

Translation

**Japan Prime Realty Investment Corporation**  
**Financial Report for the 31st Fiscal Period Results (January 1, 2017 – June 30, 2017)**

August 14, 2017

REIT Securities Issuer: Japan Prime Realty Investment Corporation      Listing: Tokyo Stock Exchange  
 Securities Code: 8955      URL: <http://www.jpr-reit.co.jp/>  
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 Asset Management Company: Tokyo Realty Investment Management, Inc.  
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 Scheduled date of submission of securities report: September 26, 2017  
 Scheduled date of commencement of distribution payout: September 8, 2017  
 Preparation of supplementary explanatory materials on financial results: Yes / No  
 Holding of briefing session on financial results: Yes / No (for analysts and institutional investors)

**1. Financial Results for the 31st Fiscal Period (January 1, 2017 – June 30, 2017)**

[Amounts are rounded down to the nearest million yen, except for per unit figures.]

(1) Operating Results

[% figures represent the increase (decrease) compared with the previous fiscal period]

|   | Operating Revenues |     | Operating Income |     | Ordinary Income |      | Net Income  |      |
|---|--------------------|-----|------------------|-----|-----------------|------|-------------|------|
|   | million yen        | %   | million yen      | %   | million yen     | %    | million yen | %    |
| For the six months ended<br>June 30, 2017 | 15,118             | 0.1 | 7,747            | 8.2 | 6,868           | 11.6 | 6,867       | 11.6 |
| December 31, 2016                         | 15,105             | 6.0 | 7,161            | 4.2 | 6,153           | 4.3  | 6,152       | 4.3  |

|   | Net Income per Unit (EPU) | Net Income / Net Assets | Ordinary Income / Total Assets | Ordinary Income / Operating Revenues |
|---|---------------------------|-------------------------|--------------------------------|--------------------------------------|
|   | yen                       | %                       | %                              | %                                    |
| For the six months ended<br>June 30, 2017 | 7,494                     | 3.0                     | 1.6                            | 45.4                                 |
| December 31, 2016                         | 7,047                     | 2.8                     | 1.4                            | 40.7                                 |

(2) Distributions

|   | Distribution per Unit (DPU) [excluding exceeding profit distribution amount] | Distribution Amount | Exceeding Profit Distribution per Unit | Exceeding Profit Distribution Amount | Dividend Payout Ratio | Distribution / Net Assets |
|---|--|---------------------|--|--------------------------------------|-----------------------|---------------------------|
|   | yen  | million yen         | yen                                    | million yen                          | %                     | %                         |
| For the six months ended<br>June 30, 2017 | 7,213  | 6,657               | 0                                      | 0                                    | 96.9                  | 2.8                       |
| December 31, 2016                         | 7,048  | 6,152               | 0                                      | 0                                    | 100.0                 | 2.8                       |

(Note 1) Dividend payout ratio is rounded down to the first decimal place.

(Note 2) Dividend payout ratio for the six months ended June 30, 2017 is calculated by using the following formula, as JPR issued new investment units in the fiscal period:

$$\text{Dividend payout ratio} = \text{Distribution amount} / \text{Net income} \times 100$$

(Note 3) The difference between the distribution amount and net income for the six months ended June 30, 2017 is attributable to the fact that part of the retained earnings (210 million yen) was internally reserved as reserve for reduction entry.

(3) Financial Position

|                        | Total Assets | Net Assets  | Net Assets / Total Assets | Net Asset Per Unit |
|------------------------|--------------|-------------|---------------------------|--------------------|
|                        | million yen  | million yen | %                         | yen                |
| As of<br>June 30, 2017 | 446,068      | 238,611     | 53.5                      | 258,516            |
| December 31, 2016      | 432,307      | 216,639     | 50.1                      | 248,154            |

## (4) Cash Flows

|                          | Cash Flows from Operating Activities | Cash Flows from Investing Activities | Cash Flows from Financing Activities | Cash and Cash Equivalents at End of Period |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| For the six months ended | million yen                          | million yen                          | million yen                          | million yen                                |
| June 30, 2017            | 12,914                               | (19,288)                             | 7,495                                | 31,093                                     |
| December 31, 2016        | 10,308                               | (13,688)                             | 6,937                                | 29,972                                     |

## 2. Forecasts for the 32nd Fiscal Period Ending December 31, 2017

|   | Operating Revenues |       | Operating Income |       | Ordinary Income |       | Net Income  |       | DPU [excluding exceeding profit distribution per unit] | Exceeding Profit Distribution Per Unit |
|---|--------------------|-------|------------------|-------|-----------------|-------|-------------|-------|--|--|
|   | million yen        | %     | million yen      | %     | million yen     | %     | million yen | %     | yen  | yen                                    |
| 32nd Fiscal Period Ending December 31, 2017 | 15,073             | (0.3) | 7,578            | (2.2) | 6,664           | (3.0) | 6,664       | (3.0) | 7,220  | 0                                      |

(Reference) Estimated net income per unit for the 32nd fiscal period ending December 31, 2017: 7,200 yen

## 3. Other

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

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

## (2) Number of Investment Units Issued and Outstanding

- (a) Number of investment units (including treasury units) issued and outstanding at end of period  
 As of June 30, 2017: 923,000 units As of December 31, 2016: 873,000 units  
 (b) Number of treasury units at end of period  
 As of June 30, 2017: 0 units As of December 31, 2016: 0 units

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

\* Presentation of the status of implementation of audit procedures

At the time of disclosure of this report, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

\* Explanation of the appropriate use of the forecast for management status, and other matters of special note

The forecasts for the 32nd fiscal period ending December 31, 2017 is calculated as of August 14, 2017 based on the assumptions described on page 8 of this report. Accordingly, actual operating revenues, operating income, ordinary income, net income, DPU and exceeding profit distribution per unit may differ from the forecasts. Moreover, the forecasts should not be construed as a guarantee of the distribution amount.

This is an English-language translation of original Japanese announcement on our website released on August 14, 2017. However, no assurance or warranties are given with respect to the accuracy or completeness of this English-language translation. The Japanese original shall prevail in the case of discrepancies between this translation and the Japanese original.

## 1. Affiliated Juridical Persons of the Investment Corporation

### Structure of the Investment Corporation

Disclosure is omitted because there are no significant changes from the “Structure of the Investment Corporation” set out in the most recent securities report (yuka shoken hokokusho) (submitted on March 27, 2017).

## 2. Management Policy and Management Status

### (1) Management Policy

Disclosure is omitted because there are no significant changes from the “Investment Policy,” “Investment Targets” and “Distribution Policy” set out in the most recent securities report (submitted on March 27, 2017).

### (2) Management Status

#### 1) Overview of Fiscal Period under Review

##### a) Milestones of JPR

JPR was established on September 14, 2001 under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereafter, the Investment Trusts Act), and was listed on the Tokyo Stock Exchange (TSE) 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 923,000 units as of the end of the 31st fiscal period (June 30, 2017). JPR has assigned the asset management of its portfolio to Tokyo Realty Investment Management, Inc., through which JPR aims to maximize unitholder value by efficiently managing the portfolio primarily comprising office properties and retail properties.

##### b) Management Environment

In the 31st fiscal period, the Japanese economy saw exports and production pick up, backed by the modest recovery in overseas economies, and resulting improvements in corporate earnings led to a recovery in capital investment. On top of this, consumer spending also showed a pickup under the solid employment and income environments. As a result, the domestic business conditions remained on a moderate recovery path. On the other hand, a sense of uncertainty about the political and economic situations outside Japan was kept undispersed during the six months.

#### *The Office Property Leasing Market*

The supply and demand conditions in the office property leasing market of the 23 wards of Tokyo remained tight as new demand for such positive development as setting up new offices, expanding the office spaces and moving to better locations continued to be strong. The upward trend of the rent levels for new contracts also continued, although at a moderate pace.

#### *The Retail Property Leasing Market*

The need of tenants to open stores remained strong for urban retail properties which JPR targets for investment. Consumption by inbound foreign tourists has also picked up, and the leasing market for urban retail properties remains in good shape in good locations, such as Ginza, Omotesando and Shinsaibashi.

#### *The For-Sale Real Estate Market*

In the for-sale real estate market, investors remain highly willing to purchase properties. However, as blue-chip properties are in short supply, especially in central Tokyo, property transaction prices are steadily being formed at a high level. With low-yield transactions continuing to prevail, the acquisition environment remains harsh for players focusing on yields. Accordingly, they continue to look for ways to effectively acquire properties, such as diversifying the target assets for investment and conducting asset replacement.

##### c) Portfolio Management Status

#### *Asset Replacement*

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

During the 31st fiscal period, JPR sold Fukuoka Bldg. (sale price: 3,100 million yen) and JPR Hakata-chuo Bldg. (sale price: 1,900 million yen) and acquired Tokyo Square Garden (acquisition price: 18,400 million yen).

million yen). As a result, the balance of JPR's assets under management totaled 62 properties, or 435.0 billion yen on an acquisition price basis, with the total leasable floor space standing at 477,972m<sup>2</sup> and the number of tenants reaching 730 as of June 30, 2017.

#### *Operational Management of Portfolio*

In the office property leasing market in the 31st fiscal period, the vacancy rate stayed at a low level, given a more advanced improvement in the supply and demand balance in Tokyo and other areas. Under such circumstances, JPR endeavored to attract new tenants through strategic leasing activities and enhance the satisfaction of existing tenants by keeping close cooperation with property management companies and brokers, with an aim of enhancing earnings from the entire portfolio and improving occupancy rates. Because of contract cancellations at some properties in Other Cities, the occupancy rate of JPR's entire portfolio at the end of the 31st fiscal period decreased 0.6 percentage points period-on-period, but remained high at 98.0%.

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

With regard to initiatives on environmental issues, JPR has continuously obtained the DBJ Green Building Certification\*<sup>1</sup>, having acquired the Certification for 14 of the buildings it owns as of the end of the 31st fiscal period. Moreover, in the GRESB (Note 2) Real Estate Assessment (the survey conducted in 2016), JPR was designated as "Green Star," marking the third consecutive year of recognition with the highest ranking in the survey. JPR was also granted "4 Stars" in the GRESB Rating (five-level rating with the highest being "5 Stars"), which was newly introduced to make relative assessment based on total scores.

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

\*2 GRESB, which stands for Global Real Estate Sustainability Benchmark, is a benchmark system for analyzing and evaluating sustainability of real estate companies, REITs and real estate private placement funds, in terms of environmental friendliness and social nature. It is based on surveys conducted by a group of the same name composed of more than 50 organizations worldwide such as European pension asset managers.

#### *Fund Procurement*

In the 31st fiscal period, JPR endeavored to expand its asset size and reinforce its financial base by additionally issuing investment units to procure 21.2 billion yen, which was used to acquire a new property and repay borrowings.

JPR remains engaged in debt financing with more emphasis placed on lengthening the maturity of interest-bearing debts and diversifying repayment dates, in an effort to make its financial base more solid and stronger against the backdrop of the favorable fund procurement environment and low interest rates. In the 31st fiscal period, JPR borrowed 19.0 billion yen to fund the repayment of interest-bearing debts that matured during the fiscal period. The average maturity and average debt cost (Note 1) of the new borrowing stood at 4.4 years and 0.37%, respectively, in contrast to 5.0 years and 1.24% for the relevant interest-bearing debts before refinancing.

As of the end of the 31st fiscal period, the balance of interest-bearing debts totaled 181.3 billion yen, with total outstanding borrowings of 146.8 billion yen and investment corporation bonds of 34.5 billion yen. The ratio of interest-bearing debt to total assets (Note 2) was 40.7%, long-term and fixed interest-bearing debt ratio (Note 3) was 100.0%, average debt cost was 1.03% and average maturity (Note 4) was 4.3 years as of the end of the fiscal period.

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

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

Details of Corporate Credit Ratings as of June 30, 2017

| Credit Rating Agency                    | Corporate Credit Rating                  |
|---|--|
| Rating and Investment Information, Inc. | AA- (Stable)                             |
| Standard & Poor's Ratings Japan K.K.    | Long-term: A (Stable)<br>Short-term: A-1 |

(Note 1) 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 2) Ratio of interest-bearing debt to total assets: (balance of borrowings + balance of investment corporation bonds) / total assets

(Note 3) Long-term and fixed interest-bearing debt ratio: long-term, fixed-interest interest-bearing debt / total interest-bearing debt

(Note 4) Average maturity is arrived at by calculating a weighted average of maturities from the end of the 31st fiscal period to the repayment deadlines for all interest-bearing debts based on the balance of each interest-bearing debt.

d) Operating Results and Cash Distributions

As a result of the aforementioned management performance, JPR posted operating revenues of 15,118 million yen, ordinary income of 6,868 million yen and net income of 6,867 million yen for its 31st fiscal period ended June 30, 2017. With regard to the cash distributions, JPR decided to distribute part of the retained earnings brought forward that had been internally reserved through the 30th 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, JPR decided to internally reserve 210 million yen out of the retained earnings for the 31st fiscal period as reserve for reduction entry, applying the Special Measures in Case Land or Other Property is Acquired in Advance in 2009 or 2010 (Article 66-2 of the Act on Special Measures Concerning Taxation). As a result, the cash distribution per unit came to 7,213 yen for the 31st fiscal period.

2) Forecast for the Next Fiscal Period

a) Outlook for Management Status

Looking ahead, the Japanese economy is anticipated to recover moderately, given continued improvements in the employment and income environments and supported by the effects of various policies. However, attention should be paid to the uncertainty in overseas economies and the impacts of fluctuations in the financial and capital markets.

