



Japan Prime Realty Investment Corporation  
**Tenth Fiscal Period Results**  
(July 1, 2006 – December 31, 2006)

February 2007

**Japan Prime Realty Investment Corporation (JPR)**

Tokyo Stock Exchange (Code 8955)

Board of Directors Meeting: February 19, 2007

Payment of Dividends: March 13, 2007 (planned)

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**PERFORMANCE (July 1, 2006 – December 31, 2006)****(1) Business Results**(Amounts less than a million yen discarded)  
(Millions of yen, yen for per unit information)

	Operating Revenues	% Change	Net Operating Profits	% Change	Recurring Profits	% Change	Net Income	% Change
<b>Dec. 31, 2006</b>	<b>9,088</b>	<b>(5.8%)</b>	<b>4,373</b>	<b>(8.7%)</b>	<b>3,643</b>	<b>(5.6%)</b>	<b>3,642</b>	<b>(5.6%)</b>
June 30, 2006	8,588	(0.0%)	4,024	(1.0%)	3,450	(1.5%)	3,449	(1.5%)

(Yen)

	EPU	Net Income/NAV	<Reference> (Annualized)	Recurring Profits/ Total Assets	<Reference> (Annualized)	Recurring Profits/ Operating Revenues
<b>Dec. 31, 2006</b>	<b>6,872</b>	<b>3.1%</b>	<b>(6.1%)</b>	<b>1.5%</b>	<b>(3.0%)</b>	<b>40.1%</b>
June 30, 2006	6,508	2.9%	(5.9%)	1.5%	(3.0%)	40.2%

Notes: 1. EPU is calculated based on the average number of investment units during the term

Fiscal period ended June 30, 2006: 530,000 units

Fiscal period ended Dec. 31, 2006: 530,000 units

2. Changes in accounting standards: Yes

3. Percentages for operating revenues, net operating profits, recurring profits and net income show changes from the previous fiscal period, and are rounded to the nearest tenth

4. Net income/NAV and recurring profits/total assets are calculated based on the average of unitholders' equity (NAV) and total assets as of the beginning and end of the period

5. Annualized result =

For the period ended June 30, 2006: Actual result/Actual investment days (181 days) x 365 days

For the period ended Dec. 31, 2006: Actual result/Actual investment days (184 days) x 365 days

**(2) Cash Distributions**

(Millions of yen, yen for DPU)

	DPU	Distribution Amount	Exceeding Profit Distribution Per Unit	Exceeding Profit Distribution Amount	Dividend Payout Ratio	Distribution/NAV
<b>Dec. 31, 2006</b>	<b>6,873</b>	<b>3,642</b>	—	—	<b>100.0%</b>	<b>3.1%</b>
June 30, 2006	6,509	3,449	—	—	100.0%	2.9%

Note: Dividend payout ratio is rounded to the nearest tenth.

**(3) Financial Position**

(Millions of yen, yen for NAV per unit)

	Total Assets	NAV	NAV Ratio	NAV Per Unit
<b>Dec. 31, 2006</b>	<b>244,691</b>	<b>119,074</b>	<b>48.7%</b>	<b>224,668</b>
June 30, 2006	231,523	118,881	51.3%	224,304

Note: Number of units outstanding at the end of the period

Fiscal period ended June 30, 2006: 530,000 units

Fiscal period ended Dec. 31, 2006: 530,000 units

**FORECASTS FOR ELEVENTH FISCAL PERIOD ENDING JUNE 30, 2007**

(Millions of yen, yen for DPU and exceeding profit distribution per unit)

	Operating Revenues	Net Operating Profits	Recurring Profits	Net Income	DPU (excluding exceeding profit distribution per unit)	Exceeding Profit Distribution Per Unit
Eleventh Fiscal Period Ending June 30, 2007	<b>9,708</b>	<b>4,843</b>	<b>4,126</b>	<b>4,125</b>	<b>6,600</b>	—

Reference: Estimated EPU for the fiscal period: ¥6,600

The above-mentioned forecasts are based on “Assumptions for the Eleventh Fiscal Period Forecast (January 1, 2007 - June 30, 2007)” as below. The aforementioned forecasts are based on assumptions and information available to management as of the date of this report. As a result, actual operating revenues, recurring profit, net income and distributions per unit will be subject to changes in market conditions. Accordingly, the forecasts are not a guarantee of any cash distribution amounts.

