



Forty-Fifth Fiscal Period Semi-Annual Report

January 1, 2024 – June 30, 2024

Japan Prime Realty Investment Corporation

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

Having settled the 45th fiscal period (January 1, 2024 – June 30, 2024), we would like to report on the performance results.

Since the second half of last year, there has been a steady recovery in office demand against the backdrop of the increase in attendance rate resulting from the normalization of socio-economic activities as well as strong corporate performance. The vacancy rate in Tokyo declined moderately, and rents have started to rise particularly for offices in prime locations.

Under such circumstances, JPR continued to conduct stable operation. As a result, the average occupancy rate for the 45th fiscal period was 97.8%, and distribution per unit was 7,600 yen, the same amount as the initial forecast. In the next fiscal period onwards, JPR will continue to realize the growth of distributions through the maintenance of high occupancy rates and upward rent revisions as well as the acquisition of new properties, generation of gain on sale resulting from asset replacements, and utilization of internal reserves.

Going forward, while continuously paying close attention to the trend of office market and financial environment, we will flexibly respond to changes in the business environment and endeavor achieving appropriate asset management to grasp new opportunities for growth.

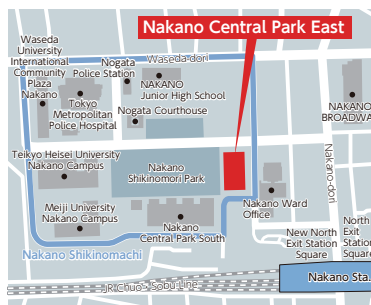
We ask you, our unitholders, to extend us continued support of our operations.

Portfolio Management Status

Item	44th Period ended Dec. 2023 Results	45th Period ended Jun. 2024 Results	Change		
			Change	Rate of change	
Operating revenue (million yen)	17,411	17,644	233	1.3%	Revenue and income increased due to such factors as the increase in rental revenues resulting from the acquisition of Nakano Central Park East.
Operating income (million yen)	8,151	8,354	202	2.5%	
Ordinary income (million yen)	7,357	7,531	173	2.4%	
Net income (million yen)	7,356	7,530	173	2.4%	
Distribution per unit (yen)	7,600	7,600	0	0.0%	Distribution per unit came to 7,600 yen (unchanged from the previous fiscal period), the same amount as the initial forecast.

▶ **Nakano Central Park East** (asset acquired in the 45th fiscal period)

The property is a high-spec building with a seismic isolation structure which is a five-minute walk from Nakano Station on the JR and Tokyo Metro lines and developed together with “Nakano Central Park South” by Tokyo Tatemono, the sponsor. A new station building of Nakano Station is scheduled to be completed in 2026, and convenience is expected to further improve as a new ticket gate will be established and a pedestrian deck will be developed on the north side of the station.



Acquisition price	28,800 million yen
Appraisal value	30,100 million yen
Total leasable floor space	13,523.68 m²
Building age	12 years
NOI yield ^(Note)	3.2%
Occupancy rate	96.7%

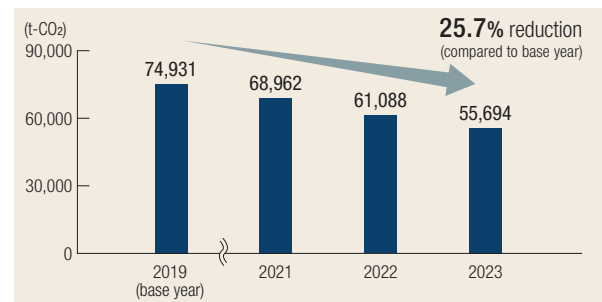
(Note) “NOI yield” is the figure calculated based on the net operating income stated in the appraisal report.

Initiatives on Sustainability

Environment

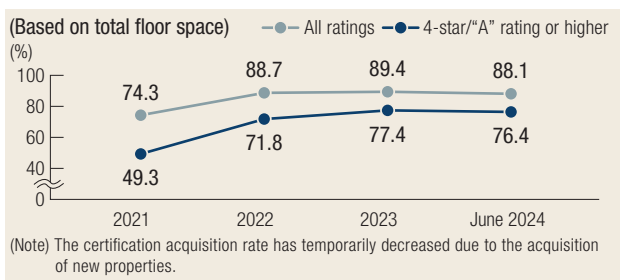
• **Status of Reduction of Greenhouse Gas (GHG) Emissions**

JPR recognizes that climate change has a significant impact on its business, and has set the targets of “reducing GHG emissions by 46.2% in 2030 (compared to 2019)” and “achieving net zero in 2050.” These targets have received SBT certification.



• **Status of Acquisition of Environmental Certifications**

JPR promotes the holding of real estate with “consideration for the environment and society,” and has set a target of achieving an “environmental certification acquisition rate of 90% or more (4-star/“A” rating or higher) by 2030” and an “environmental certification acquisition rate of 100% by 2050.”



• **Setting Targets for Waste Recycling Rate**

As one of the efforts to reduce environmental impact, JPR is promoting the separation of industrial waste and strengthening of recycling. JPR has set a new target in order to strengthen and expand its initiatives.

Achieve a waste recycling rate of 70% by 2030
(targeting properties with management rights in principle)

Specific Initiatives

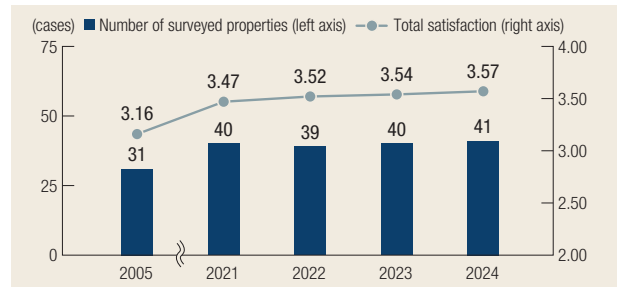
- Awareness-raising activities for property management companies and local building managers
- Request cooperation from tenants
- Consider setting up bins for waste separation at JPR’s expense

Social

JPR has been conducting tenant satisfaction surveys since 2005 to share issues with building managers and improve them. In addition, JPR added new questions regarding ESG in 2023.

Overview of 2024 Tenant Satisfaction Survey

- Total satisfaction: average value with four points as full score
- Survey date: May through June 2024
- Buildings surveyed: 41 buildings with 474 tenants
- Questions: administration and operations, tenant responsiveness, crime prevention and security, ESG, etc.



Governance

In order to increase the linkage between the interests of unitholders and asset management fee, JPR introduced a fee based on sustainability indicators to part of the asset-linked fee in January 2024.

Management Fee 1

Asset-linked fee	Total acquisition price × 0.045% + total amount of fee based on sustainability indicators (① to ③ below)
	① Total acquisition price × 0.002% × GHG emission reduction rate
	② Acquisition price × 0.001% × environmental certification assessment
	③ Total acquisition price × 0.001% × GRESB assessment

(Note 1) Gain/loss on sale of property are excluded.

(Note 2) It is 0.5% in the case of acquisition from a related party.

(Note 3) The amount obtained when the sales price is multiplied by 0.5% shall be the minimum fee.

Management Fee 2-5

Revenue-linked fee	Total revenue × 1.2%
Cash distribution-linked fee	Distributable base amount ^(Note 1) × 3.8% × rate of fluctuation of distributable base amount per unit
Acquisition/merger fee	Acquisition price × 1.0% ^(Note 2)
Sale fee	Gain on sales of property × 12.5% ^(Note 3)

1. Overview of Asset Management

(1) Trends in Operating Results and Other Management Data

	Fiscal Period	Unit	41st Fiscal Period (Jan. 1, 2022 - Jun. 30, 2022)	42nd Fiscal Period (Jul. 1, 2022 - Dec. 31, 2022)	43rd Fiscal Period (Jan. 1, 2023 - Jun. 30, 2023)	44th Fiscal Period (Jul. 1, 2023 - Dec. 31, 2023)	45th Fiscal Period (Jan. 1, 2024 - Jun. 30, 2024)
Operating Performance	Operating Revenue	Million yen	18,357	18,739	18,173	17,411	17,644
	Rent revenue – real estate	Million yen	17,019	17,392	17,291	17,411	17,644
	Gain on sale of real estate	Million yen	1,338	1,347	881	–	–
	Operating Expenses	Million yen	9,014	9,466	9,314	9,259	9,290
	Expenses related to rent business	Million yen	7,946	8,199	8,310	8,315	8,300
	Operating Income	Million yen	9,343	9,273	8,859	8,151	8,354
	Ordinary Income	Million yen	8,607	8,469	8,099	7,357	7,531
Net Income	Million yen	8,607	8,469	8,098	7,356	7,530	
Financial Position	Total Assets	Million yen	507,005	507,655	510,069	510,802	536,871
	(Period-on-period variation)	%	(+2.3)	(+0.1)	(+0.5)	(+0.1)	(+5.1)
	Interest-bearing Debts	Million yen	202,900	202,900	205,400	205,400	230,400
	Total Unitholders' Equity	Million yen	272,912	273,603	273,974	273,752	273,704
	(Period-on-period variation)	%	(+5.9)	(+0.3)	(+0.1)	(-0.1)	(-0.0)
Unitholders' Capital	Million yen	261,751	261,751	261,751	261,751	261,751	
Cash Distribution per Unit, etc.	Total Cash Distributions	Million yen	7,777	7,728	7,578	7,578	7,578
	Dividend payout ratio	%	90.3	91.2	93.5	103.0	100.6
	Number of Units Outstanding	Units	997,178	997,178	997,178	997,178	997,178
	Total Unitholders' Equity per Unit	Yen	273,684	274,378	274,749	274,527	274,479
	Cash Distribution per Unit	Yen	7,800	7,750	7,600	7,600	7,600
	Distribution amount	Yen	7,800	7,750	7,600	7,600	7,600
	Exceeding profit distribution amount	Yen	–	–	–	–	–
Financial Indices	Ordinary Income on Total Assets (Note 1)	%	1.7	1.7	1.6	1.4	1.4
	Annualized (Note 10)	%	3.5	3.3	3.2	2.9	2.9
	Net Income on Total Unitholders' Equity (Note 2)	%	3.2	3.1	3.0	2.7	2.8
	Annualized (Note 10)	%	6.5	6.1	6.0	5.3	5.5
	Total unitholders' equity at beginning of period	Million yen	257,649	272,912	273,603	273,974	273,752
	Unitholders' Equity Ratio at End of Period (Note 3)	%	53.8	53.9	53.7	53.6	51.0
	(Period-on-period variation)	pt	(+1.8)	(+0.1)	(-0.2)	(-0.1)	(-2.6)
	Interest-bearing Debts to Total Assets at End of Period (Note 4)	%	40.0	40.0	40.3	40.2	42.9
	DSCR (Note 5)	Times	14.1	13.8	13.8	13.9	13.4
	Net income before interest and amortization (Note 6)	Million yen	10,026	10,120	9,984	10,143	10,460
	Interest expenses	Million yen	710	731	722	728	780
	NOI from Leasing (Note 7)	Million yen	11,118	11,248	11,025	11,153	11,493
	Annualized NOI yield (Notes 9 and 10)	%	4.5	4.5	4.4	4.5	4.4
NCF from Leasing (Note 8)	Million yen	9,737	9,745	9,571	9,125	9,494	
Annualized NCF yield (Notes 9 and 10)	%	4.0	3.9	3.9	3.6	3.6	
Reference Information	Investment Properties Owned (Note 11)		67	65	67	67	68
	Number of Tenants		1,171	1,180	1,224	1,236	1,249
	Total Leasable Floor Space (Note 12)	m ²	502,889.81	494,503.72	497,600.56	497,252.42	510,772.99
	Occupancy Rate	%	97.5	97.6	98.1	98.7	97.1

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

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

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

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

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

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

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

(Note 8) NOI from leasing - capital expenditures

- (Note 9) Annualized NOI from leasing / property acquisition price (41st fiscal period: ¥496.18 billion, 42nd fiscal period: ¥495.60 billion, 43rd fiscal period: ¥501.04 billion, 44th fiscal period: ¥497.04 billion and 45th fiscal period: ¥525.84 billion)
Annualized NCF from leasing / property acquisition price
- (Note 10) Annualization is based on 365 days for a year and calculated by using the following management days: 41st fiscal period: 181 days, 42nd fiscal period: 184 days, 43rd fiscal period: 181 days, 44th fiscal period: 184 days and 45th fiscal period: 182 days
- (Note 11) Properties acquired at multiple times are calculated as one property.
- (Note 12) Total leasable floor space in this table indicates the contracted area.
- (Note 13) Any ratio indicated on financial indices is rounded to the first decimal place (except for the dividend payout ratio, which is rounded down to the first decimal place).

(2) 45th Fiscal Period Asset Management

1) Milestones of JPR

Japan Prime Realty Investment Corporation (JPR) was established on September 14, 2001 under the Act on Investment Trusts and Investment Corporations (hereafter, the Investment Trusts Act), and was listed on the Tokyo Stock Exchange Real Estate Investment Trust Section (securities code: 8955) on June 14, 2002 with 289,600 outstanding investment units. With the subsequently implemented public offerings and other capital raising measures by JPR, the number of investment units issued and outstanding totals 997,178 units as of the end of the 45th fiscal period (June 30, 2024). JPR has assigned the asset management of its portfolio to Tokyo Tatemono Realty Investment Management, Inc. (the company name was changed from Tokyo Realty Investment Management, Inc. on April 1, 2024. The same applies hereinafter.) (TRIM), through which JPR aims to maximize unitholder value by efficiently managing the portfolio primarily comprising office properties and retail properties.

2) Management Environment

During the 45th fiscal period, the Japanese economy was on a moderate recovery trend mainly in the corporate sector despite slight weakness in domestic and overseas demand. On the demand side, consumer spending stayed on a slightly soft note due to rising general prices, but capital investment showed a steady movement. In terms of supply, although production was stagnant in some industries in Japan, signs of recovery were seen from the second half of the period. Moreover, corporate earnings demonstrated recovery both in manufacturing industries and the non-manufacturing sector. However, labor shortage is intensifying in a wide range of industries, raising concerns about the impact on the entire economy.

The Office Property Leasing Market

In the office property leasing market, the needs of tenants to relocate for expansion and expand office spaces in the same buildings are recovering due to strong corporate performance and the increasing attendance rate, and the vacancy rate in central Tokyo is declining moderately. There are also some areas where average rent turned to rise. Similar trends are observed in Greater Tokyo and other cities.

The Retail Property Leasing Market

At urban retail properties which JPR targets for investment, although the impact of rising costs, which are caused by rising general prices, and labor shortages were seen in some areas, sales are also on a recovery trend with continuous increase in the number of customers visiting stores due to recovery in the flow of people and increase in demand from inbound foreign tourists.

The For-Sale Real Estate Market

Even after the Bank of Japan made large-scale monetary policy changes, including the lifting of negative interest rates in March 2024, investors continue to show a strong appetite to acquire properties in the for-sale real estate market, and active real estate transactions continue to take place. Hotel transactions, which are benefitting from a remarkable recovery in travel demand including inbound tourism, are also becoming active, and the acquisition environment remains harsh as not only offices but also blue-chip properties which JPR targets for investment are in short supply. While continuing to pay close attention to how interest rate trends and the foreign exchange market affect market conditions going forward, JPR continues to look for ways to effectively acquire properties, such as by diversifying target assets for investment and conducting asset replacement.

3) Portfolio Management Status

Acquisition of New Properties and Asset Replacement

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

During the 45th fiscal period, JPR acquired Nakano Central Park East (quasi-co-ownership interest: 53.0%, acquisition price: 28.8 billion yen) in March 2024. As a result of this transaction, the balance of JPR's assets under management totaled 68 properties, or 525.8 billion yen on an acquisition price basis as of the end of June 2024, with the total leasable floor space standing at 510,772 m² and the number of tenants at 1,249.

Operational Management of Portfolio

In the office property leasing market in the 45th fiscal period, the vacancy rate is declining moderately due to the increasing trend of positive tenant needs such as relocation for expansion and expansion of office spaces in the same buildings, as mentioned in Management Environment above. Under such circumstances, JPR endeavored to attract new tenants through strategic leasing activities and enhance the satisfaction of existing tenants by maintaining close cooperation with property management companies and brokers, with an aim to secure stable earnings across the entire portfolio as well as its occupancy rate. The occupancy rate at the end of the 45th fiscal period was kept at a high level, although it decreased to 97.1% due to the move-out of multiple tenants at some properties.

In terms of property management, JPR continued to proactively implement value enhancement works based on tenant needs, on the ground of its brand concept A/3S (Amenity/Service, Safety and Save Energy) that has been established with an aim to create spaces where the workers feel satisfaction.

On top of this, JPR is engaged in a variety of environmental initiatives. In terms of construction work, JPR conducted replacement of lighting equipment with LED lamps, replacement of air conditioning units, replacement of power-receiving and transforming facilities, renewal of elevators and replacement of toilets, etc., which are expected to be effective for CO₂ emissions-reduction efforts, at its multiple properties.

JPR also continues its endeavors to obtain environmental certifications. As of June 30, 2024, JPR has acquired CASBEE for Building Certification^{*1} for 44 properties in total (including two newly certified properties). JPR has also obtained DBJ Green Building Certification^{*2} for 14 properties in total, and BELS^{*3} certification for 4 properties in total (including one property certified as ZEB Oriented (a ZEB^{*4} certification type designated as ZEB Oriented^{*5})).

On top of these certifications JPR acquired, its endeavors on environmental issues were so acknowledged that it was designated as “Green Star” in the GRESB^{*6} Real Estate Assessment for 2023, marking the tenth consecutive year of recognition with the highest ranking in the survey. JPR has also been granted the highest rank of “5 Stars” in the rating, which makes relative assessment based on total scores, for five consecutive years.

