

Tokyo Realty Investment Management, Inc.



Japan Prime Realty Investment Corporation

Company Presentation September 2007

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

Sep. 2007





Profile of Japan Prime Realty Investment Corporation

Profile Overview

(as of August 31, 2007)

Ticker : 8955 (Tokyo Stock Exchange)
 Market Cap. : JPY 295.6 bn
 Asset Size (based on acquisition price) : JPY 251.9 bn
 Investment Target (type) : Office: 80%; Retail: 20%
 Investment Target (area) : Tokyo: 60%; Other Selected Cities: 40%
 Real Estate Indices : MSCI Japan Index, TSE REIT Index, GPR, EPRA/NAREIT
 Credit Rating : R&I: AA-; Moody's: A2; S&P: A-

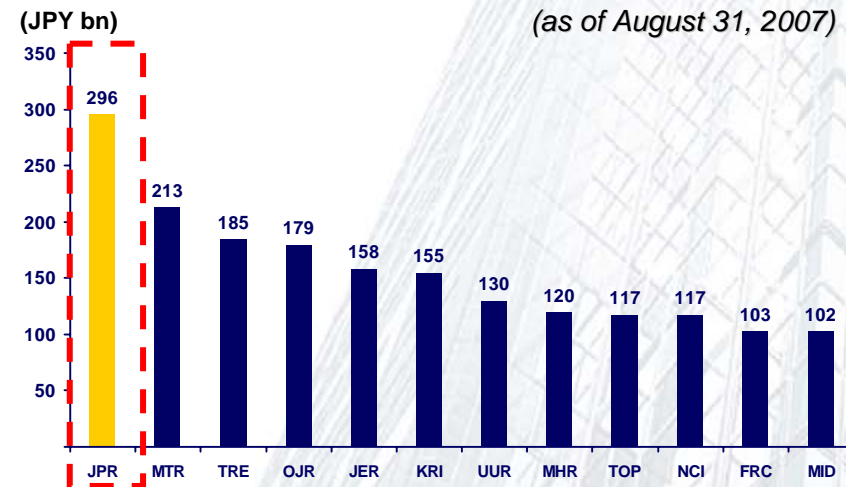
Asset Management Company

Tokyo Realty Investment Management (TRIM)

Sponsors (Shareholders of Asset Management Company)

Tokyo Tatemono (8804:TSE)	Real Estate	26%
Meiji Yasuda Life	Insurance	24%
Taisei Corp. (1801:TSE)	Construction	20%
Yasuda Real Estate	Real Estate	20%
Sompo Japan Insurance (8755:TSE)	Insurance	10%

Market Cap. of Major Diversified J-REITs



Top Ranked Diversified J-REIT with Strong Sponsor Capability



Financial Results and Forecast

JPR

(JPY mn)	7th Period Ended June 2005	8th Period Ended Dec. 2005	9th Period Ended June 2006	10th Period Ended Dec. 2006	11th Period Ended June 2007	12th Period (E) Ending Dec. 2007 (E)
Operating revenues	8,503	8,587	8,588	9,088	10,056	10,354
Operating profits	3,954	3,984	4,024	4,373	5,108	4,926
Net income	3,376	3,398	3,449	3,642	4,372	4,062
DPU (JPY)	6,370	6,411	6,509	6,873	6,996	6,500
FFO	4,353	4,715	5,010	5,222	5,524	5,876
FFO per unit (JPY)	8,214	8,896	9,453	9,853	8,839	9,402
Total units outstanding (Units)	530,000	530,000	530,000	530,000	625,000	625,000
LTV (%)	42.0%	44.1%	45.8%	48.7%	37.2%	38.9%
Total assets	216,574	225,882	231,523	244,691	271,398	-
Number of properties	42	42	44	46	48	49
Average occupancy rate (%)	94.9%	96.1%	97.7%	98.3%	99.0%	98.5%

11th Fiscal Period Results

- ✓ 2 properties acquired in the 10th Fiscal Period contributing to the 11th Fiscal Period
 - Chayamachi Grande Bldg. and JPR Musashikosugi Bldg. (JPY 13.2 bn)
- ✓ 5 properties newly acquired in the 11th Fiscal Period
 - Tachikawa Business Center Bldg. (additional ownership), Shinjuku Sanchoe East Bldg., Rise Arena Bldg., Musashiurawa Shopping Square and Kawasaki Dice Bldg. (JPY 28.0 bn)
- ✓ Increase in occupancy rate

12th Fiscal Period Forecast (as of Aug. 2007)

- ✓ Contribution of 1 property newly acquired in the 11th Fiscal Period
 - Yume-ooka Office Tower (JPY 6.5 bn)
- ✓ Assuming Kawasaki Dice TMK is liquidated during the 12th Fiscal Period.
- ✓ Total units outstanding is based on 625,000 units.

Steady Increase in Revenues and FFO
Net Income and DPU Expected to Drop Mainly Due to Absence of Gain on Real Estate Sale

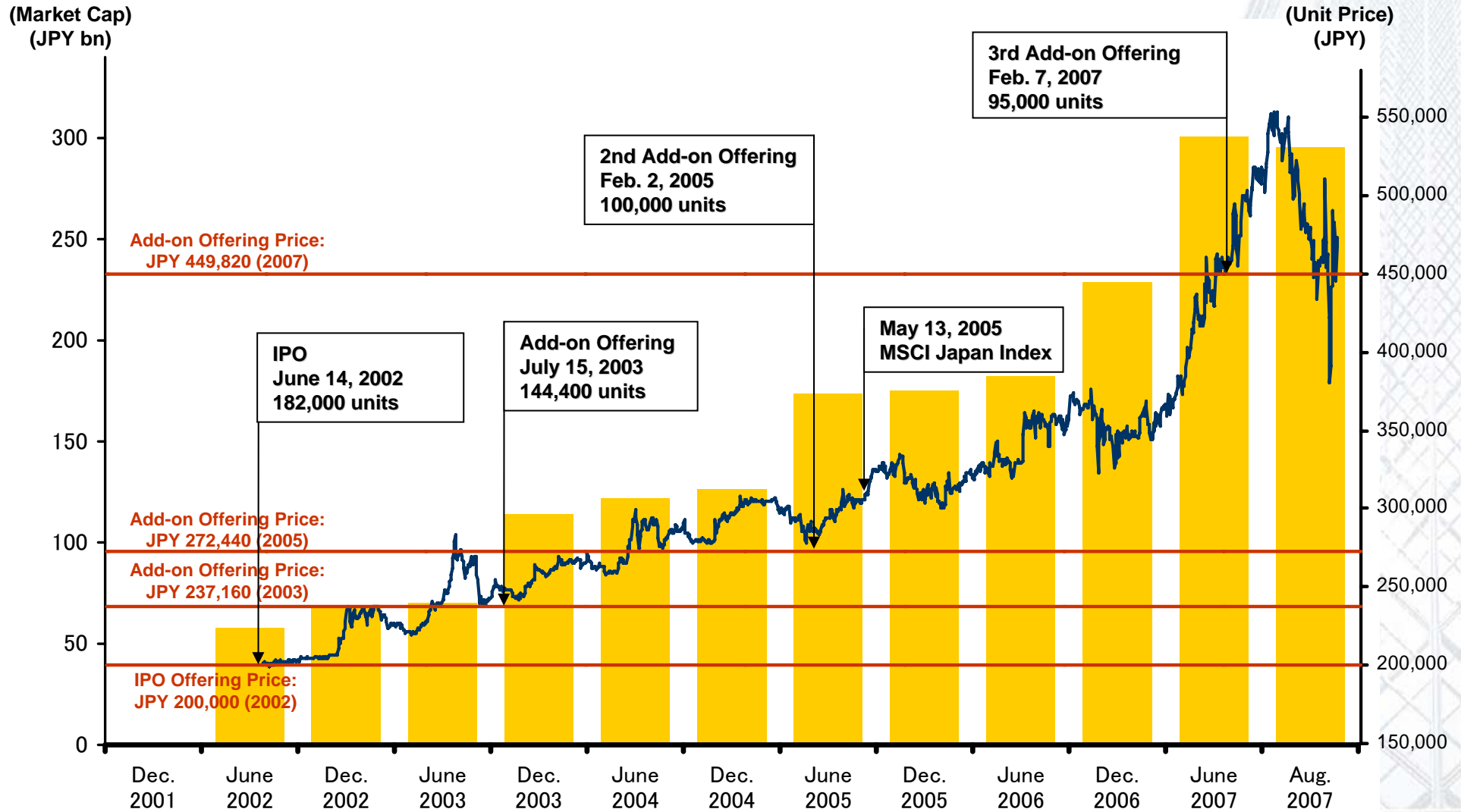
Note: FFO = Net Income + Depreciation and Amortization – Capital Gains (Losses) from Disposal of Properties
 DPU and FFO per unit are calculated using the number of units outstanding as of the end of each fiscal period.
 LTV = Interest Bearing Debt ÷ (Interest Bearing Debt + Unitholders' Capital) × 100



JPR's Market Recognition History

Steady Market Cap Growth through Equity Finance

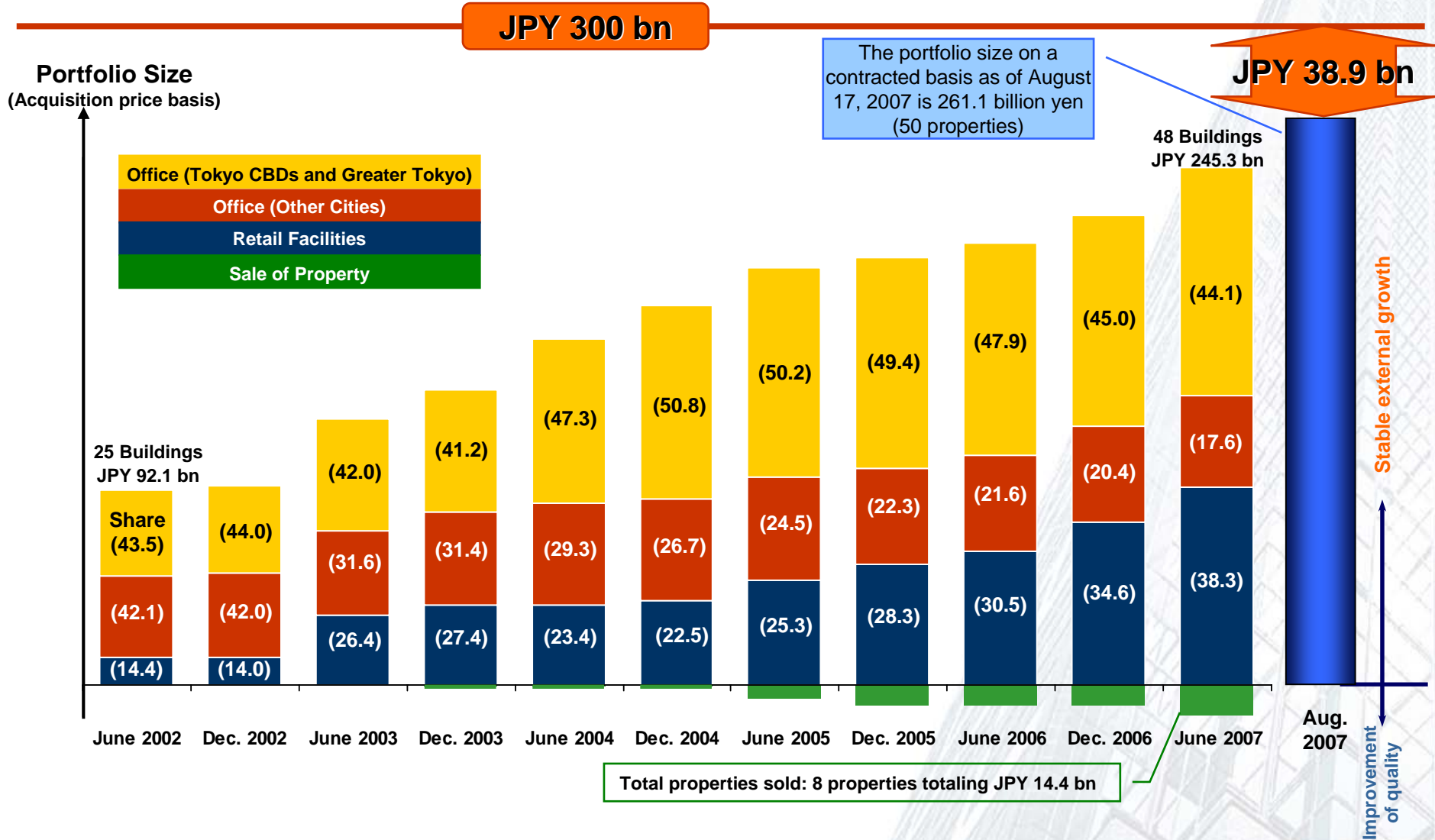
(as of August 31, 2007)