**Assumptions for the Eleventh Fiscal Period Forecast  
(January 1, 2007 - June 30, 2007)**

	Assumptions
Period	11th fiscal period: January 1, 2007 to June 30, 2007 (investment period: 181 days)
Property Portfolio	In addition to the 46 properties and preferred securities (one issue) held as of December 31, 2006, JPR is scheduled to acquire additional ownership in the Tachikawa Business Center Building on February 28, 2007, the Shinjuku Sanhome East Building (Shinjuku 3-chome East Redevelopment Project) and Rise Arena Building (Higashi-Ikebukuro 4-chome Redevelopment Project) in March 2007 as well as implement a transfer of Tsurumi fuga 1 and JPR Takamatsu Bldg. on April 11, 2007. The assumed average occupancy rate at end of month is 98.4%. However, JPR assumes rent revenues from Rise Arena Building to start on June 1, 2007.  In practice, these assumptions may vary due to the acquisition of additional properties or the sale of existing properties.
Units outstanding	Forecast units outstanding as of June 30, 2007 are 625,000 units. This is based on 530,000 units outstanding as of December 31, 2006 plus 90,000 units additionally issued on February 2007 and a third-party allotment of 5,000 units (maximum) to be issued on March 2007.
Interest-bearing Debt Ratio	The interest-bearing debt ratio as of December 31, 2006 stands at approximately 48.7%. However, following the issue of additional investment units as of January 17, 2007 and sale of Tsurumi fuga 1 and JPR Takamatsu Bldg., JPR plans to apply these funds to the acquisitions of additional ownership in the Tachikawa Business Center Building, the Shinjuku Sanhome East Building (Shinjuku 3-chome East Redevelopment Project) and Rise Arena Building (Higashi-Ikebukuro 4-chome Redevelopment Project) as well as to the repayment of short-term and long-term debt. Accordingly, the interest-bearing debt ratio is expected to fall to approximately 35%. Forecasts for the 11 <sup>th</sup> fiscal period are based on an interest-bearing debt ratio of approximately 35% throughout the period.  The following formula is used for the interest-bearing debt ratio: Interest-bearing debt ratio = Interest-bearing debt / (Interest-bearing debt + Unitholders' equity) x 100.
Operating Expenses	JPR is scheduled to acquire additional ownership in the Tachikawa Business Center Building, the Shinjuku Sanhome East Building (Shinjuku 3-chome East Redevelopment Project) and Rise Arena Building (Higashi-Ikebukuro 4-chome Redevelopment Project) on January 1, 2007 and after. Adjustments such as property taxes and city planning taxes levied on these properties for the initial year of acquisition have been included in acquisition costs, and no operating expenses have been incurred for these.  (However, property taxes and city planning taxes to be levied on the owners of the properties as of January 1, 2008 will be appropriated as operating expenses for fiscal periods ending June 2008 and after.)
Profit on Sale of Properties	Expected profit from the sale of two properties planned on April 11, 2007 is included in the forecast.
Distribution per Unit	JPR does not currently anticipate distributions in excess of earnings per unit. Limited to JPR's retained earnings, the forecast is based on a distribution of amounts obtained by dividing the profit available for dividend by the number of units outstanding and rounded down.

## Financial Statements

### Balance Sheets (December 31, 2006 and June 30, 2006)

#### Assets

('000 Yen)