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

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

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

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

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

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

Fund Procurement

JPR focuses its endeavors on debt financing with an emphasis placed on lengthening debt maturity and diversifying repayment dates, in an effort to make its financial base more solid and stronger. JPR borrowed 20.0 billion yen in the 45th fiscal period to fund the refinancing of interest-bearing debts (excluding short-term debts) it repaid during the same fiscal period.

As of the end of the 45th fiscal period, the balance of interest-bearing debts totaled 230.4 billion yen, with a balance of borrowings of 199.5 billion yen and a balance of investment corporation bonds of 30.9 billion yen. The ratio of interest-bearing debt to total assets (LTV) (Note 1) was 42.9%, long-term and fixed interest-bearing debt ratio (Note 2) was 92.6%, average debt cost (Note 3) was 0.76% and average maturity (Note 4) was 4.0 years as of the end of the fiscal period.

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

The following represents the issuer ratings for JPR as of the end of the 45th fiscal period.

Details of Corporate Credit Ratings as of June 30, 2024

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

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

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

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

(Note 4) Average maturity is arrived at by calculating a weighted average of maturities from the end of the 45th fiscal period to the repayment deadlines for all interest-bearing debts based on the balance of each interest-bearing debt.

(3) Additional Offerings, Etc.

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

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

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

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

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

(4) Cash Distributions

With regard to the cash distributions of the 45th fiscal period, JPR decided to distribute part of the retained earnings brought forward that had been internally reserved through the 44th fiscal period, with the aim of having the profit distributions deducted as expenses based on application of the special provision on taxation of investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation) and in order to minimize the burden to unitholders incurred by accrual of corporate income tax, etc. In addition, for the 45th fiscal period, JPR decided to reverse part of reserve for reduction entry which will be applied to cash distributions. As a result, the cash distribution per unit came to 7,600 yen for the 45th fiscal period.

(Thousands of yen unless otherwise indicated)

Fiscal Period		41st Fiscal Period (Jan. 1, 2022 – Jun. 30, 2022)	42nd Fiscal Period (Jul. 1, 2022 – Dec. 31, 2022)	43rd Fiscal Period (Jan. 1, 2023 – Jun. 30, 2023)	44th Fiscal Period (Jul. 1, 2023 – Dec. 31, 2023)	45th Fiscal Period (Jan. 1, 2024 – Jun. 30, 2024)
Unappropriated Retained Earnings at End of Period		8,614,933	8,476,171	8,104,860	7,362,400	7,535,414
Internal Reserves		836,945	821,989	526,307	4,857	4,023
Total Cash Distributions		7,777,988	7,728,129	7,578,552	7,578,552	7,578,552
(Cash Distribution per Unit)		(7,800 yen)	(7,750 yen)	(7,600 yen)	(7,600 yen)	(7,600 yen)
Breakdown	Total Cash Distributions from Net Income	7,777,988	7,728,129	7,578,552	7,578,552	7,578,552
	(Cash distribution from net income per unit)	(7,800 yen)	(7,750 yen)	(7,600 yen)	(7,600 yen)	(7,600 yen)
	Repayment of Paid-in Capital	–	–	–	–	–
	(Repayment of paid-in capital per unit)	(- yen)	(- yen)	(- yen)	(- yen)	(- yen)
Of the repayment of paid-in capital, total cash distributions from the reserve for temporary difference adjustments (Of the repayment of paid-in capital per unit, distribution per unit from the reserve for temporary difference adjustments)		–	–	–	–	–
		(- yen)	(- yen)	(- yen)	(- yen)	(- yen)
Of the repayment of paid-in capital, total cash distributions through the reduction in unitholders' capital for tax purposes (Of the repayment of paid-in capital per unit, distribution per unit through the reduction in unitholders' capital for tax purposes)		–	–	–	–	–
		(- yen)	(- yen)	(- yen)	(- yen)	(- yen)

(5) Future Management Policies and Critical Issues

For the moment, the Japanese economy is expected to keep recovering gradually, given the improving employment and income environments and the effects of various policies. In particular, due to a recovery in demand from inbound foreign tourists and consumer spending as well as the growth in capital investment, etc., the Japanese economy is expected to remain solid. However, construction costs are currently rising due to such factors as the rising prices of construction materials, labor shortages in a wide range of industries, and legal amendments. In addition, attention should also be paid to concerns about possible stagnation in overseas economies and the impacts of fluctuations in the financial and capital markets in and outside Japan.

In the office property leasing market, needs for relocation and office space expansion in the same buildings are returning, and continuous recovery is anticipated to be seen. Under these circumstances, JPR is resolved to continue its endeavors to enhance the competitiveness of its owned properties, as it focuses on improving tenant satisfaction through proactive implementation of value enhancement works and provision of elaborate management services.

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

1) Acquisition of New Properties and Asset Replacement

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

Moreover, JPR will make investment decisions by proactively collecting information in collaboration with Tokyo Tatemono Co., Ltd., the main sponsor of the Asset Manager, accurately assessing market trends and carefully researching investment value, including the future potential of candidate properties.

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

2) Management of Portfolio

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

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

3) Fund Procurement

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

(6) Information Disclosure

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

(7) Significant Subsequent Events

Property Sale

JPR concluded a sale agreement regarding the following property on September 20, 2024.

<JPR Ueno East Bldg.>

Asset type: Real estate (Note 1)

Sale price: 6,150 million yen (scheduled)

Delivery date: January 10, 2025 (scheduled)

Buyer: Domestic special purpose company (Note 2)

Impact on operating results: JPR plans to record approximately 2,887 million yen in gain on sale of real estate as operating revenue for the 47th fiscal period (January 1, 2025 – June 30, 2025).

(Note 1) As of the date of this document, trust beneficiary interests in the property have not been established, but JPR has concluded a real estate management and disposition trust agreement with the property as the main trust asset with the trustee on the same date as the delivery date, and plans to sell the trust beneficiary interests based on said real estate management and disposition trust agreement to the buyer.

(Note 2) Details have not been disclosed as no consent has been obtained from the buyer. There are no capital, personnel and business relationship between JPR or the Asset Manager and the buyer, and the buyer does not fall under the category of a related party of JPR or the Asset Manager.

<Reference Information>

Property Acquisition

After the settlement date of the 45th fiscal period, JPR concluded a sale and purchase agreement regarding the following property by the date before the date of this document.

<The Royal Park Canvas Nagoya >

Property overview

Location: 23-13 Meieki 3-chome, Nakamura-ku, Nagoya-shi, Aichi (residential address)

Type of ownership: Land: Ownership

Building: Ownership

Site area: 666.37 m²

Total floor space: 5,226.80 m²

Structure/floors: RC with flat roof, 12F

Completed: October 2013

Number of tenants: 3

Total leasable floor space: 5,185.05 m²

Total leased floor space: 5,185.05 m²

Occupancy rate: 100.0%

Transaction terms of conditions

Purchase price: 6,500 million yen (scheduled)

Asset type: Trust beneficiary interests

Contract date: September 20, 2024

Acquisition date: October 9, 2024 (scheduled)

*Number of tenants, total leasable floor space, total leased floor space and occupancy rate indicate the figures as of the contract date.

2. Overview of the Investment Corporation

(1) Unitholders' Capital

	41st Fiscal Period as of June 30, 2022	42nd Fiscal Period as of December 31, 2022	43rd Fiscal Period as of June 30, 2023	44th Fiscal Period as of December 31, 2023	45th Fiscal Period as of June 30, 2024
Total number of authorized units	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total number of units issued and outstanding	997,178	997,178	997,178	997,178	997,178
Unitholders' capital (millions of yen)	261,751	261,751	261,751	261,751	261,751
Total number of unitholders	10,506	10,435	10,554	10,340	10,707

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

The following table shows the ten largest investors according to the percentage of their owned investment units to the total number of investment units outstanding as of the end of the 45th fiscal period.

Name	Address	Number of Owned Units	Percentage of Total Units Outstanding (%)
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	309,050	30.99
The Master Trust Bank of Japan, Ltd. (Trust Account)	1-8-1 Akasaka, Minato-ku, Tokyo	158,721	15.91
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	46,305	4.64
Tokyo Tatemono Co., Ltd.	1-4-16 Yaesu, Chuo-ku, Tokyo	29,300	2.93
Kawasaki Gakuen	577 Matsushima, Kurashiki-shi, Okayama	25,000	2.50
Meiji Yasuda Life Insurance Company	2-1-1 Marunouchi, Chiyoda-ku, Tokyo	24,000	2.40
State Street Bank West Client - Treaty 505234 (Standing Proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, Massachusetts 02171, U.S.A. (Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo)	14,548	1.45
State Street Bank and Trust Company 505103 (Standing Proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	P.O. Box 351, Boston, Massachusetts 02101, U.S.A. (Shinagawa Intercity Building A, 2-15- 1 Konan, Minato-ku, Tokyo)	12,342	1.23
JP MORGAN CHASE BANK 385781 (Standing Proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom (Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo)	12,087	1.21
The Shinkumi Federation Bank	1-9-5 Kyobashi, Chuo-ku, Tokyo	11,089	1.11
Total		642,442	64.42

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

(3) Items Related to Directors

A. The Executive Officer, Supervising Officers and Independent Auditor as of the end of the 45th fiscal period are as follows.

Position	Name	Other Current Assignments	Total Directors' Fee during the 45th Fiscal Period (thousands of yen)	Number of Owned Units
Executive Officer	Yoshihiro Jozaki	President and Chief Executive Officer, Tokyo Tatemono Realty Investment Management, Inc.	– (Note 1)	–
Supervising Officers (Note 2)	Masato Denawa	Partner Attorney, Spring Partners	6,300	–
	Nobuhisa Kusanagi	Group Representative Partner of GYOSEI Certified Public Tax & Accountants' Co. Representative, Nobuhisa Kusanagi Certified Public Accountant Office		–
	Konomi Ikebe	Grand Fellow, The Chiba University Graduate School of Horticulture		–
Independent Auditor	EY ShinNihon LLC	–	14,700 (Note 3)	–

(Note 1) Yoshihiro Jozaki, Executive Officer, does not receive any compensation from JPR.

(Note 2) Supervising officers may be directors of corporations other than those indicated above, but have no conflict of interest with JPR at those and the above positions.

(Note 3) The independent auditor fees include fees regarding auditing of JPR's English financial statements. In addition, the amount of fees based on non-audit services to those who belong to the same network as the accounting auditor was 4,521 thousand yen.

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

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

(4) Matters Concerning Directors and Officers Liability Insurance Agreement

JPR has entered into a directors and officers liability insurance agreement as follows.

Scope of the Insured	Overview of Agreement
Executive Officer and all Supervising Officers of JPR	<p>[Overview of insured event covered by the insurance] The agreement covers such losses as compensation payment and dispute costs to be borne by the insured when they receive a claim for compensation for the unjust actions they have taken based on their positions at JPR.</p> <p>[Burden ratio of insurance premium] JPR bears the entire amount of the insurance premium.</p> <p>[Measures to ensure the appropriateness of the execution of duties by directors and officers] The agreement does not protect the actions, etc. which the insured executed while recognizing that it may constitute criminal act or violate the laws and regulations.</p>

(5) Asset Manager, Asset Custodian and Administrative Agent

The asset manager, asset custodian and administrative agents of JPR at the end of the 45th fiscal period are as follows.

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

3. Status of JPR's Assets Under Management

(1) JPR's Asset Structure

Asset Type	Area	44th Fiscal Period (as of December 31, 2023)		45th Fiscal Period (as of June 30, 2024)	
		Assets owned by JPR (thousands of yen)	Percentage of total assets (%)	Assets owned by JPR (thousands of yen)	Percentage of total assets (%)
Real estate	Central Tokyo	111,749,209	21.9	111,731,689	20.8
	Greater Tokyo	67,256,482	13.2	67,190,767	12.5
	Other Cities	25,740,031	5.0	25,821,124	4.8
Real estate in trust	Central Tokyo	155,405,135	30.4	155,424,972	29.0
	Greater Tokyo	60,918,449	11.9	90,088,858	16.8
	Other Cities	47,295,120	9.3	47,159,747	8.8
Deposits and other assets	–	42,438,113 (–)	8.3 (–)	39,454,296 (–)	7.3 (–)
Total assets	–	510,802,543 (468,364,429)	100.0 (91.7)	536,871,456 (497,417,159)	100.0 (92.7)

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

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

(2) Major Assets Owned by JPR

The following is an overview of the major assets (ten largest properties by book value at end of period) owned by JPR as of the end of the 45th fiscal period.

Property Name	Book Value (thousands of yen)	Leasable Floor Space (m ²)	Leased Floor Space (m ²)	Occupancy Rate (%)	Rate of Monthly Contracted Rent at End of Period (%)	Asset Class
Otemachi Tower (Land with Leasehold Interest)	38,388,259	11,034.78	11,034.78	100.0	11.1	Office
Nakano Central Park East	29,179,737	13,523.66	13,075.00	96.7	3.4	Office
Olinas Tower	25,370,982	23,987.40	23,610.07	98.4	5.5	Office
Shinjuku Center Bldg.	24,148,431	10,417.25	10,141.99	97.4	3.6	Office
Tokyo Square Garden	18,161,688	5,971.69	5,967.58	99.9	2.4	Office
BYGS Shinjuku Bldg.	15,391,015	15,222.80	15,188.12	99.8	3.5	Office
JPR Sendagaya Bldg.	14,688,784	6,177.74	6,177.74	100.0	1.7	Office
Kanematsu Bldg.	14,563,918	8,090.74	8,090.74	100.0	2.3	Office
Sencity Bldg.	14,099,928	13,271.26	12,757.95	96.1	2.5	Office
Kawasaki Dice Bldg.	12,791,243	12,113.10	11,920.13	98.4	1.8	Retail, etc.
Total	206,783,989	119,810.42	117,964.10	98.5	38.1	

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

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

(3) Itemized Portfolio Assets

The following table provides an overview of the real estate properties and beneficiary interests in real estate owned by JPR as of the end of the 45th fiscal period (June 30, 2024).

Area	Type	Property Name	Location	Type of Ownership	Book Value as of June 30, 2024 (thousands of yen)	Appraisal Value as of June 30, 2024 (thousands of yen) (Note)
Central Tokyo	Office	Kanematsu Bldg.	14-1 Kyobashi 2-chome, Chuo-ku, Tokyo	Beneficiary interest	14,563,918	14,100,000
		Kanematsu Bldg. Annex	17-5 Kyobashi 2-chome, Chuo-ku, Tokyo	Beneficiary interest	2,335,618	2,970,000
		JPR Ningyo-cho Bldg.	17-4 Nihonbashi Ningyocho 1-chome, Chuo-ku, Tokyo	Beneficiary interest	2,059,164	3,230,000
		Shin-Kojimachi Bldg.	3-3 Kojimachi 4-chome, Chiyoda-ku, Tokyo	Beneficiary interest	2,397,526	4,160,000
		MS Shibaura Bldg.	13-23 Shibaura 4-chome, Minato-ku, Tokyo	Beneficiary interest	11,091,488	13,900,000
		JPR Ichigaya Bldg.	7-15 Kudan-Minami 4-chome, Chiyoda-ku, Tokyo	Beneficiary interest	5,180,990	4,780,000
		Oval Court Ohsaki Mark West	17-1 Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo	Beneficiary interest	2,668,650	5,310,000
		Shinjuku Square Tower	22-1 Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo	Beneficiary interest	12,674,303	15,700,000
		BYGS Shinjuku Bldg.	19-1 Shinjuku 2-chome, Shinjuku-ku, Tokyo	Real estate	15,391,015	19,200,000
		Across Shinkawa Bldg. Annex	16-14 Shinkawa 1-chome, Chuo-ku, Tokyo	Real estate	597,481	808,000
		Shinjuku Center Bldg.	25-1 Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo	Real estate	24,148,431	20,900,000
		Minami Azabu Bldg.	12-3 Minami-Azabu 2-chome, Minato-ku, Tokyo	Real estate	3,754,628	3,410,000
		Shinagawa Canal Bldg.	12-33 Konan 2-chome, Minato-ku, Tokyo	Real estate	1,840,215	2,100,000
		Rokubancho Bldg.	2-9, etc., Rokubancho, Chiyoda-ku, Tokyo	Real estate	2,881,916	3,770,000
		JPR Harajuku Bldg.	17-11 Jingumae 6-chome, Shibuya-ku, Tokyo	Beneficiary interest	8,868,057	10,100,000
		JPR Nihonbashi-horidome Bldg.	11-12 Nihonbashi-Horidomecho 1-chome, Chuo-ku, Tokyo	Beneficiary interest	4,849,115	6,940,000
		JPR Sendagaya Bldg.	23-5 Sendagaya 4-chome, Shibuya-ku, Tokyo	Real estate	14,688,784	11,800,000
		Ginza Sanwa Bldg.	6-1 Ginza 4-chome, Chuo-ku, Tokyo	Real estate	3,668,713	3,880,000
		Otemachi Tower (Land with Leasehold Interest)	6-6, etc., Otemachi 1-chome, Chiyoda-ku, Tokyo	Beneficiary interest	38,388,259	59,800,000
		Science Plaza-Yonbancho Plaza	9-6, etc., Yonbancho, Chiyoda-ku, Tokyo	Beneficiary interest	2,757,964	3,470,000
		Shibadaimon Center Bldg.	10-11 Shibadaimon 1-chome, Minato-ku, Tokyo	Beneficiary interest	4,175,080	7,350,000
		Tokyo Square Garden	1-1 Kyobashi 3-chome, Chuo-ku, Tokyo	Beneficiary interest	18,161,688	22,100,000
		JPR Kojimachi Bldg.	6-1 Kojimachi 5-chome, Chiyoda-ku, Tokyo	Real estate	5,825,939	5,850,000
		Otemachi Financial City North Tower	9-5, Otemachi 1-chome, Chiyoda-ku, Tokyo	Real estate	11,427,947	13,000,000
	Tokyo Tatemono Higashi Shibuya Bldg.	26-20 Higashi 1-chome, Shibuya-ku, Tokyo	Real estate	11,648,506	12,200,000	
	Ochanomizu Sola City	6-1 Kanda-Surugadai 4-chome, Chiyoda-ku, Tokyo and others	Beneficiary interest	6,496,002	7,040,000	
	Retail, etc.	JPR Shibuya Tower Records Bldg.	22-14 Jinnan 1-chome, Shibuya-ku, Tokyo	Beneficiary interest	11,384,683	15,400,000
		JPR Jingumae 432	32-13 Jingumae 4-chome, Shibuya-ku, Tokyo	Beneficiary interest	4,247,648	4,330,000
		Shinjuku Sanchose East Bldg.	1-26, Shinjuku 3-chome, Shinjuku-ku, Tokyo	Real estate	2,491,601	2,360,000
		Yurakucho Ekimae Bldg. (Yurakucho Itocia)	7-1 Yurakucho 2-chome, Chiyoda-ku, Tokyo	Real estate	3,244,369	3,490,000
		JPR Ginza Namiki-dori Bldg.	5-14 Ginza 5-chome, Chuo-ku, Tokyo	Real estate	10,122,139	11,000,000
		FUNDES Suidobashi	20-8 Kanda Misakicho 2-chome, Chiyoda-ku, Tokyo	Beneficiary interest	3,124,810	3,380,000
	Greater Tokyo	Office	Arca East	2-1 Kinshi 3-chome, Sumida-ku, Tokyo	Beneficiary interest	4,226,933
JPR Chiba Bldg.			1-7, etc., Shinmachi, Chuo-ku, Chiba, Chiba	Beneficiary interest	2,137,131	1,910,000
JPR Yokohama Nihon Odori Bldg.			17 Nihon-Odori, Naka-ku, Yokohama, Kanagawa	Beneficiary interest	2,282,283	2,460,000
Shinyokohama 2nd Center Bldg.			19-5, etc., Shinyokohama 3-chome, Kohoku-ku, Yokohama, Kanagawa	Beneficiary interest	1,464,917	2,630,000
Kawaguchi Center Bldg.			1-8 Honcho 4-chome, Kawaguchi, Saitama	Beneficiary interest	7,239,947	12,700,000
JPR Ueno East Bldg.			3-5 Matsugaya 1-chome, Taito-ku, Tokyo	Real estate	2,846,248	5,870,000
Tachikawa Business Center Bldg.			38-5 Akebonocho 2-chome, Tachikawa, Tokyo	Beneficiary interest	2,852,875	4,670,000
Rise Arena Bldg.			5-2 Higashi-Ikebukuro 4-chome, Toshima-ku, Tokyo	Beneficiary interest	12,259,708	18,400,000
Yume-ooka Office Tower			6-1 Kamioka Nishi 1-chome, Konan-ku, Yokohama, Kanagawa	Real estate	4,978,344	7,310,000

