million yen	238,638	238,712	239,166	239,269	255,838
	(Period-on-period variation)	%	(+0.0)	(+0.0)	(+0.2)	(+0.0)	(+6.9)
	Unitholders' Capital	Million yen	231,653	231,653	231,653	231,653	247,860
Cash Distribution per Unit, etc.	Total Cash Distributions	Million yen	6,687	6,761	6,811	6,916	7,277
	Dividend payout ratio	%	100.0	100.0	94.3	100.0	100.0
	Number of Units Outstanding	Units	923,000	923,000	923,000	923,000	958,250
	Total Unitholders' Equity per unit	Yen	258,546	258,626	259,118	259,230	266,984
	Cash Distribution per Unit	Yen	7,245	7,326	7,380	7,493	7,595
	Distribution amount	Yen	7,245	7,326	7,380	7,493	7,595
	Exceeding profit distribution amount	Yen	–	–	–	–	–
Financial Indices	Ordinary Income on Total Assets (Note 1)	%	1.5	1.5	1.6	1.5	1.6
	Annualized (Note 10)	%	3.0	3.0	3.2	3.0	3.2
	Net Income on Total Unitholders' Equity (Note 2)	%	2.8	2.8	3.0	2.9	2.9
	Annualized (Note 10)	%	5.7	5.6	6.1	5.7	5.9
	Total unitholders' equity at beginning of period	Million yen	238,619	238,638	238,712	239,166	239,269
	Unitholders' Equity Ratio at End of Period (Note 3)	%	53.5	53.4	52.9	52.8	54.1
	(Period-on-period variation)		(+0.0)	(-0.1)	(-0.5)	(-0.1)	(+1.3)
	Interest-bearing Debts to Total Assets at End of Period (Note 4)	%	40.6	40.5	40.9	40.8	39.5
	DSCR (Note 5)	Times	11.6	12.0	12.5	13.2	14.1
	Net income before interest and amortization (Note 6)	Million yen	9,442	9,500	9,536	9,620	10,015
	Interest expenses	Million yen	812	794	760	731	710
	NOI from Leasing (Note 7)	Million yen	10,033	10,285	10,311	10,441	10,954
	Annualized NOI yield (Notes 9 and 10)	%	4.7	4.7	4.7	4.7	4.8
	NCF from Leasing (Note 8)	Million yen	8,887	9,158	8,986	8,858	9,574
	Annualized NCF yield (Notes 9 and 10)	%	4.1	4.2	4.1	4.0	4.2
	Reference Information	Investment Properties Owned (Note 11)		62	62	63	63
Number of Tenants			747	747	757	760	851
Total Leasable Floor Space (Note 12)		m ²	478,117.02	478,088.25	480,277.86	480,284.17	499,269.77
Occupancy Rate		%	98.8	99.2	98.6	99.6	99.7

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

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

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

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

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

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

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

(Note 8) NOI from leasing - capital expenditures

(Note 9) Annualized NOI from leasing / property acquisition price (33rd fiscal period: ¥435.05 billion, 34th fiscal period: ¥435.05 billion, 35th fiscal period: ¥444.77 billion, 36th fiscal period: ¥439.52 billion and 37th fiscal period: ¥457.14 billion)
Annualized NCF from leasing / property acquisition price

(Note 10) Annualization is based on 365 days for a year and calculated by using the following management days: 33rd fiscal period: 181 days, 34th fiscal period: 184 days, 35th fiscal period: 181 days, 36th fiscal period: 184 days and 37th fiscal period: 182 days.

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

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

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

(2) 37th Fiscal Period Asset Management

1) Milestones of JPR

Japan Prime Realty Investment Corporation (JPR) was established on September 14, 2001 under the Act on Investment Trusts and Investment Corporations (hereafter, the Investment Trusts Act), and was listed on the Tokyo Stock Exchange Real Estate Investment Trust Section (securities code: 8955) on June 14, 2002 with 289,600 outstanding investment units. With the subsequently implemented public offerings and other capital raising measures by JPR, the number of investment units issued and outstanding totals 958,250 units as of the end of the 37th fiscal period (June 30, 2020). JPR has assigned the asset management of its portfolio to Tokyo Realty Investment Management, Inc. (hereafter, the Asset Manager), through which JPR aims to maximize unitholder value by efficiently managing the portfolio primarily comprising office properties and retail properties.

2) Management Environment

Looking at the Japanese economy in the 37th fiscal period, a rapid decrease in exports and deterioration of corporate earnings were observed under the influence of the novel coronavirus (COVID-19) infection, with capital investment and employment also drifting on a weak note. As the Japanese economy is in an extremely difficult situation, however, signs of improvement are seen in some areas, such as consumer spending showing a pickup associated with the lift of the government's declaration of a state of emergency. The overseas economy has also faced a very severe situation due to the impact of COVID-19 but, entering May, the economic conditions in the U.S. and Europe appear to have stopped declining.

The Office Property Leasing Market

The supply and demand conditions in the office property leasing market generally remained tight, despite the impact of COVID-19 observed in some areas, and the upward trend of the rent levels for new contracts also continued, although at a moderate pace.

The Retail Property Leasing Market

Activities at urban retail properties which JPR targets for investment were weak as urban areas became much less crowded due to such factors as the spread of COVID-19 and voluntary restraint of people from going out associated with the government's declaration of a state of emergency. Following the lift of the declaration, however, a pickup is seen to take place in some areas.

The For-Sale Real Estate Market

In the for-sale real estate market, investors continue to stay on the sidelines as they feel uncertain of the outlook due to the spread of COVID-19, etc., and transactions have remained stagnant since April. Views on hotels and urban retail properties, which are particularly impacted hard, are mostly very attentive to the track to recovery going forward, and the trend of investors' expected cap rate reflects their cautious attitude. On the other hand, there has been no increase in such actions as transfers and rushed selling of properties in the face of worsened corporate earnings to date. As blue-chip properties in which JPR targets to invest are still in short supply and low-yield transactions continue to prevail, the acquisition environment remains harsh. Accordingly, investors continue to look for ways to effectively acquire properties, such as diversifying the target assets for investment and conducting asset replacement.

3) Portfolio Management Status

Acquisition of New Properties

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

During the 37th fiscal period, JPR acquired Minami Semba Bldg. (acquisition price: 3,750 million yen) in January 2020 as well as Sencity Bldg. (acquisition price: 13,870 million yen) in March 2020. Consequently, as of the end of June 2020, the balance of JPR's assets under management totaled 65 properties, or 457.1 billion yen on an acquisition price basis, with the total leasable floor space standing at 499,269 m² and the number of tenants at 851.

Operational Management of Portfolio

In the office property leasing market in the 37th fiscal period, the vacancy rate stayed at a low level, given a more advanced improvement in the supply and demand balance in Tokyo and other areas. Under such circumstances, JPR endeavored to attract new tenants through strategic leasing activities and enhance the satisfaction of existing tenants by keeping close cooperation with property management companies and brokers, with an aim of enhancing earnings from the entire portfolio and improving its occupancy rate. As a result of these efforts, the occupancy rate at the end of the 37th fiscal period increased 0.1 percentage points period-on-period to 99.7%.

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

Moreover, as its initiatives on environmental issues, JPR has continuously obtained environmental certifications. As of June 30, 2020, JPR acquired the DBJ Green Building Certification^{*1} for 16 properties and the CASBEE for Building Certification^{*2} for 10 properties (including 3 newly certified properties). On top of these certifications JPR acquired, its endeavors on environmental issues were so acknowledged that it was designated as "Green Star" in the GRESB^{*3} Real Estate Assessment (the survey conducted in 2019), marking the sixth consecutive year of recognition with the highest ranking in the survey. JPR was also granted a higher rank of "5 Stars" in the GRESB Rating, which makes relative assessment based on total scores.

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

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

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

Fund Procurement

In the 37th fiscal period, JPR additionally issued investment units (please refer to (3) Additional Offerings, etc. below) to procure 16.2 billion yen, which was used to fund the acquisition of a new property and repay borrowings.

JPR also endeavored on debt financing with more emphasis placed on lengthening the debt maturity and diversifying repayment dates, in an effort to make its financial base more solid and stronger against the backdrop of the favorable fund procurement environment and low interest rates. During the fiscal period, JPR borrowed 13.0 billion yen to fund the refinance of interest-bearing debts (9.0 billion yen) and the acquisition of another property (4.0 billion yen). The average maturity of and the average interest on the new interest-bearing debts stood at 8.8 years and 0.53%, respectively, in contrast to 5.4 years and 0.83% for the relevant interest-bearing debts (excluding short-term debts) before refinancing.

As of the end of the 37th fiscal period, the balance of interest-bearing debts totaled 187.0 billion yen, with balance of borrowings of 160.5 billion yen and balance of investment corporation bonds of 26.5 billion yen. The ratio of interest-bearing debt to total assets (Note 1) was 39.5%, long-term and fixed interest-bearing debt ratio (Note 2) was 100.0%, average debt cost (Note 3) was 0.78% and average maturity (Note 4) was 4.6 years as of the end of the fiscal period.

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

The following represents the issuer ratings for JPR as of the end of the 37th fiscal period.

Details of Corporate Credit Ratings as of June 30, 2020

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

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

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

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

(Note 4) Average maturity is arrived at by calculating a weighted average of maturities from the end of the 37th fiscal period to the repayment deadlines for all interest-bearing debts based on the balance of each interest-bearing debt.

(3) Additional Offerings, etc.

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

Date	Event	Number of Units Outstanding		Unitholders' Capital (millions of yen)		Remarks
		Variation	Balance	Variation	Balance	
January 24, 2017	Additional public offering	47,600	920,600	20,237	230,632	(Note 1)
February 14, 2017	Third-party allotment	2,400	923,000	1,020	231,653	(Note 2)
March 3, 2020	Additional public offering	35,250	958,250	16,207	247,860	(Note 3)

(Note 1) New investment units were issued through a public offering at 439,040 yen per unit (underwriting price of 425,152 yen per unit) to fund acquisition of new specific assets and partly repay debts.

(Note 2) New investment units were issued through a third-party allotment at 425,152 yen per unit to fund acquisition of new specific assets and partly repay debts.

(Note 3) 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.

(4) Cash Distributions

With regard to the cash distributions of the 37th fiscal period, JPR decided to distribute part of the retained earnings brought forward that had been internally reserved through the 36th fiscal period, with the aim of having the profit distributions deducted as expenses based on application of the special provision on taxation of investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation) and in order to minimize the burden to unitholders incurred by accrual of corporate income tax, etc. As a result, the cash distribution per unit came to 7,595 yen for the 37th fiscal period.

(Thousands of yen unless otherwise indicated)

Fiscal Period		33rd Fiscal Period (Jan. 1, 2018 - Jun. 30, 2018)	34th Fiscal Period (Jul. 1, 2018 - Dec. 31, 2018)	35th Fiscal Period (Jan. 1, 2019 - Jun. 30, 2019)	36th Fiscal Period (Jul. 1, 2019 - Dec. 31, 2019)	37th Fiscal Period (Jan. 1, 2020 - Jun. 30, 2020)
Unappropriated Retained Earnings at End of Period		6,701,131	6,774,889	7,229,214	6,926,967	7,287,774
Internal Reserves		13,996	12,991	417,474	10,928	9,865
Total Cash Distributions		6,687,135	6,761,898	6,811,740	6,916,039	7,277,908
(Cash Distribution per Unit)		(7,245 yen)	(7,326 yen)	(7,380 yen)	(7,493 yen)	(7,595 yen)
Breakdown	Total Cash Distributions from Net Income	6,687,135	6,761,898	6,811,740	6,916,039	7,277,908
	(Cash distribution from net income per unit)	(7,245 yen)	(7,326 yen)	(7,380 yen)	(7,493 yen)	(7,595 yen)
	Repayment of Paid-in Capital	-	-	-	-	-
	(Repayment of paid-in capital per unit)	(- yen)	(- yen)	(- yen)	(- yen)	(- yen)
Of the repayment of paid-in capital, total cash distributions from the reserve for temporary difference adjustments		-	-	-	-	-
(Of the repayment of paid-in capital per unit, distribution per unit from the reserve for temporary difference adjustments)		(- yen)	(- yen)	(- yen)	(- yen)	(- yen)
Of the repayment of paid-in capital, total cash distributions through the reduction in unitholders' capital for tax purposes		-	-	-	-	-
(Of the repayment of paid-in capital per unit, distribution per unit through the reduction in unitholders' capital for tax purposes)		(- yen)	(- yen)	(- yen)	(- yen)	(- yen)

(5) Future Management Policies and Vital Issues

Looking ahead, with the Japanese economy put in an extremely severe situation even though the declaration of a state of emergency has been lifted, attention should be paid to the COVID-19 trends and the impacts of fluctuations in the financial and capital markets, among other factors.

In the office property leasing market, although leasing of newly-constructed buildings supplied in 2020 remains steady, the impact of the spread of COVID-19 is expected to linger for a long time going forward, raising concerns about the influence it will give on the office market conditions. In this regard, 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 will become even more important to discern the growth potential in earnings of respective properties, while taking into account the impact of COVID-19 on the leasing market. Although the downward trend of cap rates that has continued to date may come to a stop, the low interest rate and low yield environment will be maintained, in which it is required to firmly keep the attitude of vigorously selective investment for implementing real estate investment that assumes possession of properties over the medium to long term.

1) Acquisition of New Properties and Asset Replacement

JPR will continue to make investment focused on the Tokyo office properties, with an aim to improve the quality of its portfolio and enhance its growth potential and stability over the long term. In the for-sale office property market, the purchase cap rate and expected cap rate levels still stay low, with properties remaining in short supply. Going forward, although close attention must be paid to the impact of COVID-19, etc., 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 keep stable revenues at a certain level in order to complement the stability of earnings from the entire portfolio. In doing so, JPR will have to make more prudent investigations, paying close attention to the future sales trends, etc. of such properties under the influence of the spread 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 a 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 following 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 a long term.

2) Management of Portfolio

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

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

3) Fund Procurement

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

(6) Information Disclosure

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

(7) Significant Subsequent Events

Not applicable.

2. Overview of the Investment Corporation

(1) Unitholders' Capital

	33rd Fiscal Period as of June 30, 2018	34th Fiscal Period as of December 31, 2018	35th Fiscal Period as of June 30, 2019	36th Fiscal Period as of December 31, 2019	37th Fiscal Period as of June 30, 2020
Total number of authorized units	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total number of units issued and outstanding	923,000	923,000	923,000	923,000	958,250
Unitholders' capital (millions of yen)	231,653	231,653	231,653	231,653	247,860
Total number of unitholders	11,647	11,050	10,376	9,841	11,085

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

The following table shows the ten largest investors according to the percentage of their owned investment units to the total number of investment units outstanding as of the end of the 37th fiscal period.

