

Translation

Japan Prime Realty Investment Corporation
Financial Report for the 40th Fiscal Period Results (July 1, 2021 - December 31, 2021)

February 16, 2022

REIT Securities Issuer:	Japan Prime Realty Investment Corporation	Listing:	Tokyo Stock Exchange
Securities Code:	8955	URL:	https://www.jpr-reit.co.jp/
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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 40th Fiscal Period (July 1, 2021 – December 31, 2021)

[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 Revenue		Operating Income		Ordinary Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
For the six months ended December 31, 2021	18,253	5.5	8,626	(1.9)	7,893	(2.8)	7,892	(2.8)
June 30, 2021	17,305	1.0	8,789	3.0	8,121	3.6	8,120	3.6

	Net Income per Unit (EPU)	Net Income / Net Assets	Ordinary Income / Total Assets	Ordinary Income / Operating Revenue
For the six months ended December 31, 2021	yen 8,236	% 3.1	% 1.6	% 43.2
June 30, 2021	8,474	3.2	1.7	46.9

(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
For the six months ended December 31, 2021	yen 7,550	million yen 7,234	yen –	million yen –	% 91.6	% 2.8
June 30, 2021	7,657	7,337	–	–	90.3	2.9

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

(Note 2) The difference between the distribution amount and net income for the six months ended June 30, 2021, is attributable to the fact that part of the unappropriated retained earnings (783 million yen) was internally reserved as reserve for reduction entry.

(Note 3) The difference between the distribution amount and net income for the six months ended December 31, 2021, is attributable to the fact that part of the unappropriated retained earnings (659 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
As of	million yen	million yen	%	yen
December 31, 2021	495,615	257,649	52.0	268,875
June 30, 2021	484,323	257,093	53.1	268,295

(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 December 31, 2021	million yen 18,793	million yen (29,876)	million yen 3,027	million yen 35,547
June 30, 2021	11,850	(2,167)	(7,477)	43,602

2. Forecasts for the 41st Fiscal Period Ending June 30, 2022 (January 1, 2022 – June 30, 2022) and the 42nd Fiscal Period Ending December 31, 2022 (July 1, 2022 – December 31, 2022)

[Amounts are rounded down to the nearest million yen, except for per unit figures.]
[% figures represent the increase (decrease) compared with the previous fiscal period]

	Operating Revenue		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
41st Fiscal Period Ending June 30, 2022	18,167	(0.5)	9,247	7.2	8,529	8.1	8,528	8.1	7,750	0
42nd Fiscal Period Ending December 31, 2022	18,386	1.2	9,376	1.4	8,579	0.6	8,579	0.6	7,750	0

(Reference) Estimated net income per unit (forecast net income / forecast number of investment units at end of period)

41st fiscal period ending June 30, 2022: 8,552 yen

42nd fiscal period ending December 31, 2022: 8,603 yen

(Note 1) DPU for the 41st fiscal period ending June 30, 2022 is calculated on the assumption that part of the gain on sale of real estate (799 million yen) will be internally reserved in application of the Special Provisions for Taxation in Cases of Repurchase of Specified Assets (Article 65-7 of the Act on Special Measures Concerning Taxation).

(Note 2) DPU for the 42nd fiscal period ending December 31, 2022 is calculated on the assumption that part of the gain on sale of real estate (850 million yen) will be internally reserved in application of the Special Provisions for Taxation in Cases of Repurchase of Specified Assets (Article 65-7 of the Act on Special Measures Concerning Taxation).

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.: | Yes |
| (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 December 31, 2021: 958,250 units As of June 30, 2021: 958,250 units

(b) Number of treasury units at end of period

As of December 31, 2021: 0 units As of June 30, 2021: 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 24.

* This financial report is not subject to audit procedures by public accountants or audit corporations.

* Special note

The forecasts for the 41st fiscal period ending June 30, 2022, and the 42nd fiscal period ending December 31, 2022, are calculated as of February 16, 2022, based on the assumptions described on pages 9 and 10 of this report. Accordingly, actual operating revenue, 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 February 16, 2022. 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. Management Status

1) Overview of Fiscal Period under Review

a) Milestones of JPR

Japan Prime Realty Investment Corporation (JPR) was established on September 14, 2001, under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended), and was listed on the Tokyo Stock Exchange Real Estate Investment Trust Section on June 14, 2002, with 289,600 outstanding investment units. With the subsequently implemented public offerings and other capital raising measures by JPR, the number of investment units issued and outstanding totals 958,250 units as of the end of the 40th fiscal period (December 31, 2021). JPR has assigned the asset management of its portfolio to Tokyo Realty Investment Management, Inc. (TRIM), through which JPR aims to maximize unitholder value by efficiently managing the portfolio primarily comprising office properties and retail properties.

b) Management Environment

During the 40th fiscal period, the Japanese economy had remained in a severe situation due to the impact of COVID-19. A pickup trend was observed, however, as economic and social activities recovered increasingly, with progress made in vaccinations to help decrease the number of cases and the state of emergency declarations, etc., which had been issued nationwide against the pandemic, lifted. On the demand side, consumer spending showed a trend for recover, while in terms of supply, production was recovering after temporary stagnancy due to global shortage of semiconductors, etc. Corporate earnings demonstrated recovery, mainly within manufacturing industries, and the non-manufacturing sector was also on a recovery path after some delay. Overseas economies also continued to show pickup amid a severe situation. In spite of these developments, however, with a new variant of COVID-19 starting to spread both in and outside Japan toward the end of the fiscal period under review, there are concerns about the negative impact on the economy.

The Office Property Leasing Market

In the office property leasing market, the occupancy rate and rent levels showed a downward trend, primarily in Central Tokyo, under the impact of COVID-19. Reflecting the recovery in the domestic economy and corporate earnings, however, the decrease in the occupancy rate is decelerating in the market.

The Retail Property Leasing Market

At urban retail properties which JPR targets for investment, restaurants and eateries were negatively impacted by the state-of-emergency declarations, etc. that had been issued nationwide against COVID-19 issued. Demand is recovering, however, as the state-of-emergency declarations were lifted throughout Japan.

The For-Sale Real Estate Market

In the for-sale real estate market, active transactions continued to take place against the backdrop of low interest rates, etc. Investors keep showing a cautious attitude, however, for hotels and urban retail properties for which the outlook is still uncertain due to the impact of COVID-19. For office properties, on the other hand, blue-chip properties in which JPR targets for investment are in short supply while investors both in and outside Japan still demonstrate a strong appetite to acquire them. Thus, with low-yield transactions continuing to prevail, the acquisition environment remains harsh. Accordingly, investors continue to look for ways to effectively acquire properties, such as by diversifying the target assets for investment and conducting asset replacement.

c) Portfolio Management Status

Acquisition of New Properties and Asset Replacement

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

During the 40th fiscal period, JPR acquired additional ownership of Rise Arena Bldg. (acquisition price: 7,300 million yen) in October 2021. Moreover, JPR sold 40% ownership interest of JPR Umeda Loft Bldg. (sale price of the relevant ownership interest: 7,000 million yen) and Tokyo Tatemono Honmachi Bldg. (sale price: 3,600 million yen), and acquired GRAND FRONT OSAKA (Umekita Plaza and South Building) (acquisition price: 11,800 million yen) and GRAND FRONT OSAKA (North Building)

(acquisition price: 9,500 million yen), all in December 2021. As a result of these transactions, the balance of JPR's assets under management totaled 66 properties, or 484.8 billion yen on an acquisition price basis as of the end of December 2021, with the total leasable floor space standing at 500,628 m² and the number of tenants at 1,134.

Operational Management of Portfolio

In the office property leasing market in the 40th fiscal period, the vacancy rate was on an upward trend and rent levels were on a downward trend under the impact of COVID-19, as stated above in Management Environment, and close attention must be paid. Under such circumstances, JPR endeavored to attract new tenants through strategic leasing activities and enhance the satisfaction of existing tenants by maintaining close cooperation with property management companies and brokers, with an aim to secure stable earnings across the entire portfolio as well as its occupancy rate. As a result of these efforts, the occupancy rate at the end of the 40th fiscal period was kept at a high level, although it decreased 0.8 points period-on-period to 97.3%.

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 reduce CO₂ emissions, JPR conducted renovation of air-conditioning systems and replacement of lighting equipment with LED lamps, which are expected to be effective for the endeavor, at its multiple properties.

Moreover, as its initiatives on environmental issues, JPR has continuously obtained environmental certifications. As of December 31, 2021, JPR has acquired DBJ Green Building Certification*¹ for 15 properties (including one newly certified property) and CASBEE for Building Certification*² for 28 properties (including 6 newly certified properties). In addition, JPR has acquired BELS*³ certification for two of its properties. On top of these certifications JPR acquired, its endeavors on environmental issues were so acknowledged that it was designated as "Green Star" in the GRESB*⁴ Real Estate Assessment for 2021, marking the eighth consecutive year of recognition with the highest ranking in the survey. JPR has also been granted the highest rank of "5 Stars" in the rating, which makes relative assessment based on total scores, for three consecutive years.

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

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

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

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

Fund Procurement

JPR focuses its endeavors on debt financing with an emphasis placed on lengthening debt maturity and diversifying repayment dates in an effort to make its financial base more solid and stronger against the backdrop of the favorable fund procurement environment and low interest rates.

JPR borrowed 10.4 billion yen to fund the refinancing of interest-bearing debts it repaid during the 40th fiscal period. The average maturity of and the average interest on the new interest-bearing debts (excluding short-term debts) stood at 8.8 years and 0.52%, respectively, in contrast to 5.6 years and 0.53% for the relevant interest-bearing debts before refinancing (excluding short-term debts).

As of the end of the 40th fiscal period, the balance of interest-bearing debts totaled 206.9 billion yen, with a balance of borrowings of 169.0 billion yen and a balance of investment corporation bonds of 37.9 billion yen. The ratio of interest-bearing debt to total assets (Note 1) was 41.7%, long-term and fixed interest-bearing debt ratio (Note 2) was 94.2%, average debt cost (Note 3) was 0.73% and average maturity (Note 4) was 4.6 years as of the end of the fiscal period.

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

The following represents the issuer ratings for JPR as of the end of the 40th fiscal period.

