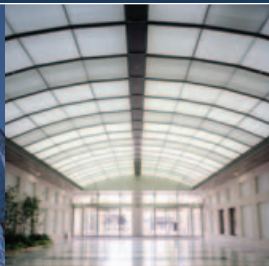




# J P R

## Japan Prime Realty Investment Corporation

*Fifth Fiscal Period Business Report*  
*January 1, 2004–June 30, 2004*



## PROFILE

*Established on September 14, 2001, Japan Prime Realty Investment Corporation*

*is a closed-end, corporate type fund that invests primarily in*

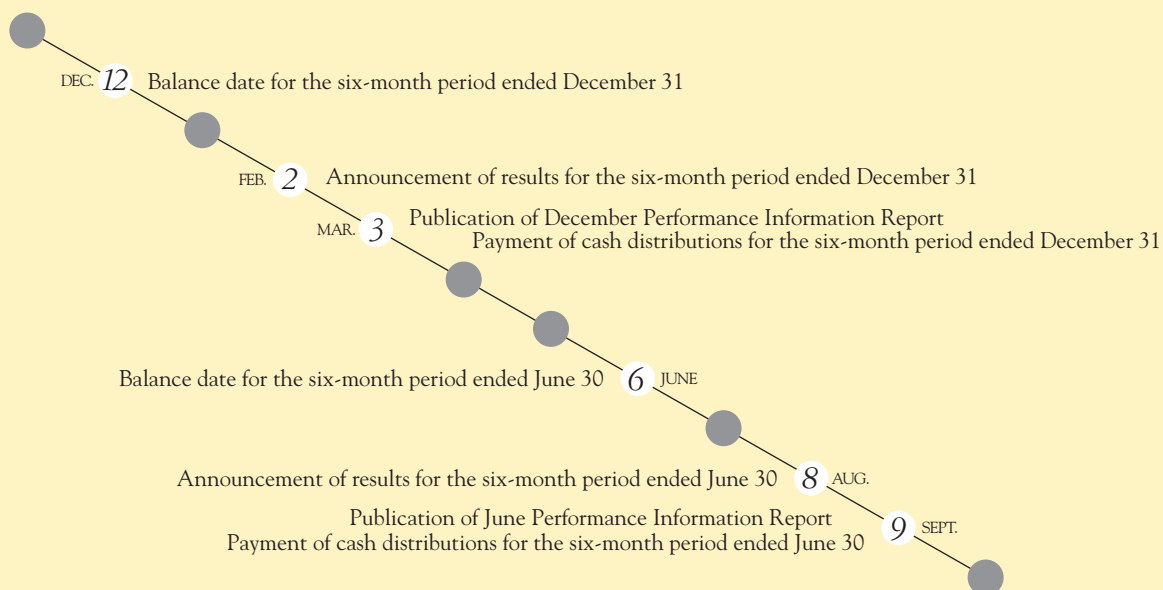
*high-quality office buildings and retail properties located*

*in Tokyo and other major cities in Japan.*

*With its geographically diverse portfolio, JPR's primary objective is to achieve*

*sustainable growth and stable cash distributions to its investors.*

### ANNUAL SCHEDULE (PROVISIONAL)



Note: Performance Information Report is prepared pursuant to the Investment Trust Law of Japan.

## TO OUR INVESTORS

Japan Prime Realty Investment Corporation (JPR) again reported upward trends in its key financial indicators for the six-month period ended June 30, 2004 (the Company's fifth fiscal period). Operating revenues rose 5.8% compared with the previous fiscal period to ¥6,791 million, operating profits edged up 4.4% to ¥3,062 million and net income showed a 6.0% increase to ¥2,615 million. The occupancy rate as of June 30, 2004 increased 0.5 of a percentage point to 93.2%.

From a profit perspective, factors that helped generate improved results include the contributions for the full fiscal period of properties acquired during the previous period, partial contributions from properties newly acquired during the fifth period, improvements in occupancy rates, and cost reductions.

In the fifth fiscal period, cash distribution per unit was ¥6,081, representing 100.0% of distributable income, an increase of approximately 6.0% compared with ¥5,738 (99.9%) for the fourth fiscal period. The number of investment units issued and outstanding at the end of the fifth fiscal period remained unchanged and stood at 430,000.

### Positive Signs of a General Improvement

#### *Office Buildings*

In the Tokyo office leasing market, the effects and concerns relating to the "Year 2003 Problem" continued to dissipate. At the same time, occupancy rates trended upward, particularly in the case of large-scale properties. The momentum for this tendency was the move among large corporations toward consolidated operations in one high-specification building, allied to the benefits to be gained from reduced rents caused by the overall high availability of properties in this sector.

Even in the regional business districts, where low occupancy rates remain and generally harsh conditions seem set to continue, a gradual improvement began to emerge at the start of the year in Sapporo, Niigata, Osaka, Takamatsu and Fukuoka. There is a particularly strong correlation in the regional business districts between a recovery in company performance and increasing demand for office space. Rent reductions for companies downsizing



Hirohito Kaneko (left)  
*Executive Officer, Japan Prime Realty Investment Corporation*

Toshihiro Hagiwara (right)  
*President and CEO, Tokyo Realty Investment Management, Inc.*

“The current tendency among large corporations toward consolidating operations in one high-specification office building has dissipated concerns in the Tokyo office leasing market.”

to save costs or to assist tenants to remain in the properties remain likely during this transitional phase in the office market.

#### *Commercial Facilities*

In the commercial facilities sector too, there were clear signs of a recovery as exports and demand for digital consumer electronics acted as catalysts for market improvements from manufacturers to retailers and an overall brightness returned to the consumer market. This was however tempered by continued concern over an increase in interest rates and the appreciation of the yen.

Within the Tokyo metropolitan area, the rental market conditions of the previous six months persisted. High demand among retailers for new stores in high-end commercial districts led to the recording of steady rent performances and an ongoing trend saw store openings by volume domestic appliance retailers, “do-it-yourself” home improvement centers and the like.

In the suburbs, rents continued to decline and the harsh environment continued unabated.

#### **Investment Activity in the Fifth Fiscal Period**

It is a fundamental investment policy of both JPR and its asset management company, Tokyo Realty Investment Management, Inc. (TRIM) to enhance and stabilize its investment portfolio through the acquisition of prime real estate both in Tokyo and in major cities located in regional areas.

In accordance with this, the period under review witnessed the successful acquisition of six tenanted properties for a total of ¥24,010 million, based on acquisition value.

In Tokyo’s CBDs, the Oval Court Ohsaki Mark West in Shinagawa ward was acquired in June 2004 for an investment of ¥3,500 million. In the previous month, an investment of ¥5,100 million had secured the acquisition of the Kenwa Building in Chiyoda ward.

In the Tokyo area, the Kawaguchi Center Building just outside Tokyo and the SEF Building in Taito ward were added to the portfolio for ¥8,100 million in February and ¥3,250 million in March, respectively.

In other major urban regions, two office properties were added to JPR’s asset base, the Dojima F Building in Osaka and the Semba Fukuoka Building in Fukuoka, for a total investment of ¥4,060 million.

## FINANCIAL HIGHLIGHTS

	All amounts in millions of yen unless otherwise stated	All amounts in millions of yen unless otherwise stated	All amounts in millions of U.S. dollars unless otherwise stated <sup>(*)</sup>
	5th period ended June 30, 2004	4th period ended December 31, 2003	5th period ended June 30, 2004
Operating revenues	6,791	6,421	62.6
Operating expenses	3,729	3,487	34.4
Operating profits	3,062	2,934	28.2
Income before income taxes	2,616	2,468	24.1
Net income	2,615	2,467	24.1
Total assets	182,254	156,576	1,680.8
Interest-bearing liabilities	77,166	52,466	711.7
Total unitholders' equity	91,729	91,581	846.0
Unitholders' capital	89,114	89,114	821.9
Cash distributions	2,614	2,467	24.1
Dividend payout ratio	100%	99.9%	—
Number of units (units)	430,000	430,000	—
Unitholders' equity per unit (yen/U.S. dollars)	213,322	212,979	1,967.4
Cash distribution per unit (yen/U.S. dollars)	6,081	5,738	56.1
Funds from operations (FFO) per unit (yen/U.S. dollars)	8,874	7,778	81.8
Return on total assets (annualized)	3.1%	3.2%	—
Return on total unitholders' equity (annualized)	5.7%	6.5%	—
Equity ratio	50.3%	58.5%	—
Interest-bearing liabilities to total assets	42.3%	33.5%	—
Debt service coverage ratio (times)	10.4	10.5	—
Property net operating income (NOI)	4,722	4,298	43.5
NOI yield (annualized)	5.8%	5.7%	—
Property net cash flows (NCF)	4,253	3,651	39.2
NCF yield (annualized)	5.2%	4.8%	—
Number of properties	37	32	—
Number of tenants	437	357	—
Total leasable floor space (square meters)	256,329.13	218,734.67	—
Occupancy rate	93.2%	92.7%	—

(\*) The rate of ¥108.43=US\$1.00, the foreign exchange rate on June 30, 2004, has been used for translation.

“To increase brand awareness in conjunction with our logo, the end of the fifth fiscal period saw six properties that have names beginning with JPR...this number will have increased to nine by June 30, 2005.”

Using the acquisition value benchmark, our now 38-property portfolio showed a marked increase, to ¥163,659 million, during the period. Leasable floor space increased 37,594.46 square meters, to 256,329.13 square meters, and the number of tenants grew by 80 to 437.

We will continue to seek stable medium- and long-term growth through adherence to our investment policy and TRIM’s diligent efforts.

#### **Mid-Term Financing Status**

Under a Company strategy that attaches the utmost importance to financial stability, the fifth fiscal period witnessed the raising of short-term funds to assist with financial maneuverability in the medium term. To further improve our position and encourage the long-term stabilization of liabilities, the Company issued corporate bonds to the value of ¥22,000 million in February 2004. The bonds were rated at A-, A+ and A3 by Standard & Poors, Rating and Investment Information, Inc. and Moody’s Investors Service, respectively. In another development, JPR set up a ¥4,000 million commitment line of credit.

As a result, the balance of interest-bearing debt stood at ¥55,166 million as at June 30, 2004 and corporate bonds totaled ¥22,000 million.

#### **The JPR Brand**

There are several facets to the establishment of the JPR brand. The Company’s A/3S concept, for example, emphasizes “Amenities” based on a three “S” platform of Service, Safety and Saving energy. JPR is committed to supplying high-quality amenity space based on service, safety and saving energy with an overriding emphasis on client satisfaction.

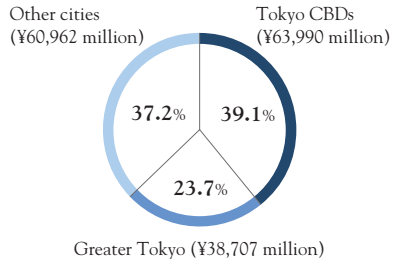
To increase brand awareness in conjunction with our logo, the end of the fifth fiscal period saw six properties that have names beginning with JPR. It is expected that this number will have increased to nine by June 30, 2005.

Another aspect of the brand strategy is the introduction of standardized brand criteria into every facet of our operations, divided along management (service, rapid response criteria, etc.) and building (safety, energy-saving criteria, etc.) lines.

# PORTFOLIO BREAKDOWN

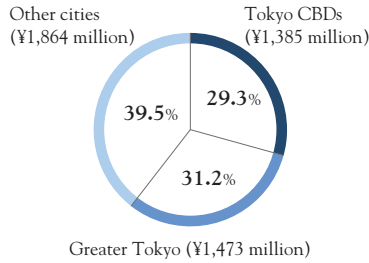
## Value Breakdown by Region

¥163,659 million



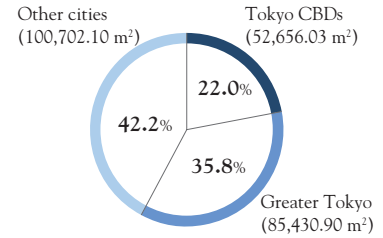
## NOI Breakdown by Region

¥4,722 million



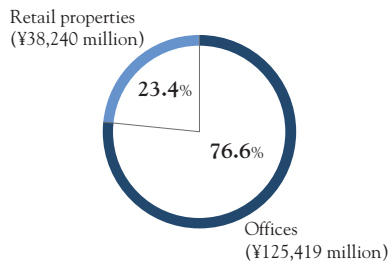
## Total Leased Floor Space by Region

238,789.03 m<sup>2</sup>



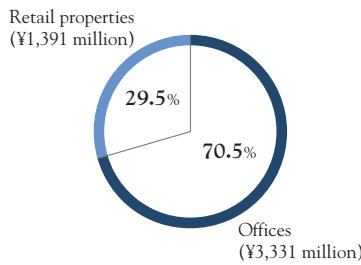
## Value Breakdown by Type

¥163,659 million



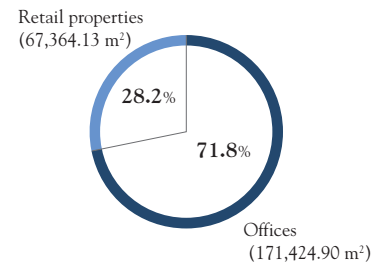
## NOI Breakdown by Type

¥4,722 million

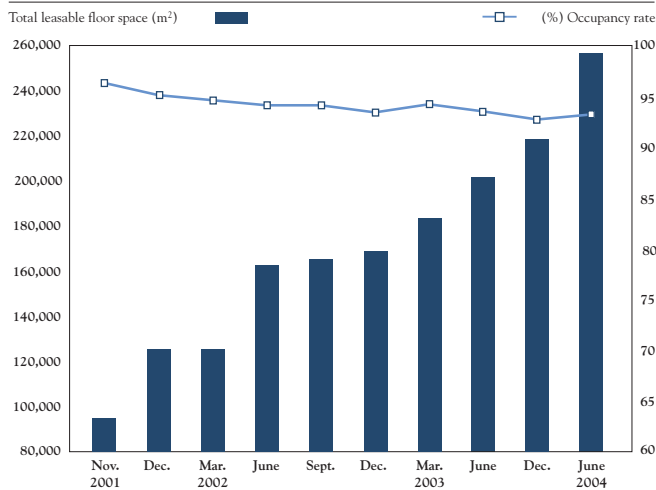


## Total Leased Floor Space by Type

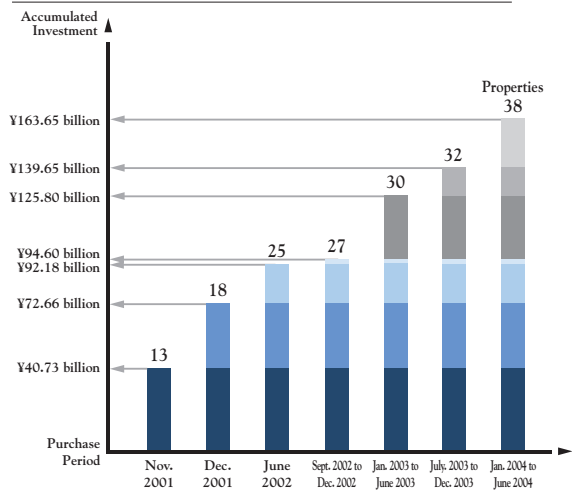
238,789.03 m<sup>2</sup>



## Total Leasable Floor Space and Occupancy Rate



## Portfolio Growth



Note: Accumulated investment does not include miscellaneous acquisition expenses, fixed assets tax, city-planning tax and consumption tax.

“The Company is supporting its image and making constant growth a reality through the implementation of its ‘Value Up, Cost Down’ three-pillar strategy.”

This will lead to improvements in occupancy rates, rental income and portfolio value and culminate in higher property income and investor returns.