Area	Type	Property Name	Location	Type of Ownership	Book Value as of June 30, 2024 (thousands of yen)	Appraisal Value as of June 30, 2024 (thousands of yen) (Note)
Greater Tokyo	Office	Olinas Tower	1-3 Taihei 4-chome, Sumida-ku, Tokyo	Real estate	25,370,982	40,400,000
		JPR Yokohama Bldg.	5-10 Kitasaiwai 1-chome, Nishi-ku, Yokohama, Kanagawa	Real estate	7,636,624	10,200,000
		JPR Omiya Bldg.	1-1, etc., Shimocho 2-chome, Omiya-ku, Saitama, Saitama	Beneficiary interest	5,467,059	11,100,000
		Sencity Bldg.	1000, etc., Shinmachi, Chuo-ku, Chiba-shi, Chiba	Real estate	14,099,928	15,100,000
		Nakano Central Park East	10-1 Nakano 4-chome, Nakano-ku, Tokyo	Beneficiary interest	29,179,737	30,100,000
	Retail, etc.	Tanashi ASTA	1-1 Tanashicho 2-chome, Nishitokyo, Tokyo	Beneficiary interest	6,779,354	11,200,000
		Cupo-la Main Bldg.	1-1 Kawaguchi 1-chome, Kawaguchi, Saitama	Real estate	1,520,794	3,080,000
		JPR Musashikosugi Bldg.	420-1, etc., Kosugimachi 3-chome, Nakahara-ku, Kawasaki, Kanagawa	Real estate	7,054,556	5,360,000
		Musashiurawa Shopping Square	3-1 Bessho 7-chome, Minami-ku, Saitama, Saitama	Beneficiary interest	3,407,664	4,340,000
		Kawasaki Dice Bldg.	8-3, etc., Ekimae-Honcho, Kawasaki-ku, Kawasaki, Kanagawa	Beneficiary interest	12,791,243	12,600,000
		FUNDES Ueno	2-4 Ueno 7-chome, Taito-ku, Tokyo	Real estate	3,683,287	4,080,000
	Other Cities	Office	Niigata Ekinan Center Bldg.	24 Yoneyama 1-chome, Chuo-ku, Niigata, Niigata	Beneficiary interest	1,476,191
JPR Naha Bldg.			1-19 Matsuyama 1-chome, Naha, Okinawa	Beneficiary interest	1,622,707	2,450,000
Sompo Japan Sendai Bldg.			7-35 Tsutsujigaoka 3-chome, Miyagino-ku, Sendai, Miyagi	Beneficiary interest	2,282,433	4,010,000
Sompo Japan Wakayama Bldg.			31-1, etc., Misonocho 3-chome, Wakayama, Wakayama	Beneficiary interest	1,294,029	1,550,000
Tenjin 121 Bldg.			3-38 Tenjin 1-chome, Chuo-ku, Fukuoka, Fukuoka	Beneficiary interest	1,945,732	4,050,000
JPR Dojima Bldg.			1-23 Sonezaki-Shinchi 2-chome, Kita-ku, Osaka, Osaka	Beneficiary interest	2,080,528	4,270,000
JPR Nagoya Fushimi Bldg.			24-15 Sakae 1-chome, Naka-ku, Nagoya, Aichi	Real estate	3,773,041	3,490,000
Yakuin Business Garden			1-1 Yakuin 1-chome, Chuo-ku, Fukuoka, Fukuoka	Real estate	9,863,215	24,300,000
JPR Shinsaibashi Bldg.			2-11 Minamisemba 4-chome, Chuo-ku, Osaka, Osaka	Beneficiary interest	5,309,750	4,700,000
JPR Shinsaibashi West			11-28 Minamisemba 4-chome, Chuo-ku, Osaka, Osaka	Beneficiary interest	3,965,808	4,880,000
GRAND FRONT OSAKA (Umekita Plaza and South Building)			4-1 Ofuka-cho, Kita-ku, Osaka, Osaka 4-20 Ofuka-cho, Kita-ku, Osaka, Osaka (South Building)	Beneficiary interest	11,766,361	12,000,000
GRAND FRONT OSAKA (North Building)			3-1 Ofuka-cho, Kita-ku, Osaka, Osaka	Beneficiary interest	9,483,758	10,000,000
JPR Dojima West		3-5 Dojima 2-chome, Kita-ku, Osaka, Osaka	Real estate	2,601,156	2,780,000	
Retail, etc.		Housing Design Center Kobe	2-2 Higashi-Kawasakicho 1-chome, Chuo-ku, Kobe, Hyogo	Real estate	6,243,339	7,390,000
		JPR Chayamachi Bldg.	2-19 Chayamachi, Kita-ku, Osaka, Osaka	Beneficiary interest	5,932,445	8,300,000
	FUNDES Tenjin Nishidori	3-21 Tenjin 2-chome, Chuo-ku, Fukuoka, Fukuoka	Real estate	3,340,371	3,660,000	
Total					497,417,159	627,848,000

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

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

Area	Type	Property Name	44th Fiscal Period (from Jul. 1, 2023 to Dec. 31, 2023)				45th Fiscal Period (from Jan. 1, 2024 to Jun. 30, 2024)				
			Number of Tenants at Period End (Note 1)	Occupancy Rate at Period End (%)	Rental Revenues throughout Period (thousands of yen)	Ratio to Total Rental Revenues (%)	Number of Tenants at Period End (Note 1)	Occupancy Rate at Period End (%)	Rental Revenues throughout Period (thousands of yen)	Ratio to Total Rental Revenues (%)	
Central Tokyo	Office	Kanematsu Bldg.	11	95.0	380,786	2.2	12	100.0	387,873	2.2	
		Kanematsu Bldg. Annex	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		JPR Ningyo-cho Bldg.	5	100.0	97,250	0.6	5	100.0	96,688	0.5	
		Shin-Kojimachi Bldg.	20	100.0	114,036	0.7	19	96.7	112,432	0.6	
		MS Shibaura Bldg.	10	100.0	496,824	2.9	5	32.2	348,884	2.0	
		JPR Ichigaya Bldg.	9	100.0	146,048	0.8	8	87.0	167,907	1.0	
		Oval Court Ohsaki Mark West	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		Shinjuku Square Tower	29	98.5	406,119	2.3	28	98.5	423,643	2.4	
		BYGS Shinjuku Bldg.	23	99.8	623,315	3.6	23	99.8	628,945	3.6	
		Across Shinkawa Bldg. Annex	4	100.0	38,668	0.2	4	100.0	38,719	0.2	
		Shinjuku Center Bldg.	26	96.6	626,767	3.6	26	97.4	627,568	3.6	
		Minami Azabu Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		Shinagawa Canal Bldg.	6	100.0	74,091	0.4	6	100.0	73,000	0.4	
		Rokubancho Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		JPR Harajuku Bldg.	11	88.6	207,967	1.2	12	100.0	250,431	1.4	
		JPR Nihonbashi-horidome Bldg.	5	100.0	193,870	1.1	5	100.0	194,396	1.1	
		JPR Sendagaya Bldg.	6	100.0	310,189	1.8	6	100.0	309,641	1.8	
		GINZA Sanwa Bldg.	9	100.0	121,791	0.7	9	100.0	121,393	0.7	
		Otemachi Tower (Land with Leasehold Interest)	2	100.0	1,801,499	10.3	2	100.0	1,820,500	10.3	
		Science Plaza-Yonbancho Plaza	24	97.5	117,871	0.7	24	98.3	116,734	0.7	
	Shibadaimon Center Bldg.	9	100.0	191,916	1.1	9	100.0	190,973	1.1		
	Tokyo Square Garden	51	98.6	351,455	2.0	50	99.9	358,019	2.0		
	JPR Kojimachi Bldg.	8	100.0	141,527	0.8	8	100.0	136,058	0.8		
	Otemachi Financial City North Tower	9	99.9	291,255	1.7	7	87.7	282,367	1.6		
	Tokyo Tatemono Hjjashi Shibuya Bldg.	15	100.0	338,159	1.9	15	100.0	330,672	1.9		
	Ochanomizu Sola City	23	99.1	(Note 2)	(Note 2)	24	99.3	(Note 2)	(Note 2)		
	Retail, etc.	JPR Shibuya Tower Records Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
		JPR Jingumae 432	6	77.1	57,065	0.3	7	100.0	61,995	0.4	
Shinjuku Sanchose East Bldg.		1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
Yurakucho Ekimae Bldg. (Yurakucho Itocia)		1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)		
JPR Ginza Namiki-dori Bldg.		9	100.0	201,405	1.2	8	100.0	200,966	1.1		
FUNDES Suidobashi		5	87.2	79,184	0.5	6	100.0	80,692	0.5		
Arca East		7	100.0	273,214	1.6	7	100.0	269,872	1.5		
JPR Chiba Bldg.		42	98.4	155,451	0.9	42	97.5	133,455	0.8		
Greater Tokyo	Office	JPR Yokohama Nihon Odori Bldg.	19	100.0	139,703	0.8	19	98.4	127,452	0.7	
		Shinyokohama 2nd Center Bldg.	23	91.0	121,844	0.7	23	96.9	115,964	0.7	
		Kawaguchi Center Bldg.	40	100.0	478,700	2.7	41	100.0	486,983	2.8	
		JPR Ueno East Bldg.	10	100.0	185,844	1.1	10	100.0	184,345	1.0	
		Tachikawa Business Center Bldg.	23	100.0	152,406	0.9	23	100.0	152,597	0.9	
		Rise Arena Bldg.	8	100.0	490,632	2.8	8	100.0	487,388	2.8	
		Yume-ooka Office Tower	44	100.0	354,389	2.0	44	100.0	347,644	2.0	
		Olinas Tower	22	96.9	944,248	5.4	22	98.4	929,756	5.3	
		JPR Yokohama Bldg.	21	100.0	280,270	1.6	21	100.0	293,958	1.7	
		JPR Omiya Bldg.	11	100.0	256,247	1.5	11	100.0	276,958	1.6	
		Sencity Bldg.	73	91.3	594,106	3.4	74	96.1	501,327	2.8	
		Nakano Central Park East	—	—	—	—	14	96.7	439,484	2.5	
		Retail, etc.	Tanashi ASTA	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
			Cupo-la Main Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
	JPR Musashikosugi Bldg.		1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
	Musashiurawa Shopping Square		3	100.0	127,041	0.7	3	100.0	127,051	0.7	
	Kawasaki Dice Bldg.		29	98.4	454,670	2.6	29	98.4	423,108	2.4	
	FUNDES Ueno		10	100.0	129,649	0.7	10	100.0	126,349	0.7	
	Other Cities	Office	Niigata Ekinan Center Bldg.	11	94.5	115,711	0.7	12	100.0	119,312	0.7
			JPR Naha Bldg.	23	100.0	122,056	0.7	23	100.0	117,263	0.7
Sompo Japan Sendai Bldg.			16	98.2	184,150	1.1	16	98.2	194,234	1.1	
Sompo Japan Wakayama Bldg.			18	99.8	109,979	0.6	18	99.8	108,885	0.6	
Tenjin 121 Bldg.			16	100.0	103,345	0.6	16	100.0	112,618	0.6	
JPR Dojima Bldg.			12	100.0	128,698	0.7	12	100.0	135,645	0.8	
JPR Nagoya Fushimi Bldg.			6	99.8	155,425	0.9	6	99.8	155,588	0.9	
Yakuin Business Garden			16	99.9	618,191	3.6	16	99.9	601,375	3.4	
JPR Shinsaibashi Bldg.			7	93.9	130,278	0.7	7	93.9	124,722	0.7	
JPR Shinsaibashi West			13	99.9	153,303	0.9	13	99.9	144,837	0.8	
GRAND FRONT OSAKA (Umekita Plaza and South Building)			249	93.6	(Note 2)	(Note 2)	246	91.8	(Note 2)	(Note 2)	
GRAND FRONT OSAKA (North Building)			98	98.2	(Note 2)	(Note 2)	103	98.7	(Note 2)	(Note 2)	
JPR Dojima West			9	83.2	86,789	0.5	10	90.0	79,281	0.4	
Housing Design Center Kobe			1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)	
JPR Chayamachi Bldg.			5	100.0	179,505	1.0	5	100.0	177,933	1.0	
FUNDES Tenjin Nishidori			6	100.0	75,434	0.4	6	100.0	76,030	0.4	
Total			1,236	98.7	17,411,577	100.0	1,249	17,644,745	100.0		

(Note 1) The number of tenants at end of period is counted as follows: when a single tenant leases multiple rooms, it is counted as one if the tenant uses the same property. If the leased rooms are in multiple buildings, the tenant is counted in plural.

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

(Note 2) JPR does not disclose the rental revenues throughout period of the properties and their ratio to total rental revenues due to inevitable reasons, as no consent to disclosure has been obtained from the tenants or co-owners.

(4) Status of Other Assets

Beneficiary interests with real estate as major entrusted properties have been included in (3) Itemized Portfolio Assets above. There were no additional major specified assets that are main investment targets of JPR other than those listed under (3) above and those indicated below as of the end of the 45th fiscal period.

1) Stock

Issuer Name	Number of Shares	Acquisition Price (thousands of yen) (Note 1)		Appraisal Value (thousands of yen) (Note 2)		Profit and Loss from Valuation	Remarks
		Unit Price	Amount	Unit Price	Amount		
KMO Corporation	1,666	50	83,740	50	83,740	—	—

(Note 1) The acquisition price indicates the amount that includes the expenses required for the acquisition.

(Note 2) The appraisal value indicates the book value.

2) Other securities

Type of Asset	Volume	Book Value (thousands of yen)		Appraisal Value (thousands of yen) (Note 1)		Profit and Loss from Valuation	Remarks
		Unit Price	Amount	Unit Price	Amount		
Claim for refund of funds	1	—	5,120	—	5,120	—	(Note 2)

(Note 1) The appraisal value indicates the book value.

(Note 2) The asset is a claim for refund of funds of Knowledge Capital, a general incorporated association.

3) Other assets

Type of Asset	Volume	Book Value (thousands of yen)		Appraisal Value (thousands of yen) (Note 1)		Profit and Loss from Valuation	Remarks
		Unit Price	Amount	Unit Price	Amount		
Claim for refund of funds	1	—	710	—	710	—	(Note 2)

(Note 1) The appraisal value indicates the book value.

(Note 2) The asset is a claim for refund of funds of GRAND FRONT OSAKA TMO, a general incorporated association.