Details of Corporate Credit Ratings as of December 31, 2021

Credit Rating Agency	Corporate Credit Rating (outlook)
Japan Credit Rating Agency, Ltd. (JCR)	AA (Stable)
Rating and Investment Information, Inc. (R&I)	AA- (Stable)
S & P Global Ratings Japan Inc. (S&P)	A (Stable)

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

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

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

(Note 4) Average maturity is arrived at by calculating a weighted average of maturities from the end of the 40th 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 revenue of 18,253 million yen, ordinary income of 7,893 million yen and net income of 7,892 million yen for its 40th fiscal period ended December 31, 2021. With regard to the cash distributions, JPR decided to distribute part of the retained earnings brought forward that had been internally reserved through the 39th 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. JPR also decided to internally reserve 659 million yen as reserve for reduction entry from the unappropriated retained earnings, in application of the Special Provisions for Taxation in Cases of Repurchase of Specified Assets (Article 65-7 of the Act on Special Measures Concerning Taxation). As a result, the cash distribution per unit came to 7,550 yen for the 40th fiscal period.

2) Forecast for the Next Fiscal Period

a) Outlook for Management Status

Looking ahead, the Japanese economy is expected to continue showing a pickup, with domestic demand recovering mainly in consumer spending, restrictions on supply of semiconductors and other products loosening and overseas economies improving, among other factors. However, attention should be paid to the trends of COVID-19 and the impacts of fluctuations in the financial and capital markets, etc.

The office property leasing market is anticipated to hit the bottom in a gradually increasing manner, but close attention must be paid to the impact of mass supply of office buildings projected for 2023. In this regard, JPR is resolved to continue its endeavors to enhance the competitiveness of its owned properties, as it has focused on improving tenant satisfaction through proactive implementation of value enhancement works and provision of elaborate management services.

In the for-sale real estate market, it has become even more important to discern the growth potential in earnings of respective properties, while continuously taking into account the impact of COVID-19 on the leasing market. Moreover, given the current situation in which the low-interest-rate and low-yield environment is maintained, it is necessary to firmly keep the attitude of vigorously selective investment for implementing real estate investment that assumes possession of properties over the medium to long term.

i) Acquisition of New Properties and Asset Replacement

JPR will continue to make investment focused on office properties in the Tokyo area, with an aim to improve the quality of its portfolio and enhance its growth potential and stability over the long term. In the for-sale office property market, the purchase cap rate and expected cap rate levels are still low, with properties remaining in short supply. Although close attention must continuously be paid to the impact of COVID-19, etc., JPR will fully investigate the stability and growth potential of candidate properties when acquiring them. As for retail properties, etc., JPR will work to invest in strictly selected blue-chip properties that can maintain stable revenues at a certain level in order to complement the stability of earnings of the entire portfolio. In doing so, JPR will have to be more prudent in investigating, paying close attention to sales trends, etc. of such properties under the influence of the spread of COVID-19. JPR will continue its endeavors to acquire new properties under reasonable terms by negotiating prices based on detailed market studies and property due diligence.

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

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

ii) Management of Portfolio

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

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

iii) Fund Procurement

In accordance with its basic policy of implementing conservative financial operations that focus on stability, JPR will control its LTV in a conservative manner. In debt financing, JPR will endeavor to further lengthen maturity with a focus on stability in an effort to diversify repayment dates and reduce the repayment amount for each fiscal period, with an eye on reducing refinancing risks that may arise 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 that set forth by laws and regulations, etc. As a means for implementing voluntary disclosure, JPR is proactively employing its website (<https://www.jpr-reit.co.jp/en/>) to post information including monthly occupancy rates of all properties in the portfolio and historical data as well as offer expanded information on sustainability and deliver video presentations on financial results sessions for securities analysts.

v) Significant Subsequent Events

Issuance of new investment units

JPR resolved at its Board of Directors meetings held on January 4, 2022 and January 12, 2022 to issue new investment units, as outlined below.

[Issuance of new investment units through public offering (primary offering)]

Number of new investment units issued:	38,100 units
Issue price (offer price):	368,480 yen per unit
Total issue price (total offer price):	14,039,088,000 yen
Paid-in amount (purchase price):	356,824 yen per unit
Total paid-in amount (total purchase price):	13,594,994,400 yen
Payment date:	January 18, 2022

[Issuance of new investment units through third-party allotment]

Number of new investment units issued:	1,900 units
Paid-in amount (purchase price):	356,824 yen per unit
Total paid-in amount (total purchase price):	677,965,600 yen
Allottee:	Mizuho Securities Co., Ltd.
Payment date:	February 16, 2022

<Reference Information>

Property Acquisition

After the settlement date, JPR acquired the following property.

< Tokyo Tatemono Higashi Shibuya Bldg.>

Property overview

Location:	26-20 Higashi 1-chome, Shibuya-ku, Tokyo (residential address)
Type of ownership:	Land: Ownership (co-ownership: 91.4% co-ownership interest), ownership Building: Sectional ownership
Site area:	2,643.15 m ² (equivalent to co-ownership interest: 2,424.20 m ²)
Total floor space:	15,662.20 m ² (equivalent to co-ownership interest: 7,774.77 m ²)
Structure/floors:	S, RC, SRC with flat roof, B3/14F
Completed:	May 1993
Number of tenants;	14
Total leasable floor space:	7,821.01 m ²
Total leased floor space:	7,447.43 m ²
Occupancy rate:	95.2%

(Note) Number of tenants, total leasable floor space, total leased floor space and occupancy rate indicate the figures as of the acquisition date.

Transaction terms and conditions

Purchase price:	11,300 million yen
Asset type:	Real estate
Contract date:	December 23, 2021
Acquisition date:	January 18, 2022

Property Sale

JPR concluded a sale agreement regarding the following property on December 23, 2021.

< JPR Umeda Loft Bldg. (30.0% co-ownership interest)>

Asset type:	Beneficiary interest (30.0% co-ownership interest)
Sale price:	5,250 million yen
Delivery date:	June 30, 2022 (scheduled)
Buyer:	MBS Media Holdings, Inc.
Impact on operating results:	JPR plans to record approximately 1,336 million yen in gain on sale of real estate as operating revenue for the fiscal period ending June 2022 (January 1, 2022 – June 30, 2022).

< JPR Umeda Loft Bldg. (30.0% co-ownership interest)>

Asset type:	Beneficiary interest (30.0% co-ownership interest)
Sale price:	5,250 million yen
Delivery date:	December 23, 2022 (scheduled)
Buyer:	MBS Media Holdings, Inc.
Impact on operating results:	JPR plans to record approximately 1,341 million yen in gain on sale of real estate as operating revenue for the fiscal period ending December 2022 (July 1, 2022 – December 31, 2022).

b) Outlook for Management Status (Operating Results)

JPR expects the following management status in the 41st fiscal period (from January 1, 2022 to June 30, 2022) and the 42nd fiscal period (from July 1, 2022 to December 31, 2022).

	41st Fiscal Period	42nd Fiscal Period
Operating revenue	18,167 million yen	18,386 million yen
Operating income	9,247 million yen	9,376 million yen
Ordinary income	8,529 million yen	8,579 million yen
Net income	8,528 million yen	8,579 million yen
Distribution per unit	7,750 yen	7,750 yen
Exceeding profit distribution per unit	- yen	- yen

For the assumptions underlying this outlook of management status, please refer to “Assumptions for the 41st Fiscal Period (from January 1, 2022 to June 30, 2022) and the 42nd Fiscal Period (from July 1, 2022 to December 31, 2022)” 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 41st Fiscal Period (from January 1, 2022 to June 30, 2022) and
the 42nd Fiscal Period (from July 1, 2022 to December 31, 2022)

Item	Assumptions
Operation Period	41st fiscal period: from January 1, 2022 to June 30, 2022 (investment period: 181 days) 42nd fiscal period: from July 1, 2022 to December 31, 2022 (investment period: 184 days)
Property Portfolio	<ul style="list-style-type: none"> On the basis of the 67 properties owned by JPR as of February 16, 2022, it is assumed that JPR will sell JPR Umeda Loft Bldg. ((1) scheduled for June 30, 2022 (30% co-ownership interest), (2) scheduled for December 23, 2022 (30% co-ownership interest). In practice, this assumption may vary due to such events as acquisition of additional properties or sale of existing properties other than the above-mentioned property.
Operating Revenue	<ul style="list-style-type: none"> Real estate rental revenues are calculated on the basis of the lease contracts effective as of December 31, 2021, with consideration given to such factors as the market environment and status of negotiations with tenants, as well as taking into account the impact of certain tenant move-ins and move-outs, among other factors. JPR also assumes that rents will be paid on time and that no tenants will fail or decline to pay rents. Gain on sale of real estate is assumed to be 1,336 million yen for the 41st fiscal period and 1,341 million yen for the 42nd fiscal period.
Operating Expenses	<ul style="list-style-type: none"> Among rental expenses, which are the principal operating expenses, outsourcing expenses and other expenses excluding depreciation are calculated based on historical data, etc., reflecting variable factors of expenses. Outsourcing expenses are assumed to be 701 million yen for the 41st fiscal period and 708 million yen for the 42nd fiscal period. For property taxes and city planning taxes, JPR assumes 2,526 million yen for the 41st fiscal period and 2,509 million yen for the 42nd fiscal period. 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 properties. For expenditures for the repair and maintenance of buildings, the amount expected to be required in each of the fiscal periods has been recorded. However, the expenditures for repair and maintenance for each of the fiscal periods 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. Depreciation is calculated using the straight line method, including additional future capital expenditures. Depreciation is assumed to be 2,045 million yen for the 41st fiscal period and 2,060 million yen for the 42nd fiscal period. Operating expenses excluding rental expenses other than rental business expenses (asset management fees, administrative service and custodian fees, etc.) are assumed to be 1,068 million yen for the 41st fiscal period and 1,061 million yen for the 42nd fiscal period.
Non-Operating Income	<ul style="list-style-type: none"> As for major non-operating income, JPR assumes income on settlement of management association accounts to be 56 million yen for the 41st fiscal period and 3 million yen for the 42nd fiscal period.
Non-Operating Expenses	<ul style="list-style-type: none"> As for major non-operating expenses, JPR assumes 760 million yen for the 41st fiscal period and 784 million yen for the 42nd fiscal period for interest paid, fees related to loan arrangement, interest expenses on investment corporation bonds and amortization of investment corporation bond issuance costs, etc.
Interest-Bearing Debt and Ratio of Interest-Bearing Debt to Total Assets	<ul style="list-style-type: none"> The ratio of interest-bearing debt to total assets as of February 16, 2022, stands at 40.3%, with interest-bearing debts of 203,900 million yen (comprised of 9,000 million yen in short-term loans payable, 157,000 million yen in long-term loans payable and 37,900 million yen in investment corporation bonds). It is assumed that all interest-bearing debt for which repayment (redemption) dates will arrive during the 41st and 42nd fiscal periods will be refinanced. The ratio of interest-bearing debt to total assets is assumed to be 40.0% at the end of the 41st fiscal period and 40.0% at the end of the 42nd fiscal period. The following formula is used in calculating the ratio of interest-bearing debt to total assets in this table. Ratio of interest-bearing debt to total assets = Expected total interest-bearing debt / Expected total assets x 100