Item	End of Tenth Period (December 31, 2006)	End of Ninth Period (June 30, 2006)	% Change
<b>Current Assets:</b>			
Cash and bank deposits	10,653,563	10,478,692	
Entrusted cash and deposits	13,997,165	13,600,136	
Rental receivables	134,365	157,002	
Prepaid expenses	138,530	97,900	
Deferred tax assets	192	467	
Other current assets	9,811	11,506	
<b>Total Current Assets</b>	<b>24,933,629</b>	<b>24,345,705</b>	<b>2.4%</b>
<b>Fixed Assets:</b>			
<b>Property and equipment:</b>			
Buildings	18,431,800	16,316,514	
Entrusted buildings	72,363,796	71,065,665	
Structures	4,714	4,714	
Entrusted structures	70,743	68,034	
Machinery and equipment	151,968	148,754	
Entrusted machinery and equipment	1,358,449	1,332,492	
Tools, furniture and fixtures	13,859	12,310	
Entrusted tools, furniture and fixtures	65,022	58,466	
Land	28,581,792	23,036,551	
Entrusted land	108,824,129	103,665,465	
Construction in progress	6,428	3,853	
Entrusted construction in progress	—	200	
Less: accumulated depreciation	(11,749,213)	(10,169,358)	
<b>Total Property and Equipment</b>	<b>218,123,491</b>	<b>205,543,666</b>	<b>6.1%</b>
<b>Intangible Assets:</b>			
Other intangible assets	5,471	5,969	
<b>Total Intangible Assets</b>	<b>5,471</b>	<b>5,969</b>	<b>(8.3%)</b>
<b>Investments and Other Assets:</b>			
Investment securities	1,558,460	1,558,460	
Deposits	10,100	10,100	
Other	250	250	
<b>Total Investments and Other Assets</b>	<b>1,568,810</b>	<b>1,568,810</b>	<b>—</b>
<b>Total Fixed Assets</b>	<b>219,697,773</b>	<b>207,118,445</b>	<b>6.1%</b>
<b>Deferred Assets:</b>			
Corporate bond issuance costs	60,555	59,149	
<b>Total Deferred Assets</b>	<b>60,555</b>	<b>59,149</b>	<b>2.4%</b>
<b>Total Assets</b>	<b>244,691,958</b>	<b>231,523,301</b>	<b>5.7%</b>

**Balance Sheets (December 31, 2006 and June 30, 2006)****Liabilities**

('000 Yen)

Item	End of Tenth Period (December 31, 2006)	End of Ninth Period (June 30, 2006)	% Change
<b>Current Liabilities:</b>			
Trade accounts payable	923,005	785,828	
Short-term borrowings	19,500,000	14,000,000	
Current portion of long-term borrowings	7,500,000	22,500,000	
Other accounts payable	473,515	441,179	
Accrued expenses	184,597	169,453	
Accrued income taxes	609	773	
Accrued consumption taxes	145,485	147,979	
Rent received in advance	1,014,037	946,386	
<b>Total Current Liabilities</b>	<b>29,741,250</b>	<b>38,991,600</b>	<b>(23.7%)</b>
<b>Long-Term Liabilities:</b>			
Corporate bonds	46,500,000	42,000,000	
Long-term borrowings	35,966,000	18,966,000	
Leasehold and security deposits received	3,098,556	2,718,246	
Entrusted leasehold and security deposits received	10,311,883	9,965,983	
<b>Total Long-Term Liabilities</b>	<b>95,876,439</b>	<b>73,650,230</b>	<b>30.2%</b>
<b>Total Liabilities</b>	<b>125,617,689</b>	<b>112,641,830</b>	<b>11.5%</b>
<b>Unitholders' Equity:</b>			
Unitholders' capital 5,000,000 units authorized 530,000 units issued and outstanding on both December 31, 2006 and June 30, 2006	115,431,503	115,431,503	
Retained earnings	3,642,765	3,449,967	5.6%
<b>Total Unitholders' Equity</b>	<b>119,074,268</b>	<b>118,881,470</b>	<b>0.2%</b>
<b>Total Liabilities and Unitholders' Equity</b>	<b>244,691,958</b>	<b>231,523,301</b>	<b>5.7%</b>

