



Japan Prime Realty Investment Corporation

**Analyst Meeting Materials for the
17th Fiscal Period Ended June 2010**

17th

Japan Prime Realty Investment Corporation
(Securities Code: 8955 TSE)
URL: <http://www.jpr-reit.co.jp/>

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<http://www.jpr-reit.co.jp/>



17th Fiscal Period (Ended June 2010): Financial Summary

Japan Prime Realty Investment Corporation

17th

Topics for the 17th Fiscal Period

Steadily expanded portfolio size by shifting to a proactive approach at an early stage

- Successfully acquired **four properties totaling 28.7 billion yen** (including acquisition of additional equity in the BYGS Shinjuku Building in July) in the focused investment category of office buildings in Tokyo
 - Changed direction and proactively acquired properties based on the judgment that Tokyo office building prices have entered the bottom range since autumn of last year
 - As a result, acquired **six properties totaling 39.9 billion yen** since autumn of last year
- Continued efforts to replace assets from other cities/retail properties to Tokyo/office buildings, and successfully **sold the JPR Nagoya Sakae Building** in March
 - **Sale price: 4.9 billion yen, Capital gains: 350 million yen**

Maintained high occupancy level through endeavors that prioritized occupancy

- Placed top priority on maintaining occupancy as we attracted new tenants and negotiated with existing tenants, and maintained **an occupancy rate of 95.5% at the end of the 17th fiscal period**
- Continued endeavors to enhance the level of services, including responding quickly to tenant needs, based on JPR's brand strategy

Successfully procured funds for growth from the capital market

- Successfully procured funds for growth from the capital market, based on JPR's shift to external growth
 - Issued new investment units in February (number of units issued: 90,000 units, **total procured funds; 14.6 billion yen**)
 - Issued corporate bonds in March and May (Eleventh Series of Corporate Bonds: 5 years to maturity and **totaling 6.0 billion yen**, Twelfth Series of Corporate Bonds: 5 years to maturity and **totaling 7.0 billion yen**)
- Maintained a stable financial foundation
- Ratio of interest-bearing liabilities at end of period: 45.0%, Ratio of long-term, fixed-rate borrowings at end of period: 81.7%, Issuer ratings: AA- (R&I), A2 (Moody's) and A (S&P)

Highlights of Financial Results for the 17th Fiscal Period

Secured cash distribution for the 17th fiscal period at the level surpassing the beginning-of-period forecast.

■ Highlights of Financial Results for the 17th Fiscal Period

(JPY mn unless otherwise stated)	17th Period (a) Jan. 1, 2010 - Jun. 30, 2010	16th Period (b) Jul. 1, 2009 Dec. 31, 2009	Change (a) - (b)
Operating Revenue	12,314	11,493	821 (Change 7.1%)
Operating Income	6,484	5,827	656 (Change 11.3%)
Ordinary Income	4,964	4,333	630 (Change 14.6%)
Net Income	4,963	4,332	631 (Change 14.6%)
Total Assets	358,339	332,380	25,959 (Change 7.8%)
NAV	176,303	161,058	15,245 (Change 9.5%)
NAV per Unit (JPY)	246,578	257,693	-11,115 (Change -4.3%)
NAV Ratio	49.2%	48.5%	0.7% points
DPU (JPY)	6,770	6,933	-163 (Change -2.4%)
Number of Units Outstanding (Units)	⁽²⁾ 715,000	625,000	90,000 (Change 14.4%)

(1) Recorded total acquisition price (excluding acquisition costs and other expenses). The number of properties sold in the 17th period and the prices include the sale of land of JPR Jingumae 432 for expropriation as land for a road.

(2) For distribution per unit, the Special Measures on Taxation for Investment Corporations (Special Taxation Measures Law, Article 67-15), the Special Deduction from Income for Expropriated Land or Other Property (Special Taxation Measures Law, Article 65-2) and the Special Measures in Case Land or Other Property is Acquired in Advance in 2010 or 2011 (Special Taxation Measures Law, Article 66-2) have been applied to internally reserve a certain amount of unappropriated retained earnings within the scope that no burden is borne on unitholders due to the additional levy of corporate tax, etc.

(3) Change (%) has been rounded to the first decimal place.

■ Comparison with Forecasts

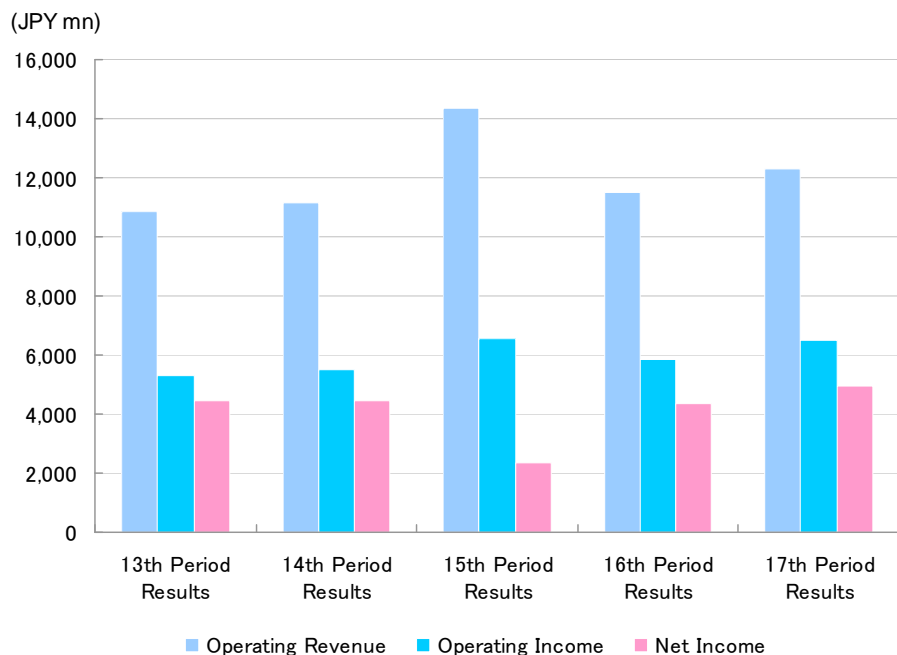
(JPY mn unless otherwise stated)	Forecasts for the 17th Fiscal Period (c) ⁽⁴⁾	Change from 17th Fiscal Period Forecasts (a) - (c)	(Reference) Revised Forecasts as of Jul. 6, 2010
Operating Revenue	12,109	205 (Change 1.7%)	12,283
Operating Income	6,216	267 (Change 4.3%)	6,436
Ordinary Income	4,720	243 (Change 5.2%)	4,891
Net Income	4,719	244 (Change 5.2%)	4,890
DPU (JPY)	6,600	170 (Change 2.6%)	6,770
Number of Units Outstanding (Units)	715,000	0 (Change 0.0%)	715,000

■ Highlights of Properties

(JPY mn unless otherwise stated)	17th Period Jan. 1, 2010 - Jun. 30, 2010	16th Period Jul. 1, 2009 Dec. 31, 2009
Properties Owned at End of Fiscal Period	55	53
Total Acquisition Price (at period end)	331,284	310,619
(number/price of properties acquired for current period) ⁽¹⁾	3/25,400	2/11,200
(number/price of properties sold for current period) ⁽¹⁾	2/4,735	-/-
Average Monthly Occupancy Rate during Period	96.1%	96.4%

Performance over the Past Five Fiscal Periods

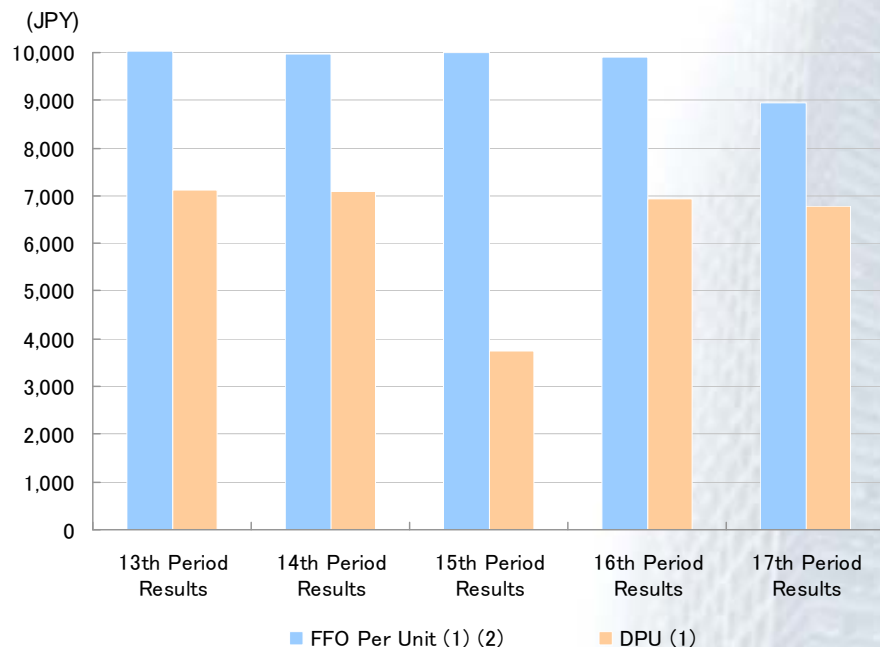
Operating Revenue, Operating Income and Net Income



(JPY mn)

	13th Period Results	14th Period Results	15th Period Results	16th Period Results	17th Period Results
Operating Revenue	10,830	11,171	14,330	11,493	12,314
Operating Income	5,280	5,482	6,568	5,827	6,484
Net Income	4,451	4,432	2,331	4,332	4,963

Changes in Distributions per Unit (DPU) and FFO per Unit



(JPY)

	13th Period Results	14th Period Results	15th Period Results	16th Period Results	17th Period Results
FFO Per Unit ^{(1) (2)}	10,031	9,977	10,015	9,892	8,952
DPU ⁽¹⁾	7,122	7,092	3,731	6,933	6,770
Total Units Outstanding	625,000	625,000	625,000	625,000	715,000

(1) DPU and FFO per unit are calculated by dividing distributions and FFO by the total units outstanding as of the end of each fiscal period.

(2) FFO per unit = (Net income – Gains on sale of real estate – Gains on sale of investment securities – Extraordinary revenues and expenses + Depreciation + Other real estate-related depreciation) / Total units outstanding

Statement of Income and Retained Earnings for the 17th Fiscal Period

Operations of properties acquired in the 16th and 17th periods and gains on sales accompanying asset replacements contributed to earnings

Item		17th Fiscal Period		16th Fiscal Period		Change		
		Jan 1, 2010 - Jun. 30, 2010		Jul 1, 2009 - Dec. 31, 2009		(JPY mn)		
		Amount	%	Amount	%	Amount	%	
Ordinary Income and Loss	Operating Income and Loss	Rent revenue - real estate	11,014	89.4%	10,684	93.0%	330	3.1%
		Other rent revenue	840	6.8%	809	7.0%	31	3.8%
		Rent revenue - real estate (1)	11,855	96.3%	11,493	100.0%	361	3.1%
		Gain on sales of real estate properties	459	3.7%	-	-	459	100.0%
		Operating revenue	12,314	100.0%	11,493	100.0%	821	7.1%
		Property and other taxes	995	8.1%	885	7.7%	109	12.4%
		Other expenses related to rent business	2,252	18.3%	2,274	19.8%	-22	-1.0%
		Outsourcing expenses	497	4.0%	488	4.2%	9	1.9%
		Utilities expenses	630	5.1%	663	5.8%	-32	-4.9%
		Casualty insurance	30	0.2%	30	0.3%	0	0.2%
		Repairs and maintenance	214	1.7%	230	2.0%	-16	-7.1%
		Property management fees	219	1.8%	214	1.9%	4	2.3%
		Management association accounts	569	4.6%	569	5.0%	0	-0.1%
		Others	91	0.7%	78	0.7%	12	16.4%
		Depreciation	1,896	15.4%	1,850	16.1%	46	2.5%
		Expenses related to rent business (2)	5,144	41.8%	5,010	43.6%	133	2.7%
		Asset management fees	447	3.6%	416	3.6%	31	7.6%
		Adm. service/custody fees	68	0.6%	67	0.6%	0	0.7%
		Directors' compensation	6	0.1%	6	0.1%	0	0.0%
		Trust fees	48	0.4%	48	0.4%	0	0.5%
		Other operating expenses	115	0.9%	116	1.0%	0	-0.8%
		Operating expenses	5,830	47.3%	5,665	49.3%	164	2.9%
		Operating income	6,484	52.7%	5,827	50.7%	656	11.3%
		Profits ((1) - (2))	6,710	54.5%	6,482	56.4%	228	3.5%
		Net operating income (NOI)	8,607	69.9%	8,332	72.5%	274	3.3%
		Non-operating income	79	0.6%	18	0.2%	61	338.9%
Non-operating expenses	1,598	13.0%	1,511	13.2%	86	5.7%		
Interest expenses (incl. investment corporation bonds)	1,439	11.7%	1,420	12.4%	19	1.4%		
Borrowing expenses	89	0.7%	74	0.6%	15	20.7%		
Amortization of investment corporation bond issuance costs	16	0.1%	12	0.1%	3	28.1%		
New unit issuance costs	50	0.4%	-	-	50	100.0%		
Other non-operating expenses	2	0.0%	4	0.0%	-2	-47.6%		
Ordinary income	4,964	40.3%	4,333	37.7%	630	14.6%		
Income before income taxes	4,964	40.3%	4,333	37.7%	630	14.6%		
Net income	4,963	40.3%	4,332	37.7%	631	14.6%		
Unappropriated retained earnings	4,963	40.3%	4,332	37.7%	631	14.6%		
Distributions per unit (JPY)		6,770 yen (Note 2)		6,933 yen		-163 yen		

1. Rent revenue - real estate

- Properties owned at end of 15th period: -280 mn yen
- Property acquired in 16th period: +363 mn yen
- Property acquired in 17th period: +407 mn yen
- Properties sold in 17th period: -129 mn yen

2. Gain on sales of real estate properties

- JPR Nagoya Sakae Building +354 mn yen
- A portion of land of JPR Jingumae 432 (Note 1) +105 mn yen

3. Expenses related to rent business

- Properties owned at end of 15th period: +0 mn yen (of which, depreciation: -2 mn yen)
- Property acquired in 16th period: +89 mn yen (of which, depreciation: +17 mn yen)
- Property acquired in 17th period: +100 mn yen (of which, depreciation: +45 mn yen)
- Properties sold in 17th period: -56 mn yen (of which, depreciation: -14 mn yen)

4. Non-operating income

- Of which, settlement of management association accounts: +49 mn yen

5. Non-operating expenses

- New unit issuance costs +50 mn yen
(For the issuance conducted in February 2010)

(Note 1) Recorded gain on partial sale of land of JPR Jingumae 432 for expropriation as land for road (sold on June 1, 2010)

(Note 2) For distribution per unit, the Special Measures on Taxation for Investment Corporations (Special Taxation Measures Law, Article 67-15), the Special Deduction from Income for Expropriated Land or Other Property (Special Taxation Measures Law Article 65-2) and the Special Measures in Case Land or Other Property is Acquired in Advance in 2010 or 2011 (Special Taxation Measures Law, Article 66-2) have been applied to internally reserve a certain amount of unappropriated retained earnings within the scope that no burden is borne on unitholders due to the additional levy of corporate tax, etc. (Reference)

In January 2002 (before the IPO), investment units (500,000 yen per unit) were split into 2.5 units (200,000 yen per unit) to make investment units easier to invest in. Therefore, the distribution per unit for the 16th fiscal period based on the pre-split level would be 16,925 yen.

(Note) Figures were rounded off to a million yen.

Detailed Comparison of Actual Results and Forecasts for the 17th Fiscal Period

Item		17th Fiscal Period		17th Fiscal Period Forecasts		(JPY mn)		
		Jan 1, 2010 - Jun. 30, 2010		Jan 1, 2010 - Jun. 30, 2010		Change from 17th Period Forecasts		
		Amount	%	Amount	%	Amount	%	
Ordinary Income and Loss	Operating Income and Loss	Rent revenue - real estate	11,014	89.4%	10,934	90.3%	80	0.7%
		Rents	9,016	73.2%	8,958	74.0%	57	0.6%
		Common charges	1,730	14.0%	1,711	14.1%	18	1.1%
		Other rent revenue	840	6.8%	716	5.9%	123	17.3%
		Incidental income	616	5.0%	679	5.6%	-63	-9.4%
		Rent revenue - real estate (1)	11,855	96.3%	11,650	96.2%	204	1.8%
		Gain on sales of real estate properties(Note 1)	459	3.7%	458	3.8%	1	0.2%
		Operating revenue	12,314	100.0%	12,109	100.0%	205	1.7%
		Property and other taxes	995	8.1%	963	8.0%	31	3.3%
		Other expenses related to rent business	2,252	18.3%	2,374	19.6%	-122	-5.2%
		Outsourcing expenses	497	4.0%	496	4.1%	0	0.1%
		Utilities expenses	630	5.1%	738	6.1%	-108	-14.6%
		Casualty insurance	30	0.2%	31	0.3%	-1	-4.5%
		Repairs and maintenance	214	1.7%	219	1.8%	-4	-2.2%
		Property management fees	219	1.8%	215	1.8%	3	1.6%
		Management association accounts	569	4.6%	574	4.7%	-5	-1.0%
		Others	91	0.7%	98	0.8%	-6	-6.7%
		Depreciation	1,896	15.4%	1,874	15.5%	21	1.2%
		Expenses related to rent business (2)	5,144	41.8%	5,213	43.1%	-69	-1.3%
		Asset management fees	447	3.6%	436	3.6%	11	2.5%
		Adm. service/custody fees	68	0.6%	69	0.6%	-1	-2.5%
		Directors' compensation	6	0.1%	6	0.1%	0	0.0%
		Trust fees	48	0.4%	48	0.4%	0	0.5%
		Other operating expenses	115	0.9%	117	1.0%	-2	-2.0%
		Operating expenses	5,830	47.3%	5,892	48.7%	-61	-1.0%
		Operating income	6,484	52.7%	6,216	51.3%	267	4.3%
		Profits ((1) - (2))	6,710	54.5%	6,437	53.2%	273	4.2%
		Net operating income (NOI)	8,607	69.9%	8,312	68.6%	295	3.6%
Non-operating income	79	0.6%	49	0.4%	30	61.1%		
Non-operating expenses	1,598	13.0%	1,545	12.8%	53	3.5%		
Interest expenses (incl. investment corporation bonds)	1,439	11.7%	1,405	11.6%	34	2.4%		
Ordinary income	4,964	40.3%	4,720	39.0%	243	5.2%		
Income before income taxes	4,964	40.3%	4,720	39.0%	243	5.2%		
Net income	4,963	40.3%	4,719	39.0%	244	5.2%		
Unappropriated retained earnings	4,963	40.3%	4,719	39.0%	244	5.2%		
Distributions per unit (JPY)		6,770		6,600		170		

(Note) Figures were rounded off to a million yen.

(Note 1) Gain on sale of real estate in the 17th fiscal period includes gain on partial sale of the land of "JPR Jingumae 432" expropriated for road (sold on June 1, 2010).

(Note 2) With regard to dividend per unit for the 17th fiscal period, applying the special provision on taxation of investment corporations (Article 67-15 of the Special Taxation Measures Law), a special deduction for the acquisition of expropriation, land exchange etc. (Article 65-2 of the Special Taxation Measures Law) and a special provision for taxation in the case of advance acquisition of land etc. during 2009 and 2010 (Article 66-2 of the Special Taxation Measures Law), a certain amount of unappropriated retained earnings for the period was reserved as retained earnings to the extent not to reduce unitholders' value as a result of additional taxes.

(Note 3) The forecasts for the 17th fiscal period were those released at the results announcement for the 16th fiscal period (ended December 31, 2009). It was based on total 55 properties, adding two properties to be acquired in the 17th fiscal period to 53 properties held as of the 16th fiscal period.