Name	Address	Number of Owned Units	Percentage of Total Units Outstanding (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11 Harumi, Chuo-ku, Tokyo	212,163	22.14
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	136,919	14.28
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	47,342	4.94
Tokyo Tatemono Co., Ltd.	1-9-9 Yaesu, Chuo-ku, Tokyo	29,300	3.05
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account) (Note2)	Harumi Island Triton Square Office Tower Z, 1-8-12 Harumi, Chuo-ku, Tokyo	25,773	2.68
Kawasaki Gakuen	577 Matsushima, Kurashiki-shi, Okayama	25,000	2.60
Meiji Yasuda Life Insurance Company	2-1-1 Marunouchi, Chiyoda-ku, Tokyo	24,000	2.50
State Street Bank West Client Treaty 505234 (Standing Proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, MA 02171, U.S.A. (Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo)	14,009	1.46
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: Custody Services Department, Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	One Lincoln Street, Boston, MA 02111, U.S.A. (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	13,922	1.45
Japan Securities Finance Co., Ltd.	1-2-10 Nihonbashi-Kayabacho, Chuo-ku, Tokyo	12,300	1.28
Total		540,728	56.42

(Note 1) Percentage of total units outstanding is rounded down to the second decimal place.

(Note 2) As of July 27, 2020, Japan Trustee Services Bank, Ltd. and Trust & Custody Services Bank, Ltd. conducted a three-party merger, with Japan Trustee Services Bank, Ltd. as the surviving company and Trust & Custody Services Bank, Ltd. and JTC Holdings, Ltd. as the dissolving companies. As of the same date, the corporate name was changed to Custody Bank of Japan, Ltd.

(3) Items Related to Directors

A. The Executive Officer, Supervising Officers and Independent Auditors as of the end of the 37th fiscal period are as follows.

Position	Name	Other Current Assignments	Total Directors' Fee during the 37th Fiscal Period (thousands of yen)	Number of Owned Units
Executive Officer	Yoshihiro Jozaki	President and Chief Executive Officer, Tokyo Realty Investment Management, Inc.	– (Note 3)	–
Supervising Officers (Note 1)	Masato Denawa	Partner Attorney, Spring Partners	4,200	–
	Nobuhisa Kusanagi	Group Representative Partner of GYOSEI Certified Public Tax & Accountants' Co. Representative, Nobuhisa Kusanagi Certified Public Accountant Office		–
Independent Auditor (Note 2)	EY ShinNihon LLC	–	16,900	–

- (Note 1) Supervising officers may be directors of corporations other than those indicated above, but have no conflict of interest with JPR at those and the above positions.
- (Note 2) The independent auditor fees include fees regarding auditing of JPR's English financial statements and fees regarding preparation of comfort letters for additional issuance of new investment units.
- (Note 3) Yoshihiro Jozaki, Executive Officer, does not receive any compensation from JPR.

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

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

(4) Asset Manager, Asset Custodian and Administrative Agent

The asset manager, asset custodian and administrative agents of JPR at the end of the 37th fiscal period are as follows.

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

3. Status of JPR's Assets Under Management

(1) JPR's Asset Structure

Asset Type	Area	36th Fiscal Period (as of December 31, 2019)		37th Fiscal Period (as of June 30, 2020)	
		Assets owned by JPR (thousands of yen)	Percentage of total assets (%)	Assets owned by JPR (thousands of yen)	Percentage of total assets (%)
Real estate	Central Tokyo	86,968,578	19.2	86,819,253	18.3
	Greater Tokyo	59,930,822	13.2	73,502,522	15.5
	Other Cities	20,024,036	4.4	19,931,527	4.2
Real estate in trust	Central Tokyo	155,925,261	34.4	155,957,161	33.0
	Greater Tokyo	49,886,624	11.0	49,682,380	10.5
	Other Cities	41,767,339	9.2	45,732,351	9.7
Deposits and other assets	–	38,965,069 (–)	8.6 (–)	41,561,611 (–)	8.8 (–)
Total assets	–	453,467,733 (414,502,663)	100.0 (91.4)	473,186,809 (431,625,198)	100.0 (91.2)

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

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

(2) Major Assets Owned by JPR

The following is an overview of the major assets (ten largest properties by book value at end of period) owned by JPR as of the end of the 37th fiscal period.

Property Name	Book Value (thousands of yen)	Leasable Floor Space (m ²)	Leased Floor Space (m ²)	Occupancy Rate (%)	Rate of Monthly Contracted Rent at End of Period (%)	Asset Class
Otemachi Tower (Land with Leasehold Interest)	38,388,259	11,034.78	11,034.78	100.0	11.4	Office
Olinas Tower	26,482,095	23,987.40	23,987.40	100.0	6.1	Office
Shinjuku Center Bldg.	22,125,968	8,865.71	8,688.66	98.0	3.2	Office
Tokyo Square Garden	18,457,305	5,971.73	5,932.26	99.3	2.5	Office
BYGS Shinjuku Bldg.	15,297,743	15,227.80	15,170.47	99.6	3.7	Office
JPR Sendagaya Bldg.	14,751,113	6,177.74	6,177.74	100.0	1.8	Office
Kanematsu Bldg.	14,589,980	8,090.42	8,090.42	100.0	2.5	Office
Sencity Bldg.	13,967,911	13,271.20	13,224.89	99.7	2.8	Office
Shinjuku Square Tower	13,105,982	19,266.38	19,266.38	100.0	2.8	Office
Kawasaki Dice Bldg.	13,029,130	12,106.71	12,106.71	100.0	2.6	Retail, etc.
Total	190,195,491	123,999.87	123,679.71	99.7	39.4	

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

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

(3) Itemized Portfolio Assets

The following table provides an overview of the real estate properties and beneficiary interests in real estate owned by JPR as of the end of the 37th fiscal period (June 30, 2020).

Area	Type	Property Name	Location	Form of Ownership	Book Value as of June 30, 2020 (thousands of yen)	Appraisal Value as of June 30, 2020 (thousands of yen) (Note)	
Central Tokyo	Office	Kanematsu Bldg.	14-1 Kyobashi 2-chome, Chuo-ku, Tokyo	Beneficiary interest	14,589,980	14,900,000	
		Kanematsu Bldg. Annex	17-5 Kyobashi 2-chome, Chuo-ku, Tokyo	Beneficiary interest	2,419,183	3,500,000	
		JPR Ningyo-cho Bldg.	17-4 Nihonbashi Ningyocho 1-chome, Chuo-ku, Tokyo	Beneficiary interest	2,101,418	2,890,000	
		Shin-Kojimachi Bldg.	3-3 Kojimachi 4-chome, Chiyoda-ku, Tokyo	Beneficiary interest	2,422,161	4,240,000	
		JPR Crest Takebashi Bldg.	21-4, etc., Kanda-Nishikicho 3-chome, Chiyoda-ku, Tokyo	Beneficiary interest	3,209,330	3,770,000	
		MS Shibaura Bldg.	13-23 Shibaura 4-chome, Minato-ku, Tokyo	Beneficiary interest	10,853,230	15,000,000	
		Gotanda First Bldg.	8-1 Nishi-Gotanda 2-chome, Shinagawa-ku, Tokyo	Beneficiary interest	2,981,522	4,150,000	
		JPR Ichigaya Bldg.	7-15 Kudan-Minami 4-chome, Chiyoda-ku, Tokyo	Beneficiary interest	5,266,128	4,820,000	
		Oval Court Ohsaki Mark West	17-1 Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo	Beneficiary interest	2,767,696	5,450,000	
		Shinjuku Square Tower	22-1 Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo	Beneficiary interest	13,105,982	14,700,000	
		BYGS Shinjuku Bldg.	19-1 Shinjuku 2-chome, Shinjuku-ku, Tokyo	Real estate	15,297,743	21,100,000	
		Across Shinkawa Bldg. Annex	16-14 Shinkawa 1-chome, Chuo-ku, Tokyo	Real estate	575,547	777,000	
		Shinjuku Center Bldg.	25-1 Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo	Real estate	22,125,968	17,600,000	
		Minami Azabu Bldg.	12-3 Minami-Azabu 2-chome, Minato-ku, Tokyo	Real estate	3,786,791	3,050,000	
		Shinagawa Canal Bldg.	12-33 Konan 2-chome, Minato-ku, Tokyo	Real estate	1,881,741	2,380,000	
		Rokubancho Bldg.	2-9, etc., Rokubancho, Chiyoda-ku, Tokyo	Real estate	2,913,204	3,590,000	
		JPR Harajuku Bldg.	17-11 Jingumae 6-chome, Shibuya-ku, Tokyo	Beneficiary interest	8,727,021	11,100,000	
		JPR Nihonbashi-horidome Bldg.	11-12 Nihonbashi-Horidomecho 1-chome, Chuo-ku, Tokyo	Beneficiary interest	4,858,764	6,800,000	
		JPR Sendagaya Bldg.	23-5 Sendagaya 4-chome, Shibuya-ku, Tokyo	Real estate	14,751,113	11,900,000	
		Ginza Sanwa Bldg.	6-1 Ginza 4-chome, Chuo-ku, Tokyo	Real estate	3,685,081	3,690,000	
		Otemachi Tower (Land with Leasehold Interest)	6-6, etc., Otemachi 1-chome, Chiyoda-ku, Tokyo	Beneficiary interest	38,388,259	51,800,000	
		Science Plaza-Yonbancho Plaza	9-6, etc., Yonbancho, Chiyoda-ku, Tokyo	Beneficiary interest	2,761,759	3,310,000	
		Shibadaimon Center Bldg.	10-11 Shibadaimon 1-chome, Minato-ku, Tokyo	Beneficiary interest	4,154,477	6,170,000	
	Tokyo Square Garden	1-1 Kyobashi 3-chome, Chuo-ku, Tokyo	Beneficiary interest	18,457,305	21,400,000		
	JPR Kojimachi Bldg.	6-1 Kojimachi 5-chome, Chiyoda-ku, Tokyo	Real estate	5,819,713	6,420,000		
	Retail, etc.	JPR Shibuya Tower Records Bldg.	22-14 Jinnan 1-chome, Shibuya-ku, Tokyo	Beneficiary interest	11,437,339	13,800,000	
		JPR Jingumae 432	32-13 Jingumae 4-chome, Shibuya-ku, Tokyo	Beneficiary interest	4,256,552	4,240,000	
		Shinjuku Sanhome East Bldg.	1-26, Shinjuku 3-chome, Shinjuku-ku, Tokyo	Real estate	2,562,871	2,700,000	
		Yurakucho Ekimae Bldg. (Yurakucho Itocia)	7-1 Yurakucho 2-chome, Chiyoda-ku, Tokyo	Real estate	3,284,285	3,240,000	
		JPR Ginza Namiki-dori Bldg.	5-14 Ginza 5-chome, Chuo-ku, Tokyo	Real estate	10,135,189	11,000,000	
		FUNDES Suidobashi	20-8 Kanda Misakicho 2-chome, Chiyoda-ku, Tokyo	Beneficiary interest	3,199,046	3,480,000	
	Greater Tokyo	Office	Arca East	2-1 Kinshi 3-chome, Sumida-ku, Tokyo	Beneficiary interest	4,211,678	6,880,000
			JPR Chiba Bldg.	1-7, etc., Shinmachi, Chuo-ku, Chiba, Chiba	Beneficiary interest	2,194,457	1,820,000
JPR Yokohama Nihon Odori Bldg.			17 Nihon-Odori, Naka-ku, Yokohama, Kanagawa	Beneficiary interest	2,388,598	2,340,000	
Shinyokohama 2nd Center Bldg.			19-5, etc., Shinyokohama 3-chome, Kohoku-ku, Yokohama, Kanagawa	Beneficiary interest	1,416,181	2,330,000	
Kawaguchi Center Bldg.			1-8 Honcho 4-chome, Kawaguchi, Saitama	Beneficiary interest	7,338,905	9,940,000	
JPR Ueno East Bldg.			3-5 Matsugaya 1-chome, Taito-ku, Tokyo	Real estate	2,915,764	5,380,000	
Tachikawa Business Center Bldg.			38-5 Akebonocho 2-chome, Tachikawa, Tokyo	Beneficiary interest	2,865,093	4,470,000	
Rise Arena Bldg.			5-2 Higashi-Ikebukuro 4-chome, Toshima-ku, Tokyo	Real estate	5,149,666	9,510,000	
Yume-ooka Office Tower			6-1 Kamiooka Nishi 1-chome, Konan-ku, Yokohama, Kanagawa	Real estate	5,279,141	7,220,000	
Olinas Tower			1-3 Taihei 4-chome, Sumida-ku, Tokyo	Real estate	26,482,095	40,000,000	