In the office property leasing market, new supply in the 23 wards of Tokyo is projected to remain subdued through the end of 2017. Going forward, if the economy remains brisk as it is now, the market situation in general is likely to stay in good shape with the supply and demand condition being tight. In this regard, JPR believes it will be able to fully enjoy the positive impact of the good market situation as it has focused on improving tenant satisfaction through proactive implementation of value enhancement works and provision of elaborate management services. When conducting real estate transactions in the for-sale real estate market that continues to appear overheated, it will become even more important to discern the growth potential in earnings of respective properties. Considering the situation in which cap rates are decreasing in a low interest rate environment, it is required to firmly keep the attitude of vigorously selective investment for implementing real estate investment that assumes possession of properties over the medium to long term.

i) Acquisition of New Properties and Asset Replacement

JPR will continue to make investment focused on the Tokyo office properties, with an aim to improve the quality of its portfolio and enhance its growth potential and stability over the long term. Given the briskness in the office property leasing market, the for-sale real estate market sees a decrease in purchase cap rate and expected cap rate levels. Moreover, with properties remaining in short supply, there are deals closed at prices that have factored in lower cap rates and rent increases. Accordingly, JPR will fully investigate the growth potential of such properties when acquiring them. As for retail properties as well as office properties in regional cities, JPR will work to invest in strictly selected blue-chip properties that can keep stable revenues at a certain level in order to complement the stability of earnings from the entire portfolio. JPR will strive to acquire new properties under reasonable terms by negotiating prices based on detailed market studies and property due diligence in considering properties.

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

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

ii) Management of Portfolio

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

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

iii) Fund Procurement

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

iv) Information Disclosure

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

v) Significant Subsequent Events

There are no material subsequent events for this fiscal period.

## b) Outlook for Management Status (Operating Results)

JPR expects the following management status in the 32nd fiscal period (from July 1, 2017 to December 31, 2017).

|                       |  | 32nd Fiscal Period |
|-----------------------|--|--------------------|
| Operating revenues    |  | 15,073 million yen |
| Operating income      |  | 7,578 million yen  |
| Ordinary income       |  | 6,664 million yen  |
| Net income            |  | 6,664 million yen  |
| Distribution per unit |  | 7,220 yen          |
|                       | Exceeding profit distribution per unit | 0 yen              |

For the assumptions underlying this outlook for management status, please refer to “Assumptions for the 32nd fiscal period (from July 1, 2017 to December 31, 2017)” shown below.

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

Assumptions for the 32nd fiscal period (from July 1, 2017 to December 31, 2017)

| Item                                   | Assumptions  |
|--|--|
| Period                                 | July 1, 2017 to December 31, 2017 (investment period: 184 days)  |
| Property Portfolio                     | <ul style="list-style-type: none"> <li>The number of properties is assumed to be 62 properties owned by JPR as of August 14, 2017. Moreover, the assumed period-average occupancy rate at end of month is 98.2% for the 32nd fiscal period.</li> <li>In practice, this assumption may vary due to such events as acquisition of additional properties or sale of existing properties.</li> </ul>   |
| Operating Revenues                     | <ul style="list-style-type: none"> <li>Real estate rental revenues are calculated on the basis of the lease contracts effective as of the end of June 30, 2017, with consideration given to the market environment, competitiveness of the properties, status of negotiations with tenants and other factors.</li> <li>For operating revenues, JPR assumes rents will be paid on time and that no tenants will fail or decline to pay rents.</li> </ul>  |
| Operating Expenses                     | <ul style="list-style-type: none"> <li>Among rental expenses, which are the principal operating expenses, outsourcing expenses and other expenses excluding depreciation are calculated based on historical data, reflecting variable factors of expenses and considering the information as of June 30, 2017. Outsourcing expenses are assumed to be 600 million yen.</li> <li>For property taxes and city planning taxes, the amount attributed to the relevant fiscal period is calculated out of the levied tax amount, and is assumed to be 2,044 million yen. In general practice, the property taxes and city planning taxes levied on properties acquired are settled after prorating for the period with the previous owner at the time of acquisition, but JPR includes the amount equivalent to such settlement in the acquisition costs for the property. Accordingly, the property taxes and city planning taxes for Tokyo Square Garden, which JPR acquired in the 31st fiscal period, will be expensed starting in the 33rd fiscal period ending June 2018.</li> <li>For expenditures for the repair and maintenance of buildings, the amount expected to be required in the relevant fiscal period has been recorded. However, the expenditures for repair and maintenance for the fiscal period could differ significantly from the estimated amount, as expenditures may arise due to damage to the building caused by unexpected factors, etc., and because the variance in amounts generally tends to grow from year to year and repair expenses do not arise regularly.</li> <li>Depreciation is calculated using the straight line method, including incidental expenses and additional future capital expenditures. Depreciation is assumed to be 1,925 million yen.</li> </ul> |
| Non-Operating Expenses                 | <ul style="list-style-type: none"> <li>As for major non-operating expenses, JPR assumes 902 million yen for interest paid, fees related to loan arrangement, interest expenses on investment corporation bonds and amortization of investment corporation bond issuance costs, etc.</li> </ul>   |
| Interest-Bearing Debt Ratio            | <ul style="list-style-type: none"> <li>The ratio of interest-bearing debt to total assets as of August 14, 2017 stands at 40.7%, with interest-bearing debts of 181,394 million yen (comprised of 146,894 million yen in long-term loans payable and 34,500 million yen in investment corporation bonds).</li> <li>It is assumed that all borrowings for which repayment will arrive during the 32nd fiscal period will be refinanced, except for scheduled repayment of 166 million yen for the fiscal period.</li> <li>It is assumed that funds for redemption of investment corporation bonds whose redemption date will arrive during the relevant fiscal periods will be secured through debt or issuance of investment corporation bonds.</li> <li>Due to the above, the ratio of interest-bearing debt to total assets is expected to be 40.6% at the end of the 32nd fiscal period.</li> <li>The following formula is used in calculating the ratio of interest-bearing debt to total assets in this table.<br/> <math display="block">\text{Ratio of interest-bearing debt to total assets} = \frac{\text{Expected total interest-bearing debt}}{\text{Expected total assets}} \times 100</math> </li> </ul>  |
| Total Units Outstanding                | <ul style="list-style-type: none"> <li>The total number of investment units issued and outstanding is 923,000 units as of August 14, 2017, and it is assumed that no additional investment units will be issued.</li> </ul>  |
| Distribution Per Unit                  | <ul style="list-style-type: none"> <li>For distribution per unit, it is assumed that all revenues will be distributed based on the distribution methods provided in the Articles of Incorporation.</li> <li>There is the possibility that the distribution per unit may vary due to various factors including variation of rental revenue due to transfer of assets under management and tenants moving out, and unpredicted repairs and maintenance.</li> </ul>   |
| Exceeding Profit Distribution Per Unit | <ul style="list-style-type: none"> <li>Distribution exceeding the profit (exceeding profit distribution per unit) is currently not assumed.</li> </ul>   |
| Others                                 | <ul style="list-style-type: none"> <li>It is assumed that there will be no changes in legislation, taxation, accounting standards, regulations applying to publicly listed companies, rules and requirements imposed by the Investment Trusts Association, Japan that will impact the aforementioned forecast.</li> <li>It is also assumed that there will be no unexpected material changes in general economic and real estate market conditions.</li> </ul>   |

(3) Investment Risks

The description is omitted as there are no significant changes from the “Investment risks” disclosed in the latest “Securities Registration Statement” (submitted on March 27, 2017).

## 3. Financial Statements

## (1) Balance Sheets

(Thousands of Yen)

|   | End of 30th Fiscal<br>Period<br>(Dec. 31, 2016) | End of 31st Fiscal<br>Period<br>(Jun. 30, 2017) |
|---|---|---|
| <b>Assets</b>                               |   |   |
| <b>Current assets</b>                       |   |   |
| Cash and deposits                           | ¥17,896,631                                     | ¥18,984,868                                     |
| Cash and deposits in trust                  | 12,075,668                                      | 12,108,948                                      |
| Operating accounts receivable               | 319,276   | 376,472   |
| Prepaid expenses                            | 157,568   | 121,120   |
| Other                                       | 9,075   | 8,407   |
| <b>Total current assets</b>                 | <b>30,458,219</b>                               | <b>31,599,817</b>                               |
| <b>Noncurrent assets</b>                    |   |   |
| Property, plant and equipment               |   |   |
| Buildings                                   | 57,346,890                                      | 57,592,652                                      |
| Accumulated depreciation                    | (14,201,649)                                    | (15,005,148)                                    |
| Buildings, net                              | 43,145,241                                      | 42,587,503                                      |
| Buildings in trust                          | 88,897,226                                      | 90,040,896                                      |
| Accumulated depreciation                    | (29,702,517)                                    | (30,248,556)                                    |
| Buildings in trust, net                     | 59,194,709                                      | 59,792,339                                      |
| Structures                                  | 49,920  | 49,920  |
| Accumulated depreciation                    | (18,152)  | (19,449)  |
| Structures, net                             | 31,767  | 30,471  |
| Structures in trust                         | 120,517   | 125,868   |
| Accumulated depreciation                    | (77,245)  | (74,446)  |
| Structures in trust, net                    | 43,272  | 51,421  |
| Machinery and equipment                     | 748,404   | 754,459   |
| Accumulated depreciation                    | (419,479)                                       | (439,262)                                       |
| Machinery and equipment, net                | 328,925   | 315,197   |
| Machinery and equipment in trust            | 1,677,053                                       | 1,711,632                                       |
| Accumulated depreciation                    | (1,301,826)                                     | (1,305,431)                                     |
| Machinery and equipment in trust, net       | 375,227   | 406,201   |
| Tools, furniture and fixtures               | 75,134  | 75,824  |
| Accumulated depreciation                    | (38,879)  | (42,528)  |
| Tools, furniture and fixtures, net          | 36,254  | 33,295  |
| Tools, furniture and fixtures in trust      | 186,096   | 196,046   |
| Accumulated depreciation                    | (125,281)                                       | (128,589)                                       |
| Tools, furniture and fixtures in trust, net | 60,814  | 67,456  |
| Land  | 106,890,048                                     | 106,890,048                                     |
| Land in trust                               | 176,493,700                                     | 189,014,043                                     |
| Construction in progress                    | -   | 366   |
| Construction in progress in trust           | 8,489   | 3,315   |
| <b>Total property, plant and equipment</b>  | <b>386,608,451</b>                              | <b>399,191,661</b>                              |
| Intangible assets                           |   |   |
| Leasehold right                             | 14,689,483                                      | 14,689,483                                      |
| Other                                       | 1,593   | 1,528   |
| <b>Total intangible assets</b>              | <b>14,691,077</b>                               | <b>14,691,012</b>                               |
| Investments and other assets                |   |   |
| Lease and guarantee deposits                | 297,969   | 347,227   |
| Long-term prepaid expenses                  | 86,527  | 60,679  |
| <b>Total investments and other assets</b>   | <b>384,497</b>                                  | <b>407,906</b>                                  |
| <b>Total noncurrent assets</b>              | <b>401,684,026</b>                              | <b>414,290,580</b>                              |
| <b>Deferred assets</b>                      |   |   |
| Investment corporation bond issuance costs  | 143,222   | 126,003   |
| Investment unit issuance expenses           | 22,078  | 51,925  |
| <b>Total deferred assets</b>                | <b>165,300</b>                                  | <b>177,929</b>                                  |
| <b>Total assets</b>                         | <b>¥432,307,546</b>                             | <b>¥446,068,327</b>                             |

(Thousands of Yen)

|   | End of 30th Fiscal<br>Period<br>(Dec. 31, 2016) | End of 31st Fiscal<br>Period<br>(Jun. 30, 2017) |
|---|---|---|
| <b>Liabilities</b>                                      |   |   |
| <b>Current liabilities</b>                              |   |   |
| Operating accounts payable                              | ¥2,476,880                                      | ¥1,853,498                                      |
| Short-term loans payable                                | 7,000,000                                       | -   |
| Current portion of long-term loans payable              | 32,632,000                                      | 21,374,000                                      |
| Current portion of investment corporation bonds         | 5,000,000                                       | 10,000,000                                      |
| Accounts payable-other                                  | 665,717   | 673,408   |
| Accrued expenses  | 88,498  | 81,184  |
| Income taxes payable                                    | 605   | 605   |
| Accrued consumption taxes                               | 217,870   | 163,333   |
| Advances received                                       | 2,683,275                                       | 2,733,053                                       |
| <b>Total current liabilities</b>                        | <b>50,764,846</b>                               | <b>36,879,083</b>                               |
| <b>Noncurrent liabilities</b>                           |   |   |
| Investment corporation bonds                            | 29,500,000                                      | 24,500,000                                      |
| Long-term loans payable                                 | 114,828,000                                     | 125,520,000                                     |
| Tenant leasehold and security deposits                  | 7,672,848                                       | 7,756,073                                       |
| Tenant leasehold and security deposits in trust         | 12,902,843                                      | 12,802,062                                      |
| <b>Total noncurrent liabilities</b>                     | <b>164,903,691</b>                              | <b>170,578,136</b>                              |
| <b>Total liabilities</b>                                | <b>215,668,538</b>                              | <b>207,457,219</b>                              |
| <b>Net assets</b>                                       |   |   |
| <b>Unitholders' equity</b>                              |   |   |
| Unitholders' capital                                    | 210,395,598                                     | 231,653,198                                     |
| Surplus   |   |   |
| Voluntary reserve                                       |   |   |
| Reserve for reduction entry                             | 73,946  | 73,946  |
| Total voluntary reserve                                 | 73,946  | 73,946  |
| Unappropriated retained earnings<br>(undisposed losses) | 6,169,462                                       | 6,883,962                                       |
| Total surplus   | 6,243,409                                       | 6,957,909                                       |
| <b>Total unitholders' equity</b>                        | <b>216,639,008</b>                              | <b>238,611,107</b>                              |
| <b>Total net assets</b>                                 | <b>216,639,008</b>                              | <b>238,611,107</b>                              |
| <b>Total liabilities and net assets</b>                 | <b>¥432,307,546</b>                             | <b>¥446,068,327</b>                             |

