



JPR

Japan Prime Realty Investment Corporation

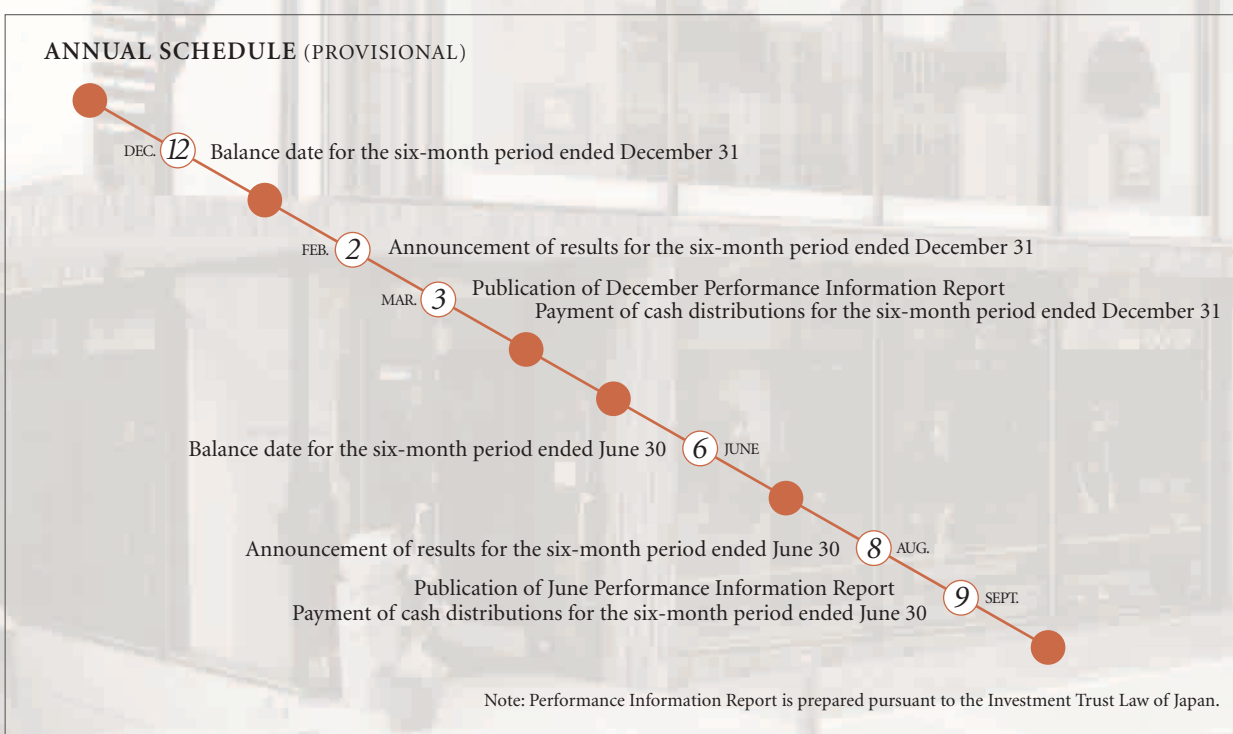
Sixth Fiscal Period Business Report
July 1, 2004 – December 31, 2004



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.



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TO OUR INVESTORS

Japan Prime Realty Investment Corporation (“JPR” or “the Company”) together with Tokyo Realty Investment Management, Inc. (TRIM), its asset management company, are pleased to report impressive results for the six-month period ended December 31, 2004 (the Company’s sixth fiscal period). A leader in its industry, JPR continued to overcome challenging conditions and the impact of increased competition in the acquisition of investment properties. For the period under review, operating revenues climbed 13.2% compared with the previous fiscal period to ¥7,686 million, while the portfolio occupancy rate as of December 31, 2004, rose 1.9 percentage points to 95.1%.

On the earnings front, increased profits for the full fiscal period from JPR’s property portfolio including newly acquired properties, the aforementioned improvement in the occupancy rate, and ongoing efforts to reduce costs, all contributed to double-digit percentage growth. Operating profits surged 13.3% to ¥3,469 million, while net income grew ¥254 million to ¥2,869 million. JPR is confident the foundation exists for long-term stable profits underpinned by its quality portfolio and competitive advantage compared with other publicly listed Japanese real estate investment trusts (J-REITS). On an annualized basis, portfolio net operating income (NOI) yield of 6.1% compared favorably with the industry average.



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

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



Another key consideration of the Company is the return of profits to its unitholders. In the sixth fiscal period, cash distribution per unit was ¥6,671, representing 100% of distributable income, an increase of 9.7% compared with ¥6,081 for the previous fiscal period. The number of investment units issued and outstanding as of December 31, 2004, remained unchanged and stood at 430,000 units.

OVERVIEW OF THE SIXTH FISCAL PERIOD

Office Buildings

Underpinned by a slowdown in the supply of new properties, which alleviated downward pressures on overall rental rates, conditions in the market for leased office space were favorable, buoyed by the general upswing in the economy and increasing parity between supply and demand. In much of Greater Tokyo, vacancy rates fell to approximately 5% with increased demand for large-scale premier properties. In regional business districts, particularly in Osaka, Nagoya, Fukuoka, and other major metropolitan cities, this positive trend was more pronounced. While rentals in these areas continued in an adjustment phase, demand for prime locations appeared on the upswing.


Commercial Facilities

Conditions in the commercial facilities sector were stagnant as the pace of growth, previously exhibited by the IT and digital consumer electronics industries, slowed. General business conditions were also impacted by inclement weather in the second half, which prompted a drop in retail and department store sales. In the retail property market, rental rates

declined in commercial business districts (CBDs). This was despite the ongoing shift by domestic appliance volume-retailers and “do-it-yourself” home improvement centers from the suburbs to urban areas. In regional areas, the focus on location and facilities also continued unabated, with signs of a recovery in rental rates for prime, high-specification properties.

Real Estate

For the fiscal period under review, Japan’s real estate market continued to attract investment, fueled by a soft recovery in the Japanese macro economy, prospects of improved parity between supply and demand for lease rental properties, and other favorable factors. Demand from overseas and domestic investment funds also increased, reflecting the lack of more attractive opportunities given the prolonged low interest rate environment in Japan, the relative cost advantages of real estate markets in Japan compared with overseas markets, and a global capital surplus. In Japan’s property sales market, demand for prime properties, particularly in Tokyo’s CBDs, continued to intensify. Underpinned by a number of private real estate funds and the increase in J-REITs, the market experienced a significant increase in property prices in comparison with their appraisal values. This trend was also evident for retail properties and real estate located in areas such as Osaka, Nagoya, Fukuoka, and other cities.



“A general upswing in the economy and improved parity between supply and demand for lease rental properties has created favorable conditions for investment in Japan’s real estate market.”

Acquisitions and Divestments

Under these circumstances and in accordance with its fundamental investment policy, JPR continued efforts to establish a stable revenue stream, to improve the quality of its portfolio, and to diversify its asset holdings based on geographical location, type of use, tenant composition, and investment amount. The Company also maintains a number of pipelines in connection with the acquisition of investment properties. These primarily comprise acquisitions through sponsor collaboration and acquisitions through direct negotiation.

The six months to December 31, 2004, was also a period in which JPR redefined and clarified this fundamental investment policy, adopting a more flexible and aggressive approach. While the Company continues to apply existing criteria on an “in principle” basis, namely to maintain a 6:4 ratio of properties held in Tokyo and other regions and an 8:2 ratio of office buildings and commercial facilities, to secure a diverse tenant profile, and to acquire properties at a cost of ¥1,000 million and above, JPR anticipates it will occasionally step outside these guidelines as it aggressively pursues business opportunities. Leveraging its high-quality portfolio and competitive advantage, the Company will selectively assume higher risks based on calculated and appropriate returns.

In the fiscal period under review, JPR acquired the Shinjuku Square Tower on July 2, 2004 (co-ownership for an investment of ¥10,000 million), the SS Daikanyama on October 5, 2004 (for an investment of ¥2,160 million), the BYGS Shinjuku Building on November 9, 2004 (co-ownership for an investment of ¥2,900 million), the Shin-Kojimachi Building on November 12, 2004 (increase in co-ownership for an investment of ¥200 million), and the Across Shinkawa Building Annex on November 26, 2004 (co-ownership for an investment of ¥710 million). As a result of these acquisi-

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 (*)
	6th period ended December 31, 2004	5th period ended June 30, 2004	6th period ended December 31, 2004
Operating revenues	7,686	6,791	73.8
Operating expenses	4,217	3,729	40.5
Operating profits	3,469	3,062	33.3
Income before income taxes	2,870	2,616	27.5
Net income	2,869	2,615	27.5
Total assets	198,674	182,254	1,906.5
Interest-bearing liabilities	51,066	77,166	490.0
Total unitholders' equity	91,982	91,729	882.7
Unitholders' capital	89,114	89,114	855.1
Cash distributions	2,868	2,614	27.5
Dividend payout ratio	100%	100%	—
Number of units (units)	430,000	430,000	—
Unitholders' equity per unit (yen/U.S. dollars)	213,912	213,322	2,052.7
Cash distribution per unit (yen/U.S. dollars)	6,671	6,081	64.0
Funds from operations (FFO) per unit (yen/U.S. dollars)	9,907	8,874	95.1
Return on total assets (annualized)	3.0%	3.1%	—
Return on total unitholders' equity (annualized)	6.2%	5.7%	—
Equity ratio	46.3%	50.3%	—
Interest-bearing liabilities to total assets	46.8%	42.3%	—
Debt service coverage ratio (times)	9.4	10.4	—
Property net operating income (NOI)	5,404	4,722	51.9
NOI yield (annualized)**)	6.1%	6.2%	—
Property net cash flows (NCF)	4,939	4,253	47.4
NCF yield (annualized)***)	5.6%	5.6%	—
Number of properties	42	38	—
Number of tenants	496	437	—
Total leasable floor space (square meters)	273,330.52	256,329.13	—
Occupancy rate	95.1%	93.2%	—

(*) The rate of ¥104.21=US\$1.00, the foreign exchange rate on December 31, 2004, has been used for translation.

(**) NOI yield expressed as a percentage is calculated using the weighted average acquisition price on a pro-rated basis.

(***) NCF yield expressed as a percentage is calculated using the weighted average acquisition price on a pro-rated basis.

tions, JPR held 42 properties as of December 31, 2004 totaling ¥179,629 million on an acquisition basis, an increase of 4 properties and ¥15,970 million, respectively, compared with the previous period. Total leasable floor space was 273,330.52 m², up 17,001.39 m², leased to 496 tenants, an increase of 59. Adopting this more flexible approach, the ratio of properties located in Tokyo and other regions was 66.1% and 33.9%, respectively, with office buildings comprising 77.5% and commercial facilities 22.5%.

A defining and distinguishing feature of JPR is its strong relationship with sponsor companies and the acquisition of properties through direct negotiation with sellers. While the Company adopts strict criteria toward transactions with interested parties, its sponsors comprise publicly listed corporations, including Tokyo Tatemono Co., Ltd., Taisei Corporation, and Sompo Japan Insurance Inc., and other leading non-listed companies such as Meiji Yasuda Life Insurance Company and Yasuda Real Estate Co., Ltd., themselves subject to disclosure and compliance requirements. As of December 31, 2004, properties acquired through sponsor collaboration comprised 66.8% of the entire portfolio, while direct negotiation led to 66.8% on an acquisition-price basis.

In the fiscal period under review, JPR contracted to acquire a portion of the Cupo-la Main Building (1-1 Kawaguchi Redevelopment Project) on November 25, 2004 for a planned investment of ¥2,100 million. The Cupo-la Main Building



“JPR has adopted a more flexible and aggressive investment policy that will take advantage of its high-quality portfolio and competitive advantage.”

is a joint construction project including sponsor company, Taisei Corporation. Scheduled for completion in March 2006, this project is JPR's first foray into property development. On December 20, 2004, the Company also contracted to acquire the Strasse Ichibancho, a commercial facility, for an investment amount of ¥4,200 million.

In addition to those properties acquired during the period, JPR contracted to sell a portion of its property holdings. This is consistent with the Company's "Value Up, Cost Down" strategies, and also represents efforts to improve portfolio quality and ensure a balance between high and low risk investments. JPR has decided to dispose of the JPR Ikebukuro Building, the JPR Square Hakata East/West, and the JPR Park West Takamatsu for an aggregate gain on sale. In the case of the JPR Park West Takamatsu, the loss is attributed to renovation costs incurred following acquisition. Through these efforts, JPR will secure a portfolio capable of generating efficient cash flows and stable dividends and generate improvements in portfolio balance and quality.