Item	Assumptions
Total Units Outstanding	<ul style="list-style-type: none"> The total number of investment units issued and outstanding is 997,178 units as of February 16, 2022, and it is assumed that no additional investment units will be issued.
Distribution Per Unit	<ul style="list-style-type: none"> For distribution per unit, it is assumed that all revenues will be distributed based on the distribution methods provided in the Articles of Incorporation. As for the gain on sale of real estate JPR expects to record for the respective fiscal periods (1,336 million yen for the 41st fiscal period and 1,341 million yen for the 42nd fiscal period), it is assumed that part of the amount (799 million yen for the 41st fiscal period and 850 million yen for the 42nd fiscal period) will be internally reserved as reserve for reduction entry, in application of the Special Provisions for Taxation in Cases of Repurchase of Specified Assets as provided in Article 65-7 of the Act on Special Measures Concerning Taxation, for the purpose of stable management and cash distributions in the future. 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.
Exceeding Profit Distribution Per Unit	<ul style="list-style-type: none"> Distribution of monies exceeding the profit is currently not assumed.
Others	<ul style="list-style-type: none"> 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. It is also assumed that there will be no unexpected material changes in general economic and real estate market conditions.

2. Financial Statements

(1) Balance Sheets

(Thousands of Yen)

	End of 39th Fiscal Period (Jun. 30, 2021)	End of 40th Fiscal Period (Dec. 31, 2021)
Assets		
Current assets		
Cash and deposits	¥30,996,393	¥22,803,957
Cash and deposits in trust	12,606,208	12,743,466
Operating accounts receivable	271,418	315,031
Prepaid expenses	129,757	132,731
Consumption taxes receivable	–	346,039
Other	13,365	15,989
Total current assets	44,017,144	36,357,215
Noncurrent assets		
Property, plant and equipment		
Buildings	67,563,186	66,302,138
Accumulated depreciation	(21,751,330)	(22,029,896)
Buildings, net	45,811,855	44,272,242
Buildings in trust	94,393,778	98,874,885
Accumulated depreciation	(37,637,077)	(37,976,679)
Buildings in trust, net	56,756,701	60,898,205
Structures	77,603	78,936
Accumulated depreciation	(32,353)	(34,426)
Structures, net	45,250	44,510
Structures in trust	134,930	125,139
Accumulated depreciation	(82,306)	(79,475)
Structures in trust, net	52,623	45,664
Machinery and equipment	909,004	826,696
Accumulated depreciation	(614,208)	(548,197)
Machinery and equipment, net	294,796	278,499
Machinery and equipment in trust	1,938,236	1,980,756
Accumulated depreciation	(1,471,289)	(1,507,805)
Machinery and equipment in trust, net	466,946	472,951
Tools, furniture and fixtures	178,884	186,134
Accumulated depreciation	(88,622)	(98,400)
Tools, furniture and fixtures, net	90,262	87,734
Tools, furniture and fixtures in trust	289,486	279,230
Accumulated depreciation	(189,451)	(185,202)
Tools, furniture and fixtures in trust, net	100,034	94,028
Land	133,370,201	129,361,642
Land in trust	190,413,992	210,654,006
Construction in progress	858	1,077
Construction in progress in trust	16,153	1,865
Total property, plant and equipment	427,419,677	446,212,429
Intangible assets		
Leasehold right	11,801,831	11,801,831
Other	3,028	2,307
Total intangible assets	11,804,859	11,804,138
Investments and other assets		
Investment securities	–	88,860
Lease and guarantee deposits	689,298	740,252
Long-term prepaid expenses	197,510	200,454
Other	–	710
Total investments and other assets	886,809	1,030,276
Total noncurrent assets	440,111,346	459,046,844
Deferred assets		
Investment corporation bond issuance costs	171,560	195,018
Investment unit issuance expenses	23,487	16,402
Total deferred assets	195,047	211,420
Total assets	¥484,323,538	¥495,615,481

(Thousands of Yen)

	End of 39th Fiscal Period (Jun. 30, 2021)	End of 40th Fiscal Period (Dec. 31, 2021)
Liabilities		
Current liabilities		
Operating accounts payable	¥2,459,629	¥2,910,219
Short-term loans payable	2,000,000	12,000,000
Current portion of long-term loans payable	20,500,000	18,500,000
Accounts payable-other	1,001,109	1,124,191
Accrued expenses	91,137	92,329
Income taxes payable	605	605
Accrued consumption taxes	478,592	173,458
Advances received	2,995,945	2,886,309
Other	246	24,221
Total current liabilities	29,527,265	37,711,335
Noncurrent liabilities		
Investment corporation bonds	35,500,000	37,900,000
Long-term loans payable	138,500,000	138,500,000
Tenant leasehold and security deposits	9,973,833	9,787,659
Tenant leasehold and security deposits in trust	13,728,489	14,066,877
Total noncurrent liabilities	197,702,323	200,254,537
Total liabilities	227,229,588	237,965,873
Net assets		
Unitholders' equity		
Unitholders' capital	247,860,796	247,860,796
Surplus		
Voluntary reserve		
Reserve for reduction entry	1,103,494	1,887,437
Total voluntary reserve	1,103,494	1,887,437
Unappropriated retained earnings (undisposed loss)	8,129,659	7,901,374
Total surplus	9,233,153	9,788,811
Total unitholders' equity	257,093,950	257,649,607
Total net assets	257,093,950	257,649,607
Total liabilities and net assets	¥484,323,538	¥495,615,481

(2) Statements of Income and Retained Earnings

(Thousands of Yen)

	39th Fiscal Period (Jan. 1, 2021 – Jun. 30, 2021)	40th Fiscal Period (Jul. 1, 2021 – Dec. 31, 2021)
Operating revenue		
Rent revenue-real estate	¥16,521,229	¥16,382,659
Gain on sale of real estate	783,966	1,870,956
Total operating revenue	17,305,196	18,253,616
Operating expenses		
Expenses related to rent business	7,499,692	7,731,428
Loss on sale of real estate	–	856,197
Asset management fee	788,824	750,590
Administrative service and asset custody fees	83,053	82,715
Directors' compensation	4,200	5,600
Trust fees	20,946	19,806
Other operating expenses	119,022	180,632
Total operating expenses	8,515,738	9,626,970
Operating income	8,789,457	8,626,646
Non-operating income		
Interest income	207	208
Income on settlement of management association accounts	66,067	4,350
Insurance income	4,829	12,475
Other	1,237	2,266
Total non-operating income	72,342	19,301
Non-operating expenses		
Interest expenses	505,779	505,001
Borrowing expenses	25,081	28,240
Interest expenses on investment corporation bonds	189,149	196,606
Amortization of investment corporation bond issuance costs	13,395	15,166
Amortization of investment unit issuance expenses	6,969	7,084
Other	258	266
Total non-operating expenses	740,633	752,365
Ordinary income	8,121,166	7,893,582
Income before income taxes	8,121,166	7,893,582
Income taxes-current	605	605
Total income taxes	605	605
Net income	8,120,561	7,892,977
Retained earnings brought forward	9,097	8,396
Unappropriated retained earnings (undisposed loss)	¥8,129,659	¥7,901,374

(3) Statements of Changes in Unitholders' Equity

(Thousands of Yen)

	39th Fiscal Period (Jan. 1, 2021 – Jun. 30, 2021)	40th Fiscal Period (Jul. 1, 2021 – Dec. 31, 2021)
Unitholders' equity		
Unitholders' capital		
Balance at beginning of current period	¥247,860,796	¥247,860,796
Changes of items during the period		
Issuance of units		
Total changes of items during the period	–	–
Balance at end of current period	247,860,796	247,860,796
Surplus		
Voluntary reserve		
Balance at beginning of current period	689,444	1,103,494
Changes of items during the period		
Provision of reserve for reduction entry	414,050	783,942
Total changes of items during the period	414,050	783,942
Balance at end of current period	1,103,494	1,887,437
Unappropriated retained earnings (undisposed loss)		
Balance at beginning of current period	7,849,585	8,129,659
Changes of items during the period		
Provision of reserve for reduction entry	(414,050)	(783,942)
Dividends from surplus	(7,426,437)	(7,337,320)
Net income	8,120,561	7,892,977
Total changes of items during the period	280,073	(228,284)
Balance at end of current period	8,129,659	7,901,374
Total surplus		
Balance at beginning of current period	8,539,029	9,233,153
Changes of items during the period		
Provision of reserve for reduction entry	–	–
Dividends from surplus	(7,426,437)	(7,337,320)
Net income	8,120,561	7,892,977
Total changes of items during the period	694,124	555,657
Balance at end of current period	9,233,153	9,788,811
Total unitholders' equity		
Balance at the beginning of current period	256,399,826	257,093,950
Changes of items during the period		
Provision of reserve for reduction entry	–	–
Dividends from surplus	(7,426,437)	(7,337,320)
Net income	8,120,561	7,892,977
Total changes of items during the period	694,124	555,657
Balance at end of current period	257,093,950	257,649,607
Total net assets		
Balance at beginning of current period	256,399,826	257,093,950
Changes of items during the period		
Provision of reserve for reduction entry	–	–
Dividends from surplus	(7,426,437)	(7,337,320)
Net income	8,120,561	7,892,977
Total changes of items during the period	694,124	555,657
Balance at end of current period	¥257,093,950	¥257,649,607

(4) Statements of Cash Distributions

	39th Fiscal Period (Jan. 1, 2021 – Jun. 30, 2021)	40th Fiscal Period (Jul. 1, 2021 – Dec. 31, 2021)
I. Unappropriated retained earnings	8,129,659,190 yen	7,901,374,244 yen
II. Distribution amount	7,337,320,250 yen	7,234,787,500 yen
(Distribution amount per unit)	(7,657 yen)	(7,550 yen)
III. Voluntary reserve		
Provision of reserve for reduction entry	783,942,395 yen	659,017,396 yen
IV. Retained earnings carried forward	8,396,545 yen	7,569,348 yen
Method for calculating distribution amount	Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, JPR decided to pay out distributions of earnings of 7,337,320,250 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (958,250 units), from the balance of unappropriated retained earnings after deducting the provision of reserve for reduction entry pursuant to Article 65-7of 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.	Pursuant to the policy on cash distributions provided in Article 30 (2) of the Articles of Incorporation of JPR, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, JPR decided to pay out distributions of earnings of 7,234,787,500 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (958,250 units), from the balance of unappropriated retained earnings after deducting the provision of reserve for reduction entry pursuant to Article 65-7of 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.