Balance Sheet as of the End of the 17th Fiscal Period

Worked to further enhance the financial standing by issuing investment units
via public offering and twice issuing investment corporation bonds

(JPY mn)

Item	As of Jun. 30, 2010		As of Dec. 31, 2009		Change	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets	34,728	9.7%	28,644	8.6%	6,084	21.2%
Cash and deposits	19,647	5.5%	13,972	4.2%	5,674	40.6%
Cash and deposits in trust	14,681	4.1%	14,306	4.3%	375	2.6%
Other current assets	399	0.1%	364	0.1%	34	9.5%
Noncurrent assets	323,438	90.3%	303,637	91.4%	19,800	6.5%
Property, plant and equipment	318,008	88.7%	301,549	90.7%	16,458	5.5%
Real estate	138,268	38.6%	126,075	37.9%	12,193	9.7%
Buildings and structures	43,687	12.2%	43,066	13.0%	620	1.4%
Land	94,581	26.4%	83,009	25.0%	11,572	13.9%
Real estate in trust	179,739	50.2%	175,474	52.8%	4,265	2.4%
Buildings and structures	59,248	16.5%	58,416	17.6%	832	1.4%
Land	120,491	33.6%	117,058	35.2%	3,433	2.9%
Intangible assets	4,799	1.3%	1,547	0.5%	3,251	210.1%
Leasehold rights	4,794	1.3%	1,542	0.5%	3,251	210.7%
Other intangible assets	5	0.0%	5	0.0%	0	2.8%
Investments and other assets	630	0.2%	540	0.2%	90	16.8%
Lease and guarantee deposits	49	0.0%	49	0.0%	—	—
Others	581	0.2%	491	0.1%	90	18.4%
Deferred assets	172	0.0%	97	0.0%	74	76.3%
Investment corporation bond issuance costs	172	0.0%	97	0.0%	74	76.3%
Total assets	358,339	100.0%	332,380	100.0%	25,959	7.8%
Liabilities						
Current liabilities	33,004	9.2%	33,748	10.2%	-744	-2.2%
Accounts payable - other	2,039	0.6%	2,363	0.7%	-324	-13.7%
Advances received	1,465	0.4%	1,416	0.4%	48	3.5%
Short-term loans payable	5,000	1.4%	16,252	4.9%	-11,252	-69.2%
Current portion of long-term loans payable	21,499	6.0%	6,716	2.0%	14,783	220.1%
Current portion of investment corporation bonds	3,000	0.8%	7,000	2.1%	-4,000	-57.1%
Noncurrent liabilities	149,031	41.6%	137,572	41.4%	11,458	8.3%
Tenant leasehold and security deposits	17,268	4.8%	16,668	5.0%	599	3.6%
Long-term loans payable	84,263	23.5%	83,404	25.1%	859	1.0%
Investment corporation bonds	47,500	13.3%	37,500	11.3%	10,000	26.7%
Total Liabilities	182,035	50.8%	171,321	51.5%	10,714	6.3%
Unitholders' Equity						
Unitholders' capital	171,339	47.8%	156,725	47.2%	14,614	9.3%
Surplus	4,963	1.4%	4,333	1.3%	630	14.6%
Total unitholders' equity	176,303	49.2%	161,058	48.5%	15,245	9.5%
Total liabilities and unitholders' equity	358,339	100.0%	332,380	100.0%	25,959	7.8%

(Note) Figures were rounded off to a million yen.

(JPY mn)

	End of 17th Fiscal Period	End of 16th Fiscal Period	Change
1. Balance of interest-bearing debt			
Total	161,262	150,872	10,390
(Breakdown) Unsecured loans payable	101,579	97,189	4,390
Secured loans payable	9,183	9,183	—
Unsecured investment corporation bonds	50,500	44,500	6,000

	End of 17th Fiscal Period	End of 16th Fiscal Period	Change (P)
2. Interest-bearing debt ratio, etc.			
(1) Interest-bearing debt ratio			
Interest-bearing debt / (Interest-bearing debt + Unitholders' capital)	48.5%	49.0%	-0.6
(2) Interest-bearing debt to total assets			
1) Interest-bearing debt / Total assets at end of period	45.0%	45.4%	-0.4
2) Interest-bearing debt / (Total assets at end of period + Gains or losses from real estate valuation)	46.9%	45.5%	1.4
Long-term fixed-rate interest-bearing debt (*) / Interest-bearing debt	81.7%	80.1%	
*Total amount of long-term fixed-rate debt with over 1 year to maturity			

	End of 17th Fiscal Period	End of 16th Fiscal Period	Change
3. Commitment line status			
1) Credit limit (total)	16,000	16,000	—
2) Outstanding debt at end of period	—	—	—
3) Unused commitment line at end of period	16,000	16,000	—
4) Lenders (at the end of the 17th fiscal period)			
Mizuho Corporate Bank, The Bank of Tokyo-Mitsubishi UFJ, Resona Bank, Mitsubishi UFJ Trust and Banking			
*Agreements have been concluded separately with the respective banks listed above.			

	End of 17th Fiscal Period	End of 16th Fiscal Period	Change
4. Investment unit status			
1) Total number of units issued and outstanding (units)	715,000	625,000	90,000
2) Total unitholders' equity per unit (yen)	246,578	257,693	-11,115

Distribution for the 17th Fiscal Period and Retained Earnings Brought Forward

Reserved 123 million yen internally in order to reinforce the financial standing as the foundation of continuous growth.

Distribution Information

Unappropriated retained earnings	4,963 million yen	①
Distributions	4,840 million yen	②
(Distribution per unit)	6,770 yen	
Voluntary deposits		
Transferred from deposits for advanced depreciation	73 million yen	③
Retained earnings brought forward	49 million yen	④ : ① - ② - ③

(Reference) Net income per unit: 6,942 yen (based on investment units at 17th period end)

• • • • • 【1】

• • • • • 【2】

【1】 Special Measures on Taxation for Cases Where Land and Other Properties Were Acquired in Advance in 2009 and 2010

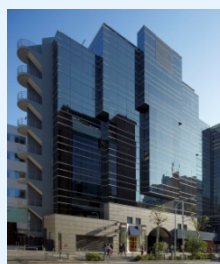
Properties acquired in 2009



Olinas Tower



Rokubancho Building



Ryoshin Harajuku Building

【Reference】 System Overview (Special Taxation Measures Law, Article 66-2)

When a corporation acquires land or other property located in Japan (hereafter called "land and other property acquired in advance") in the period between January 1, 2009 and December 31, 2010, and sells other land or property it owns within ten years after the end of the fiscal year to which the date of said acquisition belongs, and as long as it reduces the book value of said land and other property acquired in advance by expense accounting within the range of an amount equivalent to 80% of the gain on sale of said other land or property (hereafter, the "advanced depreciation limit"), or it accounts the amount equal to or less than the advanced depreciation limit in accordance with the method where the amount is kept as deposits in the finalized financial settlement for the fiscal year to which the date of said sale belongs (including the method where the amount is kept as deposits by disposing surplus by the date on which the financial settlement of said fiscal year is finalized), the corporation may record the amount equivalent to the reduced or accounted value as losses in calculating income for said fiscal year.

(60% if all the land and other property acquired in advance were acquired between January 1, 2010 and December 31, 2010)

【2】 Special Deduction from Income for Expropriated Land or Other Property for Public Purposes, etc.

Property falling under expropriation



JPR Jingumae 432

【Reference】 Overview of the System (Special Taxation Measures Law, Article 65-2)

When a property owned by a corporation falls under a land or other property expropriated for public purposes, and when the compensation it receives for the condemned land or other property exceeds the combined amount of the book value and expenses required for the transfer of said land and other property, the corporation may record the exceeding portion of the amount or 50 million yen, whichever is lower, as losses in calculating the income for the fiscal year to which the date of the transfer belongs.

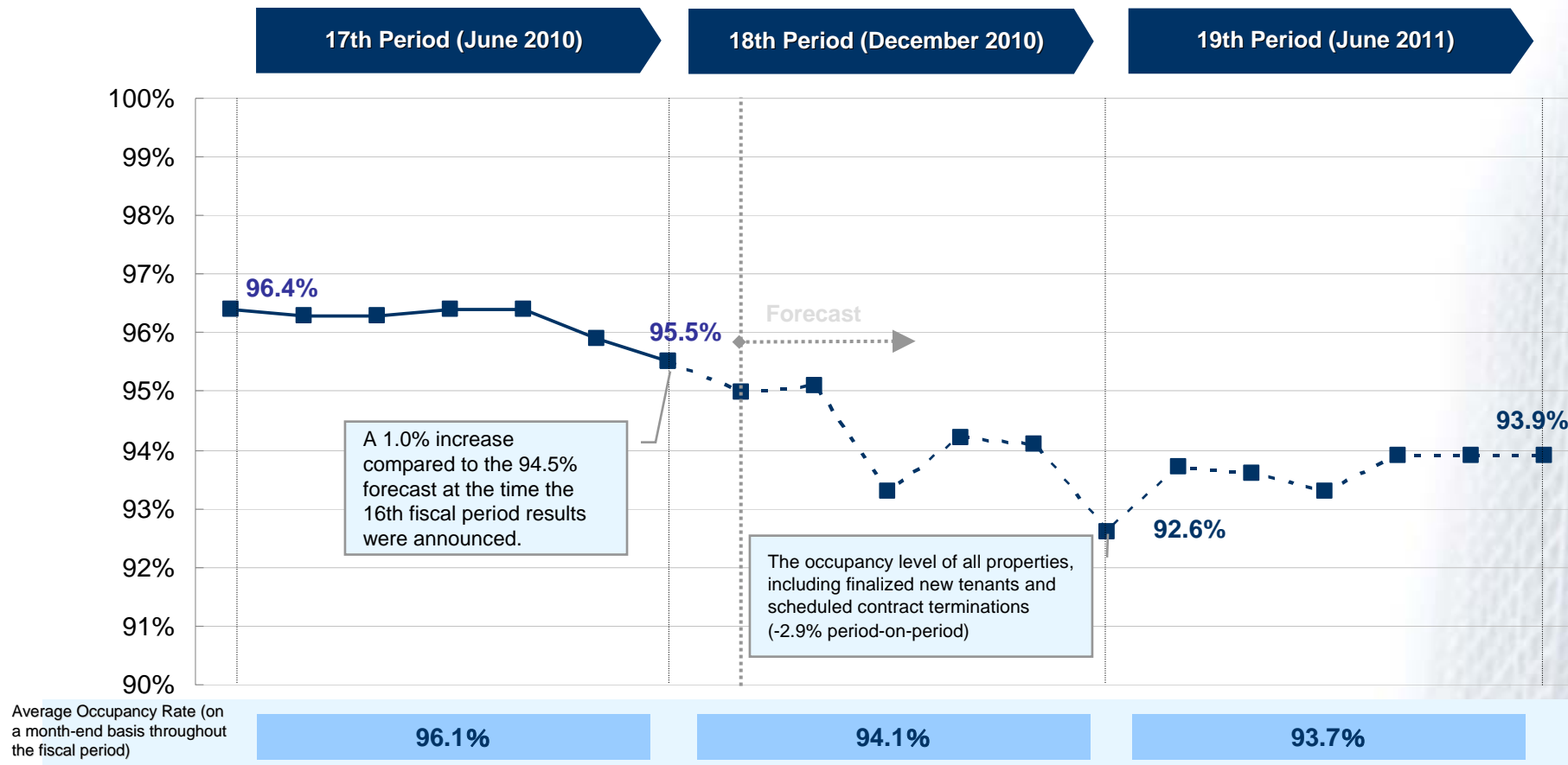


Japan Prime Realty Investment Corporation

Forecasts for the 18th and 19th Fiscal Periods

18th~

Projected Trends of Occupancy Rates (Entire Portfolio)



(Reference) Total leasable area: 410,326.04m² (as of the end of the 17th fiscal period)

- (1) The occupancy rate for the 18th fiscal period and after has been calculated based on the following:
18th Period: The occupancy rate of all 55 properties, including the acquisition of additional equity in the BYGS Shinjuku Building in July 2010
19th Period: The occupancy rate of all 55 properties planned to be owned as of the end of the 18th fiscal period
- (2) The occupancy rate for the 18th fiscal period includes notices of contract terminations known as of July 31, 2010, contracts already executed, and new tenants that are certain to move in.
- (3) The occupancy rate for the 19th fiscal period includes some new tenants in addition to the above (2).

Forecasts for the 18th Fiscal Period

Rent revenue is forecast to decrease period-on-period, impacted by move outs of tenants and reduced rents at existing properties, despite newly acquired properties contributing to an increase in earnings

Assumptions for the 17th Fiscal Period Forecast

<Portfolio>

Portfolio as of end of 17th fiscal period: **55 properties**

Properties to be acquired in the 18th fiscal period: **1 property**

Properties to be sold in the 18th fiscal period: **none**

The number of properties owned at the end of the 18th period is projected to be 55, as the acquisition conducted in the period is the additional acquisition of co-ownership equity.

<Average Monthly Occupancy during Period>

94.1%

<Total Number of Units Outstanding>

715,000 units

<LTV Ratio>

48.9% (as of end of 18th fiscal period)

The forecasts for the 18th fiscal period were calculated based on the above Assumptions for the 18th Fiscal Period Forecast. Actual operating revenue, ordinary income, net income and cash distributions per unit may change as a result of the acquisition of new properties or the sale of owned properties, etc. Furthermore, the forecasts are in no way a guarantee of cash distribution amounts. For details on the assumptions for the 18th fiscal period forecasts, please refer to the "Assumptions for the 18th Fiscal Period Forecast (July 1, 2010 – December 31, 2010)" on page 7 of the "Japan Prime Realty Investment Corporation 17th Fiscal Period Results (January 1, 2010 – June 30, 2010)."

Item	17th Fiscal Period Jan 1, 2010 - Jun. 30, 2010		18th Fiscal Period Forecast Jul 1, 2010 - Dec. 31, 2010		Change from the 17th Fiscal Period Results		
	Amount	%	Amount	%	Amount	%	
	(JPY mn)						
Ordinary Income and Loss Operating Income and Loss	Rent revenue - real estate	11,014	89.4%	10,819	92.0%	-194	-1.8%
	Other rent revenue	840	6.8%	938	8.0%	98	11.7%
	Rent revenue - real estate (1)	11,855	96.3%	11,758	100.0%	-96	-0.8%
	Gain on sales of real estate properties	459	3.7%	—	—	-459	-100.0%
	Operating revenue	12,314	100.0%	11,758	100.0%	-556	-4.5%
	Property and other taxes	995	8.1%	981	8.3%	-14	-1.4%
	Other expenses related to rent business	2,252	18.3%	2,405	20.5%	153	6.8%
	Outsourcing expenses	497	4.0%	514	4.4%	17	3.6%
	Utilities expenses	630	5.1%	708	6.0%	77	12.3%
	Casualty insurance	30	0.2%	32	0.3%	1	5.6%
	Repairs and maintenance	214	1.7%	217	1.8%	2	1.3%
	Property management fees	219	1.8%	214	1.8%	-5	-2.3%
	Management association accounts	569	4.6%	575	4.9%	6	1.1%
	Others	91	0.7%	143	1.2%	52	56.8%
	Depreciation	1,896	15.4%	1,927	16.4%	30	1.6%
	Expenses related to rent business (2)	5,144	41.8%	5,314	45.2%	169	3.3%
	Asset management fees	447	3.6%	418	3.6%	-28	-6.5%
	Adm. service/custody fees	68	0.6%	71	0.6%	2	4.1%
Directors' compensation	6	0.1%	6	0.1%	0	0.0%	
Trust fees	48	0.4%	49	0.4%	0	1.2%	
Other operating expenses	115	0.9%	110	0.9%	-4	-4.0%	
Operating expenses	5,830	47.3%	5,970	50.8%	139	2.4%	
Operating income	6,484	52.7%	5,788	49.2%	-695	-10.7%	
Profits ((1) - (2))	6,710	54.5%	6,444	54.8%	-266	-4.0%	
Net operating income (NOI)	8,607	69.9%	8,371	71.2%	-235	-2.7%	
Non-operating income	79	0.6%	5	0.0%	-74	-93.6%	
Non-operating expenses	1,598	13.0%	1,680	14.3%	82	5.1%	
Ordinary income	4,964	40.3%	4,112	35.0%	-852	-17.2%	
Income before income taxes	4,964	40.3%	4,112	35.0%	-852	-17.2%	
Net income	4,963	40.3%	4,111	35.0%	-852	-17.2%	
Unappropriated retained earnings	4,963	40.3%	4,111	35.0%	-852	-17.2%	
Distributions per unit (JPY)	6,770 (Note 2)		5,750円		-1020		
	(715,000 units)		(715,000 units)		(0 units)		

(Note) Figures were rounded off to a million yen.

1. Rent revenue - real estate
 - Properties owned at end of 16th period: -201 mn yen
 - Property acquired in 17th period: +61 mn yen
 - Properties sold in 17th period: -93 mn yen
 - Property acquired in 18th period: +136 mn yen

2. Gain on sales of real estate properties
 - JPR Nagoya Sakae Building -354 mn yen
 - A portion of land of JPR Jingumae 432 (Note 1) -105 mn yen

3. Expenses related to rent business
 - Properties owned at end of 16th period: +77 mn yen
 - Property acquired in 17th period: +94 mn yen
 - Properties sold in 17th period: -45 mn yen
 - Property acquired in 18th period: +43 mn yen

4. Non-operating income
 - Of which, settlement of management association accounts: -49 mn yen

5. Non-operating expenses
 - Interest expenses +110 mn yen
 - New unit issuance costs -50 mn yen

(Note 1) Recorded gain on partial sale of land of JPR Jingumae 432 for expropriation as land for road (sold on June 1, 2010)

(Note 2) For distribution per unit, the Special Measures on Taxation for Investment Corporations (Special Taxation Measures Law, Article 67-15), the Special Deduction from Income for Expropriated Land or Other Property (Special Taxation Measures Law, Article 65-2) and the Special Measures in Case Land or Other Property is Acquired in Advance in 2010 or 2011 (Special Taxation Measures Law, Article 66-2) have been applied to internally reserve a certain amount of unappropriated retained earnings within the scope that no burden is borne on unitholders due to the additional levy of corporate tax, etc.

[Reference] Forecasts of Rent Revenue – Real Estate and Expenses Related to Rent Business for the 19th Fiscal Period

Rent revenue for the 19th period will decrease, impacted by contract terminations by large tenants in Osaka and Nagoya; Projected to be on a recovering trend due to the cancellation of rent-free periods from the following period (20th period)

(JPY mn)

Assumptions for the 19th Fiscal Period Forecast

<Portfolio>

Portfolio as of end of 17th fiscal period: 55 properties

Properties to be acquired in the 18th fiscal period: 1 property

Properties to be sold in the 18th fiscal period: none

Properties to be acquired or sold in the 19th fiscal period: none

The number of properties owned at the end of the 18th period is projected to be 55, as the acquisition conducted in the period is the additional acquisition of co-ownership equity.

<Average Monthly Occupancy during Period>
93.7%

<Capital Expenditures>

Renewal of air-conditioning systems at BYGS Shinjuku Building 184 mn yen
Renewal of common space at Shinjuku Center Building 239 mn yen
Renewal of lighting, etc at Olinas Tower 60 mn yen

The forecasts of rent revenue – real estate and expenses related to the rent business for the 19th fiscal period were calculated based on the above “Assumptions for the 19th Fiscal Period Forecast.” Actual rent revenue – real estate, expenses related to the rent business, profits, net operating income (NOI), net cash flow and other figures may change as a result of the acquisition of new properties or the sale of owned properties, etc.

Item	18th Fiscal Period Forecast Jul. 1, 2010 - Dec. 31, 2010		Forecasts of Real Estate Rent Revenue and Expenses for the 19th Fiscal Period Jan. 1, 2011 - Jun. 30, 2011		Changes from the 18th Fiscal Period Forecast	
	Amount	%	Amount	%	Amount	%
	Rent revenue - real estate	10,819	92.0%	10,533	93.7%	-286
Other rent revenue	938	8.0%	707	6.3%	-231	-24.7%
Rent revenue - real estate (1)	11,758	100.0%	11,240	100.0%	-518	-4.4%
Operating revenue	11,758	100.0%	11,240	100.0%	-518	-4.4%
Property and other taxes	981	8.3%	1,041	9.3%	60	6.1%
Other expenses related to rent business	2,405	20.5%	2,353	20.9%	-51	-2.2%
Outsourcing expenses	514	4.4%	511	4.6%	-3	-0.6%
Utilities expenses	708	6.0%	682	6.1%	-25	-3.7%
Casualty insurance	32	0.3%	32	0.3%	0	0.9%
Repairs and maintenance	217	1.8%	204	1.8%	-12	-5.6%
Property management fees	214	1.8%	203	1.8%	-10	-4.9%
Management association accounts	575	4.9%	575	5.1%	0	0.0%
Others	143	1.2%	143	1.3%	0	-0.2%
Depreciation	1,927	16.4%	1,893	16.8%	-33	-1.8%
Expenses related to rent business (2)	5,314	45.2%	5,288	47.1%	-25	-0.5%
Profits ((1) - (2))	6,444	54.8%	5,951	52.9%	-492	-7.6%
Net operating income (NOI)	8,371	71.2%	7,845	69.8%	-526	-6.3%
Capital expenditures	597	5.1%	820	7.3%	223	37.4%
Net Cash Flow (NCF)	7,774	66.1%	7,024	62.5%	-749	-9.6%

(Note) Figures were rounded off to a million yen.