**Statements of Income and Retained Earnings (July 1, 2006 – December 31, 2006 and January 1, 2006 – June 30, 2006)**

Item	('000 Yen)		
	Tenth Fiscal Period (July 1, 2006 – December 31, 2006)	Ninth Fiscal Period (January 1, 2006 – June 30, 2006)	% Change
<b>Operating Revenues</b>	9,088,175	8,588,774	5.8%
Real estate rental revenues	9,056,584	8,552,819	
Dividends received	31,591	35,955	
<b>Operating Expenses</b>	4,714,416	4,564,632	3.3%
Real estate rental expenses	4,151,317	4,013,227	
Asset management fees	356,054	350,947	
Administrative service and custodian fees	63,682	68,880	
Directors' fees	5,700	5,700	
Trust fees	51,987	50,561	
Other operating expenses	85,674	75,316	
<b>Operating Profits</b>	4,373,758	4,024,141	8.7%
<b>Non-Operating Revenues</b>	4,380	67,432	(93.5%)
Interest income	1,135	93	
Income on settlement of management association accounts	—	60,249	
Other non-operating revenues	3,245	7,089	
<b>Non-Operating Expenses</b>	734,652	640,847	14.6%
Interest expense	378,907	296,526	
Loan arrangement fees	18,507	18,241	
Interest expense on corporate bonds	289,135	277,882	
Amortization of corporate bond issuance costs	42,221	42,113	
Other non-operating expenses	5,879	6,083	
<b>Recurring Profits</b>	3,643,487	3,450,727	5.6%
<b>Income Before Income Taxes</b>	3,643,487	3,450,727	5.6%
Income taxes	643	858	
Deferred taxes	275	208	
<b>Net Income</b>	3,642,568	3,449,659	5.6%
<b>Retained Earnings Brought Forward</b>	197	307	(35.9%)
<b>Retained Earnings at End of Period</b>	3,642,765	3,449,967	5.6%

**Statements of Changes in Unitholders' Equity (July 1, 2006 – December 31, 2006 and January 1, 2006 – June 30, 2006)**

	('000 Yen)		
	Unitholders' capital	Retained earnings	Total
<b>Balance as of Jan. 1, 2006</b>	115,431,503	3,398,137	118,829,641
<b>Changes during the period</b>		51,829	51,829
Cash distributions paid		(3,397,830)	(3,397,830)
Net Income		3,449,659	3,449,659
<b>Balance as of June 30, 2006</b>	115,431,503	3,449,967	118,881,470
<b>Balance as of July 1, 2006</b>	115,431,503	3,449,967	118,881,470
<b>Changes during the period</b>		192,798	192,798
Cash distributions paid		(3,449,770)	(3,449,770)
Net Income		3,642,568	3,642,568
<b>Balance as of Dec. 31, 2006</b>	115,431,503	3,642,765	119,074,268

**Statements of Cash Flows (July 1, 2006 – December 31, 2006 and January 1, 2006 – June 30, 2006)**

Item	('000 Yen)	
	Tenth Fiscal Period (July 1, 2006 – December 31, 2006)	Ninth Fiscal Period (January 1, 2006 – June 30, 2006)
<b>Cash Flows from Operating Activities:</b>		
Income before income taxes	3,643,487	3,450,727
Depreciation	1,580,353	1,561,173
Amortization of corporate bond issuance costs	42,221	42,113
Interest income	(1,135)	(93)
Interest expense	668,043	574,408
Decrease (increase) in rent receivables	22,636	(30,776)
(Increase) decrease in prepaid expenses	(40,629)	47,699
(Decrease) increase in trade accounts payable	(50,749)	93,398
Increase in other accounts payable	26,577	13,539
Decrease in accrued consumption taxes	(2,494)	(75,878)
Increase in rent received in advance	67,650	24,795
Change in other current assets/liabilities	(8,633)	(45,793)
<b>Subtotal</b>	<b>5,947,328</b>	<b>5,655,314</b>
Interest received	1,135	93
Interest paid	(652,899)	(570,014)
Income taxes paid	(2,588)	(1,159)
<b>Net cash provided by operating activities</b>	<b>5,292,976</b>	<b>5,084,234</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(7,578,563)	(2,204,753)
Purchases of entrusted property and equipment	(6,393,190)	(4,968,166)
Payment of leasehold and security deposits received	(29,734)	(1,210,549)
Proceeds from leasehold and security deposits received	420,911	196,265
Payment of entrusted leasehold and security deposits received	(125,521)	(124,217)
Proceeds from entrusted leasehold and security deposits received	476,231	291,048
<b>Net cash used in investing activities</b>	<b>(13,229,867)</b>	<b>(8,020,372)</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from short-term debt	24,500,000	6,500,000
Repayment of short-term debt	(19,000,000)	—
Proceeds from long-term debt	17,000,000	—
Repayment of short-term debt	(15,000,000)	—
Proceeds from corporate bonds	4,500,000	—
Payment of corporate bond issuance cost	(43,628)	—
Distributions to unitholders	(3,447,579)	(3,395,973)
<b>Net cash provided by financing activities</b>	<b>8,508,792</b>	<b>3,104,026</b>
<b>Net change in cash and cash equivalents</b>	<b>571,900</b>	<b>167,887</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>24,078,828</b>	<b>23,910,940</b>
<b>Cash and cash equivalents at end of period</b>	<b>24,650,729</b>	<b>24,078,828</b>



