

January 17, 2007

For Translation Purposes Only

For Immediate Release

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Notice Concerning Operating Forecasts for the Fiscal Period Ending June 2007

Japan Prime Realty Investment Corporation (JPR) today announced its operating forecasts for the fiscal period ending June 2007 (January 1, 2007 – June 30, 2007), as detailed below.

Details

1. Forecasts for the Fiscal Period Ending June 2007 (January 1, 2007 – June 30, 2007)

	Operating Revenues (Millions of yen)	Recurring Profits (Millions of yen)	Net Income (Millions of yen)	Dividend per Unit (excluding distributions in excess of earnings per unit) (Yen)	Distributions in Excess of Earnings per Unit (Yen)
Fiscal Period Ending June 2007	9,697	4,094	4,093	6,550	—

Notes:

1. Forecast units outstanding as of June 30, 2007: 625,000 units
2. The above forecasts are based on the assumptions outlined in attachment. Operating revenues, recurring profits, net income, and dividend per unit may change due to the acquisition of additional properties or the sale of properties, change in operating environment and the offer price to be determined. JPR is not in a position to guarantee these results.
3. Figures are rounded down.

<Reference>

With respect to the forecasts for the period ended December 2006 (July 1, 2006 – December 31, 2006), please refer to the “Notice Concerning Revisions to Operating Forecasts for the Fiscal Period Ending December 31, 2006” dated December 20, 2006.

Note: This document provides information regarding the JPR’s operating forecasts for the fiscal periods ending June 30, 2007. The document is not provided as an inducement or invitation for investment. We caution readers to refer to the JPR’s prospectus and notice of amendments thereto and to undertake investment decisions subject to individual determination.

Attachment

The assumptions for the operating forecasts are as follows.

	Assumptions
Period	11th fiscal period: January 1, 2007 to June 30, 2007 (investment period: 181 days)
Property Portfolio	<p>In addition to the 46 properties and preferred securities (one issue) held as of January 17, 2007, JPR is scheduled to acquire additional ownership in the Tachikawa Business Center Building on February 28, 2007, the Shinjuku Sanchome 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 98.2%. However, JPR assumes rent revenues from Rise Arena Building to start on June 1, 2007.</p> <p>In practice, these assumptions may vary due to the acquisition of additional properties or the sale of existing properties.</p>
Units outstanding	<p>Forecast units outstanding as of June 30, 2007 are 625,000 units. This is based on 530,000 units outstanding as of January 17, 2007 and the additional 95,000 units to be issued, which was resolved at the Board of Directors meeting held on January 17, 2007.</p> <p>The additional 95,000 units are comprised of a primary offering of 90,000 units and a third-party allotment of 5,000 units.</p> <p>JPR assumes the third-party allotment of 5,000 units will be fully placed.</p>
Interest-bearing Debt Ratio	<p>The interest-bearing debt ratio as of January 17, 2007 stands at approximately 48.7%. However, following the issue of additional investment units 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 Sanchome 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 11th fiscal period are based on an interest-bearing debt ratio of approximately 35% throughout the period.</p> <p>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.</p>
Operating Expenses	<p>JPR is scheduled to acquire additional ownership in the Tachikawa Business Center Building, the Shinjuku Sanchome 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.</p> <p>(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.)</p>
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.

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