Japan Prime Realty Investment Corporation

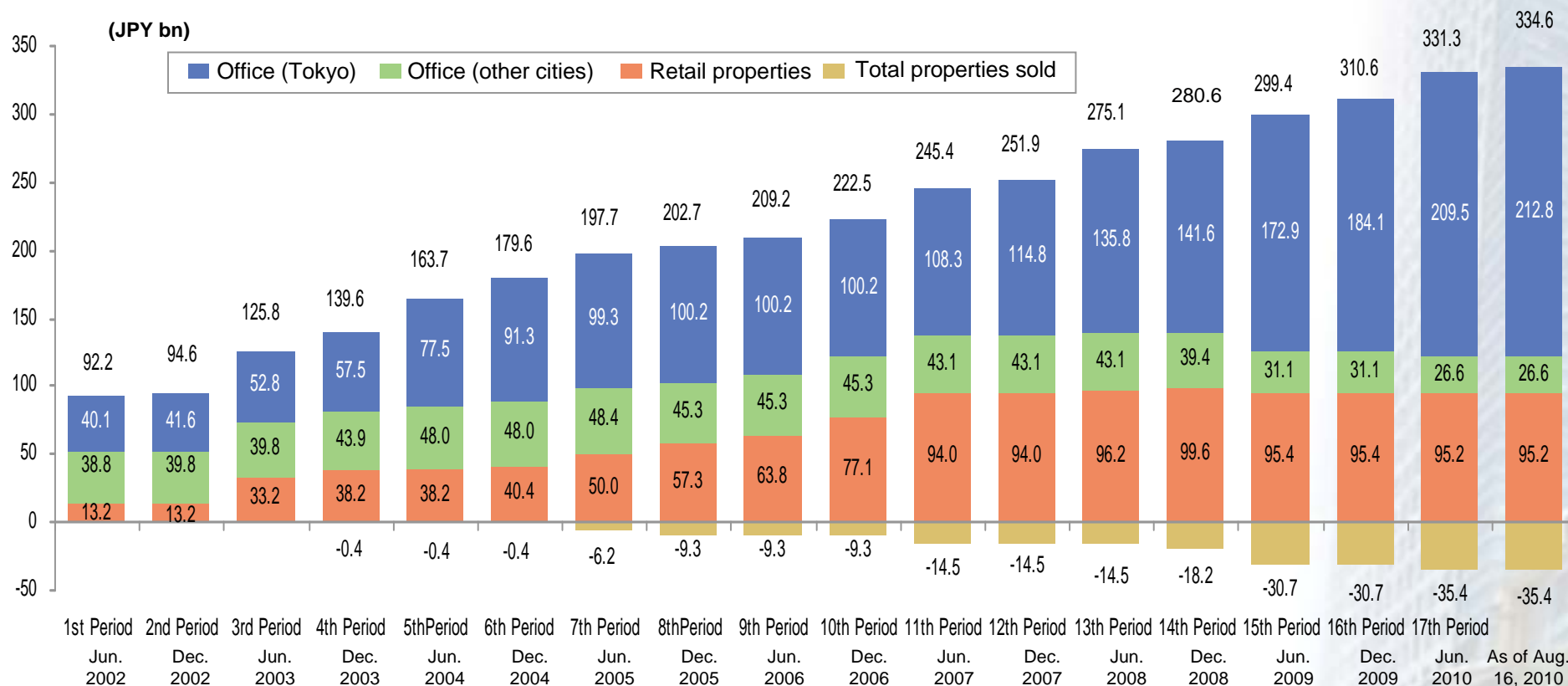
Management Results of the 17th Fiscal Period

17th

Policy on Constructing Portfolio and History of Portfolio Expansion (1)

Due to steady expansion of the portfolio, the asset size (total acquisition price) grew to 331.3 billion yen at the end of the 17th fiscal period and 334.6 billion yen as of August 16, 2010.

History of Expansion of Portfolio Size



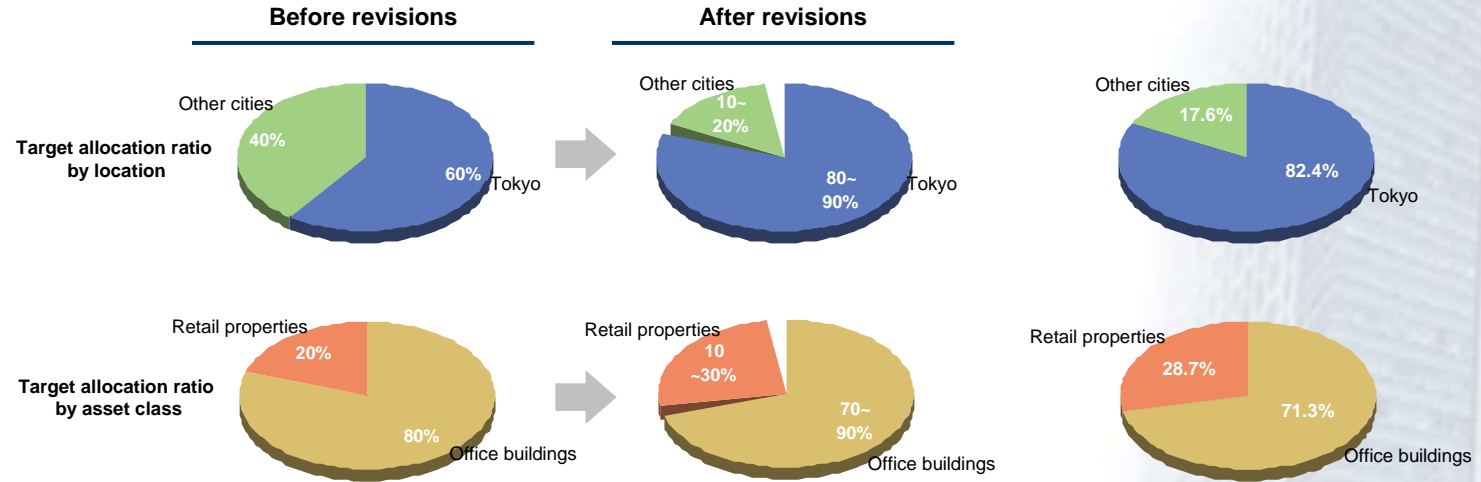
Policy on Constructing Portfolio and History of Portfolio Expansion (2)

Revisions to the Asset Management Guidelines for JPR (Changes in Target Allocation Ratios)

Revisions to the Asset Management Guidelines for JPR

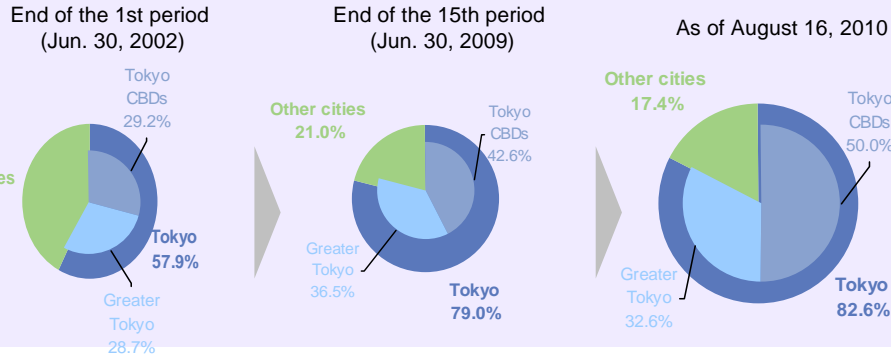
Allocation Ratios as of the End of the 17th Period (June 2010)

- Focus investment on office buildings located in the Tokyo area to raise the investment weight for "Office (Tokyo)." Ex. Olinas Tower, Rokubancho Building, Ryoshin Harajuku Building and Tokyo Tatemono Kyobashi Building
- Set the ceiling to the investment ratio of retail properties at 30% to maintain the investment weight for office buildings at a high level
- There is no change in the basic policy of working to realize the advantages of diversified investment in managing the portfolio, and JPR will also invest in blue-chip properties in other cities and retail properties that promise relatively high profitability through even more rigorous selection than before.

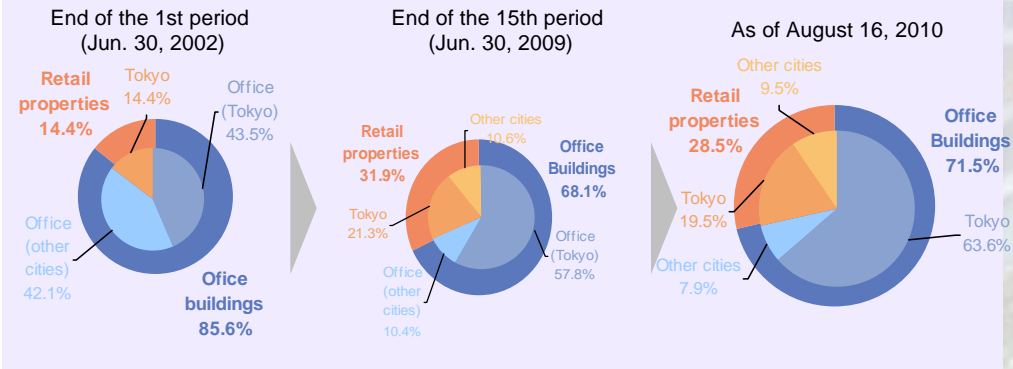


Changes in Allocation Ratios

Allocation ratio by location



Allocation ratio by asset class



(Note) The target allocation ratios were changed in accordance with the portfolio management standards reviewed in the 16th fiscal period.

Strategic Property Replacement and Improvement in Portfolio Quality (1)

Property Acquisitions in the 17th Fiscal Period



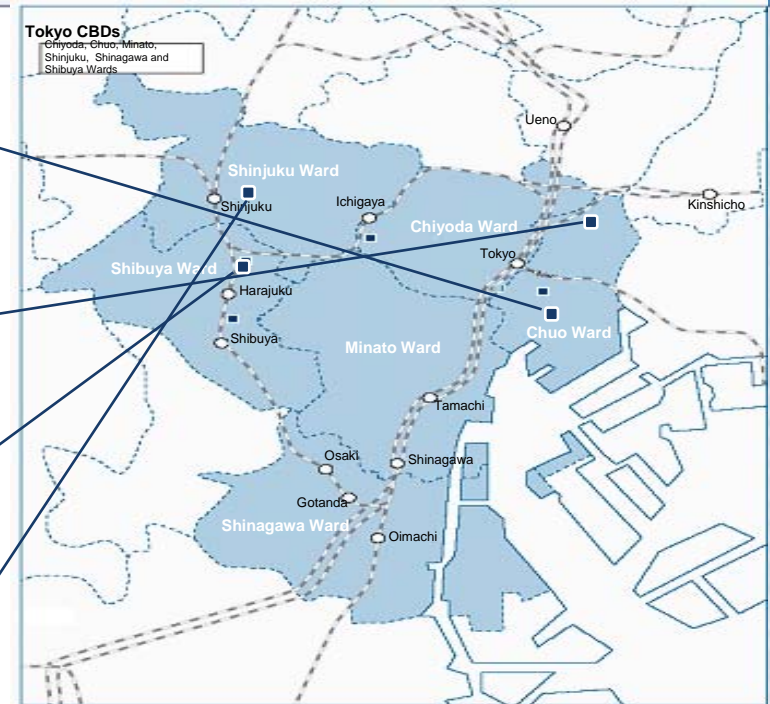
Tokyo Tatemono Kyobashi Building	
Type of use	Office
Location	Chuo Ward, Tokyo
Acquisition date	February 2010
Acquisition price	JPY 5,250mn
Completion	January 1981
Seller	Tokyo Tatemono Co., Ltd.
Total floor space	4,419.79m ²



TK Horidome Building	
Type of use	Office
Location	Chuo Ward, Tokyo
Acquisition date	March 2010
Acquisition price	JPY 5,100 mn
Completion	June 2002
Seller	Undisclosed (domestic SPC)
Total floor space	7,190.82m ²



JPR Sendagaya Building	
Type of use	Office
Location	Shibuya Ward, Tokyo
Acquisition date	May 2010
Acquisition price	JPY 15,050 mn
Completion	May 2009
Seller	Sendagaya Kaihatsu Tokutei Mokuteki Kaisha (Note 1)
Total floor space	7,683.19m ²



Property Acquisitions in the 18th Fiscal Period



BYGS Shinjuku Building (additional acquisition (Note 2))	
Type of use	Office and retail space
Location	Shinjuku Ward, Tokyo
Acquisition date	July 2010
Acquisition price	JPY 3,300 mn
Completion	April 1985
Seller	Central General Development Co., Ltd.
Total floor space	25,733.10m ²

Advantage of acquiring additional equity

The entire ownership as a result of acquiring additional equity should reduce risks involving co-ownership and cancel the reduced appraisal value associated with co-ownership.

Equity acquisition by utilizing preferential purchase negotiating rights, instead of acquisition through competition in the market

Number of properties owned as of August 16, 2010:	55
Of which, number of properties with additional equity acquisitions:	7



(Note 1) The seller is a tokutei mokuteki kaisha (special purpose company) established in accordance with the Law Concerning Asset Liquidation. Tokyo Tatemono Co., Ltd. has made preferred investment in the entity, and has been entrusted with asset management operations from it.

(Note 2) JPR acquired an additional 25% co-ownership, resulting in ownership of the entire property in which JPR holds rights.

(Note 3) Figures for the acquisition price, etc. indicated above have been rounded down to a million yen.

Strategic Property Replacement and Improvement in Portfolio Quality (2)

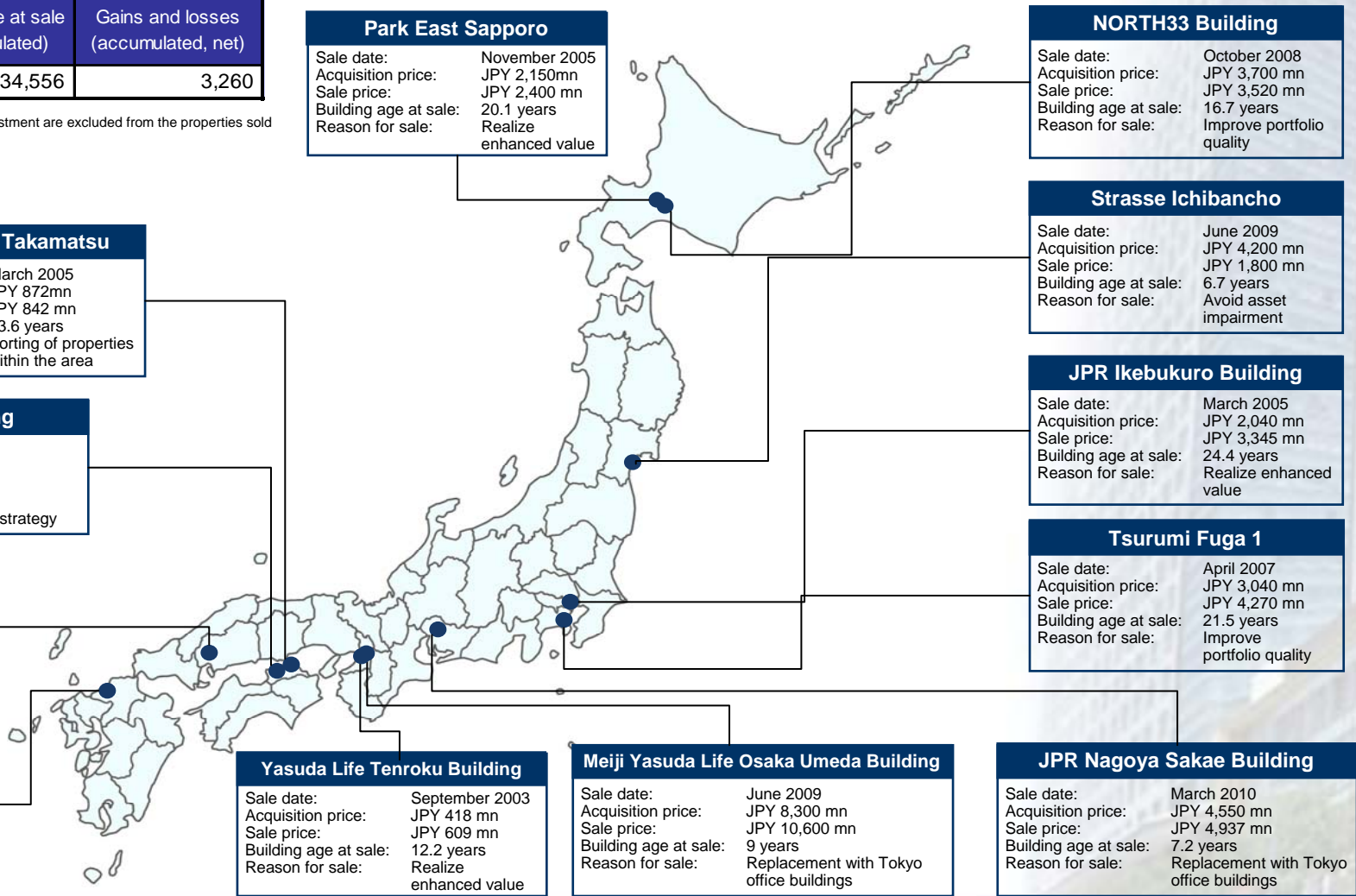
Enhance portfolio quality by increasing the allocation ratio of Tokyo office buildings, primarily through strategic sales of properties in regional cities

Properties Sold by the End of the 17th Fiscal Period (June 2010)

(JPY mn)

Number of properties	Sale price (accumulated)	Book value at sale (accumulated)	Gains and losses (accumulated, net)
12	37,816	34,556	3,260

(Note) Partial disposals or transfers of preferred equity investment are excluded from the properties sold in the above table.



Park East Sapporo
 Sale date: November 2005
 Acquisition price: JPY 2,150mn
 Sale price: JPY 2,400 mn
 Building age at sale: 20.1 years
 Reason for sale: Realize enhanced value

NORTH33 Building
 Sale date: October 2008
 Acquisition price: JPY 3,700 mn
 Sale price: JPY 3,520 mn
 Building age at sale: 16.7 years
 Reason for sale: Improve portfolio quality

Strasse Ichibancho
 Sale date: June 2009
 Acquisition price: JPY 4,200 mn
 Sale price: JPY 1,800 mn
 Building age at sale: 6.7 years
 Reason for sale: Avoid asset impairment

JPR Park West Takamatsu
 Sale date: March 2005
 Acquisition price: JPY 872mn
 Sale price: JPY 842 mn
 Building age at sale: 23.6 years
 Reason for sale: Sorting of properties within the area

JPR Takamatsu Building
 Sale date: April 2007
 Acquisition price: JPY 2,130 mn
 Sale price: JPY 1,530 mn
 Building age at sale: 24.6 years
 Reason for sale: Reconstruct area strategy

JPR Ikebukuro Building
 Sale date: March 2005
 Acquisition price: JPY 2,040 mn
 Sale price: JPY 3,345 mn
 Building age at sale: 24.4 years
 Reason for sale: Realize enhanced value

SK Hiroshima Building
 Sale date: September 2005
 Acquisition price: JPY 947 mn
 Sale price: JPY 1,040 mn
 Building age at sale: 15.8 years
 Reason for sale: Realize enhanced value

Tsurumi Fuga 1
 Sale date: April 2007
 Acquisition price: JPY 3,040 mn
 Sale price: JPY 4,270 mn
 Building age at sale: 21.5 years
 Reason for sale: Improve portfolio quality

JPR Square Hakata East / West
 Sale date: March 2005
 Acquisition price: JPY 2,873 mn
 Sale price: JPY 2,923 mn
 Building age at sale: 21.1 years, 18.4 years
 Reason for sale: Sorting of properties within the area

Yasuda Life Tenroku Building
 Sale date: September 2003
 Acquisition price: JPY 418 mn
 Sale price: JPY 609 mn
 Building age at sale: 12.2 years
 Reason for sale: Realize enhanced value

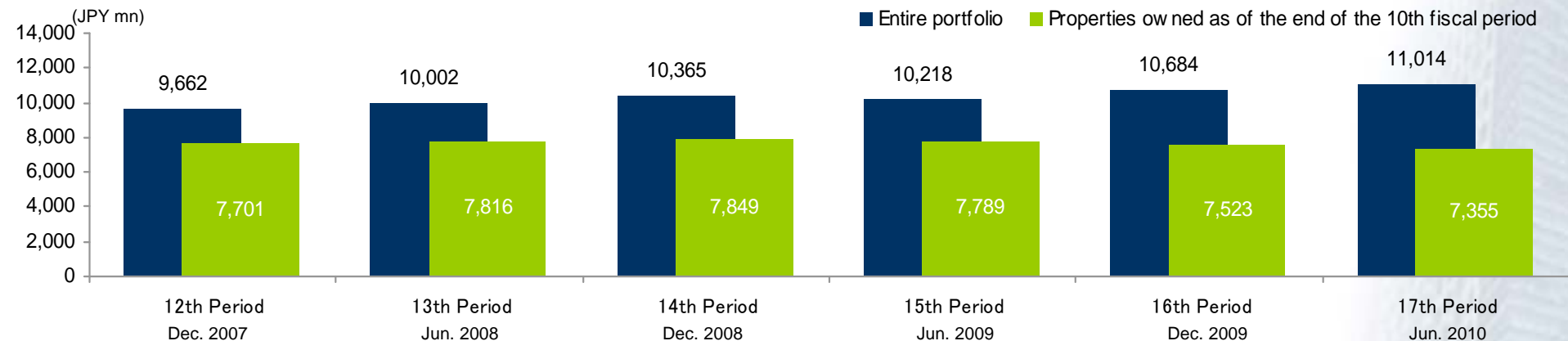
Meiji Yasuda Life Osaka Umeda Building
 Sale date: June 2009
 Acquisition price: JPY 8,300 mn
 Sale price: JPY 10,600 mn
 Building age at sale: 9 years
 Reason for sale: Replacement with Tokyo office buildings

JPR Nagoya Sakae Building
 Sale date: March 2010
 Acquisition price: JPY 4,550 mn
 Sale price: JPY 4,937 mn
 Building age at sale: 7.2 years
 Reason for sale: Replacement with Tokyo office buildings

Management Results

Successful strategic property replacement helped JPR to maintain a relatively high occupancy level and secure stable revenues in the 17th fiscal period despite the current business conditions

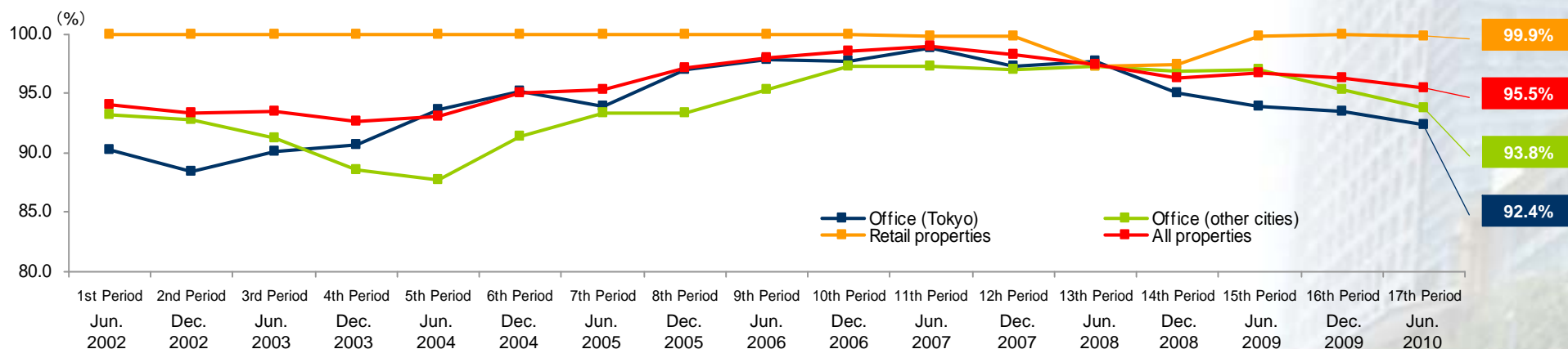
Changes in Rental Revenues



(Note 1) For properties owned at the end of the 10th fiscal period, the indicated figures are the sum of rents, common charges, parking rates and other revenues (excluding such variable revenues as incidental income) for properties JPR owned at the end of the 10th fiscal period excluding properties replaced through transactions by the 17th fiscal period.
As for the entire rental revenue, the indicated figures are the sum of rents, common charges, parking rates and other revenues (excluding such variable revenues as incidental income) for all properties owned in respective fiscal periods (including properties that were sold during the periods).