4. Capital Expenditures of Owned Real Estate

(1) Planned Capital Expenditures

The following are major items of capital expenditures for renovation works, etc. planned as of the end of the 45th fiscal period for JPR-owned real estate and entrusted real estate regarding beneficiary interests in real estate. Furthermore, the planned construction expenses include portions that are classified as expenses in accounting.

Property Name	Location	Purpose	Schedule	Planned Amount (millions of yen)		
				Total Value	Payment during the 45th Fiscal Period	Amount Already Paid
MS Shibaura Bldg.	Minato-ku, Tokyo	Second phase of replacement of air conditioning units and replacement of lighting equipment with LED lamps	Jun. 2024 – Aug. 2024	159	–	–
Shinjuku Square Tower	Shinjuku-ku, Tokyo	Shift of leased room on 1st basement floor to office spaces	May 2024 – Nov. 2024	154	–	–
BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Replacement of generators for emergency	Apr. 2024 – Dec. 2024	123	–	–
JPR Yokohama Bldg.	Yokohama, Kanagawa	Replacement of mechanical parking systems	May 2024 – Oct. 2024	114	–	–
Kawaguchi Center Bldg.	Kawaguchi, Saitama	Third phase of replacement of toilets	Jul. 2024 – Dec. 2024	107	–	–
JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Repair of exterior walls	Jul. 2024 – Dec. 2024	88	–	–
BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Replacement of power-receiving and transforming facilities	May 2024 – Dec. 2024	87	–	–
Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Third phase of renewal of air handling units on standard floors	May 2024 – Dec. 2024	82	–	–
JPR Sendagaya Bldg.	Shibuya-ku, Tokyo	Second phase of replacement of air conditioning units	Sep. 2024 – Nov. 2024	81	–	–
MS Shibaura Bldg.	Minato-ku, Tokyo	Replacement of lighting equipment with LED lamps and replacement of ceiling	May 2024 – Jul. 2024	77	–	–
JPR Dojima West	Osaka, Osaka	Replacement of toilets	Dec. 2023 – Oct. 2024	62	–	–
JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	Reinforcement of elevators	Jul. 2024 – Sep. 2024	59	–	–
Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Repair of exterior walls	Feb. 2024 – Nov. 2024	58	–	–
Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Replacement of inverter equipment	Jun. 2023 – Dec. 2024	49	–	–
Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	First phase of replacement of sprinkler, etc.	Jun. 2024 – Nov. 2024	39	–	–
Sencity Bldg.	Chiba, Chiba	Reinforcement of elevators (West No. 30)	Jun. 2024 – Sep. 2024	37	–	–
Sencity Bldg.	Chiba, Chiba	Reinforcement of elevators (West No. 29)	Oct. 2024 – Dec. 2024	31	–	–
Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Third phase of replacement of piping equipment	Jul. 2024 – Nov. 2024	30	–	–

(2) Capital Expenditures during the 45th Fiscal Period

The following are the capital expenditure amounts JPR invested in real estate and entrusted real estate during the 45th fiscal period. Among major capital expenditures, JPR conducted replacement of air conditioning units to maintain and enhance tenant satisfaction, as well as renovation of common-use areas with the aim of attracting new tenants, among other works. In addition, aside from these constructions, JPR conducted construction of 482 million yen (Note), which was appropriated as expenditures for repair and maintenance.

Property Name	Location	Purpose	Period	Construction Expenses (millions of yen)
MS Shibaura Bldg.	Minato-ku, Tokyo	First phase of replacement of air conditioning units and replacement of lighting equipment with LED lamps	Jan. 2024 – Jun. 2024	334
Kawaguchi Center Bldg.	Kawaguchi, Saitama	Second phase of replacement of toilets	Jan. 2024 – Jun. 2024	92
Housing Design Center Kobe	Kobe, Hyogo	Fourth phase of replacement of toilets	Jan. 2024 – Mar. 2024	70
Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Reinforcement of elevators	Mar. 2024 – Jun. 2024	69
JPR Dojima West	Osaka, Osaka	First phase of replacement of toilets	Dec. 2023 – Jun. 2024	67
Sencity Bldg.	Chiba, Chiba	Shift to office spaces on 23rd floor	Apr. 2024 – May 2024	64
JPR Sendagaya Bldg.	Shibuya-ku, Tokyo	First phase of replacement of air conditioning units	Mar. 2024 – Jun. 2024	62
Tokyo Tatemono Higashi Shibuya Bldg.	Shibuya-ku, Tokyo	Reinforcement of elevators (No. 3)	Oct. 2023 – Jan. 2024	53
Nakano Central Park East	Nakano-ku, Tokyo	Second phase of replacement of lighting equipment with LED lamps	Jan. 2024 – Mar. 2024	48
Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Second phase of replacement of piping equipment	Jan. 2024 – May 2024	44
Kawaguchi Center Bldg.	Kawaguchi, Saitama	Second phase of replacement of lighting equipment with LED lamps	Jul. 2023 – Mar. 2024	43
JPR Ueno East Bldg.	Taito-ku, Tokyo	First phase of reinforcement of elevators	May 2024 – Jun. 2024	43
Yakuin Business Garden	Fukuoka, Fukuoka	Replacement of lighting equipment with LED lamps	Feb. 2024 – Apr. 2024	41
Sencity Bldg.	Chiba, Chiba	Reinforcement of elevators (West No. 31)	Apr. 2024 – Jun. 2024	37
Arca East	Sumida-ku, Tokyo	Renovation of common areas	Apr. 2023 – Mar. 2024	36
Arca East	Sumida-ku, Tokyo	Replacement of toilets	Oct. 2023 – Feb. 2024	31
Other capital expenditures		Replacement of air-conditioning units, repair of common areas, replacement of lighting equipment with LED lamps, etc.		857
Total				1,999

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

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

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

Operation Period	(Millions of yen)				
	41st Fiscal Period (Jan. 1, 2022 - Jun. 30, 2022)	42nd Fiscal Period (Jul. 1, 2022 - Dec. 31, 2022)	43rd Fiscal Period (Jan. 1, 2023 - Jun. 30, 2023)	44th Fiscal Period (Jul. 1, 2023 - Dec. 31, 2023)	45th Fiscal Period (Jan. 1, 2024 - Jun. 30, 2024)
Balance of deposits at beginning of current period	1,610	1,758	1,729	1,758	1,780
Deposits during the period	802	1,024	927	1,433	1,521
Amounts used from deposits during the period	654	1,053	898	1,411	1,497
Deposits carried forward to the next period	1,758	1,729	1,758	1,780	1,804

5. Expenses and Liabilities

(1) Details of Expenses Related to Management

(1 thousands of yen)

Item	44th Fiscal Period (Jul. 1, 2023 - Dec. 31, 2023)	45th Fiscal Period (Jan. 1, 2024 - Jun. 30, 2024)
(a) Asset Management Fees (Note)	709,507	766,085
Management fee 1	248,522	247,000
Management fee 2	209,089	212,233
Management fee 3	251,895	306,850
(b) Administrative Service and Asset Custody Fees	85,381	85,259
(c) Directors' Compensation	6,300	6,300
(d) Trust Fees	15,488	15,930
(e) Other Operating Expenses	127,893	116,471
Total	944,571	990,046

(Note) Aside from the amounts of the asset management fees entered above, fees for asset management of the acquired properties (45th fiscal period: 288,000 thousand yen) have been paid and included in the book value of each property.

(2) Status of Loans Payable

As of June 30, 2024 JPR has the following loans payable.

Category	Lender	Drawdown Date	Balance as of Jan. 1, 2024 (millions of yen)	Balance as of Jun. 30, 2024 (millions of yen)	Average Interest Rate (%) (Note 1) (Note 2)	Repayment Date	Repayment Method	Use	Remarks
Short-Term Loans Payable	Mizuho Bank, Ltd. (Green Loan)	Mar. 1, 2024	—	8,000	0.255	Jul. 5, 2024	Principal lump sum repayment on maturity	(Note 3)	Unsecured/ Unguaranteed
	Mizuho Trust & Banking Co., Ltd. (Green Loan)	Mar. 1, 2024	—	5,000	0.255	Jul. 5, 2024			
	Resona Bank, Limited (Green Loan)	Mar. 1, 2024	—	4,000	0.255	Jul. 5, 2024			
	Total		—	17,000					
Long-Term Loans Payable	Mizuho Bank, Ltd.	Mar. 11, 2015	2,000	—	1.011	Mar. 11, 2024	Principal lump sum repayment on maturity	(Note 3)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	Mar. 24, 2015	2,000	2,000	1.056	Mar. 24, 2025			
	Mizuho Bank, Ltd.	Feb. 4, 2016	5,000	5,000	0.804	Feb. 4, 2026			
	Mizuho Bank, Ltd.	Nov. 21, 2017	1,000	1,000	0.795	Nov. 19, 2027			
	Mizuho Bank, Ltd.	Dec. 5, 2019	2,000	2,000	0.646	Dec. 5, 2029			
	Mizuho Bank, Ltd.	Mar. 30, 2021	3,000	3,000	0.675	Mar. 31, 2031			
	Mizuho Bank, Ltd.	Mar. 30, 2022	2,400	2,400	0.675	Mar. 30, 2032			
	Mizuho Bank, Ltd. (Green Loan)	Mar. 30, 2022	1,000	1,000	0.675	Mar. 30, 2032			
	Mizuho Bank, Ltd. (Sustainability Loan)	Mar. 30, 2022	600	600	0.675	Mar. 30, 2032			
	Mizuho Bank, Ltd. (Green Loan)	Jun. 27, 2023	2,000	2,000	0.533	Dec. 27, 2028			
	Mizuho Bank, Ltd. (Green Loan)	Jun. 27, 2023	2,000	2,000	0.401	Jun. 25, 2027			
	Mizuho Bank, Ltd. (Green Loan)	Jun. 27, 2023	1,000	1,000	0.948	Jun. 27, 2033			
	Mizuho Bank, Ltd.	Mar. 11, 2024	—	1,000	1.400	Mar. 10, 2034			
	Mizuho Bank, Ltd.	Mar. 11, 2024	—	1,000	0.691	Mar. 10, 2028			
	MUFG Bank, Ltd.	Mar. 25, 2016	5,000	—	0.510	Mar. 25, 2024			
	MUFG Bank, Ltd.	Dec. 15, 2016	2,000	2,000	0.633	Dec. 13, 2024			
	MUFG Bank, Ltd.	Aug. 8, 2017	1,000	1,000	0.638	Aug. 8, 2025			
	MUFG Bank, Ltd.	Aug. 29, 2017	5,000	5,000	0.600	Aug. 29, 2025			
MUFG Bank, Ltd.	Sep. 5, 2017	3,000	3,000	0.593	Sep. 5, 2025				
MUFG Bank, Ltd.	Jun. 25, 2021	4,000	4,000	0.450	Jun. 23, 2028				

Category	Lender	Drawdown Date	Balance as of Jan. 1, 2024 (millions of yen)	Balance as of Jun. 30, 2024 (millions of yen)	Average Interest Rate (%) (Note 1) (Note 2)	Repayment Date	Repayment Method	Use	Remarks
Long-Term Loans Payable	MUFG Bank, Ltd. (Green Loan)	Aug. 31, 2023	1,000	1,000	1.116	Aug. 29, 2031	Principal lump sum repayment on maturity (Note 3)		Unsecured/Unguaranteed
	MUFG Bank, Ltd. (Green Loan)	Mar. 25, 2024	—	2,000	1.185	Mar. 25, 2032			
	MUFG Bank, Ltd. (Green Loan)	Mar. 25, 2024	—	2,000	1.064	Mar. 25, 2031			
	MUFG Bank, Ltd. (Green Loan)	Mar. 25, 2024	—	1,000	0.938	Mar. 25, 2030			
	Sumitomo Mitsui Banking Corporation	Jun. 26, 2020	3,000	3,000	0.300	Jun. 26, 2025			
	Sumitomo Mitsui Banking Corporation	Mar. 30, 2021	2,000	2,000	0.450	Mar. 30, 2028			
	Sumitomo Mitsui Banking Corporation	Mar. 30, 2022	2,500	2,500	0.675	Mar. 30, 2032			
	Sumitomo Mitsui Banking Corporation	Mar. 30, 2022	2,000	2,000	0.600	Mar. 28, 2031			
	Sumitomo Mitsui Banking Corporation	Mar. 30, 2022	2,000	2,000	0.525	Mar. 29, 2030			
	Sumitomo Mitsui Banking Corporation	Jun. 27, 2022	2,500	2,500	0.698	Jun. 27, 2029			
	Sumitomo Mitsui Banking Corporation	Dec. 5, 2023	1,000	1,000	1.368	Jun. 3, 2033			
	Development Bank of Japan Inc.	Mar. 24, 2015	2,000	2,000	1.056	Mar. 24, 2025			
	Development Bank of Japan Inc.	Dec. 15, 2016	3,000	3,000	0.843	Jun. 14, 2027			
	Development Bank of Japan Inc.	Nov. 21, 2017	1,000	1,000	0.795	Nov. 19, 2027			
	Development Bank of Japan Inc.	Jun. 27, 2019	2,100	2,100	0.572	Jun. 27, 2029			
	Development Bank of Japan Inc.	Jun. 25, 2021	800	800	0.600	Jun. 25, 2030			
	Development Bank of Japan Inc.	Dec. 3, 2021	2,000	2,000	0.600	Dec. 3, 2030			
	Development Bank of Japan Inc. (Green Loan)	Mar. 1, 2024	—	1,000	1.064	Feb. 28, 2031			
	Development Bank of Japan Inc. (Green Loan)	Mar. 1, 2024	—	1,000	0.651	Sep. 1, 2027			
	SBI Shinsei Bank, Limited	Dec. 5, 2014	2,000	2,000	1.134	Dec. 5, 2024			
	SBI Shinsei Bank, Limited	Dec. 15, 2016	1,000	1,000	0.843	Jun. 14, 2027			
	SBI Shinsei Bank, Limited	Apr. 5, 2019	5,000	5,000	0.673	Apr. 5, 2029			
	SBI Shinsei Bank, Limited	Sep. 24, 2020	1,000	1,000	0.675	Sep. 24, 2030			
	SBI Shinsei Bank, Limited	Sep. 24, 2020	1,000	1,000	0.525	Sep. 25, 2028			
	SBI Shinsei Bank, Limited (Green Loan)	Mar. 1, 2024	—	1,000	1.064	Feb. 28, 2031			
	SBI Shinsei Bank, Limited (Green Loan)	Mar. 1, 2024	—	1,000	0.651	Sep. 1, 2027			
	Aozora Bank, Ltd.	Jul. 3, 2017	900	900	0.625	Jul. 3, 2025			
	Aozora Bank, Ltd.	Aug. 25, 2017	1,000	1,000	0.574	Feb. 25, 2025			
	Aozora Bank, Ltd.	Aug. 25, 2017	1,000	1,000	0.534	Aug. 23, 2024			
	Aozora Bank, Ltd.	Aug. 30, 2018	2,000	2,000	0.553	Feb. 25, 2025			
	Aozora Bank, Ltd.	Sep. 24, 2020	500	500	0.525	Sep. 25, 2028			
	Aozora Bank, Ltd.	Apr. 5, 2022	1,000	1,000	0.525	Apr. 5, 2030			
	Aozora Bank, Ltd. (Green Loan)	Mar. 1, 2024	—	1,000	1.064	Feb. 28, 2031			
	Aozora Bank, Ltd. (Green Loan)	Mar. 1, 2024	—	1,000	0.651	Sep. 1, 2027			
	Shinkin Central Bank	Dec. 5, 2018	3,000	3,000	0.663	Jun. 4, 2027			
	Shinkin Central Bank	Jun. 27, 2019	2,000	2,000	0.447	Dec. 27, 2027			
	Shinkin Central Bank	Dec. 14, 2021	2,000	2,000	0.525	Dec. 14, 2029			
	The Norinchukin Bank	Dec. 5, 2017	1,000	1,000	0.604	Jun. 5, 2025			
	The Norinchukin Bank	Jun. 27, 2019	2,000	2,000	0.405	Jun. 25, 2027			
	The Norinchukin Bank	Dec. 24, 2020	2,000	2,000	0.525	Dec. 25, 2028			
	The Norinchukin Bank	Dec. 14, 2021	2,000	2,000	0.525	Dec. 14, 2029			
	Mizuho Trust & Banking Co., Ltd.	Feb. 4, 2020	3,000	3,000	0.586	Feb. 4, 2030			
Mizuho Trust & Banking Co., Ltd.	Mar. 30, 2020	2,000	2,000	0.606	Mar. 29, 2030				
Mizuho Trust & Banking Co., Ltd.	Dec. 24, 2020	2,000	2,000	0.675	Dec. 24, 2030				