Towards a Target Portfolio Size of Over 300 Billion Yen

Striving for a Target Portfolio Size of 300 Billion Yen while Maintaining a Prudent Investment Policy



Note: JPR listed on June 14, 2002. Portfolio size is based on acquisition prices.



Recent Acquisitions (11th Fiscal Period)

	Tachikawa Business Center Bldg. (additional acquisition)	Musashiurawa Shopping Square	Kawasaki Dice Bldg.	Rise Arena Bldg.	Shinjuku Sanhome East Bldg.	
						
■ Type of Use	Office	Retail	Retail	Office	Retail	
■ Acquisition Date	Feb. 2007	Mar. 2007	Apr. 2007	Mar. 2007	Mar. 2007	
■ Acquisition Price	JPY 2.30 bn	JPY 4.33 bn	JPY 15.08 bn	JPY 5.83 bn	JPY 0.54 bn	
■ Appraisal Value (as of June 30, 2007)	JPY 2.42 bn	JPY 4.40 bn	JPY 15.18 bn	JPY 8.05 bn	JPY 0.55 bn	
■ Location	Tachikawa-shi, Tokyo	Saitama-shi, Saitama	Kawasaki-shi, Kanagawa	Toshima-ku, Tokyo	Shinjuku-ku, Tokyo	
■ Ownership	Land	Co-ownership 29.7% (total % to be 46.7%)	Co-ownership 50.0%	Ownership, Co-ownership of surface rights 52.0%	Co-ownership 15.9%	Ownership 2.7% (Unit ownership)
	Building	Unit ownership	Unit ownership (co-ownership of beneficiary interest)	Unit ownership (co-ownership of beneficiary interest)	Unit ownership, Co-ownership of unit ownership	Co-ownership of unit ownership
■ Expected NOI %	5.8% (total)	5.0%	4.6%	5.5%	4.3%	
■ Seller	Tokyo Tatemono Co., Ltd. (sponsor)	Musashiurawa Retail Properties Y.K. (An SPC originated by Tokyo Tatemono Co., Ltd.)	Kawasaki Dice TMK (An SPC originated by Tokyo Tatemono Co., Ltd.)	Taisei Corporation (sponsor)	Taisei Corporation (sponsor)	
Continuous Acquisition of Blue-Chip Properties through Collaborations with Sponsor Companies						



Acquisition in 12th Fiscal Period and Contracted Future Acquisition

Portfolio Expansion through Continuous Acquisitions

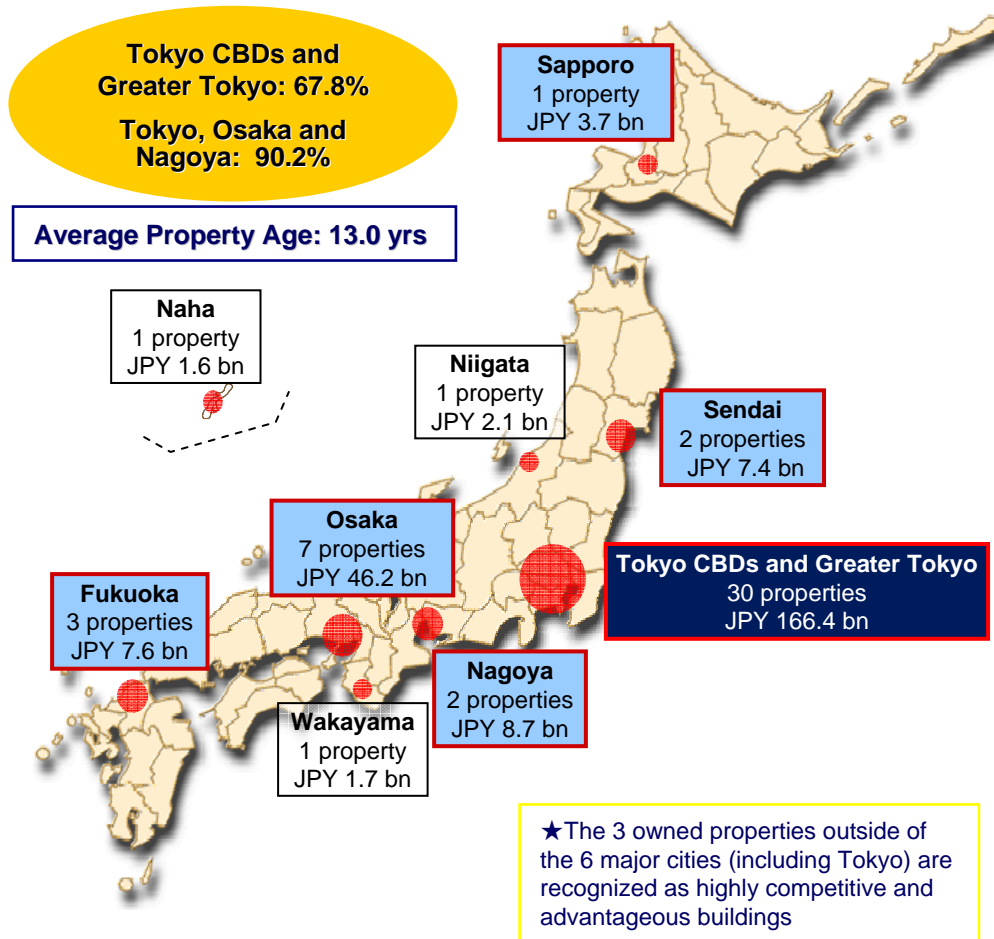
		
Property Name	Yume-ooka Office Tower	KM Fukugo Building (tentative name) (redevelopment project)
Acquisition Highlights	*Blue-chip office building in Tokyo metropolitan area *Acquired from public body through bidding	*Acquisition that avoided over-competition through advance investment into a blue-chip development project (3F-6F: Tenants already finalized)
Property Characteristic	A blue-chip office building directly connected to Kamiooka Station on the Keikyu Line	Retail property directly connected to Kitahama Station on the Osaka City Subway Sakaisuji Line
Date of Acquisition	July 2007	Contracted in March 2007 <Acquisition in March 2009 (planned)>
Acquisition Price	JPY 6.51 bn	JPY 9.25 bn (planned)
Rights, etc. (percentage of equity interest)	Land: Co-ownership (19.7%) Building: Unit ownership	Land: Ownership (21.42%) Building: Unit ownership
Implied NOI Return upon Acquisition	4.8%	—
Seller	The City of Yokohama	Sanyo Homes Co., Ltd., Haseko Corporation and others for a total of 8 companies

Continuous Acquisitions of Blue-Chip Properties Mainly from Sponsor Companies Utilizing 41.3 Billion Yen of Equity Raised in February 2007

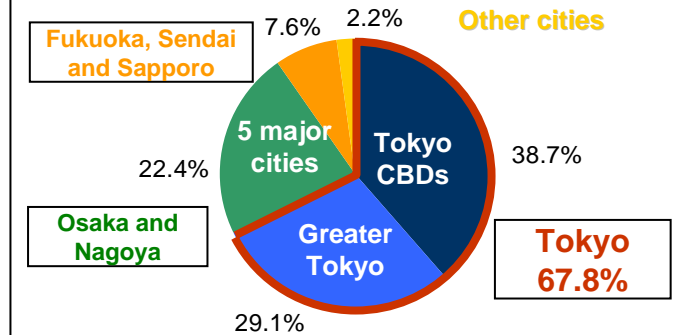
Establishing the Core Portfolio and Diversifying Risks

Continuing Diversified Investment into Tokyo and 5 Major Cities Where Stability and Growth are Expected

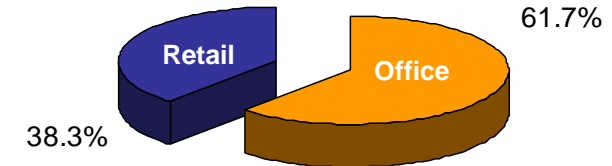
Portfolio Diversification (as of the end of June 2007)



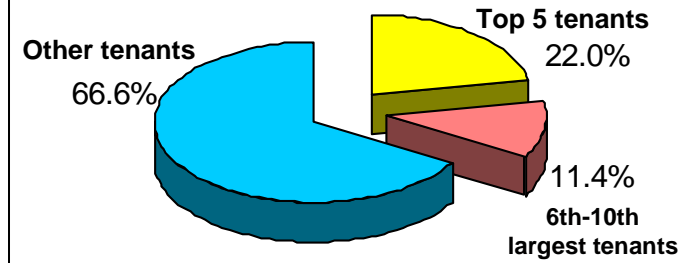
Geographic Diversification (as of June 2007)



Property Type (as of June 2007)



Tenant Diversification (as of June 2007)



*Based on total monthly rents.

*Portfolio (acquisition price) as of June 2007, not including the Yume-ooka Office Tower acquired in July 2007, the KM Fukugo Building (tentative name) to be acquired in March 2009 and the Kawasaki Dice TMK preferred securities acquired in December 2005.

Achieving Higher Rents Upon Rent Renewals with Existing Tenants

Example of upward revisions for office buildings in Tokyo CBD and Greater Tokyo

- Achieved upward revisions by introducing commission for renewals at higher rents, setting detailed objectives for renewals at higher rents, etc.