#### **Stable Growth, “Value Up, Cost Down” Strategies**

The Company also has a three-pillar strategy in place to support its brand image and to make constant growth a reality. This entails:

- *Increasing stability and income by safeguarding that derived from the core office and commercial premises real estate sector, combined with the early elimination of vacant space in properties and curtailment of free rent periods*
- *Efforts toward cost controls through the dropping of commission charges to external suppliers, reviewing fees paid to property management (PM) companies and savings on energy, etc.*
- *Increasing profitability by carrying out effective refurbishment to raise property values and strengthening leasing activity*

To give just one example of the cost savings that can be made in property management, changing the management specification related to refurbishment work carried out on the JPR Ikebukuro Building in Tokyo, brought about a reduction of fees paid to external suppliers of 30%.

#### **Property Management Company Strategy**

The Company has been actively addressing the strengthening of its operations to promote increased client satisfaction and to make it even more efficient. Its future strategy regarding PM companies has been formulated following an evaluation carried out by independent third parties. This evaluation is conducted annually.

An area strategy comprising a collective management system will be adopted against a background of rising PM expertise and quality levels, strengthened leasing operations and cost reductions. This will ultimately bring day-to-day property repair and maintenance operations under the umbrella of a small, select number of highly efficient PM providers that will themselves be able to enjoy the concomitant scale benefits.

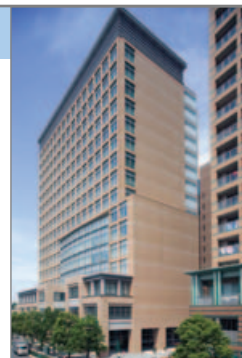


## ACTIVITY HIGHLIGHTS

### Oval Court Ohsaki Mark West

June 1, 2004, saw JPR purchase the Oval Court Ohsaki Mark West, an office space only three minutes on foot from Ohsaki Station, JR Yamanote Line and six minutes on foot from Gotanda Station, Toei Asakusa Subway Line. The building has two tenants namely Mitsui Fudosan Co., Ltd. and KOBELCO CONSTRUCTION MACHINERY CO., LTD.

- |  |           |                     |              |
|--|-----------|---------------------|--------------|
| • Site Area (m <sup>2</sup> ):         | 4,006.00  | • Structure/Floors: | S/SRC B2/17F |
| • Total Floor Space (m <sup>2</sup> ): | 28,575.80 | • Completed:        | June 2001    |



### Kenwa Building

In accordance with JPR's fundamental investment policies to acquire new office buildings in Tokyo Central Business Districts, the Kenwa Building was purchased on May 28, 2004. Consisting not only of office space but also shops, residences and parking facilities, this building is conveniently located three minutes on foot from Ichigaya Station, JR Sobu Line and one minute on foot from Ichigaya Station, Toei Shinjuku Line.

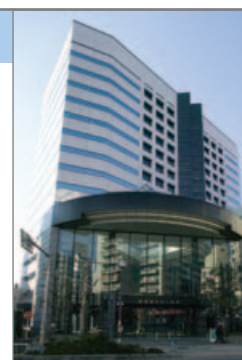
- |  |          |                     |            |
|--|----------|---------------------|------------|
| • Site Area (m <sup>2</sup> ):         | 1,058.04 | • Structure/Floors: | SRC B1/9F  |
| • Total Floor Space (m <sup>2</sup> ): | 5,888.82 | • Completed:        | March 1989 |



### Kawaguchi Center Building

On February 13, 2004, JPR acquired the Kawaguchi Center Building situated in Saitama Prefecture some three-minutes walk from Kawaguchi Station, JR Keihin Tohoku Line. Consisting primarily of office space and attendant parking facilities, major tenants in this property are Media Communications Inc. and the Japan Science and Technology Agency.

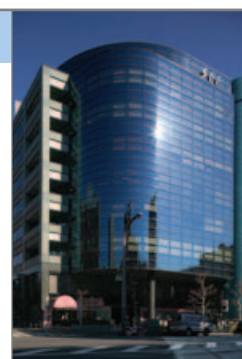
- |  |           |                     |               |
|--|-----------|---------------------|---------------|
| • Site Area (m <sup>2</sup> ):         | 4,524.61  | • Structure/Floors: | S/SRC B2/15F  |
| • Total Floor Space (m <sup>2</sup> ): | 28,420.85 | • Completed:        | February 1994 |



### SEF Building

Major tenants in this office space situated only four minutes on foot from Inaricho Station, Tokyo Metro Ginza Subway Line include KUBOTA Environmental Service Co., Ltd. and BANDAI VISUAL Co., Ltd. Facilities include shops and parking area.

- |  |          |                     |              |
|--|----------|---------------------|--------------|
| • Site Area (m <sup>2</sup> ):         | 1,242.97 | • Structure/Floors: | S/SRC B1/8F  |
| • Total Floor Space (m <sup>2</sup> ): | 8,490.44 | • Completed:        | October 1992 |



“The Company has already made progress with furthering its acquisition strategy in the current six-month period, and forecasts a further increase in operating revenues by the end of this term.”

Through the implementation of the PM strategy, JPR will be able to improve reporting channels and ensure the highest client satisfaction levels at all times.

### Looking Ahead

The Company has already made progress with furthering its acquisition strategy in the current six-month period, which will end December 31, 2004. On July 2, 2004 it acquired the 30-story Shinjuku Square Tower office building in central Tokyo for ¥10,000 million.

At the end of the current term, the Company forecasts a further increase in operating revenues to ¥7,488 million. Operating profit is forecast to rise to ¥3,256 million while net income will decline slightly to ¥2,580 million, triggered by seasonal increases in the cost of utilities and the absence of management association payments. Over the current term, the occupancy ratio is expected to show only minor fluctuations and average around the same or slightly above the previous term's level. Looking further ahead, we are anticipating average occupancy rates to again increase at the close of the seventh fiscal period on June 30, 2005.

From the preceding, I trust that we have provided all our valued investors with a clear understanding of our current status and future direction. Supported by TRIM, and backed by highly reputable sponsors\*, we have the resources in place to tap the potential of the property market.

With grateful appreciation for your support and understanding.



*H. Kaneko*

Hirohito Kaneko, Executive Officer,  
Japan Prime Realty Investment Corporation



*T. Hagiwara*

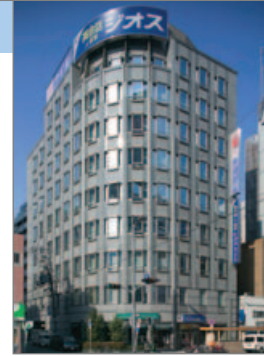
Toshihiro Hagiwara, President and CEO,  
Tokyo Realty Investment Management, Inc.

\* Tokyo Tatemono Co. Ltd. (26% stakeholding in TRIM), Meiji Yasuda Life Insurance Company (24%), Taisei Corporation (20%), Yasuda Real Estate Co., Ltd. (20%) and Sompo Japan Insurance Inc. (10%)

## Dojima F Building

Located in the Kita-ku area of Osaka city a two-minute walk from Nishi-Umeda Station, Yotsubashi Subway Line, this office building replete with parking facilities houses the GEOS Corporation.

- Site Area (m<sup>2</sup>): 668.11
- Total Floor Space (m<sup>2</sup>): 5,696.01
- Structure/Floors: SRC B2/9F
- Completed: October 1993



## Semba Fukuoka Building

Located only five minutes on foot from Hakata Station, JR Line and Fukuoka City Subway Line this office space boasts six tenants the major of which are The Nishi-Nippon Bank, Ltd. and Semba Co., Ltd.

- Site Area (m<sup>2</sup>): 680.63
- Total Floor Space (m<sup>2</sup>): 3,874.81
- Structure/Floors: SRC 8F
- Completed: February 1993



## SUBSEQUENT ACTIVITY HIGHLIGHTS

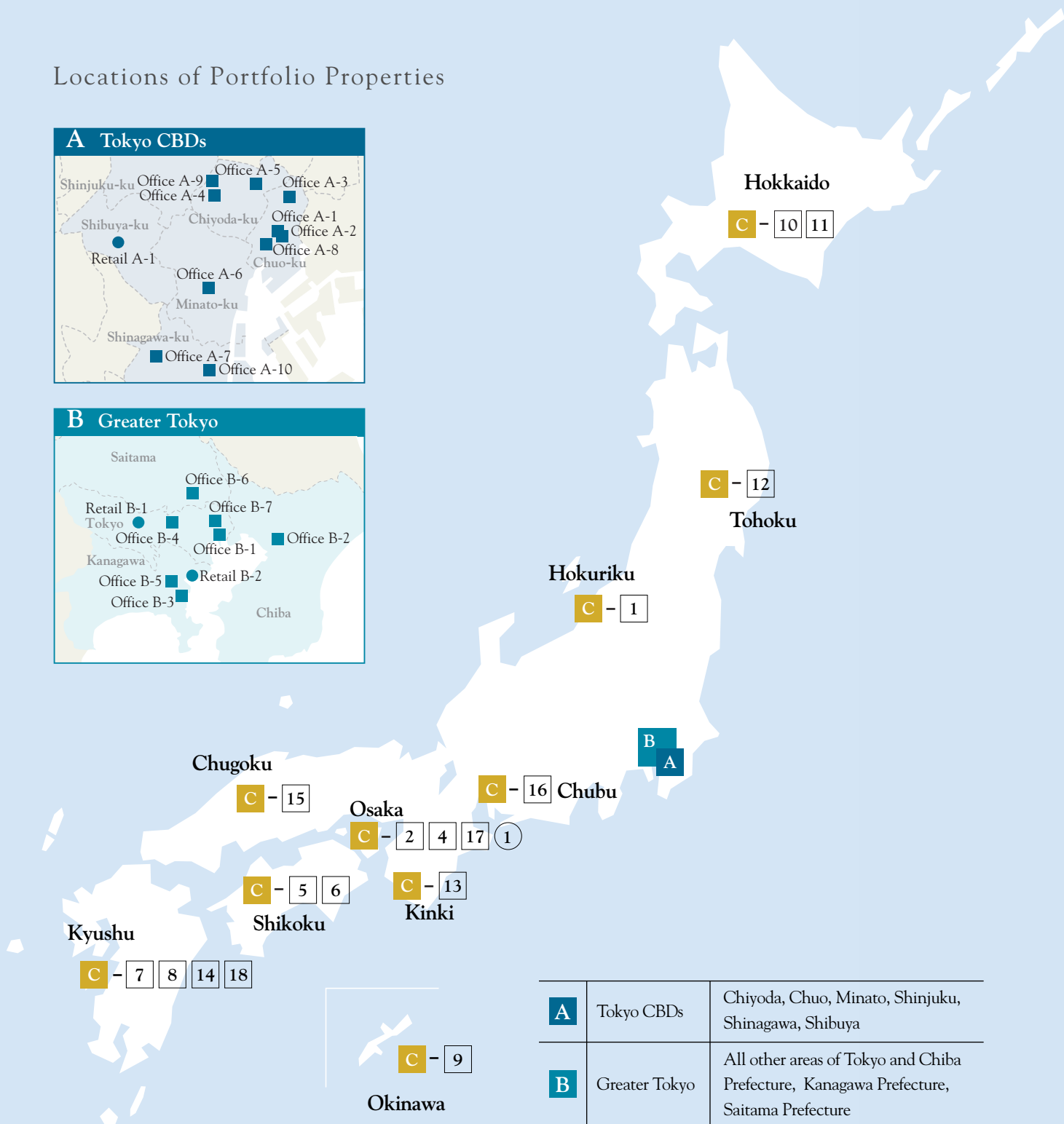
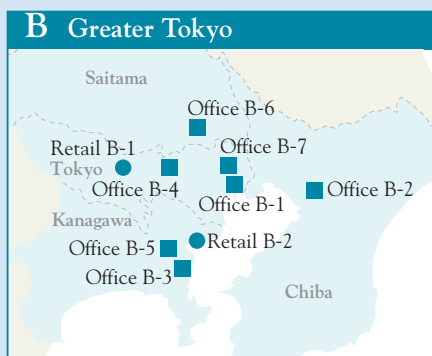
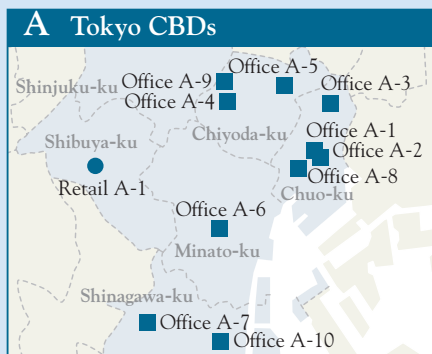
### Shinjuku Square Tower

Acquired on July 2, 2004, this conveniently located office space is a mere eight minutes on foot from Nishi-Shinjuku Station, on the busy Tokyo Metro Marunouchi Subway Line. The single tenant is the Shinjuku Square Tower Management Co., Ltd.

- Site Area (m<sup>2</sup>): 8,409.52
- Total Floor Space (m<sup>2</sup>): 78,796.00
- Structure/Floors: S/SRC B4/30F
- Completed: October 1994
- Location: Shinjuku-ku, Tokyo
- Acquisition Date: July 2, 2004
- Acquisition Price: ¥10,000 million



Locations of Portfolio Properties



<b>A</b>	Tokyo CBDs	Chiyoda, Chuo, Minato, Shinjuku, Shinagawa, Shibuya
<b>B</b>	Greater Tokyo	All other areas of Tokyo and Chiba Prefecture, Kanagawa Prefecture, Saitama Prefecture
<b>C</b>	Other Cities	All other areas in Japan

---

## A Tokyo CBDs

- A-1 Kanematsu Bldg.
- A-2 Kanematsu Bldg. Annex
- A-3 JPR Ningyo-cho Bldg.
- A-4 Shin-Kojimachi Bldg.
- A-5 Crest Yasuda Bldg.
- A-6 MS Shibaura Bldg.
- A-7 Gotanda First Bldg.
- A-8 Fukuoka Bldg.
- A-9 Kenwa Bldg.
- A-10 Oval Court Ohsaki Mark West
- A-1 Jinnan 1-chome Bldg. (Retail)

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## B Greater Tokyo

- B-1 Arca East
- B-2 JPR Chiba Bldg.
- B-3 Asahi-Life Yokohama Nihon Odori Bldg.
- B-1 Tanashi ASTA (Retail)
- B-2 Tsurumi fuga 1 (Retail)
- B-4 JPR Ikebukuro Bldg.
- B-5 Shinyokohama 2nd Center Bldg.
- B-6 Kawaguchi Center Bldg.
- B-7 SEF Bldg.

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## C Other Cities—Hokkaido, Tohoku and Hokuriku

- C-10 North 33 Bldg.
- C-11 Park East Sapporo
- C-12 Sompo Japan Sendai Bldg.
- C-1 Niigata Ekinan Center Bldg.