Category	Lender	Drawdown Date	Balance as of Jan. 1, 2024 (millions of yen)	Balance as of Jun. 30, 2024 (millions of yen)	Average Interest Rate (%) (Note 1) (Note 2)	Repayment Date	Repayment Method	Use	Remarks
Long-Term Loans Payable	The Bank of Fukuoka, Ltd.	Jul. 7, 2016	2,000	2,000	0.480	Jul. 7, 2026	Principal lump sum repayment on maturity	(Note 3)	Unsecured/ Unguaranteed
	The Bank of Fukuoka, Ltd.	Sep. 24, 2019	1,000	1,000	0.554	Sep. 21, 2029			
	The Bank of Fukuoka, Ltd.	Jan. 30, 2020	1,000	1,000	0.598	Jan. 30, 2030			
	The Bank of Fukuoka, Ltd. (Green Loan)	Oct. 6, 2023	2,000	2,000	1.183	Oct. 6, 2031			
	Resona Bank, Limited	Sep. 30, 2022	2,000	2,000	0.888	Sep. 30, 2031			
	Resona Bank, Limited (Green Loan)	Mar. 1, 2024	—	2,000	0.998	Aug. 30, 2030			
	Resona Bank, Limited (Green Loan)	Mar. 1, 2024	—	2,000	0.600	Mar. 1, 2027			
	Meiji Yasuda Life Insurance Company	Feb. 5, 2015	1,000	1,000	1.042	Feb. 5, 2025			
	Meiji Yasuda Life Insurance Company	Jun. 21, 2018	3,200	3,200	0.813	Jun. 21, 2028			
	Sumitomo Life Insurance Company	Oct. 11, 2016	2,000	2,000	0.453	Oct. 11, 2024			
	Sumitomo Life Insurance Company	Jul. 22, 2019	1,000	1,000	0.583	Jul. 20, 2029			
	Sumitomo Life Insurance Company	Jan. 30, 2020	1,000	1,000	0.598	Jan. 30, 2030			
	The Shinkumi Federation Bank	Aug. 5, 2022	4,000	4,000	0.358	Aug. 5, 2027			
	The Nishi-Nippon City Bank, Ltd.	May 27, 2016	3,000	3,000	0.646	May 27, 2026			
	The Nishi-Nippon City Bank, Ltd.	Dec. 14, 2021	1,000	1,000	0.525	Dec. 14, 2029			
	Taiyo Life Insurance Company	Sep. 24, 2015	1,000	1,000	0.969	Sep. 24, 2024			
	Taiyo Life Insurance Company	Jun. 4, 2018	1,000	1,000	0.811	Jun. 5, 2028			
	Taiyo Life Insurance Company	Dec. 25, 2020	1,000	1,000	0.675	Dec. 24, 2030			
	The Chugoku Bank, Limited	Sep. 25, 2018	1,000	1,000	0.661	Mar. 25, 2026			
	The Chugoku Bank, Limited (Green Loan)	Oct. 6, 2023	2,000	2,000	1.258	Oct. 6, 2031			
	The Yamaguchi Bank, Ltd.	Nov. 21, 2017	1,000	1,000	0.795	Nov. 19, 2027			
	The Yamaguchi Bank, Ltd.	Jan. 30, 2020	1,000	1,000	0.598	Jan. 30, 2030			
	The Yamaguchi Bank, Ltd.	Mar. 30, 2022	1,000	1,000	0.675	Mar. 30, 2032			
	The Iyo Bank, Ltd.	Jan. 30, 2020	1,000	1,000	0.598	Jan. 30, 2030			
	The Iyo Bank, Ltd. (Green Loan)	Oct. 6, 2023	1,000	1,000	1.301	Oct. 6, 2031			
	The Kiyō Bank, Ltd.	Jan. 30, 2020	1,000	1,000	0.598	Jan. 30, 2030			
	The Kiyō Bank, Ltd.	Mar. 30, 2022	1,000	1,000	0.675	Mar. 30, 2032			
	Sompo Japan Insurance Inc. (Green Loan)	Dec. 25, 2023	2,000	2,000	0.803	Jun. 25, 2029			
	Daiwa Next Bank, Ltd.	Feb. 5, 2024	—	1,000	0.887	Aug. 3, 2029			
	Daiwa Next Bank, Ltd. (Green Loan)	Mar. 1, 2024	—	1,000	0.651	Sep. 1, 2027			
	Nippon Life Insurance Company (Green Loan)	Nov. 22, 2023	2,000	2,000	0.906	Apr. 20, 2029			
	The Hachijuni Bank, Ltd.	Oct. 9, 2020	1,000	1,000	0.300	Oct. 9, 2025			
	The Hachijuni Bank, Ltd.	Sep. 24, 2021	1,000	1,000	0.310	Sep. 24, 2026			
	The Yamagata Bank, Ltd. (Sustainability Loan)	Jul. 5, 2023	1,000	1,000	0.781	Jul. 4, 2031			
	The Yamagata Bank, Ltd. (Sustainability Loan)	Jul. 5, 2023	1,000	1,000	0.491	Jul. 5, 2028			
	The Yamanashi Chuo Bank, Ltd.	Apr. 30, 2021	1,000	1,000	0.600	Apr. 30, 2030			
	The Yamanashi Chuo Bank, Ltd.	Apr. 5, 2022	1,000	1,000	0.600	Apr. 5, 2032			
	Asahi Shinkin Bank	Feb. 5, 2024	—	1,000	1.098	Feb. 5, 2031			
	The Ashikaga Bank, Ltd. (Green Loan)	Jul. 5, 2023	1,000	1,000	0.471	Jul. 5, 2028			
	Kansai Mirai Bank, Limited	Mar. 30, 2022	1,000	1,000	0.600	Mar. 30, 2032			
	The Bank of Kyoto, Ltd.	Mar. 30, 2022	500	500	0.600	Mar. 30, 2032			
The Bank of Kyoto, Ltd. (Sustainability Loan)	Jul. 5, 2023	500	500	0.441	Jul. 5, 2028				

Category	Lender	Drawdown Date	Balance as of Jan. 1, 2024 (millions of yen)	Balance as of Jun. 30, 2024 (millions of yen)	Average Interest Rate (%) (Note 1) (Note 2)	Repayment Date	Repayment Method	Use	Remarks
Long-Term Loans Payable	The Gunma Bank, Ltd. (Green Loan)	Jul. 5, 2023	1,000	1,000	0.680	Jul. 5, 2030	Principal lump sum repayment on maturity	(Note 3)	Unsecured/Unguaranteed
	The Keiyo Bank, Ltd. (Green Loan)	Jul. 5, 2023	1,000	1,000	0.491	Jul. 5, 2028			
	The 77 Bank, Ltd.	May 31, 2023	1,000	1,000	0.543	Nov. 30, 2028			
	Daishi Hokuetsu Bank, Ltd.	Nov. 21, 2022	1,000	1,000	0.566	Nov. 21, 2028			
	Daido Life Insurance Company (Green Loan)	Dec. 25, 2023	1,000	1,000	0.991	Dec. 25, 2030			
	The Chiba Bank, Ltd. (Green Loan)	Oct. 25, 2023	1,000	1,000	0.853	Oct. 25, 2028			
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Jun. 27, 2023	1,000	1,000	0.443	Dec. 27, 2027			
	The Hyakugo Bank, Ltd.	Oct. 25, 2018	1,000	1,000	0.582	Apr. 25, 2025			
	The Hiroshima Bank, Ltd.	Nov. 21, 2022	1,000	1,000	0.566	Nov. 21, 2028			
	Mitsui Sumitomo Insurance Company, Limited	Oct. 4, 2019	1,000	1,000	0.310	Oct. 2, 2026			
	Sumitomo Mitsui Trust Bank, Limited	Mar. 25, 2016	1,000	1,000	0.691	Mar. 25, 2026			
	Total			169,500	182,500				

(Note 1) The average interest rates represent the weighted-averages during the fiscal period, and are rounded to the third decimal place. Furthermore, fees related to loan arrangement paid to the above lenders are not included.

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

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

(3) Investment Corporation Bonds

Details of JPR's investment corporation bonds outstanding as of June 30, 2024 are as follows.

Name	Issue Date	Balance as of Jan. 1, 2024 (millions of yen)	Balance as of Jun. 30, 2024 (millions of yen)	Coupon Rate (%)	Maturity Date	Redemption Method	Use	Remarks
Seventh Series of Investment Corporation Bonds	Dec. 14, 2006	4,500	4,500	2.900	Dec. 14, 2026	Bullet repayment	(Note 1)	(Note 2)
Nineteenth Series of Investment Corporation Bonds	Feb. 5, 2014	5,000	—	1.110	Feb. 5, 2024			
Twenty-first Series of Investment Corporation Bonds	Jul. 22, 2014	4,000	4,000	1.278	Jul. 22, 2026			
Twenty-second Series of Investment Corporation Bonds	Dec. 4, 2014	3,000	3,000	0.831	Dec. 4, 2024			
Twenty-third Series of Investment Corporation Bonds	May 31, 2018	3,000	3,000	0.550	May 31, 2028			
Twenty-fourth Series of Investment Corporation Bonds (Green Bonds)	Jul. 31, 2019	5,000	5,000	0.570	Jul. 31, 2029			
Twenty-fifth Series of Investment Corporation Bonds (Green Bonds)	Nov. 26, 2020	6,000	6,000	0.510	Nov. 26, 2030			
Twenty-sixth Series of Investment Corporation Bonds	Mar. 16, 2021	3,000	3,000	0.760	Mar. 14, 2036			
Twenty-seventh Series of Investment Corporation Bonds (Sustainability Bonds)	Dec. 7, 2021	1,400	1,400	0.420	Dec. 5, 2031			
Twenty-eighth Series of Investment Corporation Bonds (Green Bonds)	Dec. 7, 2021	1,000	1,000	0.670	Dec. 5, 2036			
Total		35,900	30,900					

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

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

(4) Subscription Rights to Shares

Not applicable

6. Acquisitions and Sales during the 45th Fiscal Period

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

Type of Asset	Real Estate Name	Acquisition		Sale					
		Acquisition Date	Acquisition Price (millions of yen) (Note)	Sale Date	Sale Price (A) (millions of yen) (Note)	Book Value (B) (millions of yen)	Difference (C) (A)–(B) (millions of yen)	Sale Expense (D) (millions of yen)	Sale Profit and Loss (C)–(D) (millions of yen)
Beneficiary interest	Nakano Central Park East	March 1, 2024	28,800	—	—	—	—	—	—
	Total	—	28,800	—	—	—	—	—	—

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

(2) Acquisition and Sale of Other Assets

JPR made no acquisition or sale of other assets in the 45th fiscal period.

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

Acquisition or Sale	Type of Asset	Real Estate Name	Transaction Date	Acquisition Price or Sale Price (millions of yen) (Note 1)	Real Estate Appraisal Value (millions of yen) (Note 2)	Real Estate Appraiser	Appraisal Date
Acquisition	Beneficiary interest	Nakano Central Park East	March 1, 2024	28,800	30,100	JLL Morii Valuation & Advisory K.K.	December 31, 2023

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

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

(4) Transactions with Interested Parties and Major Shareholders

1) Transaction Status

No transaction of special assets or other deals with interested parties and major shareholders were conducted during the 45th fiscal period.

2) Value of Fee Expenses

(Thousands of yen)

Category	Total Paid Fees (A)	Breakdown of Transaction with Interested Parties and Major Shareholders		Ratio to Total Amount (B/A)
		Paid Party	Paid Amount (B)	
Property Brokerage Fees	10,600	Tokyo Tatemono Real Estate Sales Co., Ltd.	10,600	100.0%
Property Management Fees (Note 2)	359,546	Tokyo Tatemono Co., Ltd.	229,335	63.8%
		Prime Place Co., Ltd.	22,199	6.2%
Outsourcing Expenses	751,994	Tokyo Tatemono Co., Ltd.	475,212	63.2%
		Prime Place Co., Ltd.	14,617	1.9%
Tenant Brokerage Fees	62,439	Tokyo Tatemono Co., Ltd.	17,451	27.9%
		Prime Place Co., Ltd.	3,698	5.9%

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

(Note 2) The property management fees indicated in the above table include construction management fees (total of 41,605 thousand yen) appropriated as assets and not handled as expenses.

(Note 3) Aside from transactions indicated in the above table, JPR paid the following amounts for repairs, etc. conducted by below parties who are interested parties or major shareholders during the 45th fiscal period.

Tokyo Tatemono Co., Ltd.	559,976 thousand yen
Prime Place Co., Ltd.	34,472 thousand yen
Tokyo Real Estate Management Co., Ltd.	541,746 thousand yen
Shinjuku Center Building Management Co., Ltd.	76,294 thousand yen

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

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

7. Overview of Accounting

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

For assets, liabilities, principal and profits and loss, please refer to the Balance Sheet, Statement of Income and Retained Earnings, Statement of Changes in Unitholders' Equity and Notes to Financial Statements as well as Distribution Information on later pages of this report.

(2) Changes in Calculation Method of Depreciation

No change has been made.

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

No change has been made.

8. Overview of Self-Managed Investment Trust Beneficiary Certificates

(1) Acquisition

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

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

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

(2) Units Held

	Number of Units Held at End of Period	Total Investment at End of Period (Note) (millions of yen)	Ratio to Total Units Issued and Outstanding (%)
36th Fiscal Period (Jul. 1, 2019 – Dec. 31, 2019)	100	20	0.0
37th Fiscal Period (Jan. 1, 2020 – Jun. 30, 2020)	100	20	0.0
38th Fiscal Period (Jul. 1, 2020 – Dec. 31, 2020)	100	20	0.0
39th Fiscal Period (Jan. 1, 2021 – Jun. 30, 2021)	100	20	0.0
40th Fiscal Period (Jul. 1, 2021 – Dec. 31, 2021)	100	20	0.0
41st Fiscal Period (Jan. 1, 2022 – Jun. 30, 2022)	100	20	0.0
42nd Fiscal Period (Jul. 1, 2022 – Dec. 31, 2022)	100	20	0.0
43rd Fiscal Period (Jan. 1, 2023 – Jun. 30, 2023)	100	20	0.0
44th Fiscal Period (Jul. 1, 2023 – Dec. 31, 2023)	100	20	0.0
45th Fiscal Period (Jan. 1, 2024 – Jun. 30, 2024)	100	20	0.0

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

9. Disclosure on Corporation Owning Foreign Real Estate

Not applicable

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

Not applicable

11. Other

(1) Notice

Not applicable

(2) Other

Unless otherwise stated, monetary amounts are rounded down and percentage figures are rounded off to the nearest specified unit in this Semi-Annual Report.

(1) Balance Sheet

	(Thousands of yen)	
	End of 44th Fiscal Period (Dec. 31, 2023)	End of 45th Fiscal Period (Jun. 30, 2024)
Assets		
Current assets		
Cash and deposits	27,775,890	24,118,071
Cash and deposits in trust	12,036,819	12,507,364
Operating accounts receivable	718,302	712,213
Prepaid expenses	134,389	127,907
Consumption taxes receivable	—	224,909
Other	27,683	20,361
Total current assets	40,693,085	37,710,828
Noncurrent assets		
Property, plant and equipment		
Buildings	72,115,994	73,007,638
Accumulated depreciation	(25,598,975)	(26,516,433)
Buildings, net	46,517,018	46,491,205
Buildings in trust	96,995,953	102,052,278
Accumulated depreciation	(39,806,726)	(40,959,277)
Buildings in trust, net	57,189,227	61,093,001
Structures	95,110	100,015
Accumulated depreciation	(43,915)	(46,450)
Structures, net	51,194	53,565
Structures in trust	134,190	135,234
Accumulated depreciation	(84,615)	(86,996)
Structures in trust, net	49,575	48,238
Machinery and equipment	885,153	916,009
Accumulated depreciation	(616,794)	(634,510)
Machinery and equipment, net	268,358	281,499
Machinery and equipment in trust	1,977,455	2,016,995
Accumulated depreciation	(1,531,114)	(1,559,923)
Machinery and equipment in trust, net	446,340	457,071
Tools, furniture and fixtures	265,851	272,280
Accumulated depreciation	(142,234)	(156,420)
Tools, furniture and fixtures, net	123,617	115,860
Tools, furniture and fixtures in trust	326,128	353,867
Accumulated depreciation	(219,578)	(231,445)
Tools, furniture and fixtures in trust, net	106,550	122,421
Land	*1 145,964,796	*1 145,964,796
Land in trust	205,823,796	230,946,581
Construction in progress	18,768	34,704
Construction in progress in trust	2,899	5,973
Total property, plant and equipment	456,562,143	485,614,920
Intangible assets		
Leasehold right	11,801,831	11,801,831
Other	12,947	11,239
Total intangible assets	11,814,778	11,813,070
Investments and other assets		
Investment securities	88,860	88,860
Lease and guarantee deposits	826,369	800,934
Long-term prepaid expenses	664,508	709,486
Other	710	720
Total investments and other assets	1,580,448	1,600,000
Total noncurrent assets	469,957,370	499,027,991
Deferred assets		
Investment corporation bond issuance costs	136,975	124,706
Investment unit issuance expenses	15,111	7,930
Total deferred assets	152,086	132,637
Total assets	510,802,543	536,871,456

(Thousands of yen)

	End of 44th Fiscal Period (Dec. 31, 2023)	End of 45th Fiscal Period (Jun. 30, 2024)
Liabilities		
Current liabilities		
Operating accounts payable	3,292,699	3,467,323
Short-term loans payable	—	17,000,000
Current portion of investment corporation bonds	8,000,000	3,000,000
Current portion of long-term loans payable	15,000,000	21,000,000
Accounts payable-other	921,549	972,707
Accrued expenses	89,582	67,152
Income taxes payable	605	605
Accrued consumption taxes	365,825	160,699
Advances received	2,839,663	2,894,872
Other	1,466	172
Total current liabilities	30,511,391	48,563,533
Noncurrent liabilities		
Investment corporation bonds	27,900,000	27,900,000
Long-term loans payable	154,500,000	161,500,000
Tenant leasehold and security deposits	10,595,861	10,606,453
Tenant leasehold and security deposits in trust	13,542,543	14,596,719
Total noncurrent liabilities	206,538,404	214,603,173
Total liabilities	237,049,796	263,166,706
Net assets		
Unitholders' equity		
Unitholders' capital	261,751,240	261,751,240
Surplus		
Voluntary reserve		
Reserve for reduction entry	4,639,105	4,418,095
Total voluntary reserve	4,639,105	4,418,095
Unappropriated retained earnings	7,362,400	7,535,414
Total surplus	12,001,505	11,953,509
Total unitholders' equity	273,752,746	273,704,750
Total net assets	*3 273,752,746	*3 273,704,750
Total liabilities and net assets	510,802,543	536,871,456