Area	Type	Property Name	Location	Form of Ownership	Book Value as of June 30, 2020 (thousands of yen)	Appraisal Value as of June 30, 2020 (thousands of yen) (Note)	
Greater Tokyo	Office	Tokyo Tatemono Yokohama Bldg.	5-10 Kitasaiwai 1-chome, Nishi-ku, Yokohama, Kanagawa	Real estate	7,110,158	9,630,000	
		Omiya Prime East	1-1, etc., Shimocho 2-chome, Omiya-ku, Saitama, Saitama	Beneficiary interest	5,607,568	9,640,000	
		Sencity Bldg.	1000, etc., Shinmachi, Chuo-ku, Chiba-shi, Chiba,	Real estate	13,967,911	14,600,000	
	Retail, etc.	Tanashi ASTA	1-1 Tanashicho 2-chome, Nishitokyo, Tokyo	Beneficiary interest	7,103,322	11,000,000	
		Cupo-la Main Bldg.	1-1 Kawaguchi 1-chome, Kawaguchi, Saitama	Real estate	1,625,325	2,970,000	
		JPR Musashikosugi Bldg.	420-1, etc., Kosugimachi 3-chome, Nakahara-ku, Kawasaki, Kanagawa	Real estate	7,175,445	5,540,000	
		Musashiurawa Shopping Square	3-1 Bessho 7-chome, Saitama, Saitama	Beneficiary interest	3,527,443	4,300,000	
		Kawasaki Dice Bldg.	8-3, etc., Ekimae-Honcho, Kawasaki, Kanagawa	Beneficiary interest	13,029,130	16,300,000	
		FUNDES Ueno	2-4 Ueno 7-chome, Taito-ku, Tokyo	Real estate	3,797,012	4,000,000	
	Other Cities	Office	Niigata Ekinan Center Bldg.	24 Yoneyama 1-chome, Chuo-ku, Niigata, Niigata	Beneficiary interest	1,594,023	2,270,000
			Tokyo Tatemono Honmachi Bldg.	4-8 Honmachi 3-chome, Chuo-ku, Osaka, Osaka	Beneficiary interest	4,359,595	3,580,000
			JPR Hakata Bldg.	4-4 Hakataeki-mae 1-chome, Hakata-ku, Fukuoka, Fukuoka	Beneficiary interest	2,901,308	3,980,000
JPR Naha Bldg.			1-19 Matsuyama 1-chome, Naha, Okinawa	Beneficiary interest	1,647,800	2,150,000	
Sompo Japan Sendai Bldg.			7-35 Tsutsujigaoka 3-chome, Miyagino-ku, Sendai, Miyagi	Beneficiary interest	2,331,845	4,620,000	
Sompo Japan Wakayama Bldg.			31-1, etc., Misonocho 3-chome, Wakayama, Wakayama	Beneficiary interest	1,315,072	1,670,000	
Tenjin 121 Bldg.			3-38 Tenjin 1-chome, Chuo-ku, Fukuoka, Fukuoka	Beneficiary interest	2,019,931	3,640,000	
JPR Dojima Bldg.			1-23 Sonezaki-Shinchi 2-chome, Kita-ku, Osaka, Osaka	Beneficiary interest	2,128,683	3,530,000	
JPR Nagoya Fushimi Bldg.			24-15 Sakae 1-chome, Naka-ku, Nagoya, Aichi	Real estate	3,787,311	3,390,000	
Yakuin Business Garden			1-1 Yakuin 1-chome, Chuo-ku, Fukuoka, Fukuoka	Real estate	10,093,857	20,100,000	
JPR Shinsaibashi Bldg.			2-11 Minami-Senba 4-chome, Chuo-ku, Osaka, Osaka	Beneficiary interest	5,184,689	4,670,000	
Minami Semba Bldg.			11-28 Minamisemba 4 chome, Chuo-ku, Osaka	Beneficiary interest	3,782,236	4,010,000	
Retail, etc.			JPR Umeda Loft Bldg.	16-7 Chayamachi, Kita-ku, Osaka, Osaka	Beneficiary interest	12,477,807	14,200,000
			Housing Design Center Kobe	2-2 Higashi-Kawasakicho 1-chome, Chuo-ku, Kobe, Hyogo	Real estate	6,050,357	7,660,000
		JPR Chayamachi Bldg.	2-19 Chayamachi, Kita-ku, Osaka, Osaka	Beneficiary interest	5,989,355	8,320,000	
		Total				431,625,198	538,627,000

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

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

Area	Type	Property Name	36th Fiscal Period (from Jul. 1, 2019 to Dec. 31, 2019)				37th Fiscal Period (from Jan. 1, 2020 to Jun. 30, 2020)					
			Number of Tenants at Period End (Note 1)	Occupancy Rate at Period End (%)	Rental Revenues throughout Period (thousands of yen)	Ratio to Total Rental Revenues (%)	Number of Tenants at Period End (Note 1)	Occupancy Rate at Period End (%)	Rental Revenues throughout Period (thousands of yen)	Ratio to Total Rental Revenues (%)		
Central Tokyo	Office	Kanematsu Bldg.	11	100.0	393,386	2.5	11	100.0	422,109	2.6		
		Kanematsu Bldg. Annex	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
		JPR Ningyo-cho Bldg.	5	100.0	94,767	0.6	5	100.0	94,182	0.6		
		Shin-Kojimachi Bldg.	17	100.0	116,015	0.7	17	100.0	117,301	0.7		
		JPR Crest Takebashi Bldg.	8	100.0	112,713	0.7	8	100.0	124,016	0.8		
		MS Shibaura Bldg.	10	100.0	468,088	2.9	10	100.0	469,469	2.9		
		Gotanda First Bldg.	2	100.0	136,917	0.9	2	100.0	133,583	0.8		
		JPR Ichigaya Bldg.	10	100.0	152,421	1.0	10	100.0	156,057	1.0		
		Oval Court Ohsaki Mark West	2	100.0	195,075	1.2	2	100.0	203,274	1.2		
		Shinjuku Square Tower	23	100.0	413,294	2.6	23	100.0	432,507	2.6		
		BYGS Shinjuku Bldg.	23	99.6	615,851	3.8	23	99.6	615,956	3.8		
		Across Shinkawa Bldg. Annex	4	100.0	37,308	0.2	4	100.0	37,241	0.2		
		Shinjuku Center Bldg.	34	98.0	518,147	3.2	35	98.0	526,427	3.2		
		Minami Azabu Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
		Shinagawa Canal Bldg.	6	100.0	74,643	0.5	6	100.0	73,946	0.5		
		Rokubancho Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
		JPR Harajuku Bldg.	9	100.0	299,995	1.9	9	100.0	305,014	1.9		
		JPR Nihonbashi-horidome Bldg.	5	100.0	192,169	1.2	5	100.0	188,907	1.2		
		JPR Sendagaya Bldg.	7	100.0	293,019	1.8	7	100.0	297,727	1.8		
		GINZA Sanwa Bldg.	9	100.0	120,945	0.8	9	100.0	117,673	0.7		
		Otemachi Tower (Land with Leasehold Interest)	2	100.0	1,774,000	11.1	2	100.0	1,783,500	10.9		
		Science Plaza-Yonbancho Plaza	23	95.8	113,931	0.7	25	100.0	117,366	0.7		
		Shibadaimon Center Bldg.	9	100.0	188,793	1.2	9	100.0	188,508	1.2		
		Tokyo Square Garden	46	100.0	402,309	2.5	45	99.3	421,164	2.6		
		JPR Kojimachi Bldg.	6	95.5	161,357	1.0	6	100.0	151,792	0.9		
		JPR Shibuya Tower Records Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
		JPR Jingu Mae 432	7	100.0	88,757	0.6	7	100.0	84,640	0.5		
		Shinjuku Sancho East Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
		Yurakucho Ekimae Bldg. (Yurakucho Itocia)	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
JPR Ginza Namiki-dori Bldg.	9	100.0	209,279	1.3	9	100.0	200,662	1.2				
FUNDES Suidobashi	6	100.0	101,776	0.6	6	100.0	81,695	0.5				
Greater Tokyo	Office	Arca East	6	100.0	265,311	1.7	6	100.0	265,400	1.6		
		JPR Chiba Bldg.	38	96.3	136,176	0.9	38	97.6	132,712	0.8		
		JPR Yokohama Nihon Odori Bldg.	18	100.0	129,337	0.8	18	100.0	127,852	0.8		
		Shinyokohama 2nd Center Bldg.	20	98.1	107,607	0.7	21	100.0	108,539	0.7		
		Kawaguchi Center Bldg.	42	97.2	445,811	2.8	44	100.0	455,020	2.8		
		JPR Ueno East Bldg.	10	100.0	179,147	1.1	10	100.0	177,964	1.1		
		Tachikawa Business Center Bldg.	24	98.0	153,076	1.0	24	100.0	151,894	0.9		
		Rise Arena Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
		Yume-ooka Office Tower	40	100.0	338,295	2.1	43	99.1	332,156	2.0		
		Olinas Tower	16	100.0	1,029,072	6.4	16	100.0	1,030,176	6.3		
		Tokyo Tatemono Yokohama Bldg.	22	100.0	302,688	1.9	22	100.0	290,377	1.8		
		Omiya Prime East	4	100.0	280,519	1.8	4	100.0	282,934	1.7		
		Sencity Bldg.	—	—	—	—	71	99.7	249,530	1.5		
		Tanashi ASTA	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
		Cupo-la Main Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
		JPR Musashikosugi Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
		Musashiurawa Shopping Square	3	100.0	127,041	0.8	3	100.0	127,041	0.8		
		Kawasaki Dice Bldg.	29	99.6	517,330	3.2	31	100.0	435,792	2.7		
		FUNDES Ueno	10	100.0	124,134	0.8	10	100.0	104,082	0.6		
		Other Cities	Office	Niigata Ekinan Center Bldg.	10	100.0	124,885	0.8	10	100.0	125,004	0.8
				Tokyo Tatemono Honmachi Bldg.	8	94.4	154,159	1.0	8	94.3	151,990	0.9
				JPR Hakata Bldg.	43	100.0	168,793	1.1	41	97.9	171,898	1.1
				JPR Naha Bldg.	21	100.0	106,039	0.7	20	97.9	108,668	0.7
				Sompo Japan Sendai Bldg.	14	98.1	189,277	1.2	15	99.7	188,587	1.2
				Sompo Japan Wakayama Bldg.	15	98.3	108,207	0.7	16	98.3	111,133	0.7
				Tenjin 121 Bldg.	15	98.3	120,321	0.8	15	100.0	119,748	0.7
				JPR Dojima Bldg.	12	100.0	133,943	0.8	11	92.1	132,062	0.8
				JPR Nagoya Fushimi Bldg.	5	99.5	154,321	1.0	5	99.5	152,871	0.9
				Yakuin Business Garden	15	99.9	545,285	3.4	15	99.9	553,792	3.4
JPR Shinsaibashi Bldg.	10			100.0	131,698	0.8	9	100.0	132,847	0.8		
Minami Sembai Bldg.	—			—	—	—	13	99.9	111,619	0.7		
JPR Umeda Loft Bldg.	1			100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
Housing Design Center Kobe	1			100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
JPR Chayamachi Bldg.	5			100.0	171,154	1.1	5	100.0	165,453	1.0		
Total					760	99.6	16,005,870	100.0	851	99.7	16,363,494	100.0

- (Note 1) The number of tenants at end of period is counted as follows except for Shinjuku Square Tower, Shinjuku Center Bldg., the residential section of Science Plaza-Yonbancho Plaza, Tokyo Square Garden, Rise Arena Bldg., 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., the residential section of Science Plaza-Yonbancho Plaza, Tokyo Square Garden, Rise Arena Bldg., Sencity Bldg. and Kawasaki Dice Bldg. have sublet space to sublessees and lease agreements have been executed where the rent paid by the tenants fluctuates in accordance with the lease conditions of the sublessees and thus the numbers of sublessees have been entered as the numbers of tenants.
- (Note 2) JPR does not disclose the rental revenues of the properties throughout the period and their ratio to total rental revenues due to inevitable reasons, as no consent to disclosure has been obtained from the tenants or co-owners.

(4) Status of Other Assets

Beneficiary interests with real estate as major entrusted properties have been included in (3) Itemized Portfolio Assets above. There were no additional major assets that are main investment targets of JPR other than those listed under (3) above as of the end of the 37th fiscal period.

4. Capital Expenditures of Owned Real Estate

(1) Planned Capital Expenditures

The following are major items of capital expenditures for renovation works, etc. planned as of the end of the 37th fiscal period for JPR-owned real estate and entrusted real estate regarding beneficiary interests in real estate. Furthermore, the planned construction expenses include portions that are classified as expenses in accounting.

Property Name	Location	Purpose	Schedule	Planned (millions of yen)		
				Total Value	Payment during the 37th Fiscal Period	Amount Already Paid
Tokyo Tatemono Yokohama Bldg.	Yokohama, Kanagawa	Repair of exterior walls	Jul. 2020–Dec. 2020	400	–	–
BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	1st through 3rd phases of reinforcement of elevators	Mar. 2020–Dec. 2021	202	–	–
JPR Nagoya Fushimi Bldg.	Nagoya, Aichi	Replacement of outdoor mechanical parking systems	Dec. 2019–Jul. 2020	72	–	–
JPR Chiba Bldg.	Chiba, Chiba	1st through 2nd phases of reinforcement of elevators	Aug. 2020–Mar. 2021	71	–	–
JPR Harajuku Bldg.	Shibuya-ku, Tokyo	Renovation of the entrance hall	Aug. 2020–Nov. 2020	64	–	–
JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	Replacement of air conditioning units	Feb. 2020–Jul. 2020	55	–	–
MS Shibaura Bldg.	Minato-ku, Tokyo	Replacement of lighting equipment with LED lamps on 3rd and 4th floors	Aug. 2020–Dec. 2020	44	–	–
Gotanda First Bldg.	Shinagawa-ku, Tokyo	1st phase of replacement of power receiving and transforming facilities	Aug. 2020–Nov. 2020	37	–	–
JPR Umeda Loft Bldg.	Osaka, Osaka	Cold- and hot-water pipe replacement for air conditioning units	Sep. 2020–Dec. 2020	37	–	–
Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Replacement of distribution boards and replacement of lighting equipment with LED lamps on 4th and 9th floors	Sep. 2020–Nov. 2020	36	–	–
Minami Azabu Bldg.	Minato-ku, Tokyo	Replacement of air conditioning units	May 2020–Jul. 2020	34	–	–
Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Rooftop waterproofing	Aug. 2020–Dec. 2020	33	–	–
JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Reinforcement of elevators	Apr. 2020–Nov. 2020	33	–	–

(2) Capital Expenditures during the 37th Fiscal Period

The following are the capital expenditure amounts JPR invested in real estate and entrusted real estate during the 37th 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 618 million yen (Note), which was appropriated as expenditures for repair and maintenance.