EQUITY AND FUNDS MANAGEMENT

JPR continues to adopt strategies aimed at ensuring a sound financial position. The Company worked to steadily expand its property portfolio and procured short-term funds for flexibility and long-term funds for improved stability. In the context of its long-term funds procurement, JPR issued corporate bonds with the aim of diversifying maturities of its interest-bearing debt in anticipation of an increase in interest rates. As a result of these efforts, the balance of total outstanding debt as of December 31, 2004, stood at ¥51,066 million, with the balance of unsecured corporate bonds totaling ¥42,000 million. Standard & Poor's, Moody's Investor Service, and Rating and Investment Information, Inc., rated these

PORTFOLIO BREAKDOWN

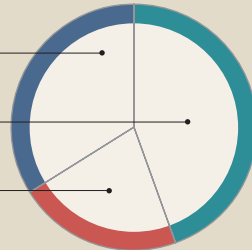
Value Breakdown by Region

¥179,629 million

33.9%
(¥60,962 million)

44.5%
(¥79,960 million)

21.6%
(¥38,707 million)



■ Tokyo CBDs ■ Greater Tokyo ■ Other cities

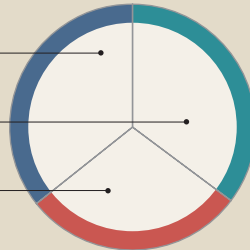
NOI Breakdown by Region

¥5,404 million

35.7%
(¥1,931 million)

35.2%
(¥1,902 million)

29.1%
(¥1,571 million)



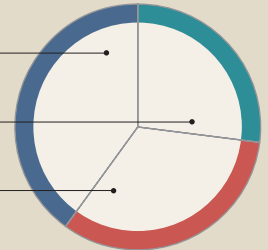
Total Leased Floor Space by Region

259,925.13 m²

40.0%
(104,090.42 m²)

27.0%
(70,196.36 m²)

33.0%
(85,638.35 m²)

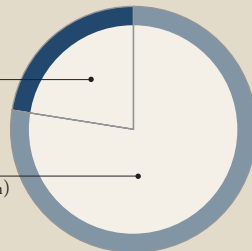


Value Breakdown by Type

¥179,629 million

22.5%
(¥40,400 million)

77.5%
(¥139,229 million)



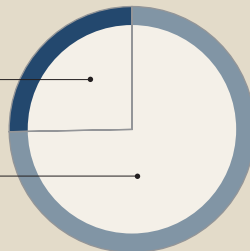
■ Offices ■ Retail properties

NOI Breakdown by Type

¥5,404 million

25.3%
(¥1,366 million)

74.7%
(¥4,038 million)

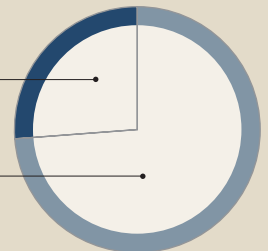


Total Leased Floor Space by Type

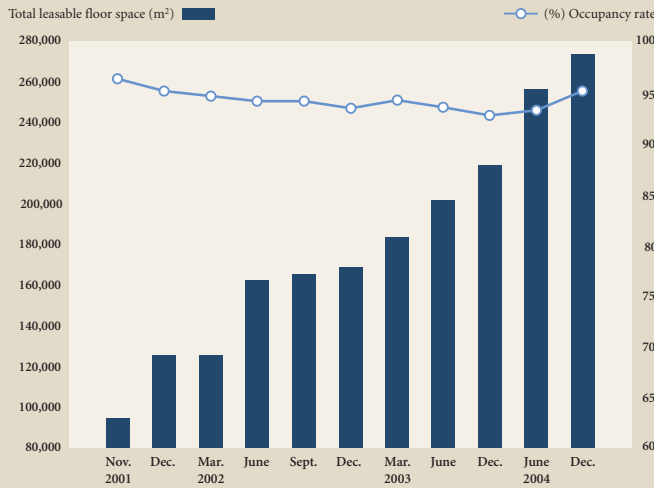
259,925.13 m²

26.2%
(68,018.12 m²)

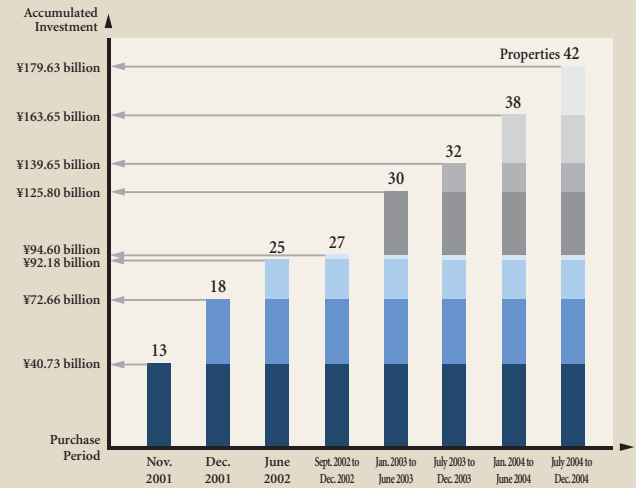
73.8%
(191,907.01 m²)



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.

corporate bonds A-, A3, and A+, respectively. With the aim of reducing exposure to potential increases in interest rates, 77.3% of total outstanding debt is long-term with fixed interest rates and a maturity of more than one year (average maturity five years). The average interest rate during the fiscal period was 1.2% and the interest-bearing debt to total assets ratio was 46.8%.

EXTERNAL AND INTERNAL FACTORS THAT IMPACT GROWTH

In its efforts to ensure sustainable growth and a consistent return to investors, JPR is confronted by external and internal factors.

External Growth Factors

The Japanese real estate market in which JPR operates is increasingly impacted by a variety of external factors including fierce competition in the acquisition of investment properties following the increase in publicly listed J-REITS and private funds, and a growing disparity in property acquisition prices and appraisal values. In order to address these factors, the Company has redefined and clarified its investment policy, with particular emphasis on three areas. First,



“To further increase brand awareness, JPR has increased the number of buildings within its portfolio bearing the JPR name, and introduced standardized brand criteria into all areas of the Company’s business activities.”

while JPR maintains an “in principle” policy to restrict acquisitions from interested parties to their appraisal value and to limit them to a maximum of 105% of appraisal values in the case of acquisitions from third parties, in future the Company will adopt a more flexible approach in the event medium- and long-term benefits to portfolio quality and returns are deemed appropriate. Transactions with interested parties are also subject to a three-level process of checks and balances in order to ensure commercial viability. Second, JPR will in certain circumstances acquire properties with an appraisal value less than ¥1,000 million. Third, the Company will actively pursue the purchase and sale of properties emphasizing quality and risk/return. Through these measures, JPR is confident it will overcome external impediments to sustainable growth and ensure continuous improvement of its investment portfolio.

Internal Growth Factors

Enhancing tenant satisfaction and maximizing economies of scale are two internal factors over which JPR retains significant control. Directly impacting growth and the Company’s ability to secure profits, JPR has adopted a brand strategy, a project management company strategy, and implemented investment incentives, in its efforts to address internal growth factors.

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. To further increase brand awareness, JPR has increased the number of buildings within its portfolio bearing the JPR name. Another aspect of the brand strategy is the introduction of standardized brand criteria into all areas of the Company’s business activities, divided along management (service, rapid response criteria, and other factors) and building (safety and energy-saving criteria) lines.

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 ²):	8,409.52	• Structure/Floors:	S/RC/SRC B4/30F
• Total Floor Space (m ²):	78,796.00	• Completed:	October 1994



SS Daikanyama

Located in Tokyo's trendy Daikanyama residential and shopping area, one minute on foot from Daikanyama Station, Tokyu Toyoko Line, this building houses one shop operated by PAL Co., LTD. It was purchased on October 5, 2004.

• Site Area (m ²):	277.12	• Structure/Floors:	RC B2/2F
• Total Floor Space (m ²):	668.09	• Completed:	July 2002



BYGS Shinjuku Building

In accordance with JPR's fundamental investment policies to acquire new office buildings in Tokyo Central Business Districts, the BYGS Shinjuku Building was acquired on November 9, 2004. Consisting of both office space and shops, this building is situated above Shinjuku-Sanchome Station, Toei Shinjuku Subway Line. Actus Co., LTD., and Kimoto Co., Ltd., are among its twenty-two tenants.

• Site Area (m ²):	3,522.46	• Structure/Floors:	SRC B2/14F
• Total Floor Space (m ²):	25,733.10	• Completed:	April 1985



Across Shinkawa Building Annex

On November 26, 2004, JPR purchased the Across Shinkawa Building Annex in Tokyo's Chuo Ward, situated five minutes on foot from Kayaba-cho Station, serviced by the Tokyo Metro Tozai Subway and Hibiya Subway Lines. Consisting of office space with parking facilities, this building houses five tenants, including UCHIDA SPECTRUM, INC.

• Site Area (m ²):	858.48	• Structure/Floors:	S/SRC B2/10F
• Total Floor Space (m ²):	5,535.90	• Completed:	June 1994




JPR has also adopted measures to streamline its property management requirements based on location, expertise and costs. Concomitant with these scale benefits, the Company has also introduced an incentive scheme based on enhancing economies of scale and reducing costs.

Through these initiatives, JPR strives to increase occupancy rates, rental income and portfolio value and to generate higher property income and investor returns.

LOOKING AHEAD

JPR has continued to make progress in furthering its acquisition strategy with the purchase of Strasse Ichibancho on February 4, 2005. In the short- to medium-term, the Company will maintain a focus on the Tokyo metropolitan area with a view to acquiring significant landmark properties. In order to offset an anticipated drop in Tokyo property yields, JPR will also identify prime return-oriented properties in other regional areas, particularly in Osaka, Nagoya, and Fukuoka. In the commercial facility market, the Company will select properties such as Strasse Ichibancho, with an emphasis on stable cash flows and portfolio stability. At the same time, JPR will adopt a more proactive approach with regard to development projects making an earlier commitment to participation.



“JPR will maintain a focus on the Tokyo metropolitan area with a view of acquiring significant landmark properties, and also identify prime return-oriented properties in other regional areas.”

Among publicly listed J-REITS, JPR boasts a strong relationship with sponsor companies and will continue to leverage these strengths. Given its track record and the revised policies adopted, the Company is well on track to achieve its mid-term goal of ¥300,000 million assets in 2006.

JPR continues to experience upward movement in all key operating and financial indicators and has undertaken an additional issue of 100,000 new investment units as a means to pursue continued growth. For the six-month period ending June 30, 2005, JPR is forecasting operating revenues of ¥8,216 million and operating profits of ¥3,675 million. Forecast net income is ¥3,074 million with an expected cash distribution per unit of ¥5,800 reflecting dilution from the new unit issue.

JPR is confident the strategies are in place to secure sustainable growth and will continue to leverage its competitive advantage. We hope this business report will provide all investors with a better understanding of the Company, its policies and the future. We thank you for your support and ask for your continued understanding.



H. Kaneko

Hirohito Kaneko, Executive Officer,
Japan Prime Realty Investment Corporation



T. Hagiwara

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

SUBSEQUENT ACTIVITY HIGHLIGHTS

Acquisition

Strasse Ichibancho

The Strasse Ichibancho was acquired in accordance with JPR's fundamental investment policies to acquire new commercial facilities. The building is situated on the most fashionable shopping promenade in Sendai, twelve minutes on foot from JR Sendai Station and four minutes on foot from Hirose-Dori Station, Sendai City Subway. The single tenant is Five Foxes Co., Ltd.