## (2) Statements of Income and Retained Earnings

(Thousands of Yen)

|   | <b>30th Fiscal<br/>Period<br/>(Jul. 1, 2016 –<br/>Dec. 31, 2016)</b> | <b>31st Fiscal<br/>Period<br/>(Jan. 1, 2017 –<br/>Jun. 30, 2017)</b> |
|---|--|--|
| <b>Operating revenue</b>                                    |  |  |
| Rent revenue-real estate                                    | ¥15,105,172  | ¥14,907,434  |
| Gain on sale of real estate                                 | 584  | 210,738  |
| <b>Total operating revenue</b>                              | <b>15,105,757</b>  | <b>15,118,172</b>  |
| <b>Operating expenses</b>                                   |  |  |
| Expenses related to rent business                           | 6,898,364  | 6,599,215  |
| Loss on sale of real estate                                 | 300,521  | —  |
| Asset management fee  | 532,074  | 552,616  |
| Administrative service and asset custody fees               | 77,047   | 77,793   |
| Directors' compensation                                     | 6,600  | 6,600  |
| Trust fees  | 30,723   | 31,023   |
| Other operating expenses                                    | 99,262   | 102,953  |
| <b>Total operating expenses</b>                             | <b>7,944,593</b>   | <b>7,370,203</b>   |
| <b>Operating income</b>                                     | <b>7,161,163</b>   | <b>7,747,969</b>   |
| <b>Non-operating income</b>                                 |  |  |
| Interest income   | 233  | 161  |
| Income on settlement of management association accounts     | 3,147  | 88,589   |
| Other   | 4,329  | 7,776  |
| <b>Total non-operating income</b>                           | <b>7,709</b>   | <b>96,527</b>  |
| <b>Non-operating expenses</b>                               |  |  |
| Interest expenses   | 703,974  | 682,409  |
| Borrowing expenses  | 55,202   | 44,127   |
| Interest expenses on investment corporation bonds           | 227,821  | 204,596  |
| Amortization of investment corporation bond issuance costs  | 20,295   | 17,218   |
| Amortization of investment unit issuance expenses           | 7,650  | 14,892   |
| Other   | 527  | 13,242   |
| <b>Total non-operating expenses</b>                         | <b>1,015,472</b>   | <b>976,487</b>   |
| <b>Ordinary income</b>                                      | <b>6,153,400</b>   | <b>6,868,008</b>   |
| <b>Income before income taxes</b>                           | <b>6,153,400</b>   | <b>6,868,008</b>   |
| <b>Income taxes-current</b>                                 | <b>605</b>   | <b>605</b>   |
| <b>Total income taxes</b>                                   | <b>605</b>   | <b>605</b>   |
| <b>Net income</b>   | <b>6,152,795</b>   | <b>6,867,403</b>   |
| <b>Retained earnings brought forward</b>                    | <b>16,666</b>  | <b>16,558</b>  |
| <b>Unappropriated retained earnings (undisposed losses)</b> | <b>6,169,462</b>   | <b>6,883,962</b>   |

## (3) Statements of Changes in Unitholders' Equity

(Thousands of Yen)

|   | <b>30th Fiscal<br/>Period<br/>(Jul. 1, 2016 –<br/>Dec. 31, 2016)</b> | <b>31st Fiscal<br/>Period<br/>(Jan. 1, 2017 –<br/>Jun. 30, 2017)</b> |
|---|--|--|
| <b>Unitholders' equity</b>                                  |  |  |
| <b>Unitholders' capital</b>                                 |  |  |
| Balance at beginning of current period                      | ¥210,395,598   | 210,395,598  |
| Changes of items during the period                          |  |  |
| Issuance of units   | –  | 21,257,600   |
| Total changes of items during the period                    | –  | 21,257,600   |
| Balance at end of current period                            | 210,395,598  | 231,653,198  |
| <b>Surplus</b>  |  |  |
| <b>Voluntary reserve</b>                                    |  |  |
| Balance at beginning of current period                      | 73,946   | 73,946   |
| Changes of items during the period                          |  |  |
| Total changes of items during the period                    | –  | –  |
| Balance at end of current period                            | 73,946   | 73,946   |
| <b>Unappropriated retained earnings (undisposed losses)</b> |  |  |
| Balance at beginning of current period                      | 5,914,654  | 6,169,462  |
| Changes of items during the period                          |  |  |
| Dividends from surplus                                      | (5,897,988)  | (6,152,904)  |
| Net income  | 6,152,795  | 6,867,403  |
| Total changes of items during the period                    | 254,807  | 714,499  |
| Balance at end of current period                            | 6,169,462  | 6,883,962  |
| <b>Total surplus</b>  |  |  |
| Balance at beginning of current period                      | 5,988,601  | 6,243,409  |
| Changes of items during the period                          |  |  |
| Total changes of items during the period                    | 254,807  | 714,499  |
| Balance at end of current period                            | 6,243,409  | 6,957,909  |
| <b>Total unitholders' equity</b>                            |  |  |
| Balance at the beginning of current period                  | 216,384,200  | 216,639,008  |
| Changes of items during the period                          |  |  |
| Total changes of items during the period                    | 254,807  | 21,972,099   |
| Balance at end of current period                            | 216,639,008  | 238,611,107  |
| <b>Total net assets</b>                                     |  |  |
| Balance at beginning of current period                      | 216,384,200  | 216,639,008  |
| Changes of items during the period                          |  |  |
| Total changes of items during the period                    | 254,807  | 21,972,099   |
| <b>Balance at end of current period</b>                     | <b>¥216,639,008</b>  | <b>¥238,611,107</b>  |

## (4) Statements of Cash Distributions

|  | <b>30th Fiscal Period<br/>(July 1, 2016 –<br/>December 31, 2016)</b>   | <b>31st Fiscal Period<br/>(January 1, 2017 –<br/>June 30, 2017)</b>  |
|--|--|--|
| I. Unappropriated retained earnings                                | 6,169,462,812 yen  | 6,883,962,296 yen  |
| II. Distribution amount<br>(Distribution amount per unit)          | 6,152,904,000 yen<br>(7,048 yen)   | 6,657,599,000 yen<br>(7,213 yen)   |
| III. Voluntary reserve<br>Provision of reserve for reduction entry | —  | 210,409,484 yen  |
| IV. Retained earnings carried forward                              | 16,558,812 yen   | 15,953,812 yen   |
| Method for calculating distribution amount                         | <p>Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, JPR decided to pay out distributions of earnings of 6,152,904,000 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (873,000 units) in an amount not in excess of unappropriated retained earnings while minimizing the burden to unitholders incurred by accrual of corporate income tax, etc. Furthermore, JPR shall not distribute cash in excess of earnings as stipulated in Article 30 (4) of the Articles of Incorporation.</p> | <p>Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, JPR decided to pay out distributions of earnings of 6,657,599,000 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (923,000 units) from the balance of unappropriated retained earnings after deducting the provision of reserve for reduction entry pursuant to Article 66-2 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) Statements of Cash Flows

(Thousands of Yen)

|   | <b>30th Fiscal<br/>Period<br/>(Jul. 1, 2016 –<br/>Dec. 31, 2016)</b> | <b>31st Fiscal<br/>Period<br/>(Jan. 1, 2017 –<br/>Jun. 30, 2017)</b> |
|---|--|--|
| <b>Net cash provided by (used in) operating activities</b>      |  |  |
| Income before income taxes                                      | ¥6,153,400   | ¥6,868,008   |
| Depreciation and amortization                                   | 1,884,057  | 1,907,957  |
| Amortization of investment corporation bond issuance costs      | 20,295   | 17,218   |
| Amortization of investment unit issuance expenses               | 7,650  | 14,892   |
| Interest income   | (233)  | (161)  |
| Interest expenses   | 931,796  | 887,006  |
| Decrease (increase) in operating accounts receivable            | 76,364   | (57,196)   |
| Decrease (increase) in prepaid expenses                         | (35,049)   | 36,447   |
| Increase (decrease) in operating accounts payable               | 258,291  | (394,719)  |
| Increase (decrease) in accounts payable-other                   | 77,573   | 7,613  |
| Increase (decrease) in accrued consumption taxes                | (38,874)   | (54,536)   |
| Increase (decrease) in advances received                        | (56,330)   | 49,777   |
| Decrease in property, plant and equipment                       | 2,184,252  | -  |
| Decrease in property, plant and equipment in trust              | -  | 4,787,861  |
| Other, net  | (217,740)  | (260,933)  |
| Subtotal  | 11,245,455   | 13,809,236   |
| Interest income received  | 233  | 161  |
| Interest expenses paid  | (937,370)  | (894,320)  |
| Income taxes (paid) refund                                      | (258)  | (593)  |
| Net cash provided by (used in) operating activities             | 10,308,059   | 12,914,482   |
| <b>Net cash provided by (used in) investing activities</b>      |  |  |
| Purchase of property, plant and equipment                       | (392,949)  | (243,199)  |
| Purchase of property, plant and equipment in trust              | (3,625,015)  | (19,277,371)   |
| Purchase of intangible assets                                   | (9,895,373)  | -  |
| Payments of lease and guarantee deposits                        | (56,357)   | (49,257)   |
| Repayments of tenant leasehold and security deposits            | (105,669)  | (86,515)   |
| Proceeds from tenant leasehold and security deposits            | 175,572  | 169,740  |
| Repayments of tenant leasehold and security deposits in trust   | (187,965)  | (115,575)  |
| Proceeds from tenant leasehold and security deposits in trust   | 399,505  | 314,145  |
| Net cash provided by (used in) investing activities             | (13,688,253)   | (19,288,034)   |
| <b>Net cash provided by (used in) financing activities</b>      |  |  |
| Proceeds from short-term loans payable                          | 7,000,000  | -  |
| Repayment of short-term loans payable                           | -  | (7,000,000)  |
| Proceeds from long-term loans payable                           | 18,000,000   | 19,000,000   |
| Repayment of long-term loans payable                            | (5,166,000)  | (19,566,000)   |
| Redemption of investment corporation bonds                      | (7,000,000)  | -  |
| Proceeds from issuance of investment units                      | -  | 21,212,859   |
| Dividends paid  | (5,896,510)  | (6,151,791)  |
| Net cash provided by (used in) financing activities             | 6,937,489  | 7,495,067  |
| <b>Net changes in cash and cash equivalents</b>                 | 3,557,295  | 1,121,516  |
| <b>Cash and cash equivalents at beginning of current period</b> | 26,415,004   | 29,972,299   |
| <b>Cash and cash equivalents at end of current period</b>       | 29,972,299   | 31,093,816   |

## (6) Notes to the Going Concern Assumption

No relevant items.

## (7) Notes to Significant Accounting Policies

The disclosure is omitted as there are no significant changes from the descriptions in the latest securities report (submitted on March 27, 2017).

