

July 4, 2011

For Translation Purposes Only

For Immediate Release

Japan Prime Realty Investment Corporation
Hirohito Kaneko
Executive Officer
(Securities Code: 8955)

Asset Management Company:
Tokyo Realty Investment Management, Inc.
Satoshi Okubo
President and Chief Executive Officer
Inquiries: Katsuhito Ozawa
Director and Chief Financial Officer
TEL: +81-3-3516-1591

Notice Concerning Operating Forecasts for the Fiscal Period Ending December 2011

Japan Prime Realty Investment Corporation (JPR) today announced its operating forecasts for the fiscal period ending December 2011 (July 1, 2011 – December 31, 2011), as detailed below.

Details

1. Forecasts for the Fiscal Period Ending December 2011 (July 1, 2011 – December 31, 2011)

	Operating Revenues (Millions of yen)	Recurring Profits (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 2011	11,685	5,640	4,062	4,061	5,680	—

Notes:

- Forecast units outstanding as of December 31, 2011: 715,000 units
- The above forecasts are based on the assumptions outlined in the attached “Assumptions for the Operating Forecasts for the Fiscal Period Ending December 2011.” 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.
- Figures of less than one unit have been rounded down.

Attachment

Assumptions for the Operating Forecasts for the Fiscal Period Ending December 2011

	Assumptions
Period	20th fiscal period: July 1, 2011 to December 31, 2011 (investment period: 184 days)
Property Portfolio	<p>The number of properties held by JPR as of June 30, 2011 is assumed to be 56 properties. Furthermore, the assumed average occupancy rate at the end of each month in the fiscal period is 94.3%.</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 19th 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 19th fiscal period. Outsourcing expenses are assumed to be 514 million yen for the 20th fiscal period.</p> <p>For property taxes and city planning taxes, the amount to be paid in the 20th fiscal period has been calculated out of the levied tax amount, and is assumed to be 1,032 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 20th 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 20th fiscal period is assumed to be 1,829 million yen.</p>

Non-operating Expenses	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.
Interest-bearing Debt Ratio	<p>The interest-bearing debt ratio as of July 4, 2011 stands at 48.7%, with interest-bearing debt of 162,763 million yen (comprising 10,000 million yen in short-term debt, 22,016 million in the current portion of long-term debt, 83,247 million yen in long-term debt, 5,000 million yen in the current portion of corporate bonds and 42,500 million yen in corporate bonds).</p> <p>JPR assumes that it will use capital obtained through new borrowings of 2,000 million yen and cash on hand to make early repayment on long-term debt of 4,400 million yen from Meiji Yasuda Life Insurance Company as announced in the press release “Notice Concerning Repayment of Borrowings” dated July 4, 2011.</p> <p>In addition to the above, scheduled payment of 358 million yen will be conducted on December 27, 2011 and thus the interest-bearing debt ratio is assumed to be 48.3% at the end of the fiscal period ending December 2011.</p> <p>The following formula has been used for calculating the interest-bearing debt ratios in this table: Interest-bearing debt ratio = Interest-bearing debt / (Interest-bearing debt + Unitholders' equity) x 100</p>
Units Outstanding	Forecast units outstanding as of June 30, 2011 are 715,000 units.
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>