(Note 2) Figures have been rounded down to a million yen.

Changes in Occupancy Rates by Type of Use and Location



(Note 1) Figures have been rounded to the first decimal place.

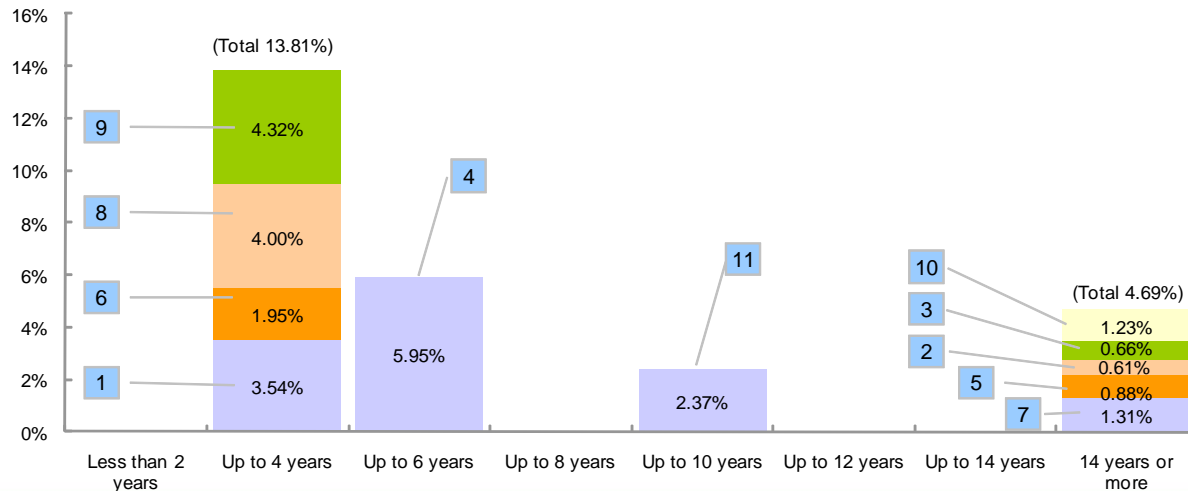
(Note 2) The occupancy rates are those of properties owned as of the end of June 2010, calculated based on the lease terms as of the same date, at the same date.

Stability in Revenues and Profits – Leasing Overview of Urban Retail Properties-

Overview of Lease Contracts for Retail Properties

Type	No	Retail Properties	Lease Period	Overview of Lease Contract (No Cancellation, etc.)
Long term	1	JPR Shibuya Tower Records Bldg.	Through June 30, 2012	No cancellation allowed during the contract period on the left
	2	Shinjuku Sanchome East Bldg.	Through January 31, 2027	No cancellation allowed until January 31, 2017, after which one-year notice is needed
	3	Yurakucho Ekimae Building (Yurakucho Itocia)	Through October 6, 2027	No cancellation allowed until October 6, 2017, after which one-year notice is needed
	4	Tanashi ASTA	Through February 9, 2015	No cancellation allowed during the contract period on the left (with penalty imposed)
	5	Cupo-la Main Bldg.	Through March 16, 2026	No cancellation allowed during the contract period on the left
	6	JPR Musashikosugi Bldg.	Through March 1, 2013	Cancellation allowed with one-year notice
	7	Musashiurawa Shopping Square	Through October 31, 2025	No cancellation allowed until October 31, 2015, after which one-year notice is needed (with penalty imposed)
	8	Kawasaki Dice Bldg.	Through August 27, 2013	No cancellation allowed during the contract period on the left, for some tenants through August 2023
	9	JPR Umeda Loft Bldg.	Through March 15, 2014	No cancellation allowed during the contract period on the left
	10	Benetton Shinsaibashi Bldg.	Through February 14, 2033	Cancellation allowed with one-year notice but penalty is imposed.
	11	Housing Design Center Kobe	Through March 31, 2019	No cancellation allowed during the contract period on the left
Short term	—	JPR Chayamachi Bldg.	Leasehold contract of two years as a rule	(Multi-tenant retail property) No cancellation allowed for 1F through 3F until May 10, 2015
	—	JPR Daikanyama	Leasehold contract of two years as a rule	(Multi-tenant retail property)
	—	JPR Jingumae 432	Leasehold contract of two years as a rule	(Multi-tenant retail property)

Distribution of Remaining Periods of Lease Contracts for Stability-Type Retail Properties and NOI Ratios (Note 1) against Entire Portfolio



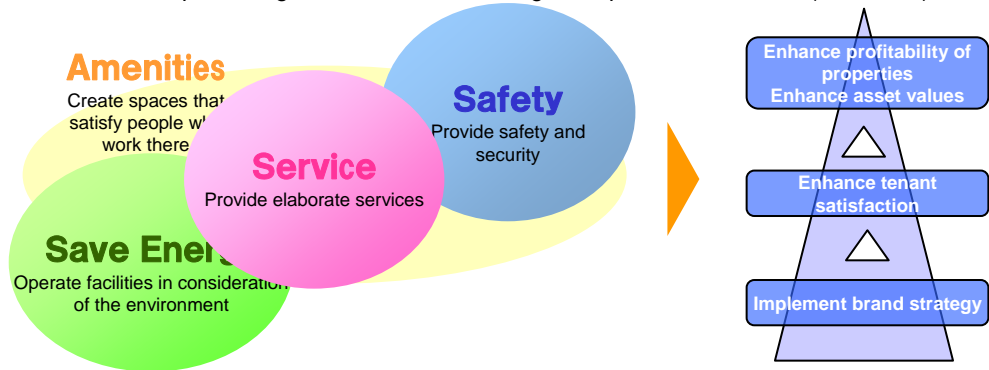
- Although the remaining periods of lease contracts are relatively long, JPR will closely watch the sales situation, etc. of tenants housed in properties that are nearing contract renewals.
- JPR focuses its investment in retail properties on urban retail properties located close to stations. This assures high availability of tenants to fill vacancies.

(Note) The remaining periods of lease contracts are those as of the end of the 17th fiscal period (June 30, 2010), while the NOI ratios are those of NOIs of individual retail facilities against the NOI of the entire portfolio for the 17th fiscal period. The numbers are linked to the above table of "Overview of Lease Contracts for Retail Properties."

Continued Implementation of JPR Brand Strategy and Energy-Saving Measures (1)

JPR Brand Strategy: “A/3S” as brand concept

JPR has been implementing the JPR Brand Strategy with the aim of perpetually enhancing its asset values. With the 3 S's (Service, Safety and Save Energy) at the core, JPR is promoting it as a brand of buildings that provide the best A (Amenities).



JPR will create facility spaces that always provide good amenities by providing high-quality services and environmentally-friendly operations with consideration given to the safety and security of all users.

Energy-saving results through renovation of air-conditioning systems, etc.

Property Name	Construction	Construction Expenses (JPY mn)	Energy Type	Annual Energy Consumption before Constructions (kI/year (Note 1))	Annual Energy Consumption after Constructions (kI/year (Note 2))	Reduction (kI/year)	Energy Reduction Ratio by Air Conditioning Units, etc.
JPR Chiba Bldg.	Replacement of air conditioning units	205	Town gas	127	85	42	33.1%
JPR Hakata Bldg.	Replacement of air conditioning units, lighting equipment for exclusive and common areas	384	Electricity	426	345	81	19.1%
JPR Ichigaya Bldg.	Replacement of air conditioning units	157	Electricity	318	299	18	5.8%
JPR Yokohama Nihon Odori Bldg.	Replacement of air conditioning units	200	Electricity	439	348	92	20.9%
JPR Naha Bldg.	Replacement of air conditioning units	99	Electricity	273	247	26	9.4%
Mitsubishi UFJ Lease & Finance Nagoya Head Office Bldg.	Replacement of air conditioning units	190	Electricity	357	289	68	19.2%
JPR Ueno East Bldg.	Renewal of air conditioning units for exclusive and common areas	108	Electricity	499	411	88	17.6%
Total		1,343		2,438	2,023	415	17.0%

(Note 1) Annual energy consumption before constructions (kI/year) = Annual energy consumption before constructions x Reduced value / Average occupancy rate before constructions
 (Note 2) Annual energy consumption after constructions (kI/year) = Annual energy consumption after constructions x Reduced value / Average occupancy rate after constructions

Energy-Saving Measures



Proactively shift to energy-saving equipment

- Replace air-conditioning units
- Introduce highly-efficient lighting equipment
- Introduce control systems compatible with such energy saving as restrictions on CO₂ emissions, etc.

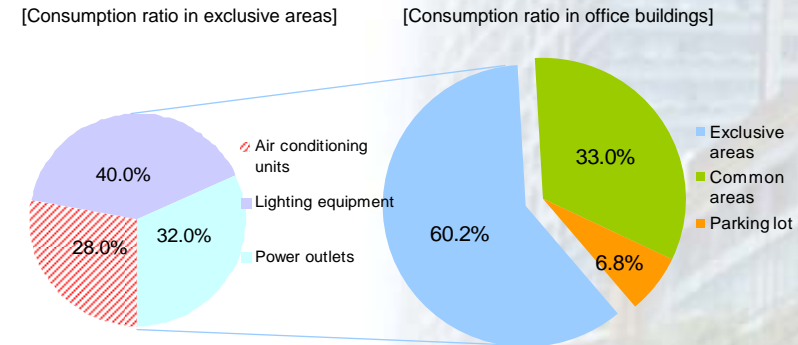
Introduce and expand greenery in consideration of urban environment

- Prepare and enhance greenery around buildings
- Prepare rooftop and wall greenery

Conduct energy management in response to the Revised Energy Conservation Law, etc.

- Proactively fulfill obligations to energy saving
- Study use of green energy
- Investigate purchase of CO₂ emission rights

Energy consumption ratio by use at general office buildings



(Note) Prepared based on the Consumption Ratio by Sector in the Energy Saving of Office Buildings published by The Energy Conservation Center, Japan

Continued Implementation of JPR Brand Strategy and Energy-Saving Measures (2)

Properties subject to obligations to reduce total emissions of greenhouse gas (GHG) and JPR's responses to the first reduction period

- Most of the properties that JPR owns and are subject to obligations to reduce total emissions established by the Tokyo Prefecture Government (10 properties as designated establishments) emitted GHG in volumes less than the emission standards in fiscal 2009. Accordingly, JPR expects it will be able to satisfy the emission standards through operational endeavors.
- For properties built fairly recently where energy-saving measures have already been implemented, JPR will reduce emissions primarily through operational endeavors while planning to buy emission rights and introduce green energy to compensate for insufficiency.

Reductions at JPR's Properties Subject to Obligations and JPR's Measures

Property Name	Type of Ownership	Completion Date	Building Ownership Equity Ratio (%)	Designated Establishment (Note 1)	Specified Establishment (Note 2)	Reduction Target for the 1st Period	Total Emission Standards (1) (t-CO ₂ /year) (Note 3)	Total Emissions in 2009 (2) (t-CO ₂ /year)	Reduction Ratio in 2009 against Emission Standards ((2)-(1))/(1) (Note 4)	Major Constructions for Energy Saving in Coming 5 Years under JPR's Mid- to Long-Term Repair Plans (portions to be borne by JPR)	Planned Additional Constructions in Coming 5 Years (portions to be borne by JPR)
MS Shibaura Bldg.	Unit ownership	1988/2	57.98%	○	○	6.0% (Zonal air conditioning)	2,984	2,705	(9.3%)	Renewal of lighting equipment in exclusive areas (JPY 72mn) Replacement of air conditioning system (JPY 480mn)	
Oval Court Ohsaki Mark West	Unit ownership	2001/6	27.12%	○	○	8.0%	2,839	2,473	(12.9%)		Increase efficiency of heat source equipment by changing the set temperature for coolant Change the control method of transfer pumps for cold and hot water (JPY 2mn)
Shinjuku Square Tower	Unit ownership	1994/10	38.30%	○	○	6.0% (Zonal air conditioning)	3,930	3,886	(1.1%)	Renewal of lighting equipment in exclusive areas (JPY 36mn) Renewal of central monitoring system (JPY 110mn)	Introduce LEDs and other highly-efficient lighting equipment to common areas (JPY 24mn) Additionally install inverters to air conditioning units (JPY 1mn) Introduce intermittent operation control for mechanical system facilities (JPY 2mn)
Shinjuku Center Building	Co-ownership of unit ownership	1979/10	8.61%	○	○	6.0% (Zonal air conditioning)	11,294	10,260	(9.2%)	Renewal of daily-use elevators and escalators (JPY 303mn) Renewal of lighting equipment in exclusive areas (JPY 52mn) Renewal of transformers (JPY 210mn)	
Shinjuku Sanchome East Bldg.	Co-ownership of unit ownership	2007/1	19.27%	○	○	8.0%		3,856			Under investigation
Yurakucho Ekimae Building (Yurakucho Itocia)	Co-ownership of unit ownership	2007/10	4.30%	○		8.0%		12,481			Under investigation
Arca East	Unit ownership	1997/3	37.90%	○	○	6.0% (Zonal air conditioning)	3,899	3,245	(16.8%)		
Rise Arena Bldg.	Unit ownership	2007/1	15.92%	○	○	8.0%					Under investigation
Olinas Tower	Unit ownership	2006/2	29.05% (Office and retail floors)	○	○	8.0%	19,580	18,406	(6.0%)		Introduce LED lighting equipment to common areas (JPY 20mn) Introduce CO ₂ control for exclusive rooms (JPY 34mn)
Tanashi ASTA	Co-ownership of unit ownership	1995/2	52.88%	○	○	8.0%	9,356	7,405	(20.9%)	Renewal of air conditioning units (JPY 95mn)	Can be achieved due to the construction for energy saving conducted in 2007

(Note 1) Designated establishment for global warming countermeasures: Place of work where 1,500kl or larger volume of energy (as converted to crude oil) was consumed in the previous fiscal year.

(Note 2) Specified establishment for global warming countermeasures: Place of work where 1,500kl or larger volume of energy (as converted to crude oil) was consumed annually for 3 consecutive years from 2006 through 2008; subject to obligations to reduce emissions.

(Note 3) Standard emissions: Emissions volume used as the base or calculation of the obligatory reduction volume based on the average emissions in the past 3 consecutive years.

(Note 4) Operational countermeasures have been implemented for the buildings under review based on the conventional "System for Plans on Global Warming Countermeasures," and JPR has confirmed the effectiveness of these measures for last year over the base year.

Financial Strategy

Realize conservative financial operations by focusing on increasing the ratio of long-term, fixed-rate borrowings and diversifying repayment dates by fiscal period, so as to maintain a high credit rating level

Status of JPR's Ratings and Interest Bearing Liabilities

(as of August 16, 2010)

Rating agency	Issuer ratings
R&I (issuer rating)	AA-
Moody's (issuer rating)	A2
S&P (long-term issuer credit rating)	A

(as of August 16, 2010)

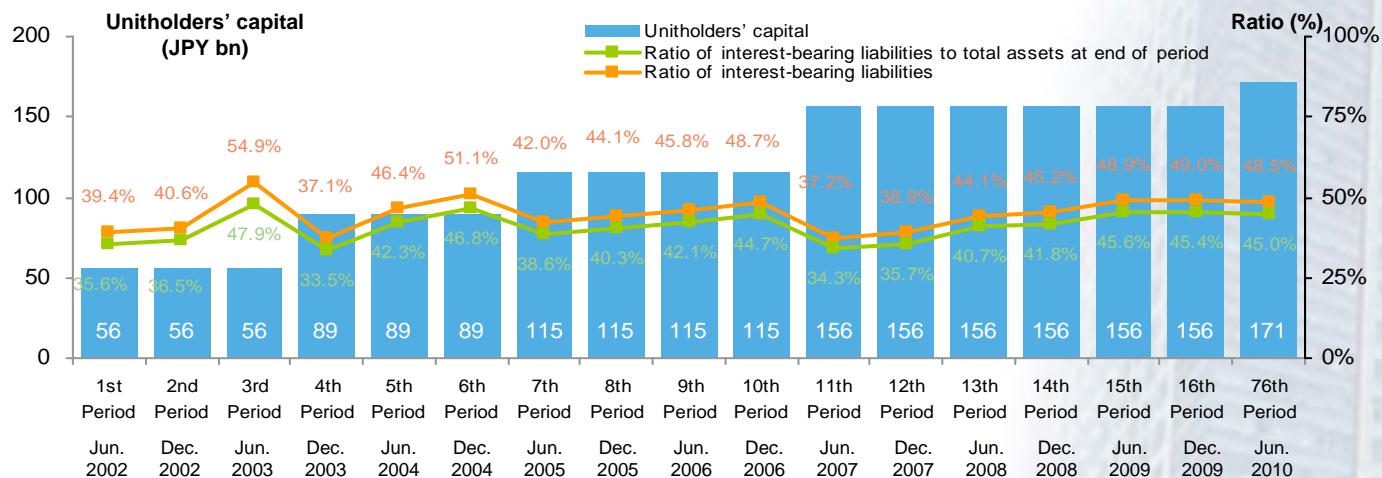
Ratio of long-term fixed-rate borrowings	82.04%
Average maturity of long-term interest-bearing liabilities	4.03 years
Average interest rate of long-term interest-bearing liabilities	1.87%
Average maturity of interest-bearing liabilities	3.42 years

(Note) Long-term interest-bearing liabilities are interest-bearing liabilities with a period of one year or more to the repayment dates.

Overview of Commitment Line Contract

Limit	16 billion yen (total)
Maturity date	November 30, 2010
Lenders	Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Resona Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation

Changes in Unitholders' Capital, Ratio of Interest-Bearing Liabilities and Ratio of Interest-Bearing Liabilities to Total Assets at End of Period

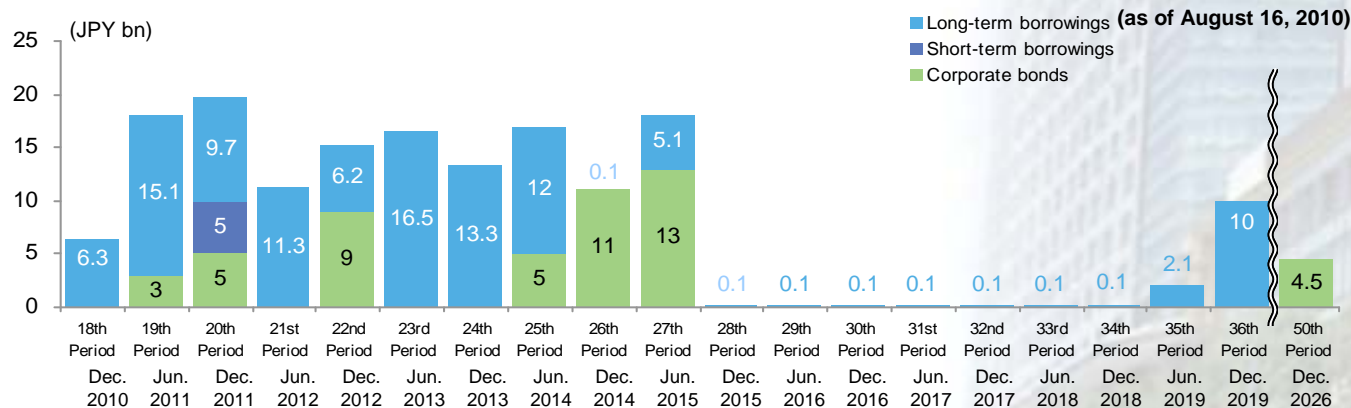


(Note 1) Ratio of interest-bearing liabilities (%) = Interest-bearing liabilities / (Interest-bearing liabilities + Unitholders' capital), Ratio of interest-bearing liabilities to total assets at end of period (%) = Interest-bearing liabilities / Total assets at end of period

(Note 2) Unitholders' capital has been rounded down to the nearest billion yen.

