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**For Immediate Release**

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**Notice Concerning Operating Forecasts for the Fiscal Periods Ending June 30, 2003  
(revision) and December 31, 2003 (new announcement)**

Japan Prime Realty Investment Corporation (JPR) today announced revisions to its operating forecast for the fiscal period January 1, 2003 to June 30, 2003, published on February 28, 2003. At the same time, JPR also announced its operating forecast for the fiscal period July 1, 2003 to December 31, 2003.

1. Revised Forecast for the Third Fiscal Period Ending June 30, 2003

	Operating Revenues (yen in millions)	Net Income (yen in millions)	Dividend per Unit (exclusive of distributions in excess of earnings) (yen)	Distributions in Excess of Earnings per Unit (yen)
Previous Forecast (A)	4,895	1,752	6,050	0
Revision (B)	5,263	1,824	6,300	0
Difference (B-A)	368	72	250	0
Change (%)	7.5%	4.1%	4.1%	0%

(Note) Forecast units outstanding as of June 30, 2003: 289,600 units

Note: This document provides information regarding the Company's investment and business forecasts for the fiscal periods ending June 30, 2003 and December 31, 2003, and is not provided as an inducement or invitation for investment. We caution readers to refer to the Company's Prospectus and Notice of Amendments thereto and to undertake investment decisions subject to individual determination.

## 2. Forecast for the Fourth Fiscal Period Ending December 31, 2003

	Operating Revenues (yen in millions)	Net Income (yen in millions)	Dividend per Unit (exclusive of distributions in excess of earnings) (yen)	Distributions in Excess of Earnings per Unit (yen)
Fiscal Period Ending December 31, 2003	6,081	2,279	5,300	0

(Note) Forecast units outstanding as of December 31, 2003: 430,000 units

### Notes:

1. Forecast units outstanding are based on assumptions outlined separately.
2. Figures are rounded down.
3. Operating forecasts are based on the assumption that all properties scheduled for acquisition are purchased without delay after the offering (July 22, 2003).

### 3. Reasons for Revision

As part of its funds procurement program, JPR resolved at a meeting of its Board of Directors held on June 17, 2003 to issue additional investment units for the purpose of acquiring new properties. As a result of this initiative the underlying pre-conditions and assumptions in connection with JPR's original operating forecast for the fiscal period ending June 30, 2003 will change. Accordingly, JPR has decided to announce revisions to its original operating forecast for the fiscal periods ending June 30, 2003.

The operating forecasts for the third fiscal period ending June 30, 2003 and the fourth fiscal period ending December 31, 2003 are based on the pre-conditions and assumptions stated below. Actual operating revenues, net income, and dividend per unit may change due to the acquisition or sale of properties, change in operating environment, and offer price to be determined on the pricing date.

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The pre-conditions and assumptions that support forecasts for the third fiscal period ending June 30, 2003 and the fourth fiscal period ending December 31, 2003 are as follows.

	Assumptions
Period	3 <sup>rd</sup> fiscal period: January 1, 2003 to June 30, 2003 4 <sup>th</sup> fiscal period: July 1, 2003 to December 31, 2003
Property Portfolio	< 3 <sup>rd</sup> fiscal period > Total of 30 properties including 29 properties held as of June 17, 2003 and the Jinnan 1-Chome Building to be acquired on June 30, 2003. < 4 <sup>th</sup> fiscal period > Total of 31 properties including 29 properties held as of June 17, 2003, the Jinnan 1-Chome Building to be acquired on June 30, 2003, and an additional portion of the Kuraray Nissay Building, and the Gotanda First Building to be acquired in July 2003 (a portion of the Kuraray Nissay Building was initially acquired on May 15, 2003. The increase in ownership in the Kuraray Nissay Building is not included as an addition to the number of properties owned). JPR will move swiftly to acquire those new properties identified, following settlement of additional investment unit issue. Forecasts are based on the assumption property portfolio will remain unchanged up to and including the end of the 4 <sup>th</sup> fiscal period ending December 31, 2003. Actual numbers may change due to the acquisition or sale of properties.
Investment Units Issued	< 3 <sup>rd</sup> fiscal period > Calculations assume 289,600 units issued and outstanding as of June 30, 2003. < 4 <sup>th</sup> fiscal period > JPR has resolved to issue an additional 140,400 units, comprising the primary offering of 134,400 units and a third-party allotment totaling 6,000 units. Calculations are based on the assumption a maximum of 6,000 units for the third-party allotment are fully issued.
Interest-bearing Liabilities Ratio	The balance of debt outstanding as of June 17, 2003 is ¥58.7 billion and comprises long-term debt ¥40.0 billion and short-term debt ¥18.7 billion. On June 30, 2003, JPR plans to repay ¥2.0 billion in short-term debt and to borrow an additional ¥12.8 billion in short-term debt to fund the acquisition of the Jinnan 1-Chome Building. As a result, total debt as of June 30, 2003 will be ¥71.5 billion comprising ¥40.0 billion in long-term debt and ¥31.5 in short-term debt. JPR intends to repay approximately ¥22.7 billion in short-term debt following settlement of additional investment unit issue. Accordingly, JPR is targeting an interest-bearing liabilities ratio of 34.1% in the 4 <sup>th</sup> fiscal period maintaining the current level. The amount of debt to be repaid above may differ according to the offer price of additional investment unit issue. The following formula is used for the interest-bearing liabilities ratio: Interest-bearing liabilities ratio = Interest-bearing liabilities / (Interest-bearing liabilities + Unitholders' equity) x 100.
Operating Expenses	Property tax and city planning tax applicable to the MS Shibaura Building, the Kuraray Nissay Building, the Jinnan 1-Chome Building, and the Gotanda First Building acquired (or to be acquired) during the 3 <sup>rd</sup> fiscal periods ending June 30, 2003 and the 4 <sup>th</sup> fiscal period ending December 31, 2003 will be calculated on a pro-rata basis and the portion payable by JPR will be included in the acquisition price of each property. Accordingly, these taxes are not included in operating expenses for the 3 <sup>rd</sup> and 4 <sup>th</sup> fiscal periods. However, these taxes payable on January 1, 2004 will be posted to operating expenses from the fiscal period ending June 30, 2004.

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Non-operating Expenses	Costs associated with the additional issue of investment units are estimated at approximately ¥90 million, the amount paid in the 4th fiscal period.
Distribution per Unit	Distribution per unit of amounts less than ¥1 are omitted. Calculations are based on a 100% distribution of unappropriated retained earnings.
Distributions in Excess of Earnings per Unit	JPR does not currently anticipate distributions in excess of earnings per unit. Accordingly, distributions in excess of earnings for the 3 <sup>rd</sup> and 4 <sup>th</sup> fiscal periods will not be made.

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