(5) Statements of Cash Flows

(Thousands of Yen)

	39th Fiscal Period (Jan. 1, 2021 – Jun. 30, 2021)	40th Fiscal Period (Jul. 1, 2021 – Dec. 31, 2021)
Net cash provided by (used in) operating activities		
Income before income taxes	¥8,121,166	¥7,893,582
Depreciation and amortization	2,100,584	2,128,201
Amortization of investment corporation bond issuance costs	13,395	15,166
Amortization of investment unit issuance expenses	6,969	7,084
Interest income	(207)	(208)
Interest expenses	694,928	701,608
Decrease (increase) in operating accounts receivable	155	(43,613)
Decrease (increase) in consumption taxes receivable	–	(346,039)
Decrease (increase) in prepaid expenses	760	(2,974)
Increase (decrease) in operating accounts payable	(68,528)	115,463
Increase (decrease) in accounts payable-other	(47,094)	14,414
Increase (decrease) in accrued consumption taxes	(23,402)	(305,133)
Increase (decrease) in advances received	18,679	(109,635)
Decrease in property, plant and equipment in trust due to sale	1,866,664	9,434,509
Decrease in intangible assets due to sale	–	303
Other, net	(141,080)	(7,993)
Subtotal	12,542,989	19,494,737
Interest income received	207	208
Interest expenses paid	(692,072)	(700,416)
Income taxes (paid) refund	(606)	(605)
Net cash provided by (used in) operating activities	11,850,518	18,793,924
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(988,767)	(752,677)
Purchase of property, plant and equipment in trust	(845,241)	(29,160,741)
Purchase of investment securities	–	(88,860)
Payments of lease and guarantee deposits	(39,749)	(50,954)
Repayments of tenant leasehold and security deposits	(476,047)	(279,722)
Proceeds from tenant leasehold and security deposits	351,409	405,874
Repayments of tenant leasehold and security deposits in trust	(539,969)	(781,974)
Proceeds from tenant leasehold and security deposits in trust	371,336	833,127
Other, net	–	(710)
Net cash provided by (used in) investing activities	(2,167,027)	(29,876,637)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	–	14,400,000
Repayment of short-term loans payable	(4,000,000)	(4,400,000)
Proceeds from long-term loans payable	10,800,000	8,000,000
Repayment of long-term loans payable	(9,820,000)	(10,000,000)
Proceeds from issuance of investment corporation bonds	2,968,190	2,364,727
Dividends paid	(7,425,248)	(7,337,192)
Net cash provided by (used in) financing activities	(7,477,057)	3,027,534
Net changes in cash and cash equivalents	2,206,433	(8,055,178)
Cash and cash equivalents at beginning of current period	41,396,168	43,602,602
Cash and cash equivalents at end of current period	¥43,602,602	¥35,547,423

(6) Notes to the Going Concern Assumption

No relevant items.

(7) Notes to Significant Accounting Policies

1. Standards and Method for Asset Evaluation	<p>Investment securities</p> <p>Other securities</p> <p>Stocks and other securities with no market prices</p> <p>Stocks and other securities with no market prices are stated at cost being determined by the moving average method.</p>								
2. Depreciation/ Amortization Method for Long-lived Assets	<p>(1) Property and Equipment (including entrusted properties)</p> <p>Depreciation is calculated using the straight-line method. The estimated useful lives of major property and equipment ranges are as follows:</p> <table border="0" data-bbox="526 537 1085 672"> <tr> <td>Buildings</td> <td>3 - 65 years</td> </tr> <tr> <td>Structures</td> <td>10 - 35 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>3 - 17 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td>3 - 20 years</td> </tr> </table> <p>Assets with purchase costs of 100,000 yen or more but less than 200,000 yen are depreciated over three years based on the Corporation Tax Act.</p> <p>(2) Intangible Assets</p> <p>Intangible assets are amortized utilizing the straight-line method.</p> <p>(3) Long-term Prepaid Expenses</p> <p>Long-term prepaid expenses are amortized utilizing the straight-line method.</p>	Buildings	3 - 65 years	Structures	10 - 35 years	Machinery and equipment	3 - 17 years	Tools, furniture and fixtures	3 - 20 years
Buildings	3 - 65 years								
Structures	10 - 35 years								
Machinery and equipment	3 - 17 years								
Tools, furniture and fixtures	3 - 20 years								
3. Accounting for Deferred Assets	<p>(1) Investment Corporation Bond Issuance Costs</p> <p>Investment corporation bond issuance costs are amortized utilizing the straight-line method over the redemption periods.</p> <p>(2) Investment Unit Issuance Expenses</p> <p>Investment unit issuance expenses are amortized utilizing the straight-line method over three years.</p>								
4. Standards for Recording Revenues and Expenses	<p>(1) Standards for Revenue Recognition</p> <p>The details of main performance obligations concerning revenue generated from contracts between JPR and its customers and the ordinary time to fulfil said performance obligations (ordinary time to recognize revenue) are as follows.</p> <p>a. Sale of real estate</p> <p>For the proceeds from sale of real estate, JPR recognizes revenue when the purchaser who is a customer obtains control of the relevant real estate as a result of the seller fulfilling its delivery obligations stipulated in the transaction agreement of the real estate.</p> <p>b. Utilities income</p> <p>JPR recognizes utilities income in accordance with the supply of electricity and water, etc. to the lessee who is a customer based on the lease agreement of real estate and details of agreements incidental to it. Of the utilities income, in the case that JPR deems itself to be an agent, the net amount obtained by deducting the amount it pays to other parties from the amount it receives as charges for electricity and gas, etc. supplied by the said other parties is recognized as revenue.</p> <p>(2) Accounting Treatment of Taxes on Property and Equipment</p> <p>In connection with property taxes, city planning taxes and depreciated asset taxes (the “property taxes”), JPR uses the method of charging the corresponding amounts of assessed taxes to the current fiscal period as expenses related to rent business.</p> <p>Furthermore, JPR capitalized an amount equivalent to the property taxes paid to the sellers during the first fiscal period as a part of the purchase cost, not as expenses, in connection with the acquisition of real estate or entrusted beneficiary interests in real estate as entrusted property. Taxes on property and equipment capitalized were nil for the fiscal period ended June 30, 2021, and amounted to 6,431 thousand yen for the fiscal period ended December 31, 2021.</p>								

5. Scope of Cash and Cash Equivalents in the Statements of Cash Flows	Cash and cash equivalents in the Statements of Cash Flows include the following items. (1) Cash on hand and cash in trust (2) Deposits placed with banks and deposits in trust that can be withdrawn at any time (3) Short-term investments that are readily convertible to cash and have insignificant risk of price fluctuations and have original maturities of three months or less from the acquisition date.
6. Other Significant Items Fundamental to the Preparation of Financial Statements	(1) Accounting Policies on Trust Beneficiary Interests in Real Estate as Property in Trust Regarding trust beneficiary interests in real estate, all asset and liability accounts of entrusted properties as well as all revenue and expense accounts generated by the property in trust are recorded in relevant accounts on the Balance Sheets and Statements of Income and Retained Earnings. Furthermore, the following material accounts are separately presented in the Balance Sheets for properties in trust recorded in relevant accounts. a. Cash and deposits in trust b. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust c. Tenant leasehold and security deposits in trust (2) Accounting for Consumption Taxes Revenues and expenses in the Statements of Income and Retained Earnings do not include consumption taxes.

(8) Notes on Changes in Accounting Policies

1. Application of Accounting Standard for Revenue Recognition, Etc.

JPR has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 (revised 2020), issued on March 31, 2020) and the “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30 (revised 2021), issued on March 26, 2021) from the beginning of the 40th fiscal period, and decided to recognize revenue at the amount expected to be received in exchange for the promised goods or services when control of the goods or services is transferred to the customer. The impact of this change on the financial statements is minimal.

Furthermore, in accordance with the transitional treatment stipulated in Paragraph 89-3 of the Accounting Standard for Revenue Recognition, the note related to Revenue Recognition for the previous fiscal period is not shown.

2. Application of Accounting Standard for Fair Value Measurement, Etc.

JPR has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, issued on July 4, 2019), etc. from the beginning of the 40th fiscal period, and decided to adopt the new accounting policies set forth by the said Accounting Standard, etc. going forward in accordance with the transitional treatment as stipulated in Paragraph 19 of the “Accounting Standard for Fair Value Measurement” and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10 (revised 2019), issued on July 4, 2019). The impact of this change on the financial statements is minimal.

Furthermore, pursuant to the provision of Article 2-5 of the Supplementary Provision of the “Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms, and Preparation Methods of Financial Statements” (Cabinet Office Ordinance No. 61, September 24, 2021), the matters listed in Article 8-6-2, paragraph 1, item 3 of the revised Regulation on Terminology, Forms, and Preparation Methods of Financial Statements are omitted.