[11th Fiscal Period Performance]

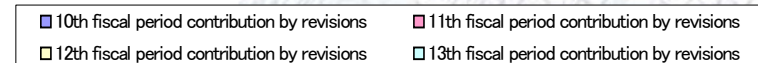
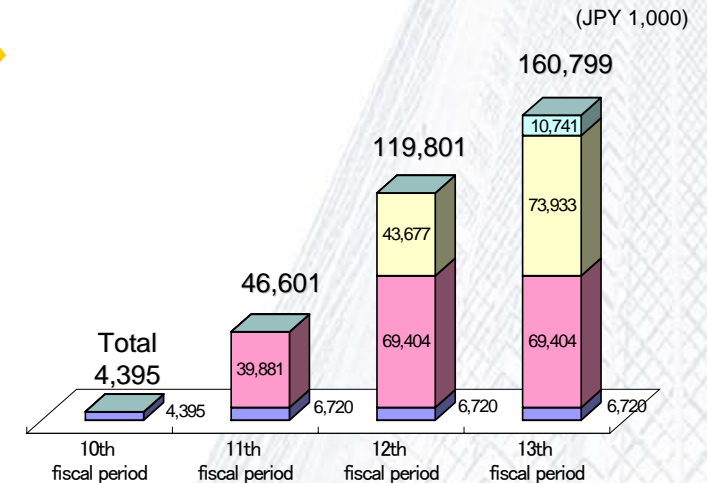
Positive rent revisions: Up to 3,000 yen/subo per month

Revision rate: Max. 45%, Avg. 9.4%

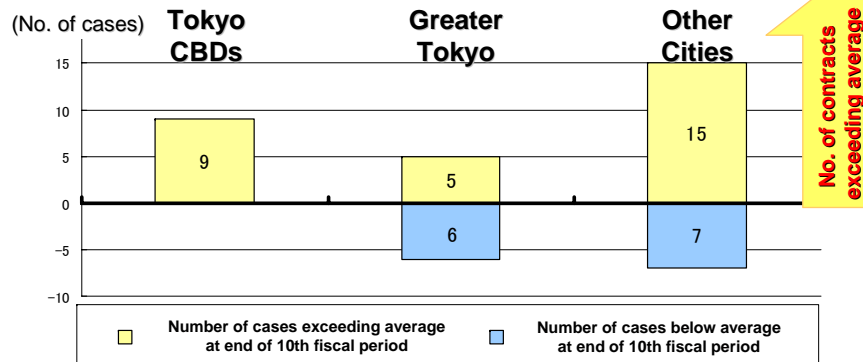
- Contribution to NOI increase in 12th fiscal period and after

Timing of Rent Increase	Revised Contracts	Total No. of Contracts	%	Contribution to Profit Increase (1,000 yen)			
				10th fiscal period	11th fiscal period	12th fiscal period	13th fiscal period
10th fiscal period (December 2006 period)	7 cases	271	2.6%	4,395	6,720	6,720	6,720
11th fiscal period (June 2007 period)	49 cases	278	17.6%	0	39,881	69,404	69,404
12th fiscal period (December 2007 period)	28 cases	278	10.1%	0	0	43,677	73,933
13th fiscal period (June 2008 period)	13 cases	278	4.7%	0	0	0	10,741
Total	97 cases	278	34.9%	4,395	46,601	119,801	160,799
			vs. 9th fiscal period rents	0.2%	1.6%	4.2%	5.7%

*1. The revision performance figures are the number of revision cases on a contract base. *2. The numbers of contracts are the figures for the end of the 10th and 11th fiscal period and the 12th and 13th fiscal period use the figure for the end of the 11th fiscal period. *3. The range of this study is limited to offices in Tokyo and suburban Tokyo and excludes the additional acquisition of the Tachikawa Business Center Building acquired in the 10th fiscal period and after and the Rise Arena Building. *4. The contribution to increased profits is calculated based on a comparison to 9th fiscal period rents and is based only the rents and excludes common expenses.



Status of New Tenant Contracts in 11th Fiscal Period



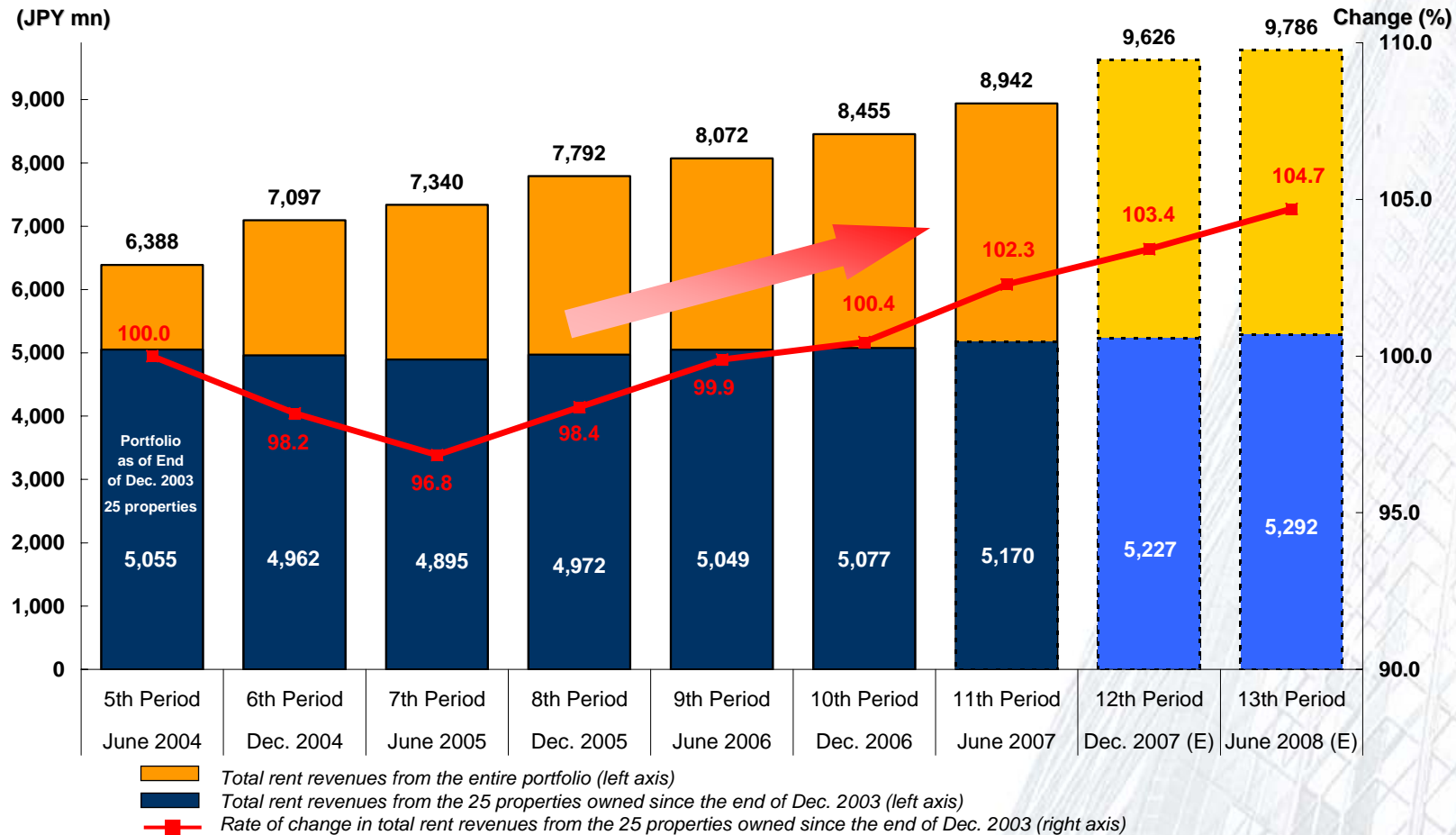
- Rents for new tenants are also increasing in local cities
- Rental income again grew due to proactive increased unit rent prices resulting from rent levels higher than present market levels upon the replacement of tenants



Growth Potential of Cash Flow: History of Rent Revenues

Rental Revenues from 25 Properties at End of 4th Fiscal Period^(Note 1) Bottomed Out in 7th Fiscal Period

History of Rent Revenues from the Entire Portfolio and from the 25 Properties Owned Since the End of the 4th Fiscal Period (Ended Dec. 2003)^(Note 2)



Notes: (1) The rent revenues represent the fixed revenues designated in the contracts with tenants, including rent, common expenses and parking fees.

(2) The 25 properties owned since the 4th Fiscal Period (ended Dec. 2003) are the 32 properties owned in the 4th Fiscal Period (ended Dec. 2003) minus JPR Ikebukuro Bldg., JPR Park West Takamatsu and JPR Square Hakata East/West that were sold in March 2005, SK Hiroshima Bldg. that was sold in September 2005, Park East Sapporo that was sold in Nov. 2005, and Tsurumi fuga 1 and JPR Takamatsu Bldg. that were sold in April 2007.

**Add-on Offering Reduced the LTV Ratio
Able to Achieve the Target Portfolio Size of 300 Billion Yen by Increasing LTV**

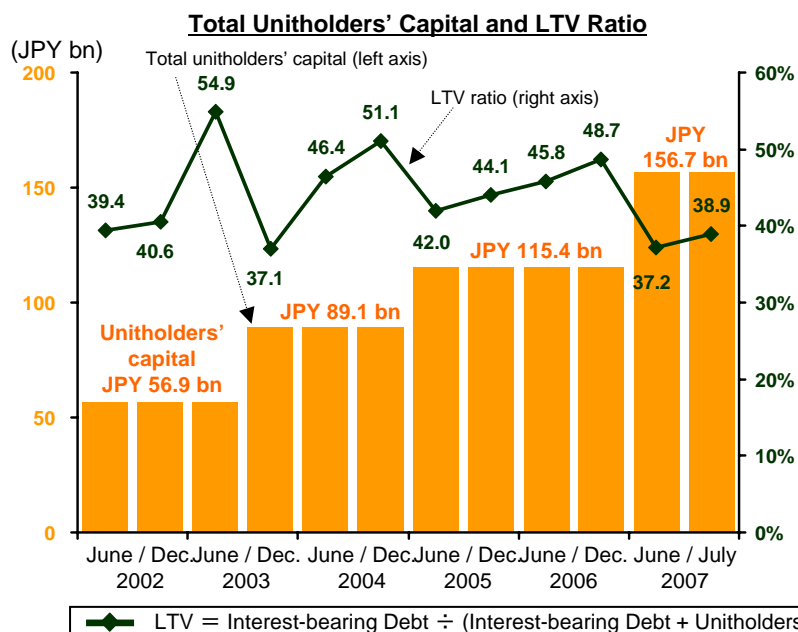
<LTV ratio at end of June dropped to approx. 37% with add-on offering>

- Since the add-on offering of February 2005, the JPR LTV ratio has fluctuated at between 40 and 50%
- The LTV ratio dropped to approx. 36% with the add-on offering of 95,000 units in February 2007 (approx. 18% of total units outstanding)
 - Issued prices: 449,820 yen for both public offering and 3rd party allotment
 - Issued units: 90,000 units in public offering and 5,000 units in 3rd party allotment
 - Raised capital: 39.12 billion yen in public offering and 2.17 billion yen in 3rd party allotment
- LTV ratio has risen to approx. 39% with recent property acquisition at end of July 2007

<Debt capacity>

Property Acquisition Capacity by Raising LTV Ratio (simulation)

LTV Ratio	Property Acquisition Capacity	Portfolio Size (Acquisition Price)
Present Capacity (38.9%)	—	251.9 bn yen
45%	28.5 bn yen	280.4 bn yen
50%	57.0 bn yen	308.9 bn yen