Property Name	Location	Purpose	Period	Construction Expenses (millions of yen)
Gotanda First Bldg.	Shinagawa-ku, Tokyo	Replacement of toilets, etc. on 1st basement floor and 6th through 11th floors	Nov. 2019–Jun. 2020	106
JPR Naha Bldg.	Naha, Okinawa	3rd phase of replacement of toilets and hot-water supply rooms	Jan. 2020–Jun. 2020	90
JPR Nihonbashi-horidome Bldg.	Chuo-ku, Tokyo	2nd phase of replacement of air conditioning units	Feb. 2020–May 2020	84
JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	Replacement of toilets on 2nd through 7th floors	Jan. 2020–Jun. 2020	79
JPR Naha Bldg.	Naha, Okinawa	Repair of exterior walls and rooftop	Jan. 2020–Jun. 2020	78
Niigata Ekinan Center Bldg.	Niigata, Niigata	Replacement of lighting equipment with LED lamps on 5th through 10th floors	Jan. 2020–Mar. 2020	43
Kawaguchi Center Bldg.	Kawaguchi, Saitama	6th phase of replacement of air conditioning units	Oct. 2019–Mar. 2020	40
Yakuin Business Garden	Fukuoka, Fukuoka	Renovation of smoking rooms to comply with the Health Promotion Act	May 2020–Jun. 2020	38
Other Properties		Replacement of air conditioning units, repair of common areas, replacement of lighting equipment with LED lamps, etc.		819
Total				1,380

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

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

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

(Millions of yen)

Operation Period	33rd Fiscal Period (Jan. 1, 2018 - Jun. 30, 2018)	34th Fiscal Period (Jul. 1, 2018 - Dec. 31, 2018)	35th Fiscal Period (Jan. 1, 2019 - Jun. 30, 2019)	36th Fiscal Period (Jul. 1, 2019 - Dec. 31, 2019)	37th Fiscal Period (Jan. 1, 2020 - Jun. 30, 2020)
Balance of deposits at beginning of current period	1,178	1,215	1,222	1,319	1,310
Deposits during the period	821	624	1,038	997	939
Amounts used from deposits during the period	784	617	941	1,006	825
Deposits carried forward to the next period	1,215	1,222	1,319	1,310	1,424

5. Expenses and Liabilities

(1) Details of Expenses Related to Management

(Thousands of yen)

Item	36th Fiscal Period (Jul 1, 2019 - Dec. 31, 2019)	37th Fiscal Period (Jan. 1, 2020 - Jun. 30, 2020)
(a) Asset Management Fees (Note 1)	569,134	711,694
Management fee 1 (Note 2)	75,000	219,760
Management fee 2 (Note 2)	280,189	196,955
Management fee 3 (Note 2)	213,945	294,979
(b) Administrative Service and Custodian Fees	79,051	78,674
(c) Directors' Fee	5,066	4,200
(d) Trust Fees	23,752	22,812
(e) Other Expenses	105,262	96,617
Total	782,268	914,000

(Note 1) Aside from the amounts of the asset management fees entered above, fees for asset management of the acquired properties (37th fiscal period: 88,100 thousand yen) have been paid and included in the book value of each property.

(Note 2) For the 36th fiscal period, Management fee 1, Management fee 2 and Management fee 3 shall be replaced with Fixed compensation, Incentive-based compensation 1 and Incentive-based compensation 2, respectively.

(2) Status of Loans Payable

As of June 30, 2020 JPR has the following loans payable.

Category	Lender	Drawdown Date	Balance as of Jan. 1, 2020 (millions of yen)	Balance as of Jun. 30, 2020 (millions of yen)	Average interest Rate (%) (Note 1) (Note 2)	Repayment Date	Repayment Method	Use	Remarks
Short-Term Loans Payable	Mizuho Bank Ltd. (Note 4)	Dec. 5, 2019	1,000	—	0.169	Jul. 3, 2020	Principal lump sum repayment on maturity	(Note 3)	Unsecured/Unguaranteed
	Total		1,000	—					
Long-Term Loans Payable	Mizuho Bank Ltd.	Nov. 27, 2013	3,000	3,000	0.970	Nov. 27, 2020	Principal lump sum repayment on maturity	(Note 3)	Unsecured/Unguaranteed
	Mizuho Bank Ltd.	Jun. 27, 2014	5,000	5,000	1.178	Jun. 27, 2023			
	Mizuho Bank Ltd.	Mar. 11, 2015	2,000	2,000	1.011	Mar. 11, 2024			
	Mizuho Bank Ltd.	Mar. 24, 2015	2,000	2,000	1.056	Mar. 24, 2025			
	Mizuho Bank Ltd.	Feb. 4, 2016	5,000	5,000	0.804	Feb. 4, 2026			
	Mizuho Bank Ltd.	Mar. 30, 2017	3,000	3,000	0.351	Mar. 30, 2021			
	Mizuho Bank Ltd.	Mar. 30, 2017	4,000	4,000	0.400	Mar. 30, 2022			
	Mizuho Bank Ltd.	Nov. 21, 2017	1,000	1,000	0.795	Nov. 19, 2027			
	Mizuho Bank Ltd.	Dec. 5, 2019	2,000	2,000	0.646	Dec. 5, 2029			
	MUFG Bank, Ltd.	Nov. 27, 2013	3,000	3,000	0.970	Nov. 27, 2020			
	MUFG Bank, Ltd.	Jun. 27, 2014	4,000	4,000	0.889	Jun. 25, 2021			
	MUFG Bank, Ltd.	Aug. 31, 2015	1,000	1,000	0.873	Aug. 31, 2023			
	MUFG Bank, Ltd.	Mar. 25, 2016	5,000	5,000	0.510	Mar. 25, 2024			
	MUFG Bank, Ltd.	Dec. 15, 2016	2,000	2,000	0.633	Dec. 13, 2024			
	MUFG Bank, Ltd.	Aug. 8, 2017	1,000	1,000	0.638	Aug. 8, 2025			
	MUFG Bank, Ltd.	Aug. 29, 2017	5,000	5,000	0.600	Aug. 29, 2025			
	MUFG Bank, Ltd.	Sep. 5, 2017	3,000	3,000	0.593	Sep. 5, 2025			
	Sumitomo Mitsui Banking Corporation	Jun. 27, 2013	3,000	—	1.265	Jun. 26, 2020			
	Sumitomo Mitsui Banking Corporation	Jun. 27, 2014	2,500	2,500	1.033	Jun. 27, 2022			
	Sumitomo Mitsui Banking Corporation	Mar. 30, 2017	2,000	2,000	0.351	Mar. 30, 2021			
Sumitomo Mitsui Banking Corporation	Mar. 30, 2017	4,000	4,000	0.400	Mar. 30, 2022				
Sumitomo Mitsui Banking Corporation	Dec. 5, 2019	1,000	1,000	0.245	Dec. 5, 2023				
Sumitomo Mitsui Banking Corporation	Jun. 26, 2020	—	3,000	0.300	Jun. 26, 2025				

Category	Lender	Drawdown Date	Balance as of Jan. 1, 2020 (millions of yen)	Balance as of Jun. 30, 2020 (millions of yen)	Average interest Rate (%) (Note 1) (Note 2)	Repayment Date	Repayment Method	Use	Remarks
Long-Term Loans Payable	Development Bank of Japan, Inc.	Jun. 27, 2013	820	820	1.449	Jun. 25, 2021	Principal lump sum repayment on maturity	(Note 3)	Unsecured/ Unguaranteed
	Development Bank of Japan, Inc.	Dec. 5, 2013	2,000	2,000	1.188	Dec. 3, 2021			
	Development Bank of Japan, Inc.	Mar. 24, 2015	2,000	2,000	1.056	Mar. 24, 2025			
	Development Bank of Japan, Inc.	Dec. 15, 2016	3,000	3,000	0.843	Jun. 14, 2027			
	Development Bank of Japan, Inc.	Nov. 21, 2017	1,000	1,000	0.795	Nov. 19, 2027			
	Development Bank of Japan, Inc.	Jun. 27, 2019	2,100	2,100	0.572	Jun. 27, 2029			
	Shinsei Bank, Ltd.	Sep. 24, 2013	2,000	2,000	1.076	Sep. 24, 2020			
	Shinsei Bank, Ltd.	Dec. 5, 2014	2,000	2,000	1.134	Dec. 5, 2024			
	Shinsei Bank, Ltd.	Dec. 15, 2016	1,000	1,000	0.843	Jun. 14, 2027			
	Shinsei Bank, Ltd.	Apr. 5, 2019	5,000	5,000	0.673	April 5, 2029			
	Shinkin Central Bank	Dec. 15, 2016	2,000	2,000	0.388	Dec. 14, 2021			
	Shinkin Central Bank	Dec. 5, 2018	3,000	3,000	0.663	Jun. 4, 2027			
	Shinkin Central Bank	Jun. 27, 2019	2,000	2,000	0.447	Dec. 27, 2027			
	The Bank of Fukuoka, Ltd.	Oct. 9, 2015	2,000	2,000	0.816	Oct. 6, 2023			
	The Bank of Fukuoka, Ltd.	Jul. 7, 2016	2,000	2,000	0.480	Jul. 7, 2026			
	The Bank of Fukuoka, Ltd.	Sep. 24, 2019	1,000	1,000	0.554	Sep. 21, 2029			
	The Bank of Fukuoka, Ltd.	Jan. 30, 2020	—	1,000	0.598	Jan. 30, 2030			
	Aozora Bank Ltd.	Sep. 30, 2013	1,000	1,000	1.069	Sep. 24, 2020			
	Aozora Bank Ltd.	Jul. 3, 2017	900	900	0.625	Jul. 3, 2025			
	Aozora Bank Ltd.	Aug. 25, 2017	1,000	1,000	0.534	Aug. 23, 2024			
	Aozora Bank Ltd.	Aug. 25, 2017	1,000	1,000	0.574	Feb. 25, 2025			
	Aozora Bank Ltd.	Aug. 30, 2018	2,000	2,000	0.553	Feb. 25, 2025			
	The Norinchukin Bank	Dec. 15, 2016	2,000	2,000	0.388	Dec. 14, 2021			
	The Norinchukin Bank	Dec. 5, 2017	1,000	1,000	0.604	Jun. 5, 2025			
	The Norinchukin Bank	Jun. 27, 2019	2,000	2,000	0.405	Jun. 25, 2027			
	Mizuho Trust & Banking Co., Ltd.	Feb. 4, 2013	3,000	—	1.076	Feb. 4, 2020			
	Mizuho Trust & Banking Co., Ltd.	Mar. 30, 2017	4,000	—	0.309	Mar. 30, 2020			
	Mizuho Trust & Banking Co., Ltd.	Feb. 4, 2020	—	3,000	0.586	Feb. 4, 2030			
	Mizuho Trust & Banking Co., Ltd.	Mar. 30, 2020	—	2,000	0.606	Mar. 29, 2030			
	Meiji Yasuda Life Insurance Company	Feb. 5, 2015	1,000	1,000	1.042	Feb. 5, 2025			
	Meiji Yasuda Life Insurance Company	Jun. 21, 2018	3,200	3,200	0.813	Jun. 21, 2028			
	Sumitomo Life Insurance Company	Oct. 11, 2016	2,000	2,000	0.453	Oct. 11, 2024			
	Sumitomo Life Insurance Company	Jul. 22, 2019	1,000	1,000	0.583	Jul. 20, 2029			
	Sumitomo Life Insurance Company	Jan. 30, 2020	—	1,000	0.598	Jan. 30, 2030			
	The Shinkumi Federation Bank	Feb. 5, 2018	4,000	4,000	0.404	Aug. 5, 2022			
	The Nishi-Nippon City Bank, Ltd.	May 27, 2016	3,000	3,000	0.646	May 27, 2026			
	The Nishi-Nippon City Bank, Ltd.	Dec. 15, 2016	1,000	1,000	0.388	Dec. 14, 2021			
	Taiyo Life Insurance Company	Dec. 27, 2013	1,000	1,000	1.011	Dec. 25, 2020			
	Taiyo Life Insurance Company	Sep. 24, 2015	1,000	1,000	0.969	Sep. 24, 2024			
	Taiyo Life Insurance Company	Jun. 4, 2018	1,000	1,000	0.811	Jun. 5, 2028			
	The Chugoku Bank, Ltd.	Oct. 9, 2015	2,000	2,000	0.816	Oct. 6, 2023			
	The Chugoku Bank, Ltd.	Sep. 25, 2018	1,000	1,000	0.661	Mar. 25, 2026			
The Iyo Bank, Ltd.	Oct. 9, 2015	1,000	1,000	0.816	Oct. 6, 2023				
The Iyo Bank, Ltd.	Jan. 30, 2020	—	1,000	0.598	Jan. 30, 2030				
National Mutual Insurance Federation of Agricultural Cooperatives	Dec. 15, 2016	2,000	2,000	0.388	Dec. 14, 2021				

Category	Lender	Drawdown Date	Balance as of Jan. 1, 2020 (millions of yen)	Balance as of Jun. 30, 2020 (millions of yen)	Average interest Rate (%) (Note 1) (Note 2)	Repayment Date	Repayment Method	Use	Remarks
Long-Term Loans Payable	Sompo Japan Insurance Inc. (Note 5)	Dec. 25, 2015	2,000	2,000	0.759	Dec. 25, 2023	Principal lump sum repayment on maturity	(Note 3)	Unsecured/Unguaranteed
	Nippon Life Insurance Company	Nov. 22, 2019	2,000	2,000	0.225	Nov. 22, 2023			
	The Hachijuni Bank, Ltd.	Oct. 9, 2015	1,000	1,000	0.489	Oct. 9, 2020			
	The Hachijuni Bank, Ltd.	Sep. 26, 2016	1,000	1,000	0.209	Sep. 24, 2021			
	The Yamaguchi Bank, Ltd.	Nov. 21, 2017	1,000	1,000	0.795	Nov. 19, 2027			
	The Yamaguchi Bank, Ltd.	Jan. 30, 2020	—	1,000	0.598	Jan. 30, 2030			
	Resona Bank, Ltd.	Mar. 30, 2017	2,000	2,000	0.438	Sep. 30, 2022			
	NTT FINANCE CORPORATION	May 31, 2018	1,000	1,000	0.408	May 31, 2023			
	The Kiyo Bank, Ltd.	Jan. 30, 2020	—	1,000	0.598	Jan. 30, 2030			
	The 77 Bank, Ltd.	May 31, 2018	1,000	1,000	0.408	May 31, 2023			
	The Daishi Bank, Ltd.	Nov. 21, 2017	1,000	1,000	0.396	Nov. 21, 2022			
	Daido Life Insurance Company	Dec. 27, 2018	1,000	1,000	0.316	Dec. 25, 2023			
	The Chiba Bank, Ltd.	Oct. 25, 2018	1,000	1,000	0.449	Oct. 25, 2023			
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Dec. 27, 2018	1,000	1,000	0.299	Jun. 27, 2023			
	The Hyakugo Bank, Ltd.	Oct. 25, 2018	1,000	1,000	0.582	Apr. 25, 2025			
	The Hiroshima Bank, Ltd.	Nov. 21, 2017	1,000	1,000	0.396	Nov. 21, 2022			
	Mitsui Sumitomo Insurance Company, Limited	Oct. 4, 2019	1,000	1,000	0.310	Oct. 2, 2026			
Sumitomo Mitsui Trust Bank Limited	Mar. 25, 2016	1,000	1,000	0.691	Mar. 25, 2026				
	Total		157,520	160,520					

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

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

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

(Note 4) JPR made early repayment of the 1,000 million yen in short-term loans payable on January 30, 2020, which was borrowed on December 5, 2019 from Mizuho Bank, Ltd.