(9) Notes to Financial Statements

Notes to Balance Sheets

1. Balance of Unused Commitment Line

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

	(Thousands of yen)	
	End of 39th Fiscal Period	End of 40th Fiscal Period
	(as of June 30, 2021)	(as of December 31, 2021)
Credit limit	¥24,000,000	¥24,000,000
Outstanding debts at end of period	-	-
Unused commitment line at end of period	¥24,000,000	¥24,000,000

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

	(Thousands of yen)	
	End of 39th Fiscal Period	End of 40th Fiscal Period
	(as of June 30, 2021)	(as of December 31, 2021)
	¥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)	
	39th Fiscal Period (January 1, 2021 – June 30, 2021)	40th Fiscal Period (July 1, 2021 – December 31, 2021)
A. Rent Revenue-Real Estate		
Rent Revenue		
Rents	¥11,984,455	¥11,911,724
Land rents	1,797,500	1,802,000
Common charges	1,446,921	1,384,623
Parking fees	261,871	264,921
Advertising fees	37,419	36,937
Antenna usage fees	28,729	29,020
Other	44,384	45,950
Subtotal	15,601,282	15,475,177
Other rental revenues		
Incidental rent income	676,975	787,919
Time-based parking fees	8,855	8,725
Cancellation charges	66,725	10,473
Income equivalent to expenses for restoration to original condition	133,597	56,320
Other miscellaneous income	33,792	44,043
Subtotal	919,947	907,481
Total rent revenue-real estate	16,521,229	16,382,659
B. Expenses Related to Rent Business		
Outsourcing expenses	¥630,769	¥628,945
Utilities expenses	714,170	849,905
Property and other taxes	2,436,042	2,422,872
Casualty insurance	26,796	27,256
Repairs and maintenance	504,151	532,237
Property management fees	302,526	289,978
Management association accounts	588,158	612,129
Depreciation	2,100,231	2,127,848
Other	196,844	240,253
Total expenses related to rent business	7,499,692	7,731,428
C. Profits for Rent Business (A-B)	9,021,537	8,651,231

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

39th fiscal period (January 1, 2021 – June 30, 2021)	(Thousands of yen)
JPR Hakata Bldg. (65.0% co-ownership interest)	
Proceeds from sale of real estate	¥2,665,000
Cost of sale of real estate	1,866,664
Other expenses related to sale	14,368
Gain on sale of real estate	783,966

40th fiscal period (July 1, 2021 – December 31, 2021)	(Thousands of yen)
Part of land of Shibadaimon Center Bldg.	
Proceeds from sale of real estate	¥110,000
Cost of sale of real estate	8,838
Other expenses related to sale	3,835
Gain on sale of real estate	97,325
JPR Umeda Loft Bldg. (40.0% co-ownership interest)	
Proceeds from sale of real estate	¥7,000,000
Cost of sale of real estate	4,980,376
Other expenses related to sale	245,992
Gain on sale of real estate	1,773,631
Tokyo Tatemono Honmachi Bldg.	
Proceeds from sale of real estate	¥3,600,000
Cost of sale of real estate	4,445,597
Other expenses related to sale	10,600
Loss on sale of real estate	856,197

Notes to Statements of Changes in Unitholders' Equity

	39th Fiscal Period (January 1, 2021 – June 30, 2021)	40th Fiscal Period (July 1, 2021 – December 31, 2021)
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	958,250 units	958,250 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 hedging for interest rate fluctuation risk and other hedging purposes. Please note that JPR is not engaged in derivative transactions at present.

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

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

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

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

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

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

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

The following are the carrying values and fair values as of June 30, 2021, of financial instruments, and the difference between these amounts. Furthermore, notes on “Cash and deposits,” “Cash and deposits in trust” and “Short-term loans payable” are omitted as these are settled with cash and within a short period of time and thus the fair value approximates the book value. Notes on “Tenant leasehold and security deposits” and “Tenant leasehold and security deposits in trust” are also omitted as they lack materiality.

	(Thousands of yen)		
	Carrying Value (Note 1)	Fair Value (Note 1)	Difference
(1) Current portion of long-term loans payable	(¥20,500,000)	(¥20,554,180)	¥54,180
(2) Investment corporation bonds	(35,500,000)	(36,431,425)	931,425
(3) Long-term loans payable	(¥138,500,000)	(¥140,013,949)	¥1,513,949

The following are the carrying values and fair values as of December 31, 2021, of financial instruments, and the difference between these amounts. Furthermore, notes on “Cash and deposits,” “Cash and deposits in trust” and “Short-term loans payable” are omitted as these are settled with cash and within a short period of time and thus the fair value approximates the book value. Notes on “Tenant leasehold and security deposits” and “Tenant leasehold and security deposits in trust” are also omitted as they lack materiality.

	(Thousands of yen)		
	Carrying Value (Note 1)	Fair Value (Note 1)	Difference
(1) Current portion of long-term loans payable	(¥18,500,000)	(¥18,528,074)	¥28,074
(2) Investment corporation bonds	(37,900,000)	(38,761,615)	861,615
(3) Long-term loans payable	(¥138,500,000)	(¥139,821,667)	¥1,321,667

(Note 1) Liabilities are shown in parentheses.

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

(1) Current portion of long-term loans payable and (3) Long-term loans payable

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

(2) Investment corporation bonds

Of the fair value of these financial instruments, those with market price are calculated based on market price and those with no market price are calculated in accordance with (1) and (3) above.

(Note 3) Amount of repayment of long-term loans payable or redemption of investment corporation bonds to be due subsequent to June 30, 2021, and December 31, 2021

End of 39th Fiscal Period (as of June 30, 2021)

	(Thousands of yen)					
	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Investment corporation bonds	¥-	¥2,000,000	¥5,000,000	¥3,000,000	¥-	¥25,500,000
Long-term loans payable	¥20,500,000	¥16,000,000	¥20,000,000	¥21,000,000	¥20,900,000	¥60,600,000

End of 40th Fiscal Period (as of December 31, 2021)

	(Thousands of yen)					
	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Investment corporation bonds	¥-	¥2,000,000	¥8,000,000	¥-	¥8,500,000	¥19,400,000
Long-term loans payable	¥18,500,000	¥21,000,000	¥15,000,000	¥23,900,000	¥14,000,000	¥64,600,000

Investment and Rental Properties

JPR owns office properties (urban commercial facilities), retail properties (urban retail properties) and urban 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 fair value of these investment and rental properties.

(Thousands of yen)

	39th Fiscal Period (January 1, 2021 – June 30, 2021))	40th Fiscal Period (July 1, 2021 – December 31, 2021)
Carrying Value on the Balance Sheets		
Balance at Beginning of Period	¥441,758,455	¥439,222,516
Amount of Increase (Decrease) during the Period	(¥2,535,938)	¥18,792,383
Balance at End of Period	¥439,222,516	¥458,014,900
Fair Value at End of Period	¥549,331,000	¥574,963,000

(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 39th fiscal period, the amount of decrease is primarily attributable to the sale of JPR Hakata Bldg. (65.0% co-ownership interest) (1,866,664 thousand yen) and depreciation (2,100,231 thousand yen). Of the amount of change during the 40th fiscal period, the amount of increase is primarily attributable to the acquisition of part of land of Shibadaimon Center Bldg. (3,460 thousand yen), the acquisition of additional ownership of Rise Arena Bldg. (7,345,010 thousand yen), the acquisition of GRAND FRONT OSAKA (Umekita Plaza and South Building) (11,864,400 thousand yen) and the acquisition of GRAND FRONT OSAKA (North Building) (9,554,879 thousand yen), and the amount of decrease is primarily attributable to the sale of part of land of Shibadaimon Center Bldg. (8,838 thousand yen), the sale of Tokyo Tatemono Honmachi Bldg. (4,445,597 thousand yen), the sale of JPR Umeda Loft Bldg. (40.0% co-ownership interest) (4,980,376 thousand yen) and depreciation (2,127,848 thousand yen).

(Note 3) The 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 39th and 40th fiscal periods for investment and rental properties are as presented in the “Notes to Statements of Income and Retained Earnings.”

Revenue Recognition

40th fiscal period (July 1, 2021 – December 31, 2021)

Breakdown information on revenue from contracts with customers

(Thousands of yen)

	Revenue from Contracts with Customers (Note 1)	Sales to External Customers (Note 2)
Sale of real estate	¥10,710,000	¥1,870,956
Utilities income (Note 3)	787,919	787,919
Others	—	15,594,740
Total	11,497,919	18,253,616

(Note 1) Rent revenue subject to the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13) are excluded from “Revenue from contracts with customers” as such revenue is not subject to Accounting Standard for Revenue Recognition. Revenue from contracts with customers mainly represents proceeds from sale of real estate and utilities income.

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

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

Per Unit Information

(Yen)

	39th Fiscal Period (January 1, 2021 – June 30, 2021)	40th Fiscal Period (July 1, 2021 – December 31, 2021)
Total net assets per unit	¥268,295	¥268,875
Net income per unit	¥8,474	¥8,236

(Note 1) Net income per unit is calculated by dividing net income by the weighted-average number of units outstanding during the 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)

	39th Fiscal Period (January 1, 2021 – June 30, 2021)	40th Fiscal Period (July 1, 2021 – December 31, 2021)
Net income	¥8,120,561	¥7,892,977
Amounts not attributable to ordinary unitholders	–	–
Net income attributable to ordinary investment units	¥8,120,561	¥7,892,977
Average number of units	958,250 units	958,250 units

Subsequent Events*Issuance of new investment units*

JPR resolved at its Board of Directors meetings held on January 4, 2022 and January 12, 2022 to issue new investment units, as outlined below.

[Issuance of new investment units through public offering (primary offering)]

Number of new investment units issued:	38,100 units
Issue price (offer price):	368,480 yen per unit
Total issue price (total offer price):	14,039,088,000 yen
Paid-in amount (purchase price):	356,824 yen per unit
Total paid-in amount (total purchase price):	13,594,994,400 yen
Payment date:	January 18, 2022

[Issuance of new investment units through third-party allotment]

Number of new investment units issued:	1,900 units
Paid-in amount (purchase price):	356,824 yen per unit
Total paid-in amount (total purchase price):	677,965,600 yen
Allottee:	Mizuho Securities Co., Ltd.
Payment date:	February 16, 2022

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.

(10) Changes in Investment Units Issued and Outstanding

There was no change in the number of units outstanding and unitholders' capital in the 40th fiscal period. The changes in the number of units outstanding and unitholders' capital in the last five years are summarized as follows.

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

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

(Note 2) 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.

(Note 3) New investment units were issued through a public offering at 474,810 yen per unit (underwriting price of 459,790 yen per unit) to fund acquisition of new specified assets and partly repay debt.

3. Reference Information

(1) JPR's Asset Structure

Asset Type	Category of Investment Area	39th Fiscal Period (as of June 30, 2021)		40th Fiscal Period (as of December 31, 2021)	
		Assets Owned by JPR (thousands of yen)	Percentage of Total Assets (%)	Assets Owned by JPR (thousands of yen)	Percentage of Total Assets (%)
Real Estate	Central Tokyo	98,365,928	20.3	98,478,170	19.9
	Greater Tokyo	73,195,537	15.1	67,625,678	13.6
	Other Cities	19,853,821	4.1	19,743,902	4.0
Real Estate in Trust	Central Tokyo	155,764,625	32.2	155,773,488	31.4
	Greater Tokyo	49,248,446	10.2	61,562,431	12.4
	Other Cities	42,794,155	8.8	54,831,227	11.1
Deposits and Other Assets	–	45,101,021 (–)	9.3 (–)	37,600,580 (–)	7.6 (–)
Total Assets	–	484,323,538 (439,222,516)	100.0 (90.7)	495,615,481 (458,014,900)	100.0 (92.4)

(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 40th 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.