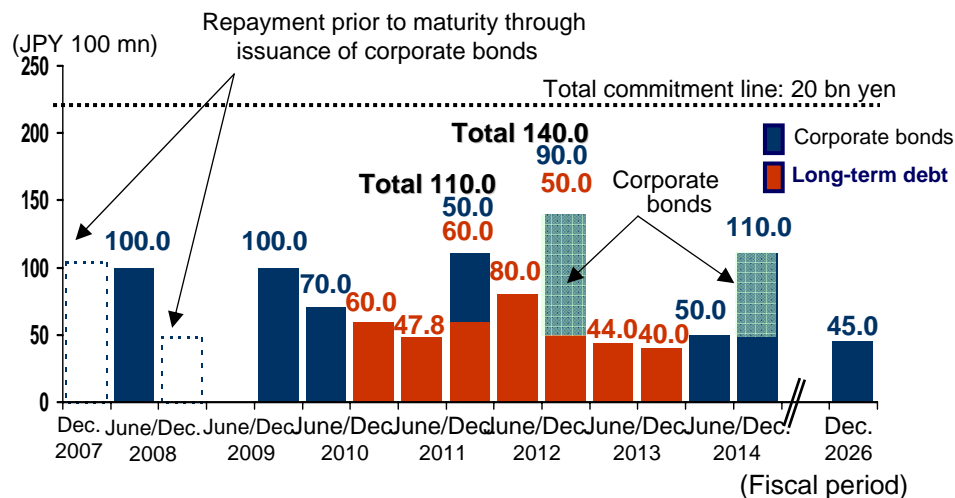
The target portfolio size of 300 billion yen is achievable without new issue of additional equity

Reducing Refinance Risks through Diversified Debt Maturity

<Corporate bonds issued in July have maturities of 5 and 7 years>

Issue No.	Issued Amount	Maturity
8 th series	9 bn yen	July 2012 (5 years)
9 th series	6 bn yen	July 2014 (7 years)

Debt Maturity Ladder



Diversify Source of Debt to Secure Future Property Acquisitions

<Expanding sources of both direct and indirect finance>

Procurement Method	Current Status
Short-term borrowings	<ul style="list-style-type: none"> • A credit limit of 34 billion yen arranged with 7 banks • A commitment line of 20 billion yen arranged with 5 banks
Long-term borrowings	<ul style="list-style-type: none"> • Approx. 38 billion yen has been borrowed from 12 financial institutions
Corporate bonds	<ul style="list-style-type: none"> • Shelf registration of 100 billion yen in bond issues has been arranged (remainder 80.5 billion yen)
Commercial paper (CP)	<ul style="list-style-type: none"> • Preparatory studies anticipating future legal revisions

JPR can utilize flexible finance methods to secure future property acquisitions

Low Cost Debt Finance due to High Credit Ratings

<Backed by high ratings...>

- S&P raised the outlook in March 2007
- R&I raised the issuer rating in April 2007

		Current Ratings	
Agency	Issuer	Outlook	
R&I	AA-	Stable	
Moody's	A2	Stable	
S&P	A-	Positive	

<Taking steps to raise capital at low costs>

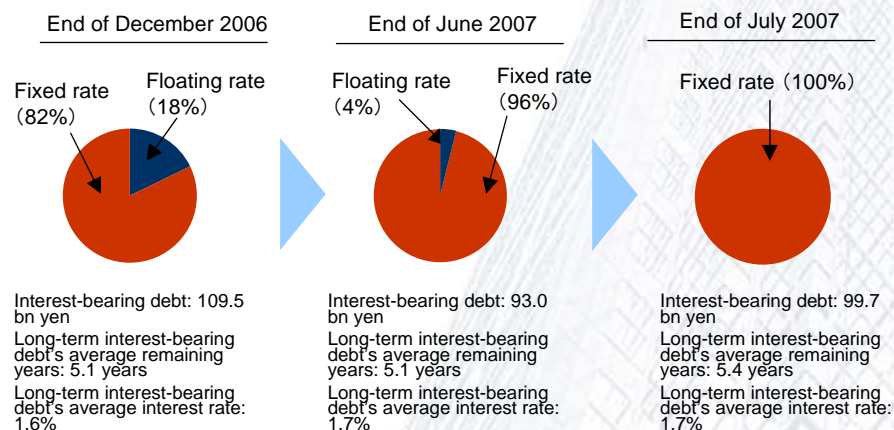
Issued 8th series and 9th series of unsecured corporate bonds in July 2007

Issue No.	Amount	Nominal Interest	LIBOR Spread*
8th series	9 bn yen	1.85%	14bp
9th series	6 bn yen	2.10%	18bp

*Source: Reuters

Emphasis on Long-term and Fixed Interest Debt

<Increasing fixed rate debt finance>



- All long-term debt is fixed rate
- Corporate bonds issued in July were used to repay all short-term loans

Reducing interest rate hike risks

Expand Portfolio Size with Focus on Quality and Profitability Enhancement

■ External Growth

▪ Continuous portfolio expansion with focus on quality

JPR will continue to expand its portfolio with selective investment focused on location and future potential

▪ Collaboration with sponsors

JPR will seek further collaboration with Tokyo Tatemono, JPR's main sponsor, and utilize the stable and continual pipeline with Taisei Construction (potential acquisition of development projects)

▪ Focused investment on Tokyo and 5 major cities

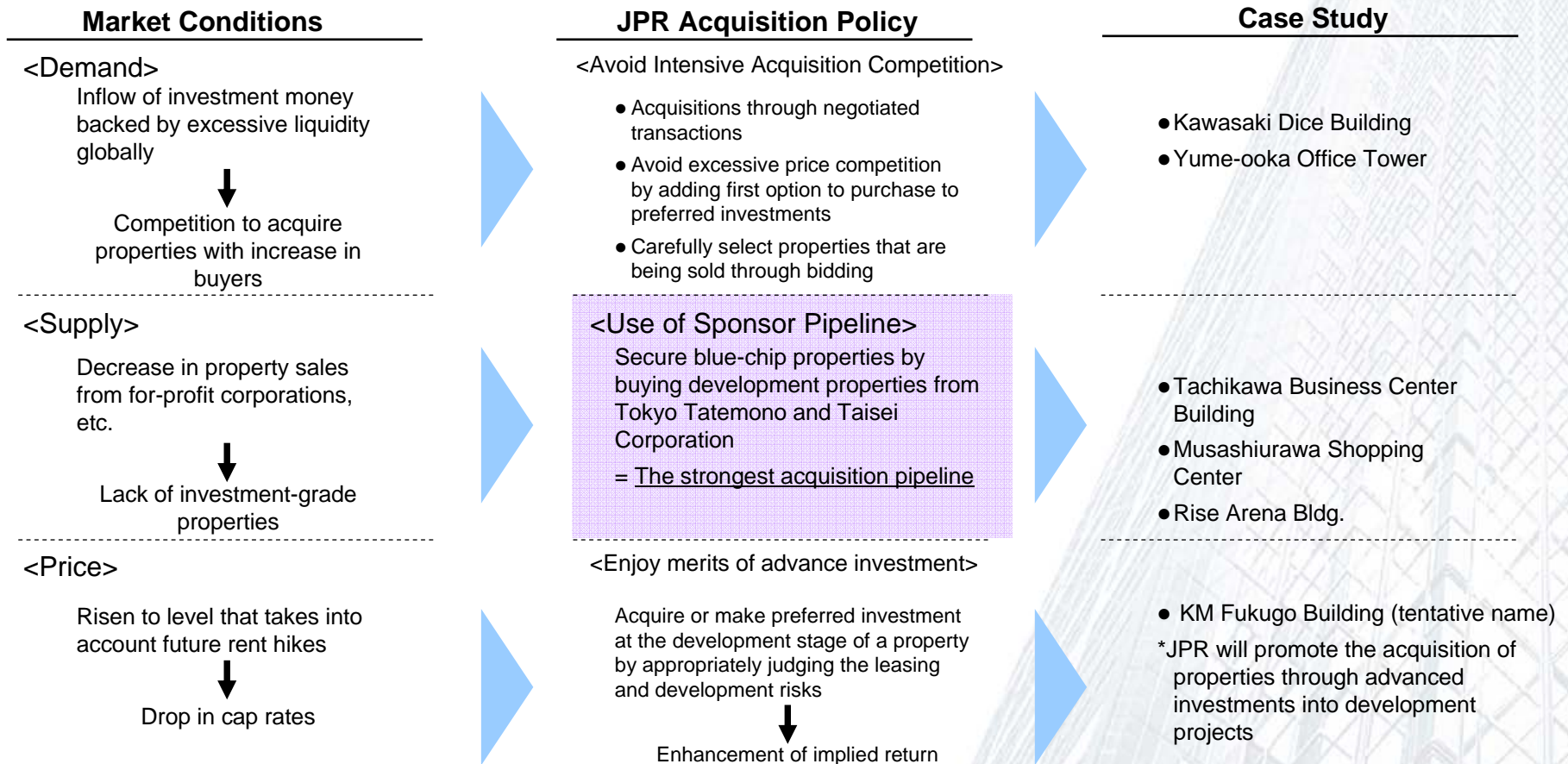
Focused investment towards areas with high growth potential: Tokyo (Tokyo CBDs and Greater Tokyo) and 5 major cities (Osaka metropolitan area, Nagoya, Fukuoka, Sapporo and Sendai)

■ Internal Growth

▪ Internal growth by raising rental income mainly for offices in the three major metropolitan areas of Tokyo, Osaka and Nagoya

Striving for
a portfolio size
of more than
300 billion yen
and growth in
dividend
per unit

JPR is Taking Steps to Further Diversify Acquisition Methods amidst Intense Property Acquisition Competition and the Limited Opportunities for Acquisition



JPR is Striving to Achieve a Target Portfolio Size of 300 Billion Yen Centering on Acquisitions from Sponsors



Summary

Profile Overview

- Top-ranked diversified J-REIT
- Focusing on high-quality office buildings and popular retail properties
- Sponsored by major real estate developers, a general contractor, etc.