• Site Area (m ²):	648.81
• Total Floor Space (m ²):	3,445.80
• Structure/Floors:	RC/S B1/8F
• Completed:	October 2002
• Location:	Sendai-shi, Miyagi
• Acquisition Date:	February 4, 2005
• Acquisition Price:	¥4,200 million



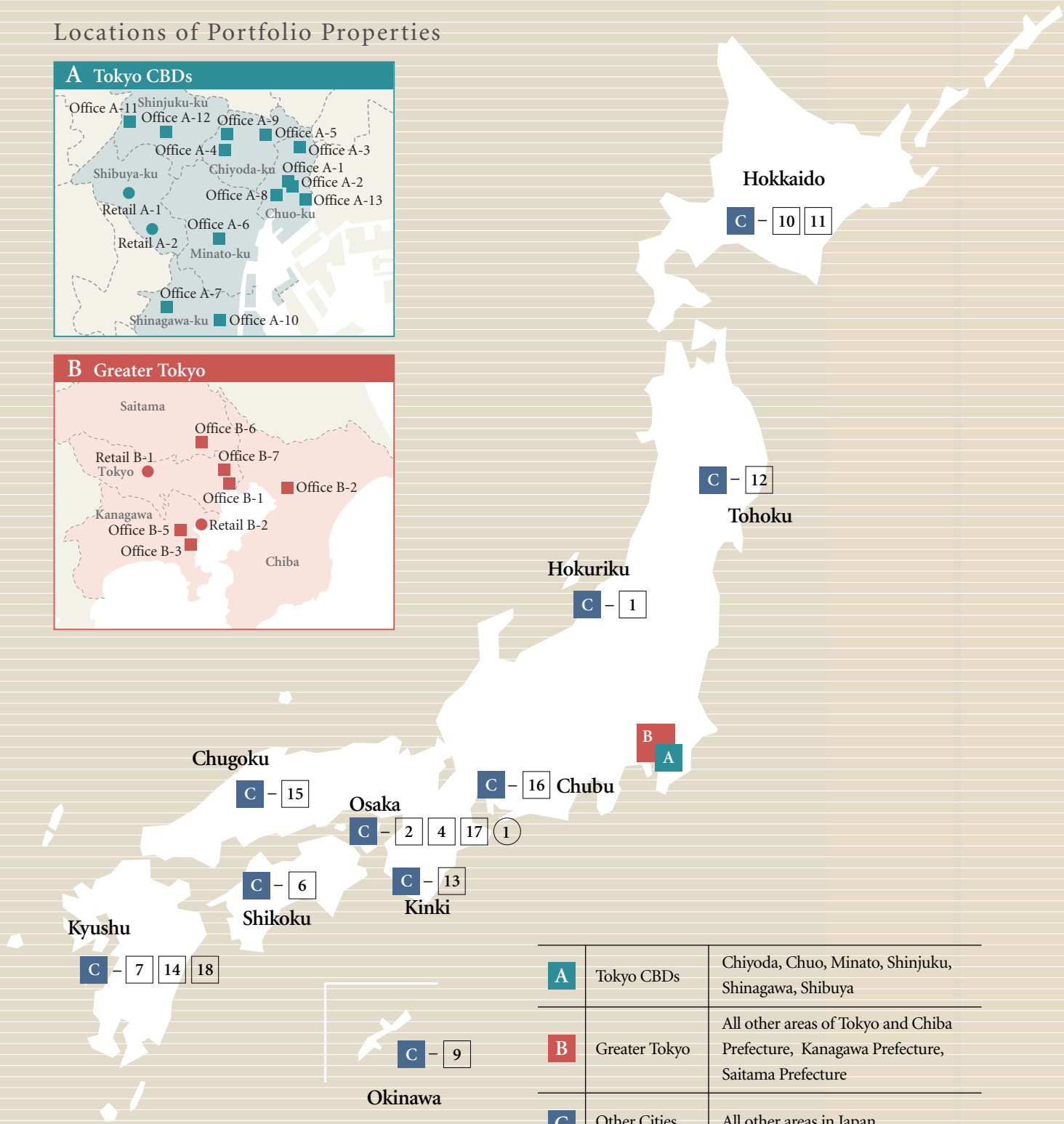
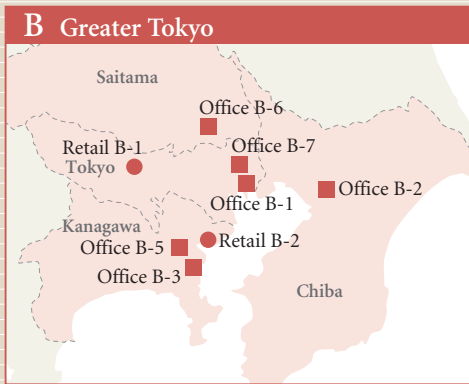
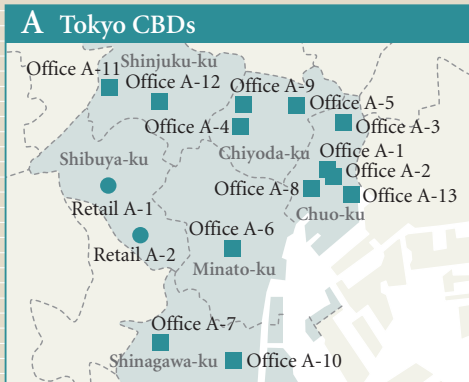
Divestments

In the period under review, JPR contracted to sell three properties, namely the JPR Ikebukuro Building, the JPR Square Hakata East/West, and the JPR Park West Takamatsu for an aggregate gain on sale. This is in accordance with the Company's fundamental investment policy, which aims to raise quality and ensure a balanced portfolio. The sale of the JPR Ikebukuro Building for ¥3,345 million, ¥743 million above its book value, exemplifies the Company's Value Up Strategy. Following the completion of large-scale renovations, the occupancy rate improved over 10% at the end of the period under review.

Issue of New Investment Units

In an effort to ensure financial stability and to sustain growth, the Company undertook a primary offering of 95,000 new investment units, and granted an option by way of third-party allotment to a maximum of 5,000 investment units for which an option was exercised. The Company procured approximately ¥26 billion, which is earmarked for the repayment of short-term debt and the acquisition of properties. Payments for each offering were completed on February 1, 2005 and March 1, 2005, respectively. Unitholders' capital was approximately ¥115 billion. The number of investment units issued and outstanding subsequent to the issue was 530,000 units.

Locations of Portfolio Properties



A	Tokyo CBDs	Chiyoda, Chuo, Minato, Shinjuku, Shinagawa, Shibuya
B	Greater Tokyo	All other areas of Tokyo and Chiba Prefecture, Kanagawa Prefecture, Saitama Prefecture
C	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 JPR Crest Takebashi Bldg.
- A-6 MS Shibaura Bldg.
- A-7 Gotanda First Bldg.
- A-8 Fukuoka Bldg.
- A-9 JPR Ichigaya Bldg.
- A-10 Oval Court Ohsaki Mark West
- A-11 Shinjuku Square Tower
- A-12 BYGS Shinjuku Bldg.
- A-13 Across Shinkawa Bldg. Annex
- A-1 JPR Shibuya Tower Records Bldg. (Retail)
- A-2 SS Daikanyama (Retail)

B Greater Tokyo

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

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.

C Other Cities—Osaka

- C-2 Meiji Yasuda Life Osaka Umeda Bldg.
- C-4 Tokyo Tatemono Honmachi Bldg.
- C-17 Dojima F Bldg.
- C-1 JPR Umeda Loft Bldg. (Retail)

C Other Cities—Chubu, Kinki, Chugoku and Shikoku

- C-16 JPR Nagoya Sakae Bldg.
- C-13 Sompo Japan Wakayama Bldg.
- C-15 SK Hiroshima Bldg.
- C-6 JPR Takamatsu Bldg.

C Other Cities—Kyushu and Okinawa

- C-7 JPR Hakata Bldg.
 - C-9 JPR Naha Bldg.
 - C-14 Tenjin 121 Bldg.
 - C-18 Semba Fukuoka 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 2004.11.12 (Total)
	Office	A-5	JPR Crest Takebashi 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	JPR Ichigaya 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
	Office	A-11	Shinjuku Square Tower	Shinjuku-ku, Tokyo	1994.10	2004. 7. 2
	Office	A-12	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	1985. 4	2004.11. 9
	Office	A-13	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	1994. 6	2004.11.26
	Retail	A-1	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	1992. 2	2003. 6.30
Retail	A-2	SS Daikanyama	Shibuya-ku, Tokyo	2002. 7	2004.10. 5	
Total						
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	JPR 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	JPR Ueno East 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
Total						
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	JPR Park West Takamatsu*	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	JPR Square Hakata East/West*	Fukuoka, Fukuoka	1984. 2 (East) 1986.10 (West)	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	JPR Nagoya Sakae Bldg.	Nagoya-shi, Aichi	building 2003. 1 parking 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	JPR Umeda Loft Bldg.	Osaka, Osaka	1990. 4	2003.5.15/7.16
Total						
Total						

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.

Note 3: The ratio of proprietary ownership is shown on the deed for the land.

Note 4: Items marked with an asterisk are those for which a transfer contract was signed on December 20, 2004. Those contracts were executed on March 18, 2005.

Acquisition Price (millions of yen)	% of Total	Appraisal Value (millions of yen)	Ownership (%)	Site Area (m ²)	Total Leasable Floor Space (m ²) (JPR's portion)	Total Leased Floor Space (m ²) (JPR's portion)	Occupancy Rate	# of Tenants	Rental Revenue (thousands of yen)	% of Total
16,276	9.1%	12,700	79.4%	1,751.13	7,976.30	7,775.46	97.5%	10	385,137	5.0%
2,874	1.6%	2,480	79.4%	679.06	2,291.13	2,291.13	100.0%	1	106,114	1.4%
2,100	1.2%	1,870	100.0%	550.06	2,788.98	2,788.98	100.0%	4	95,638	1.2%
1,670	0.9%		49.0%		2,105.44	2,105.44	100.0%	7	63,603	0.8%
550	0.3%		21.0%		901.36	901.36	100.0%	3	30,659	0.4%
200	0.1%		7.3%		312.53	312.53	100.0%	1	3,056	0.0%
(2,420)	(1.3%)	2,410		657.80	(3,319.33)	(3,319.33)	(100.0%)	(11)	(97,318)	(1.2%)
4,000	2.2%	3,220	100.0%	636.90	3,265.34	3,265.34	100.0%	9	125,100	1.6%
11,200	6.2%	11,300	36.0%	8,992.18	14,429.09	14,429.09	100.0%	7	496,100	6.5%
2,920	1.6%	2,810	57.4%	1,551.19	4,243.58	4,243.58	100.0%	2	138,084	1.8%
1,800	1.0%	1,798	10.5%	1,302.17	1,250.06	1,250.06	100.0%	1	64,667	0.8%
5,100	2.8%	5,080	100.0%	1,058.04	4,181.66	4,181.66	100.0%	9	196,401	2.6%
3,500	2.0%	3,680	23.9%	4,006.00	4,088.44	4,088.44	100.0%	2	170,375	2.2%
10,000	5.6%	9,670	29.3%	8,409.52	10,982.03	9,265.45	84.4%	17	265,420	3.5%
2,900	1.6%	2,910	25.0%	3,522.46	3,787.78	3,320.28	87.7%	22	42,973	0.6%
710	0.4%	730	35.4%	858.48	1,246.72	1,246.72	100.0%	5	7,355	0.1%
12,000	6.7%	12,700	100.0%	1,010.47	8,076.85	8,076.85	100.0%	1	345,576	4.5%
2,160	1.2%	2,080	100.0%	277.12	653.99	653.99	100.0%	1	24,977	0.3%
79,960	44.5%	75,438		35,262.58	72,581.28	70,196.36	96.7%	102	2,561,235	33.3%
5,880	3.3%	5,450	41.1%	3,755.01	7,050.10	6,567.98	93.2%	4	321,686	4.2%
2,350	1.3%	1,988	100.0%	1,382.35	5,561.68	5,330.51	95.8%	29	142,935	1.9%
2,927	1.6%	2,490	100.0%	1,100.59	6,082.25	5,532.80	91.0%	10	140,463	1.8%
2,040	1.2%	2,200	100.0%	772.77	4,605.76	4,229.75	91.8%	7	104,270	1.4%
920	0.5%	1,020	50.0%	841.71	2,640.80	2,381.03	90.2%	11	68,466	0.9%
8,100	4.5%	8,600	86.7%	4,524.61	15,478.43	15,270.77	98.7%	38	503,889	6.6%
3,250	1.8%	3,320	100.0%	1,242.97	6,512.45	5,625.20	86.4%	8	164,313	2.1%
10,200	5.7%	10,930	42.1%	12,326.30	31,121.71	31,121.71	100.0%	1	635,400	8.2%
3,040	1.7%	3,280	64.4%	1,962.18	9,578.60	9,578.60	100.0%	1	145,200	1.9%
38,707	21.6%	39,278		27,908.49	88,631.78	85,638.35	96.6%	109	2,226,622	29.0%
2,140	1.2%	2,057	52.7%	2,706.99	5,206.82	5,206.82	100.0%	14	130,621	1.7%
8,300	4.6%	8,630	33.3%	5,999.33	9,600.79	8,811.24	91.8%	21	360,818	4.7%
4,150	2.3%	3,990	64.3%	1,432.64	7,210.25	7,106.76	98.6%	10	250,747	3.3%
872	0.5%	742	100.0%	579.99	2,496.02	2,004.53	80.3%	23	43,914	0.6%
2,130	1.2%	1,340	100.0%	1,407.78	5,023.53	4,332.49	86.2%	26	91,236	1.2%
2,900	1.6%	2,660	100.0%	1,214.63	6,581.15	5,874.26	89.3%	26	153,879	2.0%
2,873	1.6%	2,600	100.0%	2,500.86	8,447.48	6,820.86	80.7%	14	172,583	2.2%
1,560	0.9%	1,490	100.0%	959.87	3,947.69	3,445.43	87.3%	15	96,929	1.3%
3,700	2.1%	2,790	100.0%	1,382.12	6,642.98	6,379.46	96.0%	23	171,000	2.2%
2,150	1.2%	1,690	100.0%	1,808.26	7,648.62	6,954.10	90.9%	23	117,962	1.5%
3,150	1.7%	3,170	100.0%	1,895.67	7,050.84	6,720.47	95.3%	10	188,735	2.5%
1,670	0.9%	1,680	100.0%	1,128.45	4,891.36	4,580.08	93.6%	16	117,168	1.5%
2,810	1.6%	2,590	52.2%	1,164.39	3,292.02	3,181.01	96.6%	13	104,927	1.4%
947	0.5%	836	100.0%	502.41	2,738.06	1,928.57	70.4%	15	55,431	0.7%
4,550	2.5%	4,655	100.0%	992.31	5,461.90	5,461.90	100.0%	20	221,395	2.9%
2,140	1.2%	2,130	100.0%	668.11	3,941.40	3,345.90	84.9%	9	123,693	1.6%
1,920	1.1%	1,960	100.0%	680.63	3,349.57	3,349.57	100.0%	6	94,427	1.2%
13,000	7.2%	11,800	100.0%	3,518.68	18,586.97	18,586.97	100.0%	1	402,411	5.2%
60,962	33.9%	56,810		30,543.12	112,117.45	104,090.42	92.8%	285	2,897,876	37.7%
179,629	100.0%	171,526		93,714.19	273,330.52	259,925.13	95.1%	496	7,685,733	100.0%

