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**For Translation Purposes Only**

**For Immediate Release**

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## Notice Concerning Operating Forecasts for the Fiscal Period Ending December 2012

Japan Prime Realty Investment Corporation (JPR) today announced its operating forecasts for the fiscal period ending December 2012 (July 1, 2012 – December 31, 2012), as detailed below.

### Details

#### 1. Forecasts for the Fiscal Period Ending December 2012 (July 1, 2012 – December 31, 2012)

|                                    | Operating Revenues<br>(Millions of yen) | Recurring Profits<br>(Millions of yen) | Ordinary Income<br>(Millions of yen) | Net Income<br>(Millions of yen) | Dividend per Unit<br>(excluding distributions in excess of earnings per unit) (Yen) | Distributions in Excess of Earnings per Unit (Yen) |
|------------------------------------|---|--|--------------------------------------|---------------------------------|---|--|
| Fiscal Period Ending December 2012 | 12,855                                  | 6,659                                  | 4,951                                | 4,950                           | 6,000   | —  |

Notes:

1. Forecast units outstanding as of December 31, 2012: 825,000 units
2. The above forecasts are based on the assumptions outlined in the attached 1“Assumptions for the Operating Forecasts for the Fiscal Period Ending December 2012.” Accordingly, actual operating revenues, recurring profits, ordinary income, net income and dividend per unit may change due to the acquisition of additional properties or the sale of properties, changes in the operating environment and other factors occurring in the future. JPR is not in a position to guarantee these results.
3. Figures of less than one unit have been rounded down.

Note: This document provides general information in connection with forecasts for the fiscal period ending December 2012 (July 1, 2012 to December 31, 2012) and is not provided as an inducement or invitation for investment. We caution readers to refer to JPR’s prospectus and notice of amendments thereto and to undertake investment decisions subject to individual determination. Also, this document does not constitute an offer to sell or a solicitation of any offer to buy any investment units in the United States, and no offering or sale of investment units is being made in the United States.

<Reference>

**Forecasts for the Fiscal Period Ended June 2012 (January 1, 2012 – June 30, 2012)**

|                               | Operating Revenues<br>(Millions of yen) | Recurring Profits<br>(Millions of yen) | Ordinary Income<br>(Millions of yen) | Net Income<br>(Millions of yen) | Dividend per Unit<br>(excluding distributions in excess of earnings per unit) (Yen) | Distributions in Excess of Earnings per Unit (Yen) |
|-------------------------------|---|--|--------------------------------------|---------------------------------|---|--|
| Fiscal Period Ended June 2012 | 12,331                                  | 6,386                                  | 4,577                                | 4,576                           | 6,400   | —  |

Notes:

1. Forecast units outstanding as of June 30, 2012: 715,000 units
2. The above forecasts are based on the assumptions outlined in the attached 2“Assumptions for the Operating Forecasts for the Fiscal Period Ended June 2012.” Accordingly, actual operating revenues, recurring profits, ordinary income, net income and dividend per unit may change. JPR is not in a position to guarantee these results.
3. Figures of less than one unit have been rounded down.
4. With regard to the forecasts for the period ended June 2012 (January 1, 2012 – June 30, 2012), JPR has made no revision to that announced in the press release titled “Notice Concerning Revisions to Operating Forecasts for the Fiscal Period Ending June 30, 2012” dated June 25, 2012.