## Notes to Financial Statements

### < Change in Accounting Policies >

	10 <sup>th</sup> Fiscal Period (July 1, 2006 – December 31, 2006)	9 <sup>th</sup> Fiscal Period (January 1, 2006 – June 30, 2006)
Accounting for Deferred Assets	<p>Corporate Bond Issuance Costs</p> <p>Corporate bond issuance costs are depreciated utilizing the straight-line method over the depreciation periods. The corporate bond issuance costs recorded on the balance sheets for the 9<sup>th</sup> fiscal period and before were depreciated over three years, with an equal amount depreciated in each fiscal period.</p> <p>This has resulted in increasing the corporate bond issuance costs by 7,163 thousand yen, decreasing depreciation of corporate bond issuance costs by the same amount, and increasing recurring profits and income before income taxes by the same amount, compared to the previous method.</p>	<p>Corporate Bond Issuance Costs</p> <p>Corporate bond issuance costs are depreciated over three years, with an equal amount depreciated in each fiscal period.</p>

## Subsequent Events

### <Issue of New Investment Units through Public Offering>

Payment in connection with new investment units, the issue and pricing of which were approved at Board of Directors meetings held on January 17, 2007 and January 29, 2007, respectively, was completed on February 6, 2007, terms and conditions briefly as follows. As a result, unitholders' capital totaled ¥154,552,073,600, while the number of investment units issued and outstanding was 620,000 as of February 6, 2007.

Number of new investment units issued: 90,000

Purchase (public offering) price: ¥449,820 per investment unit

Gross proceeds: ¥40,483,800,000

Purchase (underwriting) price: ¥434,673 per investment unit

Gross proceeds: ¥39,120,570,000

Payment date: February 6, 2007

Delivery date: February 7, 2007

Starting date of computation for cash distribution: January 1, 2007

### < Issue of New Investment Units through Third-Party Allotment>

JPR resolved to undertake a secondary offering (over-allotment option) by way of third-party allotment at Board of Directors meetings held on January 17, 2007 and January 29, 2007, brief details as follows. JPR also proved the granting of an option (the "Greenshoe Option") by way of third-party allotment to Mizuho Securities Co., Ltd. The greenshoe option may be exercised by no later than March 2, 2007.

Number of investment units to be issued: 5,000 (maximum)

Purchase price: ¥434,673 per investment unit

Gross proceeds: ¥2,173,365,000 (maximum)

Third-party allottee: Mizuho Securities Co., Ltd.

Payment date: March 7, 2007

Delivery date: March 8, 2007

Starting date of computation for cash distribution: January 1, 2007

## Reference

### Acquisitions

#### Tachikawa Business Center Building (additional ownership)

Location	2-38-5 Akebono-cho, Tachikawa-shi, Tokyo
Type of Ownership	Land: Co-ownership Bldg.: Unit ownership
Total Site Area	2,047.22 m <sup>2</sup> (JPR's portion: 608.90 m <sup>2</sup> )
Total Floor Area	14,706.36 m <sup>2</sup>
Proprietary Floor Area	10,027.66 m <sup>2</sup> (JPR's portion: 3,065.63 m <sup>2</sup> )
Type of Structure	S, SRC, B1-12F
Completion	December 1994
Number of Tenants	16
Total Leasable Floor Space	2,980.90 m <sup>2</sup>
Total Leased Floor Space	2,980.90 m <sup>2</sup>
Occupancy Rate	100%
Acquisition Price	¥2,300 million
Type of Asset	Real estate
Contract Date	January 17, 2007 (Planned acquisition date: February 28, 2007)

#### Shinjuku Sanhome East Building

Location	1-26 Shinjuku 3-chome, Shinjuku-ku, Tokyo
Type of Ownership	Land: Unit ownership Bldg.: Co-ownership of unit ownership
Total Site Area	2,578.69 m <sup>2</sup> (JPR's portion: 70.33 m <sup>2</sup> )
Total Floor Area	26,360.56 m <sup>2</sup>
Proprietary Floor Area (Co-owned section only)	11,173.47 m <sup>2</sup> (JPR's portion: 478.51 m <sup>2</sup> )
Type of Structure	S, RC, SRC, B3-14F
Completion	January 2007
Number of Tenants	1
Total Leasable Floor Space	11,173.47 m <sup>2</sup> (Co-owned section only)
Total Leased Floor Space	11,173.47 m <sup>2</sup> (Co-owned section only)
Occupancy Rate	100%
Acquisition Price	¥540 million
Type of Asset	Real estate
Contract Date	January 17, 2007 (Planned acquisition date: March 2007)