Otemachi Financial City North Tower: The site area and the total floor space include South Tower.

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.

Sencity Bldg.: The site area and the total floor space are for the entire redevelopment area.

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 ²)	Total Floor Space (m ²)	Structure/ Floors	Completed
Central Tokyo	Office	Kanematsu Bldg.	Kyobashi 2-chome, Chuo-ku, Tokyo	1,751.13	14,995.09	S, RC, SRC 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.	Nihonbashi Ningyocho 1-chome, Chuo-ku, Tokyo	550.06	4,117.70	SRC, RC 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 B2/13F	Feb. 1988
		Gotanda First Bldg.	Nishi-Gotanda 2-chome, Shinagawa-ku, Tokyo	1,551.19	10,553.34	SRC, RC 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 B2/17F	Jun. 2001
		Shinjuku Square Tower	Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo	8,409.52	78,796.00	S, RC, SRC 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 B2/10F	Jun. 1994
		Shinjuku Center Bldg.	Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo	14,917.11	176,607.89	SRC, RC, S 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
		JPR Nihonbashi-horidome Bldg.	Nihonbashi-Horidomecho 1-chome, Chuo-ku, Tokyo	937.59	7,190.82	S, RC 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, SRC, RC B2/12F	Feb. 1995
		Shibadaiimon Center Bldg.	Shibadaiimon 1-chome, Minato-ku, Tokyo	1,915.50	11,419.93	S, SRC B1/10F	Jul. 1993
		Tokyo Square Garden	Kyobashi 3-chome, Chuo-ku, Tokyo	8,124.72	112,645.83	S, SRC B4/24F	Feb. 2013
	JPR Kojimachi Bldg.	Kojimachi 5-chome, Chiyoda-ku, Tokyo	643.13	4,438.46	S B1/9F	Feb. 1999	
	Otemachi Financial City North Tower	Otemachi 1-chome, Chiyoda-ku, Tokyo	15,838.93	239,769.07	S, SRC B4/35F	Oct. 2012	
	Retail, etc.	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 Sanchome East Bldg.	Shinjuku 3-chome, Shinjuku-ku, Tokyo	2,578.69	24,617.65	S, SRC, RC B3/14F	Jan. 2007
		Yurakucho Ekimae Bldg. (Yurakucho Itocia)	Yurakucho 2-chome, Chiyoda-ku, Tokyo	6,808.12	71,957.65	S, SRC B4/20F	Oct. 2007
		JPR Ginza Namiki-dori Bldg.	Ginza 5-chome, Chuo-ku, Tokyo	230.11	1,821.67	S 11F	Jun. 2008
		FUNDES Suidobashi	Kanda Misakicho 2-chome, Chiyoda-ku, Tokyo	281.59	1,477.91	S 9F	Jul. 2015

Area	Type	Property Name	Location	Site Area (m ²)	Total Floor Space (m ²)	Structure/ 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
		JPR Yokohama Bldg.	Kitasaiwai 1-chome, Nishi-ku, Yokohama, Kanagawa	1,110.28	8,772.51	SRC B1/9F	May 1981
		Omiya Prime East	Shimochi 2-chome, Omiya-ku, Saitama, Saitama	2,268.09	9,203.98	S 9F	Feb. 2009
		Sencity Bldg.	Shinmachi, Chuo-ku, Chiba, Chiba	20,054.15	158,663.55	S, SRC B2/23F	Apr. 1993 Aug. 1998 Expanded
	Retail, etc.	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	
FUNDES Ueno		Ueno 7-chome, Taito-ku, Tokyo	383.74	2,235.60	S B1/10F	Jul. 2017	
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
		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	4,486.44	22,286.35	SRC 14F	Jan. 2009
		JPR Shinsaibashi Bldg.	Minamisemba 4-chome, Chuo-ku, Osaka, Osaka	609.31	5,303.98	S B2/10F	Feb. 2003 Jan. 2005 Expanded
		JPR Shinsaibashi West	Minamisemba 4-chome, Chuo-ku, Osaka, Osaka	1,405.74	7,738.47	SRC B1/8F	Sep. 1986 Feb. 2007 Expanded
	Retail, etc.	GRAND FRONT OSAKA (Umekita Plaza and South Building)	Ofuka-cho, Kita-ku, Osaka, Osaka	20,488.08	191,597.49	RC, S B2/2F (Umekita Plaza)	Feb. 2013 (Umekita Plaza)
						S, SRC B3/38F (South Building)	Mar. 2013 (South Building)
		GRAND FRONT OSAKA (North Building)	Ofuka-cho, Kita-ku, Osaka, Osaka	22,680.03	290,030.59	S, SRC B3/38F	Feb. 2013
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		

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., Science Plaza- Yonbancho Plaza, Shibadaimon Center Bldg., JPR Kojimachi Bldg., Otemachi Financial City North Tower, JPR Shibuya Tower Records Bldg., Shinjuku Sanhome 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, JPR Yokohama Bldg., Omiya Prime East, Sencity Bldg., Cupo-la Main Bldg., FUNDES Ueno, Sompo Japan Sendai Bldg., Sompo Japan Wakayama Bldg., Tenjin 121 Bldg., JPR Dojima Bldg., Yakuin Business Garden, JPR Shinsaibashi West
Tanizawa Sogo Appraisal Co., Ltd.	JPR Jingumae 432, Kawasaki Dice Bldg., Niigata Ekinan Center Bldg., JPR Naha Bldg.
CBRE KK	Rise Arena Bldg., JPR Nagoya Fushimi Bldg., JPR 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., JPR Ginza Namiki-dori Bldg., JPR Musashikosugi Bldg., Musashiurawa Shopping Square, JPR Umeda Loft Bldg.
JLL Morii Valuation & Advisory K.K.	GRAND FRONT OSAKA (Umekita Plaza and South Building), GRAND FRONT OSAKA (North Building)

- 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 40th 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 (million yen)	Investment Ratio (%)	Appraisal Value (million yen)	Investment Ratio (%)
Central Tokyo	Office	Kanematsu Bldg.	Dec. 27, 2001	16,276	3.4	14,900	2.6
		Kanematsu Bldg. Annex	Dec. 27, 2001	2,874	0.6	3,410	0.6
		JPR Ningyo-cho Bldg.	Nov. 16, 2001	2,100	0.4	3,040	0.5
		Shin-Kojimachi Bldg.	Nov. 16, 2001	1,670	0.5	4,380	0.8
			Nov. 21, 2002	550			
			Nov. 12, 2004	200			
		JPR Crest Takebashi Bldg.	Jun. 21, 2002	4,000	0.8	3,790	0.7
		MS Shibaura Bldg.	Mar. 28, 2003	11,200	2.3	15,900	2.8
		Gotanda First Bldg.	Jul. 23, 2003	2,920	0.6	4,270	0.7
		JPR Ichigaya Bldg.	May 28, 2004	5,100	1.1	4,850	0.8
		Oval Court Ohsaki Mark West	Jun. 1, 2004	3,500	0.7	5,110	0.9
		Shinjuku Square Tower	Jul. 2, 2004	10,000	3.1	14,800	2.6
			Sep. 26, 2008	180			
			Mar. 25, 2015	4,000			
			Oct. 21, 2015	786			
		BYGS Shinjuku Bldg.	Nov. 9, 2004	2,900	3.1	19,600	3.4
			Apr. 12, 2005	8,921			
			Jul. 13, 2010	3,300			
		Across Shinkawa Bldg. Annex	Nov. 26, 2004	710	0.1	783	0.1
		Shinjuku Center Bldg.	Mar. 27, 2008	21,000	4.3	19,000	3.3
		Minami Azabu Bldg.	Jul. 14, 2008	3,760	0.8	3,330	0.6
		Shinagawa Canal Bldg.	Dec. 19, 2008	1,870	0.4	2,360	0.4
			Mar. 8, 2019	171			
		Rokubancho Bldg.	Dec. 2, 2009	2,800	0.6	3,630	0.6
		JPR Harajuku Bldg.	Dec. 25, 2009	8,400	1.7	10,500	1.8
		JPR Nihonbashi-horidome Bldg.	Mar. 31, 2010	5,100	1.1	6,810	1.2
		JPR Sendagaya Bldg.	May 31, 2010	15,050	3.1	11,900	2.1
		Ginza Sanwa Bldg.	Aug. 29, 2011	3,400	0.7	3,740	0.7
	Otemachi Tower (Land with Leasehold Interest)	Mar. 13, 2012	36,000	7.4	52,500	9.1	
	Science Plaza-Yonbancho Plaza	Dec. 6, 2013	2,660	0.5	3,410	0.6	
	Shibadaimon Center Bldg.	Dec. 6, 2013	3,413 (Note 1)	0.9	6,530	1.1	
		Jul. 30, 2014	800				
Tokyo Square Garden	Feb. 1, 2017	9,200	3.8	20,800	3.6		
	Apr. 4, 2017	9,200					
JPR Kojimachi Bldg.	Jun. 27, 2019	5,750	1.2	6,840	1.2		
Otemachi Financial City North Tower	Dec. 24, 2020	11,400	2.4	12,700	2.2		
Retail, etc.	JPR Shibuya Tower Records Bldg.	Jun. 30, 2003	12,000	2.5	14,200	2.5	
	JPR Jingumae 432	Mar. 24, 2006	4,275	0.9	4,270	0.7	
	Shinjuku Sanhome East Bldg.	Mar. 14, 2007	540	0.6	2,720	0.5	
		Apr. 24, 2008	2,200				
	Yurakucho Ekimae Bldg. (Yurakucho Itocia)	Aug. 27, 2008	3,400	0.7	3,330	0.6	
	JPR Ginza Namiki-dori Bldg.	Dec. 15, 2016	10,100	2.1	11,100	1.9	
FUNDES Suidobashi	Dec. 15, 2016	3,250	0.7	3,390	0.6		
Subtotal of Central Tokyo				256,926	53.0	297,893	51.8