(Note 3) The ratio of interest-bearing liabilities and the ratio of interest-bearing liabilities to total assets at end of period have been rounded to the first decimal place.

Diversification of Repayment Dates of Interest-Bearing Liabilities



*Figures have been rounded down to the nearest 100 million yen.

Breakdown of Interest-Bearing Liabilities and Fund Procurement Results from the Capital Market in the 17th Fiscal Period

Work to further diversify fund procurement methods and sources, and elaborately construct relationships with lenders

Breakdown of Balance of Borrowings by Lender

(JPY mn)

Lenders		Balance as of December 31, 2009	Balance as of June 30, 2010	Security
Short-term borrowings	Resona Bank, Limited	4,000	4,000	Unsecured / Unguaranteed / Non-subordinated
	Mizuho Corporate Bank, Ltd.	3,972	1,000	
	Mitsubishi UFJ Trust and Banking Corporation	4,280	-	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd	4,000	-	
Total short-term borrowings		16,252	5,000	

Lenders		Balance as of December 31, 2009	Balance as of June 30, 2010	Security
Long-term borrowings	Mizuho Corporate Bank, Ltd.	10,900	13,800	Unsecured / Unguaranteed / Non-subordinated
	Mitsubishi UFJ Trust and Banking Corporation	9,917	12,834	
	American Family Life Assurance Company of Columbus	10,000	10,000	
	Mitsubishi UFJ Trust and Banking Corporation	7,000	7,000	
	Zenkyoren (The National Mutual Insurance Federation of Agricultural Cooperatives)	7,000	7,000	
	Aozora Bank, Ltd.	4,300	5,300	
	Development Bank of Japan Inc.	4,870	4,745	
	Sompo Japan Insurance Inc.	4,000	4,000	
	Sumitomo Life Insurance Company	4,000	4,000	
	The Bank of Fukuoka, Ltd.	3,000	3,000	
	The Chugoku Bank, Ltd.	3,000	3,000	
	Shinsei Bank, Limited	3,000	3,000	
	Mizuho Trust & Banking Co., Ltd.	-	3,000	
	The Shinkumi Federation Bank	-	3,000	
	ORIX Trust and Banking Corporation	-	3,000	
	Sumitomo Mitsui Banking Corporation	2,950	2,900	
	The Hachijuni Bank, Ltd.	2,000	2,000	
	Taiyo Life Insurance Company	2,000	2,000	
	Daido Life Insurance Company	2,000	2,000	
	The Iyo Bank, Ltd.	1,000	1,000	
Meiji Yasuda Life Insurance Company	9,183	9,183	Secured / Unguaranteed / Non-subordinated	
Total long-term borrowings		90,120	105,762	

Total borrowings	106,372	110,762	
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	Balance as of December 31, 2009	Balance as of June 30, 2010	Security
Total corporate bonds	44,500	50,500	Unsecured / Unguaranteed / Non-subordinated

	Balance as of December 31, 2009	Balance as of June 30, 2010	Security
Total interest-bearing liabilities	150,872	161,262	

Overview of Issue of New Investment Units (17th Period)

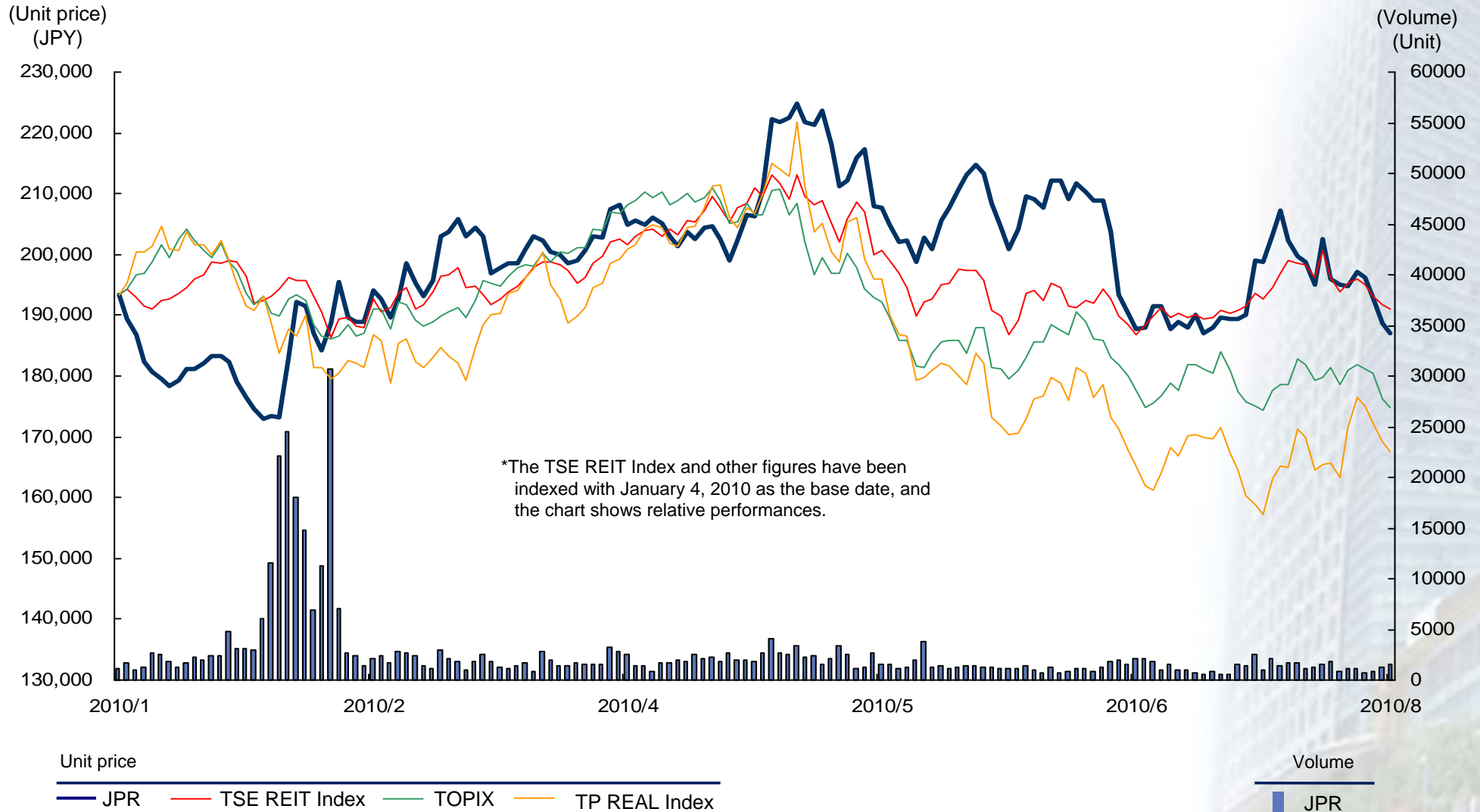
Type of offerings	Issue of new investment units via public offering in Japan and secondary offering (over-allotment)		
Total number of issued investment units	625,000		
Total number of units offered/rate of dilution	90,000	14.4% of issued investment units	
Of which, via public offering	82,000		
Of which, via secondary offering (over-allotment)	8,000		
Total amount of offerings	15,129 million yen	Total procured amount	14,614 million yen
Of which, via public offering	13,784 million yen	Of which, via public offering	13,315 million yen
Of which, via secondary offering (over-allotment)	1,345 million yen	Of which, via third-party allotment in greenshoe option	1,299 million yen
Portion	55% by general investors and 45% by institutional investors		
Issue price (offer price)	168,101 yen (closing price on the pricing date: 173,300 yen)		
Purchase price	162,382 yen		
Resolution date	January 21, 2010 (Thursday)		
Pricing date	February 1, 2010 (Monday)		
Payment date/additional listing date	February 8, 2010 (Monday) / February 9, 2010 (Tuesday)		
Underwriters	Mizuho Securities and Merrill Lynch Japan Securities (collectively referred to as the joint lead managers), Nomura Securities (manager), Daiwa Securities Capital Markets, Nikko Cordial Securities, Mitsubishi UFJ Securities and Tokai Tokyo Securities (collectively referred to as the syndicated underwriters)		

Issue of Corporate Bonds (17th Period)

Name	Issue Date	Total Issue Amount (JPY mn)	Coupon Rate (per annum)	Term to Maturity	Maturity Date
Eleventh Series of Corporate Bonds	Mar. 12, 2010	6,000	1.68%	5 years	Mar. 12, 2015
Twelfth Series of Corporate Bonds	May 21, 2010	7,000	1.27%	5 years	May 21, 2015
Balance of corporate bonds		50,500			

History of JPR's Unit price and Trade Volume (Jan. 4, 2010 – Aug. 12, 2010)

After completing the capital increase via public offering (after payment), JPR's investment unit price showed almost the same moves with the TSE REIT Index. The price has remained low since May, impacted by the lowered stock prices worldwide against the background of financial turmoil in Greece and other countries, tight monetary policies by emerging countries and other factors.





Japan Prime Realty Investment Corporation

Future Management Strategy

18th~

External Growth Strategy (Preparations for Returning to a Growth Track)

- **Focused investment in office buildings in Tokyo** with growth potential
 - The present situation continues to provide opportunities to acquire office buildings in Tokyo at favorable terms and conditions
- Examine **strictly selected investment in retail properties** that produce stable revenues and allow expectations for a rise in property values over the medium to long term
- Examine **strictly selected investment in properties whose value can be enhanced** based on our strong leasing capabilities, in anticipation of the bottoming out of the rental office market in Tokyo
- Aim to expand **the portfolio size to 500 billion yen** in the future

Internal Growth Strategy (Endeavor to Increase Rental Revenues)

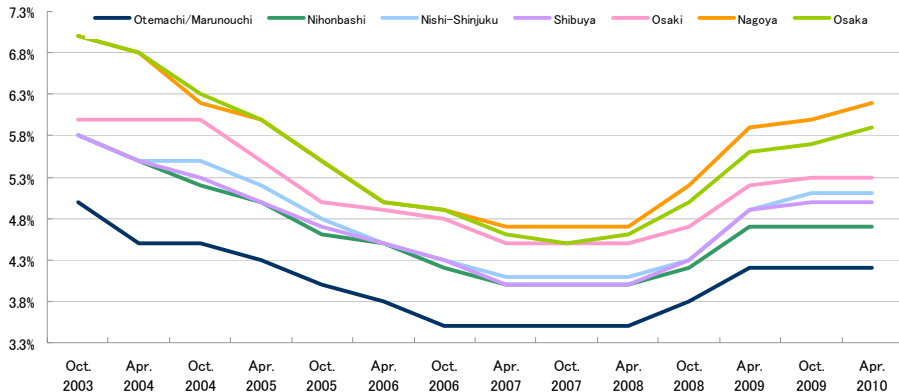
- Given the prospects of occupancy rates bottoming out, continue to focus on leasing to new tenants and shorten vacant periods in an effort to raise occupancy rates
- **With a growing trend in the number of inquiries on possible move-ins from new tenants** since March 2010, aim to increase rental revenues as we move forward
- Focus on constructions that should heighten tenant satisfaction in an effort to differentiate our properties through JPR's brand strategy as well as maintain and reinforce the competitiveness of the properties

Financial and IR Strategies (Reduce Debt Financing Costs and Reinforce IR for Retail Investors)

- Work to enhance capital efficiency by utilizing cash on hand and reduce procurement costs of debt financing, while maintaining conservative financial operations
- **Take a cautious approach to the next round of equity financing with a close look at the recovery in the J-REIT market**, as the investment unit price still remains at low levels
- Continue to implement proactive IR activities. In particular, reinforce IR efforts for retail investors through such measures as participating in various investment seminars and enhancing JPR's website

Office Transaction Market Conditions

Changes in Cap Rates of Offices



(Note) Prepared by Tokyo Realty Investment Management, Inc. based on the Cap Rate of Average-Sized Class A Office Building in The Japanese Real Estate Investor Survey published by Japan Real Estate Institute

Cap rates of office buildings in Tokyo have begun to increase or remained flat

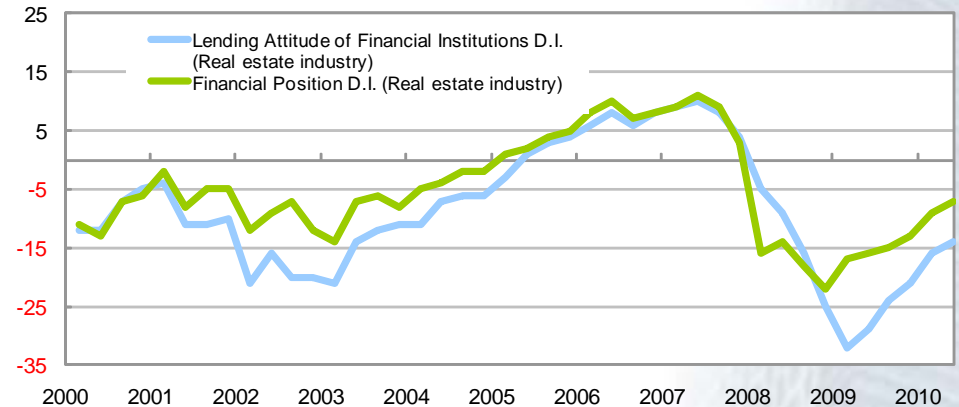
Major Transaction Cases of Office Buildings in Tokyo by Other REITs (Jan. – Jun. 2010)

Acquisition Date	Buyer	Property Name	Location	Acquisition Price (billion yen)	Cap Rate
Jan. 2010	TOP	Sumitomo Corporation Nishiki-cho Building	Chiyoda Ward, Tokyo	12.7	5.2%
Jan. 2010	JRE	Shiodome Building	Minato Ward, Tokyo	54.6	4.1%
Feb. 2010	KRI	Pacific Marks Nishi Shinjuku	Shinjuku Ward, Tokyo	6.8	4.6%
Mar. 2010	DAO	ORIX Jinbo-cho Building	Chiyoda Ward, Tokyo	4.2	5.2%
Mar. 2010	TRI	Kojimachi Square	Chiyoda Ward, Tokyo	9.0	4.7%
Mar. 2010	JRE	Tokyo Opera City Building	Shinjuku Ward, Tokyo	22.4	5.0%
Mar. 2010	MHR	Roppongi Hills Mori Tower	Minato Ward, Tokyo	6.8	3.8%
Mar. 2010	MHR	ARK Mori Building	Minato Ward, Tokyo	3.4	3.8%
Mar. 2010	TRI	ORIX Shinjuku Building	Shinjuku Ward, Tokyo	9.0	4.5%
Mar. 2010	OJR	OX Tamachi Building	Minato Ward, Tokyo	6.7	5.0%
Mar. 2010	CIC	Kayabacho Heiwa Building	Chuo Ward, Tokyo	4.8	6.0%
Apr. 2010	MTR	Tokyo Shiodome Building	Minato Ward, Tokyo	110.0	4.4%
May 2010	PIC	Iwamotocho Building	Chiyoda Ward, Tokyo	6.7	5.0%

(Note 1) Prepared by Tokyo Realty Investment Management, Inc. based on press releases by respective REITs, with acquisition prices rounded off to 100 million yen

(Note 2) Cap rates are values through direct capitalization method based on appraisal values indicated in the press releases.

Changes in Lending Attitude of Financial Institutions D.I. and Financial Position D.I.



(Note) Prepared by Tokyo Realty Investment Management, Inc. based on the TANKAN report published by the Bank of Japan

Financial institutions took a more relaxed lending attitude after becoming most severe in March 2009

Views on the Market by an Independent Institution

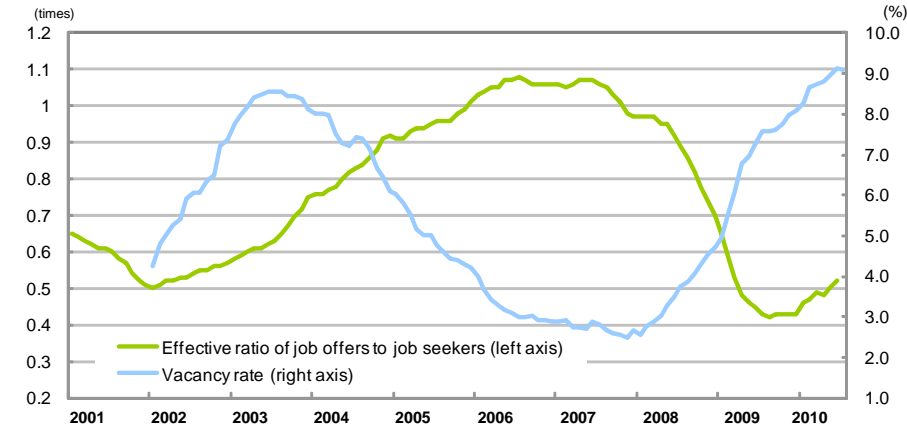
■ Prospects of expected cap rates of offices in Tokyo

- The number of transaction cases has begun to increase, causing expected cap rates to stop rising and stay at a high level. With the number of transaction cases increasing in the future, expected cap rates are anticipated to start decreasing outright.
- Expected cap rates of class A buildings are anticipated to slowly decrease through 2014, as risk premiums will drop and improved rental revenues will cause expected cap rates to lower. However, expected cap rates will stay almost flat throughout 2010 until coming to a turning point, since the supply of properties is limited and the transaction market has not yet regained soundness.

(Note) Prepared by Tokyo Realty Investment Management, Inc. based on the Real Estate Market Research Report (surveyed in March 2010) by STB Research Institute Co., Ltd.

Rental Office Market Conditions

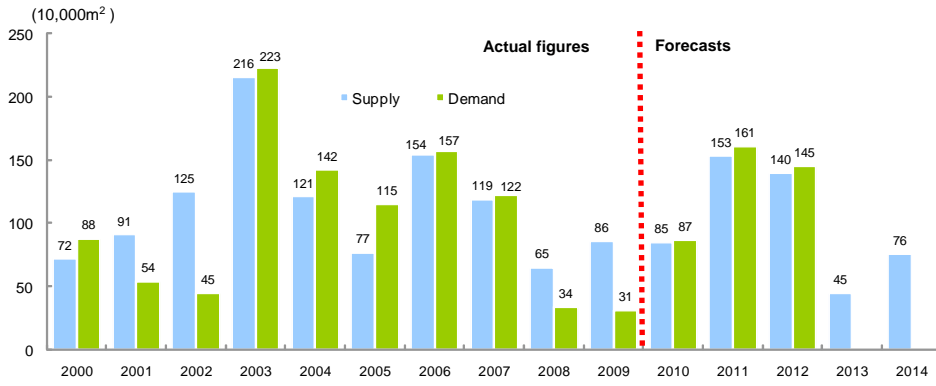
Changes in Effective Rate of Job Offers to Job Seekers and Vacancy Rate of Office Buildings in Tokyo



(Note) Prepared by Tokyo Realty Investment Management, Inc. based on the Effective Ratio of Job Offers to Job Seekers published by the Ministry of Health, Labour and Welfare and the Office Data (Average Vacancy Rates and Average Rents in Tokyo CBDs) published by Miki Shoji Co., Ltd.

Is the vacancy rate peaking as the effective ratio of job offers to applicants (employment) shows an improving trend?

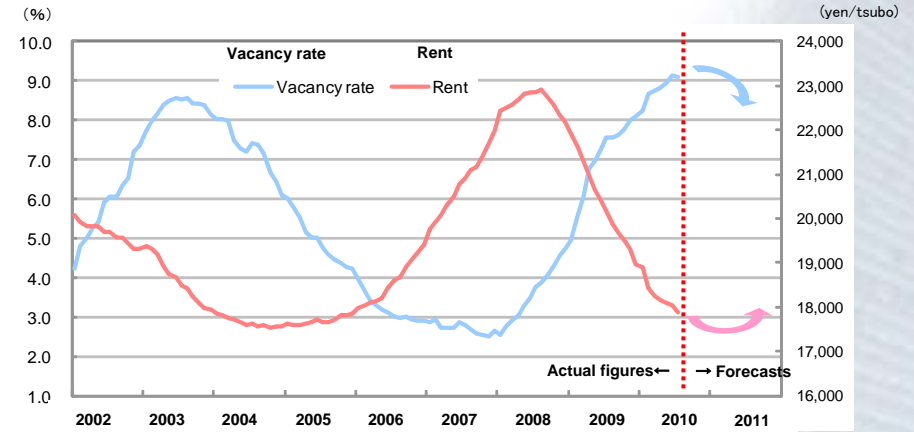
Supply and Demand Forecast for Office Buildings in Tokyo (23 Wards, More than 10,000m² per building)



(Note) Prepared by Tokyo Realty Investment Management, Inc. based on the Market Trend Survey of Large-scale Office Buildings in Tokyo's 23 Wards published by Mori Building Co., Ltd.