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## Attachment1

### Assumptions for the Operating Forecasts for the Fiscal Period Ending December 2012

|                    | Assumptions  |
|--------------------|--|
| Period             | 22nd fiscal period: July 1, 2012 to December 31, 2012 (investment period: 184 days)  |
| Property Portfolio | <p>The number of properties held by JPR as of June 30, 2012 is assumed to be 58 properties. In addition, JPR assumes the acquisition of “Yakuin Business Garden” scheduled on August 8, 2012. Furthermore, the assumed average occupancy rate at the end of each month in the fiscal period is 93.7%.</p> <p>In practice, these assumptions may vary due to the acquisition of additional properties or the sale of existing properties.</p>   |
| Operating Revenues | <p>Real estate rental revenues have been calculated on the basis of the lease contracts effective as of the end of the 21st fiscal period, with consideration given to the market environment, competitiveness of the properties, status of tenants and other factors.</p> <p>For operating revenues, JPR assumes that rents will be paid on time and that no tenants will fail or decline to pay rents.</p> <p>Gain and loss on sales of real estate properties is not assumed.</p>   |
| Operating Expenses | <p>Among rental expenses, which are the principal operating expenses, outsourcing expenses and other expenses excluding depreciation are calculated based on historical data, reflecting variable factors of expenses and considering the information obtained in the 21st fiscal period. Outsourcing expenses are assumed to be 510 million yen for the 22nd fiscal period.</p> <p>For property taxes and city planning taxes, the amount to be paid in the 22nd fiscal period has been calculated out of the levied tax amount, and is assumed to be 1,043 million yen. In general practice, the property taxes and city planning taxes levied on properties acquired are settled after prorating for the period with the previous owner at the time of acquisition, but JPR includes the amount equivalent to such settlement in the acquisition costs for the property.</p> <p>For expenditures for the repair and maintenance of buildings, the amount expected to be required in the 22nd fiscal period has been recorded. However, the expenditures for repair and maintenance for the fiscal period could differ significantly from the estimated amount, as expenditures may arise due to damage to the building caused by unexpected factors, etc., and because the variance in amounts generally tends to grow from year to year and repair expenses do not arise regularly.</p> <p>Depreciation is calculated using the straight line method, including incidental expenses and additional future capital expenditure. Depreciation for the 22nd fiscal period is assumed to be 1,845 million yen.</p> |

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|                             |   |
|-----------------------------|---|
| Non-operating Expenses      | <p>As for major non-operating expenses, JPR assumes 1,538 million yen for interest paid, interest on corporate bonds and fees related to loan arrangement.</p> <p>JPR assumes 150 million yen as one-time expenses accompanying the additional issuance of new investment units.</p>  |
| Interest-bearing Debt Ratio | <p>The interest-bearing debt ratio as of July 9, 2012 stands at 53.2%, with interest-bearing debt of 195,081 million yen (comprising 20,600 million yen in short-term debt, 17,643 million in the current portion of long-term debt, 105,338 million yen in long-term debt, 9,000 million yen in the current portion of corporate bonds and 42,500 million yen in corporate bonds).</p> <p>JPR intends to secure funds through borrowings and cash on hand for the redemption of corporate bonds that will mature in the fiscal period ending December 2012.</p> <p>JPR assumes that it will obtain capital through the additional issuance of new investment units scheduled for July 2012 and through the third-party allotment in the secondary offering (over-allotment option) scheduled for August 2012. JPR intends to use 7 billion yen of the net proceed from the offering for a portion of acquisition price (including acquisition cost) of the Yakuin Business Garden and the remaining amount for the repayment of certain loans payable</p> <p>Due to the above, the interest-bearing debt ratio is expected to be 48.2 % at the end of the fiscal period ending December 2012.</p> <p>For any interest-bearing debt other than the above, no repayment date or redemption date will arrive in the period.</p> <p>The following formula has been used for calculating the interest-bearing debt ratios in this table:<br/> Interest-bearing debt ratio = Interest-bearing debt / (Interest-bearing debt + Unitholders' equity) x 100</p> |
| Units Outstanding           | <p>Forecast units outstanding as of December 31, 2012 are 825,000 units. This consists of (a) 715,000 units issued and outstanding as of June 30, 2012, (b) 110,000 new investment units to be issued in July 2012, which number is comprised of (i) 101,420 new units to be issued through a public offering (consisting of (1) 100,000 units to be purchased and underwritten by the Japanese underwriters for the Japanese offering and by the international underwriters for the international offering, and (2) up to 1,420 additional units which is the subject of an option to be granted to the international underwriters) and (ii) up to 8,580 units that may be issued through a third-party allotment in connection with a secondary offering of units by way of over-allotment in the Japanese offering.</p> <p>It is assumed that the maximum number of additional units will be issued in connection with both (a) the option to purchase up to 1,420 additional units to be granted to the international underwriters and (b) the third-party allotment in which up to 8,580 units may be issued.</p>  |