(2) Statement of Income and Retained Earnings

	(Thousands of yen)			
	44th Fiscal Period (Jul. 1, 2023 – Dec. 31, 2023)		45th Fiscal Period (Jan. 1, 2024 – Jun. 30, 2024)	
Operating revenue				
Rent revenue-real estate	*1	17,411,577	*1	17,644,745
Total operating revenue		17,411,577		17,644,745
Operating expenses				
Expenses related to rent business	*1	8,315,290	*1	8,300,052
Asset management fee		709,507		766,085
Administrative service and asset custody fees		85,381		85,259
Directors' compensation		6,300		6,300
Trust fees		15,488		15,930
Other operating expenses		127,893		116,471
Total operating expenses		9,259,861		9,290,099
Operating income		8,151,716		8,354,646
Non-operating income				
Interest income		190		215
Income on settlement of management association accounts		3,930		37,796
Insurance income		5,769		3,385
Other		3,475		792
Total non-operating income		13,365		42,190
Non-operating expenses				
Interest expenses		541,234		616,864
Borrowing expenses		57,576		64,045
Interest expenses on investment corporation bonds		187,303		163,526
Amortization of investment corporation bond issuance costs		13,935		12,268
Amortization of investment unit issuance expenses		7,259		7,180
Other		269		1,789
Total non-operating expenses		807,579		865,675
Ordinary income		7,357,502		7,531,161
Income before income taxes		7,357,502		7,531,161
Income taxes-current		605		605
Total income taxes		605		605
Net income		7,356,897		7,530,556
Retained earnings brought forward		5,503		4,857
Unappropriated retained earnings		7,362,400		7,535,414

(3) Statement of Changes in Unitholders' Equity

	(Thousands of yen)	
	44th Fiscal Period (Jul. 1, 2023 – Dec. 31, 2023)	45th Fiscal Period (Jan. 1, 2024 – Jun. 30, 2024)
Unitholders' equity		
Unitholders' capital		
Balance at beginning of current period	261,751,240	261,751,240
Changes of items during the period		
Total changes of items during the period	—	—
Balance at end of current period	261,751,240	261,751,240
Surplus		
Voluntary reserve		
Balance at beginning of current period	4,118,301	4,639,105
Changes of items during the period		
Provision of reserve for reduction entry	520,804	—
Reversal of reserve for reduction entry	—	(221,010)
Total changes of items during the period	520,804	(221,010)
Balance at end of current period	4,639,105	4,418,095
Unappropriated retained earnings		
Balance at beginning of current period	8,104,860	7,362,400
Changes of items during the period		
Provision of reserve for reduction entry	(520,804)	—
Reversal of reserve for reduction entry	—	221,010
Dividends from surplus	(7,578,552)	(7,578,552)
Net income	7,356,897	7,530,556
Total changes of items during the period	(742,460)	173,013
Balance at end of current period	7,362,400	7,535,414
Total surplus		
Balance at beginning of current period	12,223,161	12,001,505
Changes of items during the period		
Provision of reserve for reduction entry	—	—
Reversal of reserve for reduction entry	—	—
Dividends from surplus	(7,578,552)	(7,578,552)
Net income	7,356,897	7,530,556
Total changes of items during the period	(221,655)	(47,996)
Balance at end of current period	12,001,505	11,953,509
Total unitholders' equity		
Balance at beginning of current period	273,974,402	273,752,746
Changes of items during the period		
Provision of reserve for reduction entry	—	—
Reversal of reserve for reduction entry	—	—
Dividends from surplus	(7,578,552)	(7,578,552)
Net income	7,356,897	7,530,556
Total changes of items during the period	(221,655)	(47,996)
Balance at end of current period	273,752,746	273,704,750
Total net assets		
Balance at beginning of current period	273,974,402	273,752,746
Changes of items during the period		
Provision of reserve for reduction entry	—	—
Reversal of reserve for reduction entry	—	—
Dividends from surplus	(7,578,552)	(7,578,552)
Net income	7,356,897	7,530,556
Total changes of items during the period	(221,655)	(47,996)
Balance at end of current period	273,752,746	273,704,750

(4) Statement of Cash Distributions

	44th Fiscal Period (Jul. 1, 2023 – Dec. 31, 2023)	45th Fiscal Period (Jan. 1, 2024 – Jun. 30, 2024)
I. Unappropriated retained earnings	7,362,400,362 yen	7,535,414,135 yen
II. Reversal of voluntary reserve		
Reversal of reserve for reduction entry	221,010,037 yen	47,161,984 yen
III. Distribution amount	7,578,552,800 yen	7,578,552,800 yen
[Distribution amount per unit]	[7,600 yen]	[7,600 yen]
IV. Retained earnings carried forward	4,857,599 yen	4,023,319 yen
Method for calculating distribution amount	<p>Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Under such policy, JPR decided to pay out distributions of earnings of 7,578,552,800 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (997,178 units), from the balance of unappropriated retained earnings after adding the reversal of reserve for reduction entry pursuant to Article 65-7 of the Act on Special Measures Concerning Taxation, while minimizing the burden to unitholders incurred by accrual of corporate income tax, etc. Furthermore, JPR shall not distribute cash in excess of earnings as stipulated in Article 30 (4) of the Articles of Incorporation.</p>	<p>Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Under such policy, JPR decided to pay out distributions of earnings of 7,578,552,800 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (997,178 units), from the balance of unappropriated retained earnings after adding the reversal of reserve for reduction entry pursuant to Article 65-7 of the Act on Special Measures Concerning Taxation, while minimizing the burden to unitholders incurred by accrual of corporate income tax, etc. Furthermore, JPR shall not distribute cash in excess of earnings as stipulated in Article 30 (4) of the Articles of Incorporation.</p>

(5) Statement of Cash Flows

(Thousands of yen)

	44th Fiscal Period (Jul. 1, 2023 – Dec. 31, 2023)	45th Fiscal Period (Jan. 1, 2024 – Jun. 30, 2024)
Cash flows from operating activities		
Income before income taxes	7,357,502	7,531,161
Depreciation and amortization	2,058,858	2,150,877
Amortization of investment corporation bond issuance costs	13,935	12,268
Amortization of investment unit issuance expenses	7,259	7,180
Interest income	(190)	(215)
Interest expenses	728,538	780,390
Decrease (increase) in operating accounts receivable	(133,169)	6,088
Decrease (increase) in consumption taxes receivable	13,604	(224,909)
Decrease (increase) in prepaid expenses	(8,303)	6,482
Increase (decrease) in operating accounts payable	(33,261)	155,076
Increase (decrease) in accounts payable-other	(56,739)	50,935
Increase (decrease) in accrued consumption taxes	183,664	(205,126)
Increase (decrease) in advances received	31,106	55,209
Other, net	(149,798)	(38,108)
Subtotal	10,013,007	10,287,312
Interest income received	190	215
Interest expenses paid	(723,922)	(802,820)
Income taxes (paid) refund	(604)	(608)
Net cash provided by (used in) operating activities	9,288,670	9,484,099
Cash flows from investing activities		
Purchase of property, plant and equipment	(681,284)	(1,171,776)
Purchase of property, plant and equipment in trust	(704,368)	(29,942,902)
Payments of lease and guarantee deposits	(18,089)	(49,257)
Repayments of tenant leasehold and security deposits	(217,838)	(250,174)
Proceeds from tenant leasehold and security deposits	178,421	260,765
Repayments of tenant leasehold and security deposits in trust	(145,181)	(232,300)
Proceeds from tenant leasehold and security deposits in trust	348,830	1,291,810
Net cash provided by (used in) investing activities	(1,239,510)	(30,093,835)
Cash flows from financing activities		
Proceeds from short-term loans payable	—	17,000,000
Repayment of short-term loans payable	(5,500,000)	—
Proceeds from long-term loans payable	18,500,000	20,000,000
Repayment of long-term loans payable	(13,000,000)	(7,000,000)
Redemption of investment corporation bonds	—	(5,000,000)
Dividends paid	(7,577,854)	(7,577,538)
Net cash provided by (used in) financing activities	(7,577,854)	17,422,461
Net increase (decrease) in cash and cash equivalents	471,304	(3,187,273)
Cash and cash equivalents at beginning of current period	39,341,405	39,812,709
Cash and cash equivalents at end of current period	*1 39,812,709	*1 36,625,436

(6) Notes to Financial Statements

(Basis of Presenting Financial Statements)

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

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

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

(Significant Accounting Policies)

1. Standards and Method for Asset Valuation
 - Investment securities
 - Other securities
 - Stocks and other securities with no market prices
 - Stocks and other securities with no market prices are stated at cost being determined by the moving average method.
2. Depreciation/Amortization Method for Noncurrent Assets
 - (1) Property and Equipment (including entrusted properties)
 - Depreciation is calculated using the straight-line method. The estimated useful lives of major property and equipment ranges are as follows:
 - Buildings 3 - 65 years
 - Structures 10 - 35 years
 - Machinery and equipment 3 - 17 years
 - Tools, furniture and fixtures 3 - 20 years
 - Assets with purchase costs of 100,000 yen or more but less than 200,000 yen are depreciated over three years based on the Corporation Tax Act.
 - (2) Intangible Assets
 - Intangible assets are amortized utilizing the straight-line method.
 - (3) Long-term Prepaid Expenses
 - Long-term prepaid expenses are amortized utilizing the straight-line method.
3. Accounting for Deferred Assets
 - (1) Investment Corporation Bond Issuance Costs
 - Investment corporation bond issuance costs are amortized utilizing the straight-line method over the redemption periods.
 - (2) Investment Unit Issuance Expenses
 - Investment unit issuance expenses are amortized utilizing the straight-line method over three years.
4. Standards for Recognition of Revenues and Expenses
 - (1) Revenue Recognition
 - The details of main performance obligations concerning revenue generated from contracts with customers of JPR and the ordinary time to fulfil said performance obligations (ordinary time to recognize revenue) are as follows.
 - a. Sale of real estate
 - For the proceeds from sale of real estate, JPR recognizes revenue when the purchaser who is a customer obtains control of the relevant real estate as a result of JPR fulfilling its delivery obligations stipulated in the transaction contract of the real estate.
 - b. Utilities income
 - JPR recognizes utilities income upon the supply of electricity and water, etc. to the lessee who is a customer based on the lease agreement of real estate and details of agreements incidental to it. Of the utilities income, in the case that JPR deems itself to be an agent, the net amount obtained by deducting the amount it pays to other parties from the amount it receives as charges for electricity and gas, etc. supplied by the said other parties is recognized as revenue.
 - (2) Accounting Treatment of Taxes on Property and Equipment
 - In connection with property taxes, city planning taxes and depreciated asset taxes (the "property taxes"), JPR uses the method of charging the corresponding amounts of assessed taxes to the current fiscal period as expenses related to rent business.
 - Furthermore, JPR capitalized an amount equivalent to the property taxes paid to the sellers during the first fiscal period as a part of the purchase cost, not as expenses, in connection with the acquisition of real estate or entrusted beneficiary interests in real estate as entrusted property. Taxes on property and equipment capitalized were nil for the fiscal period ended December 31, 2023, and amounted to 81,900 thousand yen for the fiscal period ended June 30, 2024.
 - 5. Scope of Cash and Cash Equivalents in the Statement of Cash Flows
 - Cash and cash equivalents in the Statement of Cash Flows include the following items:
 - (1) Cash on hand and cash in trust
 - (2) Deposits placed with banks and deposits in trust that can be withdrawn at any time
 - (3) Short-term investments that are readily convertible to cash and have insignificant risk of price fluctuations and have original maturities of three months or less from the acquisition date.
 - 6. Other Significant Items Fundamental to the Preparation of Financial Statements
 - Accounting Policies on Trust Beneficiary Interests in Real Estate as Property in Trust
 - Regarding trust beneficiary interests in real estate, all asset and liability accounts of entrusted properties as well as all revenue and expense accounts generated by the property in trust are recorded in relevant accounts on the Balance Sheet and Statement of Income and Retained Earnings.
 - Furthermore, the following material accounts are separately presented in the Balance Sheet for properties in trust recorded in relevant accounts.
 - a. Cash and deposits in trust
 - b. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust
 - c. Tenant leasehold and security deposits in trust

Lender	Balance as of January 1, 2024 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of June 30, 2024 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Long-Term Loans Payable (Note 1)								
The Hachijuni Bank, Ltd.	1,000,000	—	—	1,000,000	0.310%	Sep. 24, 2026	(Note 4)	Unsecured/ Unguaranteed
The Yamagata Bank, Ltd. (Sustainability Loan)	1,000,000	—	—	1,000,000	0.781%	Jul. 4, 2031		
The Yamagata Bank, Ltd. (Sustainability Loan)	1,000,000	—	—	1,000,000	0.491%	Jul. 5, 2028		
The Yamanashi Chuo Bank, Ltd.	1,000,000	—	—	1,000,000	0.600%	Apr. 30, 2030		
The Yamanashi Chuo Bank, Ltd.	1,000,000	—	—	1,000,000	0.600%	Apr. 5, 2032		
The Asahi Shinkin Bank	—	1,000,000	—	1,000,000	1.098%	Feb. 5, 2031		
The Ashikaga Bank, Ltd. (Green Loan)	1,000,000	—	—	1,000,000	0.471%	Jul. 5, 2028		
Kansai Mirai Bank, Limited	1,000,000	—	—	1,000,000	0.600%	Mar. 30, 2032		
The Bank of Kyoto, Ltd.	500,000	—	—	500,000	0.600%	Mar. 30, 2032		
The Bank of Kyoto, Ltd. (Sustainability Loan)	500,000	—	—	500,000	0.441%	Jul. 5, 2028		
The Gunma Bank, Ltd. (Green Loan)	1,000,000	—	—	1,000,000	0.680%	Jul. 5, 2030		
The Keiyo Bank, Ltd. (Green Loan)	1,000,000	—	—	1,000,000	0.491%	Jul. 5, 2028		
The 77 Bank, Ltd.	1,000,000	—	—	1,000,000	0.543%	Nov. 30, 2028		
Daishi Hokuetsu Bank, Ltd.	1,000,000	—	—	1,000,000	0.566%	Nov. 21, 2028		
Daido Life Insurance Company (Green Loan)	1,000,000	—	—	1,000,000	0.991%	Dec. 25, 2030		
The Chiba Bank, Ltd. (Green Loan)	1,000,000	—	—	1,000,000	0.853%	Oct. 25, 2028		
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000,000	—	—	1,000,000	0.443%	Dec. 27, 2027		
The Hyakugo Bank, Ltd.	1,000,000	—	—	1,000,000	0.582%	Apr. 25, 2025		
The Hiroshima Bank, Ltd.	1,000,000	—	—	1,000,000	0.566%	Nov. 21, 2028		
Mitsui Sumitomo Insurance Company, Limited	1,000,000	—	—	1,000,000	0.310%	Oct. 2, 2026		
Sumitomo Mitsui Trust Bank, Limited	1,000,000	—	—	1,000,000	0.691%	Mar. 25, 2026		
Total	169,500,000	20,000,000	7,000,000	182,500,000				

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

	Due in One Year or Less (thousands of yen)	Due after One Year through Two Years (thousands of yen)	Due after Two Years through Three Years (thousands of yen)	Due after Three Years through Four Years (thousands of yen)	Due after Four Years through Five Years (thousands of yen)
Long-term loans payable	21,000,000	20,900,000	17,000,000	25,200,000	26,600,000

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

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

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

(Notes to Statement of Income and Retained Earnings)***1. Breakdown of Rent Revenue-Real Estate and Expenses Related to Rent Business**

(Thousands of yen)

	44th Fiscal Period (July 1, 2023 – December 31, 2023)	45th Fiscal Period (January 1, 2024 – June 30, 2024)
A. Rent Revenue-Real Estate		
Rent revenue		
Rents	12,770,417	13,133,405
Land rents	1,801,499	1,820,500
Common charges	1,249,752	1,201,512
Parking fees	279,989	279,850
Advertising fees	38,108	38,079
Antenna usage fees	29,418	31,332
Other	47,210	47,998
Subtotal	16,216,396	16,552,678
Other rental revenues		
Incidental rent income	988,962	845,510
Time-based parking fees	15,262	17,840
Cancellation charges	10,311	62,228
Income equivalent to expenses for restoration to original condition	128,555	16,900
Other miscellaneous income	52,089	149,587
Subtotal	1,195,181	1,092,066
Total rent revenue-real estate	17,411,577	17,644,745
B. Expenses Related to Rent Business		
Outsourcing expenses	711,594	751,994
Utilities expenses	1,150,651	1,006,994
Property and other taxes	2,581,530	2,667,483
Casualty insurance	30,571	34,680
Repairs and maintenance	578,966	472,263
Property management fees	315,248	317,940
Management association accounts	640,700	641,367
Depreciation	2,057,035	2,149,216
Other	248,990	258,111
Total expenses related to rent business	8,315,290	8,300,052
C. Profits for Rent Business (A-B)		
	9,096,287	9,344,692

(Notes to Statement of Changes in Unitholders' Equity)

	44th Fiscal Period (July 1, 2023 – December 31, 2023)	45th Fiscal Period (January 1, 2024 – June 30, 2024)
Total number of authorized units and number of units outstanding		
Total number of authorized units	5,000,000 units	5,000,000 units
Number of units outstanding	997,178 units	997,178 units

(Notes to Statement of Cash Flows)

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

(Thousands of yen)

	44th Fiscal Period (July 1, 2023 – December 31, 2023)	45th Fiscal Period (January 1, 2024 – June 30, 2024)
Cash and deposits	27,775,890	24,118,071
Cash and deposits in trust	12,036,819	12,507,364
Cash and cash equivalents	39,812,709	36,625,436

(Leases)

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

(Thousands of yen)

	44th Fiscal Period (as of December 31, 2023)	45th Fiscal Period (as of June 30, 2024)
Due within one year	6,330,567	6,653,204
Due after one year	17,167,579	15,783,377
Total	23,498,147	22,436,582

(Financial Instruments)

1. Matters Concerning Status of Financial Instruments

(1) Policy for Financial Instruments

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

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

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

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

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

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

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

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

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

The following are the book values and fair values as of December 31, 2023 of financial instruments, and the difference between these amounts. Furthermore, notes on “Cash and deposits,” “Cash and deposits in trust” and “Short-term loans payable” are omitted as these are settled with cash and within a short period of time and thus the book value approximates the fair value. Notes on “Investment securities,” “Tenant leasehold and security deposits” and “Tenant leasehold and security deposits in trust” are also omitted as they lack materiality.