Although a large volume of supply will continue, demand is anticipated to surpass supply for the next three years, as needs for office spaces will revive among foreign-capital companies and financial/insurance businesses.

Changes in Vacancy Rate and Rents of Office Buildings in Tokyo



(Note) Actual figures were prepared by Tokyo Realty Investment Management, Inc. based on the Office Data (Average Vacancy Rates and Average Rents in Tokyo CBDs) published by Miki Shoji Co., Ltd. Forecasts are projected by Tokyo Realty Investment Management, Inc.

Past trends allow the projection that rents of office buildings in Tokyo will bottom out next spring.

Views on the Market by an Independent Institution

- **Prospects for vacancy rates of offices in Tokyo**
 - Vacancy rates are anticipated to peak in the middle of 2010 and decrease toward the year end.
- **Prospects for office rents in Tokyo**
 - Average contract rents are anticipated to bottom out in 2010 and rise in 2011.
- **Prospects for supply and demand of offices in Tokyo**
 - New supply (of all buildings recognizable in the office areas in the 23 wards of Tokyo) in 2011 will remain at the same volume level as 2010, arguably as a rebound of large projects concentrating around 2012. On the other hand, demand will surpass supply due to recovery in the economy and employment as well as relatively low rents. In particular, the finance and insurance industries (especially securities firms) and the IT industry are anticipated to lead demand for the moment.
 - For 2012, it is anticipated that supply will surpass demand as many large buildings will be completed and supplied in large quantity.

(Note) Prepared by Tokyo Realty Investment Management, Inc. based on the Real Estate Market Research Report (surveyed in March 2010) by STB Research Institute Co., Ltd.

Environmental Recognition and Investment Strategy for External Growth

Present Status of the Real Estate Transaction Market

J-REITs and privately placed funds that have strong fund procurement capabilities have shifted to a proactive approach to investment, anticipating the bottoming out of the rental office market.

The number of transaction cases have not yet increased, as perspectives on prices differ between sellers and buyers while information on properties for sale has decreased in number.

Future Prospects for the Real Estate Transaction Market

Competition over acquisitions may quickly become harsh if it becomes clear that the economy is showing continuous recovery and the rental office market is bottoming out.

Demand from buyers is particularly strong for office buildings in Tokyo priced at around 5 billion yen, and there is a concern that their cap rates will decrease (prices increase) in the future.

Changes in the Number of Cases in Which Information on Properties for Sale Was Provided to JPR and Which JPR Investigated

	Total of 13th Period (Jun. 2008)	Total of 14th Period (Dec. 2008)	Total of 15th Period (Jun. 2009)	Total of 16th Period (Dec. 2009)	January	February	March	April	May	June	Total of 17th Period (Jun. 2010)
Number of cases in which information was provided to JPR	137	80	31	145	2	20	7	26	16	12	83
Number of properties JPR investigated	31	6	7	24	1	4	3	5	1	3	17

Fairly new information on properties for sale is extremely limited, as many of the cases provided to JPR are repeated information on properties that were available for sale in the market in the past.

There are many cases in which foreign-capital privately placed funds secure properties in bulk, showing that the competitive advantages of J-REITs are quickly disappearing.

Secure blue-chip, core office buildings in Tokyo by obtaining fairly new property information, fully utilizing the sponsors' pipelines.
Proactively seek opportunities to acquire additional equity of existing properties by utilizing preferential purchase negotiating rights.
Investigate limited investments in retail properties and properties whose value can be enhanced and for which there is less competition.

Investment Target – Investment Strategies for Upside Advantages

Core Office Buildings in the Tokyo Area that Allow Expectations for Future Revenue Increases

- **Properties that allow expectations for increased rents over the medium to long term**
 - Recently built large-scale office buildings in Tokyo
 - Medium-sized or larger office buildings located in Tokyo CBDs, equipped with a certain level of facilities
- **Properties that allow expectations for increased property values over the medium to long term**
 - Properties that can be acquired at relatively low prices for their value
 - Equity of other right holders for existing properties (use of JPR's preferential purchase negotiating rights)
 - Excellent properties that can be acquired at reasonable price levels by cooperating with the sponsors to avoid excessive competition in the market

[Example properties]

MS Shibaura Building



Ryoshin Harajuku Building



TK Horidome Building



BYGS Shinjuku Building



Retail Properties in the Tokyo Area Targeting Stable Revenue

Investigate re-start of investment in retail properties (limited to the Tokyo area) by utilizing the characteristics of a diversified REIT, as retail properties see less competition than office buildings.

Total investment amount should be rather limited, as there is no change in JPR's policy of raising the allocation ratio of office buildings.

- **Properties that allow expectations for enhanced value over the medium to long term**
 - Properties that can be acquired at relatively inexpensive prices
 - Properties that house multiple tenants and are highly capable of tenant replacement
 - Properties that have particularly good locations and feature tenants under lease contracts based on fixed rents over a long term

[Example properties]

JPR Shibuya Tower Records Building



Kawasaki Dice Building



Properties Capable of Enhanced Value, Limited to Office Buildings Located in Tokyo CBDs

Background of investigating investment in properties capable of enhanced value

Given the emerging prospects of the bottoming out of the rental office market in Tokyo, JPR believes it is a good time to **obtain upside achievements over the medium term**

JPR seeks to implement its proprietary strategies amid intensifying competition over core offices in Tokyo CBDs

Properties whose value can be enhanced as investment targets

- JPR targets investment in **properties with occupancy rates upon acquisition of roughly 80% or lower and that allow expectations for upside revenues** by reinforcing leasing, rather than aged properties in anticipation of repairs and other investment becoming effective.
- Total investment amount should be rather limited in consideration of downside risks.

Achieve value enhancement

- Shift to core properties by achieving enhanced revenue-generating capabilities and more stability
- Also investigate obtaining realized gains of enhanced values on property sales

Properties Sold to Obtain Realized Gains of Enhanced Values after Achieving Value-Enhancement Strategies

Yasuda Life Tenroku Building



Gain on sale: JPY 190mn

JPR Ikebukuro Building



Gain on sale: JPY 768mn

SK Hiroshima Building



Gain on sale: JPY 38mn

Park East Sapporo

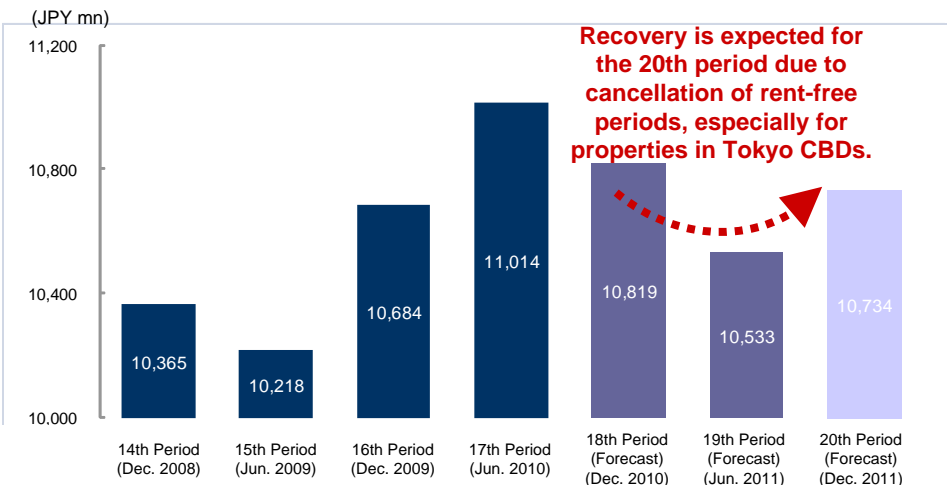


Gain on sale: JPY 249mn

*Gains on sale indicated above have been calculated by excluding such expenses as brokerage fees.

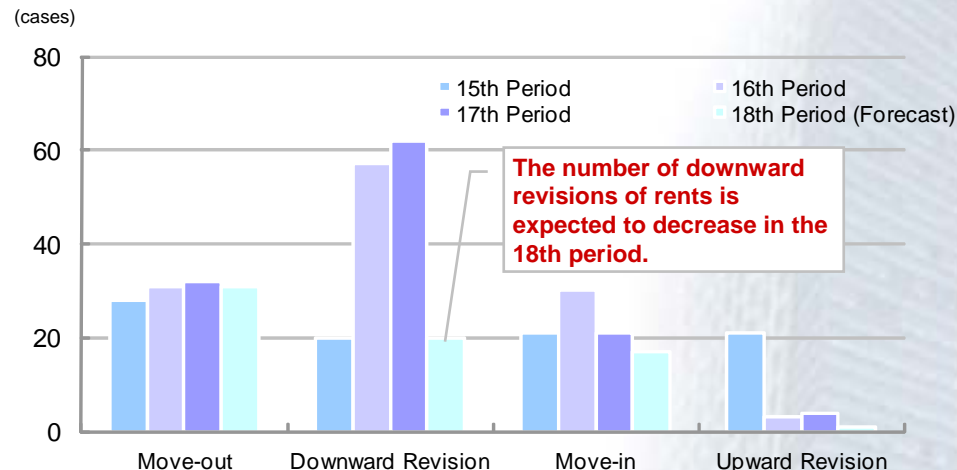
Internal Growth Strategy

Changes in Rents and Other Income from the Entire Portfolio



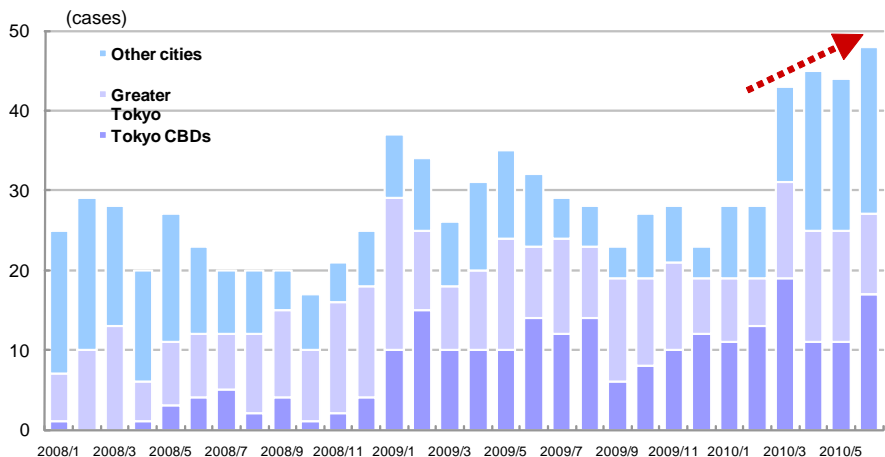
Rents and other income remained weak, with recovery slower than expected at the beginning of the year. However, occupancy rates and rents and other income will bottom out in the 18th and 19th periods, respectively.

Changes in the Number of Tenant Changes at Existing Properties



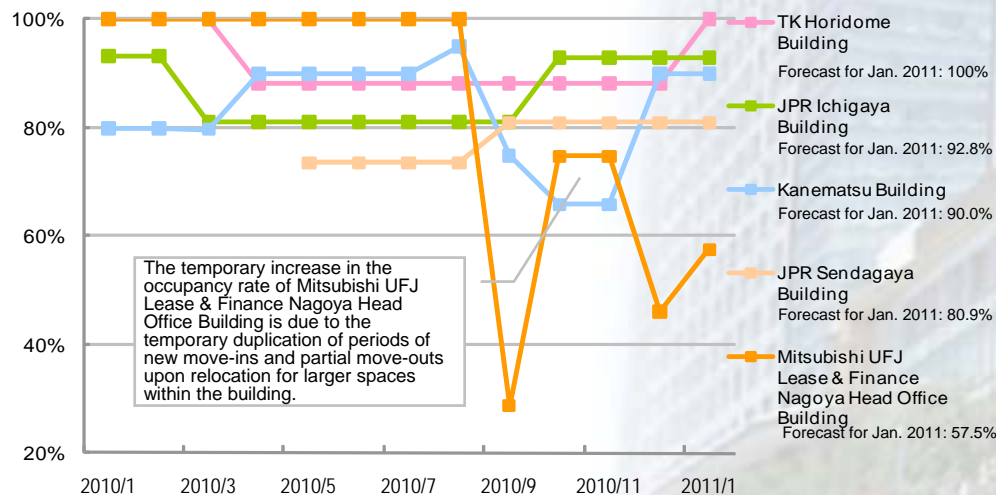
The number of tenant move-outs and downward revisions of rents in the 17th and 18th periods increased more than expected at beginning of the year.

Changes in the Number of Tenant Inquiries on Move-Ins



The number of inquiries from tenants started to increase in March 2010.

Changes in Monthly Occupancy Rates of Office Buildings with Improving Occupancy





Japan Prime Realty Investment Corporation

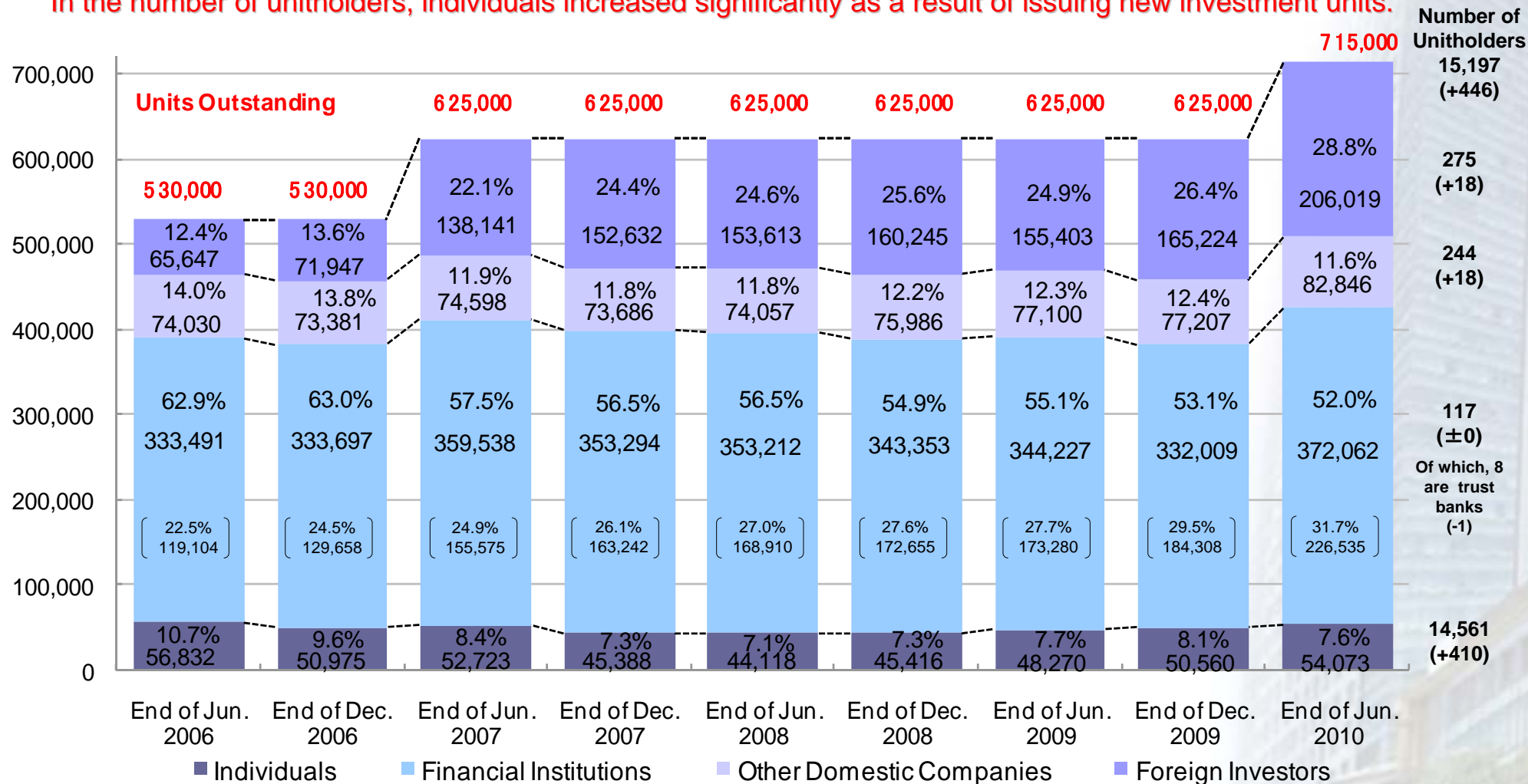
Appendix

17th~

Historical Unitholder Composition (Number of Units by Investor Type)

In the number of units held, the ratio of financial institutions, individuals and other domestic companies fell, while foreign investors and investment trusts increased.

In the number of unitholders, individuals increased significantly as a result of issuing new investment units.



(Note 1) The composition ratios in the above graph have been rounded to the first decimal place.

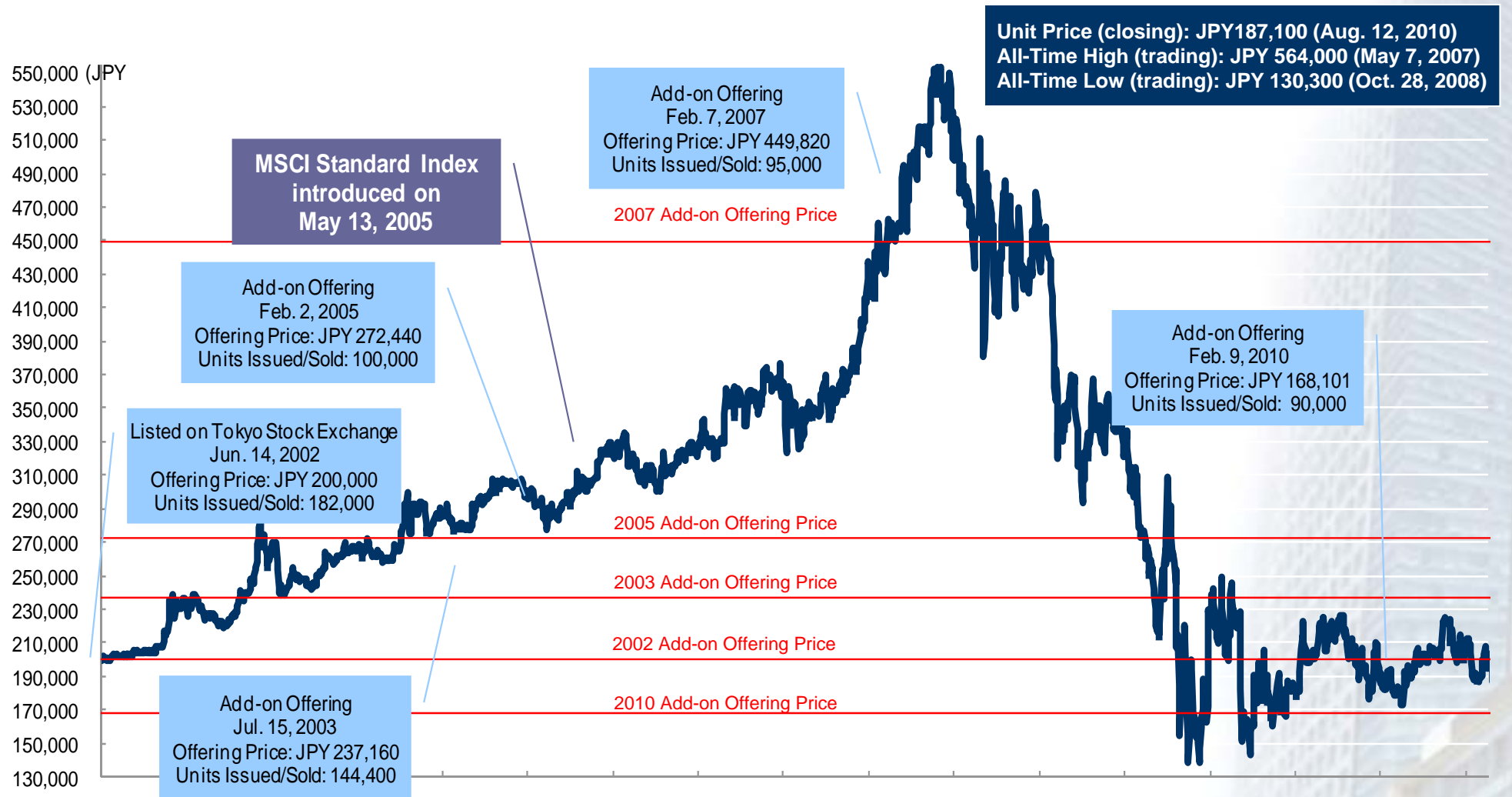
(Note 2) Figures in parentheses in the graph represent the number of investment units owned by trust banks within the category of financial institutions (including securities companies).