Overview of Portfolio Properties

(As of December 31, 2004)

Tokyo CBDs

Chuo-ku, Tokyo

Kanematsu Bldg.

A-1



Acquisition Price (millions of yen):	16,276
% of Total:	9.1%
Site Area (m ²):	1,751.13
Total Floor Space (m ²):	14,995.09
Structure/Floors:	S/RC/SRC B2/13F
Completed:	February 1993

Chuo-ku, Tokyo

JPR Ningyo-cho Bldg.

A-3



Acquisition Price (millions of yen):	2,100
% of Total:	1.2%
Site Area (m ²):	550.06
Total Floor Space (m ²):	4,117.70
Structure/Floors:	SRC/RC B1/8F
Completed:	December 1989

Chiyoda-ku, Tokyo

Shin-Kojimachi Bldg.

A-4



Acquisition Price (millions of yen):	2,420
% of Total:	1.3%
Site Area (m ²):	657.80
Total Floor Space (m ²):	5,152.98
Structure/Floors:	SRC B1/9F
Completed:	October 1984

Chuo-ku, Tokyo

Kanematsu Bldg. Annex

A-2



Acquisition Price (millions of yen):	2,874
% of Total:	1.6%
Site Area (m ²):	679.06
Total Floor Space (m ²):	4,351.46
Structure/Floors:	SRC B1/8F
Completed:	February 1993

Chiyoda-ku, Tokyo

JPR Crest Takebashi Bldg.

A-5



Acquisition Price (millions of yen):	4,000
% of Total:	2.2%
Site Area (m ²):	636.90
Total Floor Space (m ²):	4,790.68
Structure/Floors:	SRC B1/9F
Completed:	September 1999

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): 11,200

% of Total: 6.2%

Site Area (m²): 8,992.18

Total Floor Space (m²): 31,020.21

Structure/Floors: SRC/RC/S
B2/13F

Completed: February
1988



Shinagawa-ku, Tokyo
Gotanda First Bldg.

A-7

Acquisition Price
(millions of yen): 2,920

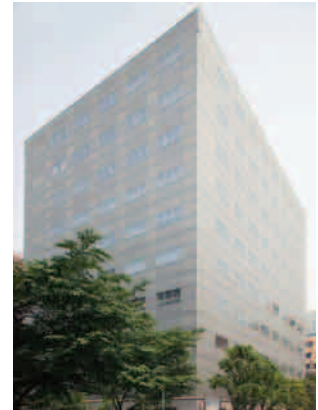
% of Total: 1.6%

Site Area (m²): 1,551.19

Total Floor Space (m²): 10,553.34

Structure/Floors: SRC/RC
B2/11F

Completed: July
1989



Chuo-ku, Tokyo
Fukuoka Bldg.

A-8

Acquisition Price
(millions of yen): 1,800

% of Total: 1.0%

Site Area (m²): 1,302.17

Total Floor Space (m²): 11,627.74

Structure/Floors: SRC
B2/10F

Completed: May 1990



Chiyoda-ku, Tokyo
JPR Ichigaya Bldg.

A-9

Acquisition Price
(millions of yen): 5,100

% of Total: 2.8%

Site Area (m²): 1,058.04

Total Floor Space (m²): 5,888.82

Structure/Floors: SRC
B1/9F

Completed: March 1989



Shinagawa-ku, Tokyo
Oval Court Ohsaki Mark West

A-10

Acquisition Price
(millions of yen): 3,500

% of Total: 2.0%

Site Area (m²): 4,006.00

Total Floor Space (m²): 28,575.80

Structure/Floors: S/SRC
B2/17F

Completed: June 2001



Shinjuku-ku, Tokyo
Shinjuku Square Tower

A-11

Acquisition Price
(millions of yen): 10,000

% of Total: 5.6%

Site Area (m²): 8,409.52

Total Floor Space (m²): 78,796.00

Structure/Floors: S/RC/SRC
B4/30F

Completed: October 1994



Shinjuku-ku, Tokyo
BYGS Shinjuku Bldg.

A-12

Acquisition Price
 (millions of yen): **2,900**

% of Total: **1.6%**

Site Area (m²): **3,522.46**

Total Floor Space (m²): **25,733.10**

Structure/Floors: SRC
 B2/14F

Completed: **April 1985**



Chuo-ku, Tokyo
Across Shinkawa Bldg. Annex

A-13

Acquisition Price
 (millions of yen): **710**

% of Total: **0.4%**

Site Area (m²): **858.48**

Total Floor Space (m²): **5,535.90**

Structure/Floors: S/SRC
 B2/10F

Completed: **June 1994**



Shibuya-ku, Tokyo
JPR Shibuya Tower Records Bldg.

A-1 (Retail)

Acquisition Price
 (millions of yen): **12,000**

% of Total: **6.7%**

Site Area (m²): **1,010.47**

Total Floor Space (m²): **8,449.56**

Structure/Floors: SRC/S
 B3/8F

Completed: **February 1992**



Shibuya-ku, Tokyo
SS Daikanyama

A-2 (Retail)

Acquisition Price
 (millions of yen): **2,160**

% of Total: **1.2%**

Site Area (m²): **277.12**

Total Floor Space (m²): **668.09**

Structure/Floors: RC
 B2/2F

Completed: **July 2002**



Greater Tokyo

Sumida-ku, Tokyo
Arca East

B-1

Acquisition Price
 (millions of yen): **5,880**

% of Total: **3.3%**

Site Area (m²): **3,755.01**

Total Floor Space (m²): **34,281.86**

Structure/Floors: S/SRC
 B3/19F

Completed: **March 1997**



Chiba, Chiba
JPR Chiba Bldg.

B-2

Acquisition Price
 (millions of yen): **2,350**

% of Total: **1.3%**

Site Area (m²): **1,382.35**

Total Floor Space (m²): **9,072.57**

Structure/Floors: S/SRC
 B1/13F

Completed: **January 1991**



Yokohama, Kanagawa

JPR Yokohama Nihon Odori Bldg.

B-3

Acquisition Price
(millions of yen): **2,927**

% of Total: **1.6%**

Site Area (m²): **1,100.59**

Total Floor Space (m²): **9,146.52**

Structure/Floors: SRC
B1/11F

Completed: **October
1989**



Yokohama, Kanagawa

Shinyokohama 2nd Center Bldg.

B-5

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

% of Total: **0.5%**

Site Area (m²): **841.71**

Total Floor Space (m²): **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: **4.5%**

Site Area (m²): **4,524.61**

Total Floor Space (m²): **28,420.85**

Structure/Floors: S/SRC
B2/15F

Completed: **February
1994**



Taito-ku, Tokyo

JPR Ueno East Bldg.

B-7

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

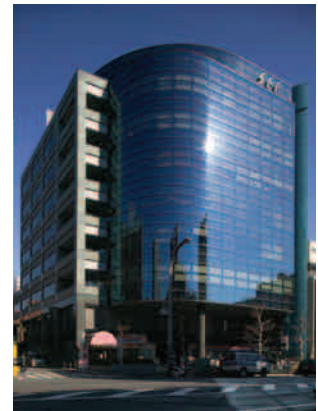
% of Total: **1.8%**

Site Area (m²): **1,242.97**

Total Floor Space (m²): **8,490.44**

Structure/Floors: S/SRC
B1/8F

Completed: **October
1992**



Nishitokyo, Tokyo
Tanashi ASTA

B-1 (Retail)

Acquisition Price
(millions of yen): **10,200**

% of Total: **5.7%**

Site Area (m²): **12,326.30**

Total Floor Space (m²): **80,675.27**

Structure/Floors: SRC B2/17F

Completed: **February 1995**



Yokohama, Kanagawa
Tsurumi fuga 1

B-2 (Retail)

Acquisition Price
(millions of yen): **3,040**

% of Total: **1.7%**

Site Area (m²): **1,962.18**

Total Floor Space (m²): **13,543.32**

Structure/Floors: SRC B2/7F

Completed: **September 1985**



Other Cities — Hokkaido, Tohoku and Hokuriku

Sapporo, Hokkaido
North 33 Bldg.

C-10

Acquisition Price
(millions of yen): 3,700

% of Total: 2.1%

Site Area (m²): 1,382.12

Total Floor Space (m²): 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

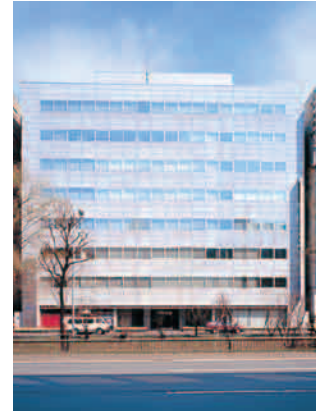
% of Total: 1.2%

Site Area (m²): 1,808.26

Total Floor Space (m²): 10,865.75

Structure/Floors: SRC
B1/8F

Completed: November
1985



Sendai, Miyagi
Sompo Japan Sendai Bldg.

C-12

Acquisition Price
(millions of yen): 3,150

% of Total: 1.7%

Site Area (m²): 1,895.67

Total Floor Space (m²): 10,783.52

Structure/Floors: SRC
B1/12F

Completed: December
1997



Niigata, Niigata
Niigata Ekinan Center Bldg.

C-1

Acquisition Price
(millions of yen): 2,140

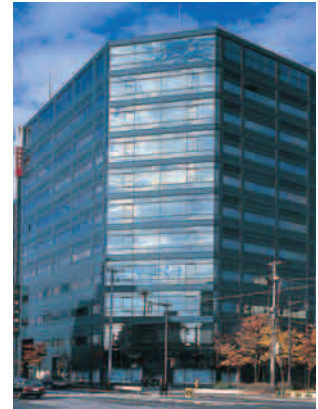
% of Total: 1.2%

Site Area (m²): 2,706.99

Total Floor Space (m²): 19,950.42

Structure/Floors: S/SRC
B1/10F

Completed: March
1996



Other Cities — Osaka

Osaka, Osaka
Meiji Yasuda Life Osaka Umeda Bldg.

C-2

Acquisition Price
(millions of yen): 8,300

% of Total: 4.6%

Site Area (m²): 5,999.33

Total Floor Space (m²): 52,982.94

Structure/Floors: S/SRC
B2/31F

Completed: June 2000



Osaka, Osaka
Tokyo Tatemono Honmachi Bldg.