Growth Strategies

- Select investment in properties with strong potential by diversifying acquisition methods
- Leverage sponsor pipeline
 - ◆ Focus on acquiring additional properties from Tokyo Tatemono, a main sponsor
 - ◆ Focus on incorporating development projects in which Taisei Corporation, a sponsor, participates
- Seek growth through rent hikes
- Continue prudent financial strategy that can effectively handle changes in the financing environment

Management View

- Target
 - ◆ Asset size exceeding JPY 300 bn
 - ◆ Aim to raise cash distribution per unit



Appendix

- 1. Financial Summary**
- 2. Property Summary**
- 3. Overview of TRIM**





Financial Summary



Balance Sheet as of the End of the 11th Fiscal Period

New Acquisitions Increase Total Assets and Expansion in Acquisition Capacity through Add-on Offering

	As of June 30, 2007		As of Dec. 31, 2006		Change			(JPY mn)		
	Amount	%	Amount	%	Amount	%		End of 11th Fiscal Period	End of 10th Fiscal Period	Variation
Total current assets	28,455	10.5%	24,933	10.2%	3,522	14.1%	1. Balance of interest-bearing debt			
Cash and bank deposits	13,189	4.9%	10,653	4.4%	2,535	23.8%	Total	92,966	109,466	-16,500
Entrusted cash and deposits	14,818	5.5%	13,997	5.7%	821	5.9%	(Breakdown) Unsecured borrowings	32,500	49,000	-16,500
Other current assets	448	0.2%	282	0.1%	165	58.5%	Secured borrowings	13,966	13,966	—
							Unsecured corporate bonds	46,500	46,500	—
Total fixed assets	242,900	89.5%	219,697	89.8%	23,202	10.6%	2. Interest-bearing debt ratio etc.			
Property and equipment	241,322	88.9%	218,123	89.1%	23,199	10.6%	(1) Interest-bearing debt ratio			
Real estate	55,194	20.3%	46,007	18.8%	9,187	20.0%	Interest-bearing debt / (Interest-bearing debt + Unitholders' capital)	37.2%	48.7%	-11.4
Buildings and structures	20,643	7.6%	17,425	7.1%	3,218	18.5%	(2) Interest-bearing debt to total assets			
Land	34,551	12.7%	28,581	11.7%	5,969	20.9%	① Interest-bearing debt / Total assets at end of period	34.3%	44.7%	-10.5
Entrusted real estate	186,127	68.6%	172,116	70.3%	14,011	8.1%	② Interest-bearing debt / (Total assets at end of period + Gains or losses from real estate valuation)	29.4%	39.7%	-10.3
Buildings and structures	68,999	25.4%	63,292	25.9%	5,707	9.0%	(3) Ratio of long-term fixed-rate borrowings (Note)			
Land	117,128	43.2%	108,824	44.5%	8,304	7.6%	Long-term fixed-rate interest-bearing debt (*) / Interest-bearing debt	85.5%	75.3%	10.1
Total intangible assets	9	0.0%	5	0.0%	3	65.3%	*Total amount of long-term fixed-rate debt with over 1 year to maturity			
Other intangible assets	9	0.0%	5	0.0%	3	65.3%				
Total investments and other assets	1,568	0.6%	1,568	0.6%	—	—	3. Commitment line status			
Investment securities	1,558	0.6%	1,558	0.6%	—	—	① Credit limit (total)	20,000	20,000	—
Deposits	10	0.0%	10	0.0%	—	—	② Outstanding debt at the end of the per	—	—	—
Long-term prepaid expenses	0	0.0%	0	0.0%	—	—	③ Unused commitment line at the end of the period	20,000	20,000	—
Total deferred assets	42	0.0%	60	0.0%	-18	-29.9%	④ Lenders (as of the end of the period)			
Corporate bond issuance costs	42	0.0%	60	0.0%	-18	-29.9%	Mizuho Corporate Bank, The Bank of Tokyo-Mitsubishi UFJ, Resona Bank, Mitsubishi UFJ Trust and Banking, Shinsei Bank			
Total assets	271,398	100.0%	244,691	100.0%	26,706	10.9%	* Agreements have been concluded separately with respective banks listed above.			
Total current liabilities	21,066	7.8%	29,741	12.2%	-8,674	-29.2%	4. Investment units status			
Accounts payable and accrued expenses	1,739	0.6%	1,727	0.7%	12	0.7%	① Total number of units issued and outstanding (units)	625,000	530,000	95,000
Rent received in advance	1,044	0.4%	1,014	0.4%	30	3.0%	② Total unitholders' equity per unit (yen)	257,757	224,668	33,089
Short-term borrowings	3,500	1.3%	19,500	8.0%	-16,000	-82.1%				
Current portion of long-term borrowings	(Note) 4,783	1.8%	7,500	3.1%	-2,717	-36.2%				
Current portion of corporate bonds	10,000	3.7%	—	—	10,000	—				
Total long-term liabilities	89,234	32.9%	95,876	39.2%	-6,642	-6.9%				
Deposits received from tenants	14,551	5.4%	13,410	5.5%	1,140	8.5%				
Long-term borrowings	38,183	14.1%	35,966	14.7%	2,217	6.2%				
Corporate bonds	36,500	13.4%	46,500	19.0%	-10,000	-21.5%				
Total liabilities	110,300	40.6%	125,617	51.3%	-15,317	-12.2%				
Unitholders' capital	156,725	57.7%	115,431	47.2%	41,293	35.8%				
Retained earnings	4,372	1.6%	3,642	1.5%	729	20.0%				
Total unitholders' equity	161,098	59.4%	119,074	48.7%	42,023	35.3%				
Total liabilities and unitholders' equity	271,398	100.0%	244,691	100.0%	26,706	10.9%				

Note: Figures were rounded off to a million yen

Note: The 4,783 million yen in long-term debt scheduled for repayment on December 26, 2008 was repaid in advance on July 27, 2007. Therefore, it is entered in the item long-term debt to be paid within one year for accounting purposes.

Further, the long-term fixed interest ratio indicates the ratio of long-term fixed interest with repayment deadlines of more than a year in the future within interest-bearing liabilities. Therefore, it is calculated with this loan included.



Income Statement for the 11th Fiscal Period

(JPY mn, unless otherwise indicated)

	11th Fiscal Period Jan. 1, 2007 – June 30, 2007		10th Fiscal Period July 1, 2006 – Dec. 31, 2006		Change	
	Amount	%	Amount	%	Amount	%
Rental revenues	8,942	88.9%	8,455	93.0%	486	5.8%
Other rental revenues	553	5.5%	600	6.6%	-47	-7.9%
Real estate rental revenues ①	9,496	94.4%	9,056	99.7%	439	4.9%
Gain on sale of real estate	530	5.3%	—	—	530	—
Dividends income	30	0.3%	31	0.3%	-1	-4.1%
Operating revenues	10,056	100.0%	9,088	100.0%	968	10.7%
Property and other taxes	784	7.8%	744	8.2%	39	5.3%
Other rental expenses	1,848	18.4%	1,826	20.1%	21	1.2%
Outsourcing expenses	462	4.6%	467	5.1%	-4	-1.0%
Utilities expenses	542	5.4%	590	6.5%	-48	-8.3%
Casualty insurance	32	0.3%	34	0.4%	-1	-4.4%
Repairs and maintenance	189	1.9%	146	1.6%	42	28.9%
Property management fees	200	2.0%	171	1.9%	29	17.3%
Management association accounts	381	3.8%	367	4.0%	14	3.9%
Other	40	0.4%	49	0.5%	-9	-18.7%
Depreciation	1,682	16.7%	1,579	17.4%	102	6.5%
Real estate rental expenses ②	4,315	42.9%	4,151	45.7%	163	3.9%
Asset management fees	391	3.9%	356	3.9%	35	10.0%
Adm. service/custodian fees	81	0.8%	63	0.7%	18	28.6%
Director's remuneration	5	0.1%	5	0.1%	—	—
Trust fees	55	0.6%	51	0.6%	3	6.9%
Other operating expenses	98	1.0%	85	0.9%	12	14.9%
Operating expenses	4,948	49.2%	4,714	51.9%	234	5.0%
Operating profits	5,108	50.8%	4,373	48.1%	734	16.8%
Profits (①-②)	5,181	51.5%	4,905	54.0%	275	5.6%
Net operating income (NOI)	6,863	68.2%	6,485	71.4%	377	5.8%
Non-operating revenues	94	0.9%	4	0.0%	89	2047.5%
Non-operating expenses	828	8.2%	734	8.1%	93	12.8%
Interest expenses (including corporate bonds)	705	7.0%	668	7.4%	37	5.6%
Loan arrangement fees	16	0.2%	18	0.2%	-2	-11.4%
Amortization of corporate bond issuance costs	18	0.2%	42	0.5%	-24	-57.1%
New unit-issuance costs	83	0.8%	—	—	83	—
Other non-operating expenses	5	0.1%	5	0.1%	-0	-1.2%
Recurring profits	4,373	43.5%	3,643	40.1%	730	20.0%
Income before income taxes	4,373	43.5%	3,643	40.1%	730	20.0%
Net income	4,372	43.5%	3,642	40.1%	730	20.0%
Retained earnings at the end of period	4,372	43.5%	3,642	40.1%	729	20.0%
Distribution per unit (JPY)	6,996		6,873		123	

Distribution per unit: 6,996 yen

1. Rental business income

- * Whole-period contribution of 2 properties acquired in 10th fiscal period
+136 mn yen
- * In-period rental of 5 properties (including additional acquisition) acquired in 11th fiscal period
+364 mn yen
- * Improved profitability of existing properties
+83 mn yen
- * Rental revenue decrease from sale of 2 properties in 11th fiscal period
-97 mn yen

2. Additional use fees/utilities

- * Additional use fees: -48 mn yen
- * Utilities: -48 mn yen
(Decreased due to seasonal factors)

3. Non-operating profits and losses

- (1) Non-operating profits
- * Income from settlement of management accounts +83 mn yen
- (2) Non-operating expenses
- * Paid interest +37 mn yen
(Increase from refinancing to long-term and fixed rate debt)
(Long-term, fixed interest ratio:
End of previous period 75.3%
→ End of this period 85.5%)
 - * Amortization of corporate bond issuance costs -25 mn yen
(completed for 1st-3rd series bonds)
 - * New investment unit issuance costs +83 mn yen

(Reference)

In January 2002 (before IPO) investment units (500,000 yen a unit) were split into 2.5 units (200,000 yen a unit) to make investment units easier to invest in. Therefore, the distribution per unit based on the pre-split level would be 17,490 yen.

Note: Figures were rounded off to a million yen

Forecast for the 12th Fiscal Period

(JPY mn, unless otherwise indicated)

	Forecasts for the 12th Fiscal Period July 1, 2007 – December 31, 2007					Change from the 11th Fiscal Period Results	
	48 properties as of the end of 11th Fiscal Period	Kawasaki Dice TMK Preferred Securities	Yume-ooka Office Tower	Total	%	Amount	%
Rental revenues	9,333	—	292	9,626	93.0%	683	7.6%
Other rental revenues	692	—	—	692	6.7%	139	25.2%
Real estate rental revenues ①	10,026	—	292	10,319	99.7%	823	8.7%
Gain on sale of real estate	—	—	—	—	—	-530	-100.0%
Dividends income	—	35	—	35	0.3%	4	15.5%
Operating revenues	10,026	35	292	10,354	100.0%	297	3.0%
Property and other taxes	764	—	—	764	7.4%	-19	-2.5%
Other rental expenses	2,083	—	117	2,201	21.3%	352	19.1%
Outsourcing expenses	464	—	13	477	4.6%	15	3.3%
Utilities expenses	683	—	18	701	6.8%	159	29.5%
Casualty insurance	33	—	1	34	0.3%	1	5.5%
Repairs and maintenance	237	—	2	240	2.3%	51	27.0%
Property management fees	195	—	7	203	2.0%	2	1.1%
Management association accounts	390	—	73	464	4.5%	83	21.8%
Other	78	—	0	78	0.8%	38	96.9%
Depreciation	1,722	—	91	1,813	17.5%	131	7.8%
Real estate rental expenses ②	4,570	—	209	4,779	46.2%	464	10.8%
Loss on sale of real estate	—	—	—	—	—	—	—
Asset management fees	—	—	—	396	3.8%	4	1.1%
Adm. service/custodian fees	—	—	—	71	0.7%	-10	-12.2%
Director's remuneration	—	—	—	6	0.1%	0	10.5%
Trust fees	—	—	—	55	0.5%	0	0.5%
Other operating expenses	—	—	—	118	1.1%	19	20.1%
Operating expenses	—	—	—	5,427	52.4%	479	9.7%
Operating profits	—	—	—	4,926	47.6%	-181	-3.6%
Profits (①-②)	5,456	—	83	5,539	53.5%	358	6.9%
Net operating income (NOI)	7,178	—	175	7,353	71.0%	490	7.1%
Non-operating revenues	—	—	—	8	0.1%	-85	-91.2%
Non-operating expenses	—	—	—	871	8.4%	42	5.1%
Recurring profits	—	—	—	4,063	39.2%	-310	-7.1%
Income before income taxes	—	—	—	4,063	39.2%	-310	-7.1%
Net income	—	—	—	4,062	39.2%	-310	-7.1%
Retained earnings at the end of period	—	—	—	4,062	39.2%	-310	-7.1%
Distribution per unit (JPY)				6,500		-496	