## (8) Notes to Financial Statements

**Notes to Balance Sheets**

## 1. Assets Pledged as Collateral and Secured Liabilities

Assets pledged as collateral are as follows:

|                              | (Thousands of yen)               |                                  |
|------------------------------|----------------------------------|----------------------------------|
|                              | <b>End of 30th Fiscal Period</b> | <b>End of 31st Fiscal Period</b> |
|                              | <b>(as of December 31, 2016)</b> | <b>(as of June 30, 2017)</b>     |
| Buildings (net)              | ¥109,559                         | ¥107,690                         |
| Machinery and equipment(net) | 2,397                            | 2,226                            |
| Land                         | 399,183                          | 399,183                          |
| <b>Total</b>                 | <b>¥511,139</b>                  | <b>¥509,100</b>                  |

Secured liabilities are as follows:

|  | (Thousands of yen)               |                                  |
|--|----------------------------------|----------------------------------|
|  | <b>End of 30th Fiscal Period</b> | <b>End of 31st Fiscal Period</b> |
|  | <b>(as of December 31, 2016)</b> | <b>(as of June 30, 2017)</b>     |
| Tenant leasehold and security deposits | ¥15,536                          | ¥15,536                          |
| <b>Total</b>                           | <b>¥15,536</b>                   | <b>¥15,536</b>                   |

## 2. Balance of Unused Commitment Line

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

|   | (Thousands of yen)               |                                  |
|---|----------------------------------|----------------------------------|
|   | <b>End of 30th Fiscal Period</b> | <b>End of 31st Fiscal Period</b> |
|   | <b>(as of December 31, 2016)</b> | <b>(as of June 30, 2017)</b>     |
| Credit limit                            | ¥24,000,000                      | ¥24,000,000                      |
| Outstanding debts at end of period      | -                                | -                                |
| Unused commitment line at end of period | ¥24,000,000                      | ¥24,000,000                      |

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

|  | (Thousands of yen)               |                                  |
|--|----------------------------------|----------------------------------|
|  | <b>End of 30th Fiscal Period</b> | <b>End of 31st Fiscal Period</b> |
|  | <b>(as of December 31, 2016)</b> | <b>(as of June 30, 2017)</b>     |
|  | ¥50,000                          | ¥50,000                          |

**Notes to Statements of Income and Retained Earnings**

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

|  | (Thousands of yen)   |   |
|--|--|---|
|  | <b>30th Fiscal Period</b><br><b>(July 1, 2016 -</b><br><b>December 31, 2016)</b> | <b>31st Fiscal Period</b><br><b>(January 1, 2017 -</b><br><b>June 30, 2017)</b> |
| A. Rent Revenue-Real Estate  |  |   |
| Rent Revenue   |  |   |
| Rents  | ¥9,982,743   | ¥10,460,232   |
| Land rents   | 1,581,000  | 1,580,750   |
| Common charges   | 1,717,771  | 1,689,075   |
| Parking revenues   | 259,307  | 263,619   |
| Advertising expenses   | 61,714   | 66,615  |
| Antenna use fees   | 21,711   | 21,715  |
| Other  | 39,866   | 41,445  |
| Subtotal   | 13,664,114   | 14,123,453  |
| Other rental revenues  |  |   |
| Incidental income  | 767,084  | 682,401   |
| Time-based parking revenues  | 5,771  | 6,738   |
| Cancellation charges   | 398,303  | 31,569  |
| Income equivalent to expenses for restoration<br>to original condition | 249,769  | 35,118  |
| Other miscellaneous income   | 20,129   | 28,152  |
| Subtotal   | 1,441,058  | 783,980   |
| Total rent revenue-real estate   | 15,105,172   | 14,907,434  |
| B. Expenses Related to Rent Business                                   |  |   |
| Outsourcing expenses   | ¥542,555   | ¥575,903  |
| Utilities expenses   | 794,249  | 770,789   |
| Property and other taxes   | 2,059,250  | 2,061,610   |
| Casualty insurance   | 25,900   | 25,944  |
| Repairs and maintenance  | 586,870  | 246,252   |
| Property management fees   | 248,127  | 259,656   |
| Management association accounts  | 591,197  | 578,579   |
| Depreciation   | 1,884,057  | 1,907,957   |
| Other  | 166,153  | 172,521   |
| Total expenses related to rent business                                | 6,898,364  | 6,599,215   |
| C. Profits (A-B)   | 8,206,808  | 8,308,218   |

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

| 30th fiscal period (July 1, 2016 – December 31, 2016) |  | (Thousands of yen) |
|---|--|--------------------|
| Part of land of JPR Musashikosugi Bldg.               |  |                    |
| Proceeds from sale of real estate                     |  | ¥5,869             |
| Cost of sale of real estate                           |  | 5,284              |
| Other expenses related to sale                        |  | –                  |
| Gain on sale of real estate                           |  | 584                |
| JPR Daikanyama  |  |                    |
| Proceeds from sale of real estate                     |  | 1,880,000          |
| Cost of sale of real estate                           |  | 2,178,967          |
| Other expenses related to sale                        |  | 1,553              |
| Loss on sale of real estate                           |  | 300,521            |
| 31st fiscal period (January 1, 2017 – June 30, 2017)  |  | (Thousands of yen) |
| Fukuoka Bldg.   |  |                    |
| Proceeds from sale of real estate                     |  | ¥3,100,000         |
| Cost of sale of real estate                           |  | 2,984,311          |
| Other expenses related to sale                        |  | 700                |
| Gain on sale of real estate                           |  | 114,988            |
| JPR Hakata-chuo Bldg.                                 |  |                    |
| Proceeds from sale of real estate                     |  | ¥1,900,000         |
| Cost of sale of real estate                           |  | 1,803,549          |
| Other expenses related to sale                        |  | 700                |
| Gain on sale of real estate                           |  | 95,750             |

## Notes to Statements of Changes in Unitholders' Equity

|  | 30th Fiscal Period<br>(July 1, 2016 – December 31, 2016) | 31st Fiscal Period<br>(January 1, 2017 – June 30, 2017) |
|--|--|---|
| 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                                      | 873,000 units  | 923,000 units   |

## Financial Instruments

### 1. Matters Concerning Status of Financial Instruments

#### (1) Policy for Financial Instruments

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

There may be cases where JPR will engage in derivative transactions, but such will be limited to management 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 failure of the financial institutions holding the deposits and other credit risks, but 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 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 Estimated Fair Value, etc. of Financial Instruments

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

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

The following are the carrying values and estimated fair values as of December 31, 2016, and the difference between these amounts. Please note the following tables do not include those for which discerning of estimated fair value is recognized to be extremely difficult (please refer to Note 3).

|  | (Thousands of yen)         |                                  |            |
|--|----------------------------|----------------------------------|------------|
|  | Carrying Value<br>(Note 1) | Estimated Fair<br>Value (Note 1) | Difference |
| 1) Cash and deposits                               | ¥17,896,631                | ¥17,896,631                      | ¥—         |
| 2) Cash and deposits in trust                      | 12,075,668                 | 12,075,668                       | —          |
| 3) Short-term loans payable                        | (7,000,000)                | (7,000,000)                      | —          |
| 4) Current portion of long-term loans payable      | (32,632,000)               | (32,748,950)                     | 116,950    |
| 5) Current portion of investment corporation bonds | (5,000,000)                | (5,025,000)                      | 25,000     |
| 6) Investment corporation bonds                    | (29,500,000)               | (31,233,681)                     | 1,733,681  |
| 7) Long-term loans payable                         | (¥114,828,000)             | (¥116,946,458)                   | ¥2,118,458 |

The following are the carrying values and estimated fair values as of June 30, 2017, and the difference between these amounts. Please note that the following tables do not include those for which discerning of estimated fair value is recognized to be extremely difficult (please refer to Note 3).

|  | (Thousands of yen)         |                                  |            |
|--|----------------------------|----------------------------------|------------|
|  | Carrying Value<br>(Note 1) | Estimated Fair<br>Value (Note 1) | Difference |
| 1) Cash and deposits                               | ¥18,984,868                | ¥18,984,868                      | ¥—         |
| 2) Cash and deposits in trust                      | 12,108,948                 | 12,108,948                       | —          |
| 3) Short-term loans payable                        | —                          | —                                | —          |
| 4) Current portion of long-term loans payable      | (21,374,000)               | (21,465,283)                     | 91,283     |
| 5) Current portion of investment corporation bonds | (10,000,000)               | (10,033,000)                     | 33,000     |
| 6) Investment corporation bonds                    | (24,500,000)               | (26,123,941)                     | 1,623,941  |
| 7) Long-term loans payable                         | (¥125,520,000)             | (¥127,268,518)                   | ¥1,748,518 |

(Note 1) Items stated under liabilities are shown in parentheses.

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

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

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

(3) Short-term loans payable

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

(4) Current portion of long-term loans payable and (7) Long-term loans payable

Of the estimated fair value of these financial instruments, the fair value of long-term loans payable with floating interest rates is based on the book value, as it reflects the market interest rate within a short period of time and thus is considered to be nearly equal to the book value. The fair value of long-term loans payable with fixed interest rates is based on the method of calculating by discounting the total amount of principal and interest by the rate assumed as being applicable in the event of a new drawdown corresponding to the remaining loan term.

(5) Current portion of investment corporation bonds, and (6) Investment corporation bonds

Of the estimated fair value of these financial instruments, those with market price are calculated based on market price and those with no market price are calculated according to the fair value of long-term loans payable with fixed interest rates in (4) and (7) above.

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

Tenant leasehold and security deposits and tenant leasehold and security deposits in trust that are deposited by lessees of lease rental properties are not subject to disclosure of estimated fair value because reasonable estimation of cash flows is recognized to be extremely difficult since there is no market price and also since it is difficult to calculate the actual deposit period from when lessees move in to when they move out. The following is the carrying value of tenant leasehold and security deposits and the carrying value of tenant leasehold and security deposits in trust.

|   | (Thousands of yen)                                     |  |
|---|--|--|
|   | End of 30th Fiscal Period<br>(as of December 31, 2016) | End of 31st Fiscal Period<br>(as of June 30, 2017) |
| Tenant leasehold and security deposits          | ¥7,672,848   | ¥7,756,073   |
| Tenant leasehold and security deposits in trust | ¥12,902,843  | ¥12,802,062  |

(Note 4) Scheduled redemption of monetary claims as of December 31, 2016 and June 30, 2017

End of 30th Fiscal Period (as of December 31, 2016)

|                            | (Thousands of yen)         |                                  |                                   |                                     |                                    |                         |
|----------------------------|----------------------------|----------------------------------|-----------------------------------|-------------------------------------|------------------------------------|-------------------------|
|                            | Due in One<br>Year or Less | Due after<br>One Year<br>through | Due after<br>Two Years<br>through | Due after<br>Three Years<br>through | Due after<br>Four Years<br>through | Due after<br>Five Years |
| Cash and deposits          | ¥17,896,631                | ¥—                               | ¥—                                | ¥—                                  | ¥—                                 | ¥—                      |
| Cash and deposits in trust | ¥12,075,668                | ¥—                               | ¥—                                | ¥—                                  | ¥—                                 | ¥—                      |

End of 31st Fiscal Period (as of June 30, 2017)

|                            | (Thousands of yen)         |                       |                        |                          |                         |                         |
|----------------------------|----------------------------|-----------------------|------------------------|--------------------------|-------------------------|-------------------------|
|                            | Due in One Year<br>or Less | Due after<br>One Year | Due after<br>Two Years | Due after<br>Three Years | Due after<br>Four Years | Due after<br>Five Years |
| Cash and deposits          | ¥18,984,868                | ¥—                    | ¥—                     | ¥—                       | ¥—                      | ¥—                      |
| Cash and deposits in trust | ¥12,108,948                | ¥—                    | ¥—                     | ¥—                       | ¥—                      | ¥—                      |

(Note 5) Scheduled redemption and repayment of short-term loans payable, investment corporation bonds and long-term loans payable as of December 31, 2016 and June 30, 2017.

End of 30th Fiscal Period (as of December 31, 2016)

(Thousands of yen)

|                              | Due in One<br>Year or Less | Due after<br>One Year<br>through<br>Two Years | Due after<br>Two Years<br>through<br>Three Years | Due after<br>Three Years<br>through<br>Four Years | Due after<br>Four Years<br>through<br>Five Years | Due after<br>Five Years |
|------------------------------|----------------------------|---|--|---|--|-------------------------|
| Short-term loans payable     | ¥7,000,000                 | ¥-  | ¥-   | ¥-  | ¥-   | ¥-                      |
| Investment corporation bonds | ¥5,000,000                 | ¥7,000,000                                    | ¥4,000,000                                       | ¥-  | ¥-   | ¥18,500,000             |
| Long-term loans payable      | ¥32,632,000                | ¥16,408,000                                   | ¥17,100,000                                      | ¥17,000,000                                       | ¥14,820,000                                      | ¥49,500,000             |

End of 31st Fiscal Period (as of June 30, 2017)

(Thousands of yen)

|                              | Due in One<br>Year or Less | Due after<br>One Year<br>through<br>Two Years | Due after<br>Two Years<br>through<br>Three Years | Due after<br>Three Years<br>through<br>Four Years | Due after<br>Four Years<br>through<br>Five Years | Due after<br>Five Years |
|------------------------------|----------------------------|---|--|---|--|-------------------------|
| Short-term loans payable     | ¥-                         | ¥-  | ¥-   | ¥-  | ¥-   | ¥-                      |
| Investment corporation bonds | ¥10,000,000                | ¥2,000,000                                    | ¥4,000,000                                       | ¥-  | ¥-   | ¥18,500,000             |
| Long-term loans payable      | ¥21,374,000                | ¥17,200,000                                   | ¥18,000,000                                      | ¥20,820,000                                       | ¥20,500,000                                      | ¥49,000,000             |

## Investment and Rental Properties

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

(Thousands of yen)

|   | 30th Fiscal Period<br>(July 1, 2016 – December 31, 2016) | 31st Fiscal Period<br>(January 1, 2017 – June 30, 2017) |
|---|--|---|
| Carrying Value on the Balance Sheets            |  |   |
| Balance at Beginning of Period                  | 391,239,266  | 401,294,854   |
| Amount of Increase (Decrease) during the Period | 10,055,587   | 12,587,819  |
| Balance at End of Period                        | ¥401,294,854   | ¥413,882,673  |
| Estimated Fair Value at End of Period           | ¥437,981,000   | ¥464,545,000  |

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

(Note 2) Of the amount of change during the 30th fiscal period, the amount of increase is primarily attributable to the acquisitions of GINZA GATES (10,131,529 thousand yen) and FUNDES Suidobashi (3,263,997 thousand yen), and the amount of decrease is primarily attributable to the sale of JPR Daikanyama (2,178,967 thousand yen), the sale of a splay portion of JPR Musashikosugi Bldg. (5,284 thousand yen) and depreciation (1,884,057 thousand yen). Of the amount of change during the 31st fiscal period, the amount of increase is primarily attributable to the acquisition of Tokyo Square Garden (18,729,734 thousand yen), and the amount of decrease is primarily attributable to the sale of Fukuoka Bldg. (2,984,311 thousand yen), the sale of JPR Hakata-chuo Bldg. (1,803,549 thousand yen) and depreciation (1,907,957 thousand yen).

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

The income (loss) in the 30th and 31st fiscal periods for investment and rental properties are as presented in the “Notes to Statements of Income and Retained Earnings.”