C-4

Acquisition Price
(millions of yen): 4,150

% of Total: 2.3%

Site Area (m²): 1,432.64

Total Floor Space (m²): 14,619.52

Structure/Floors: SRC
B3/9F

Completed: February
1970



Osaka, Osaka

Dojima F Bldg.

C-17

Acquisition Price
(millions of yen): **2,140**

% of Total: **1.2%**

Site Area (m²): **668.11**

Total Floor Space (m²): **5,696.01**

Structure/Floors: SRC
B2/9F

Completed: **October 1993**



Osaka, Osaka

JPR Umeda Loft Bldg.

C-1 (Retail)

Acquisition Price
(millions of yen): **13,000**

% of Total: **7.2%**

Site Area (m²): **3,518.68**

Total Floor Space (m²): **17,897.56**

Structure/Floors: SRC
B1/8F

Completed: **April 1990**



Other Cities — Chubu, Kinki, Chugoku and Shikoku

Nagoya-shi, Aichi

JPR Nagoya Sakae Bldg.

C-16

Acquisition Price
(millions of yen): **4,550**

% of Total: **2.5%**

Site Area (m²): **992.31**

Total Floor Space (m²): **7,340.18**

Structure/Floors:
Building: S B1/11F
Parking: S 1F

Completed:
Building: **January 2003**
Parking: **December 1986**



Wakayama, Wakayama

Sompo Japan Wakayama Bldg.

C-13

Acquisition Price
(millions of yen): **1,670**

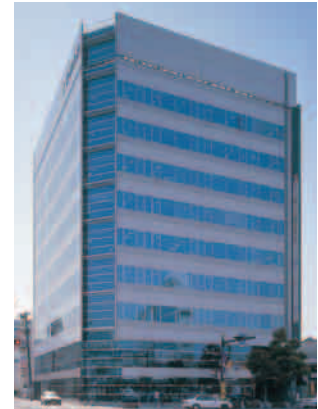
% of Total: **0.9%**

Site Area (m²): **1,128.45**

Total Floor Space (m²): **6,715.07**

Structure/Floors: **S 9F**

Completed: **July 1996**



Hiroshima, Hiroshima

SK Hiroshima Bldg.

C-15

Acquisition Price
(millions of yen): **947**

% of Total: **0.5%**

Site Area (m²): **502.41**

Total Floor Space (m²): **4,268.70**

Structure/Floors: SRC B1/9F

Completed: **December 1989**



Takamatsu, Kagawa

JPR Takamatsu Bldg.

C-6

Acquisition Price
(millions of yen): **2,130**

% of Total: **1.2%**

Site Area (m²): **1,407.78**

Total Floor Space (m²): **7,409.08**

Structure/Floors: SRC
B1/10F

Completed: **September 1982**
March 1984
(extension)



Other Cities — Kyushu and Okinawa

Fukuoka, Fukuoka JPR Hakata Bldg.

C-7

Acquisition Price
(millions of yen): **2,900**

% of Total: **1.6%**

Site Area (m²): **1,214.63**

Total Floor Space (m²): **9,828.73**

Structure/Floors:
Building: S/RC
B1/12F
Parking: S1F

Completed:
Building: **June 1985**
Parking: **November 2003**



Naha, Okinawa JPR Naha Bldg.

C-9

Acquisition Price
(millions of yen): **1,560**

% of Total: **0.9%**

Site Area (m²): **959.87**

Total Floor Space (m²): **5,780.71**

Structure/Floors: S/SRC
12F

Completed: **October 1991**



Fukuoka, Fukuoka Tenjin 121 Bldg.

C-14

Acquisition Price
(millions of yen): **2,810**

% of Total: **1.6%**

Site Area (m²): **1,164.39**

Total Floor Space (m²): **8,690.95**

Structure/Floors: S/SRC
13F

Completed: **July 2000**



Fukuoka, Fukuoka Semba Fukuoka Bldg.

C-18

Acquisition Price
(millions of yen): **1,920**

% of Total: **1.1%**

Site Area (m²): **680.63**

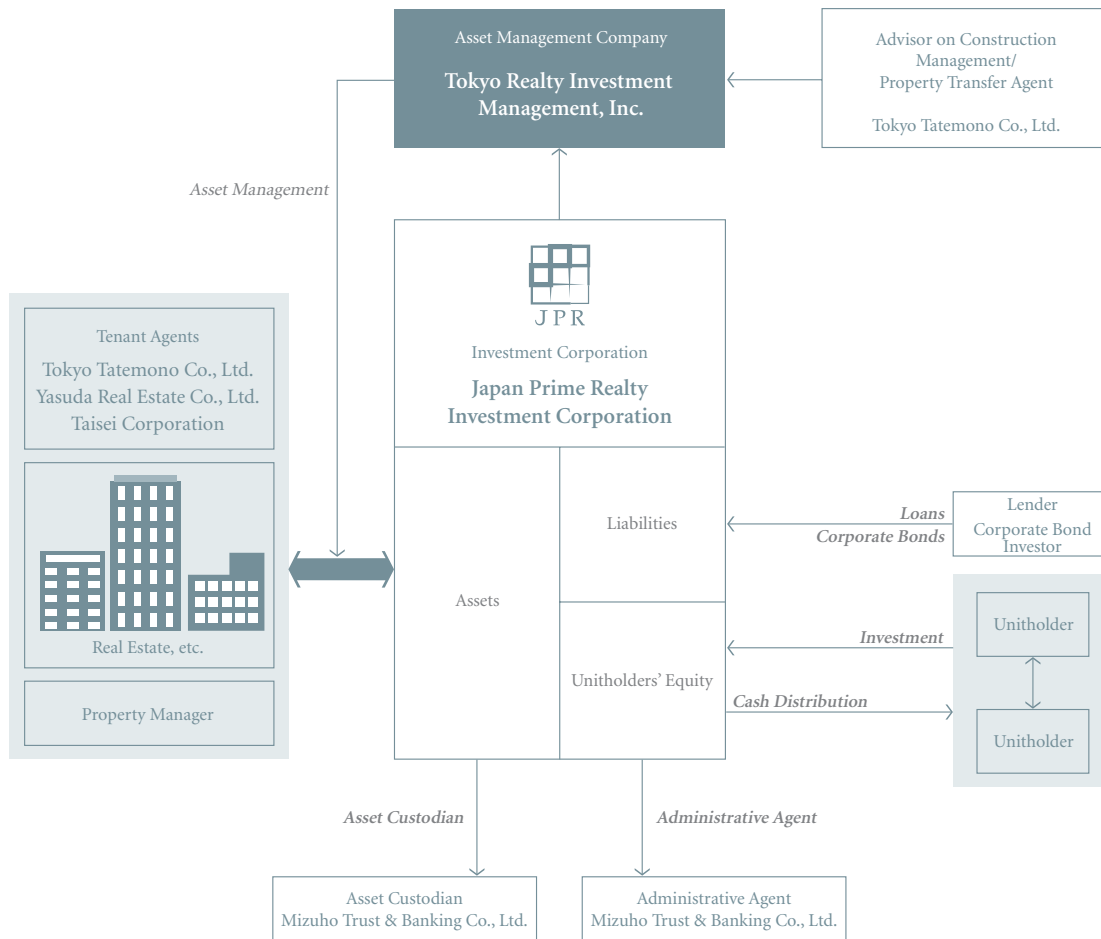
Total Floor Space (m²): **3,874.81**

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

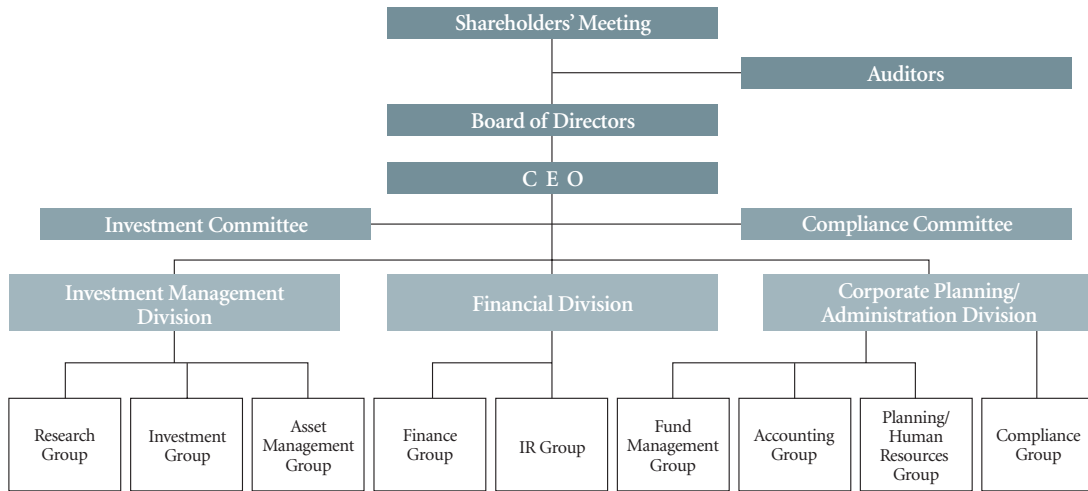
also provides advice on rental operations management and construction planning management work (“leasing management/construction management services” or “LM /CM services”) to TRIM.

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

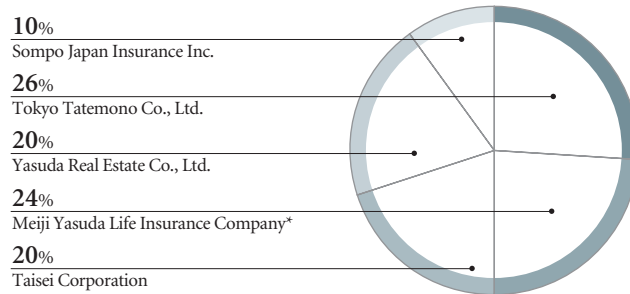
Tokyo Realty Investment Management, Inc. Tokyo Realty Investment Management, Inc., (“TRIM”) concluded the asset management contract with JPR on September 27, 2001. Based on the contract, TRIM provides asset management services as a REIT Management Company under the Investment Trust Law.

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 December 31, 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 “interested 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. Interested 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

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

	thousands of yen		U.S. dollars
	6th Period (July 1, 2004– Dec. 31, 2004)	5th Period (Jan 1, 2004– June 30, 2004)	6th Period (July 1, 2004– Dec. 31, 2004)
OPERATING REVENUES:	¥7,685,733	¥6,790,658	\$73,752,358
Real estate rental revenues	7,685,733	6,790,658	73,752,358
OPERATING EXPENSES	4,216,528	3,729,108	40,461,843
OPERATING PROFITS	3,469,205	3,061,550	33,290,515
NON-OPERATING REVENUES	13,874	109,341	133,133
NON-OPERATING EXPENSES	613,523	555,137	5,887,365
INCOME BEFORE INCOME TAXES	2,869,556	2,615,754	27,536,283
NET INCOME	¥2,868,548	¥2,614,785	\$27,526,605

In the sixth fiscal period ended December 31, 2004, JPR experienced across-the-board growth in most facets of its business operations. The Company's property portfolio as of December 31, 2004, comprised 42 properties, an increase of four tenanted properties, amounting to ¥179,629 million on an acquisition basis, covering a leasable floor space of 273,330.52 m² and 496 tenants. During the period, JPR acquired the Shinjuku Square Tower on July 2 for an investment of ¥10,000 million, the SS Daikanyama on October 5 for ¥2,160 million, the BYGS Shinjuku Building on November 9 for ¥2,900 million, and the Across Shinkawa Building Annex on November 26 for ¥710 million. JPR also increased its ownership of the Shin-Kojimachi Building on November 12. All of these properties are located in Tokyo's CBDs. Accordingly, the Company's property portfolio increased a total of ¥15,970 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 sixth fiscal period rose 13.2% to ¥7,686 million and comprised real estate rental revenues, which climbed 11.1% from ¥6,791 million. For the period under review, the occupancy rate increased 1.9 percentage points to 95.1%. Operating expenses amounted to ¥4,217 million, an increase of 13.1%, which included property tax and other items expensed during the period. As a result of the aforementioned factors, operating profits grew 13.3% to ¥3,469 million. 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 9.7% to ¥2,870 million and net income climbed by the same margin to ¥2,869 million.

CASH DISTRIBUTIONS

In the sixth fiscal period, cash distribution per unit was ¥6,671, representing 100% of distributable income, compared with ¥6,081 in the fifth fiscal period. The number of investment units

outstanding at the end of December 31, 2004, remained unchanged at 430,000 units.

	thousands of yen except per unit data	
	Cash distributions for the period ended Dec. 31, 2004	Cash distributions for the period ended June 30, 2004
Net income	¥2,868,548	¥2,614,785
Total cash distributions	2,868,530	2,614,830
Cash distribution per unit	6,671	6,081

CAPITALIZATION

Paid-In Capital

For the sixth fiscal period JPR reported net income of ¥2,869 million and total unitholders' equity of ¥91,982 million.