(Thousands of yen)

	Book Value (Note 1)	Fair Value (Note 1)	Difference
(1) Current portion of investment corporation bonds	(8,000,000)	(8,043,907)	43,907
(2) Current portion of long-term loans payable	(15,000,000)	(15,039,926)	39,926
(3) Investment corporation bonds	(27,900,000)	(27,513,692)	-386,307
(4) Long-term loans payable	(154,500,000)	(153,099,478)	-1,400,521

The following are the book values and fair values as of June 30, 2024 of financial instruments, and the difference between these amounts. Furthermore, notes on “Cash and deposits,” “Cash and deposits in trust” and “Short-term loans payable” are omitted as these are settled with cash and within a short period of time and thus the book value approximates the fair value. Notes on “Investment securities,” “Tenant leasehold and security deposits” and “Tenant leasehold and security deposits in trust” are also omitted as they lack materiality.

(Thousands of yen)

	Book Value (Note 1)	Fair Value (Note 1)	Difference
(1) Current portion of investment corporation bonds	(3,000,000)	(3,006,522)	6,522
(2) Current portion of long-term loans payable	(21,000,000)	(21,029,486)	29,486
(3) Investment corporation bonds	(27,900,000)	(27,051,167)	-848,832
(4) Long-term loans payable	(161,500,000)	(158,993,620)	-2,506,379

(Note 1) Liabilities are shown in parentheses.

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

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

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

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

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

(Note 3) Amount of repayment of long-term loans payable or redemption of investment corporation bonds scheduled to be due subsequent to the 44th Fiscal Period end (December 31, 2023)

(Thousands of yen)

	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Investment corporation bonds	8,000,000	—	8,500,000	—	3,000,000	16,400,000
Long-term loans payable	15,000,000	23,900,000	14,000,000	21,000,000	23,200,000	72,400,000

Amount of repayment of long-term loans payable or redemption of investment corporation bonds scheduled to be due subsequent to the 45th Fiscal Period end (June 30, 2024)

(Thousands of yen)

	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Investment corporation bonds	3,000,000	—	8,500,000	3,000,000	—	16,400,000
Long-term loans payable	21,000,000	20,900,000	17,000,000	25,200,000	26,600,000	71,800,000

(Securities)

44th Fiscal Period (as of December 31, 2023)

Not applicable

45th Fiscal Period (as of June 30, 2024)

Not applicable

(Derivative Transactions)

44th Fiscal Period (as of December 31, 2023)

Not applicable as JPR entered into no derivative transactions

45th Fiscal Period (as of June 30, 2024)

Not applicable as JPR entered into no derivative transactions

(Retirement Benefits)

44th Fiscal Period (as of December 31, 2023)

Not applicable as JPR does not have any retirement benefit plans

45th Fiscal Period (as of June 30, 2024)

Not applicable as JPR does not have any retirement benefit plans

(Tax Effect Accounting)

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

	44th Fiscal Period (July 1, 2023 – December 31, 2023)	45th Fiscal Period (January 1, 2024 – June 30, 2024)
Effective statutory tax rate	31.46%	31.46%
(Adjustment)		
Deductible cash distributions	(32.41%)	(31.66%)
Other	0.96%	0.21%
Effective tax rate after applying tax effect accounting	0.01%	0.01%

(Equity Method Income and Retained Earnings)

44th Fiscal Period (July 1, 2023 – December 31, 2023)

Not applicable as JPR does not have any affiliated companies

45th Fiscal Period (January 1, 2024 – June 30, 2024)

Not applicable as JPR does not have any affiliated companies

(Transactions with Related Parties)

1. Parent Company and Major Corporation Unitholders

44th Fiscal Period (July 1, 2023 – December 31, 2023)

Not applicable

45th Fiscal Period (January 1, 2024 – June 30, 2024)

Not applicable

2. Affiliated Companies

44th Fiscal Period (July 1, 2023 – December 31, 2023)

Not applicable

45th Fiscal Period (January 1, 2024 – June 30, 2024)

Not applicable

3. Sister Companies

44th Fiscal Period (July 1, 2023 – December 31, 2023)

Not applicable

45th Fiscal Period (January 1, 2024 – June 30, 2024)

Not applicable

4. Directors and Major Individual Unitholders

44th Fiscal Period (July 1, 2023 – December 31, 2023)

Not applicable

45th Fiscal Period (January 1, 2024 – June 30, 2024)

Not applicable

(Asset Retirement Obligations)

44th Fiscal Period (July 1, 2023 – December 31, 2023)

Not applicable

45th Fiscal Period (January 1, 2024 – June 30, 2024)

Not applicable

(Segment Information)

[Segment Information]

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

[Related Information]

44th Fiscal Period (July 1, 2023 – December 31, 2023)

1. Information about Products and Services

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

2. Information about Geographic Areas

(1) Revenues from Overseas Customers

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

(2) Property, plant and equipment

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

3. Information about Major Customers

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

45th Fiscal Period (January 1, 2024 – June 30, 2024)

1. Information about Products and Services

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

2. Information about Geographic Areas

(1) Revenues from Overseas Customers

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

(2) Property, plant and equipment

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

3. Information about Major Customers

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

(Investment and Rental Properties)

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

(Thousands of yen)

	44th Fiscal Period (July 1, 2023 – December 31, 2023)	45th Fiscal Period (January 1, 2024 – June 30, 2024)
Book value on the Balance Sheet		
Balance at beginning of period	468,367,893	468,364,429
Amount of increase (decrease) during the period	(3,463)	29,052,730
Balance at end of current period	468,364,429	497,417,159
Fair value at end of period	596,266,000	627,848,000

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

(Note 2) For the 44th Fiscal Period, the amount of decrease is primarily attributable to depreciation (2,057,035 thousand yen). For the 45th Fiscal Period, the amount of increase is primarily attributable to the acquisition of Nakano Central Park East (29,184,853 thousand yen), and the amount of decrease is primarily attributable to depreciation (2,149,216 thousand yen).

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

The income (loss) in the 44th and 45th Fiscal Periods for investment and rental properties is as presented in the “Notes to Statement of Income and Retained Earnings.”

(Revenue Recognition)

44th Fiscal Period (July 1, 2023 – December 31, 2023)

Breakdown information on revenue from contracts with customers

(Thousands of yen)

	Revenue from Contracts with Customers (Note 1)	Sales to External Customers (Note 2)
Sale of real estate	—	—
Utilities income (Note 3)	988,962	988,962
Others	—	16,422,615
Total	988,962	17,411,577

(Note 1) Rent revenue subject to the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13) is excluded from “Revenue from contracts with customers” as such revenue is out of the scope of Accounting Standard for Revenue Recognition. Revenue from contracts with customers mainly represents proceeds from sale of real estate and utilities income.

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

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

45th Fiscal Period (January 1, 2024 – June 30, 2024)

Breakdown information on revenue from contracts with customers

(Thousands of yen)

	Revenue from Contracts with Customers (Note 1)	Sales to External Customers (Note 2)
Sale of real estate	—	—
Utilities income (Note 3)	845,510	845,510
Others	—	16,799,235
Total	845,510	17,644,745

(Note 1) Rent revenue subject to the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13) is excluded from “Revenue from contracts with customers” as such revenue is out of the scope of Accounting Standard for Revenue Recognition. Revenue from contracts with customers mainly represents proceeds from sale of real estate and utilities income.

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

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

(Per Unit Information)

	44th Fiscal Period (July 1, 2023 – December 31, 2023)	45th Fiscal Period (January 1, 2024 – June 30, 2024)
Total net assets per unit	274,527 yen	274,479 yen
Net income per unit	7,377 yen	7,551 yen

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

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

	44th Fiscal Period (July 1, 2023 – December 31, 2023)	45th Fiscal Period (January 1, 2024 – June 30, 2024)
Net income (thousands of yen)	7,356,897	7,530,556
Amounts not attributable to ordinary unitholders (thousands of yen)	—	—
Net income attributable to ordinary investment units (thousands of yen)	7,356,897	7,530,556
Average number of units during the fiscal period	997,178 units	997,178 units

(Subsequent Events)**Property Sale**

JPR concluded a sale agreement regarding the following property on September 20, 2024.

<JPR Ueno East Bldg.>

Asset type: Real estate (Note 1)

Sale price: 6,150 million yen (scheduled)

Delivery date: January 10, 2025 (scheduled)

Buyer: Domestic special purpose company (Note 2)

Impact on operating results: JPR plans to record approximately 2,887 million yen in gain on sale of real estate as operating revenue for the 47th fiscal period (January 1, 2025 – June 30, 2025).

(Note 1) As of the date of this document, trust beneficiary interests in the property have not been established, but JPR has concluded a real estate management and disposition trust agreement with the property as the main trust asset with the trustee on the same date as the delivery date, and plans to sell the trust beneficiary interests based on said real estate management and disposition trust agreement to the buyer.

(Note 2) Details have not been disclosed as no consent has been obtained from the buyer. There are no capital, personnel and business relationship between JPR or the Asset Manager and the buyer, and the buyer does not fall under the category of a related party of JPR or the Asset manager.

(7) Detailed Schedules

1) Schedule of Securities

a. Stock

Issuer Name	Number of Shares	Acquisition Price (Note 1)		Appraisal Value (Note 2)		Profit and Loss from Valuation (thousands of yen)	Remarks
		Unit Price (thousands of yen)	Amount (thousands of yen)	Unit Price (thousands of yen)	Amount (thousands of yen)		
KMO Corporation	1,666	50	83,740	50	83,740	—	—
Total	1,666	—	83,740	—	83,740	—	—

(Note 1) The acquisition price indicates the amount that includes the expenses required for the acquisition.

(Note 2) The appraisal value indicates the book value.

b. Other securities

Type of Asset	Issuer Name	Total Face Value	Book Value (thousands of yen)	Accrued Interest (thousands of yen)	Prepaid Interest Accrued (thousands of yen)	Appraisal Value (thousands of yen) (Note)	Profit and Loss from Valuation (thousands of yen)	Remarks
Claim for refund of funds	Knowledge Capital, a general incorporated association	—	5,120	—	—	5,120	—	—
Total		—	5,120	—	—	5,120	—	—

(Note) The appraisal value indicates the book value.

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

Not applicable

3) Schedule of Assets Related to Real Estate

Asset Type	Balance as of January 1, 2024 (thousands of yen)	Increase during the Period (thousands of yen)	Decrease during the Period (thousands of yen)	Balance as of June 30, 2024 (thousands of yen)	Accumulated Depreciation		Net Balance as of June 30, 2024 (thousands of yen)	Remarks
					Or Accumulated Amortization (thousands of yen)	Depreciation during the Period (thousands of yen)		
Current assets	—	—	—	—	—	—	—	
Property, plant and equipment (Real estate)								
Buildings	72,115,994	894,795	3,151	73,007,638	26,516,433	919,126	46,491,205	
Structures	95,110	4,904	—	100,015	46,450	2,534	53,565	
Machinery and equipment	885,153	30,855	—	916,009	634,510	17,715	281,499	
Tools, furniture and fixtures	265,851	6,429	—	272,280	156,420	14,185	115,860	
Land	145,964,796	—	—	145,964,796	—	—	145,964,796	
Construction in progress	18,768	17,185	1,249	34,704	—	—	34,704	
Subtotal	219,345,674	954,170	4,400	220,295,444	27,353,814	953,562	192,941,630	
(Beneficiary interests in trust)								
Buildings in trust	96,995,953	5,056,325	—	102,052,278	40,959,277	1,152,550	61,093,001	
Structures in trust	134,190	1,044	—	135,234	86,996	2,380	48,238	
Machinery and equipment in trust	1,977,455	39,540	—	2,016,995	1,559,923	28,809	457,071	
Tools, furniture and fixtures in trust	326,128	27,738	—	353,867	231,445	11,867	122,421	
Land in trust	205,823,796	25,122,785	—	230,946,581	—	—	230,946,581	Property acquisition
Construction in progress in trust	2,899	3,074	—	5,973	—	—	5,973	
Subtotal	305,260,424	30,250,507	—	335,510,931	42,837,641	1,195,607	292,673,289	
Total	524,606,098	31,204,678	4,400	555,806,376	70,191,456	2,149,170	485,614,920	
Intangible assets								
Leasehold right	11,801,831	—	—	11,801,831	—	—	11,801,831	
Other	20,089	—	—	20,089	8,850	1,707	11,239	
Total	11,821,920	—	—	11,821,920	8,850	1,707	11,813,070	

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

(Note 2) The “Decrease during the Period” is due to the transfer to relevant accounts as a result of construction completion for construction in progress and due to asset retirement for buildings.

4) Schedule of Other Specified Assets

Type of Asset	Issuer Name	Volume	Book Value		Appraisal Value (Note)		Profit and Loss from Valuation (thousands of yen)	Remarks
			Unit Price (thousands of yen)	Amount (thousands of yen)	Unit Price (thousands of yen)	Amount (thousands of yen)		
Claim for refund of funds	GRAND FRONT OSAKA TMO, a general incorporated association	1	—	710	—	710	—	—
Total		1	—	710	—	710	—	—

(Note) The appraisal value indicates the book value.

5) Schedule of Investment Corporation Bonds

Name	Issue Date	Balance as of January 1, 2024 (thousands of yen)	Decrease during the Period (thousands of yen)	Balance as of June 30, 2024 (thousands of yen)	Coupon Rate	Maturity Date	Use	Security
Seventh Series of Investment Corporation Bonds (Note 1)	Dec. 14, 2006	4,500,000	—	4,500,000	2.900%	Dec. 14, 2026	(Note 2)	Unsecured
Nineteenth Series of Investment Corporation Bonds (Note 1)	Feb. 5, 2014	5,000,000	5,000,000	—	1.110%	Feb. 5, 2024		
Twenty-first Series of Investment Corporation Bonds (Note 1)	Jul. 22, 2014	4,000,000	—	4,000,000	1.278%	Jul. 22, 2026		
Twenty-second Series of Investment Corporation Bonds (Note 1)	Dec. 4, 2014	3,000,000	—	3,000,000	0.831%	Dec. 4, 2024		
Twenty-third Series of Investment Corporation Bonds (Note 1)	May 31, 2018	3,000,000	—	3,000,000	0.550%	May 31, 2028		
Twenty-fourth Series of Investment Corporation Bonds (Green Bonds) (Note 1)	Jul. 31, 2019	5,000,000	—	5,000,000	0.570%	Jul. 31, 2029		
Twenty-fifth Series of Investment Corporation Bonds (Green Bonds) (Note 1)	Nov. 26, 2020	6,000,000	—	6,000,000	0.510%	Nov. 26, 2030		
Twenty-sixth Series of Investment Corporation Bonds (Note 1)	Mar. 16, 2021	3,000,000	—	3,000,000	0.760%	Mar. 14, 2036		
Twenty-seventh Series of Investment Corporation Bonds (Sustainability Bonds) (Note 1)	Dec. 7, 2021	1,400,000	—	1,400,000	0.420%	Dec. 5, 2031		
Twenty-eighth Series of Investment Corporation Bonds (Green Bonds) (Note 1)	Dec. 7, 2021	1,000,000	—	1,000,000	0.670%	Dec. 5, 2036		
Total		35,900,000	5,000,000	30,900,000				

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

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

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

	Due in One Year or Less (thousands of yen)	Due after One Year through Two Years (thousands of yen)	Due after Two Years through Three Years (thousands of yen)	Due after Three Years through Four Years (thousands of yen)	Due after Four Years through Five Years (thousands of yen)
Investment corporation bonds	3,000,000	—	8,500,000	3,000,000	—

6) Schedule of Loans Payable

Lender	Balance as of January 1, 2024 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of June 30, 2024 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Short-Term Loans Payable								
Mizuho Bank, Ltd. (Green Loan)	—	8,000,000	—	8,000,000	0.255%	Jul. 5, 2024	(Note 4)	Unsecured/ Unguaranteed
Mizuho Trust & Banking Co., Ltd. (Green Loan)	—	5,000,000	—	5,000,000	0.255%	Jul. 5, 2024		
Resona Bank, Limited (Green Loan)	—	4,000,000	—	4,000,000	0.255%	Jul. 5, 2024		
Total	—	17,000,000	—	17,000,000				