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## C Other Cities—Chubu, Osaka, Kinki, Chugoku and Shikoku

- C-16 Nagoya Kowa Bldg.
- C-2 Meiji Yasuda-Life Osaka Umeda Bldg.
- C-4 Tokyo Tatemono Honmachi Bldg.
- C-17 Dojima F Bldg.
- C-13 Sompo Japan Wakayama Bldg.
- C-15 SK Hiroshima Bldg.
- C-5 Asahi-Life Takamatsu 2nd Bldg.
- C-6 JPR Takamatsu Bldg.
- C-1 Kuraray Nissay Bldg. (Retail)

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## C Other Cities—Kyushu and Okinawa

- C-7 JPR Hakata Bldg.
  - C-8 Asahi-Life Fukuoka 3rd and 4th Bldg.
  - C-14 Tenjin 121 Bldg.
  - C-18 Semba Fukuoka Bldg.
  - C-9 JPR Naha Bldg.
-

Region	Type	No.	Name	Location	Completed	Acquired
Tokyo CBDs	Office	A-1	Kanematsu Bldg.	Chuo-ku, Tokyo	1993. 2	2001.12.27
	Office	A-2	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	1993. 2	2001.12.27
	Office	A-3	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	1989.12	2001.11.16
	Office	A-4	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	1984.10	2001.11.16 2002.11.21 (Total)
	Office	A-5	Crest Yasuda Bldg.	Chiyoda-ku, Tokyo	1999. 9	2002. 6.21
	Office	A-6	MS Shibaura Bldg.	Minato-ku, Tokyo	1988. 2	2003. 3.28
	Office	A-7	Gotanda First Bldg.	Shinagawa-ku, Tokyo	1989. 7	2003. 7.23
	Office	A-8	Fukuoka Bldg.	Chuo-ku, Tokyo	1990. 5	2003.10.15
	Office	A-9	Kenwa Bldg.	Chiyoda-ku, Tokyo	1989. 3	2004. 5.28
	Office	A-10	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	2001. 6	2004. 6. 1
	Retail	A-1	Jinnan 1-chome Bldg.	Shibuya-ku, Tokyo	1992. 2	2003. 6.30
<b>Total</b>						
Greater Tokyo	Office	B-1	Arca East	Sumida-ku, Tokyo	1997. 3	2001.11.16
	Office	B-2	JPR Chiba Bldg.	Chiba, Chiba	1991. 1	2001.12.13
	Office	B-3	Asahi-Life Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	1989.10	2001.11.16
	Office	B-4	JPR Ikebukuro Bldg.	Toshima-ku, Tokyo	1980.10	2002. 6.21
	Office	B-5	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	1991. 8	2002. 9.25
	Office	B-6	Kawaguchi Center Bldg.	Kawaguchi-shi, Saitama	1994. 2	2004. 2.13
	Office	B-7	SEF Bldg.	Taito-ku, Tokyo	1992.10	2004. 3. 1
	Retail	B-1	Tanashi ASTA	Nishitokyo, Tokyo	1995. 2	2001.11.16
	Retail	B-2	Tsurumi fuga 1	Yokohama, Kanagawa	1985. 9	2001.11.16
<b>Total</b>						
Other Cities	Office	C-1	Niigata Ekinan Center Bldg.	Niigata, Niigata	1996. 3	2001.11.16
	Office	C-2	Meiji Yasuda-Life Osaka Umeda Bldg.	Osaka, Osaka	2000. 6	2001.12.25
	Office	C-4	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	1970. 2	2001.11.16
	Office	C-5	Asahi-Life Takamatsu 2nd Bldg.	Takamatsu, Kagawa	1981. 8	2001.11.16
	Office	C-6	JPR Takamatsu Bldg.	Takamatsu, Kagawa	1982. 9	2001.12.18
	Office	C-7	JPR Hakata Bldg.	Fukuoka, Fukuoka	1985. 6	2001.11.16
	Office	C-8	Asahi-Life Fukuoka 3rd and 4th Bldg.	Fukuoka, Fukuoka	1984. 2 (3rd) 1986.10 (4th)	2001.11.16
	Office	C-9	JPR Naha Bldg.	Naha, Okinawa	1991.10	2001.11.16
	Office	C-10	North 33 Bldg.	Sapporo, Hokkaido	1992. 2	2002. 6.18
	Office	C-11	Park East Sapporo	Sapporo, Hokkaido	1985.11	2002. 6.18
	Office	C-12	Sompo Japan Sendai Bldg.	Sendai, Miyagi	1997.12	2002. 6.26
	Office	C-13	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	1996. 7	2002. 6.26
	Office	C-14	Tenjin 121 Bldg.	Fukuoka, Fukuoka	2000. 7	2002. 6.21
	Office	C-15	SK Hiroshima Bldg.	Hiroshima, Hiroshima	1989.12	2002.10. 4
	Office	C-16	Nagoya Kowa Bldg.	Nagoya-shi, Aichi	building parking 2003. 1 1986.12	2003. 9. 1
	Office	C-17	Dojima F Bldg.	Osaka, Osaka	1993.10	2004. 1.23
	Office	C-18	Semba Fukuoka Bldg.	Fukuoka, Fukuoka	1993. 2	2004. 6.11
	Retail	C-1	Kuraray Nissay Bldg.	Osaka, Osaka	1990. 4	2003. 5.15
<b>Total</b>						
<b>Total</b>						

12 Note 1: Acquisition price does not include miscellaneous expenses of acquisition (real estate agent's fee and consumption tax)  
Note 2: Percentages and ratios are rounded to the first decimal point

Acquisition Price (millions of yen)	% of total	Appraisal Value (millions of yen)	Ownership (%)	Site Area (m <sup>2</sup> )	Total Leasable Floor Space (m <sup>2</sup> ) (JPR's portion)	Total Leased Floor Space (m <sup>2</sup> ) (JPR's portion)	Occupancy Rate	# of Tenants	Rental Revenue (thousands of yen)	% of total
16,276	10.0%	12,700	79.4%	1,751.13	7,958.58	7,757.74	97.5%	10	389,214	5.7%
2,874	1.8%	2,480	79.4%	679.06	2,291.13	2,291.13	100.0%	1	102,844	1.5%
2,100	1.3%	1,850	100.0%	550.06	2,788.98	2,409.75	86.4%	3	93,389	1.4%
1,670	1.0%		49.0%		2,105.44	1,725.02	81.9%	7	62,189	0.9%
550	0.3%		21.0%		901.36	901.36	100.0%	3	30,422	0.4%
(2,220)	(1.3%)	2,140		657.80	(3,006.80)	(2,626.38)	(87.4%)	(10)	(92,611)	(1.3%)
4,000	2.5%	3,250	100.0%	636.90	3,265.34	3,265.34	100.0%	9	122,321	1.8%
11,200	6.8%	11,300	36.0%	8,992.18	14,429.08	12,467.70	86.4%	6	499,473	7.4%
2,920	1.8%	2,870	61.8%	1,551.19	4,240.98	4,240.98	100.0%	3	146,897	2.2%
1,800	1.1%	1,798	14.3%	1,302.17	1,250.06	1,250.06	100.0%	1	64,668	1.0%
5,100	3.1%	5,080	100.0%	1,058.04	4,181.66	4,181.66	100.0%	9	35,097	0.5%
3,500	2.1%	3,400	27.1%	4,006.00	4,088.44	4,088.44	100.0%	2	29,263	0.4%
12,000	7.3%	12,100	100.0%	1,010.47	8,076.85	8,076.85	100.0%	1	345,576	5.1%
<b>63,990</b>	<b>39.1%</b>	<b>58,968</b>		<b>22,195.00</b>	<b>55,577.90</b>	<b>52,656.03</b>	<b>94.7%</b>	<b>55</b>	<b>1,921,353</b>	<b>28.3%</b>
5,880	3.6%	5,760	41.1%	3,755.01	7,050.10	7,050.10	100.0%	5	299,273	4.4%
2,350	1.4%	2,085	100.0%	1,382.35	5,558.06	4,935.22	88.8%	27	143,725	2.1%
2,927	1.8%	2,650	100.0%	1,100.59	6,066.54	5,467.14	90.1%	10	139,962	2.1%
2,040	1.2%	2,150	100.0%	772.77	4,597.35	3,531.96	76.8%	6	103,339	1.5%
920	0.6%	1,020	50.0%	841.71	2,640.80	2,274.23	86.1%	10	66,518	1.0%
8,100	5.0%	8,180	86.5%	4,524.61	15,478.43	15,478.43	100.0%	38	380,171	5.6%
3,250	2.0%	3,330	100.0%	1,242.97	6,512.45	5,993.52	92.0%	9	127,656	1.9%
10,200	6.2%	10,830	42.1% (land) 52.9% (building)	12,326.30	31,121.71	31,121.71	100.0%	1	672,183	9.9%
3,040	1.9%	3,173	64.4%	1,962.18	9,578.60	9,578.60	100.0%	1	153,279	2.2%
<b>38,707</b>	<b>23.7%</b>	<b>39,178</b>		<b>27,908.49</b>	<b>88,604.04</b>	<b>85,430.91</b>	<b>96.4%</b>	<b>107</b>	<b>2,086,106</b>	<b>30.7%</b>
2,140	1.3%	2,035	52.7%	2,706.99	5,206.82	4,669.16	89.7%	15	126,881	1.9%
8,300	5.1%	8,570	33.3%	5,999.33	9,600.08	9,061.74	94.4%	21	365,459	5.4%
4,150	2.5%	3,990	64.3%	1,432.64	7,210.25	7,106.76	98.6%	10	249,200	3.7%
872	0.5%	741	100.0%	579.99	2,518.30	1,604.38	63.7%	19	51,109	0.7%
2,130	1.3%	1,330	100.0%	1,407.78	5,032.33	4,033.07	80.1%	22	83,140	1.2%
2,900	1.8%	2,660	100.0%	1,214.63	6,581.10	5,633.23	85.6%	27	152,640	2.2%
2,873	1.7%	2,610	100.0%	2,500.86	8,447.48	6,671.94	79.0%	14	182,669	2.7%
1,560	1.0%	1,470	100.0%	959.87	3,947.38	3,253.31	82.4%	14	106,831	1.6%
3,700	2.3%	2,910	100.0%	1,382.12	6,642.98	5,933.74	89.3%	24	141,368	2.1%
2,150	1.3%	1,850	100.0%	1,808.26	7,647.76	5,546.82	72.5%	22	115,659	1.7%
3,150	1.9%	3,180	100.0%	1,895.67	7,056.39	6,835.97	96.9%	9	199,529	2.9%
1,670	1.0%	1,620	100.0%	1,128.45	4,892.17	4,646.19	95.0%	14	123,020	1.8%
2,810	1.7%	2,590	52.2%	1,164.39	3,292.02	2,565.71	77.9%	12	96,313	1.4%
947	0.6%	862	100.0%	502.41	2,732.29	2,362.60	86.5%	16	58,090	0.9%
4,550	2.8%	4,597	100.0%	992.31	5,461.90	5,207.19	95.3%	19	208,711	3.1%
2,140	1.3%	2,150	100.0%	668.11	3,941.40	3,633.75	92.2%	6	109,748	1.6%
1,920	1.2%	1,950	100.0%	680.63	3,349.57	3,349.57	100.0%	6	10,421	0.2%
13,000	7.9%	11,800	100.0%	3,518.68	18,586.97	18,586.97	100.0%	1	402,411	5.9%
<b>60,962</b>	<b>37.2%</b>	<b>56,915</b>		<b>30,543.12</b>	<b>112,147.19</b>	<b>100,702.10</b>	<b>89.8%</b>	<b>275</b>	<b>2,783,199</b>	<b>41.0%</b>
<b>163,659</b>	<b>100.0%</b>	<b>155,061</b>		<b>80,646.61</b>	<b>256,329.13</b>	<b>238,789.04</b>	<b>93.2%</b>	<b>437</b>	<b>6,790,658</b>	<b>100.0%</b>

Overview of Portfolio Properties  
(As of June 30, 2004)

Tokyo CBDs

Chuo-ku, Tokyo

**Kanematsu Bldg.**

**A - 1**



Acquisition Price (millions of yen):	<b>16,276</b>
% of Total:	<b>10.0%</b>
Site Area (m <sup>2</sup> ):	<b>1,751.13</b>
Total Floor Space (m <sup>2</sup> ):	<b>14,995.09</b>
Structure/Floors:	<b>S/RC/SRC B2/13F</b>
Completed:	<b>February 1993</b>

Chuo-ku, Tokyo

**JPR Ningyo-cho Bldg.**

**A - 3**



Acquisition Price (millions of yen):	<b>2,100</b>
% of Total:	<b>1.3%</b>
Site Area (m <sup>2</sup> ):	<b>550.06</b>
Total Floor Space (m <sup>2</sup> ):	<b>4,117.70</b>
Structure/Floors:	<b>SRC/RC B1/8F</b>
Completed:	<b>December 1989</b>

Chiyoda-ku, Tokyo

**Shin-Kojimachi Bldg.**

**A - 4**



Acquisition Price (millions of yen):	<b>2,220</b>
% of Total:	<b>1.3%</b>
Site Area (m <sup>2</sup> ):	<b>657.80</b>
Total Floor Space (m <sup>2</sup> ):	<b>5,152.98</b>
Structure/Floors:	<b>SRC B1/9F</b>
Completed:	<b>October 1984</b>

Chuo-ku, Tokyo

**Kanematsu Bldg. Annex**

**A - 2**



Acquisition Price (millions of yen):	<b>2,874</b>
% of Total:	<b>1.8%</b>
Site Area (m <sup>2</sup> ):	<b>679.06</b>
Total Floor Space (m <sup>2</sup> ):	<b>4,351.46</b>
Structure/Floors:	<b>SRC B1/8F</b>
Completed:	<b>February 1993</b>

Chiyoda-ku, Tokyo

**Crest Yasuda Bldg.**

**A - 5**



Acquisition Price (millions of yen):	<b>4,000</b>
% of Total:	<b>2.4%</b>
Site Area (m <sup>2</sup> ):	<b>636.90</b>
Total Floor Space (m <sup>2</sup> ):	<b>4,790.68</b>
Structure/Floors:	<b>SRC B1/9F</b>
Completed:	<b>September 1999</b>

Note 1: Acquisition price does not include miscellaneous expenses (real estate agent's fee and consumption tax)

Note 2: Percentages and ratios are rounded to the first decimal point

Note 3: Abbreviations under "Structure/Floors" indicate S: Steel-frame, RC: Reinforced concrete, and SRC: Steel-frame reinforced concrete



Minato-ku, Tokyo  
**MS Shibaura Bldg.**

**A - 6**

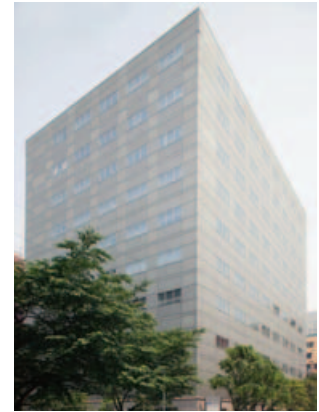
Acquisition Price (millions of yen):	<b>11,200</b>
% of Total:	<b>6.8%</b>
Site Area (m <sup>2</sup> ):	<b>8,992.18</b>
Total Floor Space (m <sup>2</sup> ):	<b>31,020.21</b>
Structure/Floors:	<b>SRC/RC/S B2/13F</b>
Completed:	<b>February 1988</b>



Shinagawa-ku, Tokyo  
**Gotanda First Bldg.**

**A - 7**

Acquisition Price (millions of yen):	<b>2,920</b>
% of Total:	<b>1.8%</b>
Site Area (m <sup>2</sup> ):	<b>1,551.19</b>
Total Floor Space (m <sup>2</sup> ):	<b>10,553.34</b>
Structure/Floors:	<b>SRC/RC B2/11F</b>
Completed:	<b>July 1989</b>



Chuo-ku, Tokyo  
**Fukuoka Bldg.**

**A - 8**

Acquisition Price (millions of yen):	<b>1,800</b>
% of Total:	<b>1.1%</b>
Site Area (m <sup>2</sup> ):	<b>1,302.17</b>
Total Floor Space (m <sup>2</sup> ):	<b>11,627.74</b>
Structure/Floors:	<b>SRC B2/10F</b>
Completed:	<b>May 1990</b>



Chiyoda-ku, Tokyo  
**Kenwa Bldg.**

**A - 9**

Acquisition Price (millions of yen):	<b>5,100</b>
% of Total:	<b>3.1%</b>
Site Area (m <sup>2</sup> ):	<b>1,058.04</b>
Total Floor Space (m <sup>2</sup> ):	<b>5,888.82</b>
Structure/Floors:	<b>SRC B1/9F</b>
Completed:	<b>March 1989</b>



Shinagawa-ku, Tokyo  
**Oval Court Ohsaki Mark West**

**A - 10**

Acquisition Price (millions of yen):	<b>3,500</b>
% of Total:	<b>2.1%</b>
Site Area (m <sup>2</sup> ):	<b>4,006.00</b>
Total Floor Space (m <sup>2</sup> ):	<b>28,575.80</b>
Structure/Floors:	<b>S/SRC B2/17F</b>
Completed:	<b>June 2001</b>