Unit Information

The Company was listed on the Tokyo 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 December 31, 2004, totaling 430,000. The high and low closing prices for the periods indicated are provided in the table that follows:

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
July 2003	255,000	234,000
Aug. 2003	251,000	241,000
Sept. 2003	254,000	240,000

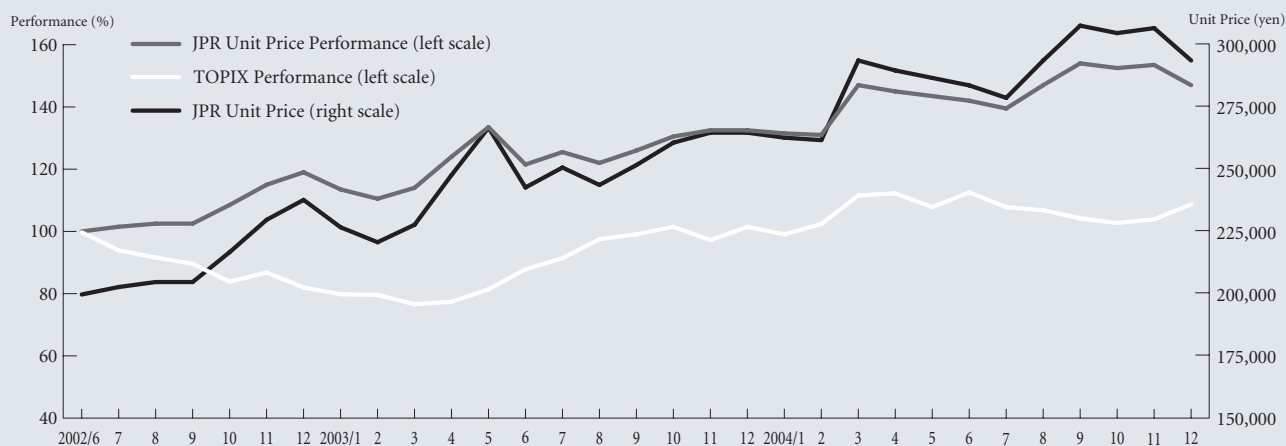
Month	yen	
	High	Low
Oct. 2003	265,000	251,000
Nov. 2003	270,000	260,000
Dec. 2003	268,000	260,000
Jan. 2004	272,000	260,000
Feb. 2004	264,000	257,000
Mar. 2004	305,000	262,000
Apr. 2004	299,000	269,000
May 2004	293,000	272,000
June 2004	293,000	282,000
July 2004	284,000	278,000
Aug. 2004	296,000	274,000
Sept. 2004	308,000	291,000
Oct. 2004	311,000	299,000
Nov. 2004	308,000	301,000
Dec. 2004	307,000	290,000

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 a series of bonds.

Striving to ensure an acceptable debt maturity profile, a portion of JPR's corporate bonds is of 10-year maturity. On the issue of corporate bonds, JPR was assigned a rating of A- from Standard & Poor's, A+ from Rating and Investment Information, Inc., and A3 from Moody's Investors Service. As a result, debts outstanding were ¥51,066 million as of December 31, 2004, and the balance of corporate bonds had reached ¥42,000 million.

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



Borrowings-1

Category	Lender	Drawdown Date	Balance as of Dec. 31, 2004 (thousands of yen)	Balance as of June 30, 2004 (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	0.688%	Jan. 23, 2005	Principal lump sum repayment on maturity	Unsecured/ Unguaranteed/ Non-subordinated
		Feb. 13, 2004	—	4,000,000	0.585%	Feb. 10, 2005		
	The Chugoku Bank, Ltd.	May 27, 2004	1,000,000	1,000,000	0.537%	May 27, 2005		
		Nov. 8, 2004	1,000,000	—	0.488%	Nov. 8, 2005		
	The Norinchukin Bank	Feb. 13, 2004	—	3,500,000	0.688%	Feb. 10, 2005		
		July 1, 2004	3,500,000	—	0.586%	June 27, 2005		
	The Bank of Tokyo-Mitsubishi, Ltd.	Feb. 27, 2004	3,000,000	3,000,000	0.539%	Feb. 25, 2005		
		July 1, 2004	3,500,000	—	0.586%	June 27, 2005		
	UFJ Bank Limited	Mar. 25, 2004	2,000,000	2,000,000	0.589%	Mar. 25, 2005		
	The Mitsubishi Trust & Banking Corp.	July 1, 2004	3,500,000	—	0.586%	June 27, 2005		
		May 27, 2004	—	3,500,000	0.536%	Jan. 27, 2005		
	Aozora Bank, Ltd.	May 27, 2004	—	3,000,000	0.536%	Jan. 27, 2005		
		June 10, 2004	—	1,000,000	0.536%	Jan. 27, 2005		
	Sept. 30, 2004	1,100,000	—	0.484%	Sept. 27, 2005			
	The Iyo Bank, Ltd.	May 27, 2004	—	1,000,000	0.636%	Jan. 27, 2005		
	Resona Bank, Limited	June 10, 2004	—	1,200,000	0.536%	Jan. 27, 2005		
The Hachijuni Bank, Ltd.	Oct. 1, 2004	1,000,000	—	0.481%	Sept. 27, 2005			
Mizuho Corporate Bank, Ltd.	Nov. 8, 2004	1,500,000	—	0.488%	Mar. 31, 2005			
Total			¥21,100,000	¥25,200,000				

Borrowings-2

Category	Lender	Drawdown Date	Balance as of Dec. 31, 2004 (thousands of yen)	Balance as of June 30, 2004 (thousands of yen)	Average Interest Rate	Repayment Date	Repayment Method	Remarks
Long-Term Borrowings	Sompo Japan Insurance Inc.	Mar. 25, 2004	¥ 1,000,000	¥ 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	6,500,000	1.234%	Dec. 27, 2006		
	Sumitomo Life Insurance Company	Dec. 27, 2001	6,500,000	6,500,000	1.234%	Dec. 27, 2006	Principal lump sum repayment on maturity	
	Resona Bank, Limited	June 19, 2002	1,000,000	1,000,000	1.295%	Dec. 27, 2006		Secured/Unguaranteed/Non-subordinated
	Aozora Bank, Ltd.	June 19, 2002	1,000,000	1,000,000	1.295%	Dec. 27, 2006		
	Meiji Yasuda Life Insurance Company	Dec. 27, 2001	4,783,000	4,783,000	1.700%	Dec. 26, 2008		
		June 21, 2002	4,783,000	4,783,000	2.050%	June 21, 2011		
		Mar. 28, 2003	4,400,000	4,400,000	1.750%	Mar. 28, 2013		
	Total		¥29,966,000	¥29,966,000				
	Total Borrowings Balance		¥51,066,000	¥55,166,000				

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
Fourth Series of Corporate Bonds Japan Prime Realty Investment Corporation's Fourth Series Unsecured Bonds	¥10 billion	¥100 with a par value of ¥100	0.92% per annum	Oct. 21, 2004	Nov. 4, 2004	Unsecured/Unguaranteed
Fifth Series of Corporate Bonds Japan Prime Realty Investment Corporation's Fifth Series Unsecured Bonds	¥5 billion	¥100 with a par value of ¥100	1.44% per annum	Oct. 21, 2004	Nov. 4, 2004	Unsecured/Unguaranteed
Sixth Series of Corporate Bonds Japan Prime Realty Investment Corporation's Sixth Series Unsecured Bonds	¥5 billion	¥100 with a par value of ¥100	2.00% per annum	Oct. 21, 2004	Nov. 4, 2004	Unsecured/Unguaranteed

MAJOR TENANTS

The following table shows JPR's top ten tenants by leased floor space as of December 31, 2004:

#	Tenant	Industry	Property	Leased Floor Space (m ²)	%
1	The Seiyu, Ltd.	Retail	Tanashi ASTA	40,700.31	15.7
2	The Loft Co., Ltd.		Tsurumi fuga 1	18,586.97	7.2
3	Shinjuku Square Tower Management Co., Ltd.		Shinjuku Square Tower	10,982.03	4.2
4	TOWER RECORDS JAPAN INC.		JPR Shibuya Tower Records Bldg.	8,076.85	3.1
5	Sompo Japan Insurance Inc.	Casualty Insurance	Sompo Japan Sendai Bldg.	6,508.19	2.5
			Kawaguchi Center Bldg.		
6	Iwatani International Corporation	Wholesale	Tokyo Tatemono Honmachi Bldg.	5,959.86	2.3
7	Tohmatsu & Co.	Accounting Firm	MS Shibaura Bldg.	4,903.42	1.9
8	Japan Future Information Technology & Systems Co., Ltd.	Other Services	Arca East	4,475.62	1.7
9	Mitsubishi Electric Information Systems Corporation	Electronics and Electrical Appliances	MS Shibaura Bldg.	3,922.74	1.5
10	CMIC Co., Ltd.	Other Services	Gotanda First Bldg.	3,295.52	1.3

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, renovations to the common areas of the SK Hiroshima Building and the JPR Square Hakata East/West are intended to improve customer satisfaction. Despite the continuing difficult business conditions in the office leasing

market in regional cities, the overall occupancy rate at the end of the period was 95.1%, an increase of 1.9 percentage points compared with the end of the previous fiscal period.

Planned Capital Expenditures

JPR has the following capital expenditure plan for maintenance as of December 31, 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
Kanematsu Bldg.	Renew exterior repair seals (stage 2 construction)	Feb. 2005 – June 2005	80	—	—
JPR Umeda Loft Bldg.	Cooling and heating generator equipment upgrade	Feb. 2005 – May 2005	41	—	—
JPR Takamatsu Bldg.	Air-cooling equipment upgrade	Mar. 2005 – May 2005	31	—	—
Kawaguchi Center Bldg.	Smoking room renovation	May 2005 – June 2005	25	—	—
Shin-Kojimachi Bldg.	7th floor renovation	Feb. 2005 – Mar. 2005	19	—	—
SK Hiroshima Bldg.	New air conditioner on 3rd floor	Feb. 2005 – June 2005	17	—	—
Tokyo Tatemono Honmachi Bldg.	Rooftop gardening work	Mar. 2005 – May 2005	15	—	—
JPR Ningyo-cho Bldg.	4th – 9th floor toilet repairs	Apr. 2005 – May 2005	11	—	—

Capital Expenditures During the 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 energy-saving facilities. JPR also spent ¥156 million on improvements besides those listed. JPR

successfully reduced property management costs for 25 properties with outsourced property management by approximately 3% on an annual basis, compared with the end of the previous period. This reduction was the result of changes in the scope of property management, different management methods and a review of outsourcing commissions.

Property Name	Purpose	Schedule	Capital Expenditure (millions of yen)
JPR Umeda Loft Bldg.	Exterior maintenance	Oct. 2004 – Dec. 2004	55
North 33 Bldg.	Renew exterior repair seals	Aug. 2004 – Oct. 2004	23
JPR Takamatsu Bldg.	Maintenance on exterior of parking facility	Oct. 2004 – Dec. 2004	23
Kanematsu Bldg.	Renew exterior repair seals (stage 1 construction)	Oct. 2004 – Dec. 2004	22
JPR Yokohama Nihon Odori Bldg.	Renew exterior repair seals (stage 2 construction)	Nov. 2004 – Dec. 2004	21
JPR Square Hakata East/West	Repair interior of common spaces (stage 2 construction)	Aug. 2004 – Sept. 2004	20
SK Hiroshima Bldg.	New air conditioner on 2nd floor	July 2004 – Aug. 2004	15
SK Hiroshima Bldg.	Renew exterior repair seals	Nov. 2004 – Dec. 2004	9
Other capital expenditures	Repairs of common areas, installation of office equipment floors, maintenance of parking, air conditioners, and disaster prevention facilities		271
Total			465

Note: Improvement costs include construction management compensation (¥4 million) paid to real estate management companies in addition to amounts for improvement work.

Value Up Realty Strategy

Regarding the Company's Value Up Strategy and of the six properties to which it 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 June 30, 2005, JPR has continued to make progress with furthering its acquisition strategy. As a part of this strategy, the Company acquired the Strasse Ichibancho commercial facility in Miyagi for ¥4,200 million on February 4, 2005. JPR has also contracted to sell three properties, namely the JPR Ikebukuro Building, the JPR Square Hakata East/West, and the JPR Park West Takamatsu for an aggregate gain on sale. In an effort to ensure financial stability and to sustain growth, the Company has also undertaken a primary offering of 95,000 additional new investment units.