Area	Type	Property Name	Acquisition Date	Acquisition Price		Appraisal Value at End of Period	
				Price (million yen)	Investment Ratio (%)	Appraisal Value (million yen)	Investment Ratio (%)
Greater Tokyo	Office	Arca East	Nov. 16, 2001	5,880	1.2	7,070	1.2
		JPR Chiba Bldg.	Dec. 13, 2001	2,350	0.5	1,830	0.3
		JPR Yokohama Nihon Odori Bldg.	Nov. 16, 2001	2,927	0.6	2,350	0.4
		Shinyokohama 2nd Center Bldg.	Sep. 25, 2002	920	0.3	2,460	0.4
			Mar. 28, 2013	570			
		Kawaguchi Center Bldg.	Feb. 13, 2004	8,100	1.7	10,600	1.8
		JPR Ueno East Bldg.	Mar. 1, 2004	3,250	0.7	5,740	1.0
		Tachikawa Business Center Bldg.	Sep. 30, 2005	888	0.7	4,620	0.8
			Feb. 28, 2007	2,300			
		Rise Arena Bldg.	Mar. 22, 2007	5,831	2.7	17,700	3.1
			Oct. 28, 2021	7,300			
		Yume-ooka Office Tower	Jul. 10, 2007	6,510	1.3	7,310	1.3
		Olinas Tower	Jun. 29, 2009	31,300	6.5	40,000	7.0
		JPR Yokohama Bldg.	Dec. 27, 2010	7,000	1.4	10,200	1.8
	Omiya Prime East	Mar. 22, 2013	6,090	1.3	10,400	1.8	
	Sencity Bldg.	Mar. 27, 2020	13,870	2.9	14,800	2.6	
	Retail, etc.	Tanashi ASTA	Nov. 16, 2001	10,200	2.1	11,000	1.9
		Cupo-la Main Bldg.	Mar. 31, 2006	2,100	0.4	2,890	0.5
		JPR Musashikosugi Bldg.	Sep. 28, 2006	7,254	1.5	5,500	1.0
		Musashiurawa Shopping Square	Mar. 19, 2007	4,335	0.9	4,290	0.7
Kawasaki Dice Bldg.		Apr. 12, 2007	15,080	3.1	14,100	2.5	
FUNDES Ueno		Jun. 27, 2019	3,800	0.8	4,000	0.7	
Subtotal of Greater Tokyo				147,855	30.5	176,860	30.8
Other Cities	Office	Niigata Ekinan Center Bldg.	Nov. 16, 2001	2,140	0.4	2,270	0.4
		JPR Naha Bldg.	Nov. 16, 2001	1,560	0.3	2,240	0.4
		Sompo Japan Sendai Bldg.	Jun. 26, 2002	3,150	0.6	4,870	0.8
		Sompo Japan Wakayama Bldg.	Jun. 26, 2002	1,670	0.3	1,640	0.3
		Tenjin 121 Bldg.	Jun. 21, 2002	2,810	0.6	3,940	0.7
		JPR Dojima Bldg.	Jan. 23, 2004	2,140	0.4	3,820	0.7
		JPR Nagoya Fushimi Bldg.	Mar. 22, 2005	4,137	0.9	3,440	0.6
		Yakuin Business Garden	Aug. 8, 2012	10,996	2.3	22,200	3.9
		JPR Shinsaibashi Bldg.	May 30, 2005	5,430	1.1	4,700	0.8
		JPR Shinsaibashi West	Jan. 30, 2020	3,750	0.8	4,520	0.8
		GRAND FRONT OSAKA (Umekita Plaza and South Building) (Note 2)	Dec. 24, 2021	11,800	2.4	12,300	2.1
		GRAND FRONT OSAKA (North Building) (Note 2)	Dec. 24, 2021	9,500	2.0	10,100	1.8
	Retail, etc.	JPR Umeda Loft Bldg. (Note 3)	May 15, 2003	4,800	1.6	8,400	1.5
			Jul. 16, 2003	3,000			
		Housing Design Center Kobe	Sep. 28, 2005	7,220	1.5	7,290	1.3
JPR Chayamachi Bldg.	Aug. 30, 2006	6,000	1.2	8,480	1.5		
Subtotal of Other Cities				80,103	16.5	100,210	17.4
Total				484,884	100.0	574,963	100.0

- (Note 1) On October 15, 2021, JPR sold part of the site (3.52 m²) of the property to a third party and acquired part of the adjacent land (3.52 m²) owned by the said third party from the third party. Furthermore, in accordance with the sale and acquisition of the land, the acquisition price has been changed from 3,420 million yen to 3,413 million yen.
- (Note 2) In association with the acquisition of GRAND FRONT OSAKA (Umekita Plaza and South Building) and GRAND FRONT OSAKA (North Building), JPR acquired 1,666 shares in KMO Corporation for 83,740 thousand yen, a claim for refund of funds of Knowledge Capital, a general incorporated association, for 5,120 thousand yen, and a claim for refund of funds of GRAND FRONT OSAKA TMO, a general incorporated association, for 710 thousand yen.
The appraisal value at end of the 40th fiscal period of these shares and claims for refund of funds is 83,740 thousand yen for the 1,666 shares of KMO Corporation, 5,120 thousand yen for the claim for refund of funds of Knowledge Capital, and 710 thousand yen for the claim for refund of funds of GRAND FRONT OSAKA TMO.
- (Note 3) For JPR Umeda Loft Bldg., JPR sold 40.0% of its co-ownership interest in real estate beneficiary interest on December 24, 2021. Accordingly, the acquisition price of the property indicates the amount equivalent to 60.0% co-ownership interest JPR owns as of the end of the 40th fiscal period.

(3) Capital Expenditures

1) Planned Capital Expenditures

The following are major items of capital expenditures for renovation works, etc. planned as of the end of the 40th fiscal period for real estate and real estate in trust regarding trust beneficiary interests in real estate which JPR owns. Furthermore, the planned construction expenses include portions that are classified as expenses in accounting.

Property Name	Location	Purpose	Schedule	Planned Amount (million yen)		
				Total Value	Payment during the 40th fiscal period	Amount Already Paid
Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Third phase of replacement of piping equipment	Jan. 2022 – May 2022	70	–	–
Kawaguchi Center Bldg.	Kawaguchi, Saitama	Repair of exterior walls	Oct. 2021 – Mar. 2022	63	–	–
MS Shibaura Bldg.	Minato-ku, Tokyo	First phase of reinforcement of elevators	Jul. 2021 – Apr. 2022	62	–	–
JPR Shinsaibashi Bldg.	Osaka, Osaka	Second phase of replacement of air-conditioning units	May 2022 – Jun. 2022	61	–	–
Sencity Bldg.	Chiba, Chiba	Replacement of toilets in the west building	Jan. 2022 – Mar. 2022	59	–	–
Omiya Prime East	Saitama, Saitama	Beautification of toilets	Mar. 2022 – Apr. 2022	49	–	–
JPR Kojimachi Bldg.	Chiyoda-ku, Tokyo	Repair of exterior walls	Jan. 2022 – Jun. 2022	47	–	–
Sencity Bldg.	Chiba, Chiba	Replacement of facilities at the third electrical room	Jan. 2022 – Mar. 2022	46	–	–
JPR Nagoya Fushimi Bldg.	Nagoya, Aichi	Repair of rooftop waterproofing	Apr. 2022 – Jun. 2022	35	–	–

2) Capital Expenditures during the 40th Fiscal Period

The following are the capital expenditure amounts JPR invested in real estate and real estate in trust during the 40th fiscal period. Among major capital expenditures, JPR conducted replacement of air-conditioning units to maintain and enhance tenant satisfaction, as well as renovation of common-use areas with the aim of attracting new tenants, among other works. In addition, aside from these constructions, JPR conducted construction of 545 million yen (Note), which was appropriated as expenditures for repair and maintenance.

Property Name	Location	Purpose	Period	Construction Expenses (million yen)
Kanematsu Bldg.	Chuo-ku, Tokyo	Second phase of replacement of toilets on standard floors and corridors and ceilings in common areas	Mar. 2021 – Dec. 2021	128
BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Second phase of repair of common areas on B2F through 1st floor	Jul. 2021 – Oct. 2021	98
JPR Shinsaibashi West	Osaka, Osaka	Second phase of replacement of toilets	Jul. 2021 – Dec. 2021	89
JPR Crest Takebashi Bldg.	Chiyoda-ku, Tokyo	Replacement of air-conditioning units	Mar. 2021 – Dec. 2021	88
BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Third phase of reinforcement of elevators	Feb. 2021 – Jul. 2021	68
Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Second phase of replacement of piping equipment	Jun. 2021 – Nov. 2021	63
Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Replacement of air-conditioning units	Nov. 2021 – Dec. 2021	47
JPR Shinsaibashi Bldg.	Osaka, Osaka	First phase of replacement of air-conditioning units	Nov. 2021 – Dec. 2021	44
Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Second phase of shift to variable air-volume systems on the 5th and 8th floors	Sep. 2021 – Nov. 2021	30
Other capital expenditures		Replacement of air-conditioning units, repair of common areas, replacement of lighting equipment with LED lamps, etc.		942
Total				1,601

(Note) Expenditures for repair and maintenance included 13 million yen of construction management fees paid to construction management companies as well as the amounts for repair and maintenance construction itself.

(4) 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 40th fiscal period.

<Property Name: Otemachi Tower (Land with Leasehold Interest)>

Total Number of Tenants	2	
Rental Revenues	1,802,000 thousand yen	
Percentage to Total Rental Revenues (Note 1)	11.0%	
Total Leased Floor Space (Note 2)	11,034.78 m ²	
Total Leasable Floor Space (Note 2)	11,034.78 m ²	
Changes in Occupancy Rate in Last 5 years (Note 1)	December 31, 2021	100.0%
	June 30, 2021	100.0%
	December 31, 2020	100.0%
	June 30, 2020	100.0%
	December 31, 2019	100.0%
	June 30, 2019	100.0%
	December 31, 2018	100.0%
	June 30, 2018	100.0%
	December 31, 2017	100.0%
	June 30, 2017	100.0%

(Note 1) The figure has been rounded to the first decimal place.

(Note 2) The total leased floor space and total leasable floor space are those as of the end of the 40th fiscal period (December 31, 2021).

