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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 31, 2014

Japan Prime Realty Investment Corporation (JPR) today announced its operating forecasts for the fiscal period ending December 31, 2014 (July 1, 2014 – December 31, 2014), as detailed below.

### Details

#### 1. Forecasts for the Fiscal Period Ending December 31, 2014 (July 1, 2014 – December 31, 2014)

	Operating Revenues (Millions of yen)	Operating Income (Millions of yen)	Ordinary Income (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 December 2014	13,852	6,325	5,075	5,074	6,150	—

#### Notes:

1. Forecast units outstanding as of December 31, 2014: 825,000 units
2. The above forecasts are based on the assumptions outlined in the attached “Assumptions for the Operating Forecasts for the Fiscal Period Ending December 31, 2014 (July 1, 2014 – December 31, 2014)”. Accordingly, actual operating revenues, operating income, ordinary income, net income and dividend per unit may change due to the additional acquisition or 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.

**Attachment**

Assumptions for the Operating Forecasts for the Fiscal Period Ending December 31, 2014  
(July 1, 2014 – December 31, 2014)

	Assumptions
Period	July 1, 2014 to December 31, 2014 (investment period: 184 days)
Property Portfolio	<ul style="list-style-type: none"><li>• The number of properties is assumed to be 62 properties that were held by JPR as of the end of the fiscal period ended June 2014. Furthermore, the assumed period-average occupancy rate at end of each month is 96.8%.</li><li>• In practice, these assumptions may vary due to such events as the acquisition of additional properties or the sale of existing properties.</li></ul>
Operating Revenues	<ul style="list-style-type: none"><li>• Real estate rental revenues are calculated on the basis of the lease contracts effective as of the end of the fiscal period ended June 2014, with consideration given to the market environment, competitiveness of the properties, status of negotiations with tenants and other factors.</li><li>• For operating revenues, JPR assumes that rents will be paid on time and that no tenants will fail or decline to pay rents.</li><li>• Gain and loss on sales of real estate properties is not assumed.</li></ul>
Operating Expenses	<ul style="list-style-type: none"><li>• 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 as of the end of the fiscal period ended June 2014. Outsourcing expenses are assumed to be 543 million yen for the fiscal period ending December 31, 2014.</li><li>• For property taxes and city planning taxes, the amount attributed to the fiscal period ending December 31, 2014 has been calculated out of the levied tax amount, and is assumed to be 1,984 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.</li><li>• For expenditures for the repair and maintenance of buildings, the amount expected to be required in the fiscal period ending December 31, 2014 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.</li><li>• Depreciation is calculated using the straight line method, including incidental expenses and additional future capital expenditures. Depreciation for the fiscal period ending December 31, 2014 is assumed to be 1,841 million yen.</li></ul>
Non-operating Expenses	<ul style="list-style-type: none"><li>• As for major non-operating expenses, JPR assumes 1,226 million yen for interest paid, interest on corporate bonds and fees related to loan arrangement.</li></ul>

Interest-Bearing Debt Ratio	<ul style="list-style-type: none"> <li>• The interest-bearing debt ratio as of the end of the fiscal period ended June 2014 stands at 49.9%, with interest-bearing debt of 191,190 million yen (comprised of 2,000 million in short-term debt, 132,690 million yen in long-term debt and 56,500 million yen in corporate bonds).</li> <li>• It is assumed that all borrowings whose repayment dates will arrive during the fiscal period ending December 31, 2014 will be refinanced, except for scheduled payment of 166 million yen.</li> <li>• As for the investment corporation bonds, for which redemption is planned in the period, the redemption cost is assumed to be secured through debt and issuance of investment corporation bonds.</li> <li>• The interest-bearing debt ratio is expected to be 49.9% at the end of the fiscal period ending December 2014.</li> <li>• The following formula is used in calculating the interest-bearing debt ratio in this table. Interest-bearing debt ratio = Interest-bearing debt / (Interest-bearing debt + Unitholders' capital) x 100</li> </ul>
Total Units Outstanding	<ul style="list-style-type: none"> <li>• The 825,000 investment units outstanding as of June 30, 2014 are assumed.</li> </ul>
Dividend per Unit	<ul style="list-style-type: none"> <li>• As for distribution per unit, it is assumed that all revenues will be distributed based on the distribution methods provided in the Articles of Incorporation.</li> <li>• 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.</li> </ul>
Exceeding Profit Distribution per Unit	<ul style="list-style-type: none"> <li>• Distribution exceeding the profit (exceeding profit distribution per unit) is currently not assumed.</li> </ul>
Others	<ul style="list-style-type: none"> <li>• 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 forecasts.</li> <li>• It is also assumed that there will be no unexpected material changes in general economic and the real estate market conditions.</li> </ul>