(Note 5) Sompo Japan Nipponkoa Insurance Inc. changed its name to Sompo Japan Insurance Inc. as of April 1, 2020.

(3) Investment Corporation Bonds

Details of JPR's investment corporation bonds outstanding as of June 30, 2020 are as follows.

Name	Issue Date	Balance as of Jan. 1, 2020 (millions of yen)	Balance as of June. 30, 2020 (millions of yen)	Coupon Rate (%)	Maturity Date	Redemption Method	Use	Remarks
Seventh Series of Investment Corporation Bonds	Dec. 14, 2006	4,500	4,500	2.900	Dec. 14, 2026	Bullet repayment	(Note 1)	(Note 2)
Eighteenth Series of Investment Corporation Bonds	May 31, 2013	2,000	2,000	1.460	May 31, 2023			
Nineteenth Series of Investment Corporation Bonds	Feb. 5, 2014	5,000	5,000	1.110	Feb. 5, 2024			
Twenty-first Series of Investment Corporation Bonds	Jul. 22, 2014	4,000	4,000	1.278	Jul. 22, 2026			
Twenty-second Series of Investment Corporation Bonds	Dec. 4, 2014	3,000	3,000	0.831	Dec. 4, 2024			
Twenty-third Series of Investment Corporation Bonds	May 31, 2018	3,000	3,000	0.550	May 31, 2028			
Twenty-fourth Series of Investment Corporation Bonds (Green Bonds)	July 31, 2019	5,000	5,000	0.570	July 31, 2029			
	Total	26,500	26,500					

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

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

(4) Subscription Rights to Shares

Not applicable

6. Acquisitions and Sales during the 37th Fiscal Period

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

Type of Asset	Real Estate Name	Acquisition		Sale					
		Acquisition Date	Acquisition Price (millions of yen) (Note)	Sale Date	Sale Price (A) (millions of yen) (Note)	Book Value (B) (millions of yen) (Note)	Difference (C) (A)-(B) (millions of yen)	Sale Expense (D) (millions of yen)	Sale Profit and Loss (C)-(D) (millions of yen)
Beneficiary interest	Minami Semba Bldg.	January 30, 2020	3,750	—	—	—	—	—	—
Real estate	Sencity Bldg.	March 27, 2020	13,870	—	—	—	—	—	—
	Total	—	17,620	—	—	—	—	—	—

(Note) Values of Acquisition Price or Sale Price are amounts (transaction price indicated in the transaction contract, etc.) excluding expenses (such as real estate transaction brokerage fees) required for acquisition or sale of the relevant real estate.

(2) Acquisition and Sale of Other Assets

JPR made no acquisition or sale of other assets in the 37th fiscal period.

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

Acquisition or Sale	Type of Asset	Real Estate Name	Transaction Date	Acquisition Price or Sale Price (Note 1) (millions of yen)	Real Estate Appraisal Value (Note 2) (millions of yen)	Real Estate Appraiser	Appraisal Date
Acquisition	Beneficiary interest	Minami Semba Bldg.	January 30, 2020	3,750	3,970	Japan Real Estate Institute	December 1, 2019
Acquisition	Real estate	Sencity Bldg.	March 27, 2020	13,870	14,600	Japan Real Estate Institute	January 1, 2020

(Note 1) Values of Acquisition Price or Sale Price are amounts (transaction price indicated in the transaction contract, etc.) excluding expenses (such as real estate transaction brokerage fees) required for acquisition or sale of the relevant real estate.

(Note 2) The appraisal in the table above was conducted by applying to the “Real Estate Appraisal Standards, Specific Thesis Chapter 3: Appraisal on Prices of Real Estate Subject to Securitization.”

(4) Transactions with Interested Parties and Major Shareholders

1) Transaction Status

(Thousands of yen)

Category	Transaction Amount, Etc.	
	Purchase Amount, Etc.	Sale Amount, Etc.
Total	17,620,000	—
Breakdown of transactions with interested parties		
Tokyo Tatemono Co., Ltd.	3,750,000 (21.3%)	— (—%)
Total	3,750,000 (21.3%)	— (—%)

2) Value of Fee Expenses

(Thousands of yen)

Category	Total Paid Fees (A)	Breakdown of Transaction with Interested Parties and Major Shareholders		Ratio to Total Amount (B/A)
		Paid Party	Paid Amount (B)	
Management Fees (Note 2)	364,849	Tokyo Tatemono Co., Ltd.	274,259	75.2%
		Prime Place Co., Ltd.	22,111	6.1%
Outsourcing Fees	615,760	Tokyo Tatemono Co., Ltd.	448,350	72.8%
		Prime Place Co., Ltd.	14,596	2.4%
Tenant Brokerage Fees	37,201	Tokyo Tatemono Co., Ltd.	9,320	25.1%

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

(Note 2) The management fees indicated in the above table include construction management fees (total of 33,447 thousand yen) appropriated as assets and not handled as expenses.

(Note 3) Aside from transactions indicated in the above table, JPR paid the following amounts for repairs, etc. conducted by below parties who are interested parties or major shareholders during the 37th fiscal period.

Tokyo Tatemono Co., Ltd.	716,045 thousand yen
Prime Place Co., Ltd.	43,215 thousand yen
Tokyo Real Estate Management Co., Ltd.	350,700 thousand yen
Shinjuku Center Building Management Co., Ltd.	11,866 thousand yen

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

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

7. Overview of Accounting

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

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

(2) Changes in Calculation Method of Depreciation

No change has been made.

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

No change has been made.

8. Overview of Self-Managed Investment Trust Beneficiary

(1) Acquisition

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

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

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

(2) Units Held

	Number of Units Held at End of Period	Total Investment at End of Period (Note) (millions of yen)	Ratio to Total Units Issued and Outstanding (%)
28th Fiscal Period (Jul. 1, 2015 – Dec. 31, 2015)	100	20	0.0
29th Fiscal Period (Jan. 1, 2016 – Jun. 30, 2016)	100	20	0.0
30th Fiscal Period (Jul. 1, 2016 – Dec. 31, 2016)	100	20	0.0
31st Fiscal Period (Jan. 1, 2017 – Jun. 30, 2017)	100	20	0.0
32nd Fiscal Period (Jul. 1, 2017 – Dec. 31, 2017)	100	20	0.0
33rd Fiscal Period (Jan. 1, 2018 – Jun. 30, 2018)	100	20	0.0
34th Fiscal Period (Jul. 1, 2018 – Dec. 31, 2018)	100	20	0.0
35th Fiscal Period (Jan. 1, 2019 – Jun. 30, 2019)	100	20	0.0
36th Fiscal Period (Jul. 1, 2019 – Dec. 31, 2019)	100	20	0.0
37th Fiscal Period (Jan. 1, 2020 – Jun. 30, 2020)	100	20	0.0

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

9. Disclosure on Corporation Owning Foreign Real Estate

Not applicable

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

Not applicable

11. Other

(1) Notice

Major issues related to the execution and modification, etc. of major agreements approved at JPR's Board of Directors meeting in the 37th fiscal period include the following:

Date of Board of Directors Meeting	Approved Item	Overview
February 14, 2020	Execution of New Investment Units Underwriting Agreement, etc.	With regard to the additional issuance of new investment units, the administrative services related to the offering of these investment units were outsourced to the underwriters consisting of Mizuho Securities Co., Ltd., SMBC Nikko Securities Inc., Nomura Securities Co., Ltd., Daiwa Securities Co. Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

(2) Other

Unless otherwise stated, monetary amounts are rounded down and percentage figures are rounded off to the nearest specified unit in this Report on Operating and Management Results.

(1) Balance Sheets

(Thousands of yen)

	End of 36th Fiscal Period (Dec. 31, 2019)	End of 37th Fiscal Period (Jun. 30, 2020)
Assets		
Current assets		
Cash and deposits	25,016,928	27,126,776
Cash and deposits in trust	12,758,578	12,973,691
Operating accounts receivable	246,507	289,154
Prepaid expenses	159,405	142,036
Consumption taxes receivable	—	172,716
Other	15,198	15,201
Total current assets	38,196,618	40,719,576
Noncurrent assets		
Property, plant and equipment		
Buildings	60,602,042	64,616,121
Accumulated depreciation	(18,920,510)	(19,809,897)
Buildings, net	41,681,532	44,806,224
Buildings in trust	93,481,011	95,176,039
Accumulated depreciation	(35,522,474)	(36,554,181)
Buildings in trust, net	57,958,537	58,621,857
Structures	58,409	62,220
Accumulated depreciation	(26,812)	(28,412)
Structures, net	31,597	33,807
Structures in trust	146,650	133,739
Accumulated depreciation	(88,531)	(80,982)
Structures in trust, net	58,118	52,757
Machinery and equipment	821,773	838,393
Accumulated depreciation	(542,077)	(564,455)
Machinery and equipment, net	279,696	273,937
Machinery and equipment in trust	1,919,756	1,929,556
Accumulated depreciation	(1,435,893)	(1,464,811)
Machinery and equipment in trust, net	483,862	464,745
Tools, furniture and fixtures	129,582	143,061
Accumulated depreciation	(64,452)	(71,367)
Tools, furniture and fixtures, net	65,129	71,694
Tools, furniture and fixtures in trust	232,578	252,219
Accumulated depreciation	(169,599)	(178,396)
Tools, furniture and fixtures in trust, net	62,979	73,823
Land	113,060,949	123,264,320
Land in trust	189,014,043	192,157,692
Construction in progress	2,413	1,219
Construction in progress in trust	2,035	150
Total property, plant and equipment	402,700,894	419,822,228
Intangible assets		
Leasehold right	11,801,831	11,801,831
Other	3,962	3,573
Total intangible assets	11,805,793	11,805,404
Investments and other assets		
Lease and guarantee deposits	590,776	612,216
Long-term prepaid expenses	43,220	70,319
Total investments and other assets	633,997	682,536
Total noncurrent assets	415,140,685	432,310,169
Deferred assets		
Investment corporation bond issuance costs	129,512	119,523
Investment unit issuance expenses	917	37,540
Total deferred assets	130,429	157,064
Total assets	453,467,733	473,186,809

	(Thousands of yen)	
	End of 36th Fiscal Period (Dec. 31, 2019)	End of 37th Fiscal Period (Jun. 30, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	3,379,730	2,814,074
Short-term loans payable	1,000,000	—
Current portion of long-term loans payable	21,000,000	20,820,000
Accounts payable-other	669,920	910,146
Accrued expenses	81,175	79,421
Income taxes payable	605	605
Accrued consumption taxes	381,254	136,082
Advances received	3,022,445	3,048,380
Other	5,033	—
Total current liabilities	29,540,165	27,808,710
Noncurrent liabilities		
Investment corporation bonds	26,500,000	26,500,000
Long-term loans payable	136,520,000	139,700,000
Tenant leasehold and security deposits	8,049,652	9,378,333
Tenant leasehold and security deposits in trust	13,588,304	13,961,750
Total noncurrent liabilities	184,657,957	189,540,084
Total liabilities	214,198,122	217,348,795
Net assets		
Unitholders' equity		
Unitholders' capital	231,653,198	247,860,796
Surplus		
Voluntary reserve		
Reserve for reduction entry	689,444	689,444
Total voluntary reserve	689,444	689,444
Unappropriated retained earnings (undisposed loss)	6,926,967	7,287,774
Total surplus	7,616,411	7,977,218
Total unitholders' equity	239,269,610	255,838,014
Total net assets	*2 239,269,610	*2 255,838,014
Total liabilities and net assets	453,467,733	473,186,809

(2) Statements of Income and Retained Earnings

(Thousands of yen)

	36th Fiscal Period (Jul. 1, 2019 - Dec. 31, 2019)		37th Fiscal Period (Jan. 1, 2020 - Jun. 30, 2020)	
Operating revenue				
Rent revenue-real estate	*1	16,005,870	*1	16,363,494
Total operating revenue		16,005,870		16,363,494
Operating expenses				
Expenses related to rent business	*1	7,538,619	*1	7,436,206
Asset management fee		569,134		711,694
Administrative service and asset custody fees		79,051		78,674
Directors' compensation		5,066		4,200
Trust fees		23,752		22,812
Other operating expenses		105,262		96,617
Total operating expenses		8,320,887		8,350,206
Operating income		7,684,983		8,013,288
Non-operating income				
Interest income		189		195
Income on settlement of management association accounts		4,357		21,669
Insurance income		1,527		25,258
Other		1,639		4,088
Total non-operating income		7,713		51,212
Non-operating expenses				
Interest expenses		556,344		543,152
Borrowing expenses		27,753		23,760
Interest expenses on investment corporation bonds		174,899		167,455
Amortization of investment corporation bond issuance costs		10,953		9,988
Amortization of investment unit issuance expenses		7,339		5,537
Other		221		37,154
Total non-operating expenses		777,510		787,050
Ordinary income		6,915,185		7,277,450
Income before income taxes		6,915,185		7,277,450
Income taxes-current		605		605
Total income taxes		605		605
Net income		6,914,580		7,276,845
Retained earnings brought forward		12,386		10,928
Unappropriated retained earnings (undisposed loss)		6,926,967		7,287,774

(3) Statements of Changes in Unitholders' Equity

(Thousands of yen)

	36th Fiscal Period (Jul. 1, 2019 - Dec. 31, 2019)	37th Fiscal Period (Jan. 1, 2020 - Jun. 30, 2020)
Unitholders' equity		
Unitholders' capital		
Balance at beginning of current period	231,653,198	231,653,198
Changes of items during the period		
Issuance of units		16,207,597
Total changes of items during the period	—	16,207,597
Balance at end of current period	231,653,198	247,860,796
Surplus		
Voluntary reserve		
Balance at beginning of current period	284,356	689,444
Changes of items during the period		
Provision of reserve for reduction entry	405,088	
Total changes of items during the period	405,088	—
Balance at end of current period	689,444	689,444
Unappropriated retained earnings (undisposed loss)		
Balance at beginning of current period	7,229,214	6,926,967
Changes of items during the period		
Provision of reserve for reduction entry	(405,088)	
Dividends from surplus	(6,811,740)	(6,916,039)
Net income	6,914,580	7,276,845
Total changes of items during the period	(302,247)	360,806
Balance at end of current period	6,926,967	7,287,774
Total surplus		
Balance at beginning of current period	7,513,570	7,616,411
Changes of items during the period		
Provision of reserve for reduction entry	—	
Dividends from surplus	(6,811,740)	(6,916,039)
Net income	6,914,580	7,276,845
Total changes of items during the period	102,840	360,806
Balance at end of current period	7,616,411	7,977,218
Total unitholders' equity		
Balance at the beginning of current period	239,166,769	239,269,610
Changes of items during the period		
Issuance of units		16,207,597
Provision of reserve for reduction entry	—	
Dividends from surplus	(6,811,740)	(6,916,039)
Net income	6,914,580	7,276,845
Total changes of items during the period	102,840	16,568,404
Balance at end of current period	239,269,610	255,838,014
Total net assets		
Balance at beginning of current period	239,166,769	239,269,610
Changes of items during the period		
Issuance of units		16,207,597
Provision of reserve for reduction entry	—	
Dividends from surplus	(6,811,740)	(6,916,039)
Net income	6,914,580	7,276,845
Total changes of items during the period	102,840	16,568,404
Balance at end of current period	239,269,610	255,838,014