**Per Unit Information**

(Yen)

|                           | <b>30th Fiscal Period</b><br><b>(July 1, 2016 – December 31, 2016)</b> | <b>31st Fiscal Period</b><br><b>(January 1, 2017 – June 30, 2017)</b> |
|---------------------------|--|---|
| Total net assets per unit | ¥248,154   | ¥258,516  |
| Net income per unit       | ¥7,047   | ¥7,494  |

(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 warrants and convertible bonds are outstanding.  
(Note 2) Net income per unit was calculated based on the following data.

(Thousands of yen)

|  | <b>30th Fiscal Period</b><br><b>(July 1, 2016 – December 31, 2016)</b> | <b>31st Fiscal Period</b><br><b>(January 1, 2017 – June 30, 2017)</b> |
|--|--|---|
| Net income   | ¥6,152,795   | ¥6,867,403  |
| Amounts not attributable to ordinary unitholders     | –  | –   |
| Net income attributable to ordinary investment units | ¥6,152,795   | ¥6,867,403  |
| Average number of units                              | 873,000 units  | 916,367 units   |

**Subsequent Events**

There are no material subsequent events for this fiscal period.

**Omission of Disclosure**

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

**(9) Changes in Investment Units Issued and Outstanding**

In the 31st fiscal period, JPR issued new investment units on January 24 and February 14, 2017 (47,600 units through public offering and 2,400 units through third-party allotment) to procure 21,257 million yen. The changes in unitholders' capital and the number of units outstanding in the last five years are summarized as follows.

| Date              | Event                      | Number of Units Outstanding |         | Unitholders' Capital (million yen) |         | Remarks  |
|-------------------|----------------------------|-----------------------------|---------|------------------------------------|---------|----------|
|                   |                            | Variation                   | Balance | Variation                          | Balance |          |
| July 30, 2012     | Additional public offering | 101,420                     | 816,420 | 19,089                             | 190,429 | (Note 1) |
| August 29, 2012   | Third-party allotment      | 8,580                       | 825,000 | 1,614                              | 192,044 | (Note 2) |
| June 16, 2015     | Additional public offering | 45,700                      | 870,700 | 17,472                             | 209,516 | (Note 3) |
| June 24, 2015     | Third-party allotment      | 2,300                       | 873,000 | 879                                | 210,395 | (Note 4) |
| January 24, 2017  | Additional public offering | 47,600                      | 920,600 | 20,237                             | 230,632 | (Note 5) |
| February 14, 2017 | Third-party allotment      | 2,400                       | 923,000 | 1,020                              | 231,653 | (Note 6) |

(Note 1) New investment units were issued through a public offering at 194,610 yen per unit (underwriting price of 188,222 yen per unit) to partly fund acquisition of new specified assets and repay debt.

(Note 2) New investment units were issued through a third-party allotment at 188,222 yen per unit to partly fund acquisition of new specified assets and repay debt.

(Note 3) New investment units were issued through a public offering at 394,875 yen per unit (underwriting price of 382,320 yen per unit) to repay debt, etc.

(Note 4) New investment units were issued through a third-party allotment at 382,320 yen per unit to repay debt, etc.

(Note 5) New investment units were issued through a public offering at 439,040 yen per unit (underwriting price of 425,152 yen per unit) to fund acquisition of new specified assets and partly repay debt.

(Note 6) New investment units were issued through a third-party allotment at 425,152 yen per unit to fund acquisition of new specified assets and partly repay debt.

**4. Change of Directors**

Change of directors is disclosed, as needed, when details of disclosure are finalized.

## 5. Reference Information

### (1) JPR's Asset Structure

| Asset Type                | Category of Investment Area | 30th Fiscal Period<br>(as of December 31, 2016) |                                   | 31st Fiscal Period<br>(as of June 30, 2017) |                                   |
|---------------------------|-----------------------------|---|-----------------------------------|---|-----------------------------------|
|                           |                             | Assets Owned by JPR<br>(thousands of yen)       | Percentage of Total<br>Assets (%) | Assets Owned by JPR<br>(thousands of yen)   | Percentage of Total<br>Assets (%) |
| Real Estate               | Central Tokyo               | 86,848,847                                      | 20.1                              | 86,697,991                                  | 19.4                              |
|                           | Greater Tokyo               | 57,384,702                                      | 13.3                              | 57,134,364                                  | 12.8                              |
|                           | Other Cities                | 20,888,573                                      | 4.8                               | 20,714,393                                  | 4.6                               |
| Real Estate in Trust      | Central Tokyo               | 141,524,547                                     | 32.7                              | 156,942,899                                 | 35.2                              |
|                           | Greater Tokyo               | 51,154,014                                      | 11.8                              | 50,791,875                                  | 11.4                              |
|                           | Other Cities                | 43,494,169                                      | 10.1                              | 41,601,149                                  | 9.3                               |
| Deposits and Other Assets | —                           | 31,012,692<br>(—)                               | 7.2<br>(—)                        | 32,185,653<br>(—)                           | 7.2<br>(—)                        |
| Total Assets              | —                           | 432,307,546<br>(401,294,854)                    | 100.0<br>(92.8)                   | 446,068,327<br>(413,882,673)                | 100.0<br>(92.8)                   |

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

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

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

### (2) Investment Assets

#### 1) Overview of Investment Assets

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

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

- The table below indicates the properties JPR owned as of the end of the 31st fiscal period.
- JPR defines the categories of investment areas as designated below.

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

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

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

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

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

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

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

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

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

| Area          | Type  | Property Name                             | Location                                       | Site Area (m <sup>2</sup> ) | Total Floor Space (m <sup>2</sup> ) | Structure/<br>Floors | Completed |
|---------------|---|---|--|-----------------------------|-------------------------------------|----------------------|-----------|
| Central Tokyo | Office  | Kanematsu Bldg.                           | Kyobashi 2-chome, Chuo-ku, Tokyo               | 1,751.13                    | 14,995.09                           | S, RC, SRC<br>B2/13F | Feb. 1993 |
|               |   | Kanematsu Bldg. Annex                     | Kyobashi 2-chome, Chuo-ku, Tokyo               | 679.06                      | 4,351.46                            | SRC B1/8F            | Feb. 1993 |
|               |   | JPR Ningyo-cho Bldg.                      | Ningyocho 1-chome, Chuo-ku, Tokyo              | 550.06                      | 4,117.70                            | SRC, RC<br>B1/8F     | Dec. 1989 |
|               |   | Shin-Kojimachi Bldg.                      | Kojimachi 4-chome, Chiyoda-ku, Tokyo           | 657.80                      | 5,152.98                            | SRC B1/9F            | Oct. 1984 |
|               |   | JPR Crest Takebashi Bldg.                 | Kanda-Nishikicho 3-chome, Chiyoda-ku, Tokyo    | 636.90                      | 4,790.68                            | SRC B1/9F            | Sep. 1999 |
|               |   | MS Shibaura Bldg.                         | Shibaura 4-chome Minato-ku, Tokyo              | 8,992.18                    | 31,020.21                           | SRC, RC, S<br>B2/13F | Feb. 1988 |
|               |   | Gotanda First Bldg.                       | Nishi-Gotanda 2-chome, Shinagawa-ku, Tokyo     | 1,551.19                    | 10,553.34                           | SRC, RC<br>B2/11F    | Jul. 1989 |
|               |   | JPR Ichigaya Bldg.                        | Kudan-Minami 4-chome, Chiyoda-ku, Tokyo        | 1,058.04                    | 5,888.82                            | SRC B1/9F            | Mar. 1989 |
|               |   | Oval Court Osaki Mark West                | Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo   | 4,006.00                    | 28,575.80                           | S, SRC<br>B2/17F     | Jun. 2001 |
|               |   | Shinjuku Square Tower                     | Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo     | 8,409.52                    | 78,796.00                           | S, RC, SRC<br>B4/30F | Oct. 1994 |
|               |   | BYGS Shinjuku Bldg.                       | Shinjuku 2-chome, Shinjuku-ku, Tokyo           | 3,522.46                    | 25,733.10                           | SRC B2/14F           | Apr. 1985 |
|               |   | Across Shinkawa Bldg. Annex               | Shinkawa 1-chome, Chuo-ku, Tokyo               | 858.48                      | 5,535.90                            | S, SRC<br>B2/10F     | Jun. 1994 |
|               |   | Shinjuku Center Bldg.                     | Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo     | 14,917.11                   | 176,607.89                          | SRC, RC, S<br>B5/54F | Oct. 1979 |
|               |   | Minami Azabu Bldg.                        | Minami-Azabu 2-chome, Minato-ku, Tokyo         | 778.09                      | 4,570.63                            | S 9F                 | Jun. 1992 |
|               |   | Shinagawa Canal Bldg.                     | Konan 2-chome, Minato-ku, Tokyo                | 828.82                      | 5,216.21                            | S B1/8F              | Jul. 2008 |
|               |   | Rokubancho Bldg.                          | Rokubancho, Chiyoda-ku, Tokyo                  | 716.95                      | 4,205.09                            | SRC B3/7F            | Oct. 1991 |
|               |   | JPR Harajuku Bldg.                        | Jingumae 6-chome, Shibuya-ku, Tokyo            | 1,205.07                    | 6,466.94                            | SRC B1/9F            | Mar. 1989 |
|               |   | Tokyo Tatemono Kyobashi Bldg.             | Kyobashi 3-chome, Chuo-ku, Tokyo               | 547.10                      | 4,419.79                            | SRC, S<br>B1/10F     | Jan. 1981 |
|               |   | JPR Nihonbashi-horidome Bldg.             | Nihonbashi-Horidomecho 1-chome, Chuo-ku, Tokyo | 937.59                      | 7,190.82                            | SRC B1/9F            | Jun. 2002 |
|               |   | JPR Sendagaya Bldg.                       | Sendagaya 4-chome, Shibuya-ku, Tokyo           | 2,217.49                    | 7,683.19                            | S 8F                 | May 2009  |
|               | Ginza Sanwa Bldg.                             | Ginza 4-chome, Chuo-ku, Tokyo             | 1,119.27                                       | 8,851.00                    | SRC B2/9F                           | Oct. 1982            |           |
|               | Otemachi Tower (Land with Leasehold Interest) | Otemachi 1-chome, Chiyoda-ku, Tokyo       | 11,034.78                                      | —                           | —                                   | —                    |           |
|               | Science Plaza - Yonbancho Plaza               | Yonbancho, Chiyoda-ku, Tokyo              | 5,289.01                                       | 24,560.36                   | S, RC, SRC<br>B2/12F                | Feb. 1995            |           |
|               | Shibadaimon Center Bldg.                      | Shibadaimon 1-chome, Minato-ku, Tokyo     | 1,915.50                                       | 11,419.93                   | S, SRC<br>B1/10F                    | Jul. 1993            |           |
|               | Tokyo Square Garden                           | Kyobashi 3-chome, Chuo-ku, Tokyo          | 8,124.72                                       | 112,645.83                  | SRC B2/9F                           | Feb. 2013            |           |
|               | Retail  | JPR Shibuya Tower Records Bldg.           | Jinnan 1-chome, Shibuya-ku, Tokyo              | 1,010.47                    | 8,449.56                            | SRC, S B3/8F         | Feb. 1992 |
|               |   | JPR Jingumae 432                          | Jingumae 4-chome, Shibuya-ku, Tokyo            | 198.10                      | 1,066.81                            | S, SRC B1/7F         | Feb. 2006 |
|               |   | Shinjuku Sanhome East Bldg.               | Shinjuku 3-chome, Shinjuku-ku, Tokyo           | 2,578.69                    | 24,617.65                           | S, SRC, RC<br>B3/14F | Jan. 2007 |
|               |   | Yurakucho Ekimae Bldg. (Yurakucho Itocia) | Yurakucho 2-chome, Chiyoda-ku, Tokyo           | 6,808.12                    | 71,957.65                           | S, SRC<br>B4/20F     | Oct. 2007 |
|               |   | GINZA GATES                               | Ginza 5-chome, Chuo-ku, Tokyo                  | 230.11                      | 1,821.67                            | S<br>11F             | Jun. 2008 |
|               |   | FUNDES Suidobashi                         | Misakicho 2-chome, Chiyoda-ku, Tokyo           | 281.59                      | 1,477.91                            | S<br>9F              | Jul. 2015 |