Principle Unitholders

17th Fiscal Period (Ended June 2010)			16th Fiscal Period (Ended December 2009)		
Name	Number of Units Owned	% of Units Outstanding*	Name	Number of Units Owned	% of Units Outstanding*
Japan Trustee Services Bank, Ltd. (Trust Account)	74751	10.45%	NikkoCiti Trust and Banking Corporation (Investment Trust Account)	50463	8.07%
NCT Trust and Banking Corporation (Investment Trust Account)	52809	7.38%	Japan Trustee Services Bank, Ltd. (Trust Account)	48359	7.73%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	41216	5.76%	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	34858	5.57%
Tokyo Tatemono Co., Ltd.	29300	4.09%	Tokyo Tatemono Co., Ltd.	29300	4.68%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	28211	3.94%	Northern Trust Company (AVFC), Account Singapore Clients (Standing Proxy: The Hongkong and Shanghai Banking Corporation Ltd., Tokyo Branch)	27300	4.36%
Northern Trust Company (AVFC), Account Singapore Clients (Standing Proxy: The Hongkong and Shanghai Banking Corporation Ltd., Tokyo Branch)	27324	3.82%	The Master Trust Bank of Japan, Ltd. (Trust Account)	25714	4.11%
The Master Trust Bank of Japan, Ltd. (Trust Account)	25796	3.60%	Kawasaki Gakuen	25000	4.00%
Kawasaki Gakuen	25000	3.49%	Meiji Yasuda Life Insurance Company	24000	3.84%
Meiji Yasuda Life Insurance Company	24000	3.35%	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	19699	3.15%
AIG Star Life Insurance, Co., Ltd.	13190	1.84%	The Bank of Ikeda, Ltd.	13234	2.11%
Total	341597	47.77%	Total	297927	47.66%

(Note) For the percentages of units outstanding, figures after the second decimal place have been rounded off.

Milestones Since IPO and Historical Unit Price (June 2002 – August 2010)



Fiscal Period	1st Period Jun. 2002	2nd Period Dec. 2002	3rd Period Jun. 2003	4th Period Dec. 2003	5th Period Jun. 2004	6th Period Dec. 2004	7th Period Jun. 2005	8th Period Dec. 2005	9th Period Jun. 2006	10th Period Dec. 2006	11th Period Jun. 2007	12th Period Dec. 2007	13th Period Jun. 2008	14th Period Dec. 2008	15th Period Jun. 2009	16th Period Dec. 2009	17th Period Jun. 2010
DPU	JPY2,545	JPY6,912	JPY6,873	JPY5,738	JPY6,081	JPY6,671	JPY6,370	JPY6,411	JPY6,509	JPY6,873	JPY6,996	JPY6,671	JPY7,122	JPY7,092	JPY3,731	JPY6,933	JPY6,770

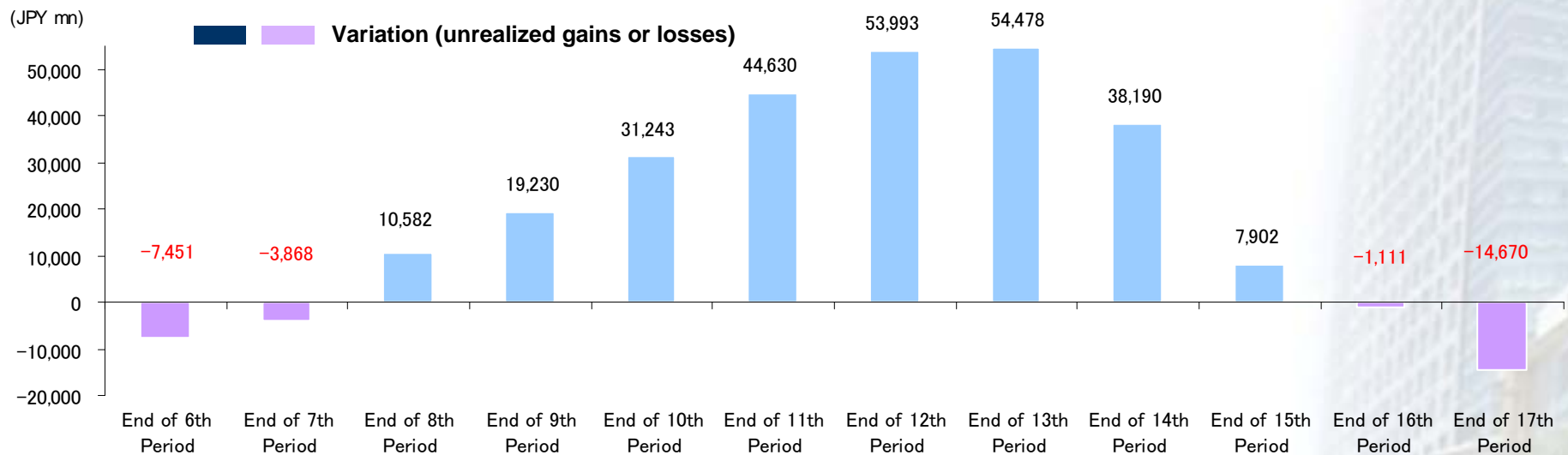
Changes in Variation Between Appraisal Value and Book Value at End of Period

Net assets per unit after including variation between the appraisal value and book value (unrealized gains or losses) were 226,060 yen (Note 1)

	End of 6th Period Dec. 2004	End of 7th Period Jun. 2005	End of 8th Period Dec. 2005	End of 9th Period Jun. 2006	End of 10th Period Dec. 2006	End of 11th Period Jun. 2007	End of 12th Period Dec. 2007	End of 13th Period Jun. 2008	End of 14th Period Dec. 2008	End of 15th Period Jun. 2009	End of 16th Period Dec. 2009	End of 17th Period Jun. 2009
Number of properties	42	42	42	44	46	48	49	50	52	51	53	55
Appraisal value at end of period (JPY mn)	171,526	191,905	210,601	224,773	249,366	285,176	299,995	322,984	311,513	300,509	301,979	308,134
Book value (JPY mn)	178,977	195,773	200,019	3	218,123	240,546	246,002	268,506	273,323	292,607	303,090	322,804
Variation (unrealized gains: JPY mn)	-7,451	-3,868	10,582	19,230	31,243	44,630	53,993	54,478	38,190	7,902	-1,111	-14,670
Ratio of unrealized gains or losses (Note 2)	-4.2%	-2.0%	5.3%	9.4%	14.3%	18.6%	21.9%	20.3%	14.0%	2.7%	-0.4%	-4.5%

(Note 1) Net assets per unit after including unrealized gains = (Net assets at end of period + Unrealized gains or losses) / Number of outstanding units issued at end of period

(Note 2) Ratio of unrealized gains or loss = Variation / book value x 100



Appraisals and Cap Rates at End of Period

No.	Property Name	End of 17th Period		End of 16th Period		Appraiser
		Appraisal Value (Note 2)	Cap Rate (Note 3)	Appraisal Value (Note 2)	Cap Rate (Note 3)	
1	Kanematsu Building	10,300,000	4.8%	12,300,000	4.8%	3
2	Kanematsu Building Annex	2,310,000	5.1%	2,330,000	5.1%	3
3	JPR Ningyo-cho Building	2,380,000	5.3%	2,540,000	5.3%	1
4	Shin-Kojimachi Building	3,090,000	5.0%	3,240,000	5.0%	1
5	JPR Crest Takebashi Building	3,530,000	4.8%	3,640,000	4.8%	5
6	MS Shibaura Building	14,800,000	5.0%	14,700,000	5.0%	1
7	Gotanda First Building	2,850,000	5.1%	2,850,000	5.1%	1
8	Fukuoka Building	3,240,000	4.6%	3,240,000	4.6%	5
9	JPR Ichigaya Building	4,970,000	4.7%	5,100,000	4.7%	5
10	Oval Court Ohsaki Mark West	4,320,000	4.8%	4,320,000	4.8%	5
11	Shinjuku Square Tower	8,912,000	4.6%	9,795,000	4.6%	6
12	BYGS Shinjuku Building	9,930,000	4.8%	10,900,000	4.8%	5
13	Across Shinkawa Building Annex	863,000	5.6%	965,000	5.6%	5
14	Shinjuku Center Building	13,100,000	4.3%	13,700,000	4.3%	1
15	Minami Azabu Building	2,880,000	5.1%	3,000,000	5.1%	1
16	Shinagawa Canal Building	1,620,000	5.1%	1,640,000	5.1%	1
17	Rokubancho Building	3,020,000	6.1%	3,010,000	6.0%	1
18	Ryoshin Harajuku Building	7,570,000	4.5%	8,480,000	4.5%	8
19	Tokyo Tatemono Kyobashi Building	5,120,000	5.0%	-	-	1
20	TK Horidome Building	5,900,000	4.9%	-	-	8
21	JPR Sendagaya Building	10,900,000	4.3%	-	-	8
22	JPR Shibuya Tower Records Building	12,600,000	4.5%	12,600,000	4.5%	1
23	JPR Daikanyama	1,310,000	5.0%	1,310,000	5.0%	3
24	JPR Jingumae 432	4,000,000	3.5%	4,200,000	3.4%	7
25	Shinjuku Sanchoe East Building	2,350,000	4.5%	2,350,000	4.5%	1
26	Yurakucho Ekimae Building (Yurakucho Itocia)	2,660,000	4.2%	2,660,000	4.2%	1
27	Arca East	5,530,000	4.8%	5,900,000	4.8%	1
28	JPR Chiba Building	1,550,000	6.1%	1,620,000	6.1%	5
29	JPR Yokohama Nihon Odori Building	2,460,000	5.7%	2,470,000	5.7%	5
30	Shinyokohama 2nd Center Building	775,000	6.2%	925,000	6.2%	3
31	Kawaguchi Center Building	9,420,000	6.1%	9,520,000	6.1%	3
32	JPR Ueno East Building	4,920,000	5.2%	5,190,000	5.2%	1
33	Tachikawa Business Center Building	3,190,000	5.7%	3,390,000	5.7%	1
34	Rise Arena Building	5,740,000	5.6%	6,020,000	5.5%	4
35	Yume-ooka Office Tower	5,550,000	5.6%	5,640,000	5.5%	1
36	Olinas Tower	31,500,000	4.8%	31,500,000	4.8%	1

No.	Property Name	End of 17th Period		End of 16th Period		Appraiser
		Appraisal Value (Note 2)	Cap Rate (Note 3)	Appraisal Value (Note 2)	Cap Rate (Note 3)	
37	Tanashi ASTA	12,200,000	5.8%	12,200,000	5.8%	5
38	Cupo-la Main Building	2,480,000	5.9%	2,480,000	5.9%	1
39	JPR Musashikosugi Building	5,940,000	5.2%	5,940,000	5.2%	8
40	Musashiurawa Shopping Square	3,890,000	5.4%	3,890,000	5.4%	8
41	Kawasaki Dice Bldg.	14,664,000	4.7%	14,664,000	4.7%	7
42	Niigata Ekinan Center Building	2,090,000	6.7%	2,090,000	6.7%	2
43	Tokyo Tatemono Honmachi Building	3,030,000	6.0%	3,660,000	7.0%	1
44	JPR Hakata Building	2,940,000	6.0%	2,970,000	6.0%	2
45	JPR Naha Building	1,600,000	6.8%	1,600,000	6.8%	2
46	Sompo Japan Sendai Building	3,350,000	6.4%	3,460,000	6.4%	1
47	Sompo Japan Wakayama Building	1,800,000	7.5%	1,820,000	7.5%	1
48	Tenjin 121 Building	2,460,000	5.7%	2,590,000	5.7%	1
49	JPR Dojima Building	2,370,000	5.4%	2,450,000	5.4%	1
50	JPR Hakata-chuo Building	1,820,000	5.7%	1,830,000	5.7%	1
51	Mitsubishi UFJ Lease & Finance Nagoya Head Office Building	2,510,000	6.5%	3,420,000	6.0%	4
52	JPR Umeda Loft Building	14,000,000	4.8%	15,100,000	4.7%	6
53	Benetton Shinsaibashi Building	4,630,000	4.8%	4,590,000	4.8%	4
54	Housing Design Center Kobe	6,550,000	6.3%	6,540,000	6.3%	4
55	JPR Chayamachi Building	4,650,000	5.0%	4,640,000	5.0%	4
Total		308,134,000	-	296,979,000	-	-

(Note 2) At end of period (1,000 yen)

(Note 3) Direct Capitalization Method

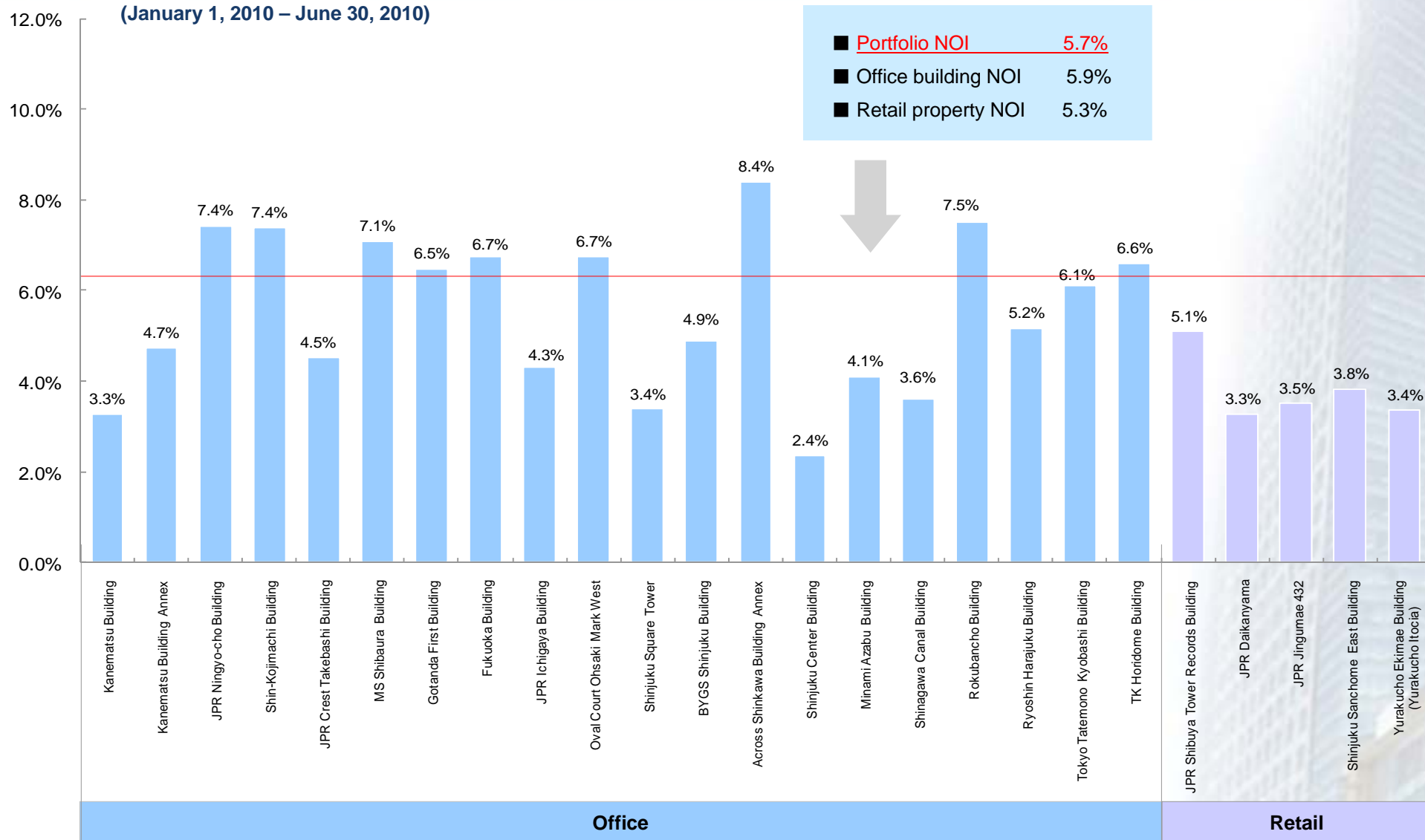
- Properties whose appraisal values decreased by 10% or more compared with those at the end of the 16th period
- Properties whose appraisal values increased compared with those at the end of the 16th period

Appraiser	No.
Japan Real Estate Institute	1
Tanizawa Sogo Appraisal	2
Nippon Tochi-Tatemono	3
CB Richard Ellis	4
Daiwa Real Estate Appraisal Co., Ltd.	5
Nihon LCR	6
A Square	7
HIRO & REAS Network	8

(*1) The Direct Capitalization Method is a method for determining income using the capitalization method (a method that determines the asset price of targeted real estate by determining the sum of the current price of the net income that the targeted real estate is expected to produce in the future), which discounts the net income for a set period using the cap rate.

NOI Yield by Property for the 17th Fiscal Period (Tokyo CBDs)

(January 1, 2010 – June 30, 2010)

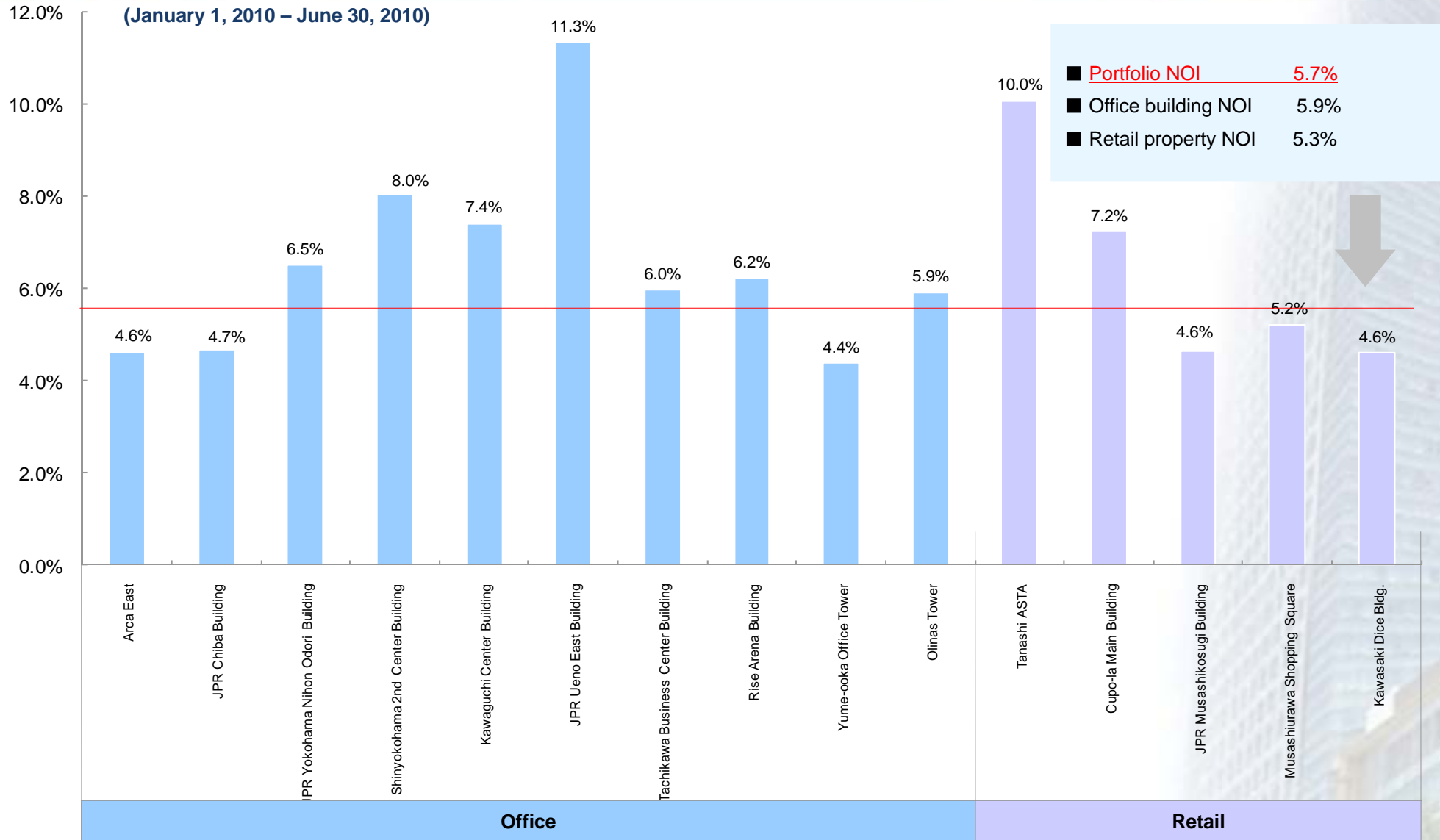


■ **Portfolio NOI** 5.7%
■ **Office building NOI** 5.9%
■ **Retail property NOI** 5.3%

(Note 1) NOI yield = (Rental revenues - Rental expenses + Depreciation) x 365 / 184 ÷ Acquisition price. However, for properties acquired during the fiscal period, the annualized NOI yield has been calculated on a daily pro rata basis. The entered properties are those owned as of the end of the 17th fiscal period.

(Note 2) JPR Sendagaya Building was excluded from the bar graph section as the property had only a short operational period. However, the property was included in the calculation of cap rates of the entire portfolio and office buildings.