Total units outstanding (Units)
625,000

Premises behind Forecasts for 12th Fiscal Period Management (1)

<Portfolio>

Portfolio as of end of 11th fiscal
period: 48 properties

Preferred securities: 1

Properties to be acquired in 12th
fiscal period and after: 1

*The preferred securities are based on
the premise of liquidation of the
Kawasaki Dice TMK

<Average Monthly Occupancy during Period>

98.5%

<Total Number of Units Outstanding>

625,000 units

<LTV Ratio>

38.9%

(Reference)

Comparison with the distribution per unit of the 11th
fiscal period minus the capital gains from the sale of
real estate

11th fiscal period: 6,148 yen

12th fiscal period: 6,500 yen (+352 yen)

Note: Figures were rounded off to a million yen

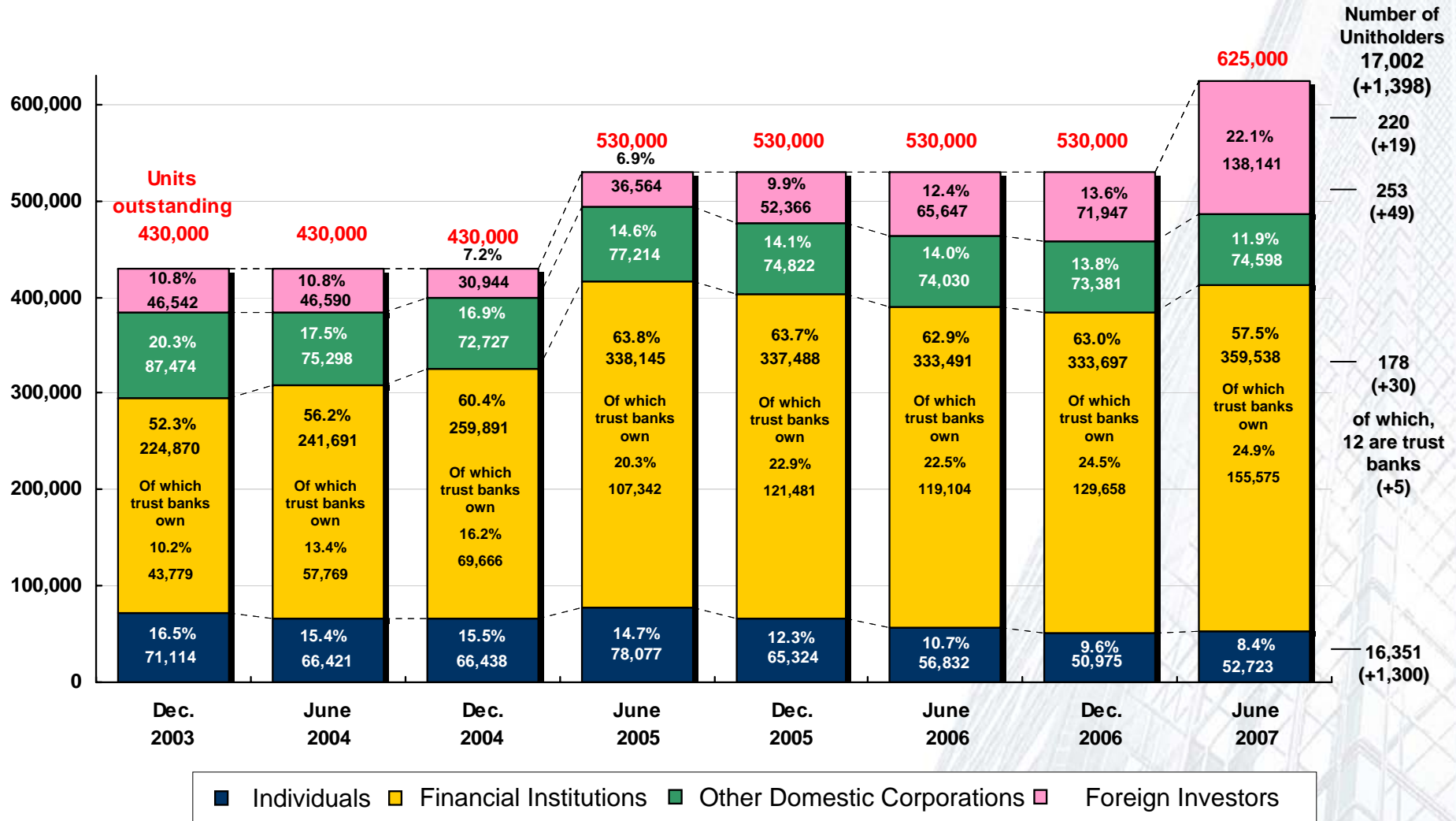
*1 The Kawasaki Dice TMK preferred securities are investment securities and thus not included in real estate rental revenues.

For details on assumptions for the 12th Fiscal Period forecast, please refer to the "Assumptions for the 12th Fiscal Period Forecast (July 1, 2007 - December 31, 2007)" on pages 4 and 5 of the "Japan Prime Realty Investment Corporation 11th Fiscal Period Results (January 1, 2007 - June 30, 2007)."



Breakdown of Unitholders (Units by Owner)

The Add-on Offering Led to an Increase in Total Units and No. of Individual and Other Domestic Corporation Investors and the Units they Held, but the Ratio they Held Decreased



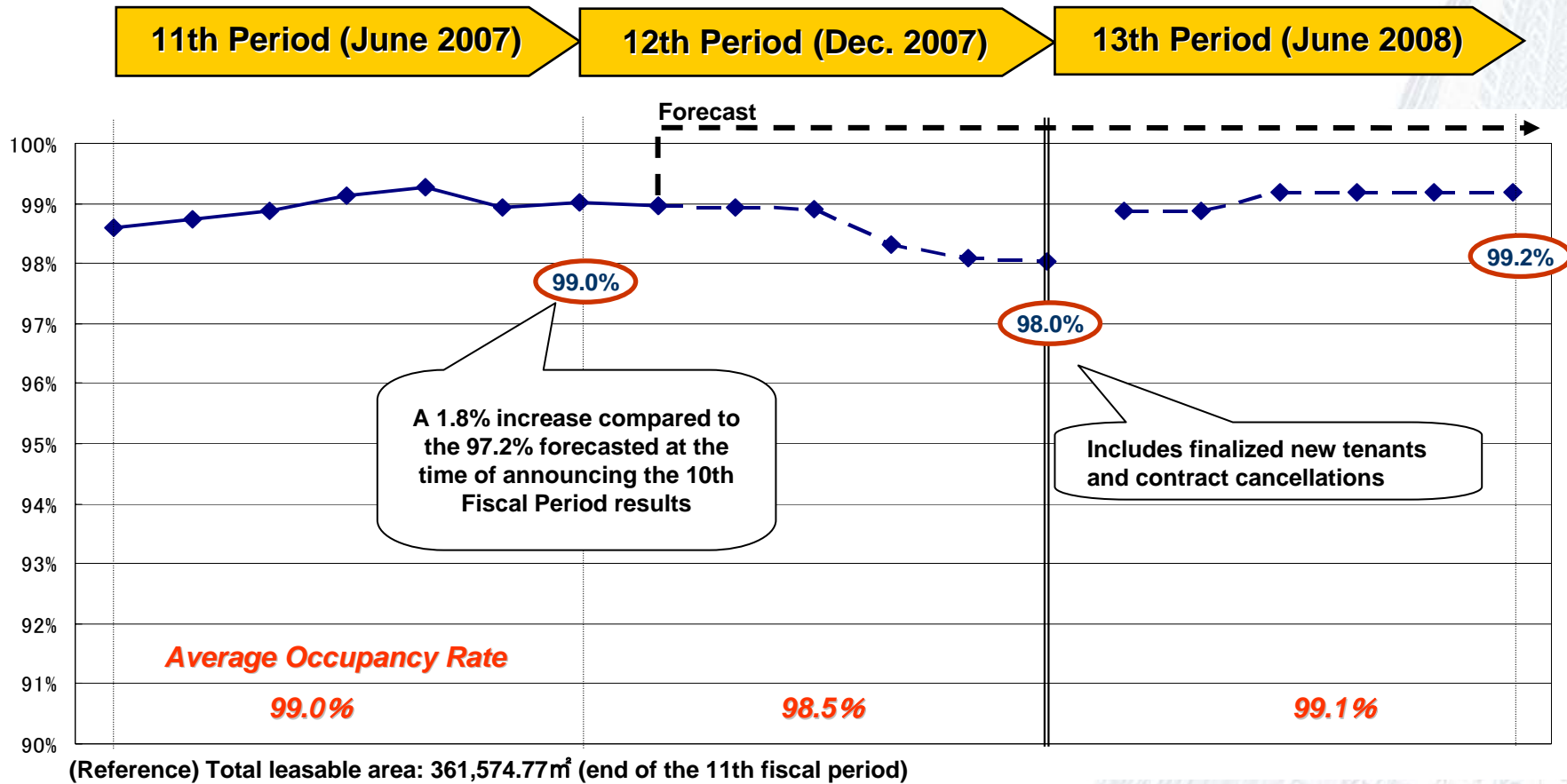
Note: The composition ratio is rounded to one decimal place.