| Area                         | Type                        | Property Name                                  | Location   | Site Area (m <sup>2</sup> ) | Total Floor Space (m <sup>2</sup> ) | Structure/<br>Floors                 | Completed                                       |
|------------------------------|-----------------------------|--|--|-----------------------------|-------------------------------------|--------------------------------------|---|
| Greater Tokyo                | Office                      | Arca East                                      | Kinshi 3-chome, Sumida-ku, Tokyo                     | 3,755.01                    | 34,281.86                           | S, SRC B3/19F                        | Mar. 1997                                       |
|                              |                             | JPR Chiba Bldg.                                | Shinmachi, Chuo-ku, Chiba, Chiba                     | 1,382.35                    | 9,072.57                            | S, SRC B1/13F                        | Jan. 1991                                       |
|                              |                             | JPR Yokohama Nihon Odori Bldg.                 | Nihon-Odori, Naka-ku, Yokohama, Kanagawa             | 1,100.59                    | 9,146.52                            | SRC B1/11F                           | Oct. 1989                                       |
|                              |                             | Shinyokohama 2nd Center Bldg.                  | Shinyokohama 3-chome, Kohoku-ku, Yokohama, Kanagawa  | 841.71                      | 7,781.93                            | S, SRC B2/12F                        | Aug. 1991                                       |
|                              |                             | Kawaguchi Center Bldg.                         | Honcho 4-chome, Kawaguchi, Saitama                   | 4,524.61                    | 28,420.85                           | S, SRC B2/15F                        | Feb. 1994                                       |
|                              |                             | JPR Ueno East Bldg.                            | Matsugaya 1-chome, Taito-ku, Tokyo                   | 1,242.97                    | 8,490.44                            | S, SRC B1/8F                         | Oct. 1992                                       |
|                              |                             | Tachikawa Business Center Bldg.                | Akebonocho 2-chome, Tachikawa, Tokyo                 | 2,047.22                    | 14,706.36                           | S, SRC B1/12F                        | Dec. 1994                                       |
|                              |                             | Rise Arena Bldg.                               | Higashi-Ikebukuro 4-chome, Toshima-ku, Tokyo         | 9,377.28                    | 91,280.94                           | RC, SRC, S B3/42F                    | Jan. 2007                                       |
|                              |                             | Yume-ooka Office Tower                         | Kamiooka Nishi 1-chome, Konan-ku, Yokohama, Kanagawa | 12,011.00                   | 185,974.87                          | S, SRC, RC B3/27F                    | Mar. 1997                                       |
|                              |                             | Olinas Tower                                   | Taihei 4-chome, Sumida-ku, Tokyo                     | 27,335.29                   | 257,842.41                          | SRC, RC, S B2/45F                    | Feb. 2006                                       |
|                              |                             | Tokyo Tatemono Yokohama Bldg.                  | Kitasaiwai 1-chome, Nishi-ku, Yokohama, Kanagawa     | 1,110.28                    | 8,772.51                            | SRC B1/9F                            | May 1981  |
|                              | Omiya Prime East            | Shimocho 2-chome, Omiya-ku, Saitama, Saitama   | 2,268.09   | 9,203.98                    | S 9F                                | Feb. 2009                            |   |
|                              | Retail                      | Tanashi ASTA                                   | Tanashicho 2-chome, Nishitokyo, Tokyo                | 12,326.30                   | 80,675.27                           | SRC B2/17F                           | Feb. 1995                                       |
|                              |                             | Cupo-la Main Bldg.                             | Kawaguchi 1-chome, Kawaguchi, Saitama                | 15,008.28                   | 48,321.96                           | S, RC, SRC B2/10F                    | Jan. 2006                                       |
|                              |                             | JPR Musashikosugi Bldg.                        | Kosugimachi 3-chome, Nakahara-ku, Kawasaki, Kanagawa | 4,757.09                    | 18,394.32                           | SRC, RC, S B1/6F                     | Mar. 1983                                       |
| Musashiurawa Shopping Square |                             | Bessho 7-chome, Minami-ku, Saitama, Saitama    | 8,317.99   | 28,930.36                   | S B1/4F                             | Oct. 2005                            |   |
| Kawasaki Dice Bldg.          |                             | Ekimae-Honcho, Kawasaki-ku, Kawasaki, Kanagawa | 4,475.45   | 36,902.01                   | S, SRC, RC B2/11F                   | Aug. 2003                            |   |
| Other Cities                 | Office                      | Niigata Ekinan Center Bldg.                    | Yoneyama 1-chome, Chuo-ku, Niigata, Niigata          | 2,706.99                    | 19,950.42                           | S, SRC B1/10F                        | Mar. 1996                                       |
|                              |                             | Tokyo Tatemono Honmachi Bldg.                  | Honmachi 3-chome, Chuo-ku, Osaka, Osaka              | 1,432.64                    | 14,619.52                           | SRC B3/9F                            | Feb. 1970                                       |
|                              |                             | JPR Hakata Bldg.                               | Hakataeki-mae 1-chome, Hakata-ku, Fukuoka, Fukuoka   | 1,214.63                    | 9,828.73                            | (Office) S, RC B1/12F (Parking) S 1F | (Office) Jun. 1985 (Parking) Nov. 2003 Expanded |
|                              |                             | JPR Naha Bldg.                                 | Matsuyama 1-chome, Naha, Okinawa                     | 959.87                      | 5,780.71                            | SRC, S 12F                           | Oct. 1991                                       |
|                              |                             | Sompo Japan Sendai Bldg.                       | Tsutsujigaoka 3-chome, Miyagino-ku, Sendai, Miyagi   | 1,895.67                    | 10,783.52                           | SRC B1/12F                           | Dec. 1997                                       |
|                              |                             | Sompo Japan Wakayama Bldg.                     | Misonocho 3-chome, Wakayama, Wakayama                | 1,128.45                    | 6,715.07                            | S 9F                                 | Jul. 1996                                       |
|                              |                             | Tenjin 121 Bldg.                               | Tenjin 1-chome, Chuo-ku, Fukuoka, Fukuoka            | 1,164.39                    | 8,690.95                            | S, SRC 13F                           | Jul. 2000                                       |
|                              |                             | JPR Dojima Bldg.                               | Sonezaki-Shinchi 2-chome, Kita-ku, Osaka, Osaka      | 668.11                      | 5,696.01                            | SRC B2/9F                            | Oct. 1993                                       |
|                              |                             | JPR Nagoya Fushimi Bldg.                       | Sakae 1-chome, Naka-ku, Nagoya, Aichi                | 1,610.38                    | 10,201.44                           | SRC B1/9F                            | Mar. 1991                                       |
|                              |                             | Yakuin Business Garden                         | Yakuin 1-chome, Chuo-ku, Fukuoka, Fukuoka            | 4,348.43                    | 22,286.35                           | SRC 14F                              | Jan. 2009                                       |
|                              | Benetton Shinsaibashi Bldg. | Minami-Senba 4-chome, Chuo-ku, Osaka, Osaka    | 609.31   | 5,303.98                    | S B2/10F                            | Feb. 2003 Jan. 2005 Expanded         |   |
|                              | Retail                      | JPR Umeda Loft Bldg.                           | Chayamachi, Kita-ku, Osaka, Osaka                    | 3,518.68                    | 17,897.56                           | SRC B1/8F                            | Apr. 1990                                       |
|                              |                             | Housing Design Center Kobe                     | Higashi-Kawasakicho 1-chome, Chuo-ku, Kobe, Hyogo    | 3,994.47                    | 33,877.71                           | SRC, S B2/11F                        | Jun. 1994                                       |
| JPR Chayamachi Bldg.         |                             | Chayamachi, Kita-ku, Osaka, Osaka              | 592.45   | 3,219.36                    | S, SRC 9F                           | Jun. 1994                            |   |

(Note1) For JPR Musashikosugi Bldg., JPR sold part of its land (site area: 4.53m<sup>2</sup>) on October 31, 2016 in association with a redevelopment project.

(Note2) The asset class of Benetton Shinsaibashi Bldg. was converted from "retail" to "office" as of July 30, 2016.

## 2) Price and Investment Ratio

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

|                                       |  |
|---------------------------------------|--|
| Japan Real Estate Institute           | JPR Ningyo-cho Bldg., Shin-Kojimachi Bldg., MS Shibaura Bldg., Gotanda First Bldg., Shinjuku Center Bldg., Minami Azabu Bldg., Shinagawa Canal Bldg., Rokubancho Bldg., Tokyo Tatemono Kyobashi Bldg., Science Plaza-Yonbancho Plaza, Shibadaimon Center Bldg., JPR Shibuya Tower Records Bldg., Shinjuku Sanchoe East Bldg., Yurakucho Ekimae Bldg. (Yurakucho Itocia), FUNDES Suidobashi, Arca East, Shinyokohama 2nd Center Bldg., Kawaguchi Center Bldg., JPR Ueno East Bldg., Tachikawa Business Center Bldg., Yume-ooka Office Tower, Olinas Tower, Tokyo Tatemono Yokohama Bldg., Omiya Prime East, Cupo-la Main Bldg., Tokyo Tatemono Honmachi Bldg., Sampo Japan Sendai Bldg., Sampo Japan Wakayama Bldg., Tenjin 121 Bldg., JPR Dojima Bldg., Yakuin Business Garden |
| Tanizawa Sogo Appraisal Co., Ltd.     | JPR Jingumae 432, Kawasaki Dice Bldg., Niigata Ekinan Center Bldg., JPR Hakata Bldg., JPR Naha Bldg.   |
| CBRE KK                               | Rise Arena Bldg., JPR Nagoya Fushimi Bldg., Benetton Shinsaibashi Bldg., Housing Design Center Kobe, JPR Chayamachi Bldg.  |
| Daiwa Real Estate Appraisal Co., Ltd. | Kanematsu Bldg., Kanematsu Bldg. Annex, JPR Crest Takebashi Bldg., JPR Ichigaya Bldg., Oval Court Ohsaki Mark West, BYGS Shinjuku Bldg., Across Shinkawa Bldg. Annex, Otemachi Tower (Land with Leasehold Interest), Tokyo Square Garden, JPR Chiba Bldg., JPR Yokohama Nihon Odori Bldg., Tanashi ASTA  |
| Japan Valuers Co., Ltd.               | Shinjuku Square Tower, JPR Harajuku Bldg., JPR Nihonbashi-horidome Bldg., JPR Sendagaya Bldg., Ginza Sanwa Bldg., GINZA GATES, JPR Musashikosugi Bldg., Musashiurawa Shopping Square, JPR Umeda Loft Bldg.   |

- The “Investment Ratio” in terms of the “Acquisition Price” and the “Appraisal Value at End of Period” represents the ratio of the Acquisition Price and the Appraisal Value at End of Period of respective properties, including fractions not indicated herein, to the total amounts of the Acquisition Price or the Appraisal Value at End of Period of the properties owned by JPR at end of the 31st fiscal period, indicated in a percentage rounded to the first decimal place.

| Area                      | Type                                      | Property Name                                 | Acquisition Date | Acquisition Price      |                            | Appraisal Value at End of Period    |                            |
|---------------------------|---|---|------------------|------------------------|----------------------------|-------------------------------------|----------------------------|
|                           |   |   |                  | Price<br>(million yen) | Investment<br>Ratio<br>(%) | Appraisal<br>Value<br>(million yen) | Investment<br>Ratio<br>(%) |
| Central Tokyo             | Office                                    | Kanematsu Bldg.                               | Dec. 27, 2001    | 16,276                 | 3.7                        | 13,700                              | 2.9                        |
|                           |   | Kanematsu Bldg. Annex                         | Dec. 27, 2001    | 2,874                  | 0.7                        | 2,630                               | 0.6                        |
|                           |   | JPR Ningyo-cho Bldg.                          | Nov. 16, 2001    | 2,100                  | 0.5                        | 2,710                               | 0.6                        |
|                           |   | Shin-Kojimachi Bldg.                          | Nov. 16, 2001    | 1,670                  | 0.6                        | 3,310                               | 0.7                        |
|                           |   |   | Nov. 21, 2002    | 550                    |                            |                                     |                            |
|                           |   |   | Nov. 12, 2004    | 200                    |                            |                                     |                            |
|                           |   | JPR Crest Takebashi Bldg.                     | Jun. 21, 2002    | 4,000                  | 0.9                        | 3,290                               | 0.7                        |
|                           |   | MS Shibaura Bldg.                             | Mar. 28, 2003    | 11,200                 | 2.6                        | 11,700                              | 2.5                        |
|                           |   | Gotanda First Bldg.                           | Jul. 23, 2003    | 2,920                  | 0.7                        | 2,630                               | 0.6                        |
|                           |   | JPR Ichigaya Bldg.                            | May 28, 2004     | 5,100                  | 1.2                        | 5,080                               | 1.1                        |
|                           |   | Oval Court Ohsaki Mark West                   | Jun. 1, 2004     | 3,500                  | 0.8                        | 4,840                               | 1.0                        |
|                           |   | Shinjuku Square Tower                         | Jul. 2, 2004     | 10,000                 | 3.4                        | 14,400                              | 3.1                        |
|                           |   |   | Sep. 26, 2008    | 180                    |                            |                                     |                            |
|                           |   |   | Mar. 25, 2015    | 4,000                  |                            |                                     |                            |
|                           |   |   | Oct. 21, 2015    | 786                    |                            |                                     |                            |
|                           |   | BYGS Shinjuku Bldg.                           | Nov. 9, 2004     | 2,900                  | 3.5                        | 17,800                              | 3.8                        |
|                           |   |   | Apr. 12, 2005    | 8,921                  |                            |                                     |                            |
|                           |   |   | Jul. 13, 2010    | 3,300                  |                            |                                     |                            |
|                           |   | Across Shinkawa Bldg. Annex                   | Nov. 26, 2004    | 710                    | 0.2                        | 875                                 | 0.2                        |
|                           |   | Shinjuku Center Bldg.                         | Mar. 27, 2008    | 21,000                 | 4.8                        | 15,000                              | 3.2                        |
|                           |   | Minami Azabu Bldg.                            | Jul. 14, 2008    | 3,760                  | 0.9                        | 2,840                               | 0.6                        |
|                           |   | Shinagawa Canal Bldg.                         | Dec. 19, 2008    | 1,870                  | 0.4                        | 1,870                               | 0.4                        |
|                           |   | Rokubancho Bldg.                              | Dec. 2, 2009     | 2,800                  | 0.6                        | 3,400                               | 0.7                        |
|                           |   | JPR Harajuku Bldg.                            | Dec. 25, 2009    | 8,400                  | 1.9                        | 8,900                               | 1.9                        |
|                           |   | Tokyo Tatemono Kyobashi Bldg.                 | Feb. 12, 2010    | 5,250                  | 1.2                        | 5,720                               | 1.2                        |
|                           |   | JPR Nihonbashi-horidome Bldg.                 | Mar. 31, 2010    | 5,100                  | 1.2                        | 6,720                               | 1.4                        |
|                           |   | JPR Sendagaya Bldg.                           | May 31, 2010     | 15,050                 | 3.5                        | 11,800                              | 2.5                        |
|                           |   | Ginza Sanwa Bldg.                             | Aug. 29, 2011    | 3,400                  | 0.8                        | 4,020                               | 0.9                        |
|                           |   | Otemachi Tower (Land with Leasehold Interest) | Mar. 13, 2012    | 36,000                 | 8.3                        | 46,000                              | 9.9                        |
|                           |   | Science Plaza-Yonbancho Plaza                 | Dec. 6, 2013     | 2,660                  | 0.6                        | 3,290                               | 0.7                        |
|                           |   | Shibadaiimon Center Bldg.                     | Dec. 6, 2013     | 3,420                  | 1.0                        | 5,850                               | 1.3                        |
|                           |   |   | Jul. 30, 2014    | 800                    |                            |                                     |                            |
| Tokyo Square Garden       | Feb. 1, 2017                              | 9,200   | 4.2              | 20,100                 | 4.3                        |                                     |                            |
|                           | Apr. 4, 2017                              | 9,200   |                  |                        |                            |                                     |                            |
| Retail                    | JPR Shibuya Tower Records Bldg.           | Jun. 30, 2003                                 | 12,000           | 2.8                    | 14,100                     | 3.0                                 |                            |
|                           | JPR Jingumae 432                          | Mar. 24, 2006                                 | 4,275            | 1.0                    | 4,050                      | 0.9                                 |                            |
|                           | Shinjuku Sanchome East Bldg.              | Mar. 14, 2007                                 | 540              | 0.6                    | 2,750                      | 0.6                                 |                            |
|                           |   | Apr. 24, 2008                                 | 2,200            |                        |                            |                                     |                            |
|                           | Yurakucho Ekimae Bldg. (Yurakucho Itocia) | Aug. 27, 2008                                 | 3,400            | 0.8                    | 3,060                      | 0.7                                 |                            |
|                           | GINZA GATES                               | Dec. 15, 2016                                 | 10,100           | 2.3                    | 10,800                     | 2.3                                 |                            |
|                           | FUNDES Suidobashi                         | Dec. 15, 2016                                 | 3,250            | 0.7                    | 3,470                      | 0.7                                 |                            |
| Subtotal of Central Tokyo |   |   |                  | 244,862                | 56.3                       | 256,705                             | 55.3                       |