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| Dividend per Unit                            | <p>Dividend per unit is based on the assumption that distributions will comply with the monetary distribution policy stipulated in JPR's Articles of Incorporation.</p> <p>The amount of the dividend per unit is subject to change due to various factors that include changes in rental income associated with changes in properties, changes in tenants or other causes, and the emergence of unexpected repair work.</p> |
| Distributions in Excess of Earnings per Unit | JPR does not currently anticipate distributions in excess of earnings (dividend in excess of earnings per unit).   |
| Other  | <p>The performance forecasts are based on the assumption that revisions impacting the forecast figures above will not be made to laws and regulations, the tax system, accounting standards, the listing rules, the rules of the Investment Trusts Association, Japan, etc.</p> <p>It is also assumed that there will be no unexpected material change in general economic trends, the real estate market, etc.</p>          |

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## Attachment2

### Assumptions for the Operating Forecasts for the Fiscal Period Ended June 2012

|                             | Assumptions   |
|-----------------------------|---|
| Period                      | 21st fiscal period: January 1, 2012 to June 30, 2012 (investment period: 182 days)  |
| Property Portfolio          | The number of properties held by JPR as of June 30, 2012 is assumed to be 58 properties.  |
| Operating Revenues          | <p>Real estate rental revenues have been calculated on the basis of the lease contracts effective as of the end of the 21st fiscal period, with consideration given to the market environment, competitiveness of the properties, status of tenants and other factors.</p> <p>For operating revenues, JPR assumes that rents will be paid on time and that no tenants will fail or decline to pay rents.</p> <p>Gain and loss on sales of real estate properties is not assumed.</p>  |
| Operating Expenses          | <p>Among rental expenses, which are the principal operating expenses, outsourcing expenses and other expenses excluding depreciation are calculated based on historical data, reflecting variable factors of expenses and considering the information obtained in the 21st fiscal period.</p> <p>For property taxes and city planning taxes, the amount to be paid in the 21st fiscal period has been calculated out of the levied tax amount, and is assumed to be 1,048 million yen. In general practice, the property taxes and city planning taxes levied on properties acquired are settled after prorating for the period with the previous owner at the time of acquisition, but JPR includes the amount equivalent to such settlement in the acquisition costs for the property.</p> <p>For expenditures for the repair and maintenance of buildings, the amount expected to be required in the 21st fiscal period has been recorded. However, the expenditures for repair and maintenance for the fiscal period could differ significantly from the estimated amount, as expenditures may arise due to damage to the building caused by unexpected factors, etc., and because the variance in amounts generally tends to grow from year to year and repair expenses do not arise regularly.</p> <p>Depreciation is calculated using the straight line method, including incidental expenses and additional future capital expenditure. Depreciation for the 21st fiscal period is assumed to be 1,748 million yen.</p> |
| Non-operating Expenses      | As for major non-operating expenses, JPR assumes 1,846 million yen for interest paid, interest on corporate bonds, fees related to loan arrangement and premature repayment penalty.  |
| Interest-bearing Debt Ratio | As of June 30, 2012, the interest-bearing loans payable is 195,081 million yen (short-term debt: 20,600 million yen; current portion of long-term debt: 18,543 million yen; long-term debt: 104,438 million yen; current portion of investment corporation bonds: 9,000 million yen; and investment corporation bonds: 42,500 million yen) .  |
| Units Outstanding           | The 715,000 investments units outstanding as of June 30, 2012 are assumed.  |

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| Distributions in Excess of Earnings per Unit | JPR does not currently anticipate distributions in excess of earnings (dividend in excess of earnings per unit).   |
| Other  | <p>The performance forecasts are based on the assumption that revisions impacting the forecast figures above will not be made to laws and regulations, the tax system, accounting standards, the listing rules, the rules of the Investment Trusts Association, Japan, etc.</p> <p>It is also assumed that there will be no unexpected material change in general economic trends, the real estate market, etc.</p>          |

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