Property Summary



Projected Trends of Occupancy Rates

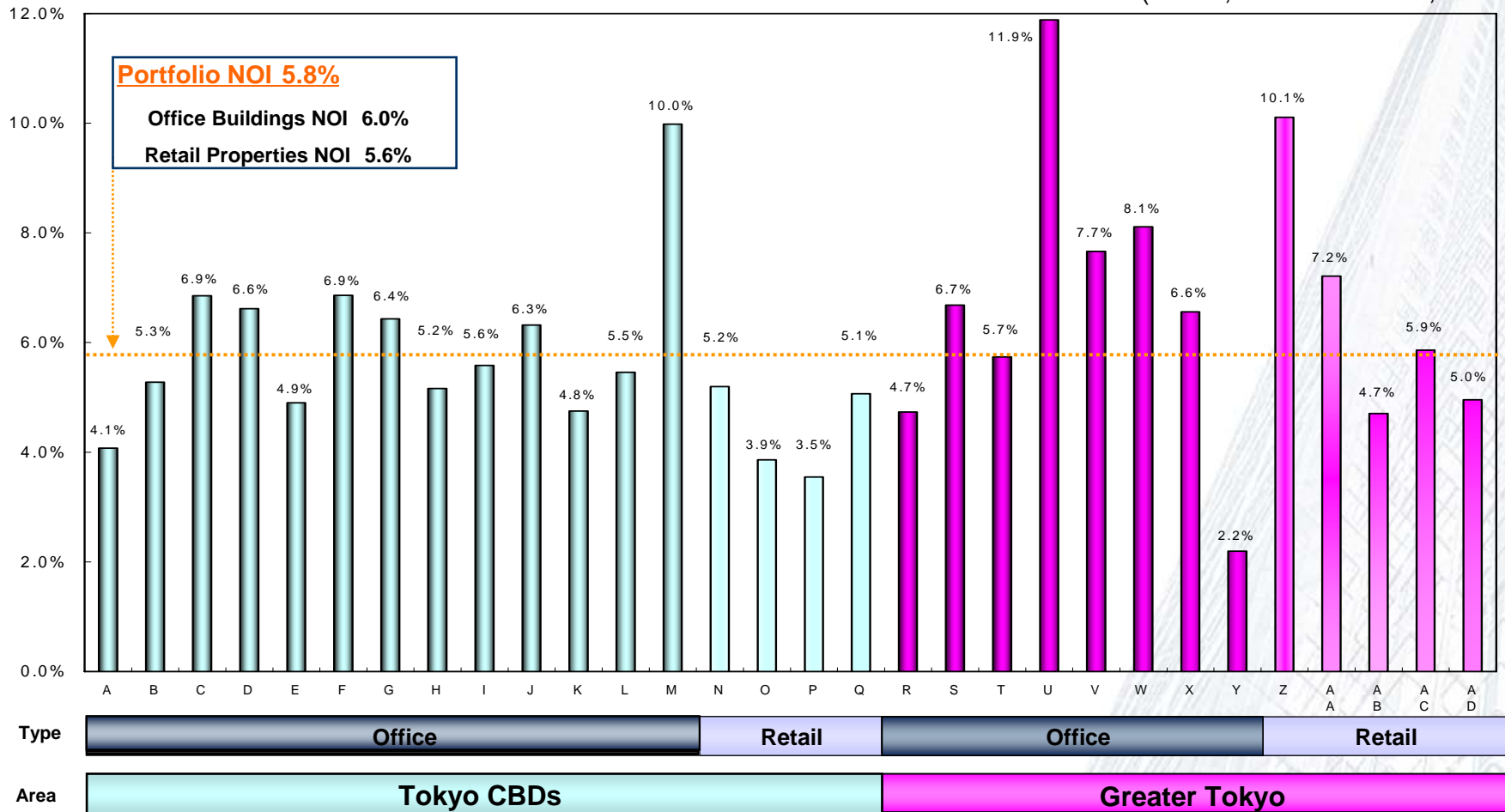


- (1) The occupancy rate for the 12th fiscal period and after is for 49 properties including Yume-ooka Office Tower to be acquired in July 2007.
- (2) The occupancy for the 12th fiscal period has taken into consideration all of the contract terminations known as of August 13, 2007 and included only executed contracts for the scheduled new tenants.
- (3) The occupancy for the 13th fiscal period includes some new tenants in addition to the above (2).



NOI Yield by Property for the 11th Fiscal Period (Tokyo CBDs and Greater Tokyo)

(Jan. 1, 2007 – June 30, 2007)



- A: Kanematsu Building
- B: Kanematsu Building Annex
- C: JPR Ningyo-cho Building
- D: Shin-Kojimachi Building
- E: JPR Crest Takebashi Building
- F: MS Shibaura Building
- G: Gotanda First Building
- H: Fukuoka Building

- I: JPR Ichigaya Building
- J: Oval Court Ohsaki Mark West
- K: Shinjuku Square Tower
- L: BYGS Shinjuku Building
- M: Across Shinkawa Building Annex
- N: JPR Shibuya Tower Records Building
- O: JPR Daikanyama
- P: JPR Jingumae 432

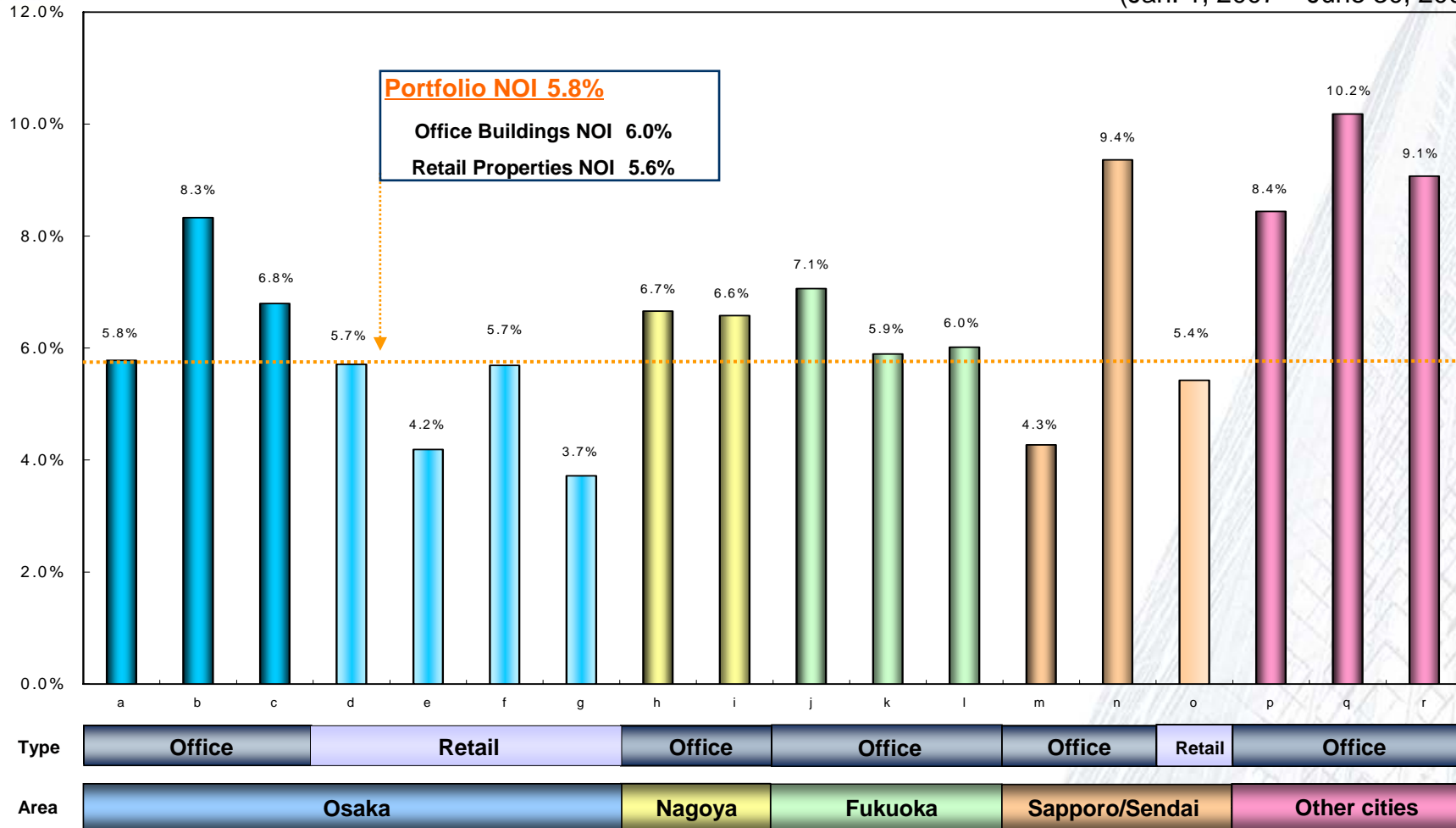
- Q: Shinjuku Sanchoe East Building
- R: Arca East
- S: JPR Chiba Building
- T: JPR Yokohama Nihon Odori Building
- U: Shinyokohama 2nd Center Building
- V: Kawaguchi Center Building
- W: JPR Ueno East Building
- X: Tachikawa Business Center Building

- Y: Rise Arena Building
- Z: Tanashi ASTA
- AA: Cupo-la Main Building
- AB: JPR Musashikosugi Building
- AC: Musashirawa Shopping Square
- AD: Kawasaki Dice Building



NOI Yield by Property for the 11th Fiscal Period (Other selected cities)

(Jan. 1, 2007 – June 30, 2007)



a: Meiji Yasuda Life Osaka Umeda Building
 b: Tokyo Tatemono Honmachi Building
 c: JPR Dojima Building
 d: JPR Umeda Loft Building
 e: Benetton Shinsaibashi Building
 f: Housing Design Center Kobe
 g: Chayamachi Grande Building

h: JPR Nagoya Sakae Building
 i: Mitsubishi UFJ Lease & Finance
 Nagoya Head Office Building
 j: JPR Hakata Building
 k: Tenjin 121 Building
 l: JPR Hakata-Chuo Building

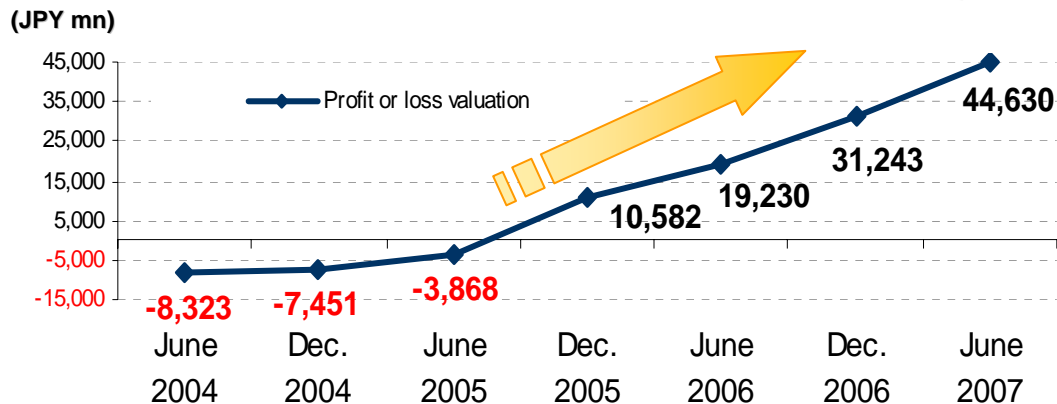
m: NORTH 33 Building
 n: Sampo Japan Sendai Building
 o: Strasse Ichibancho
 p: Niigata Ekinan Center Building
 q: Sampo Japan Wakayama Building
 r: JPR Naha Building

Real Estate valuation (June 2007)

(¥ mn)

	Acquisition price		Book value		Appraisal value		Profit or loss valuation	
		(%)	(A)	(%)	(B)	(%)	(B-A)	(%)
Tokyo CBDs								
Office	75,841	30.9%	74,423	30.9%	90,157	31.6%	15,734	21.1%
Retail	19,160	7.8%	19,214	8.0%	21,635	7.6%	2,421	12.6%
Subtotal	95,001	38.7%	93,636	38.9%	111,792	39.2%	18,156	19.4%
Greater Tokyo								
Office	32,446	13.2%	31,192	13.0%	40,470	14.2%	9,278	29.7%
Retail	38,975	15.9%	38,452	16.0%	42,604	14.9%	4,152	10.8%
Subtotal	71,421	29.1%	69,644	29.0%	83,074	29.1%	13,430	19.3%
Other Cities								
Office	43,127	17.6%	41,286	17.2%	49,940	17.5%	8,654	21.0%
Retail	35,850	14.6%	35,980	15.0%	40,370	14.2%	4,390	12.2%
Subtotal	78,977	32.2%	77,266	32.1%	90,310	31.7%	13,044	16.9%
Total	245,399	100.0%	240,546	100.0%	285,176	100.0%	44,630	18.6%