Shibuya-ku, Tokyo  
**Jinnan 1-chome Bldg.**

**A - 1 (Retail)**

Acquisition Price (millions of yen):	<b>12,000</b>
% of Total:	<b>7.3%</b>
Site Area (m <sup>2</sup> ):	<b>1,010.47</b>
Total Floor Space (m <sup>2</sup> ):	<b>8,449.56</b>
Structure/Floors:	<b>SRC/S B3/8F</b>
Completed:	<b>February 1992</b>



## Greater Tokyo

Sumida-ku, Tokyo

### Arca East

**B - 1**

Acquisition Price (millions of yen):	5,880
% of Total:	3.6%
Site Area (m <sup>2</sup> ):	3,755.01
Total Floor Space (m <sup>2</sup> ):	34,281.86
Structure/Floors:	S/SRC B3/19F
Completed:	March 1997



Nishitokyo, Tokyo

### Tanashi ASTA

**B - 1 (Retail)**



Acquisition Price (millions of yen):	10,200
% of Total:	6.2%
Site Area (m <sup>2</sup> ):	12,326.30
Total Floor Space (m <sup>2</sup> ):	80,675.27
Structure/Floors:	SRC B2/17F
Completed:	February 1995

Chiba, Chiba

### JPR Chiba Bldg.

**B - 2**

Acquisition Price (millions of yen):	2,350
% of Total:	1.4%
Site Area (m <sup>2</sup> ):	1,382.35
Total Floor Space (m <sup>2</sup> ):	9,072.57
Structure/Floors:	S/SRC B1/13F
Completed:	January 1991



Yokohama, Kanagawa

### Tsurumi fuga 1

**B - 2 (Retail)**



Acquisition Price (millions of yen):	3,040
% of Total:	1.9%
Site Area (m <sup>2</sup> ):	1,962.18
Total Floor Space (m <sup>2</sup> ):	13,543.32
Structure/Floors:	SRC B2/7F
Completed:	September 1985

Yokohama, Kanagawa

### Asahi-Life Yokohama Nihon Odori Bldg.

**B - 3**

Acquisition Price (millions of yen):	2,927
% of Total:	1.8%
Site Area (m <sup>2</sup> ):	1,100.59
Total Floor Space (m <sup>2</sup> ):	9,146.52
Structure/Floors:	SRC B1/11F
Completed:	October 1989



Toshima-ku, Tokyo  
**JPR Ikebukuro Bldg.**

**B - 4**

Acquisition Price  
 (millions of yen): **2,040**

% of Total: **1.2%**

Site Area (m<sup>2</sup>): **772.77**

Total Floor Space (m<sup>2</sup>): **6,468.08**

Structure/Floors: **SRC  
 B1/9F**

Completed: **October  
 1980**



Yokohama, Kanagawa  
**Shinyokohama 2nd Center Bldg.**

**B - 5**

Acquisition Price  
 (millions of yen): **920**

% of Total: **0.6%**

Site Area (m<sup>2</sup>): **841.71**

Total Floor Space (m<sup>2</sup>): **7,781.93**

Structure/Floors: **S/SRC  
 B2/12F**

Completed: **August  
 1991**



Kawaguchi, Saitama  
**Kawaguchi Center Bldg.**

**B - 6**

Acquisition Price  
 (millions of yen): **8,100**

% of Total: **4.9%**

Site Area (m<sup>2</sup>): **4,524.61**

Total Floor Space (m<sup>2</sup>): **28,420.85**

Structure/Floors: **S/SRC  
 B2/15F**

Completed: **February  
 1994**



Taito-ku, Tokyo  
**SEF Bldg.**

**B - 7**

Acquisition Price  
 (millions of yen): **3,250**

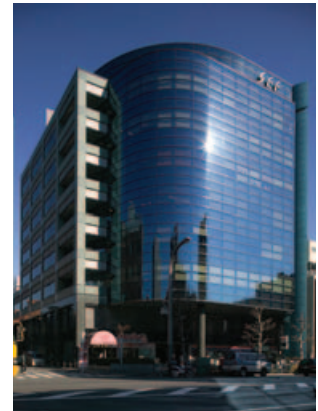
% of Total: **2.0%**

Site Area (m<sup>2</sup>): **1,242.97**

Total Floor Space (m<sup>2</sup>): **8,490.44**

Structure/Floors: **S/SRC  
 B1/8F**

Completed: **October  
 1992**



Other Cities — Hokkaido, Tohoku and Hokuriku

Sapporo, Hokkaido  
**North 33 Bldg.**

**C - 10**

Acquisition Price  
 (millions of yen): **3,700**

% of Total: **2.3%**

Site Area (m<sup>2</sup>): **1,382.12**

Total Floor Space (m<sup>2</sup>): **10,568.23**

Structure/Floors: **SRC  
 B1/12F**

Completed: **February  
 1992**



Sapporo, Hokkaido  
**Park East Sapporo**

**C - 11**

Acquisition Price  
 (millions of yen): **2,150**

% of Total: **1.3%**

Site Area (m<sup>2</sup>): **1,808.26**

Total Floor Space (m<sup>2</sup>): **10,865.75**

Structure/Floors: **SRC  
 B1/8F**

Completed: **November  
 1985**



Sendai, Miyagi

C - 12

### Sompo Japan Sendai Bldg.

Acquisition Price (millions of yen):	3,150
% of Total:	1.9%
Site Area (m <sup>2</sup> ):	1,895.67
Total Floor Space (m <sup>2</sup> ):	10,783.52
Structure/Floors:	SRC B1/12F
Completed:	December 1997

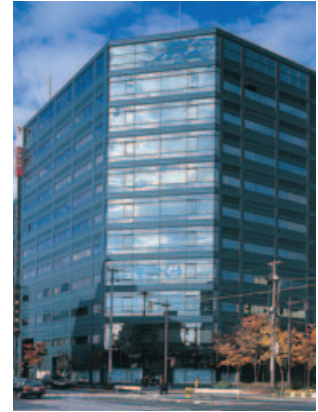


Niigata, Niigata

C - 1

### Niigata Ekinan Center Bldg.

Acquisition Price (millions of yen):	2,140
% of Total:	1.3%
Site Area (m <sup>2</sup> ):	2,706.99
Total Floor Space (m <sup>2</sup> ):	19,950.42
Structure/Floors:	S/SRC B1/10F
Completed:	March 1996



## Other Cities — Osaka

Osaka, Osaka

C - 2

### Meiji Yasuda-Life Osaka Umeda Bldg.

Acquisition Price (millions of yen):	8,300
% of Total:	5.1%
Site Area (m <sup>2</sup> ):	5,999.33
Total Floor Space (m <sup>2</sup> ):	52,982.94
Structure/Floors:	S/SRC B2/31F
Completed:	June 2000



Osaka, Osaka

C - 1 (Retail)

### Kuraray Nissay Bldg.

Acquisition Price (millions of yen):	13,000
% of Total:	7.9%
Site Area (m <sup>2</sup> ):	3,518.68
Total Floor Space (m <sup>2</sup> ):	17,897.56
Structure/Floors:	SRC B1/8F
Completed:	April 1990

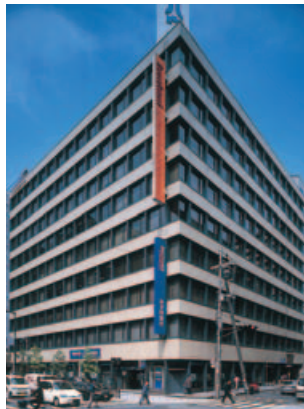


Osaka, Osaka

C - 4

### Tokyo Tatemono Honmachi Bldg.

Acquisition Price (millions of yen):	4,150
% of Total:	2.5%
Site Area (m <sup>2</sup> ):	1,432.64
Total Floor Space (m <sup>2</sup> ):	14,619.52
Structure/Floors:	SRC B3/9F
Completed:	February 1970



Osaka, Osaka

C - 17

### Dojima F Bldg.

Acquisition Price (millions of yen):	2,140
% of Total:	1.3%
Site Area (m <sup>2</sup> ):	668.11
Total Floor Space (m <sup>2</sup> ):	5,696.01
Structure/Floors:	SRC B2/9F
Completed:	October 1993



## Other Cities — Chubu, Kinki, Chugoku and Shikoku

Nagoya-shi, Aichi

**C - 16**

### Nagoya Kowa Bldg.

Acquisition Price (millions of yen):	<b>4,550</b>
% of Total:	<b>2.8%</b>
Site Area (m <sup>2</sup> ):	<b>992.31</b>
Total Floor Space (m <sup>2</sup> ):	<b>7,340.18</b>
Structure/Floors:	
Building:	<b>S B1/11F</b>
Parking:	<b>S 1F</b>
Completed:	
Building:	<b>January 2003</b>
Parking:	<b>December 1986</b>



Wakayama, Wakayama

**C - 13**

### Sompo Japan Wakayama Bldg.

Acquisition Price (millions of yen):	<b>1,670</b>
% of Total:	<b>1.0%</b>
Site Area (m <sup>2</sup> ):	<b>1,128.45</b>
Total Floor Space (m <sup>2</sup> ):	<b>6,715.07</b>
Structure/Floors:	<b>S 9F</b>
Completed:	<b>July 1996</b>



Hiroshima, Hiroshima

**C - 15**

### SK Hiroshima Bldg.

Acquisition Price (millions of yen):	<b>947</b>
% of Total:	<b>0.6%</b>
Site Area (m <sup>2</sup> ):	<b>502.41</b>
Total Floor Space (m <sup>2</sup> ):	<b>4,268.70</b>
Structure/Floors:	<b>SRC B1/9F</b>
Completed:	<b>December 1989</b>



Takamatsu, Kagawa

**C - 5**

### Asahi-Life Takamatsu 2nd Bldg.

Acquisition Price (millions of yen):	<b>872</b>
% of Total:	<b>0.5%</b>
Site Area (m <sup>2</sup> ):	<b>579.99</b>
Total Floor Space (m <sup>2</sup> ):	<b>3,471.55</b>
Structure/Floors:	<b>SRC 8F</b>
Completed:	<b>August 1981</b>



Takamatsu, Kagawa

**C - 6**

### JPR Takamatsu Bldg.

Acquisition Price (millions of yen):	<b>2,130</b>
% of Total:	<b>1.3%</b>
Site Area (m <sup>2</sup> ):	<b>1,407.78</b>
Total Floor Space (m <sup>2</sup> ):	<b>7,409.08</b>
Structure/Floors:	<b>SRC B1/10F</b>
Completed:	<b>September 1982 March 1984 (extension)</b>



## Other Cities — Kyushu and Okinawa

Fukuoka, Fukuoka

C - 7

### JPR Hakata Bldg.

Acquisition Price (millions of yen):	2,900
% of Total:	1.8%
Site Area (m <sup>2</sup> ):	1,214.63
Total Floor Space (m <sup>2</sup> ):	9,828.73
Structure/Floors:	
Building:	S/RC B1/12F
Parking:	S1F
Completed:	
Building:	June 1985
Parking:	November 2003



Naha, Okinawa

C - 9

### JPR Naha Bldg.

Acquisition Price (millions of yen):	1,560
% of Total:	1.0%
Site Area (m <sup>2</sup> ):	959.87
Total Floor Space (m <sup>2</sup> ):	5,780.71
Structure/Floors:	S/SRC 12F
Completed:	October 1991



Fukuoka, Fukuoka

C - 8

### Asahi-Life Fukuoka 3rd and 4th Bldg.

Acquisition Price (millions of yen):	2,873
% of Total:	1.8%
Site Area (m <sup>2</sup> ):	2,500.86
Total Floor Space (m <sup>2</sup> ):	7,683.01 (3rd)
Structure/Floors:	SRC B1/10F (3rd)
Completed:	February 1984 (3rd)



Total Floor Space (m <sup>2</sup> ):	3,723.68 (4th)
Structure/Floors:	SRC 7F (4th)
Completed:	October 1986 (4th)



Fukuoka, Fukuoka

C - 14

### Tenjin 121 Bldg.

Acquisition Price (millions of yen):	2,810
% of Total:	1.7%
Site Area (m <sup>2</sup> ):	1,164.39
Total Floor Space (m <sup>2</sup> ):	8,690.95
Structure/Floors:	S/SRC 13F
Completed:	July 2000



Fukuoka, Fukuoka

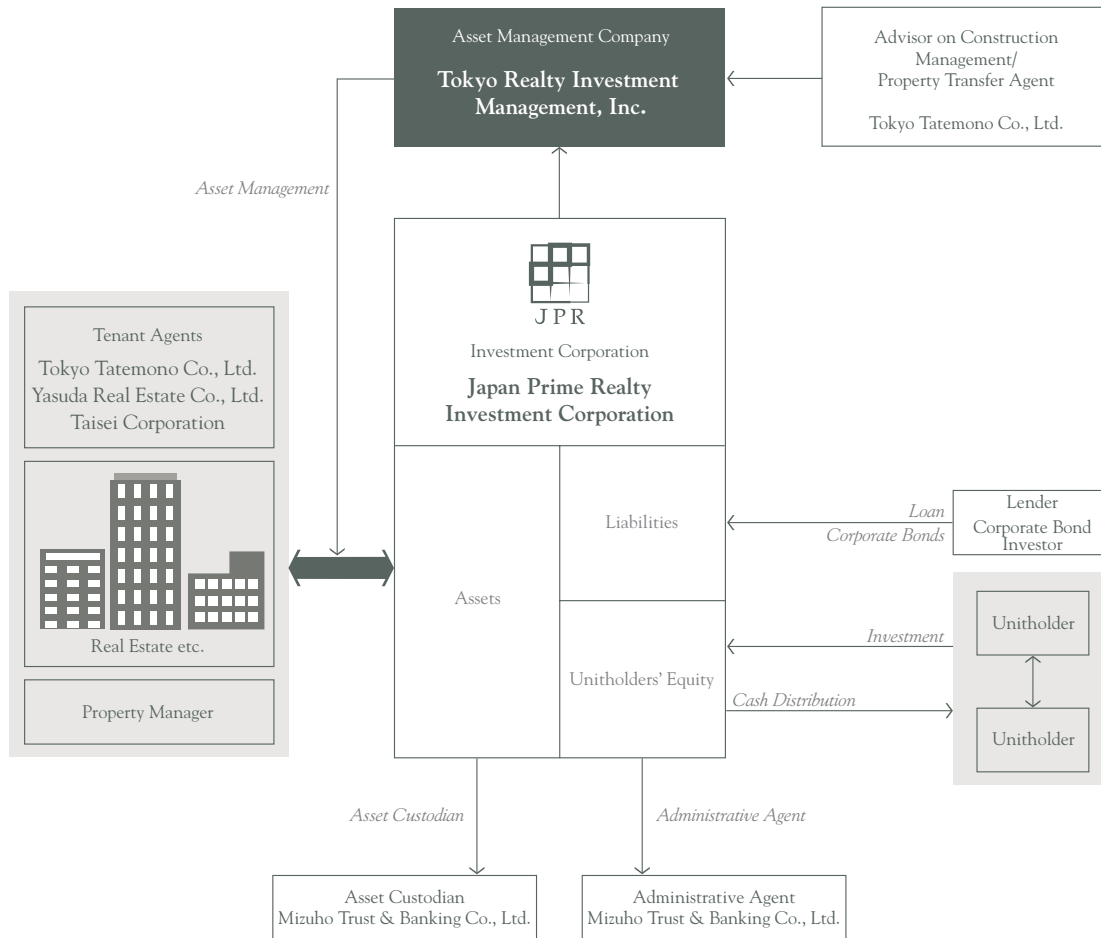
C - 18

### Semba Fukuoka Bldg.

Acquisition Price (millions of yen):	1,920
% of Total:	1.2%
Site Area (m <sup>2</sup> ):	680.63
Total Floor Space (m <sup>2</sup> ):	3,874.81
Structure/Floors:	SRC 8F
Completed:	February 1993



## REIT STRUCTURE AND EXTERNAL SERVICE PROVIDERS



Tokyo Tatemono Co., Ltd. performs agency services for the signing of real estate leasing contracts (“general tenant agency services”) under a commission from the owners of real estate, in order to provide uniform tenant recruitment and sales services for the Company. Tokyo Tatemono also has been commissioned by TRIM to undertake “property transfer services.” Tokyo Tatemono

also provides advice on rental operations management and construction planning management work (“leasing management/construction management services” or “LM/CM services”) to TRIM.