Lender	Balance as of January 1, 2024 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of June 30, 2024 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Long-Term Loans Payable (Note 1)								
Mizuho Bank, Ltd.	2,000,000	—	2,000,000	—	1.011%	Mar. 11, 2024	(Note 4)	Unsecured/ Unguaranteed
Mizuho Bank, Ltd.	2,000,000	—	—	2,000,000	1.056%	Mar. 24, 2025		
Mizuho Bank, Ltd.	5,000,000	—	—	5,000,000	0.804%	Feb. 4, 2026		
Mizuho Bank, Ltd.	1,000,000	—	—	1,000,000	0.795%	Nov. 19, 2027		
Mizuho Bank, Ltd.	2,000,000	—	—	2,000,000	0.646%	Dec. 5, 2029		
Mizuho Bank, Ltd.	3,000,000	—	—	3,000,000	0.675%	Mar. 31, 2031		
Mizuho Bank, Ltd.	2,400,000	—	—	2,400,000	0.675%	Mar. 30, 2032		
Mizuho Bank, Ltd. (Green Loan)	1,000,000	—	—	1,000,000	0.675%	Mar. 30, 2032		
Mizuho Bank, Ltd. (Sustainability Loan)	600,000	—	—	600,000	0.675%	Mar. 30, 2032		
Mizuho Bank, Ltd. (Green Loan)	2,000,000	—	—	2,000,000	0.533%	Dec. 27, 2028		
Mizuho Bank, Ltd. (Green Loan)	2,000,000	—	—	2,000,000	0.401%	Jun. 25, 2027		
Mizuho Bank, Ltd. (Green Loan)	1,000,000	—	—	1,000,000	0.948%	Jun. 27, 2033		
Mizuho Bank, Ltd.	—	1,000,000	—	1,000,000	1.400%	Mar. 10, 2034		
Mizuho Bank, Ltd.	—	1,000,000	—	1,000,000	0.691%	Mar. 10, 2028		
MUFG Bank, Ltd.	5,000,000	—	5,000,000	—	0.510%	Mar. 25, 2024		
MUFG Bank, Ltd.	2,000,000	—	—	2,000,000	0.633%	Dec. 13, 2024		
MUFG Bank, Ltd.	1,000,000	—	—	1,000,000	0.638%	Aug. 8, 2025		
MUFG Bank, Ltd.	5,000,000	—	—	5,000,000	0.600%	Aug. 29, 2025		
MUFG Bank, Ltd.	3,000,000	—	—	3,000,000	0.593%	Sep. 5, 2025		
MUFG Bank, Ltd.	4,000,000	—	—	4,000,000	0.450%	Jun. 23, 2028		
MUFG Bank, Ltd. (Green Loan)	1,000,000	—	—	1,000,000	1.116%	Aug. 29, 2031		
MUFG Bank, Ltd. (Green Loan)	—	2,000,000	—	2,000,000	1.185%	Mar. 25, 2032		
MUFG Bank, Ltd. (Green Loan)	—	2,000,000	—	2,000,000	1.064%	Mar. 25, 2031		
MUFG Bank, Ltd. (Green Loan)	—	1,000,000	—	1,000,000	0.938%	Mar. 25, 2030		
Sumitomo Mitsui Banking Corporation	3,000,000	—	—	3,000,000	0.300%	Jun. 26, 2025		
Sumitomo Mitsui Banking Corporation	2,000,000	—	—	2,000,000	0.450%	Mar. 30, 2028		

Lender	Balance as of January 1, 2024 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of June 30, 2024 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Long-Term Loans Payable (Note 1)								
Sumitomo Mitsui Banking Corporation	2,500,000	—	—	2,500,000	0.675%	Mar. 30, 2032	(Note 4)	Unsecured/ Unguaranteed
Sumitomo Mitsui Banking Corporation	2,000,000	—	—	2,000,000	0.600%	Mar. 28, 2031		
Sumitomo Mitsui Banking Corporation	2,000,000	—	—	2,000,000	0.525%	Mar. 29, 2030		
Sumitomo Mitsui Banking Corporation	2,500,000	—	—	2,500,000	0.698%	Jun. 27, 2029		
Sumitomo Mitsui Banking Corporation	1,000,000	—	—	1,000,000	1.368%	Jun. 3, 2033		
Development Bank of Japan Inc.	2,000,000	—	—	2,000,000	1.056%	Mar. 24, 2025		
Development Bank of Japan Inc.	3,000,000	—	—	3,000,000	0.843%	Jun. 14, 2027		
Development Bank of Japan Inc.	1,000,000	—	—	1,000,000	0.795%	Nov. 19, 2027		
Development Bank of Japan Inc.	2,100,000	—	—	2,100,000	0.572%	Jun. 27, 2029		
Development Bank of Japan Inc.	800,000	—	—	800,000	0.600%	Jun. 25, 2030		
Development Bank of Japan Inc.	2,000,000	—	—	2,000,000	0.600%	Dec. 3, 2030		
Development Bank of Japan Inc. (Green Loan)	—	1,000,000	—	1,000,000	1.064%	Feb. 28, 2031		
Development Bank of Japan Inc. (Green Loan)	—	1,000,000	—	1,000,000	0.651%	Sep. 1, 2027		
SBI Shinsei Bank, Limited	2,000,000	—	—	2,000,000	1.134%	Dec. 5, 2024		
SBI Shinsei Bank, Limited	1,000,000	—	—	1,000,000	0.843%	Jun. 14, 2027		
SBI Shinsei Bank, Limited	5,000,000	—	—	5,000,000	0.673%	Apr. 5, 2029		
SBI Shinsei Bank, Limited	1,000,000	—	—	1,000,000	0.675%	Sep. 24, 2030		
SBI Shinsei Bank, Limited	1,000,000	—	—	1,000,000	0.525%	Sep. 25, 2028		
SBI Shinsei Bank, Limited (Green Loan)	—	1,000,000	—	1,000,000	1.064%	Feb. 28, 2031		
SBI Shinsei Bank, Limited (Green Loan)	—	1,000,000	—	1,000,000	0.651%	Sep. 1, 2027		
Aozora Bank, Ltd.	900,000	—	—	900,000	0.625%	Jul. 3, 2025		
Aozora Bank, Ltd.	1,000,000	—	—	1,000,000	0.574%	Feb. 25, 2025		
Aozora Bank, Ltd.	1,000,000	—	—	1,000,000	0.534%	Aug. 23, 2024		
Aozora Bank, Ltd.	2,000,000	—	—	2,000,000	0.553%	Feb. 25, 2025		
Aozora Bank, Ltd.	500,000	—	—	500,000	0.525%	Sep. 25, 2028		
Aozora Bank, Ltd.	1,000,000	—	—	1,000,000	0.525%	Apr. 5, 2030		
Aozora Bank, Ltd. (Green Loan)	—	1,000,000	—	1,000,000	1.064%	Feb. 28, 2031		
Aozora Bank, Ltd. (Green Loan)	—	1,000,000	—	1,000,000	0.651%	Sep. 1, 2027		
Shinkin Central Bank	3,000,000	—	—	3,000,000	0.663%	Jun. 4, 2027		
Shinkin Central Bank	2,000,000	—	—	2,000,000	0.447%	Dec. 27, 2027		
Shinkin Central Bank	2,000,000	—	—	2,000,000	0.525%	Dec. 14, 2029		
The Norinchukin Bank	1,000,000	—	—	1,000,000	0.604%	Jun. 5, 2025		
The Norinchukin Bank	2,000,000	—	—	2,000,000	0.405%	Jun. 25, 2027		
The Norinchukin Bank	2,000,000	—	—	2,000,000	0.525%	Dec. 25, 2028		
The Norinchukin Bank	2,000,000	—	—	2,000,000	0.525%	Dec. 14, 2029		

Lender	Balance as of January 1, 2024 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of June 30, 2024 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Long-Term Loans Payable (Note 1)								
Mizuho Trust & Banking Co., Ltd.	3,000,000	—	—	3,000,000	0.586%	Feb. 4, 2030	(Note 4)	Unsecured/ Unguaranteed
Mizuho Trust & Banking Co., Ltd.	2,000,000	—	—	2,000,000	0.606%	Mar. 29, 2030		
Mizuho Trust & Banking Co., Ltd.	2,000,000	—	—	2,000,000	0.675%	Dec. 24, 2030		
The Bank of Fukuoka, Ltd.	2,000,000	—	—	2,000,000	0.480%	Jul. 7, 2026		
The Bank of Fukuoka, Ltd.	1,000,000	—	—	1,000,000	0.554%	Sep. 21, 2029		
The Bank of Fukuoka, Ltd.	1,000,000	—	—	1,000,000	0.598%	Jan. 30, 2030		
The Bank of Fukuoka, Ltd. (Green Loan)	2,000,000	—	—	2,000,000	1.183%	Oct. 6, 2031		
Resona Bank, Limited	2,000,000	—	—	2,000,000	0.888%	Sep. 30, 2031		
Resona Bank, Limited (Green Loan)	—	2,000,000	—	2,000,000	0.998%	Aug. 30, 2030		
Resona Bank, Limited (Green Loan)	—	2,000,000	—	2,000,000	0.600%	Mar. 1, 2027		
Meiji Yasuda Life Insurance Company	1,000,000	—	—	1,000,000	1.042%	Feb. 5, 2025		
Meiji Yasuda Life Insurance Company	3,200,000	—	—	3,200,000	0.813%	Jun. 21, 2028		
Sumitomo Life Insurance Company	2,000,000	—	—	2,000,000	0.453%	Oct. 11, 2024		
Sumitomo Life Insurance Company	1,000,000	—	—	1,000,000	0.583%	Jul. 20, 2029		
Sumitomo Life Insurance Company	1,000,000	—	—	1,000,000	0.598%	Jan. 30, 2030		
The Shinkumi Federation Bank	4,000,000	—	—	4,000,000	0.358%	Aug. 5, 2027		
The Nishi-Nippon City Bank, Ltd.	3,000,000	—	—	3,000,000	0.646%	May 27, 2026		
The Nishi-Nippon City Bank, Ltd.	1,000,000	—	—	1,000,000	0.525%	Dec. 14, 2029		
Taiyo Life Insurance Company	1,000,000	—	—	1,000,000	0.969%	Sep. 24, 2024		
Taiyo Life Insurance Company	1,000,000	—	—	1,000,000	0.811%	Jun. 5, 2028		
Taiyo Life Insurance Company	1,000,000	—	—	1,000,000	0.675%	Dec. 24, 2030		
The Chugoku Bank, Limited	1,000,000	—	—	1,000,000	0.661%	Mar. 25, 2026		
The Chugoku Bank, Limited (Green Loan)	2,000,000	—	—	2,000,000	1.258%	Oct. 6, 2031		
The Yamaguchi Bank, Ltd.	1,000,000	—	—	1,000,000	0.795%	Nov. 19, 2027		
The Yamaguchi Bank, Ltd.	1,000,000	—	—	1,000,000	0.598%	Jan. 30, 2030		
The Yamaguchi Bank, Ltd.	1,000,000	—	—	1,000,000	0.675%	Mar. 30, 2032		
The Iyo Bank, Ltd.	1,000,000	—	—	1,000,000	0.598%	Jan. 30, 2030		
The Iyo Bank, Ltd. (Green Loan)	1,000,000	—	—	1,000,000	1.301%	Oct. 6, 2031		
The Kiyobank, Ltd.	1,000,000	—	—	1,000,000	0.598%	Jan. 30, 2030		
The Kiyobank, Ltd.	1,000,000	—	—	1,000,000	0.675%	Mar. 30, 2032		
Sompo Japan Insurance Inc. (Green Loan)	2,000,000	—	—	2,000,000	0.803%	Jun. 25, 2029		
Daiwa Next Bank, Ltd.	—	1,000,000	—	1,000,000	0.887%	Aug. 3, 2029		
Daiwa Next Bank, Ltd. (Green Loan)	—	1,000,000	—	1,000,000	0.651%	Sep. 1, 2027		
Nippon Life Insurance Company (Green Loan)	2,000,000	—	—	2,000,000	0.906%	Apr. 20, 2029		
The Hachijuni Bank, Ltd.	1,000,000	—	—	1,000,000	0.300%	Oct. 9, 2025		

Lender	Balance as of January 1, 2024 (thousands of yen)	Increase during Current Period (thousands of yen)	Decrease during Current Period (thousands of yen)	Balance as of June 30, 2024 (thousands of yen)	Average Interest Rate (Note 2) (Note 3)	Repayment Date	Use	Remarks
Long-Term Loans Payable (Note 1)								
The Hachijuni Bank, Ltd.	1,000,000	—	—	1,000,000	0.310%	Sep. 24, 2026	(Note 4)	Unsecured/ Unguaranteed
The Yamagata Bank, Ltd. (Sustainability Loan)	1,000,000	—	—	1,000,000	0.781%	Jul. 4, 2031		
The Yamagata Bank, Ltd. (Sustainability Loan)	1,000,000	—	—	1,000,000	0.491%	Jul. 5, 2028		
The Yamanashi Chuo Bank, Ltd.	1,000,000	—	—	1,000,000	0.600%	Apr. 30, 2030		
The Yamanashi Chuo Bank, Ltd.	1,000,000	—	—	1,000,000	0.600%	Apr. 5, 2032		
The Asahi Shinkin Bank	—	1,000,000	—	1,000,000	1.098%	Feb. 5, 2031		
The Ashikaga Bank, Ltd. (Green Loan)	1,000,000	—	—	1,000,000	0.471%	Jul. 5, 2028		
Kansai Mirai Bank, Limited	1,000,000	—	—	1,000,000	0.600%	Mar. 30, 2032		
The Bank of Kyoto, Ltd.	500,000	—	—	500,000	0.600%	Mar. 30, 2032		
The Bank of Kyoto, Ltd. (Sustainability Loan)	500,000	—	—	500,000	0.441%	Jul. 5, 2028		
The Gunma Bank, Ltd. (Green Loan)	1,000,000	—	—	1,000,000	0.680%	Jul. 5, 2030		
The Keiyo Bank, Ltd. (Green Loan)	1,000,000	—	—	1,000,000	0.491%	Jul. 5, 2028		
The 77 Bank, Ltd.	1,000,000	—	—	1,000,000	0.543%	Nov. 30, 2028		
Daishi Hokuetsu Bank, Ltd.	1,000,000	—	—	1,000,000	0.566%	Nov. 21, 2028		
Daido Life Insurance Company (Green Loan)	1,000,000	—	—	1,000,000	0.991%	Dec. 25, 2030		
The Chiba Bank, Ltd. (Green Loan)	1,000,000	—	—	1,000,000	0.853%	Oct. 25, 2028		
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000,000	—	—	1,000,000	0.443%	Dec. 27, 2027		
The Hyakugo Bank, Ltd.	1,000,000	—	—	1,000,000	0.582%	Apr. 25, 2025		
The Hiroshima Bank, Ltd.	1,000,000	—	—	1,000,000	0.566%	Nov. 21, 2028		
Mitsui Sumitomo Insurance Company, Limited	1,000,000	—	—	1,000,000	0.310%	Oct. 2, 2026		
Sumitomo Mitsui Trust Bank, Limited	1,000,000	—	—	1,000,000	0.691%	Mar. 25, 2026		
Total	169,500,000	20,000,000	7,000,000	182,500,000				

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

	Due in One Year or Less (thousands of yen)	Due after One Year through Two Years (thousands of yen)	Due after Two Years through Three Years (thousands of yen)	Due after Three Years through Four Years (thousands of yen)	Due after Four Years through Five Years (thousands of yen)
Long-term loans payable	21,000,000	20,900,000	17,000,000	25,200,000	26,600,000

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

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

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

(8) Independent Auditor's Report

Independent Auditor's Report

The Board of Directors
Japan Prime Realty Investment Corporation

The Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Japan Prime Realty Investment Corporation (the Company), which comprise the balance sheet as at June 30, 2024, and the statements of income and retained earnings, changes in unitholders' equity, cash distributions, and cash flows for the six-month period then ended and notes to financial statements, all expressed in Japanese yen.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Other Information

The other information comprises the information included in the Semi-Annual Report that contains audited financial statements but does not include the financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Supervising Officer is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Supervising Officer for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Fee-related Information

The fees paid or payable to us and other EY Member Firms for the audits of the financial statements of the Company and other non-audit fees charged in the audit period to the Company are presented in paragraph (3) titled “Items Related to Directors” in Section 2 “Overview of the Investment Corporation” included in the Semi-Annual Report for the six-month period ended June 30, 2024 of the Company.

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

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

Ernst & Young ShinNihon LLC
Tokyo, Japan

September 24, 2024

向出 勇治

Yuji Mukaide
Designated Engagement Partner
Certified Public Accountant

海上 大介

Daisuke Unagami
Designated Engagement Partner
Certified Public Accountant

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

44th Fiscal Period (July 1, 2023 – December 31, 2023)	45th Fiscal Period (January 1, 2024 – June 30, 2024)
No property and equipment was leased to JPR	No property and equipment was leased to JPR

(Transactions with Interested Parties)

44th Fiscal Period (July 1, 2023 – December 31, 2023)

Attribute	Name of Company, etc.	Business Description or Occupation	Percentage of Number of Investment Units Held Among Total Number of Investment Units	Transactions	Transaction Amount (thousands of yen)	Account	Balance at End of Period (thousands of yen)
Asset Custodian	Mizuho Trust & Banking Co., Ltd.	Banking business and trust business	—	Borrowing of long-term loans payable	—	Long-term loans payable	7,000,000
				Interest expenses	21,777	Accrued expenses	473

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

45th Fiscal Period (January 1, 2024 – June 30, 2024)

Attribute	Name of Company, etc.	Business Description or Occupation	Percentage of Number of Investment Units Held Among Total Number of Investment Units	Transactions	Transaction Amount (thousands of yen)	Account	Balance at End of Period (thousands of yen)
Asset Custodian	Mizuho Trust & Banking Co., Ltd.	Banking business and trust business	—	Borrowing of short-term loans payable	5,000,000	Short-term loans payable	5,000,000
				Borrowing of long-term loans payable	—	Long-term loans payable	7,000,000
				Interest expenses	25,810	Accrued expenses	1,366

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