**Details of Corporate Bonds and Corporate Credit Ratings as of December 31, 2006**

Ratings Agency	Corporate Credit Rating	Corporate Bonds (Bond Issues One through Seven)
Rating and Investment Information, Inc.	A+ (Stable)	A+*1
Moody's Investors Service	A2 (Stable)*2	A2*2
Standard & Poor's	Long-term: A- (Stable) Short-term: A-2 (Stable)	A-

\*1 JPR series 7 bonds have not obtained a rating from Rating and Investment Information, Inc.

\*2 As of November 17, 2006 Moody's Investors Service upgraded JPR's issuer rating and senior unsecured long-term debt rating from A3 to A2.

**Real estate portfolio (as of December 31, 2006)**

Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions)	% of Total	Appraisal Value as of Dec. 31, 2006 (yen in millions)
Tokyo CBDs	Office	Kanematsu Bldg.	Chuo-ku, Tokyo	Dec. 2001	16,276	7.3%	14,800
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	1.3%	2,960
	Office	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	0.9%	2,430
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001	1,670	1.1%	3,020
				Nov. 2002	550		
				Nov. 2004	200		
					2,420		
	Office	JPR Crest Takebashi Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	1.8%	3,780
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	5.0%	16,497
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	1.3%	3,640
	Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003	1,800	1.3%	2,980
				Apr. 2005	1,120		
					2,920		
	Office	JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	May 2004	5,100	2.3%	5,330
	Office	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 2004	3,500	1.6%	4,160
	Office	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2004	10,000	4.5%	11,790
Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004	2,900	5.3%	12,200	
			Apr. 2005	8,921			
				11,821			
Office	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 2004	710	0.3%	829	
Retail	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	5.4%	14,800	
Retail	JPR Daikanyama	Shibuya-ku, Tokyo	Oct. 2004	2,160	1.0%	1,730	
Retail	JPR Jingumae 432	Shibuya-ku, Tokyo	Mar. 2006	4,460	2.0%	4,510	
<b>Subtotal</b>					<b>94,461</b>	<b>42.5%</b>	<b>105,456</b>
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	2.6%	7,070
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	1.1%	2,060
	Office	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	1.3%	2,700
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.4%	1,420
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	3.6%	10,100
	Office	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	1.5%	4,420
	Office	Tachikawa Business Center Bldg.	Tachikawa, Tokyo	Sep. 2005	888	0.4%	1,370
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	4.6%	13,200
	Retail	Tsurumi fuga 1 *1	Yokohama, Kanagawa	Nov. 2001	3,040	1.4%	3,720
	Retail	Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 2006	2,100	0.9%	2,570
	Retail	JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Sep. 2006	7,260	3.3%	7,010
<b>Subtotal</b>					<b>46,915</b>	<b>21.1%</b>	<b>55,640</b>

Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions)	% of Total	Appraisal Value as of Dec. 31, 2006 (yen in millions)
Other Cities	Office	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 2001	2,140	1.0%	2,270
	Office	Meiji Yasuda-Life Osaka Umeda Bldg.	Osaka, Osaka	Dec. 2001	8,300	3.7%	10,300
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	1.9%	4,210
	Office	JPR Takamatsu Bldg. *2	Takamatsu, Kagawa	Dec. 2001	2,130	1.0%	1,510
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	1.3%	2,870
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	0.7%	1,510
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	1.7%	2,970
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	1.4%	4,070
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	0.8%	1,900
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	1.3%	2,820
	Office	JPR Nagoya Sakae Bldg.	Nagoya, Aichi	Sep. 2003	4,550	2.0%	5,610
	Office	JPR Dojima Bldg.	Osaka, Osaka	Jan. 2004	2,140	1.0%	2,540
	Office	JPR Hakata-chuo Bldg.	Fukuoka, Fukuoka	Jun. 2004	1,920	0.9%	2,140
	Office	UFJ Central Leasing Head Office Bldg.	Nagoya, Aichi	Mar. 2005	4,137	1.9%	4,390
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 Jul. 2003	8,000 5,000 13,000	5.8%	16,190
	Retail	Shtrasse Ichibancho	Sendai, Miyagi	Feb. 2005	4,200	1.9%	4,010
	Retail	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May 2005	5,430	2.4%	5,680
	Retail	Housing Design Center Kobe	Kobe, Hyogo	Sep. 2005	7,220	3.2%	7,720
	Retail	Chayamachi Grande Bldg.	Osaka, Osaka	Aug. 2006	6,000	2.7%	5,560
<b>Subtotal</b>					<b>81,107</b>	<b>36.5%</b>	<b>88,270</b>
<b>Total</b>					<b>222,483</b>	<b>100.0%</b>	<b>249,366</b>