Apart from the primary offering, JPR has also granted an option by way of third-party allotment to a maximum of 5,000 investment units for which an option was exercised. Proceeds from this equity funding are earmarked for the repayment of short-term debt and the acquisition of properties. Payments for the primary offering and secondary offering by way of third-party allocation were completed on February 1, 2005 and March 1, 2005, respectively. The number of investment units issued and outstanding as of March 2, 2005, was 530,000 units.

FINANCIAL STATEMENTS

BALANCE SHEETS

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

	thousands of yen		U.S. dollars
	End of 6th Period (as of Dec. 31, 2004)	End of 5th Period (as of June 30, 2004)	End of 6th Period (as of Dec. 31, 2004)
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	¥ 18,778,730	¥ 17,999,938	\$ 180,200,844
Rental receivables	158,642	148,578	1,522,334
Consumption tax refundable	—	372,948	—
Other current assets	552,064	208,133	5,297,608
Total current assets	19,489,436	18,729,597	187,020,786
PROPERTY AND EQUIPMENT AT COST:			
Land	107,315,134	97,139,926	1,029,796,893
Buildings and structures	76,481,264	69,736,603	733,914,823
Machinery and equipment	1,290,710	1,230,050	12,385,666
Tools, furniture and fixtures	15,923	12,687	152,797
Construction in progress	7,464	1,869	71,621
Subtotal	185,110,495	168,121,135	1,776,321,800
Less accumulated depreciation	(6,128,729)	(4,737,067)	(58,811,336)
Net property and equipment	178,981,766	163,384,068	1,717,510,464
INVESTMENTS AND OTHER ASSETS:			
Intangible assets	3,744	—	35,928
Deposits	10,100	10,100	96,920
Long-term prepaid expenses	3,051	4,450	29,278
Deferred corporate bond issuance costs	185,491	125,393	1,779,973
TOTAL ASSETS	¥198,673,588	¥182,253,608	\$1,906,473,349

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

	thousands of yen		U.S. dollars
	End of 6th Period (as of Dec. 31, 2004)	End of 5th Period (as of June 30, 2004)	End of 6th Period (as of Dec. 31, 2004)
LIABILITIES			
CURRENT LIABILITIES:			
Trade accounts payable	¥ 793,747	¥ 890,323	\$ 7,616,800
Other accounts payable	449,145	352,922	4,309,998
Short-term debt	21,100,000	25,200,000	202,475,770
Accrued expenses	182,659	139,995	1,752,803
Accrued income taxes	976	930	9,365
Accrued consumption taxes	37,941	—	364,079
Rent received in advance	812,367	766,494	7,795,480
Total current liabilities	23,376,835	27,350,664	224,324,295
LONG-TERM LIABILITIES:			
Corporate bonds	42,000,000	22,000,000	403,032,338
Long-term debt	29,966,000	29,966,000	287,553,977
Deposits received from tenants	11,348,350	11,208,259	108,898,861
Total long-term liabilities	83,314,350	63,174,259	799,485,176
TOTAL LIABILITIES	106,691,185	90,524,923	1,023,809,471
UNITHOLDERS' EQUITY:			
Unitholders' capital	89,113,804	89,113,804	855,136,778
Retained earnings	2,868,599	2,614,881	27,527,100
TOTAL UNITHOLDERS' EQUITY	91,982,403	91,728,685	882,663,878
TOTAL LIABILITIES AND UNITHOLDERS' EQUITY	¥198,673,588	¥182,253,608	\$1,906,473,349

STATEMENTS OF INCOME AND RETAINED EARNINGS
(For the six-month periods ended December 31, 2004 and June 30, 2004)

	thousands of yen		U.S. dollars
	6th Period (July 1, 2004– Dec. 31, 2004)	5th Period (Jan. 1, 2004– June 30, 2004)	6th Period (July 1, 2004– Dec. 31, 2004)
OPERATING REVENUES:	¥7,685,733	¥6,790,658	\$73,752,358
Real estate rental revenues	7,685,733	6,790,658	73,752,358
OPERATING EXPENSES:	4,216,528	3,729,108	40,461,843
Real estate rental expenses	3,672,910	3,268,801	35,245,282
Asset management fees	317,710	293,872	3,048,748
Administrative service fees	65,679	64,529	630,256
Other operating expenses	160,229	101,906	1,537,557
OPERATING PROFITS	3,469,205	3,061,550	33,290,515
NON-OPERATING REVENUES:	13,874	109,341	133,133
Interest received	118	114	1,132
Income on settlement of management association accounts	—	106,678	—
Other non-operating revenues	13,756	2,549	132,001
NON-OPERATING EXPENSES:	613,523	555,137	5,887,365
Interest expenses	319,171	294,764	3,062,770
Loan arrangement fees	40,164	95,808	385,411
Interest expense on corporate bonds	190,871	113,262	1,831,599
Amortization of corporate bond issuance costs	42,114	25,079	404,125
Other non-operating expenses	21,203	26,224	203,460
INCOME BEFORE INCOME TAXES	2,869,556	2,615,754	27,536,283
INCOME TAXES:			
Current	999	953	9,590
Deferred	9	16	88
NET INCOME	2,868,548	2,614,785	27,526,605
RETAINED EARNINGS BROUGHT FORWARD	51	96	495
RETAINED EARNINGS AT END OF PERIOD	¥2,868,599	¥2,614,881	\$27,527,100

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

STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY
(For the six-month periods ended December 31, 2004 and June 30, 2004)

	unitholders' equity		
	shares	thousands of yen	U.S. dollars
BALANCE AS OF DECEMBER 31, 2003	430,000	¥91,581,240	
Cash distributions paid	—	(2,467,340)	
Net income	—	2,614,785	
BALANCE AS OF JUNE 30, 2004	430,000	91,728,685	\$880,229,203
Cash distributions paid	—	(2,614,830)	(25,091,930)
Net income	—	2,868,548	27,526,605
BALANCE AS OF DECEMBER 31, 2004	430,000	¥91,982,403	\$882,663,878

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

STATEMENTS OF CASH FLOWS

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

	thousands of yen		U.S. dollars
	6th Period (July 1, 2004– Dec. 31, 2004)	5th Period (Jan. 1, 2004– June 30, 2004)	6th Period (July 1, 2004– Dec. 31, 2004)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income before income taxes	¥ 2,869,556	¥ 2,615,754	\$ 27,536,283
Depreciation	1,391,662	1,200,523	13,354,403
Amortization of corporate bond issuance costs	42,114	25,079	404,125
Interest income	(118)	(114)	(1,132)
Interest expense	510,042	408,026	4,894,369
Increase in rental receivables	(10,064)	(43,008)	(96,573)
Decrease (increase) in consumption tax refundable	372,948	(372,948)	3,578,809
Decrease in trade accounts payable	(96,577)	(88,743)	(926,752)
Increase (decrease) in other accounts payable	102,064	(12,603)	979,406
Increase (decrease) in accrued consumption taxes	37,941	(56,860)	364,079
Increase in rent received in advance	45,873	211,224	440,198
Long-term prepaid expenses paid	—	(3,900)	—
Change in other current assets/liabilities	(342,201)	(82,416)	(3,283,765)
Subtotal	4,923,240	3,800,014	47,243,450
Interest received	118	114	1,132
Interest paid	(467,378)	(278,965)	(4,484,959)
Income taxes paid	(953)	(1,050)	(9,148)
Net cash provided by operating activities	4,455,027	3,520,113	42,750,475
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(6,015,462)	(3,420,184)	(57,724,426)
Purchases of entrusted property and equipment	(10,973,897)	(21,941,192)	(105,305,606)
Purchases of intangible assets	(4,084)	—	(39,194)
Payment of leasehold and security deposits received	(158,770)	(25,262)	(1,523,555)
Proceeds from leasehold and security deposits received	498,529	442,706	4,783,893
Payment of entrusted leasehold and security deposits received	(655,841)	(1,272,811)	(6,293,452)
Proceeds from entrusted leasehold and security deposits received	456,172	1,488,654	4,377,432
Net cash used in investing activities	(16,853,353)	(24,728,089)	(161,724,908)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from short-term debt	34,300,000	25,200,000	329,143,076
Repayment of short-term debt	(38,400,000)	(12,900,000)	(368,486,709)
Proceeds from long-term debt	—	1,000,000	—
Repayment of long-term debt	—	(10,600,000)	—
Proceeds from corporate bonds	20,000,000	22,000,000	191,920,161
Payments of corporate bond issuance costs	(102,211)	(150,472)	(980,822)
Distributions to unitholders	(2,620,671)	(2,452,631)	(25,147,980)
Net cash provided by financing activities	13,177,118	22,096,897	126,447,726
NET INCREASE IN CASH AND CASH EQUIVALENTS	778,792	888,921	7,473,293
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	17,999,938	17,111,017	172,727,551
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥ 18,778,730	¥ 17,999,938	\$ 180,200,844

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

NOTES TO FINANCIAL STATEMENTS

(December 31, 2004 and June 30, 2004)

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 through a second offering (unitholders' capital as of December 31, 2003: ¥89,114 million).

As of December 31, 2004, the Company owned a portfolio of 42 properties containing an aggregate of approximately 273,330.52 square meters of leasable area, and leased its office space to 496 tenants. The occupancy rate is 95.1%.

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 sixth accounting period began on July 1, 2004 and ended on December 31, 2004.

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥104.21=US\$1.00, the foreign exchange rate on December 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	3-17 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.

INTANGIBLE ASSETS

Intangible assets are amortized utilizing the straight-line method.

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 December 31, 2004 and June 30, 2004 consisted of the following:

	thousands of yen				U.S. dollars	
	As of December 31, 2004		As of June 30, 2004		As of December 31, 2004	
	Acquisition Costs	Book Value	Acquisition Costs	Book Value	Acquisition Costs	Book Value
Land	¥ 9,510,751	¥ 9,510,751	¥ 4,750,736	¥ 4,750,736	\$ 91,265,243	\$ 91,265,243
Buildings and structures	5,588,675		4,352,438		53,628,973	
Accumulated depreciation	195,694	5,392,981	111,841	4,240,597	1,877,887	51,751,086
Machinery and equipment	55,081		40,122		528,565	
Accumulated depreciation	8,596	46,485	4,809	35,313	82,499	446,066
Tools, furniture and fixtures	289		289		2,778	
Accumulated depreciation	96	193	69	220	917	1,861
Construction in progress	4,251	4,251	—	—	40,789	40,789
Entrusted land	97,804,383	97,804,383	92,389,190	92,389,190	938,531,650	938,531,650
Entrusted buildings and structures	70,892,589		65,384,165		680,285,850	
Accumulated depreciation	5,597,147	65,295,442	4,361,012	61,023,153	53,710,264	626,575,586
Entrusted machinery and equipment	1,235,629		1,189,928		11,857,101	
Accumulated depreciation	325,376	910,253	258,336	931,592	3,122,306	8,734,795
Entrusted tools, furniture and fixtures	15,634		12,398		150,019	
Accumulated depreciation	1,820	13,814	1,000	11,398	17,463	132,556
Entrusted construction in progress	3,213	3,213	1,869	1,869	30,832	30,832
Total		¥178,981,766		¥163,384,068		\$1,717,510,464

4. SHORT-TERM DEBT

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

	As of December 31, 2004		As of June 30, 2004		As of December 31, 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 November 8, 2005	¥ 1,000,000	0.488%	¥ —	—	\$ 9,596,008
Unsecured loans from banks due on June 27, 2005	10,500,000	0.586%	—	—	100,758,085
Unsecured loans from a bank due on September 27, 2005	1,100,000	0.484%	—	—	10,555,609
Unsecured loans from a bank due on September 27, 2005	1,000,000	0.481%	—	—	9,596,008
Unsecured loans from a bank due on March 31, 2005	1,500,000	0.488%	—	—	14,394,012
Unsecured loans from a bank due on May 27, 2005	1,000,000	0.537%	1,000,000	0.537%	9,596,008
Unsecured loans from a bank due on February 25, 2005	3,000,000	0.539%	3,000,000	0.539%	28,788,024
Unsecured loans from a bank due on March 25, 2005	2,000,000	0.589%	2,000,000	0.589%	19,192,016
Unsecured loans from a bank due on January 23, 2005	—	—	2,000,000	0.688%	
Unsecured loans from a bank due on February 10, 2005	—	—	4,000,000	0.588%	
Unsecured loans from a bank due on February 10, 2005	—	—	3,500,000	0.688%	
Unsecured loans from banks and a trust bank due on January 27, 2005	—	—	8,700,000	0.536%	
Unsecured loans from a bank due on January 27, 2005	—	—	1,000,000	0.636%	
Total	¥21,100,000		¥25,200,000		\$202,475,770