(5) 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
June 30, 2017	62	730	477,972.54 m ²	98.0%
December 31, 2017	62	745	478,169.25 m ²	98.5%
June 30, 2018	62	747	478,117.02 m ²	98.8%
December 31, 2018	62	747	478,088.25 m ²	99.2%
June 30, 2019	63	757	480,277.86 m ²	98.6%
December 31, 2019	63	760	480,284.17 m ²	99.6%
June 30, 2020	65	851	499,269.77 m ²	99.7%
December 31, 2020	66	857	501,162.78 m ²	99.3%
June 30, 2021	65	804	496,876.92 m ²	98.1%
July 31, 2021	65	799	496,876.92 m ²	97.3%
August 31, 2021	65	802	496,889.70 m ²	97.3%
September 30, 2021	65	800	496,906.36 m ²	97.0%
October 31, 2021	65	799	501,414.13 m ²	96.3%
November 30, 2021	65	803	501,440.58 m ²	96.4%
December 31, 2021	66	1,134	500,628.05 m ²	97.3%

(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 40th fiscal period, as well as the total rental income for the 40th fiscal period.

Total Number of Tenants	1,134
Total Leased Floor Space	487,246.75 m ²
Total Leasable Floor Space	500,628.05 m ²
Total Rental Income	16,382,659 thousand yen

2) Overview of Lease Status for Respective Properties

Area	Type	Property Name	40th Fiscal Period (July 1, 2021 – December 31, 2021)						
			Information on Period End Floor Space, Etc.				Rental Revenues		
			Total Leasable Floor Space (m ²)	Total Leased Floor Space (m ²)	No. of Tenants (Note 1)	Occupancy Rate (%)	(thousands of yen)	Ratio (%)	
Central Tokyo	Office	Kanematsu Bldg.	8,090.42	7,688.72	10	95.0	409,642	2.5	
		Kanematsu Bldg. Annex	2,291.13	2,291.13	1	100.0	(Note 2)	(Note 2)	
		JPR Ningyo-cho Bldg.	2,802.22	2,802.22	5	100.0	91,566	0.6	
		Shin-Kojimachi Bldg.	3,319.37	3,208.22	16	96.7	109,527	0.7	
		JPR Crest Takebashi Bldg.	3,265.34	3,265.34	8	100.0	119,126	0.7	
		MS Shibaura Bldg.	14,468.38	14,468.38	10	100.0	493,272	3.0	
		Gotanda First Bldg.	4,241.22	4,241.22	2	100.0	141,312	0.9	
		JPR Ichigaya Bldg.	4,240.37	3,852.87	9	90.9	142,976	0.9	
		Oval Court Ohsaki Mark West	4,088.44	4,088.44	1	100.0	(Note 2)	(Note 2)	
		Shinjuku Square Tower	19,266.38	18,037.05	23	93.6	421,688	2.6	
		BYGS Shinjuku Bldg.	15,227.80	14,553.02	22	95.6	607,969	3.7	
		Across Shinkawa Bldg. Annex	1,253.39	966.93	2	77.1	30,207	0.2	
		Shinjuku Center Bldg.	8,865.71	8,215.13	30	92.7	506,174	3.1	
		Minami Azabu Bldg.	3,405.73	3,405.73	1	100.0	(Note 2)	(Note 2)	
		Shinagawa Canal Bldg.	1,870.50	1,726.50	5	92.3	60,232	0.4	
		Rokubancho Bldg.	2,501.16	2,501.16	1	100.0	(Note 2)	(Note 2)	
		JPR Harajuku Bldg.	4,759.80	4,759.80	10	100.0	276,198	1.7	
		JPR Nihonbashi-horidome Bldg.	5,299.88	5,299.88	5	100.0	192,932	1.2	
		JPR Sendagaya Bldg.	6,177.74	6,177.74	6	100.0	298,501	1.8	
		Ginza Sanwa Bldg.	1,896.69	1,896.69	9	100.0	110,050	0.7	
		Otemachi Tower (Land with Leasehold Interest)	11,034.78	11,034.78	2	100.0	1,802,000	11.0	
		Science Plaza-Yonbancho Plaza	3,325.29	3,184.61	23	95.8	115,548	0.7	
		Shibadaiimon Center Bldg.	5,401.49	5,401.49	9	100.0	181,516	1.1	
		Tokyo Square Garden	5,971.73	5,462.42	47	91.5	356,364	2.2	
		JPR Kojimachi Bldg.	3,493.67	2,476.50	5	70.9	123,345	0.8	
		Otemachi Financial City North Tower	4,191.96	4,189.99	10	100.0	272,862	1.7	
		Retail, etc.	JPR Shibuya Tower Records Bldg.	8,076.85	8,076.85	1	100.0	(Note 2)	(Note 2)
			JPR Jingumae 432	1,027.33	1,027.33	7	100.0	85,253	0.5
Shinjuku Sanchome 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)		
JPR Ginza Namiki-dori Bldg.	1,665.79		1,233.94	8	74.1	187,346	1.1		
FUNDES Suidobashi	1,367.56		1,367.56	6	100.0	68,793	0.4		
Greater Tokyo	Office		Arca East	7,022.76	7,022.76	7	100.0	264,044	1.6
		JPR Chiba Bldg.	5,541.49	5,289.70	40	95.5	138,372	0.8	
		JPR Yokohama Nihon Odori Bldg.	6,079.73	6,079.73	19	100.0	133,287	0.8	
		Shinyokohama 2nd Center Bldg.	5,285.84	4,830.07	21	91.4	108,125	0.7	
		Kawaguchi Center Bldg.	15,519.71	15,519.71	41	100.0	475,303	2.9	
		JPR Ueno East Bldg.	6,454.89	6,454.89	10	100.0	183,012	1.1	
		Tachikawa Business Center Bldg.	4,588.89	4,478.25	22	97.6	150,673	0.9	

Greater Tokyo	Office	Rise Arena Bldg.	10,531.10	6,739.89	5	64.0	207,232	1.3
		Yume-ooka Office Tower	11,998.77	11,998.77	43	100.0	349,340	2.1
		Olinas Tower	23,987.40	23,587.49	16	98.3	1,017,448	6.2
		JPR Yokohama Bldg.	6,493.99	6,415.50	20	98.8	308,421	1.9
		Omiya Prime East	6,871.45	6,871.45	4	100.0	295,871	1.8
		Sencity Bldg.	13,271.20	12,745.57	71	96.0	499,684	3.1
	Retail, etc.	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	127,041	0.8
		Kawasaki Dice Bldg.	12,113.12	11,920.14	28	98.4	449,530	2.7
		FUNDES Ueno	1,989.66	1,989.66	10	100.0	111,079	0.7
Other Cities	Office	Niigata Ekinan Center Bldg.	5,327.50	5,327.50	11	100.0	123,266	0.8
		Tokyo Tatemono Honmachi Bldg. (Note 3)	–	–	–	–	146,483	0.9
		JPR Naha Bldg.	3,945.01	3,945.01	20	100.0	115,749	0.7
		Sompo Japan Sendai Bldg.	7,132.69	7,124.72	15	99.9	197,758	1.2
		Sompo Japan Wakayama Bldg.	4,876.35	4,076.32	17	83.6	96,889	0.6
		Tenjin 121 Bldg.	3,257.07	3,197.39	14	98.2	123,079	0.8
		JPR Dojima Bldg.	3,917.91	3,917.91	12	100.0	132,651	0.8
		JPR Nagoya Fushimi Bldg.	7,086.23	6,666.68	5	94.1	150,188	0.9
		Yakuin Business Garden	16,654.33	16,644.71	16	99.9	552,609	3.4
		JPR Shinsaibashi Bldg.	4,021.63	4,021.63	8	100.0	127,995	0.8
		JPR Shinsaibashi West	5,695.71	5,689.41	14	99.9	140,432	0.9
		GRAND FRONT OSAKA (Umekita Plaza and South Building)	5,290.60	5,157.67	239	97.5	(Note 2)	(Note 2)
	GRAND FRONT OSAKA (North Building)	8,474.10	8,321.78	97	98.2	(Note 2)	(Note 2)	
	Retail, etc.	JPR Umeda Loft Bldg.	11,152.18	11,152.18	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.		2,478.42	2,478.42	5	100.0	179,598	1.1	
Total			500,628.05	487,246.75	1,134	97.3	16,382,659	100.0

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

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

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

(Note 3) JPR sold Tokyo Tatemono Honmachi Bldg. on December 24, 2021.

3) Ten Largest Tenants

The following table shows the ten largest tenants in terms of leased floor space as of December 31, 2021.

Rank	Tenant	Property Name	Leased Floor Space at End of Period (m ²) (Note 1)	Percentage to Total Leased Floor Space at End of Period (Note 2)
1	Tokyo Tatemono Co., Ltd	Shinjuku Square Tower Shinjuku Center Bldg. Tokyo Square Garden Olinas Tower Kawasaki Dice Bldg. Tokyo Tatemono Honmachi Bldg.	48,645.33	9.8%
		GRAND FRONT OSAKA (North Building)		
2	ABC Development Corporation	Housing Design Center Kobe	35,444.13	7.1%
3	Seiyu GK	Tanashi ASTA	31,121.71	6.3%
4	Taisei-Yuraku Real Estate Co., Ltd.	Rise Arena Bldg. Sencity Bldg.	24,075.05	4.9%
5	Ito-Yokado Co., Ltd.	JPR Musashikosugi Bldg.	19,740.95	4.0%
6	The LOFT Co., Ltd.	JPR Umeda Loft Bldg.	11,152.18	2.2%
7	Olympic Group Corporation	Musashiurawa Shopping Square	9,558.51	1.9%
8	Mitsubishi Estate Co., Ltd.	Otemachi Financial City North Tower	4,191.96	0.8%
		GRAND FRONT OSAKA (Umekita Plaza and South Building) GRAND FRONT OSAKA (North Building)	(Note 3)	
9	Tower Records Japan Inc.	JPR Shibuya Tower Records Bldg.	8,076.85	1.6%
10	Y.K. Tokyo Prime Stage	Otemachi Tower (Land with Leasehold Interest)	7,875.50	1.6%

(Note 1) For co-owned properties, etc., the figure indicates the leased floor space corresponding to the ownership 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 ownership interest held by JPR (496,032.25 m²).

(Note 3) Leased floor space at end of period for GRAND FRONT OSAKA (Umekita Plaza and South Building) and GRAND FRONT OSAKA (North Building) is not disclosed as no consent to disclosure has been obtained from the co-owners, etc.