(4) Statements of Cash Distributions

	36th Fiscal Period (Jul. 1, 2019 - Dec. 31, 2019)	37th Fiscal Period (Jan. 1, 2020 - Jun. 30, 2020)
I. Unappropriated retained earnings	6,926,967,425 yen	7,287,774,097 yen
II. Distribution amount (Distribution amount per unit)	6,916,039,000 yen (7,493 yen)	7,277,908,750 yen (7,595 yen)
III. Voluntary reserve Provision of reserve for reduction entry	—	—
IV. Retained earnings carried forward	10,928,425 yen	9,865,347 yen
Method for calculating distribution amount	Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, JPR decided to pay out distributions of earnings of 6,916,039,000 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (923,000 units) in an amount not in excess of unappropriated retained earnings and to the extent of minimizing the burden to unitholders incurred by accrual of corporate income tax, etc. Furthermore, JPR shall not distribute cash in excess of earnings as stipulated in Article 30 (4) of the Articles of Incorporation.	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 7,277,908,750 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (958,250 units) in an amount not in excess of unappropriated retained earnings and to the extent of minimizing the burden to unitholders incurred by accrual of corporate income tax, etc. Furthermore, JPR shall not distribute cash in excess of earnings as stipulated in Article 30 (4) of the Articles of Incorporation.

(5) Statements of Cash Flows

(Thousands of yen)

	36th Fiscal Period (Jul. 1, 2019 - Dec. 31, 2019)	37th Fiscal Period (Jan. 1, 2020 - Jun. 30, 2020)
Net cash provided by (used in) operating activities		
Income before income taxes	6,915,185	7,277,450
Depreciation and amortization	1,974,265	2,027,993
Amortization of investment corporation bond issuance costs	10,953	9,988
Amortization of investment unit issuance expenses	7,339	5,537
Interest income	(189)	(195)
Interest expenses	731,243	710,608
Decrease (increase) in operating accounts receivable	139,330	(42,646)
Decrease (increase) in consumption taxes receivable	—	(172,716)
Decrease (increase) in prepaid expenses	(20,526)	17,368
Increase (decrease) in operating accounts payable	76,706	(178,048)
Increase (decrease) in accounts payable-other	(69,756)	240,609
Increase (decrease) in accrued consumption taxes	250,962	(245,172)
Increase (decrease) in advances received	161,598	25,934
Other, net	(72,891)	3,184
Subtotal	10,104,222	9,679,895
Interest income received	189	195
Interest expenses paid	(720,320)	(712,361)
Income taxes (paid) refund	(606)	(605)
Net cash provided by (used in) operating activities	9,383,485	8,967,123
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(429,256)	(14,685,251)
Purchase of property, plant and equipment in trust	(649,786)	(4,888,250)
Payments of lease and guarantee deposits	(45,918)	(21,440)
Repayments of tenant leasehold and security deposits	(206,466)	(73,346)
Proceeds from tenant leasehold and security deposits	157,687	1,402,591
Repayments of tenant leasehold and security deposits in trust	(239,597)	(55,383)
Proceeds from tenant leasehold and security deposits in trust	387,903	428,829
Net cash provided by (used in) investing activities	(1,025,434)	(17,892,251)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	4,000,000	—
Repayment of short-term loans payable	(5,000,000)	(1,000,000)
Proceeds from long-term loans payable	8,000,000	13,000,000
Repayment of long-term loans payable	(8,000,000)	(10,000,000)
Proceeds from issuance of investment corporation bonds	4,960,579	—
Redemption of investment corporation bonds	(4,000,000)	—
Proceeds from issuance of investment units	—	16,165,436
Dividends paid	(6,810,234)	(6,915,347)
Net cash provided by (used in) financing activities	(6,849,654)	11,250,088
Net changes in cash and cash equivalents	1,508,397	2,324,960
Cash and cash equivalents at beginning of current period	36,267,109	37,775,506
Cash and cash equivalents at end of current period	*1 37,775,506	*1 40,100,467

(6) Notes to Financial Statements

(Basis of Presenting Financial Statements)

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

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

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

(Significant Accounting Policies)

- | | |
|---|---|
| 1. Depreciation/Amortization
Method for Long-lived Assets | <p>(1) Property and Equipment (including entrusted properties)
Depreciation is calculated using the straight-line method. The estimated useful lives of major property and equipment ranges are as follows:
Buildings 3 - 65 years
Structures 10 - 35 years
Machinery and equipment 3 - 17 years
Tools, furniture and fixtures 3 - 20 years
Assets with purchase costs of 100,000 yen or more but less than 200,000 yen are depreciated over three years based on the Corporation Tax Act.</p> <p>(2) Intangible Assets
Intangible assets are amortized utilizing the straight-line method.</p> <p>(3) Long-term Prepaid Expenses
Long-term prepaid expenses are amortized utilizing the straight-line method.</p> |
| 2. Accounting for Deferred Assets | <p>(1) Investment Corporation Bond Issuance Costs
Investment corporation bond issuance costs are amortized utilizing the straight-line method over the redemption periods.</p> <p>(2) Investment unit issuance expenses
Investment unit issuance expenses are amortized utilizing the straight-line method over three years.</p> |
| 3. Standards for Recording
Revenues and Expenses | <p>Accounting Treatment of Taxes on Property and Equipment
In connection with property taxes, city planning taxes and depreciated asset taxes (the "property taxes"), JPR uses the method of charging the corresponding amounts of assessed taxes to the current fiscal period as expenses related to rent business.
Furthermore, JPR capitalized an amount equivalent to the property taxes paid to the sellers during the first fiscal period as a part of the purchase cost, not as expenses, in connection with the acquisition of real estate or entrusted beneficiary interests in real estate as entrusted property. Taxes on property and equipment capitalized were nil for the fiscal period ended December 31, 2019, and amounted to 52,474 thousand yen for the fiscal period ended June 30, 2020.</p> |
| 4. Scope of Cash and Cash
Equivalents in the Statements of
Cash Flows | <p>Cash and cash equivalents in the Statements of Cash Flows include the following items</p> <p>(1) Cash on hand and cash in trust
(2) Deposits placed with banks and deposits in trust that can be withdrawn at any time
(3) Short-term investments that are readily convertible to cash and have insignificant risk of price fluctuations and have original maturities of three months or less from the acquisition date.</p> |
| 5. Other Significant Items
Fundamental to the Preparation of
Financial Statements | <p>(1) Accounting Policies on Trust Beneficiary Interests in Real Estate as Property in Trust
Regarding trust beneficiary interests in real estate, all asset and liability accounts of entrusted properties as well as all revenue and expense accounts generated by the property in trust are recorded in relevant accounts on the balance sheets and statements of income and retained earnings.
Furthermore, the following material accounts are separately presented in the balance sheets for properties in trust recorded in relevant accounts.</p> <p style="margin-left: 20px;">a. Cash and deposits in trust
b. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust
c. Tenant leasehold and security deposits in trust</p> <p>(2) Accounting for Consumption Taxes
Revenues and expenses in the Statements of Income and Retained Earnings do not include consumption taxes.</p> |

(Notes to Accounting Standards Not Yet Adopted)

- Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 (revised 2020) issued by the Accounting Standards Board of Japan (ASBJ) on March 31, 2020)
- Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30 (revised 2020) issued by ASBJ on March 31, 2020)
- Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19 (revised 2020) issued by ASBJ on March 31, 2020)

(1) Overview

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

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

(2) Scheduled date of adoption

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

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

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

- Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 issued by ASBJ on July 4, 2019)
- Accounting Standard for Financial Instruments (ASBJ Statement No. 10 (revised 2019) issued by ASBJ on July 4, 2019)
- Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued by ASBJ on July 4, 2019)
- Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19 (revised 2020) issued by ASBJ on March 31, 2020)

(1) Overview

IASB and FASB have established detailed guidance for fair value measurement (IFRS 13 "Fair Value Measurement" under the International Financial Reporting Standards and Topic 820 "Fair Value Measurement" of the Accounting Standards Codification under the U.S. accounting standards) containing almost the same content. In light of this, the ASBJ worked to secure consistency of the Japanese accounting standards with the international accounting standards, mainly in terms of the guidance on and disclosure of the fair value of financial instruments, and announced the Accounting Standard for Fair Value Measurement, etc.

The basic policy of ASBJ for the development of the Accounting Standard for Fair Value Measurement was to adopt all provisions of the IFRS 13 as a rule by using a unified calculation method, from the viewpoint of improving the comparability between the financial statements of the Japanese and foreign companies. Moreover, in consideration of the practices conducted in Japan to date, ASBJ determined to establish other treatments for individual items, to the extent that they do not greatly harm the comparability between the financial statements.

(2) Scheduled date of adoption

JPR will adopt the Accounting Standards, etc. from the beginning of the fiscal period ending December 31, 2021.

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

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

- Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No. 31 issued by ASBJ on March 31, 2020)

(1) Overview

With regard to the "sources of estimation uncertainty" for which disclosure is required under Paragraph 125 of the International Accounting Standards ("IAS") 1 "Presentation of Financial Statements" ("IAS 1") issued by IASB in 2003, requests were made for ASBJ to investigate the requirement of disclosure of such information in the form of notes under the Japanese GAAP as useful information for users of financial statements. Accordingly, ASBJ has developed and published the Accounting Standard for Disclosure of Accounting Estimates (the "Accounting Standard").

The basic policy of ASBJ for the development of the Accounting Standard was to provide general principles (disclosure objectives), instead of expanding required information in the notes, and let companies determine specific disclosure contents in light of the disclosure objectives. In developing the Standard, ASBJ referred to the provisions of the Paragraph 125 of the IAS 1.

(2) Scheduled date of adoption

JPR will adopt the Accounting Standard from the end of the fiscal period ending June 30, 2021.

- Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections (ASBJ Statement No. 24 (revised 2020) issued by ASBJ on March 31, 2020)

(1) Overview

Given the recommendation to investigate enhancement of note information regarding the "accounting principles and procedures adopted in cases when provisions of relevant accounting standards are not clear," ASBJ has made necessary amendments and published the Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections.

Furthermore, ASBJ has determined that, when enhancing the note information regarding the "accounting principles and procedures adopted in cases when provisions of relevant accounting standards are not clear," the provisions in the Notes on Corporate Accounting Principles (Note 1-2) shall be followed as before in order to avoid any impact on the practices taken to date when the provisions of relevant accounting standards are clear.

(2) Scheduled date of adoption

JPR will adopt the Accounting Standard from the end of the fiscal period ending June 30, 2021.

(Notes to Balance Sheets)

1. Balance of Unused Commitment Line

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

(Thousands of yen)

	End of 36th Fiscal Period (as of December 31, 2019)	End of 37th Fiscal Period (as of June 30, 2020)
Credit limit	24,000,000	24,000,000
Outstanding debts at end of period	—	—
Unused commitment line at end of period	24,000,000	24,000,000

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

(Thousands of yen)

End of 36th Fiscal Period (as of December 31, 2019)	End of 37th Fiscal Period (as of June 30, 2020)
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)

	36th Fiscal Period (July 1, 2019 – December 31, 2019)	37th Fiscal Period (January 1, 2020 – June 30, 2020)
A. Rent Revenue-Real Estate		
Rent Revenue		
Rents	11,372,402	11,965,339
Land rents	1,774,000	1,783,500
Common charges	1,567,002	1,554,972
Parking fees	262,373	267,620
Advertising fees	36,467	37,179
Antenna usage fees	26,176	27,608
Other	43,384	38,183
Subtotal	15,081,806	15,674,404
Other rental revenues		
Incidental rent income	799,897	620,296
Time-based parking fees	8,286	8,432
Cancellation charges	21,686	9,088
Income equivalent to expenses for restoration to original condition	62,445	21,910
Other miscellaneous income	31,748	29,362
Subtotal	924,063	689,090
Total rent revenue-real estate	16,005,870	16,363,494
B. Expenses Related to Rent Business		
Outsourcing expenses	609,389	615,760
Utilities expenses	866,496	712,430
Property and other taxes	2,335,893	2,358,609
Casualty insurance	25,316	26,116
Repairs and maintenance	610,360	602,597
Property management fees	299,229	331,402
Management association accounts	570,509	573,621
Depreciation	1,973,941	2,027,669
Other	247,482	187,999
Total expenses related to rent business	7,538,619	7,436,206
C. Profits for Rent Business		
(A-B)	8,467,251	8,927,288

(Notes to Statements of Changes in Unitholders' Equity)

	36th Fiscal Period (July 1, 2019 – December 31, 2019)	37th Fiscal Period (January 1, 2020 – June 30, 2020)
Total number of authorized units and number of units outstanding		
Total number of authorized units	5,000,000 units	5,000,000 units
Number of units outstanding	923,000 units	958,250 units

(Notes to Statements of Cash Flows)

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

(Thousands of yen)

	36th Fiscal Period (July 1, 2019 – December 31, 2019)	37th Fiscal Period (January 1, 2020 – June 30, 2020)
Cash and deposits	25,016,928	27,126,776
Cash and deposits in trust	12,758,578	12,973,691
Cash and cash equivalents	37,775,506	40,100,467

(Leases)

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

(Thousands of yen)

	36th Fiscal Period (July 1, 2019 – December 31, 2019)	37th Fiscal Period (January 1, 2020 – June 30, 2020)
Due within one year	5,468,297	6,515,890
Due after one year	9,625,164	13,215,936
Total	15,093,461	19,731,827

(Financial Instruments)

1. Matters Concerning Status of Financial Instruments

(1) Policy on Handling Financial Instruments

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

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

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

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

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

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

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

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

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

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

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

The following are the carrying values and fair values as of June 30, 2020 of financial instruments, and the difference between these amounts. Please note that the following table does not include those for which discerning of fair value is recognized to be extremely difficult (please refer to Note 3)

(Thousands of yen)			
	Carrying Value (Note 1)	Estimated Fair Value (Note 1)	Difference
(1) Cash and deposits	27,126,776	27,126,776	—
(2) Cash and deposits in trust	12,973,691	12,973,691	—
(3) Short-term loans payable	—	—	—
(4) Current portion of long-term loans payable	(20,820,000)	(20,896,871)	76,871
(5) Investment corporation bonds	(26,500,000)	(27,476,144)	976,144
(6) Long-term loans payable	(139,700,000)	(141,351,070)	1,651,070

(Note 1) Liabilities are shown in parentheses.