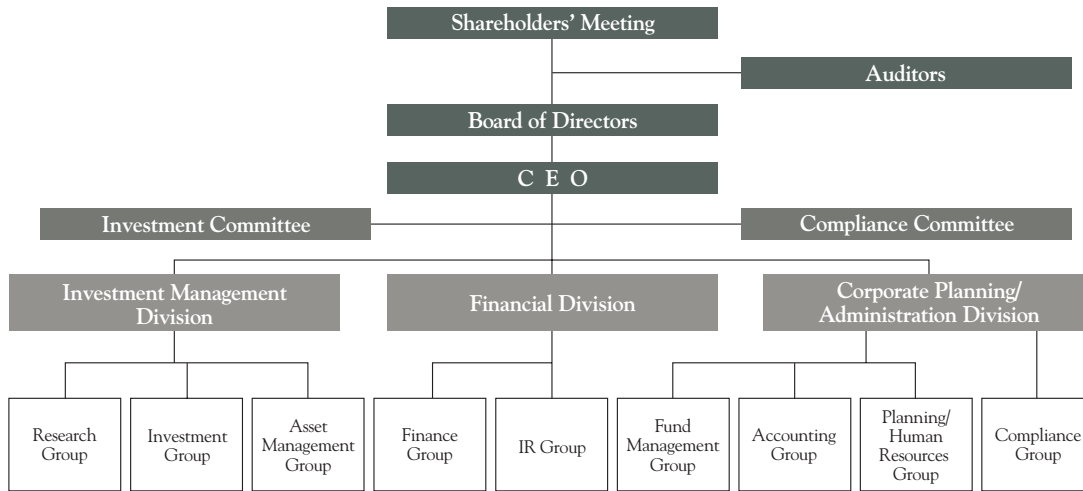
Yasuda Real Estate Co., Ltd. and Taisei Corporation provide general tenant agency services for real estate, as commissioned by the trustees.

**Tokyo Realty Investment Management, Inc.**

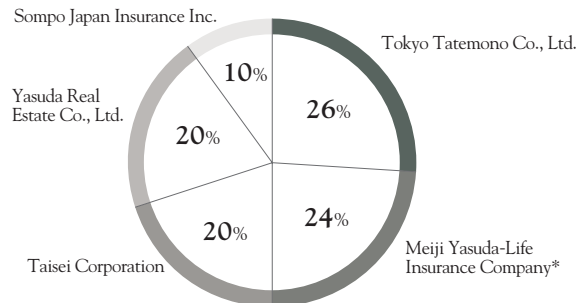
Tokyo Realty Investment Management, Inc. (“TRIM”) concluded the asset management contract with JPR on September 27, 2001. Based on the contract, TRIM provides asset management services as a REIT Management Company under the Investment Trust Law.

TRIM is assigned to provide (1) services regarding asset management for JPR (including all decision-

making in connection with the acquisition or leasing of properties and acting as an agent or broker of such transactions based on relevant judgement), (2) services regarding funding by JPR, (3) reporting to JPR and (4) any other services related to or affiliated with the above (the above services are collectively called “Asset Management Service” or “AM Service”).



**Shareholders in TRIM (As of June 30, 2004)**



Note: The Yasuda Mutual Life Insurance Company and Meiji Life Insurance Company merged on January 1, 2004 to form Meiji Yasuda-Life Insurance Company.



### Decision-Making Process of Investment Management

The “Investment Committee” is set as a committee to make investment decisions as well as its sub-organizations, the “Investment Subcommittee” and the “Fund Management Subcommittee.” Members of these organizations include the CEO, CIO, CFO, CAO, Fund Manager, Research Manager, Asset Manager and Investment Management Manager.

The “Investment Committee” is a committee which formulates fundamental investment policy for the medium and long term within two fiscal periods, while the “Investment Subcommittee” or “Management Subcommittee” has charge of decisions on issues regarding acquisitions, dispositions and management of individual assets respectively. The Board of Directors is given the final authorization on acquisitions or dispositions of individual assets of a certain amount.

### Measures to Prevent Conflicts of Interest

TRIM has established the “Compliance Committee” and “Compliance Subcommittee.” The “Compliance Subcommittee” oversees the aforementioned committees and determines whether their decision-making activities strictly adhere to laws and regulations.

TRIM has rules in place governing transactions with “related parties” so as to avoid conflicts of interest. The Compliance Committee serves to prevent transactions with conflicts of interest based on the advice of an outside attorney who is a special member of the committee. Related parties are defined as specific parties with which transactions have been made or to which commissions or other payments have been made in the relevant term. These include the following parties, which have an investment in TRIM or employees serving as directors or staff at TRIM: Tokyo Tatemono Co., Ltd., The Meiji Yasuda-Life Insurance Company (formed following the merger between The Yasuda Mutual Life Insurance Company and Meiji Life Insurance Company on January 1, 2004), Yasuda Real Estate Co., Ltd., Taisei Corporation, Sampo Japan Insurance Inc. (formerly The Yasuda Fire & Marine Insurance Co., Ltd.) and their affiliates.

Such measures include:

- a) Acquisitions of property or assets from interested parties  
The “investment amount” for any real estate or real estate in trust property must be the appraised value or less (deemed to be the purchase price only, exclusive of taxes and acquisition costs, etc.). Prior approval of the Board of Directors of the Company is required. For other designated assets, the investment amount must be at market prices for assets for which market prices are available, otherwise at the appraised value or less.
- b) Sales of property or assets to interested parties  
The “sales price” for any real estate or real estate in trust property must be the appraised value or more (deemed to be sales price only, exclusive of taxes and selling costs, etc.). Prior approval of the Board of Directors of the Company is required. For other designated assets, the sales price must be at market prices for assets for which market prices are available, otherwise at the appraised value or more.
- c) Leasing of properties to interested parties  
Properties may be leased to interested parties provided that leasing is done under appropriate terms and conditions as determined from the viewpoint of market trends and standard leasing terms for the property.
- d) Property management commissions to interested parties  
Commissions are based on the Property Management Standards. Prior approval of the Board of Directors of the Company is required.
- e) Trading/leasing intermediation fees paid to interested parties  
Trading intermediation fees are limited to up to 3% of the trading price. Prior approval of the Board of Directors of the Company is required. Leasing intermediation fees are limited to the amount equivalent to the contracted rent for one month.
- f) Commissioning of construction work to interested parties  
Commissions of construction work worth ¥10 million or more require a comparison against third-party estimates and proposals. Prior approval of the Board of Directors of the Company is required.
- g) Borrowings from interested parties  
Terms of borrowings must be at market levels. Prior approval of the Board of Directors of the Company is required.

**RESULTS OF OPERATIONS**

The table below is a summary of business results for the periods ended June 30, 2004 and December 31, 2003.

	thousands of yen		U.S. dollars
	5th Period (Jan. 1, 2004– June 30, 2004)	4th Period (July 1, 2003– Dec. 31, 2003)	5th Period (Jan. 1, 2004– June 30, 2004)
<b>OPERATING REVENUES:</b>	<b>¥6,790,658</b>	<b>¥6,421,099</b>	<b>\$62,627,110</b>
Real estate rental revenues	6,790,658	6,250,395	62,627,110
Gain on sale of real estate	—	170,704	—
<b>OPERATING EXPENSES</b>	<b>3,729,108</b>	<b>3,487,138</b>	<b>34,391,846</b>
<b>OPERATING PROFITS</b>	<b>3,061,550</b>	<b>2,933,961</b>	<b>28,235,264</b>
<b>NON-OPERATING REVENUES</b>	<b>109,341</b>	<b>1,329</b>	<b>1,008,398</b>
<b>NON-OPERATING EXPENSES</b>	<b>555,137</b>	<b>466,923</b>	<b>5,119,763</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>2,615,754</b>	<b>2,468,367</b>	<b>24,123,899</b>
<b>NET INCOME</b>	<b>¥2,614,785</b>	<b>¥2,467,358</b>	<b>\$24,114,964</b>

In the fifth fiscal period ended June 30, 2004, JPR experienced across-the-board growth in most facets of its business operations.

The Company's property portfolio as of June 30, 2004, comprised 38 properties, an increase of six tenanted properties, amounting to ¥163,659 million, covering a leasable floor space of 256,329.13 square meters and 437 tenants. During the period, JPR acquired the Kenwa Building on May 28 for an investment of ¥5,100 million and the Oval Court Ohsaki Mark West on June 1 for an investment of ¥3,500 million. Both properties are located in Tokyo's CBD. In the Greater Tokyo area, the Kawaguchi Center Building and the SEF Building were added to the portfolio for ¥8,100 million on February 13 and ¥3,250 million on March 1, respectively. In regions outside of Tokyo, JPR acquired two office buildings, the Dojima F Building in Osaka on January 23, and the Semba Fukuoka Building in Fukuoka on June 11 for a total investment of ¥4,060 million. Accordingly, the Company's property portfolio increased a total of ¥24,010 million based on acquisition value, which contributed significantly to JPR's increased revenues and earnings for the period. During the period under review, the

Company did not divest any of its interests.

Operating revenues for the fifth fiscal period rose 5.8% to ¥6,791 million and comprised real estate rental revenues, which climbed 8.6% from ¥6,250 million. For the period under review, the occupancy rate increased 0.5 of a percentage point to 93.2%. Operating expenses, amounted to ¥3,729 million, an increase of 6.9%, which included property tax and other items expensed during the period. As a result of the aforementioned factors, operating profits edged up 4.3% to ¥3,062 million. In non-operating revenues and expenses, JPR reported income on settlement of management association accounts of ¥107 million. Such income is reported only for the fiscal period ended June 30 since the accounts of the management association are settled only once a year, normally in May or June. In line with the acquisition of additional properties, JPR incurred an increase in non-operating expenses relating to the increased debt and the issue of corporate bonds. Despite these factors, income before income taxes rose 6.0% to ¥2,616 million and net income climbed by the same margin to ¥2,615 million.

**CASH DISTRIBUTIONS**

In the fifth fiscal period, cash distribution per unit was ¥6,081, representing 100% of distributable income, compared with ¥5,738 in the fourth fiscal period. The number of investment

units outstanding at the end of June 30, 2004 remained unchanged standing at 430,000 units

	thousands of yen except per unit data	
	Cash distributions for the period ended June 30, 2004	Cash distributions for the period ended Dec. 31, 2003
Net income	¥2,614,785	¥2,467,358
Total cash distributions	2,614,830	2,467,340
Cash distribution per unit	6,081	5,738

**CAPITALIZATION****Paid-In Capital**

For the fifth fiscal period JPR reported net income of ¥2,615 million and total unitholders' equity of ¥91,729 million.

**Unit Information**

The Company was listed on the Tokyo Real Estate Investment Trust Stock Exchange on June 14, 2002 under the securities

code 8955 with the issue of 289,600 investment units. Since initial public offering, JPR has increased capital through an additional public offering in July 2003, with the current number of investment units outstanding at the end of June 30, 2004 totaling 430,000. The high and low closing prices for the periods indicated are provided in the table on the following page.

Month	yen	
	High	Low
June 2002	202,000	199,000
July 2002	203,000	200,000
Aug. 2002	205,000	202,000
Sept. 2002	205,000	203,000
Oct. 2002	219,000	203,000
Nov. 2002	240,000	215,000
Dec. 2002	240,000	225,000
Jan. 2003	239,000	220,000
Feb. 2003	227,000	219,000
Mar. 2003	229,000	217,000
Apr. 2003	249,000	227,000
May 2003	283,000	246,000
June 2003	271,000	222,000

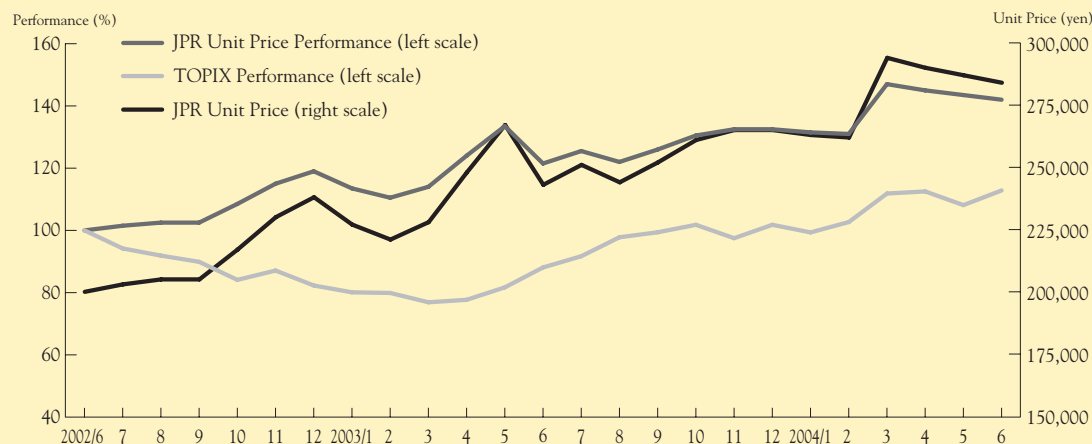
Month	yen	
	High	Low
July 2003	255,000	234,000
Aug. 2003	251,000	241,000
Sept. 2003	254,000	240,000
Oct. 2003	265,000	251,000
Nov. 2003	270,000	260,000
Dec. 2003	268,000	260,000
Jan. 2004	272,000	260,000
Feb. 2004	264,000	257,000
Mar. 2004	305,000	262,000
Apr. 2004	299,000	269,000
May 2004	293,000	272,000
June 2004	293,000	282,000

### Equity and Debt Financing

As part of its strategy that places the utmost importance on financial stability, the Company concerned itself with steadily extending asset value, undertaking the raising of stable medium-term and flexible short-term financing. In addition, as one of its diversified debt financing methods, the Company set up a commitment line. Moreover, JPR issued series of bonds.

Striving to ensure an acceptable debt maturity profile, a portion of JPR's corporate bonds are of 10-year maturity. On the issue of corporate bonds, JPR was assigned a rating of A- from Standard & Poors, A+ from Rating and Investment Information, Inc. and A3 from Moody's Investors Service. As a result, debts outstanding were ¥55,166 million as of June 30, 2004 and the balance of corporate bonds had reached ¥22,000 million.