Development of Potential Gain/Loss on Holding Real Estate



< Recovery of the Japanese economy >
Improvement of leasing market
Real estate market booming

Asset value is expected to increase with the growth of cash flow



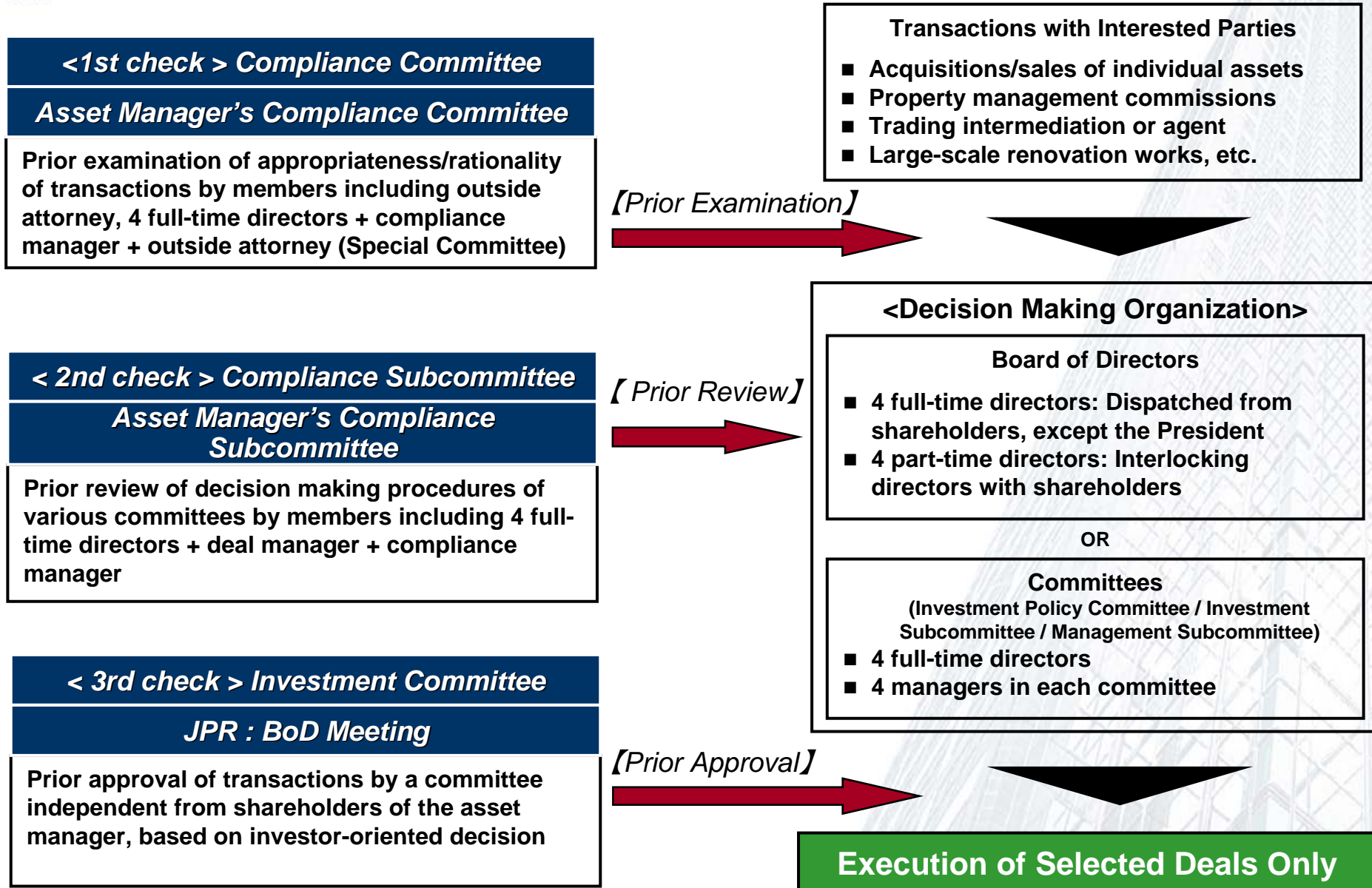
Overview of TRIM



Name	Biography
 <p>Toshihiro Hagiwara President & Chief Executive Officer</p>	<ul style="list-style-type: none"> Has over 30 years of experience in investment, brokerage and development of real estate as well as property management since joining Tokyo Tatemono Co., Ltd. in 1968. At Tokyo Tatemono, he worked on acquisitions of leasing building companies with a total transaction value in the tens of billions of yen. He was Director and Head of the Osaka Branch of Tokyo Tatemono before assuming his current role of President and CEO of Tokyo Realty Investment Management, Inc. (TRIM) in January 2001. In addition, he assumed the concurrent role as Substitute Executive Officer of Japan Prime Realty Investment Corporation (JPR) in September 2007.
 <p>Kazuo Kitami Director & Chief Administrative Officer</p>	<ul style="list-style-type: none"> Joined The Yasuda Mutual Life Insurance Company (currently, Meiji Yasuda Life Insurance Company) in 1975. Since then, he has been involved in a wide-range of finance business and real estate investment for almost 30 years. His experience includes overseeing the insurer's loan management as its credit manager, formulation of a series of regulations such as self-assessment in line with the insurance inspection manual and supervising credit management based on such regulations.
 <p>Seiji Miwa Director & Chief Investment Officer</p>	<ul style="list-style-type: none"> Joined Tokyo Tatemono in 1983. After working in Design Supervision, Planning and Development for 15 years, he was responsible for real estate securitization from 1998. He became a member of the J-REIT Composition Project Team after the formation of the first securitization deal based on the Japanese SPC law. He was responsible for the establishment of TRIM and was one of the key members in the launch of JPR. In 2003, he was seconded to TRIM to work in asset management. He is a first-class architect.
 <p>Yasuo Furuya Director & Chief Financial Officer</p>	<ul style="list-style-type: none"> Joined The Yasuda Mutual Life Insurance Company (currently, Meiji Yasuda Life Insurance Company) in 1980. Spent eight years in securities investment operations engaged in interest rate analysis, as well as the establishment of bond investment and asset management companies. Undertook activities related to variable insurance securities management and oversaw securities investment activities as Chief Bond Trader. Later, he gained further experience in stock market investment operations.



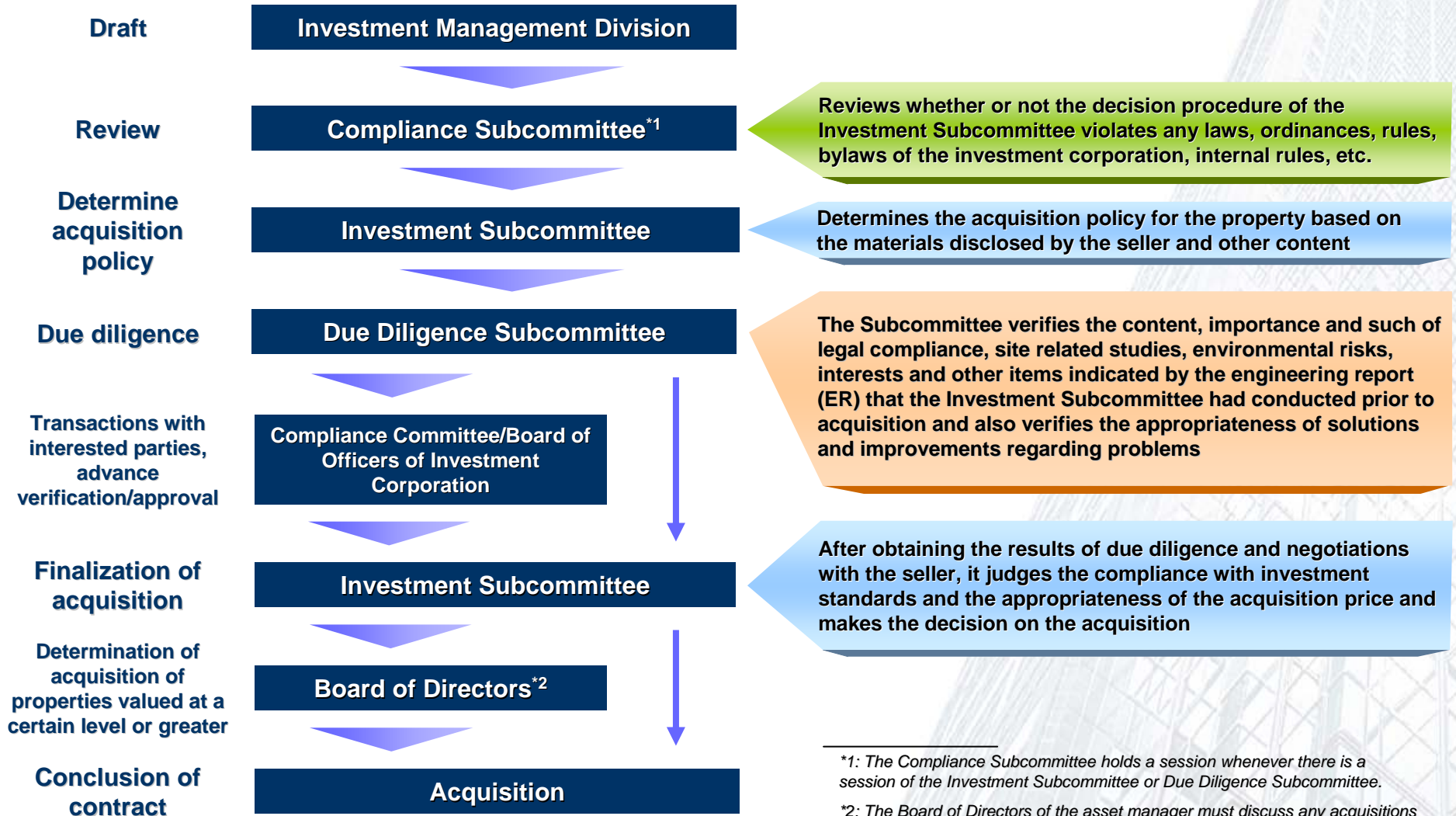
Overview of TRIM - Measures to Avoid Conflicts of Interests





Overview of TRIM - Decision-Making Process of Property Acquisition

Enhanced Due Diligence Process upon Acquisition



^{*1}: The Compliance Subcommittee holds a session whenever there is a session of the Investment Subcommittee or Due Diligence Subcommittee.

^{*2}: The Board of Directors of the asset manager must discuss any acquisitions (sales) of individual assets valued at a certain level or greater and exercise caution in their management.

■ AM Fee Structure (No fees for purchase/sale of property)

- **Fixed**
(JPY 12.5 mn every 6 months)

+

Incentive Fee 1

+

- **Incentive Fee 2**

+

- **Incentive Fee 3**

Merits from Economies of Scale

- AM fee structure initially designed to enjoy economies of scale
- Incentive Fee 1
→ 2% of total revenues, decreasing to 1.5% for amounts exceeding JPY 8 bn

Incentive for Cost Reductions

- Incentive fee linked to distributable amount
→ 3% of the amount available for distribution prior to deduction of relevant fees will be allocated as Incentive Fee 2

Incentive for Acquiring Blue-Chip Properties

- 0.25% of the price for assets being acquired (excluding acquisition costs, consumption taxes, etc.)

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