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

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

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

(3) Short-term loans payable

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

(4) Current portion of long-term loans payable, and (6) Long-term loans payable

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

(5) Investment corporation bonds

Of the fair value of these financial instruments, those with market price are measured based on market price and those with no market price are calculated in accordance with (4) and (6) above.

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

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

(Thousands of yen)		
Category	End of 36th Fiscal Period (as of December 31, 2019)	End of 37th Fiscal Period (as of June 30, 2020)
Tenant leasehold and security deposits	8,049,652	9,378,333
Tenant leasehold and security deposits in trust	13,588,304	13,961,750

(Note 4) Scheduled redemption of monetary claims to be due subsequent to the 36th fiscal period end (December 31, 2019)

(Thousands of yen)

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

Scheduled redemption of monetary claims to be due subsequent to the 37th fiscal period end (June 30, 2020)

(Thousands of yen)

	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Cash and deposits	27,126,776	—	—	—	—	—
Cash and deposits in trust	12,973,691	—	—	—	—	—

(Note 5) Amount of repayment or redemption of short-term loans payable, investment corporation bonds and long-term loans payable scheduled to be due subsequent to the 36th fiscal period end (December 31, 2019)

(Thousands of yen)

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

Amount of repayment or redemption of short-term loans payable, investment corporation bonds and long-term loans payable scheduled to be due subsequent to the 37th fiscal period end (June 30, 2020)

(Thousands of yen)

	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Short-term loans payable	—	—	—	—	—	—
Investment corporation bonds	—	—	2,000,000	5,000,000	3,000,000	16,500,000
Long-term loans payable	20,820,000	20,500,000	16,000,000	20,000,000	21,000,000	62,200,000

(Securities)

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

Not applicable

37th fiscal period (as of June 30, 2020)

Not applicable

(Derivative Transactions)

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

Not applicable as JPR entered into no derivative transactions

37th fiscal period (as of June 30, 2020)

Not applicable as JPR entered into no derivative transactions

(Retirement Benefits)

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

Not applicable as JPR does not have any retirement benefit plans

37th fiscal period (as of June 30, 2020)

Not applicable as JPR does not have any retirement benefit plans

(Tax Effect Accounting)

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

	36th Fiscal Period (July 1, 2019 – December 31, 2019)	37th Fiscal Period (January 1, 2020 – June 30, 2020)
Effective statutory tax rate	31.51%	31.46%
(Adjustment)		
Deductible cash distributions	(31.51%)	(31.46%)
Other	0.01%	0.01%
Effective tax rate after applying tax effect accounting	0.01%	0.01%

(Equity Method Income and Retained Earnings)

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

Not applicable as JPR does not have any affiliated companies

37th fiscal period (January 1, 2020 – June 30, 2020)

Not applicable as JPR does not have any affiliated companies

(Transactions with Related Parties)

1. Parent Company and Major Corporation Unitholders

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

Not applicable

37th fiscal period (January 1, 2020 – June 30, 2020)

Not applicable

2. Affiliated Companies

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

Not applicable

37th fiscal period (January 1, 2020 – June 30, 2020)

Not applicable

3. Sister Companies

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

Not applicable

37th fiscal period (January 1, 2020 – June 30, 2020)

Not applicable

4. Directors and Major Individual Unitholders

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

Not applicable

37th fiscal period (January 1, 2020 – June 30, 2020)

Not applicable

(Asset Retirement Obligations)

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

Not applicable

37th fiscal period (January 1, 2020 – June 30, 2020)

Not applicable

(Segment Information)

[Segment Information]

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

[Related Information]

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

1. Information about Products and Services

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

2. Information about Geographic Areas

(1) Revenues from Overseas Customers

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

(2) Property, plant and equipment

Disclosure is omitted as the amount of JPR's property, plant and equipment located in Japan are in excess of 90% of total property, plant and equipment on the Balance Sheets.

3. Information about Major Customers

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

37th fiscal period (January 1, 2020 – June 30, 2020)

1. Information about Products and Services

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

2. Information about Geographic Areas

(1) Revenues from Overseas Customers

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

(2) Property, plant and equipment

Disclosure is omitted as the amount of JPR's property, plant and equipment located in Japan are in excess of 90% of total property, plant and equipment on the Balance Sheets.

3. Information about Major Customers

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

(Investment and Rental Properties)

JPR owns office properties (urban commercial facilities), retail properties (urban retail properties) and urban multi-use facilities 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)

	36th Fiscal Period (July 1, 2019 – December 31, 2019)	37th Fiscal Period (January 1, 2020 – June 30, 2020)
Carrying Value on the Balance Sheets		
Balance at Beginning of Period	414,867,157	414,502,663
Amount of Increase (Decrease) during the Period	(364,493)	17,122,534
Balance at End of Current Period	414,502,663	431,625,198
Fair Value at End of Period	522,660,000	538,627,000

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

(Note 2) For the 36th fiscal period, the amount of decrease is primarily attributable to depreciation (1,973,941 thousand yen). For the 37th fiscal period, the amount of increase is primarily attributable to the acquisition of Minami Semba Bldg. (3,794,912 thousand yen) and the acquisition of Sencity Bldg. (14,013,667 thousand yen), and the amount of decrease is primarily attributable to depreciation (2,027,669 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 36th and 37th fiscal periods for investment and rental properties are as presented in the “Notes to Statements of Income and Retained Earnings.”

(Per Unit Information)

	36th Fiscal Period (July 1, 2019 – December 31, 2019)	37th Fiscal Period (January 1, 2020 – June 30, 2020)
Total net assets per unit	259,230 yen	266,984 yen
Net income per unit	7,491 yen	7,690 yen

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

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

	36th Fiscal Period (July 1, 2019 – December 31, 2019)	37th Fiscal Period (January 1, 2020 – June 30, 2020)
Net income (thousands of yen)	6,914,580	7,276,845
Amounts not attributable to ordinary unitholders (thousands of yen)	—	—
Net income attributable to ordinary investment units (thousands of yen)	6,914,580	7,276,845
Average number of units during the fiscal period	923,000 units	946,241 units

(Subsequent Events)

Not applicable.

(7) Detailed Schedules

1) Schedule of Securities

Not applicable

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

Not applicable

3) Schedule of Assets Related to Real Estate

Asset Type	Balance as of January 1, 2020 (thousands of yen)	Increase during the Period (thousands of yen)	Decrease during the Period (thousands of yen)	Balance as of June 30, 2020 (thousands of yen)	Accumulated Depreciation		Net Balance as of June 30, 2020 (thousands of yen)	Remarks
					Or Accumulated Amortization (thousands of yen)	Depreciation during the Period (thousands of yen)		
Current Assets	-	-	-	-	-	-	-	
Noncurrent Assets (Property, plant and equipment)								
Buildings	60,602,042	4,061,603	47,525	64,616,121	19,809,897	914,386	44,806,224	
Structures	58,409	3,811	—	62,220	28,412	1,600	33,807	
Machinery and equipment	821,773	16,619	—	838,393	564,455	22,378	273,937	
Tools, furniture and fixtures	129,582	13,479	—	143,061	71,367	6,915	71,694	
Land	113,060,949	10,203,370	—	123,264,320	—	—	123,264,320	Property acquisition
Construction in progress	2,413	662	1,856	1,219	—	—	1,219	
Subtotal	174,675,170	14,299,547	49,382	188,925,336	20,474,133	945,280	168,451,202	
(Beneficiary interests in trust)								
Buildings in trust	93,481,011	1,712,418	17,390	95,176,039	36,554,181	1,041,173	58,621,857	
Structures in trust	146,650	4,212	17,122	133,739	80,982	3,183	52,757	
Machinery and equipment in trust	1,919,756	9,800	—	1,929,556	1,464,811	28,917	464,745	
Tools, furniture and fixtures in trust	232,578	20,009	368	252,219	178,396	9,048	73,823	
Land in trust	189,014,043	3,143,648	—	192,157,692	—	—	192,157,692	
Construction in progress in trust	2,035	150	2,035	150	—	—	150	
Subtotal	284,796,075	4,890,238	36,916	289,649,397	38,278,372	1,082,323	251,371,025	
Total	459,471,246	19,189,786	86,298	478,574,734	58,752,505	2,027,603	419,822,228	
Intangible Assets								
Leasehold right	11,801,831	—	—	11,801,831	—	—	11,801,831	
Other	5,849	—	—	5,849	2,276	389	3,573	
Total	11,807,680	—	—	11,807,680	2,276	389	11,805,404	

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

(Note 2) The "Decrease during the Period" is due to the transfer to relevant accounts as a result of property acquisition and construction completion for construction in progress and construction in progress in trust, and due to asset retirement for buildings, buildings in trust, structures in trust, and tools, furniture and fixtures in trust.

4) Schedule of Other Specified Assets

Not applicable

5) Schedule of Investment Corporation Bonds

Name	Issue Date	Balance as of January 1, 2020 (thousands of yen)	Decrease during the Period (thousands of yen)	Balance as of June 30, 2020 (thousands of yen)	Coupon Rate (%)	Maturity Date	Use	Remarks
Seventh Series of Investment Corporation Bonds (Note 1)	Dec. 14, 2006	4,500,000	—	4,500,000	2.900	Dec. 14, 2026	(Note 2)	Unsecured
Eighteenth Series of Investment Corporation Bonds (Note 1)	May 31, 2013	2,000,000	—	2,000,000	1.460	May 31, 2023		
Nineteenth Series of Investment Corporation Bonds (Note 1)	Feb. 5, 2014	5,000,000	—	5,000,000	1.110	Feb. 5, 2024		
Twenty-first Series of Investment Corporation Bonds (Note 1)	Jul. 22, 2014	4,000,000	—	4,000,000	1.278	Jul. 22, 2026		
Twenty-second Series of Investment Corporation Bonds (Note 1)	Dec. 4, 2014	3,000,000	—	3,000,000	0.831	Dec. 4, 2024		
Twenty-third Series of Investment Corporation Bonds (Note 1)	May 31, 2018	3,000,000	—	3,000,000	0.550	May 31, 2028		
Twenty-fourth Series of Investment Corporation Bonds (Green Bonds) (Note 1)	Jul. 31, 2019	5,000,000	—	5,000,000	0.570	Jul. 31, 2029		
Total		26,500,000	—	26,500,000				

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

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

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

	Due in One Year or Less (thousands of yen)	Due after One Year through Two Years (thousands of yen)	Due after Two Years through Three Years (thousands of yen)	Due after Three Years through Four Years (thousands of yen)	Due after Four Years through Five Years (thousands of yen)
Investment corporation bonds	—	—	2,000,000	5,000,000	3,000,000

6) Schedule of Loans Payable

Lender	Balance as of January 1, 2020 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of June 30, 2020 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Short-Term Loans Payable								
Mizuho Bank Ltd. (Note 5)	1,000,000	—	1,000,000	—	0.169%	Jul.3, 2020	(Note 4)	Unsecured/ Unguaranteed
Total	1,000,000	—	1,000,000	—				