### Investment performance of JPR since its IPO on June 14, 2002



### Borrowings-1

Category	Lender	Drawdown Date	Balance as of June 30, 2004 (thousands of yen)	Balance as of Dec. 31, 2003 (thousands of yen)	Average Interest Rate	Repayment Date	Repayment Method	Remarks
Short-Term Borrowings	The Bank of Fukuoka, Ltd.	Jan. 23, 2004	¥ 2,000,000	—	0.686%	Jan. 23, 2005	Principal lump sum repayment on maturity	Unsecured/ Unguaranteed/ Non-subordinated
	The Chugoku Bank, Ltd.	Feb. 13, 2004	4,000,000	—	0.585%	Feb. 10, 2005		
	The Norinchukin Bank	May 27, 2004	1,000,000	—	0.520%	May 27, 2005		
	The Bank of Tokyo-Mitsubishi, Ltd.	Feb. 13, 2004	3,500,000	—	0.685%	Feb. 10, 2005		
	UFJ Bank Limited	Feb. 27, 2004	3,000,000	—	0.530%	Feb. 25, 2005		
	The Mitsubishi Trust & Banking Corp.	Mar. 25, 2004	2,000,000	—	0.577%	Mar. 25, 2005		
	Aozora Bank, Ltd.	May 27, 2004	3,500,000	—	0.520%	Jan. 27, 2005		
	The Iyo Bank, Ltd.	May 27, 2004	3,000,000	—	0.520%	Jan. 27, 2005		
	Resona Bank, Limited	June 10, 2004	1,000,000	—	0.520%	Jan. 27, 2005		
		June 10, 2004	1,200,000	—	0.520%	Jan. 27, 2005		
		Mar. 28, 2003	—	3,770,000	0.928%	Mar. 27, 2004		
	Aozora Bank, Ltd.	Sept. 1, 2003	—	2,400,000	0.827%	Mar. 27, 2004		
		Oct. 15, 2003	—	1,800,000	0.828%	Mar. 27, 2004		
	Resona Bank, Limited	Mar. 28, 2003	—	3,000,000	0.928%	Mar. 27, 2004		
		Sept. 25, 2003	—	1,930,000	0.828%	Mar. 27, 2004		
<b>Total</b>			<b>¥25,200,000</b>	<b>¥12,900,000</b>				

## Borrowings-2

Category	Lender	Drawdown Date	Balance as of June 30, 2004 (thousands of yen)	Balance as of Dec. 31, 2003 (thousands of yen)	Average Interest Rate	Repayment Date	Repayment Method	Remarks
Long-Term Borrowings	Sompo Japan Insurance Inc.	Mar. 25, 2004	¥ 1,000,000	¥ —	0.873%	Mar. 23, 2007		Unsecured/Unguaranteed/ Non-subordinated
	The Chuo Mitsui Trust and Banking Company, Limited	Dec. 27, 2001	6,500,000	10,000,000	1.234%	Dec. 27, 2006	Principal lump sum repayment on maturity	Secured/ Unguaranteed/ Non-subordinated
	Sumitomo Life Insurance Company	Dec. 27, 2001	6,500,000	10,000,000	1.234%	Dec. 27, 2006		
	Resona Bank, Limited	June 19, 2002	1,000,000	2,000,000	1.295%	Dec. 27, 2006		
	Aozora Bank, Ltd.	June 19, 2002	1,000,000	3,000,000	1.295%	Dec. 27, 2006		
	Meiji Yasuda Life Insurance Company	Dec. 27, 2001	4,783,000	4,783,000	1.700%	Dec. 26, 2008		
	Meiji Yasuda Life Insurance Company	June 21, 2002	4,783,000	4,783,000	2.050%	June 21, 2011		
	Meiji Yasuda Life Insurance Company	Mar. 28, 2003	4,400,000	5,000,000	1.750%	Mar. 28, 2013		
	Total			¥29,966,000	¥39,566,000			
Total Borrowings Balance			¥55,166,000	¥52,466,000				

## Corporate Bonds

	Total Issue Amount	Issue Price	Coupon Rate	Subscription Date	Payment Date	Collateral
First Series of Corporate Bonds Japan Prime Realty Investment Corporation's First Series Unsecured Bonds	¥10 billion	¥100 with a par value of ¥100	0.84% per annum	Jan. 29, 2004	Feb. 12, 2004	Unsecured/ Unguaranteed
Second Series of Corporate Bonds Japan Prime Realty Investment Corporation's Second Series Unsecured Bonds	¥7 billion	¥100 with a par value of ¥100	1.38% per annum	Jan. 29, 2004	Feb. 12, 2004	Unsecured/ Unguaranteed
Third Series of Corporate Bonds Japan Prime Realty Investment Corporation's Third Series Unsecured Bonds	¥5 billion	¥100 with a par value of ¥100	2.32% per annum	Jan. 29, 2004	Feb. 12, 2004	Unsecured/ Unguaranteed

## MAJOR TENANTS

The following table shows JPR's top ten tenants by leased floor space as of June 30, 2004. The only major changes to occur during this period were the addition of the Kawaguchi Center

Bldg. to the list of properties that house Sompo Japan Insurance Inc. operations and the decline in floor space leased to Meiji Yasuda Life Insurance Company.

#	Tenant	Industry	Property	Leased Floor Space (m <sup>2</sup> )	%
1	The Seiyu, Ltd.	Retail	Tanashi ASTA	40,700.31	17.0
			Tsurumi fuga 1		
2	The Loft Co., Ltd.	Retail	Kuraray Nissay Bldg.	18,586.97	7.8
			Jinnan 1-chome Bldg.		
3	TOWER RECORDS JAPAN INC.	Retail	Sompo Japan Sendai Bldg.	8,076.85	3.4
			Sompo Japan Wakayama Bldg.		
4	Sompo Japan Insurance Inc.	Casualty Insurance	Kawaguchi Center Bldg.	7,547.25	3.2
			Tokyo Tatemono Honmachi Bldg.		
5	Iwatani International Corporation	Wholesale	MS Shibaura Bldg.	5,959.86	2.5
6	Tohmatsu & Co.	Accounting Firm	Arca East	5,884.10	2.5
7	Japan Future Information Technology & Systems Co., Ltd.	Other Services	MS Shibaura Bldg.	4,475.62	1.9
8	Mitsubishi Electric Information Systems Corporation	Electronics and Electrical Appliances	JPR Ikebukuro Bldg.	3,922.74	1.6
			Meiji Yasuda Life Osaka Umeda Bldg.		
9	Meiji Yasuda Life Insurance Company	Life Insurance	JPR Naha Bldg.	3,669.13	1.5
			Niigata Ekinan Center Bldg.		
10	Kanematsu Electronics Ltd.	Electronics and Electrical Appliances	Shinyokohama 2nd Center Bldg.	3,094.50	1.3
			Kanematsu Bldg.		
			Kanematsu Bldg. Annex		

## PROPERTY MANAGEMENT

In order to establish a portfolio that successfully attracts new tenants and highlights differentiation with other competing properties, planned refurbishment and repair work, together with proactive measures, are necessary. To give particular

examples, installation of upgraded air-conditioning equipment at the Asahi-Life Takamatsu 2nd Building and refurbishment of space shared by the Asahi-Life Fukuoka 3rd and 4th Buildings, is intended to strengthen their competitiveness.

But as a result of the continuing difficult business conditions in the office leasing market in regional cities, the overall occupancy rate at the end of the period was 93.2%, an increase of 0.5 of a percentage point compared with the end of the previous fiscal period.

### Planned Capital Expenditures

JPR has the following capital expenditure plan for maintenance as of June 30, 2004, on its properties. Planned project costs include portions classified into expenses for accounting purposes.

Property Name	Purpose	Schedule	Planned Project Cost (Millions of yen)		
			Total	Paid in fiscal year under review	Total payments
North 33 Bldg.	Renew exterior repair seals	Aug. 2004 – Nov. 2004	41	—	—
Kanematsu Bldg.	Renew exterior repair seals (stage 1 construction)	Aug. 2004 – Nov. 2004	26	—	—
Asahi-Life Yokohama Nihon Odori Bldg.	Renew exterior repair seals (stage 2 construction)	Aug. 2004 – Nov. 2004	42	—	—
Kuraray Nissay Bldg.	Exterior maintenance	Sept. 2004 – Dec. 2004	71	—	—
SK Hiroshima Bldg.	New air conditioner on 2nd floor	Aug. 2004 – Nov. 2004	21	—	—
SK Hiroshima Bldg.	Renew exterior repair seals	Aug. 2004 – Sept. 2004	28	—	—
JPR Takamatsu Bldg.	Maintenance on exterior of parking facility	Sept. 2004 – Dec. 2004	23	—	—
Asahi-Life Fukuoka 3rd/4th Bldg.	Repair interior of common spaces (stage 2 construction)	Aug. 2004 – Sept. 2004	21	—	—

### Capital Expenditures During Fiscal Year Under Review

JPR made the following capital expenditures related to its properties.

Most capital expenditures comprised repair work to

maintain and improve tenant satisfaction, maintenance on common areas to attract new tenants and construction including the installation of an IT floor for leased offices. JPR also spent ¥139 million on improvements besides those listed.

Property Name	Purpose	Schedule	Capital Expenditure (Millions of yen)
Asahi-Life Takamatsu 2nd Bldg.	Renew air conditioner packages on each floor	Mar. 2004 – May 2004	110
JPR Ikebukuro Bldg.	Renovation (maintenance on common area of 1st floor hall, repairs on special common area on 6th floor, upgraded air-conditioning system to individually controlled units, engineering supervising, etc.)	Jan. 2004 – Apr. 2004	108
JPR Takamatsu Bldg.	Renew air-conditioning chiller	Apr. 2004 – May 2004	26
MS Shibaura Bldg.	Maintenance on emergency generator	Apr. 2004 – June 2004	22
Asahi-Life Fukuoka 3rd/4th Bldg.	Repairs on interior of common areas	Apr. 2004 – May 2004	17
Other capital expenditures	Repairs of common areas, installation of office equipment floors, maintenance of parking, air conditioners and disaster prevention facilities		182
Total			465

Note: Improvement costs include construction management compensation (¥3 million) paid to real estate management companies in addition to amounts for improvement work.

### Cost Reductions

With regard to management costs, changing the nature and requirements related to refurbishment work carried out on the JPR Ikebukuro Building brought about a reduction of fees paid to external suppliers of 30%, those of the MS Shibaura Building by 10%. JPR changed the property manager of The Asahi-Life Yokohama Nihon Odori Building to the Tokyo Tatemono Co., Ltd. as a part of the strategy to consolidate property management (PM) companies and the implementation of property management fee reductions.

### Value Up Realty Strategy

Regarding the Company's Value Up Realty Strategy, of the six properties to which the value up strategy applies, three including the JPR Ikebukuro Building had witnessed improvements in occupancy rates of over 10% at the end of the period under review following completion of large-scale renovations.

## SUBSEQUENT EVENTS

In the subsequent six-month period, ending December 31, 2004, JPR has continued to make progress with furthering its acquisition strategy. As a part of this strategy, the Company

acquired the Shinjuku Square Tower office building in central Tokyo for ¥10,000 million on July 2, 2004.

## FINANCIAL STATEMENTS

### BALANCE SHEETS

(As of June 30, 2004 and December 31, 2003)

	thousands of yen		U.S. dollars (Note 2)
	End of 5th Period (as of June 30, 2004)	End of 4th Period (as of Dec. 31, 2003)	End of 5th Period (as of June 30, 2004)
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	¥ 17,999,938	¥ 17,111,017	\$ 166,005,146
Rental receivables	148,578	105,570	1,370,272
Consumption tax refundable	372,948	—	3,439,525
Other current assets	208,133	118,038	1,919,512
Total current assets	18,729,597	17,334,625	172,734,455
<b>PROPERTY AND EQUIPMENT AT COST:</b>			
Land	97,139,926	83,695,367	895,876,843
Buildings and structures	69,736,603	57,990,142	643,148,607
Machinery and equipment	1,230,050	1,066,039	11,344,183
Tools, furniture and fixtures	12,687	9,071	117,005
Entrusted construction in progress	1,869	2,444	17,237
Subtotal	168,121,135	142,763,063	1,550,503,875
Less accumulated depreciation	(4,737,067)	(3,538,924)	(43,687,790)
Net property and equipment	163,384,068	139,224,139	1,506,816,085
<b>INVESTMENTS AND OTHER ASSETS:</b>			
Deposits	10,100	10,100	93,148
Long-term prepaid expenses	4,450	7,322	41,038
Deferred corporate bond issuance	125,393	—	1,156,446
<b>TOTAL ASSETS</b>	<b>¥182,253,608</b>	<b>¥156,576,186</b>	<b>\$1,680,841,172</b>

The accompanying notes form an integral part of these financial statements.

	thousands of yen		U.S. dollars (Note 2)
	End of 5th Period (as of June 30, 2004)	End of 4th Period (as of Dec. 31, 2003)	End of 5th Period (as of June 30, 2004)
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
Trade accounts payable	¥ 890,323	¥ 979,067	\$ 8,211,045
Accounts payable	352,922	350,816	3,254,836
Short-term debt	25,200,000	12,900,000	232,408,005
Accrued expenses	139,995	10,934	1,291,109
Accrued income taxes	930	1,027	8,575
Accrued consumption taxes	—	56,860	—
Rent received in advance	766,494	555,270	7,069,021
Total current liabilities	27,350,664	14,853,974	252,242,591
<b>LONG-TERM LIABILITIES:</b>			
Corporate bonds	22,000,000	—	202,895,878
Long-term debt	29,966,000	39,566,000	276,362,630
Deposits received from tenants	11,208,259	10,574,972	103,368,615
Total long-term liabilities	63,174,259	50,140,972	582,627,123
<b>TOTAL LIABILITIES</b>	<b>90,524,923</b>	<b>64,994,946</b>	<b>834,869,714</b>
<b>UNITHOLDERS' EQUITY</b>			
Unitholders' capital	89,113,804	89,113,804	821,855,608
Retained earnings	2,614,881	2,467,436	24,115,850
<b>TOTAL UNITHOLDERS' EQUITY</b>	<b>91,728,685</b>	<b>91,581,240</b>	<b>845,971,458</b>
<b>TOTAL LIABILITIES AND UNITHOLDERS' EQUITY</b>	<b>¥182,253,608</b>	<b>¥156,576,186</b>	<b>\$1,680,841,172</b>

## STATEMENTS OF INCOME AND RETAINED EARNINGS

(For the six-month periods ended June 30, 2004 and December 31, 2003)

	thousands of yen		U.S. dollars (Note 2)
	5th Period (Jan. 1, 2004– June 30, 2004)	4th Period (July 1, 2003– Dec. 31, 2003)	5th Period (Jan. 1, 2004– June 30, 2004)
<b>OPERATING REVENUES:</b>	<b>¥6,790,658</b>	<b>¥6,421,099</b>	<b>\$62,627,110</b>
Real estate rental revenues	6,790,658	6,250,395	62,627,110
Gain on sale of real estate	—	170,704	—
<b>OPERATING EXPENSES:</b>	<b>3,729,108</b>	<b>3,487,138</b>	<b>34,391,846</b>
Real estate rental expenses	3,268,801	2,996,386	30,146,648
Asset management fees	293,872	276,344	2,710,248
Administrative service fees	64,529	75,607	595,123
Other operating expenses	101,906	138,801	939,827
<b>OPERATING PROFITS</b>	<b>3,061,550</b>	<b>2,933,961</b>	<b>28,235,264</b>
<b>NON-OPERATING REVENUES:</b>	<b>109,341</b>	<b>1,329</b>	<b>1,008,398</b>
Interest received	114	103	1,051
Income on settlement of management association accounts	106,678	—	983,840
Other non-operating revenues	2,549	1,226	23,507
<b>NON-OPERATING EXPENSES:</b>	<b>555,137</b>	<b>466,923</b>	<b>5,119,763</b>
Interest expense	294,764	350,649	2,718,468
Loan arrangement fees	95,808	30,704	883,590
Interest expense on corporate bonds	113,262	—	1,044,564
Amortization of corporate bond issuance costs	25,079	—	231,289
Other non-operating expenses	26,224	85,570	241,852
<b>INCOME BEFORE INCOME TAXES</b>	<b>2,615,754</b>	<b>2,468,367</b>	<b>24,123,899</b>
<b>INCOME TAXES:</b>			
Current	953	1,047	8,785
Deferred	16	(38)	150
<b>NET INCOME</b>	<b>2,614,785</b>	<b>2,467,358</b>	<b>24,114,964</b>
<b>RETAINED EARNINGS BROUGHT FORWARD</b>	<b>96</b>	<b>78</b>	<b>886</b>
<b>RETAINED EARNINGS AT END OF PERIOD</b>	<b>¥2,614,881</b>	<b>¥2,467,436</b>	<b>\$24,115,850</b>

The accompanying notes form an integral part of these financial statements.