| Area                      | Type                          | Property Name                   | Acquisition Date | Acquisition Price      |                         | Appraisal Value at End of Period |                         |
|---------------------------|-------------------------------|---------------------------------|------------------|------------------------|-------------------------|----------------------------------|-------------------------|
|                           |                               |                                 |                  | Price<br>(million yen) | Investment Ratio<br>(%) | Appraisal Value<br>(million yen) | Investment Ratio<br>(%) |
| Greater Tokyo             | Office                        | Arca East                       | Nov. 16, 2001    | 5,880                  | 1.4                     | 6,240                            | 1.3                     |
|                           |                               | JPR Chiba Bldg.                 | Dec. 13, 2001    | 2,350                  | 0.5                     | 1,660                            | 0.4                     |
|                           |                               | JPR Yokohama Nihon Odori Bldg.  | Nov. 16, 2001    | 2,927                  | 0.7                     | 2,290                            | 0.5                     |
|                           |                               | Shinyokohama 2nd Center Bldg.   | Sep. 25, 2002    | 920                    | 0.3                     | 1,850                            | 0.4                     |
|                           |                               |                                 | Mar. 28, 2013    | 570                    |                         |                                  |                         |
|                           |                               | Kawaguchi Center Bldg.          | Feb. 13, 2004    | 8,100                  | 1.9                     | 8,250                            | 1.8                     |
|                           |                               | JPR Ueno East Bldg.             | Mar. 1, 2004     | 3,250                  | 0.7                     | 4,730                            | 1.0                     |
|                           |                               | Tachikawa Business Center Bldg. | Sep. 30, 2005    | 888                    | 0.7                     | 3,510                            | 0.8                     |
|                           |                               |                                 | Feb. 28, 2007    | 2,300                  |                         |                                  |                         |
|                           |                               | Rise Arena Bldg.                | Mar. 22, 2007    | 5,831                  | 1.3                     | 7,620                            | 1.6                     |
|                           |                               | Yume-ooka Office Tower          | Jul. 10, 2007    | 6,510                  | 1.5                     | 6,250                            | 1.3                     |
|                           |                               | Olinas Tower                    | Jun. 29, 2009    | 31,300                 | 7.2                     | 36,700                           | 7.9                     |
|                           | Tokyo Tatemono Yokohama Bldg. | Dec. 27, 2010                   | 7,000            | 1.6                    | 8,200                   | 1.8                              |                         |
|                           | Omiya Prime East              | Mar. 22, 2013                   | 6,090            | 1.4                    | 7,950                   | 1.7                              |                         |
|                           | Retail                        | Tanashi ASTA                    | Nov. 16, 2001    | 10,200                 | 2.3                     | 12,500                           | 2.7                     |
|                           |                               | Cupo-la Main Bldg.              | Mar. 31, 2006    | 2,100                  | 0.5                     | 2,750                            | 0.6                     |
|                           |                               | JPR Musashikosugi Bldg.         | Sep. 28, 2006    | 7,254                  | 1.7                     | 5,670                            | 1.2                     |
|                           |                               | Musashiurawa Shopping Square    | Mar. 19, 2007    | 4,335                  | 1.0                     | 4,290                            | 0.9                     |
|                           |                               | Kawasaki Dice Bldg.             | Apr. 12, 2007    | 15,080                 | 3.5                     | 16,200                           | 3.5                     |
| Subtotal of Greater Tokyo |                               |                                 |                  | 122,885                | 28.2                    | 136,660                          | 29.4                    |
| Other Cities              | Office                        | Niigata Ekinan Center Bldg.     | Nov. 16, 2001    | 2,140                  | 0.5                     | 2,210                            | 0.5                     |
|                           |                               | Tokyo Tatemono Honmachi Bldg.   | Nov. 16, 2001    | 4,150                  | 1.0                     | 3,380                            | 0.7                     |
|                           |                               | JPR Hakata Bldg.                | Nov. 16, 2001    | 2,900                  | 0.7                     | 3,180                            | 0.7                     |
|                           |                               | JPR Naha Bldg.                  | Nov. 16, 2001    | 1,560                  | 0.4                     | 1,580                            | 0.3                     |
|                           |                               | Sompo Japan Sendai Bldg.        | Jun. 26, 2002    | 3,150                  | 0.7                     | 3,750                            | 0.8                     |
|                           |                               | Sompo Japan Wakayama Bldg.      | Jun. 26, 2002    | 1,670                  | 0.4                     | 1,710                            | 0.4                     |
|                           |                               | Tenjin 121 Bldg.                | Jun. 21, 2002    | 2,810                  | 0.6                     | 2,730                            | 0.6                     |
|                           |                               | JPR Dojima Bldg.                | Jan. 23, 2004    | 2,140                  | 0.5                     | 2,930                            | 0.6                     |
|                           |                               | JPR Nagoya Fushimi Bldg.        | Mar. 22, 2005    | 4,137                  | 1.0                     | 2,810                            | 0.6                     |
|                           |                               | Yakuin Business Garden          | Aug. 8, 2012     | 10,996                 | 2.5                     | 14,800                           | 3.2                     |
|                           |                               | Benetton Shinsaibashi Bldg.     | May 30, 2005     | 5,430                  | 1.2                     | 4,310                            | 0.9                     |
|                           | Retail                        | JPR Umeda Loft Bldg.            | May 15, 2003     | 8,000                  | 3.0                     | 13,900                           | 3.0                     |
|                           |                               |                                 | Jul. 16, 2003    | 5,000                  |                         |                                  |                         |
|                           |                               | Housing Design Center Kobe      | Sep. 28, 2005    | 7,220                  | 1.7                     | 7,120                            | 1.5                     |
| JPR Chayamachi Bldg.      | Aug. 30, 2006                 | 6,000                           | 1.4              | 6,770                  | 1.5                     |                                  |                         |
| Subtotal of Other Cities  |                               |                                 |                  | 67,303                 | 15.5                    | 71,180                           | 15.3                    |
| Total                     |                               |                                 |                  | 435,050                | 100.0                   | 464,545                          | 100.0                   |

## (3) Major Investment Assets

The following is the investment property with rental revenues exceeding 10% of total rental revenues of the entire portfolio of JPR for the 31st fiscal period.

## &lt;Property Name: Otemachi Tower (Land with Leasehold Interest)&gt;

|  |                         |        |
|--|-------------------------|--------|
| Total Number of Tenants                            | 2                       |        |
| Rental Revenues (Note 1)                           | 1,580,750 thousand yen  |        |
| Percentage to Total Rental Revenues (Note 2)       | 10.6%                   |        |
| Total Leased Floor Space (Note 3)                  | 11,034.78m <sup>2</sup> |        |
| Total Leasable Floor Space (Note 3)                | 11,034.78m <sup>2</sup> |        |
| Changes in Occupancy Rate in Last 5 years (Note 2) | June 30, 2017           | 100.0% |
|  | December 31, 2016       | 100.0% |
|  | June 30, 2016           | 100.0% |
|  | December 31, 2015       | 100.0% |
|  | June 30, 2015           | 100.0% |
|  | December 31, 2014       | 100.0% |
|  | June 30, 2014           | 100.0% |
|  | December 31, 2013       | 100.0% |
|  | June 30, 2013           | 100.0% |
|  | December 31, 2012       | 100.0% |

(Note 1) Rental revenues represent the property's operating revenues for the 31st fiscal period, rounded down to the nearest thousand yen.

(Note 2) The figure has been rounded to the first decimal place.

(Note 3) The total leased floor space and total leasable floor space are those as of the end of the 31st fiscal period (June 30, 2017).

## (4) Information Concerning Tenants

## 1) Overview of Lease Status by JPR as a Whole

|                   | No. of Properties | Total No. of Tenants | Total Leasable Floor Space | Occupancy Rate |
|-------------------|-------------------|----------------------|----------------------------|----------------|
| December 31, 2012 | 59                | 534                  | 450,943.43m <sup>2</sup>   | 94.9%          |
| June 30, 2013     | 60                | 564                  | 460,452.47m <sup>2</sup>   | 96.9%          |
| December 31, 2013 | 62                | 610                  | 467,207.05m <sup>2</sup>   | 96.5%          |
| June 30, 2014     | 62                | 628                  | 467,175.54m <sup>2</sup>   | 97.8%          |
| December 31, 2014 | 62                | 632                  | 468,232.24m <sup>2</sup>   | 97.0%          |
| June 30, 2015     | 62                | 647                  | 475,007.79m <sup>2</sup>   | 96.7%          |
| December 31, 2015 | 62                | 650                  | 476,352.67m <sup>2</sup>   | 97.4%          |
| January 31, 2016  | 62                | 661                  | 476,345.81m <sup>2</sup>   | 98.1%          |
| December 31, 2016 | 63                | 679                  | 477,249.40 m <sup>2</sup>  | 98.6%          |
| January 31, 2017  | 63                | 679                  | 477,236.27m <sup>2</sup>   | 98.5%          |
| February 28, 2017 | 64                | 737                  | 480,239.32m <sup>2</sup>   | 98.5%          |
| March 31, 2017    | 64                | 735                  | 480,238.73m <sup>2</sup>   | 98.6%          |
| April 30, 2017    | 62                | 730                  | 478,003.25m <sup>2</sup>   | 98.6%          |
| May 31, 2017      | 62                | 730                  | 477,994.37m <sup>2</sup>   | 98.8%          |
| June 30, 2017     | 62                | 730                  | 477,972.54m <sup>2</sup>   | 98.0%          |

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

Furthermore, the following table shows the total number of tenants, total leased floor space and total leasable floor space as of the end of the 31st fiscal period, as well as the total rental income for the 31st fiscal period.

|                            |                          |
|----------------------------|--------------------------|
| Total Number of Tenants    | 730                      |
| Total Leased Floor Space   | 468,506.98m <sup>2</sup> |
| Total Leasable Floor Space | 477,972.54m <sup>2</sup> |
| Total Rental Income        | 14,907,434 thousand yen  |