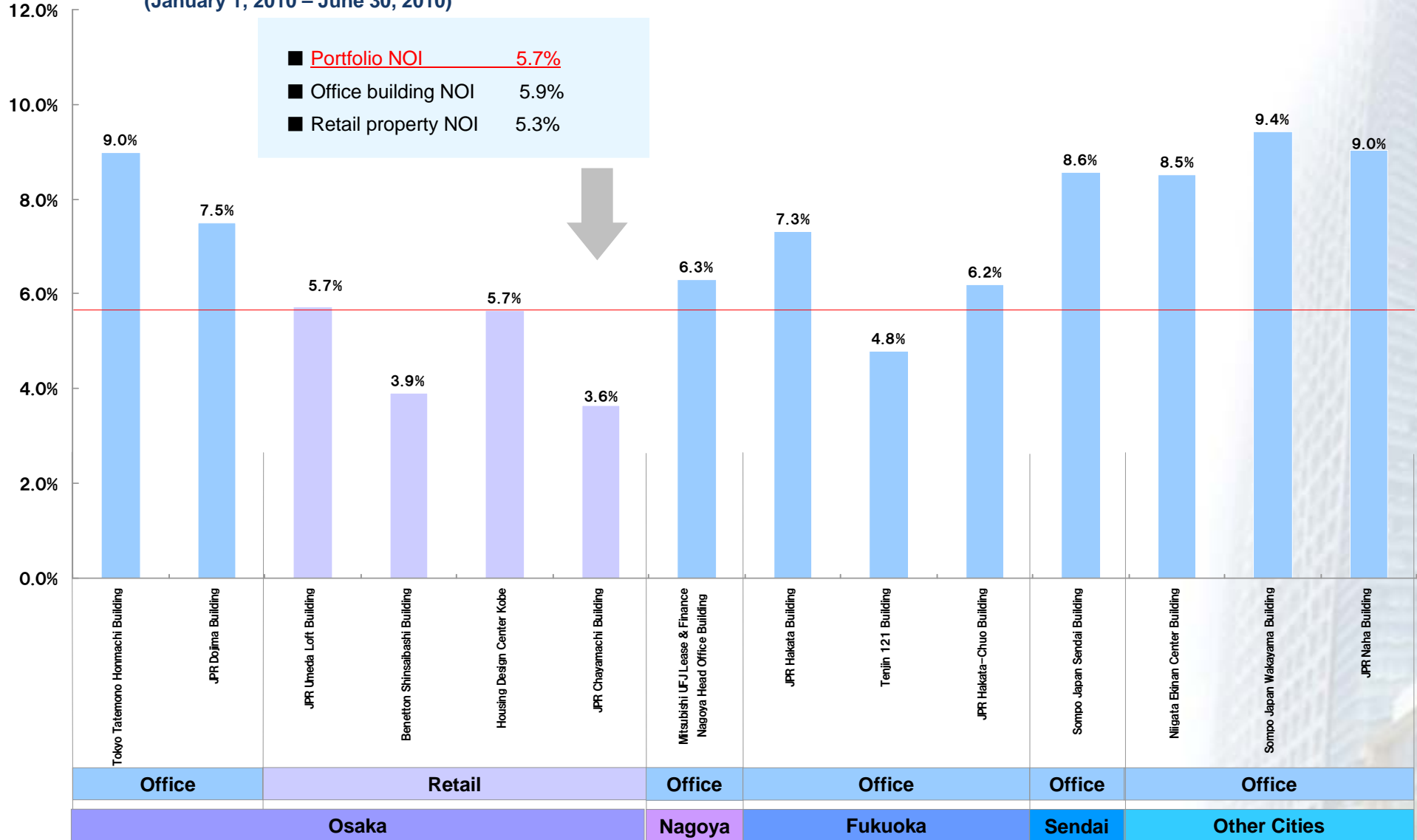
NOI Yield by Property for the 17th Fiscal Period (Greater Tokyo)



(Note 1) NOI yield = (Rental revenues - Rental expenses + Depreciation) x 365 / 184 ÷ Acquisition price. However, for properties acquired during the fiscal period, the annualized NOI yield has been calculated on a daily pro rata basis. The entered properties are those owned as of the end of the 17th fiscal period.

NOI Yield by Property for the 17th Fiscal Period (Other Cities)

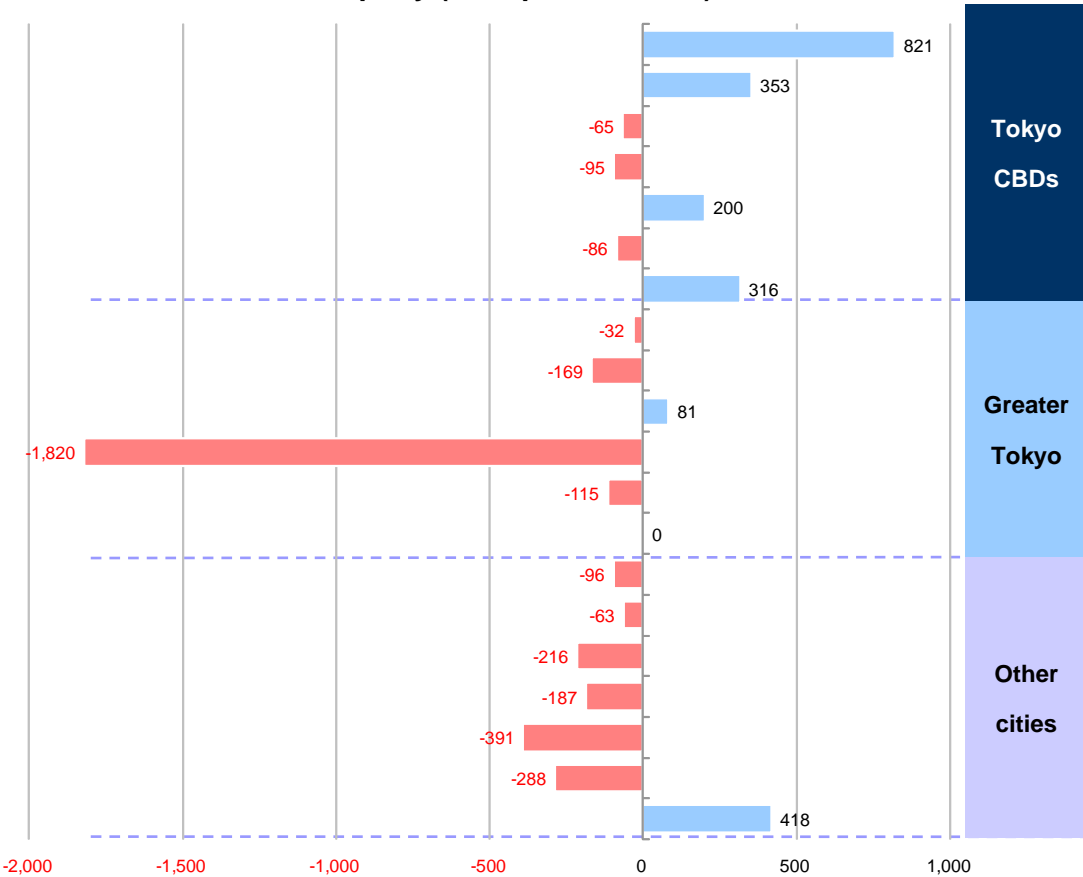
(January 1, 2010 – June 30, 2010)



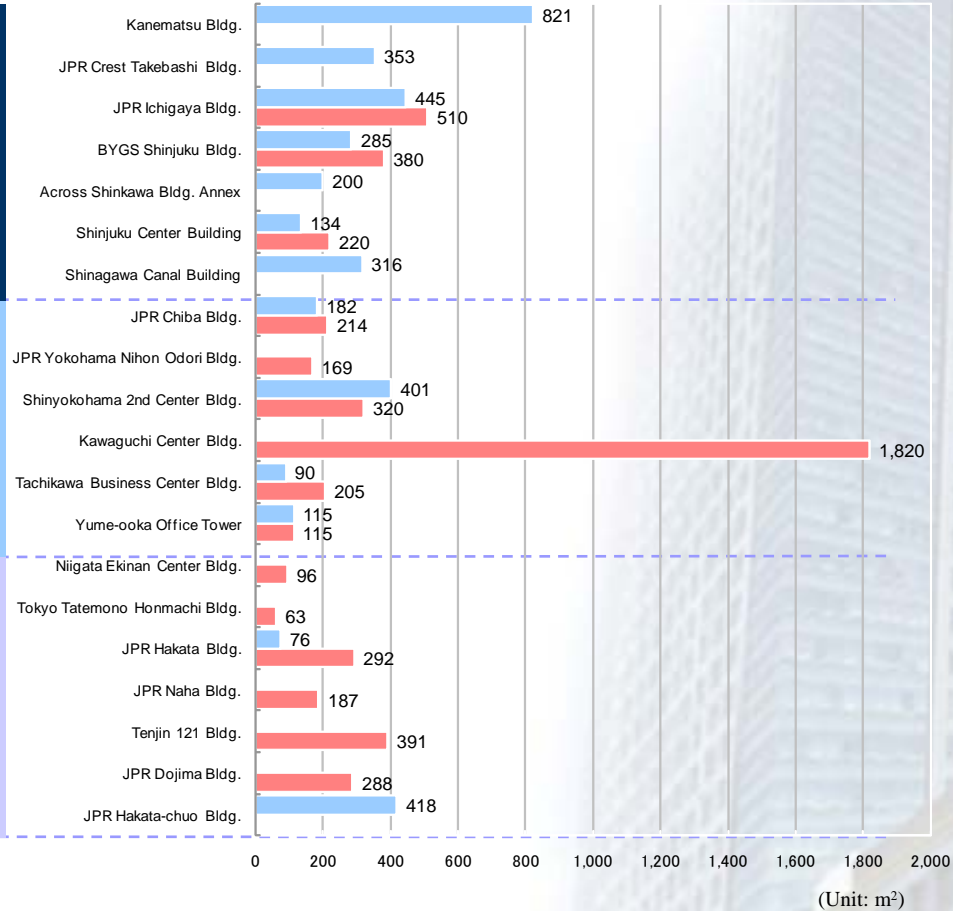
(Note 1) NOI yield = (Rental revenues - Rental expenses + Depreciation) x 365 / 184 ÷ Acquisition price. However, for properties acquired during the fiscal period, the annualized NOI yield has been calculated on a daily pro rata basis. The entered properties are those owned as of the end of the 17th fiscal period.

Contracting Status of Tenants by Property for the 17th Fiscal Period

Net Increase / Decrease of Floor Space by Property (Occupied-Vacated) (Unit: m²)



Occupied / Vacated Floor Space by Property (Unit: m²)



	Occupied	Vacated	Net
Office (Tokyo CBDs)	2,555	1,110	1,444
Office (Greater Tokyo)	789	2,843	-2,055
Office (Other cities)	494	1,316	-822
Retail	0	0	0
Total	3,837	5,270	-1,433

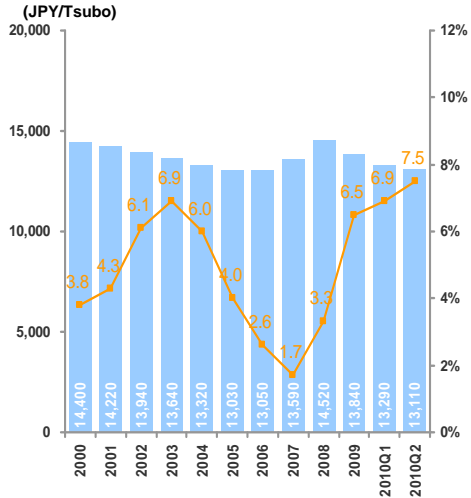
*The above graphs exclude properties at which there were no changes in tenants during the 17th fiscal period, but include changes in tenants from the amendment of lease contracts.

Office Vacancy Rates and Average Advertised Rents in Major Investment Areas

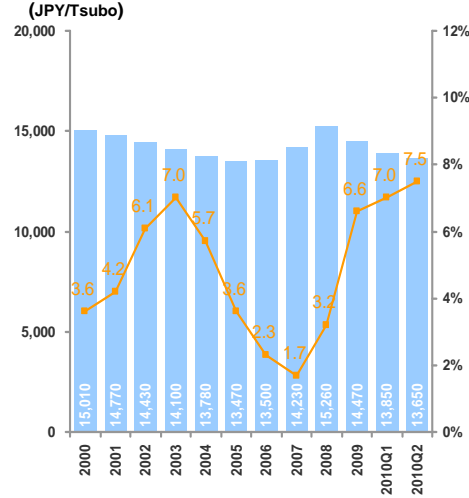
Advertised rents (Blue bars) Vacancy rate (Orange line)

(Rents are average advertised rents for relevant periods. Vacancy rates are those as of the end of each fiscal period for relevant periods.)

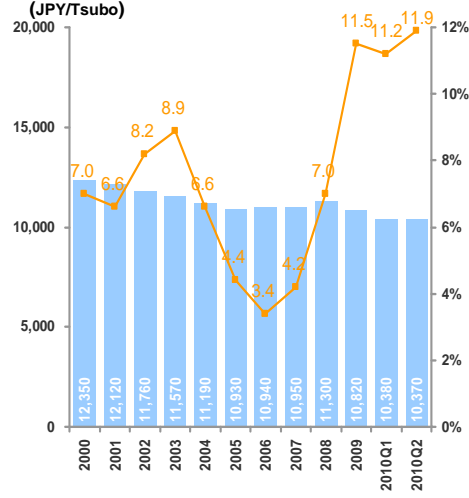
23 Wards of Tokyo



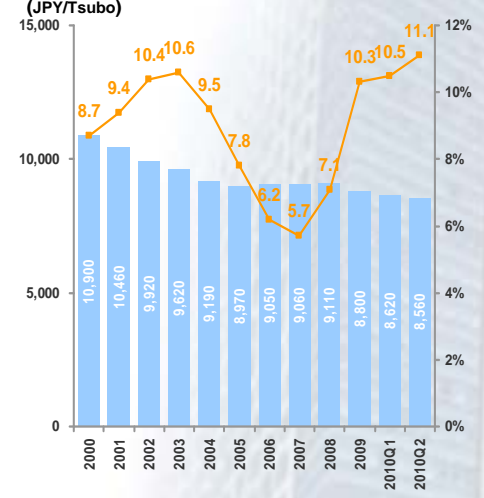
5 Wards of Tokyo



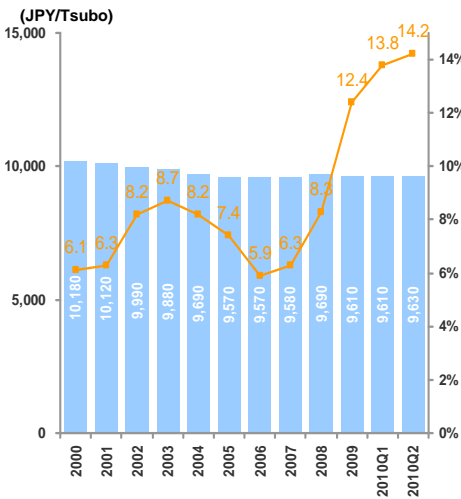
Yokohama City



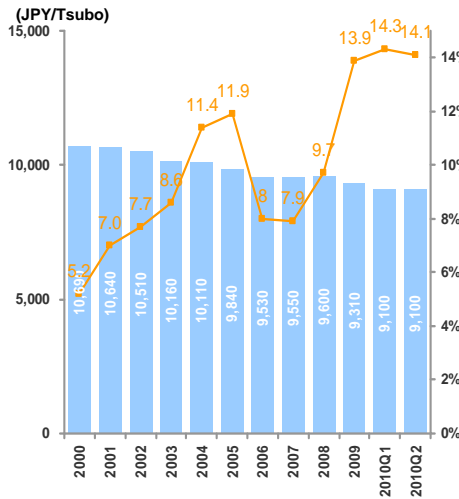
Osaka City



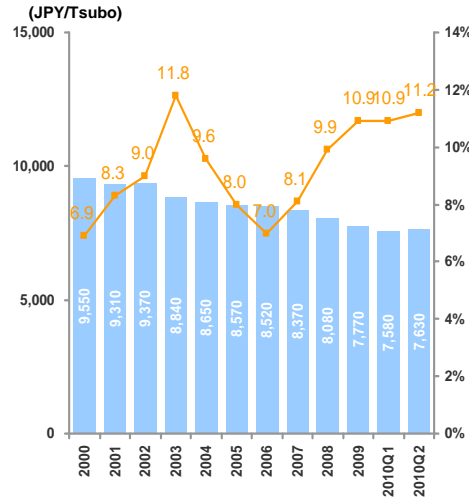
Nagoya City



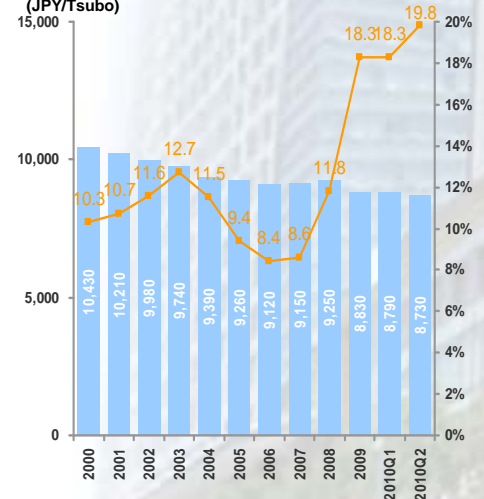
Fukuoka City



Sapporo City



Sendai City



Source: Office Market Report (CB Richard Ellis)

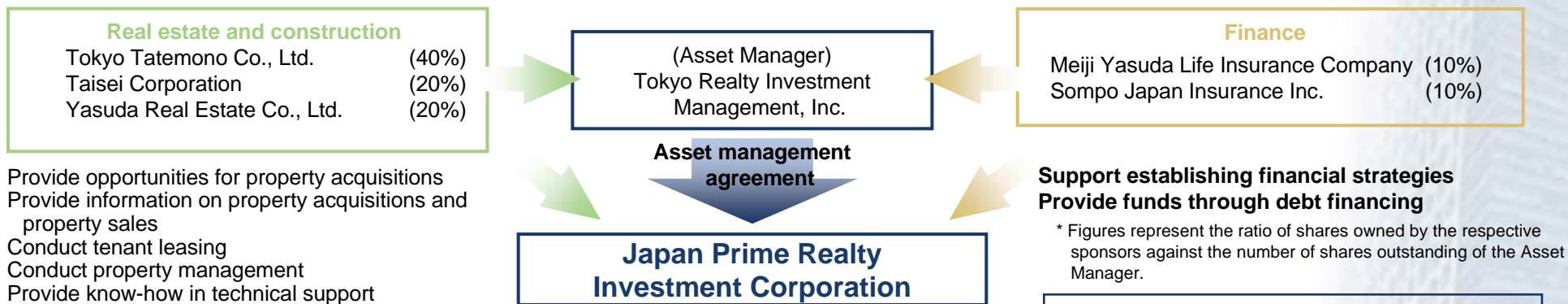
Overview of the Asset Manager

■ Overview of Tokyo Realty Investment Management, Inc.

Name: Tokyo Realty Investment Management, Inc.
Capitalization: 350 million yen
Business description: Asset management for investment corporation

Take advantage of the strengths of the respective sponsors

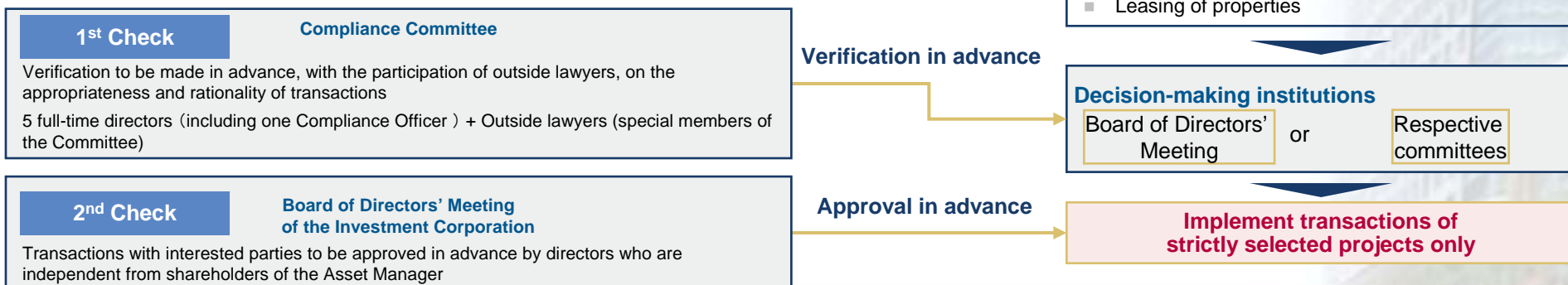
The asset manager takes full advantage of the strengths in the areas of real estate and construction of Tokyo Tatemono Co., Ltd., Taisei Corporation and Yasuda Real Estate Co., Ltd., and the strengths held by Meiji Yasuda Life Insurance Company and Sompo Japan Insurance Inc. as financial institutions, while also utilizing the know-how of the respective sponsors and conducting operations in a well-balanced manner.



- Transaction projects with interested parties
 - Acquisition and sale of properties and individual assets
 - Consignment of property management
 - Brokerage or proxy of transactions
 - Placement of orders for construction (construction works costing over 10 million yen)
 - Leasing of properties

■ Corporate governance system of the Asset Manager

The Asset Manager has established a rigorous monitoring system concerning transaction projects with interested parties of the investment corporation, such as property acquisitions from the sponsors, through internal and external checks and controls.



Disclaimer Regarding Forward-Looking Statements

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