**Real estate portfolio (as of December 31, 2006)**

Area	Type	Property Name	Leasable Area	# of Tenants	Occupancy	Rental Revenue (yen in thousands)	% of Total
Tokyo CBDs	Office	Kanematsu Bldg.	7,994.02m <sup>2</sup>	10	100.0%	451,203	5.0%
	Office	Kanematsu Bldg. Annex	2,291.13m <sup>2</sup>	1	100.0%	104,611	1.2%
	Office	JPR Ningyo-cho Bldg.	2,788.98m <sup>2</sup>	4	100.0%	100,862	1.1%
	Office	Shin-Kojimachi Bldg.	2,105.44m <sup>2</sup>	7	100.0%	71,672	0.8%
			901.36m <sup>2</sup>	2	43.9%	13,385	0.1%
			312.53m <sup>2</sup>	1	100.0%	11,542	0.1%
			3,319.33m <sup>2</sup>	10	84.8%	96,599	1.1%
	Office	JPR Crest Takebashi Bldg.	3,265.34m <sup>2</sup>	8	87.8%	118,953	1.3%
	Office	MS Shibaura Bldg.	14,429.09m <sup>2</sup>	8	100.0%	544,268	6.0%
	Office	Gotanda First Bldg.	4,243.58m <sup>2</sup>	2	100.0%	134,424	1.5%
	Office	Fukuoka Bldg.	1,250.06m <sup>2</sup>	1	100.0%	64,667	0.7%
			687.34m <sup>2</sup>	1	100.0%	37,822	0.4%
			1,937.40m <sup>2</sup>	2	100.0%	102,489	1.1%
	Office	JPR Ichigaya Bldg.	4,186.09m <sup>2</sup>	9	100.0%	188,996	2.1%
	Office	Oval Court Ohsaki Mark West	4,088.44m <sup>2</sup>	4	100.0%	177,168	2.0%
	Office	Shinjuku Square Tower	10,982.03m <sup>2</sup>	25	100.0%	297,660	3.3%
	Office	BYGS Shinjuku Bldg.	11,357.50m <sup>2</sup>	25	98.4%	483,510	5.3%
Office	Across Shinkawa Bldg. Annex	1,253.39m <sup>2</sup>	4	100.0%	47,783	0.5%	
Retail	JPR Shibuya Tower Records Bldg.	8,076.85m <sup>2</sup>	1	100.0%	345,576	3.8%	
Retail	JPR Daikanyama	653.99m <sup>2</sup>	4	100.0%	47,149	0.5%	
Retail	JPR Jingumae 432	1,027.33m <sup>2</sup>	5	100.0%	96,384	1.1%	
Greater Tokyo	Office	Arca East	7,022.76m <sup>2</sup>	6	100.0%	285,469	3.2%
	Office	JPR Chiba Bldg.	5,562.97m <sup>2</sup>	27	92.8%	137,678	1.5%
	Office	JPR Yokohama Nihon Odori Bldg.	6,066.53m <sup>2</sup>	10	93.4%	139,264	1.5%
	Office	Shinyokohama 2nd Center Bldg.	2,641.19m <sup>2</sup>	15	100.0%	74,690	0.8%
	Office	Kawaguchi Center Bldg.	15,461.98m <sup>2</sup>	39	99.3%	486,947	5.4%
	Office	JPR Ueno East Bldg.	6,512.45m <sup>2</sup>	8	90.9%	192,061	2.1%
	Office	Tachikawa Business Center Bldg.	1,747.13m <sup>2</sup>	4	100.0%	57,515	0.6%
	Retail	Tanashi ASTA	31,121.71m <sup>2</sup>	1	100.0%	596,400	6.6%
	Retail	Tsurumi fuga 1 *1	9,578.60m <sup>2</sup>	1	100.0%	145,200	1.6%
	Retail	Cupo-la Main Bldg.	5,963.00m <sup>2</sup>	1	100.0%	* 3	* 3
	Retail	JPR Musashikosugi Bldg.	19,740.95m <sup>2</sup>	1	100.0%	* 3	* 3