5. CORPORATE BONDS

Pursuant to a resolution of the Board of Directors' meeting held on October 21, 2004, the Company undertook issues of an additional three series of corporate bonds due on November 4, 2009, November 4, 2011, and November 4, 2014. The expiry

date for settlement of the additional issues was November 4, 2004. In the previous fiscal period, the Company undertook issues of three series of corporate bonds. Details of total corporate bonds outstanding are briefly as follows:

	As of December 31, 2004		As of June 30, 2004		As of December 31, 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%	¥10,000,000	0.84%	\$ 95,960,081
Unsecured bonds due on February 12, 2010	7,000,000	1.38%	7,000,000	1.38%	67,172,056
Unsecured bonds due on February 12, 2014	5,000,000	2.32%	5,000,000	2.32%	47,980,040
Unsecured bonds due on November 4, 2009	10,000,000	0.92%	—	—	95,960,081
Unsecured bonds due on November 4, 2011	5,000,000	1.44%	—	—	47,980,040
Unsecured bonds due on November 4, 2014	5,000,000	2.00%	—	—	47,980,040
Total	¥42,000,000	—%	¥22,000,000	—%	\$403,032,338

6. LONG-TERM DEBT

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

	As of December 31, 2004		As of June 30, 2004		As of December 31, 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%	¥ 1,000,000	0.873%	\$ 9,596,008
Secured loans from a trust bank and an insurance company due on December 27, 2006	13,000,000	1.234%	13,000,000	1.234%	124,748,104
Secured loans from banks due on December 27, 2006	2,000,000	1.295%	2,000,000	1.295%	19,192,016
Secured loans from an insurance company due on December 26, 2008	4,783,000	1.700%	4,783,000	1.700%	45,897,707
Secured loans from an insurance company due on June 21, 2011	4,783,000	2.050%	4,783,000	2.050%	45,897,707
Secured loans from an insurance company due on March 28, 2013	4,400,000	1.750%	4,400,000	1.750%	42,222,435
Total	¥29,966,000		¥29,966,000		\$287,553,977

7. SECURED ASSETS

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

Pledged assets:

	thousands of yen		U.S. dollars
	As of December 31, 2004	As of June 30, 2004	As of December 31, 2004
Cash and cash equivalents	¥ 6,029,990	¥ 6,257,041	\$ 57,863,829
Land	37,676,782	37,676,782	361,546,702
Buildings and structures	28,235,478	28,623,946	270,947,879
Machinery and equipment	403,797	415,183	3,874,836
Tools, furniture and fixtures	4,543	3,419	43,595
Construction in progress	3,213	1,050	30,832
Total	¥72,353,803	¥72,977,421	\$694,307,673

Debt secured by the pledged assets:

	thousands of yen		U.S. dollars
	As of December 31, 2004	As of June 30, 2004	As of December 31, 2004
Long-term debt	¥28,966,000	¥28,966,000	\$277,957,969

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 December 31, 2004 included cash distribution of ¥2,868,530 thousand (\$27,526,437) subsequently made.

9. INCOME TAXES

At December 31, 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 December 31, 2004 and June 30, 2004 were as follows:

	For the period from July 1, 2004 to December 31, 2004	For the period from January 1, 2004 to June 30, 2004
Statutory tax rate	39.39%	39.39%
Deductible dividends distribution	(39.38%)	(39.38%)
Others	0.03%	0.03%
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 ¥2,868,530 thousand (\$27,526,437) at December 31, 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.

10. PER UNIT INFORMATION

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

	yen		U.S. dollars
	For the period from July 1, 2004 to December 31, 2004	For the period from January 1, 2004 to June 30, 2004	For the period from July 1, 2004 to December 31, 2004
Net assets at period-end per unit	¥213,912	¥213,322	\$2,053
Net income per unit	6,671	6,081	64

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 December 31, 2004. Diluted net income per unit has not been presented since no warrants and convertible bonds were issued during the period.

11. RELATED PARTY TRANSACTIONS

The Company entered into the following related party transactions:

	thousands of yen		U.S. dollars
	For the period from July 1, 2004 to December 31, 2004	For the period from January 1, 2004 to June 30, 2004	For the period from July 1, 2004 to December 31, 2004
Property brokerage fees	¥87,000	¥ —	\$834,853
Property management fees	41,175	46,224	395,116
Leasing commissions	98,577	1,654	945,944
Outsourced property operation	5,181	114,727	49,720
Repairs and maintenance	99,853	84,637	958,188

12. BREAKDOWN OF OPERATING REVENUES AND EXPENSES

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

	thousands of yen		U.S. dollars
	For the period from July 1, 2004 to December 31, 2004	For the period from January 1, 2004 to June 30, 2004	For the period from July 1, 2004 to December 31, 2004
Real Estate Rental Revenues	¥7,685,733	¥6,790,658	\$73,752,358
Rental Revenues	7,097,927	6,388,795	68,111,769
Rental revenues	5,586,207	5,034,902	53,605,284
Common charges	1,301,555	1,155,042	12,489,738
Parking revenues	180,919	171,596	1,736,099
Other rental revenues	29,246	27,255	280,648
Non-Rental Revenues	587,806	401,863	5,640,589
Incidental income	536,067	386,432	5,144,105
Cancellation charges	23,811	548	228,488
Other miscellaneous revenues	27,928	14,883	267,996
Real Estate Rental Expenses	3,672,910	3,268,801	35,245,282
Property management fees	153,226	144,554	1,470,359
Utilities expenses	578,443	452,721	5,550,747
Property and other taxes	541,134	541,486	5,192,728
Casualty insurance	38,246	34,364	367,008
Repairs and maintenance	151,755	135,619	1,456,242
Depreciation	1,391,662	1,200,523	13,354,403
Other rental expenses	818,444	759,534	7,853,795
Profits	4,012,823	3,521,857	38,507,076

13. LEASES

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

	thousands of yen		U.S. dollars
	As of December 31, 2004	As of June 30, 2004	As of December 31, 2004
Due within one year	¥ 3,965,044	¥ 3,966,507	\$ 38,048,594
Due after one year	20,483,242	22,883,779	196,557,355
Total	¥24,448,286	¥26,850,286	\$234,605,949

14. SUBSEQUENT EVENTS

APPROPRIATION OF RETAINED EARNINGS

On February 17, 2005, the Board of Directors resolved to effect the payment of a cash distribution of ¥6,671 per share aggregating ¥2,868 million (\$27,526 thousand) to unitholders at the record date of December 31, 2004.

ISSUE OF NEW INVESTMENT UNITS

The Company resolved to issue new investment units at Board of Directors' meetings held on January 13, 2005 and January 24, 2005. Accordingly, JPR undertook a primary offering and a secondary offering (over-allotment option) — the “Greenshoe Option” — by way of third-party allotment. Payment for each offering was completed on February 1, 2005 and March 1, 2005, respectively. As a result, unitholders' capital totaled ¥115,431,503,600, while the number of investment units issued and outstanding was 530,000 as of March 2, 2005. The terms and conditions for each issue were as follows.

Primary Offering for the Issue of New Investment Units

Number of new investment units issued:	95,000
Offer price:	¥272,440 per investment unit
Gross proceeds:	¥25,881,800,000
Purchase price:	¥263,177 per investment unit
Gross proceeds:	¥25,001,815,000
Payment date:	February 1, 2005
Settlement date:	February 2, 2005
Starting date of computation for cash distribution:	January 1, 2005

Secondary Offering (Over-Allotment Option) — the “Greenshoe Option”

Number of new investment units issued:	5,000
Purchase price:	¥263,177 per investment unit
Gross proceeds:	¥1,315,885,000
Third-party allottee:	Mizuho Securities Co., Ltd.
Payment date:	March 1, 2005
Settlement date:	March 2, 2005
Starting date of computation for cash distribution:	January 1, 2005

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 December 31, 2004 and June 30, 2004, the related statements of income and retained earnings, and changes in unitholders' equity and cash flows for the six-month periods ended December 31, 2004 and June 30, 2004, 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 December 31, 2004 and June 30, 2004, and the results of its operations and cash flows for the six-month periods ended December 31, 2004 and June 30, 2004 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 December 31, 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.

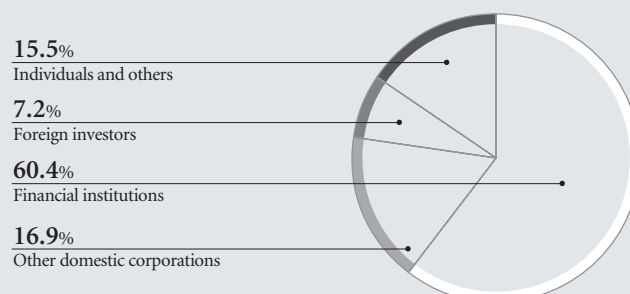


March 22, 2005

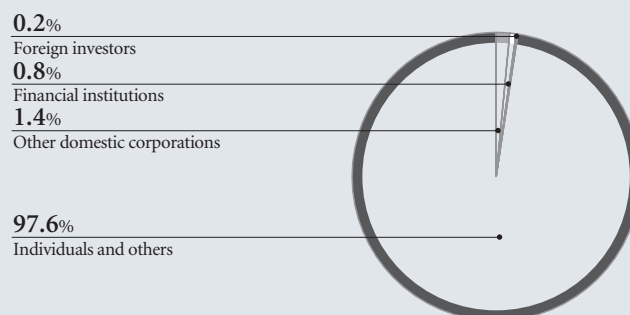
UNITHOLDER INFORMATION

Breakdown of Unitholders (As of December 31, 2004)

By Number of Units Held



By Composition



Major Unitholders (As of December 31, 2004)

	Units	(%)
Japan Trustee Services Bank, Ltd. (Trust Account)	37,812	8.8
Tokyo Tatemono Co., Ltd.	29,300	6.8
Meiji Yasuda Life Insurance Company	24,000	5.6
Kawasaki Gakuen	19,700	4.6
The Master Trust Bank of Japan, Ltd. (Trust Account)	14,952	3.5
Trust & Custody Service Bank, Ltd.	12,574	2.9
The Hiroshima Bank, Ltd.	10,837	2.5
AIG Star Life Insurance Co., Ltd.	10,208	2.4
The Chugoku Bank, Ltd.	8,530	2.0
Goldman Sachs International	8,230	1.9

MEMBERS OF THE BOARD (As of December 31, 2004)

Name Title

Biography

*Number of Investment Units Held

Japan Prime Realty Investment Corporation

Hirohito Kaneko Executive Officer *0

Dec. 19, 2001	Executive Officer, 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 ²
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, 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

<p>Head Office 9-9 Yaesu 1-Chome, Chuo-ku, Tokyo 103-8285, Japan Tel: +81-3-3231-1051 Fax: +81-3-3274-7775</p> <p>Date of Establishment September 14, 2001</p> <p>Listing Tokyo Stock Exchange (Securities Code: 8955)</p> <p>Fiscal Period Ends June 30 and December 31 of each year</p> <p>General Meeting of Unitholders More than once every two years</p> <p>Cash Distribution Payment Eligibility Unitholders of record as of June 30 and December 31 of each year</p> <p>Transfer Agent Mizuho Trust & Banking Co., Ltd. 2-1 Yaesu 1-chome, Chuo-ku, Tokyo</p>	<p>Location of Records Mizuho Trust & Banking Co., Ltd. 2-1 Yaesu 1-chome, Chuo-ku, Tokyo Main Branch, Stock Transfer Agency Division</p> <p>Mailing Address Mizuho Trust & Banking Co., Ltd. 1-17-7 Saga, Koto-ku, Tokyo 135-8722 Stock Transfer Agency Division +81-3-5213-5213 (Representative) Mizuho Trust & Banking Co., Ltd. (All branches nationwide) Mizuho Investors Securities Co., Ltd. (Head office and all branches nationwide)</p> <p>Telephone Agents</p> <p>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.</p> <p>Web site http://www.jpr-reit.co.jp/jpr_e/index.html</p>
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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.

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.

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

This document contains a translation of selected information described in the Financial Report (Kessan Tanshin) dated February 17, 2005, 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 July 1, 2004 to December 31, 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.