## 2) Overview of Lease Status for Respective Properties

| Area                                      | Type                      | Property Name                                 | 31st Fiscal Period (January 1, 2017 – June 30, 2017) |  |                         |                    |                    |          |
|---|---------------------------|---|--|--|-------------------------|--------------------|--------------------|----------|
|   |                           |   | Information on Period End Floor Space, Etc.          |  |                         |                    | Rental Revenues    |          |
|   |                           |   | Total Leasable Floor Space (m <sup>2</sup> )         | Total Leased Floor Space (m <sup>2</sup> ) | No. of Tenants (Note 1) | Occupancy Rate (%) | (thousands of yen) | Ratio    |
| Central Tokyo                             | Office                    | Kanematsu Bldg.                               | 7,994.02   | 7,994.02                                   | 10                      | 100.0              | 378,984            | 2.5      |
|   |                           | Kanematsu Bldg. Annex                         | 2,291.13   | 2,291.13                                   | 1                       | 100.0              | (Note 2)           | (Note 2) |
|   |                           | JPR Ningyo-cho Bldg.                          | 2,804.56   | 2,804.56                                   | 4                       | 100.0              | 90,933             | 0.6      |
|   |                           | Shin-Kojimachi Bldg.                          | 3,319.37   | 3,319.37                                   | 17                      | 100.0              | 104,567            | 0.7      |
|   |                           | JPR Crest Takebashi Bldg.                     | 3,265.34   | 3,265.34                                   | 6                       | 100.0              | 107,320            | 0.7      |
|   |                           | MS Shibaura Bldg.                             | 14,468.38  | 14,468.38                                  | 10                      | 100.0              | 416,318            | 2.8      |
|   |                           | Gotanda First Bldg.                           | 4,241.22   | 4,241.22                                   | 4                       | 100.0              | 124,745            | 0.8      |
|   |                           | Fukuoka Bldg. (Note 3)                        | —  | —  | —                       | —                  | (Note 2)           | (Note 2) |
|   |                           | JPR Ichigaya Bldg.                            | 4,235.05   | 3,944.87                                   | 9                       | 93.1               | 155,862            | 1.0      |
|   |                           | Oval Court Ohsaki Mark West                   | 4,088.44   | 4,088.44                                   | 2                       | 100.0              | 182,083            | 1.2      |
|   |                           | Shinjuku Square Tower                         | 19,284.71  | 19,261.84                                  | 25                      | 99.9               | 362,274            | 2.4      |
|   |                           | BYGS Shinjuku Bldg.                           | 15,227.80  | 15,145.81                                  | 25                      | 99.5               | 549,619            | 3.7      |
|   |                           | Across Shinkawa Bldg. Annex                   | 1,253.39   | 1,253.39                                   | 4                       | 100.0              | 36,738             | 0.2      |
|   |                           | Shinjuku Center Bldg.                         | 8,863.98   | 8,343.16                                   | 33                      | 94.1               | 482,313            | 3.2      |
|   |                           | Minami Azabu Bldg.                            | 3,405.73   | 3,405.73                                   | 1                       | 100.0              | (Note 2)           | (Note 2) |
|   |                           | Shinagawa Canal Bldg.                         | 1,700.57   | 1,700.57                                   | 5                       | 100.0              | 58,998             | 0.4      |
|   |                           | Rokubancho Bldg.                              | 2,488.36   | 2,488.36                                   | 1                       | 100.0              | (Note 2)           | (Note 2) |
|   |                           | JPR Harajuku Bldg.                            | 4,763.38   | 4,763.38                                   | 9                       | 100.0              | 250,025            | 1.7      |
|   |                           | Tokyo Tatemono Kyobashi Bldg.                 | 3,551.01   | 3,551.01                                   | 9                       | 100.0              | 192,598            | 1.3      |
|   |                           | JPR Nihonbashi-horidome Bldg.                 | 5,299.89   | 4,670.80                                   | 5                       | 88.1               | 170,944            | 1.1      |
|   |                           | JPR Sendagaya Bldg.                           | 6,177.74   | 6,177.74                                   | 6                       | 100.0              | 275,103            | 1.8      |
|   |                           | Ginza Sanwa Bldg.                             | 1,896.69   | 1,896.69                                   | 9                       | 100.0              | 117,432            | 0.8      |
|   |                           | Otemachi Tower (Land with Leasehold Interest) | 11,034.78  | 11,034.78                                  | 2                       | 100.0              | 1,580,750          | 10.6     |
|   |                           | Science Plaza-Yonbancho Plaza                 | 3,325.29   | 3,184.61                                   | 23                      | 95.8               | 112,877            | 0.8      |
|   | Shibadaiimon Center Bldg. | 5,401.46                                      | 5,401.46   | 9  | 100.0                   | 177,001            | 1.2                |          |
|   | Tokyo Square Garden       | 5,985.62                                      | 5,985.62   | 57   | 100.0                   | 214,856            | 1.4                |          |
|   | Retail                    | JPR Shibuya Tower Records Bldg.               | 8,076.85   | 8,076.85                                   | 1                       | 100.0              | (Note 2)           | (Note 2) |
| JPR Jingumae 432                          |                           | 1,027.33                                      | 889.59   | 6  | 86.6                    | 83,560             | 0.6                |          |
| Shinjuku Sanchoe East Bldg.               |                           | 2,347.81                                      | 2,347.81   | 1  | 100.0                   | (Note 2)           | (Note 2)           |          |
| Yurakucho Ekimae Bldg. (Yurakucho Itocia) |                           | 1,101.92                                      | 1,101.92   | 1  | 100.0                   | (Note 2)           | (Note 2)           |          |
| GINZA GATES                               |                           | 1,666.55                                      | 1,666.55   | 7  | 100.0                   | 205,360            | 1.4                |          |
| FUNDES Suidobashi                         |                           | 1,367.56                                      | 1,367.56   | 6  | 100.0                   | 92,990             | 0.6                |          |

| Area                         | Type                        | Property Name                   | 31st Fiscal Period (January 1, 2017 – June 30, 2017) |  |                         |                    |                    |          |
|------------------------------|-----------------------------|---------------------------------|--|--|-------------------------|--------------------|--------------------|----------|
|                              |                             |                                 | Information on Period End Floor Space, Etc.          |  |                         |                    | Rental Revenues    |          |
|                              |                             |                                 | Total Leasable Floor Space (m <sup>2</sup> )         | Total Leased Floor Space (m <sup>2</sup> ) | No. of Tenants (Note 1) | Occupancy Rate (%) | (thousands of yen) | Ratio    |
| Greater Tokyo                | Office                      | Arca East                       | 7,022.76   | 7,022.76                                   | 6                       | 100.0              | 263,156            | 1.8      |
|                              |                             | JPR Chiba Bldg.                 | 5,536.18   | 5,103.56                                   | 36                      | 92.2               | 127,133            | 0.9      |
|                              |                             | JPR Yokohama Nihon Odori Bldg.  | 6,066.53   | 5,748.63                                   | 13                      | 94.8               | 117,923            | 0.8      |
|                              |                             | Shinyokohama 2nd Center Bldg.   | 5,284.75   | 5,186.75                                   | 21                      | 98.1               | 100,344            | 0.7      |
|                              |                             | Kawaguchi Center Bldg.          | 15,420.07  | 15,224.91                                  | 44                      | 98.7               | 412,939            | 2.8      |
|                              |                             | JPR Ueno East Bldg.             | 6,476.53   | 6,476.53                                   | 9                       | 100.0              | 179,162            | 1.2      |
|                              |                             | Tachikawa Business Center Bldg. | 4,670.27   | 4,670.27                                   | 20                      | 100.0              | 149,765            | 1.0      |
|                              |                             | Rise Arena Bldg.                | 6,023.39   | 6,023.39                                   | 1                       | 100.0              | (Note 2)           | (Note 2) |
|                              |                             | Yume-ooka Office Tower          | 12,000.08  | 11,871.03                                  | 38                      | 98.9               | 330,101            | 2.2      |
|                              |                             | Olinas Tower                    | 23,987.40  | 23,987.40                                  | 15                      | 100.0              | 1,007,903          | 6.8      |
|                              |                             | Tokyo Tatemono Yokohama Bldg.   | 6,494.09   | 6,494.09                                   | 14                      | 100.0              | 294,877            | 2.0      |
|                              | Omiya Prime East            | 6,871.45                        | 6,871.45   | 4  | 100.0                   | 264,538            | 1.8                |          |
|                              | Retail                      | Tanashi ASTA                    | 31,121.71  | 31,121.71                                  | 1                       | 100.0              | (Note 2)           | (Note 2) |
|                              |                             | Cupo-la Main Bldg.              | 5,963.00   | 5,963.00                                   | 1                       | 100.0              | (Note 2)           | (Note 2) |
|                              |                             | JPR Musashikosugi Bldg.         | 19,740.95  | 19,740.95                                  | 1                       | 100.0              | (Note 2)           | (Note 2) |
| Musashiurawa Shopping Square |                             | 14,960.69                       | 14,960.69  | 3  | 100.0                   | 126,996            | 0.9                |          |
| Kawasaki Dice Bldg.          |                             | 12,116.35                       | 12,116.35  | 29   | 100.0                   | 494,602            | 3.3                |          |
| Other Cities                 | Office                      | Niigata Ekinan Center Bldg.     | 5,326.88   | 5,037.81                                   | 7                       | 94.6               | 121,293            | 0.8      |
|                              |                             | Tokyo Tatemono Honmachi Bldg.   | 7,136.30   | 4,283.78                                   | 6                       | 60.0               | 142,520            | 1.0      |
|                              |                             | JPR Hakata Bldg.                | 6,570.48   | 6,560.23                                   | 44                      | 99.8               | 149,275            | 1.0      |
|                              |                             | JPR Naha Bldg.                  | 3,946.36   | 3,946.36                                   | 20                      | 100.0              | 95,780             | 0.6      |
|                              |                             | Sompo Japan Sendai Bldg.        | 7,129.14   | 7,129.14                                   | 15                      | 100.0              | 187,198            | 1.3      |
|                              |                             | Sompo Japan Wakayama Bldg.      | 4,875.38   | 4,875.38                                   | 14                      | 100.0              | 109,329            | 0.7      |
|                              |                             | Tenjin 121 Bldg.                | 3,257.73   | 2,977.99                                   | 15                      | 91.4               | 98,009             | 0.7      |
|                              |                             | JPR Dojima Bldg.                | 3,917.52   | 2,749.33                                   | 9                       | 70.2               | 88,156             | 0.6      |
|                              |                             | JPR Hakata-chuo Bldg. (Note 3)  | —  | —  | —                       | —                  | 46,835             | 0.3      |
|                              |                             | JPR Nagoya Fushimi Bldg.        | 7,086.37   | 6,732.72                                   | 3                       | 95.0               | 137,249            | 0.9      |
|                              |                             | Yakuin Business Garden          | 16,654.33  | 16,543.17                                  | 17                      | 99.3               | 456,513            | 3.1      |
|                              | Benetton Shinsaibashi Bldg. | 3,843.03                        | 2,438.15   | 8  | 63.4                    | 133,421            | 0.9                |          |
|                              | Retail                      | JPR Umeda Loft Bldg.            | 18,586.97  | 18,586.97                                  | 1                       | 100.0              | (Note 2)           | (Note 2) |
| Housing Design Center Kobe   |                             | 35,444.13                       | 35,444.13  | 1  | 100.0                   | (Note 2)           | (Note 2)           |          |
| JPR Chayamachi Bldg.         |                             | 2,485.79                        | 2,485.79   | 6  | 100.0                   | 160,464            | 1.1                |          |
| Total                        |                             |                                 | 477,972.54   | 468,506.98                                 | 730                     | 98.0               | 14,907,434         | 100.0    |

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

The tenants of Shinjuku Square Tower, Shinjuku Center Bldg., Residential part of Science Plaza-Yonbancho Plaza, Tokyo Square Garden, Rise Arena Bldg. and Kawasaki Dice Bldg. have sublet space to sublessees and lease agreements have been executed where the rent paid by the tenants fluctuates in accordance with the lease conditions of the sublessees and thus the numbers of sublessees have been entered as the numbers of tenants.

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

(Note 3) JPR sold Fukuoka Bldg. and JPR Hakata-chuo Bldg. as of April 14, 2017.

## 3) Ten Largest Tenants

The following table shows the ten largest tenants in terms of leased floor space as of June 30, 2017.

| Rank | Tenant                               | Property Name   | Leased Floor Space at End of Period (m <sup>2</sup> ) | Percentage to Total Leased Floor Space at End of Period (Note 1) |
|------|--------------------------------------|---|---|--|
| 1    | Tokyo Tatemono Co., Ltd              | Shinjuku Square Tower<br>Shinjuku Center Bldg.<br>Tokyo Square Garden<br>Olinas Tower<br>Kawasaki Dice Bldg.<br>Tokyo Tatemono Honmachi Bldg. | 49,711.05   | 10.6%  |
| 2    | ABC Development Corporation          | Housing Design Center Kobe  | 35,444.13   | 7.5%   |
| 3    | Seiyu GK                             | Tanashi ASTA  | 31,121.71   | 6.6%   |
| 4    | Ito-Yokado Co., Ltd.                 | JPR Musashikosugi Bldg.   | 19,740.95   | 4.2%   |
| 5    | The LOFT Co., Ltd.                   | JPR Umeda Loft Bldg.  | 18,586.97   | 4.0%   |
| 6    | Olympic Group Corporation            | Musashiurawa Shopping Square  | 9,558.51  | 2.0%   |
| 7    | Tower Records Japan Inc.             | JPR Shibuya Tower Records Bldg.   | 8,076.85  | 1.7%   |
| 8    | Sompo Japan Nipponkoa Insurance Inc. | Kawaguchi Center Bldg.<br>Yume-ooka Office Tower<br>Sompo Japan Sendai Bldg.<br>Sompo Japan Wakayama Bldg.                                    | 8,058.27  | 1.7%   |
| 9    | Y.K. Tokyo Prime Stage               | Otemachi Tower (Land with Leasehold Interest)   | 7,875.50  | 1.7%   |
| 10   | Taisei-Yuraku Real Estate Co., Ltd.  | Rise Arena Bldg.  | 6,023.39  | 1.3%   |

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

(Note 2) The figures have been rounded to the first decimal place. The total leased floor space at end of period in the above table is based on the space corresponding to the equity interest held by JPR (469,499.22m<sup>2</sup>).