**STATEMENTS OF CASH FLOWS (Unaudited)**  
(For the six-month periods ended June 30, 2004 and December 31, 2003)

	thousands of yen		U.S. dollars (Note 2)
	5th Period (Jan. 1, 2004– June 30, 2004)	4th Period (July 1, 2003– Dec. 31, 2003)	5th Period (Jan. 1, 2004– June 30, 2004)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Income before income taxes	¥ 2,615,754	¥ 2,468,367	\$ 24,123,899
Depreciation	1,200,523	1,044,355	11,071,873
Amortization of corporate bond issuance costs	25,079	—	231,289
Interest income	(114)	(103)	(1,051)
Interest expense	408,026	350,649	3,763,032
Increase in rental receivables	(43,008)	(41,796)	(396,645)
Increase (decrease) in consumption tax refundable	(372,948)	127,735	(3,439,524)
Increase in prepaid expenses	(31,221)	(11,708)	(287,936)
Decrease (increase) in trade accounts payable	(88,743)	206,818	(818,440)
Decrease (increase) in accounts payable	(12,603)	18,563	(116,234)
Decrease (increase) in accrued consumption taxes	(56,860)	56,860	(524,390)
Increase in rent received in advance	211,224	24,026	1,948,017
Decrease in entrusted fixed properties	—	418,920	—
Long-term prepaid expenses paid	(3,900)	—	(35,968)
Change in other current assets/liabilities	(51,195)	59,176	(472,144)
Subtotal	3,800,014	4,721,862	35,045,778
Interest received	114	103	1,051
Interest paid	(278,965)	(372,079)	(2,572,764)
Income taxes paid	(1,050)	(968)	(9,681)
Net cash provided by operating activities	3,520,113	4,348,918	32,464,384
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchases of property and equipment	(3,420,184)	(4,721,223)	(31,542,785)
Purchases of entrusted property and equipment	(21,941,192)	(10,454,938)	(202,353,517)
Payment of leasehold and security deposits received	(25,262)	(11,629)	(232,980)
Proceeds from leasehold and security deposits received	442,706	373,594	4,082,875
Payment of entrusted leasehold and security deposits received	(1,272,811)	(5,997,449)	(11,738,551)
Proceeds from entrusted leasehold and security deposits received	1,488,654	1,361,052	13,729,169
Net cash used in investing activities	(24,728,089)	(19,450,593)	(228,055,789)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from short-term borrowings	25,200,000	6,130,000	232,408,005
Repayment of short-term borrowings	(12,900,000)	(22,730,000)	(118,970,765)
Proceeds from long-term borrowings	1,000,000	—	9,222,540
Repayment of long-term borrowings	(10,600,000)	(434,000)	(97,758,923)
Proceeds from corporate bonds	22,000,000	—	202,895,878
Payments of corporate bond issuance costs	(150,472)	—	(1,387,735)
Proceeds from issuance of units	—	32,131,804	—
Distributions to unitholders	(2,452,631)	(1,988,940)	(22,619,485)
Net cash provided by financing activities	22,096,897	13,108,864	203,789,515
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>888,921</b>	<b>(1,992,811)</b>	<b>8,198,110</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>17,111,017</b>	<b>19,103,828</b>	<b>157,807,036</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>¥17,999,938</b>	<b>¥17,111,017</b>	<b>\$166,005,146</b>

The accompanying notes form an integral part of these financial statements.

## STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

(For the six-month periods ended June 30, 2004 and December 31, 2003)

	unitholders' equity		
	shares	thousands of yen	U.S. dollars (Note 2)
<b>BALANCE AS OF JUNE 30, 2003</b>	289,600	¥ 58,972,499	
Public offering	140,400	32,131,804	
Cash distributions paid	—	(1,990,421)	
Net income	—	2,467,358	
<b>BALANCE AS OF DECEMBER 31, 2003</b>	430,000	91,581,240	\$ 844,611,636
Cash distributions paid	—	(2,467,340)	(22,755,142)
Net income	—	2,614,785	24,114,964
<b>BALANCE AS OF JUNE 30, 2004</b>	430,000	¥91,728,685	\$845,971,458

The accompanying notes form an integral part of these financial statements.

## NOTES TO FINANCIAL STATEMENTS

(June 30, 2004 and December 31, 2003)

### 1. ORGANIZATION

Japan Prime Realty Investment Corporation (the "Company"), an externally managed real estate investment corporation, was incorporated on September 14, 2001 under the Law Concerning Investment Trusts and Investment Corporations of Japan, or the Investment Trust Law. The Company was formed to invest primarily in real estate in Japan.

The Company was originally formed by Tokyo Tatemono Co., Ltd., Taisei Corporation, and Tokyo Realty Investment Management, Inc. ("TRIM"), and commenced its operation on November 16, 2001 by acquiring 13 properties. TRIM, a licensed asset management company, provides professional asset management services of office and retail properties to the Company. TRIM is currently owned 26% by Tokyo Tatemono Co., Ltd., 24% by Meiji Yasuda Life Insurance Company, 20%

by Yasuda Real Estate Co., Ltd., 20% by Taisei Corporation, and 10% by Sompo Japan Insurance Inc.

On June 14, 2002, the Company raised ¥25,862 million through an initial public offering and was listed on the Tokyo Stock Exchange (Securities code: 8955).

On July 14, and August 9, 2003, the Company raised ¥32,132 million (\$299,933 thousand) through a second offering (unitholders' capital as of December 31, 2003: ¥89,114 million (\$831,829 thousand)).

As of June 30, 2004, the Company owned a portfolio of 38 properties containing an aggregate of approximately 256,329.13 square meters of leasable area, and leased its office space to 437 tenants. The occupancy rate is 93.2%.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PRESENTING FINANCIAL STATEMENTS

The Company 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 Investment Trust Law, the Japanese Commercial Code, the Securities and Exchange Law of Japan and the related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are a translation of the financial statements of the Company, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of the Company 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.

The Company's accounting period ends at the end of June and December. The Company's fifth accounting period began on January 1, 2004 and ended on June 30, 2004.

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥108.43=US\$1.00, the foreign exchange rate on June 30, 2004, has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

## PROPERTY AND EQUIPMENT

Property and equipment is stated at cost, less accumulated depreciation. The costs of land, buildings and building improvements include the purchase price of property, legal fees and acquisition costs. Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the assets ranging as follows:

Buildings.....	3–64 years
Structures .....	10–20 years
Machinery and equipment .....	3–15 years
Tools, furniture and fixtures .....	5–15 years

Expenditures for repairs and maintenance are charged to operations as incurred. Significant renewals and betterments are capitalized.

## DEFERRED ASSETS

Corporate bond issuance costs are amortized over a period of approximately three years, comprised of six fiscal periods, with an equal amount amortized in each fiscal period.

## REVENUE RECOGNITION

Revenues from leasing of office space are recognized as rent accrued over the lease period.

## TAXES ON PROPERTY AND EQUIPMENT

Property and equipment is subject to property taxes and city planning taxes on a calendar year basis. These taxes are generally charged to expenses during the period. The sellers of

the properties were liable for property taxes for the calendar year including the period from the date of purchase by the Company through the end of the year since the taxes are imposed on the registered owner as of January 1, based on the assessment made by the local government. The Company paid the amount equivalent to the property taxes to the sellers applicable to the period since acquisition and included the amount equivalent to the taxes in the purchase price of each property and capitalized as cost of the property.

## CONSUMPTION TAXES

Consumption taxes withheld and consumption taxes paid are not included in the statements of income. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld is included in the current assets and the excess of amounts withheld over payments is included in the current liabilities.

## CASH AND CASH EQUIVALENTS

The statements of cash flows are provided for information purposes only since they are not required to be prepared by the Investment Trust Law, the Japanese Commercial Code, the Securities and Exchange Law of Japan and the related regulations. Cash and cash equivalents consist of cash on hand, deposits placed with bank and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of price fluctuation, with original maturities of three months or less.

## 3. REAL ESTATE

Real estate at June 30, 2004 and December 31, 2003 consisted of the following:

	thousands of yen				U.S. dollars	
	As of June 30, 2004		As of December 31, 2003		As of June 30, 2004	
	Acquisition Costs	Book Value	Acquisition Costs	Book Value	Acquisition Costs	Book Value
Land	¥ 4,750,736	¥ 4,750,736	¥ 3,171,216	¥ 3,171,216	\$ 43,813,851	\$ 43,813,851
Buildings	4,352,438		2,540,669		40,140,535	
Accumulated depreciation	111,841	4,240,597	48,126	2,492,543	1,031,457	39,109,078
Machinery and equipment	40,122		11,227		370,028	
Accumulated depreciation	4,809	35,313	2,237	8,990	44,348	325,680
Tools, furniture and fixtures	289		290		2,669	
Accumulated depreciation	69	220	44	246	641	2,028
Entrusted land	92,389,190	92,389,190	80,524,151	80,524,151	852,062,992	852,062,992
Entrusted buildings and structures	65,384,165		55,449,473		603,008,072	
Accumulated depreciation	4,361,012	61,023,153	3,292,514	52,156,959	40,219,603	562,788,469
Entrusted machinery and equipment	1,189,928		1,054,812		10,974,155	
Accumulated depreciation	258,336	931,592	195,453	859,359	2,382,514	8,591,641
Entrusted tools, furniture and fixtures	12,398		8,781		114,336	
Accumulated depreciation	1,000	11,398	550	8,231	9,227	105,109
Entrusted construction in progress	1,869	1,869	2,444	2,444	17,237	17,237
Total		¥163,384,068		¥139,224,139		\$1,506,816,085

#### 4. SHORT-TERM DEBT

Short-term debt at June 30, 2004 and December 31, 2003 consisted of the following:

	As of June 30, 2004		As of December 31, 2003		As of June 30, 2004
	Amount (thousands of yen)	Weighted-average interest rate	Amount (thousands of yen)	Weighted-average interest rate	Amount (U.S. dollars)
Unsecured loans from a bank due on January 23, 2005	¥ 2,000,000	0.686%	¥ —	—	\$ 18,445,080
Unsecured loans from a bank due on February 10, 2005	4,000,000	0.585%	—	—	36,890,160
Unsecured loans from a bank due on May 27, 2005	1,000,000	0.520%	—	—	9,222,540
Unsecured loans from a bank due on February 10, 2005	3,500,000	0.685%	—	—	32,278,889
Unsecured loans from a bank due on February 25, 2005	3,000,000	0.530%	—	—	27,667,619
Unsecured loans from a bank due on March 25, 2005	2,000,000	0.577%	—	—	18,445,080
Unsecured loans from banks and a trust bank due on January 27, 2005	8,700,000	0.520%	—	—	80,236,097
Unsecured loans from a bank due on January 27, 2005	1,000,000	0.620%	—	—	9,222,540
Secured loans from banks due on March 27, 2004	—	—	6,770,000	0.935%	—
Secured loans from a bank due on February 27, 2004	—	—	2,400,000	0.829%	—
Secured loans from a bank due on March 27, 2004	—	—	1,800,000	0.838%	—
Secured loans from a bank due on March 27, 2004	—	—	1,930,000	0.849%	—
Total	¥25,200,000		¥12,900,000		\$232,408,005

#### 5. CORPORATE BONDS

Pursuant to a resolution of the Board of Directors' meeting held on January 28, 2004, the Company undertook an issue of corporate bonds as follows. The issuance payments were completed on February 12, 2004.

	As of June 30, 2004		As of December 31, 2003		As of June 30, 2004
	Amount (thousands of yen)	Interest rate (%)	Amount (thousands of yen)	Interest rate (%)	Amount (U.S. dollars)
Unsecured bonds due on February 12, 2008	¥10,000,000	0.84%	¥—	—%	\$ 92,225,399
Unsecured bonds due on February 12, 2010	7,000,000	1.38%	—	—%	64,557,779
Unsecured bonds due on February 12, 2014	5,000,000	2.32%	—	—%	46,112,700
Total	¥22,000,000	—%	¥—	—%	\$202,895,878

#### 6. LONG-TERM DEBT

Long-term debt at June 30, 2004 and December 31, 2003 consisted of the following:

	As of June 30, 2004		As of December 31, 2003		As of June 30, 2004
	Amount (thousands of yen)	Weighted-average interest rate	Amount (thousands of yen)	Weighted-average interest rate	Amount (U.S. dollars)
Unsecured loans from an insurance company due on March 27, 2007	¥ 1,000,000	0.873%	¥ —	—	\$ 9,222,540
Secured loans from a trust bank and an insurance company due on December 27, 2006	13,000,000	1.234%	20,000,000	1.234%	119,893,019
Secured loans from banks due on December 27, 2006	2,000,000	1.295%	5,000,000	1.295%	18,445,080
Secured loans from an insurance company due on December 26, 2008	4,783,000	1.700%	4,783,000	1.700%	44,111,408
Secured loans from an insurance company due on June 21, 2011	4,783,000	2.050%	4,783,000	2.050%	44,111,408
Secured loans from an insurance company due on March 28, 2013	4,400,000	1.750%	5,000,000	1.750%	40,579,175
Total	¥29,966,000		¥39,566,000		\$276,362,630

## 7. SECURED ASSETS

At June 30, 2004 and December 31, 2003, the following assets were pledged as collateral for the following debt:

Pledged assets:

	thousands of yen		U.S. dollars
	As of June 30, 2004	As of December 31, 2003	As of June 30, 2004
Cash and bank deposits	¥ 6,257,041	¥ 9,604,410	\$ 57,705,819
Land	37,676,782	54,633,535	347,475,623
Buildings and structures	28,623,946	41,624,667	263,985,487
Machinery and equipment	415,183	785,308	3,829,040
Tools, furniture and fixtures	3,419	7,995	31,527
Construction in progress	1,050	1,625	9,684
Total	¥72,977,421	¥106,657,540	\$673,037,180

Debt secured by the pledged assets:

	thousands of yen		U.S. dollars
	As of June 30, 2004	As of December 31, 2003	As of June 30, 2004
Short-term debt	¥ —	¥12,900,000	\$ —
Long-term debt	28,966,000	39,566,000	267,140,090
Total	¥28,966,000	¥52,466,000	\$267,140,090

## 8. UNITHOLDERS' EQUITY

Under the Investment Trust Law and the related regulations, the appropriations of retained earnings and the declaration of a cash distribution for the current accounting period are made by the resolution of the Board of Directors at a meeting held

subsequent to the close of the accounting period. As such, the retained earnings of unitholders' equity at June 30, 2004 included cash distribution of ¥2,614,830 thousand (\$24,115,374) subsequently made.

## 9. INCOME TAXES

At June 30, 2004, the Company's deferred tax assets consisted mainly of the accrued enterprise tax, which is not deductible until paid for tax purposes. The reconciliation of tax rate difference between the adjusted statutory tax rates and the effective tax rates for the six-month periods ended June 30, 2004 and December 31, 2003 were as follows:

	For the period from January 1, 2004 to June 30, 2004	For the period from July 1, 2003 to December 31, 2003
Statutory tax rate	39.39%	39.39%
Deductible dividends distribution	(39.38%)	(39.37%)
Others	0.03%	0.02%
Effective tax rate	0.04%	0.04%

The Company is subject to Japanese corporate income taxes on all of its taxable income. However, under the Special Taxation Measures Law of Japan, or the STML, an investment corporation is allowed to deduct dividends of accounting profits, or dividend distributions, paid to investors from its taxable income if certain tax requirements are satisfied. Such tax requirements include dividend distributions in excess of 90% of its taxable income for the accounting period as stipulated by Article 67-15 of the STML. Based on the distribution policy provided by the Articles of Incorporation, the Company made a dividend distribution of approximately 100% of retained earnings in the amount of ¥2,614,830 thousand (\$24,115,373) at June 30, 2004 and treated it as tax deductible dividend. The Company will not distribute the dividends in excess of accounting profit under the Articles of Incorporation.