Area	Type	Property Name	Leasable Area	# of Tenants	Occupancy	Rental Revenue (yen in thousands)	% of Total
Other Cities	Office	Niigata Ekinan Center Bldg.	5,205.82m <sup>2</sup>	11	100.0%	132,055	1.5%
	Office	Meiji Yasuda-Life Osaka Umeda Bldg.	9,600.49m <sup>2</sup>	28	98.9%	374,041	4.1%
	Office	Tokyo Tatemono Honmachi Bldg.	7,210.25m <sup>2</sup>	9	97.3%	246,197	2.7%
	Office	JPR Takamatsu Bldg. *2	5,037.05m <sup>2</sup>	29	89.6%	88,261	1.0%
	Office	JPR Hakata Bldg.	6,581.15m <sup>2</sup>	27	88.7%	143,208	1.6%
	Office	JPR Naha Bldg.	3,947.70m <sup>2</sup>	17	95.5%	108,345	1.2%
	Office	North 33 Bldg.	6,642.98m <sup>2</sup>	24	96.6%	167,242	1.8%
	Office	Sompo Japan Sendai Bldg.	7,118.60m <sup>2</sup>	17	99.9%	205,120	2.3%
	Office	Sompo Japan Wakayama Bldg.	4,874.91m <sup>2</sup>	16	96.6%	119,363	1.3%
	Office	Tenjin 121 Bldg.	3,292.02m <sup>2</sup>	15	100.0%	114,546	1.3%
	Office	JPR Nagoya Sakae Bldg.	5,461.90m <sup>2</sup>	21	100.0%	234,186	2.6%
	Office	JPR Dojima Bldg.	3,941.40m <sup>2</sup>	11	100.0%	134,788	1.5%
	Office	JPR Hakata-chuo Bldg.	3,349.57m <sup>2</sup>	6	100.0%	89,532	1.0%
	Office	UFJ Central Leasing Head Office Bldg.	7,123.07m <sup>2</sup>	1	100.0%	193,291	2.1%
	Retail	JPR Umeda Loft Bldg.	18,586.97m <sup>2</sup>	1	100.0%	402,423	4.4%
	Retail	Shtrasse Ichibancho	2,861.91m <sup>2</sup>	1	100.0%	128,388	1.4%
	Retail	Benetton Shinsaibashi Bldg.	5,303.98m <sup>2</sup>	1	100.0%	*3	*3
	Retail	Housing Design Center Kobe	35,444.13m <sup>2</sup>	1	100.0%	*3	*3
	Retail	Chayamachi Grande Bldg.	2,484.39m <sup>2</sup>	8	100.0%	94,715	1.0%
<b>Total</b>			<b>337,382.05m<sup>2</sup></b>	<b>479</b>	<b>98.6%</b>	<b>9,056,584</b>	<b>100.0%</b>

\*1,\*2 JPR concluded a contract to sell Tsurumi fuga 1 and JPR Takamatsu Bldg. with the following terms:

Contract Date July 26, 2006  
Sale Price ¥5,800 million  
Settlement Date April 11, 2007 (planned)  
Expected Profit ¥539 million (planned)

\*3 Buildings leased to a single tenant. JPR was unable to obtain tenants' approval to disclose rental information.



## Disclaimer

This document contains a translation of selected information described in the Financial Report (*Kessan Tanshin*) dated February 19, 2007 and prepared under the timely disclosure requirements of the Tokyo Stock Exchange, as well as the Financial Statements and Performance Information Report written pursuant to the Investment Trust Law of Japan, for the period from July 1, 2006 to December 31, 2006 of Japan Prime Realty Investment Corporation (JPR).

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