Lender	Balance as of January 1, 2020 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of June 30, 2020 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Long-Term Loans Payable (Note 1)								
Mizuho Bank Ltd.	3,000,000	—	—	3,000,000	0.970%	Nov. 27, 2020	(Note 4)	Unsecured/ Unguaranteed
Mizuho Bank Ltd.	3,000,000	—	—	3,000,000	0.351%	Mar. 30, 2021		
Mizuho Bank Ltd.	4,000,000	—	—	4,000,000	0.400%	Mar. 30, 2022		
Mizuho Bank Ltd.	5,000,000	—	—	5,000,000	1.178%	Jun. 27, 2023		
Mizuho Bank Ltd.	2,000,000	—	—	2,000,000	1.011%	Mar. 11, 2024		
Mizuho Bank Ltd.	2,000,000	—	—	2,000,000	1.056%	Mar. 24, 2025		
Mizuho Bank Ltd.	5,000,000	—	—	5,000,000	0.804%	Feb. 4, 2026		
Mizuho Bank Ltd.	1,000,000	—	—	1,000,000	0.795%	Nov. 19, 2027		
Mizuho Bank Ltd.	2,000,000	—	—	2,000,000	0.646%	Dec. 5, 2029		
MUFG Bank, Ltd.	3,000,000	—	—	3,000,000	0.970%	Nov. 27, 2020		
MUFG Bank, Ltd.	4,000,000	—	—	4,000,000	0.889%	Jun. 25, 2021		
MUFG Bank, Ltd.	1,000,000	—	—	1,000,000	0.873%	Aug. 31, 2023		
MUFG Bank, Ltd.	5,000,000	—	—	5,000,000	0.510%	Mar. 25, 2024		
MUFG Bank, Ltd.	2,000,000	—	—	2,000,000	0.633%	Dec. 13, 2024		
MUFG Bank, Ltd.	1,000,000	—	—	1,000,000	0.638%	Aug. 8, 2025		
MUFG Bank, Ltd.	5,000,000	—	—	5,000,000	0.600%	Aug. 29, 2025		
MUFG Bank, Ltd.	3,000,000	—	—	3,000,000	0.593%	Sep. 5, 2025		
Sumitomo Mitsui Banking Corporation	3,000,000	—	3,000,000	—	1.265%	Jun. 26, 2020		
Sumitomo Mitsui Banking Corporation	2,000,000	—	—	2,000,000	0.351%	Mar. 30, 2021		
Sumitomo Mitsui Banking Corporation	4,000,000	—	—	4,000,000	0.400%	Mar. 30, 2022		
Sumitomo Mitsui Banking Corporation	2,500,000	—	—	2,500,000	1.033%	Jun. 27, 2022		
Sumitomo Mitsui Banking Corporation	1,000,000	—	—	1,000,000	0.245%	Dec. 5, 2023		
Sumitomo Mitsui Banking Corporation	—	3,000,000	—	3,000,000	0.300%	Jun. 26, 2025		
Development Bank of Japan, Inc.	820,000	—	—	820,000	1.449%	Jun. 25, 2021		
Development Bank of Japan, Inc.	2,000,000	—	—	2,000,000	1.188%	Dec. 3, 2021		
Development Bank of Japan, Inc.	2,000,000	—	—	2,000,000	1.056%	Mar. 24, 2025		
Development Bank of Japan, Inc.	3,000,000	—	—	3,000,000	0.843%	Jun. 14, 2027		
Development Bank of Japan, Inc.	1,000,000	—	—	1,000,000	0.795%	Nov. 19, 2027		
Development Bank of Japan, Inc.	2,100,000	—	—	2,100,000	0.572%	Jun. 27, 2029		
Shinsei Bank, Ltd.	2,000,000	—	—	2,000,000	1.076%	Sep. 24, 2020		
Shinsei Bank, Ltd.	2,000,000	—	—	2,000,000	1.134%	Dec. 5, 2024		
Shinsei Bank, Ltd.	1,000,000	—	—	1,000,000	0.843%	Jun. 14, 2027		
Shinsei Bank, Ltd.	5,000,000	—	—	5,000,000	0.673%	Apr. 5, 2029		
Shinkin Central Bank	2,000,000	—	—	2,000,000	0.388%	Dec. 14, 2021		
Shinkin Central Bank	3,000,000	—	—	3,000,000	0.663%	Jun. 4, 2027		
Shinkin Central Bank	2,000,000	—	—	2,000,000	0.447%	Dec. 27, 2027		
The Bank of Fukuoka, Ltd.	2,000,000	—	—	2,000,000	0.816%	Oct. 6, 2023		
The Bank of Fukuoka, Ltd.	2,000,000	—	—	2,000,000	0.480%	Jul. 7, 2026		
The Bank of Fukuoka, Ltd.	1,000,000	—	—	1,000,000	0.554%	Sep. 21, 2029		
The Bank of Fukuoka, Ltd.	—	1,000,000	—	1,000,000	0.598%	Jan. 30, 2030		
Aozora Bank Ltd.	1,000,000	—	—	1,000,000	1.069%	Sep. 24, 2020		
Aozora Bank Ltd.	1,000,000	—	—	1,000,000	0.534%	Aug. 23, 2024		
Aozora Bank Ltd.	2,000,000	—	—	2,000,000	0.553%	Feb. 25, 2025		
Aozora Bank Ltd.	1,000,000	—	—	1,000,000	0.574%	Feb. 25, 2025		
Aozora Bank Ltd.	900,000	—	—	900,000	0.625%	Jul. 3, 2025		
The Norinchukin Bank	2,000,000	—	—	2,000,000	0.388%	Dec. 14, 2021		
The Norinchukin Bank	1,000,000	—	—	1,000,000	0.604%	Jun. 5, 2025		

Lender	Balance as of January 1, 2020 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of June 30, 2020 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Long-Term Loans Payable (Note 1)								
The Norinchukin Bank	2,000,000	—	—	2,000,000	0.405%	Jun. 25, 2027		
Mizuho Trust & Banking Co., Ltd.	3,000,000	—	3,000,000	—	1.076%	Feb. 4, 2020		
Mizuho Trust & Banking Co., Ltd.	4,000,000	—	4,000,000	—	0.309%	Mar. 30, 2020		
Mizuho Trust & Banking Co., Ltd.	—	3,000,000	—	3,000,000	0.586%	Feb. 4, 2030		
Mizuho Trust & Banking Co., Ltd.	—	2,000,000	—	2,000,000	0.606%	Mar. 29, 2030		
Meiji Yasuda Life Insurance Company	1,000,000	—	—	1,000,000	1.042%	Feb. 5, 2025		
Meiji Yasuda Life Insurance Company	3,200,000	—	—	3,200,000	0.813%	Jun. 21, 2028		
Sumitomo Life Insurance Company	2,000,000	—	—	2,000,000	0.453%	Oct. 11, 2024		
Sumitomo Life Insurance Company	1,000,000	—	—	1,000,000	0.583%	Jul. 20, 2029		
Sumitomo Life Insurance Company	—	1,000,000	—	1,000,000	0.598%	Jan. 30, 2030		
The Shinkumi Federation Bank	4,000,000	—	—	4,000,000	0.404%	Aug. 5, 2022		
The Nishi-Nippon City Bank, Ltd.	1,000,000	—	—	1,000,000	0.388%	Dec. 14, 2021		
The Nishi-Nippon City Bank, Ltd.	3,000,000	—	—	3,000,000	0.646%	May 27, 2026		
Taiyo Life Insurance Company	1,000,000	—	—	1,000,000	1.011%	Dec. 25, 2020		
Taiyo Life Insurance Company	1,000,000	—	—	1,000,000	0.969%	Sep. 24, 2024		
Taiyo Life Insurance Company	1,000,000	—	—	1,000,000	0.811%	Jun. 5, 2028		
The Chugoku Bank, Ltd.	2,000,000	—	—	2,000,000	0.816%	Oct. 6, 2023		
The Chugoku Bank, Ltd.	1,000,000	—	—	1,000,000	0.661%	Mar. 25, 2026		
The Iyo Bank, Ltd.	1,000,000	—	—	1,000,000	0.816%	Oct. 6, 2023		
The Iyo Bank, Ltd.	—	1,000,000	—	1,000,000	0.598%	Jan. 30, 2030		
National Mutual Insurance Federation of Agricultural Cooperatives	2,000,000	—	—	2,000,000	0.388%	Dec. 14, 2021	(Note 4)	Unsecured/ Unguaranteed
Sompo Japan Insurance Inc. (Note 6).	2,000,000	—	—	2,000,000	0.759%	Dec. 25, 2023		
Nippon Life Insurance Company	2,000,000	—	—	2,000,000	0.225%	Nov. 22, 2023		
The Hachijuni Bank, Ltd.	1,000,000	—	—	1,000,000	0.489%	Oct. 9, 2020		
The Hachijuni Bank, Ltd.	1,000,000	—	—	1,000,000	0.209%	Sep. 24, 2021		
The Yamaguchi Bank, Ltd.	1,000,000	—	—	1,000,000	0.795%	Nov. 19, 2027		
The Yamaguchi Bank, Ltd.	—	1,000,000	—	1,000,000	0.598%	Jan. 30, 2030		
Resona Bank, Ltd.	2,000,000	—	—	2,000,000	0.438%	Sep. 30, 2022		
NTT FINANCE CORPORATION	1,000,000	—	—	1,000,000	0.408%	May 31, 2023		
The Kiyo Bank, Ltd.	—	1,000,000	—	1,000,000	0.598%	Jan. 30, 2030		
The 77 Bank, Ltd.	1,000,000	—	—	1,000,000	0.408%	May 31, 2023		
The Daishi Bank, Ltd.	1,000,000	—	—	1,000,000	0.396%	Nov. 21, 2022		
Daido Life Insurance Company	1,000,000	—	—	1,000,000	0.316%	Dec. 25, 2023		
The Chiba Bank, Ltd.	1,000,000	—	—	1,000,000	0.449%	Oct. 25, 2023		
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000,000	—	—	1,000,000	0.299%	Jun. 27, 2023		
The Hyakugo Bank, Ltd.	1,000,000	—	—	1,000,000	0.582%	Apr. 25, 2025		
The Hiroshima Bank, Ltd.	1,000,000	—	—	1,000,000	0.396%	Nov. 21, 2022		
Mitsui Sumitomo Insurance Company, Limited	1,000,000	—	—	1,000,000	0.310%	Oct. 2, 2026		
Sumitomo Mitsui Trust Bank Limited	1,000,000	—	—	1,000,000	0.691%	Mar. 25, 2026		
Total	157,520,000	13,000,000	10,000,000	160,520,000				

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

	Due in One Year or Less (thousands of yen)	Due after One Year through Two Years (thousands of yen)	Due after Two Years through Three Years (thousands of yen)	Due after Three Years through Four Years (thousands of yen)	Due after Four Years through Five Years (thousands of yen)
Long-term loans payable	20,820,000	20,500,000	16,000,000	20,000,000	21,000,000

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

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

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

(Note 5) JPR made early repayment of the 1,000 million yen in short-term loans payable on January 30, 2020, which was borrowed on December 5, 2019 from Mizuho Bank, Ltd.

(Note 6) Sompo Japan Nipponkoa Insurance Inc. changed its name to Sompo Japan Insurance Inc. as of April 1, 2020.

(8) Independent Auditor's Report

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 1-1-2 Yurakucho, Chiyoda-ku
 Tokyo 100-0006, Japan

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Independent Auditor's Report

The Board of Directors
 Japan Prime Realty Investment Corporation

Opinion

We have audited the accompanying financial statements of Japan Prime Realty Investment Corporation (the Company), which comprise the balance sheets as at June 30, 2020, and the statements of income and retained earnings, changes in unitholders' equity, cash distributions, and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Supervising Officer for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Supervising Officer is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.



- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Executive Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Officer with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

September 24, 2020

小島 亘司 

Koji Ojima
Designated Engagement Partner
Certified Public Accountant

安部 里史 

Satoshi Abe
Designated Engagement Partner
Certified Public Accountant

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

36th Fiscal Period (July 1, 2019 – December 31, 2019)	37th Fiscal Period (January 1, 2020 – June 30, 2020)
No property and equipment was leased to JPR	No property and equipment was leased to JPR

(Transactions with Interested Parties)

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

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

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

37th fiscal period (January 1, 2020 – June 30, 2020)

Attribute	Name of Company, etc.	Business Description or Occupation	Percentage of Number of Investment Units Held Among Total Number of Investment Units	Transactions	Transaction Amount (thousands of yen)	Account	Balance at End of Period (thousands of yen)
Interested party	Tokyo Tatemono Co., Ltd.	Real estate business	3.05%	Purchase of real estate beneficiary interest	3,750,000	—	—
Asset Custodian	Mizuho Trust & Banking Co., Ltd.	Banking business and trust business	—	Repayment of long-term loans payable	7,000,000	—	—
				Borrowing of long-term loans payable	5,000,000	Long-term loans payable	5,000,000
				Interest expenses	16,278	Accrued expenses	325

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

Status of Investment Unit Price (as of June 30, 2020)

Market capitalization: **¥302.8 billion**

High: **¥564,000** (May 7, 2007)

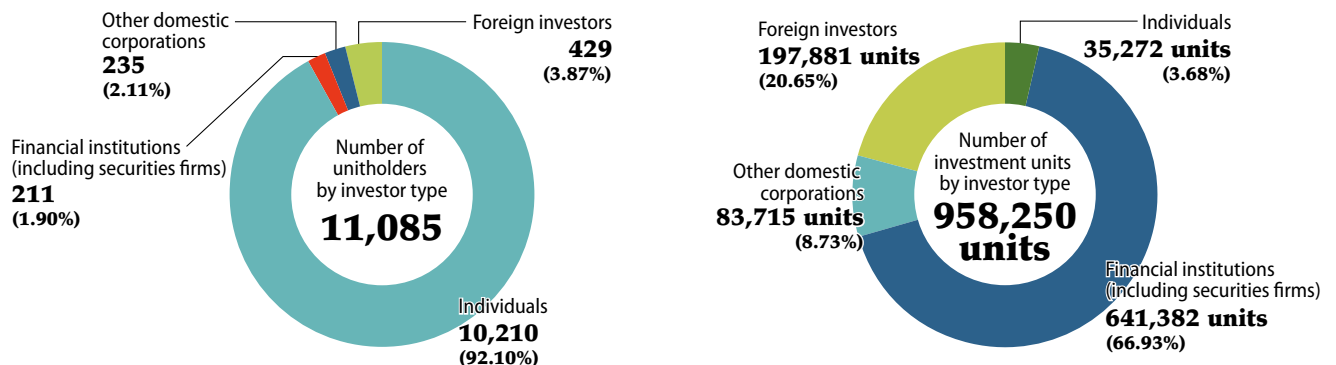
Unit price at end of 37th Fiscal Period: **¥316,000**

Low: **¥130,300** (October 28, 2008)



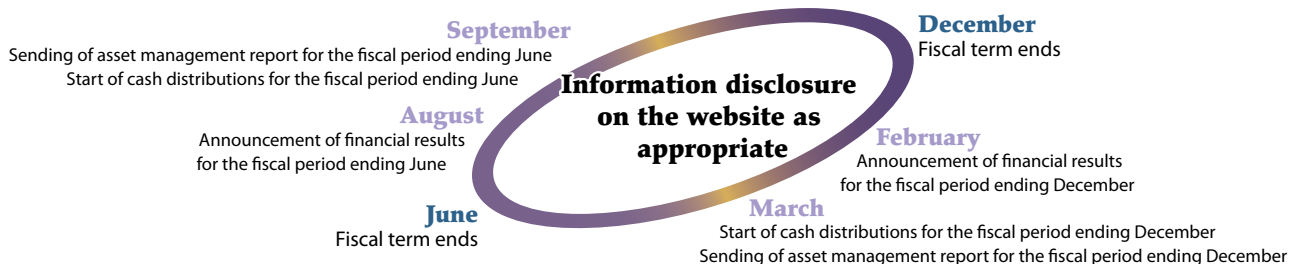
(Note) Unit prices are based on closing prices.

Breakdown of Unitholders (as of June 30, 2020)



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

Annual Schedule (provisional)



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

In light of the societal requirements for solving social and environmental issues growing globally, JPR has renewed the ESG initiatives pages to appropriately disclose its activity status.



Point 1
Digest of Financial Results




Point 2
Initiatives on ESG



Point 3
Property Overview



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

Notes for Investors

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

Procedures for Change of Address

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

Cash Distributions

Cash distributions can be collected by bringing the "unitholder dividend receipt" to the nearest Japan Post Bank main or branch office, sub-branch office or post office (bank agent) in Japan. If the collection period has elapsed, please make your collection by designating the collection method on the back of the "unitholder dividend receipt" and mailing it to Mizuho Trust & Banking's Stock Transfer Agency Division. Cash distributions can also be collected at the main or branch offices of Mizuho Trust & Banking (excluding the Trust Lounge) and Mizuho Bank, Ltd. If you wish to designate a transfer of cash distributions to a bank, etc., please contact your securities company (if you have an account with the company) or Mizuho Trust & Banking (if a special account has been opened), as in the case of changing the address, etc. above.

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