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## 10. PER UNIT INFORMATION

The following table summarizes information about net assets per unit and net income per unit at June 30, 2004 and December 31, 2003, and for the six-month periods then ended:

	yen		U.S. dollars
	For the period from January 1, 2004 to June 30, 2004	For the period from July 1, 2003 to December 31, 2003	For the period from January 1, 2004 to June 30, 2004
Net assets at period-end per unit	¥213,322	¥212,979	\$1,967
Net income per unit	6,081	5,895	56

In calculating the net assets per unit, the amount of the net assets included the cash distribution declared in the subsequent period.

Net income per unit is computed by dividing net income by the weighted-average number of units outstanding during each period. The weighted-average number of units used in the

calculation was 430,000 units for the six months ended June 30, 2004 and 418,502 units for the six months ended December 31, 2003. Diluted net income per unit has not been presented since no warrants and convertible bonds were issued during the period.

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## 11. RELATED PARTY TRANSACTIONS

The Company entered into the following related party transactions:

	thousands of yen		U.S. dollars
	For the period from January 1, 2004 to June 30, 2004	For the period from July 1, 2003 to December 31, 2003	For the period from January 1, 2004 to June 30, 2004
Property management fees	¥ 46,224	¥143,777	\$ 426,303
Leasing commissions	1,654	27,895	15,253
Outsourced property operation	114,727	333,982	1,058,076
Repairs and maintenance	84,637	99,223	780,568

## 12. BREAKDOWN OF OPERATING REVENUES AND EXPENSES

For the six-month periods ended June 30, 2004 and December 31, 2003.

	thousands of yen		U.S. dollars
	For the period from January 1, 2004 to June 30, 2004	For the period from July 1, 2003 to December 31, 2003	For the period from January 1, 2004 to June 30, 2004
Real Estate Rental Revenues	¥6,790,658	¥6,250,395	\$62,627,110
Rental Revenues	6,388,795	5,754,165	58,920,911
Rental revenues	5,034,902	4,584,941	46,434,580
Common charges	1,155,042	992,892	10,652,421
Parking revenues	171,596	153,359	1,582,552
Other rental revenues	27,255	22,973	251,358
Non-Rental Revenues	401,863	496,230	3,706,199
Incidental income	386,432	462,940	3,563,884
Cancellation charges	548	—	5,056
Other miscellaneous revenues	14,883	33,290	137,259
Real Estate Rental Expenses	3,268,801	2,996,386	30,146,648
Property management fees	144,554	128,900	1,333,157
Utilities expenses	452,721	513,937	4,175,236
Property and other taxes	541,486	424,885	4,993,880
Casualty insurance	34,364	36,271	316,922
Repairs and maintenance	135,619	188,291	1,250,748
Depreciation	1,200,523	1,044,355	11,071,873
Other rental expenses	759,534	659,747	7,004,832
Profits	3,521,857	3,254,009	32,480,462

	thousands of yen		U.S. dollars
	For the period from January 1, 2004 to June 30, 2004	For the period from July 1, 2003 to December 31, 2003	For the period from January 1, 2004 to June 30, 2004
Proceeds from sale of real estate	¥—	¥609,335	\$—
Cost of real estate	—	418,920	—
Other related sales expenses	—	19,711	—
Gain on sale of real estate	—	170,704	—

## 13. LEASES

The Company leases office buildings and earns rental income. As of June 30, 2004 and December 31, 2003, the future lease revenues under the non-cancelable operating leases are as follows:

	thousands of yen		U.S. dollars
	As of June 30, 2004	As of December 31, 2003	As of June 30, 2004
Due within one year	¥ 3,966,507	¥ 3,010,179	\$ 36,581,272
Due after one year	22,883,779	21,794,572	211,046,566
Total	26,850,286	24,804,751	247,627,838

## 14. SUBSEQUENT EVENTS

### APPROPRIATION OF RETAINED EARNINGS

On August 19, 2004, the Board of Directors resolved to effect the payment of a cash distribution of ¥6,081 per share aggregating ¥2,615million (\$24,115 thousand) to unitholders at the record date of June 30, 2004.

## REPORT OF INDEPENDENT AUDITORS

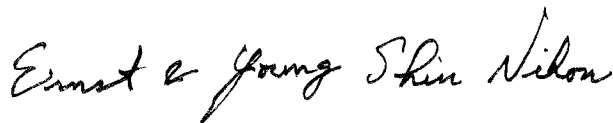
To the Board of Directors and Unitholders of  
Japan Prime Realty Investment Corporation

We have audited the accompanying balance sheets of Japan Prime Realty Investment Corporation as of June 30, 2004 and December 31, 2003, the related statements of income and retained earnings, and changes in unitholders' equity for the six-month periods ended June 30, 2004 and December 31, 2003, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Japan Prime Realty Investment Corporation at June 30, 2004 and December 31, 2003, and the results of its operations for the six-month periods ended June 30, 2004 and December 31, 2003 in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying financial statements with respect to the six-month period ended June 30, 2004 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2.



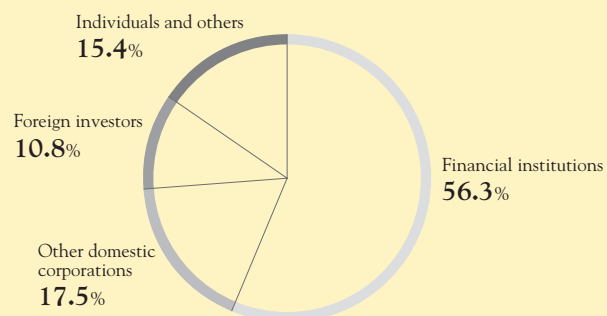
August 19, 2004



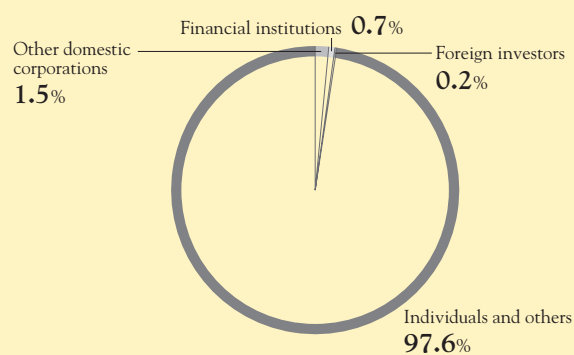
## UNITHOLDER INFORMATION

### Breakdown of Unitholders (As of June 30, 2004)

#### By Number of Units Held



#### By Composition



### Major Unitholders (As of June 30, 2004)

	Units	(%)
Japan Trustee Services Bank, Ltd.	39,350	9.2
Tokyo Tatemono Co., Ltd.	29,300	6.8
Meiji Yasuda Life Insurance Company	24,000	5.6
Kawasaki Gakuen	19,700	4.6
Goldman Sachs International	17,257	4.0
AIG Star Life Insurance Co., Ltd.	11,940	2.8
Trust & Custody Service Bank, Ltd.	11,230	2.6
The Hiroshima Bank, Ltd.	10,018	2.3
North Pacific Bank, Ltd.	9,399	2.2
Deutsche Bank AG London PB Non-Treaty Clients	8,792	2.0

## MEMBERS OF THE BOARD (As of October 1, 2004)

**Name** *Title***Biography**

\*Number of Investment Units Held

**Japan Prime Realty Investment Corporation****Hirohito Kaneko** *Executive Officer* \*0

Dec. 19, 2001	Executive Officer of Japan Prime Realty Investment Corporation
Apr. 1, 1979	Representative Counsel (currently on service) of Hirohito Kaneko Law Office
Apr. 1, 1977	Bar admission (Tokyo Bar Association) Shigeru Yamada Law Office

**Sosuke Yasuda** *Supervising Officer* \*0

Sept. 14, 2001	Supervising Officer, Japan Prime Realty Investment Corporation
Oct. 1, 1999	Director and Senior Partner (currently on service), Tokyo Hokuto & Co., (Tokyo Akasaka Audit Co. and Hokuto Audit Co. merged)
July 2, 1993	Senior Partner, Tokyo Akasaka Audit Co.
Feb. 16, 1983	Representative of Tokyo Akasaka CPA Joint Office
June 27, 1980	Sosuke Yasuda Tax Accountant Office (currently on service)
Dec. 1, 1975	Masamitsu Serizawa Accounting Firm
Apr. 1, 1968	Main Store, KK Ohgiya

**Shigeru Sugimoto** *Supervising Officer* \*0

Sept. 14, 2001	Supervising Officer, Japan Prime Realty Investment Corporation
June 1, 2001	Auditor, Morimoto Co., Ltd. (currently on service)
Oct. 2, 1999	Representative Director of Tokyo SPC Services (currently on service)
June 24, 1998	Senior Partner (currently on service) of Horwath Sakura & Co. (ex- Sakura Audit Corporation)
Dec. 1, 1996	Horwath International
Dec. 22, 1995	Sakura Audit Corporation
July 1, 1988	Representative Director of Sakura & Co. (currently on service)
Nov. 1, 1985	Ohta Showa Audit Corporation
Apr. 1, 1982	Housing and Urban Development Public Corporation

**Tokyo Realty Investment Management, Inc.****Toshihiro Hagiwara** *President and CEO* \*0

Jan. 23, 2001	President, Tokyo Realty Investment Management, Inc.
Apr. 1, 1999	Director and Head of Osaka Branch Office
Jan. 1, 1998	Head of Development Business Department of Kinshicho Project (Tokyo) and led negotiations for city planning of large-scale development of more than 28,000m <sup>2</sup>
Mar. 28, 1992	Director of Secretary's Office and Human Resources
Apr. 20, 1989	Planning of redevelopment scheme connecting Akihabara and Okachimachi (Tokyo) for JR East Urban Development Corporation (Joint Venture of Japan Railway East)
July 1, 1985	Property management and acquisition businesses of Building Department
Apr. 1, 1968	Tokyo Tatemono Co., Ltd.

**Takeshi Maki** *Director and Chief Financial Officer* \*0

July 1, 2001	Director and Chief Financial Officer, Tokyo Realty Investment Management, Inc.
Apr. 1, 2000	General Manager of Pension Management Department
Apr. 1, 1991	Manager of International Investment Department in charge of investments in overseas real estate and financing activities
Oct. 1, 1989	Investment Banking Division of Paine Webber Japan Inc. in Tokyo, where he was involved with M&A and IPO businesses
Oct. 23, 1983	New York representative office of Yasuda Life
Apr. 1, 1973	Finance Department of The Yasuda Mutual Life Insurance Company

**Yukio Furuya** *Director and Chief Investment Officer* \*0

Jan. 23, 2000	Director and Chief Investment Officer of Tokyo Realty Investment Management, Inc.
Apr. 1, 1999	Group leader of the Sales Planning Group Structured a system of property management services
Jan. 1, 1998	Tenant-leasing team leader
June 1, 1993	Took charge of tenant leasing
Nov. 1, 1990	Tokyo Tatemono of America
Apr. 1, 1981	Tokyo Tatemono Co., Ltd. Involved in real estate investment, leasing to tenants and appraisals of real estate

**Kazuo Kitami** *Director and Chief Administrative Officer* \*0

Oct. 1, 2004	Director and Chief Administrative Officer, Tokyo Realty Investment Management, Inc.
Apr. 1, 1997	Manager of Credit Assessment Dept. 2, Management and Administration Division. Responsible for loan administration. Responsible for credit administration involved in the bulk sale of non-performing loans, involved in self-assessment and formulation of insurance investigation manual. Manager, Loans Administration between Aug. 2000 through Mar. 2003, responsible for loan-related accounting.
Apr. 1, 1995	Manager of Real Estate Development responsible for overall operations.
Sept. 1, 1989	Manager of Real Estate Development Dept., Real Estate Division. Involved in real estate investment activities, property leasing and property management.
Mar. 1, 1977	Asset Management Division (Loans, Real Estate and Other). Engaged in loan front office operations. Involved in the establishment of a leasing subsidiary.
Apr. 1, 1975	The Yasuda Mutual Life Insurance Company (Currently Meiji Yasuda Life Insurance Company)

## CORPORATE DATA

### Head Office

9-9 Yaesu 1-Chome, Chuo-ku, Tokyo 103-8285, Japan  
Tel: +81-3-3231-1051  
Fax: +81-3-3274-7775

### Date of Establishment

September 14, 2001

### Listing

Tokyo Stock Exchange (Securities Code: 8955)

### Fiscal Period Ends

June 30 and December 31 of each year

### General Meeting of Unitholders

More than once every two years

### 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

Mizuho Trust & Banking Co., Ltd.  
2-1 Yaesu 1-chome, Chuo-ku, Tokyo  
Main Branch, Stock Transfer Agency Division

**Mailing Address** Mizuho Trust & Banking Co., Ltd.  
1-17-7 Saga, Koto-ku, Tokyo 135-8722  
Stock Transfer Agency Division

**Telephone Agents** +81-3-5213-5213 (Representative)  
Mizuho Trust & Banking Co., Ltd.  
(All branches nationwide)

Mizuho Investors Securities Co., Ltd.  
(Head Office and all branches nationwide)

**Note:** On March 12, 2003, Mizuho Trust & Banking Co., Ltd. merged with Mizuho Asset Trust & Banking Co., Ltd., to establish a new trust and banking entity under the name of Mizuho Trust & Banking Co., Ltd. As a result, Mizuho Trust & Banking's main branch changed its address on the same date.

### Web site

[http://www.jpr-reit.co.jp/jpr\\_e/index.html](http://www.jpr-reit.co.jp/jpr_e/index.html)

### Performance

Trends in occupancy rate by area and purpose; trends in investment conditions. Updated monthly.

### FAQ

Answers to commonly asked questions by our unitholders and investors are found here.



### English page

This Web site has been created specifically for our English-speaking readers.

### Investor Relations

News releases are posted here as appropriate, as well as information useful to unitholders and investors in evaluating the status of JPR, including financial statements and other legally mandated reports.



This document contains a translation of selected information described in the Financial Report (Kessan Tanshin) dated August 19, 2004 prepared under the timely disclosure requirements of the Tokyo Stock Exchange, as well as the Financial Statements and Performance Information Report prepared pursuant to the Investment Trust Law of Japan, for the period from January 1, 2004 to June 30, 2004 of Japan Prime Realty Investment Corporation ("JPR").

This English language document was prepared solely for the convenience of and reference by non-Japanese investors and is not intended to constitute a disclosure document. The Japanese language Financial Report, Financial Statements and Performance Information Report for the aforementioned period should be referred to as the originals of this document.

English translations for legal, accounting, tax and business concepts used herein may not convey precisely identical concepts of the equivalent Japanese terms. The figures presented in the financial statements may differ from the Company's Financial Report (Kessan Tanshin) due to rounding. With respect to any and all terms herein, including without limitation, financial statements, if there exist any discrepancies in the meaning or interpretation thereof between the original Japanese documents and English documents contained herein, the original Japanese documents will govern the meaning and interpretation. Neither JPR, Tokyo Realty Investment Management, Inc. nor any of their respective directors, officers, employees, partners, unitholders, agents or affiliates will be responsible or liable for the completeness, appropriateness or accuracy of English translations or the selection of the portion(s) of any document(s) translated into English. No person has been authorized to give any information or make any representations other than as contained in this document in relation to the matters set out in this document, and if given or made, such information or representation must not be relied upon as having been authorized by JPR, Tokyo Realty Investment Management, Inc. or any of their respective directors, officers, employees, partners, unitholders, agents or affiliates.

The financial statements of JPR have been prepared in accordance with generally accepted accounting principles in Japan (Japanese GAAP), which may materially differ in certain respects from generally accepted accounting principles in other jurisdictions.

Many provisions of this document contain information that constitute forward-looking statements. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors.

