

Tokyo Realty Investment Management, Inc.



Japan Prime Realty Investment Corporation

**Financial Results Presentation for the 9th Fiscal Period
(January 1, 2006 to June 30, 2006)**

Japan Prime Realty Investment Corporation (Securities Code: 8955)

Tokyo Realty Investment Management, Inc.

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This presentation is provided on the company's Website

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



Financial Highlights for the 9th Fiscal Period



Highlights of the 9th Fiscal Period

(#mn, unless otherwise indicated)	9th Period	8th Period
	Jan. 1, 2006 - June 30, 2006	July 1, 2005 - Dec. 31, 2005
Operating revenues	8,588	8,587
Operating profits	4,024	3,984
Recurring profits	3,450	3,399
Net income	3,449	3,398
Total assets	231,523 (+2.5%)	225,882 (+4.3%)
Total unitholders' equity	118,881 (0.0%)	118,829 (0.0%)
Unitholders' equity per unit (¥)	224,304	224,206
Equity ratio	51.3% (-1.3%)	52.6% (-2.3%)
Total cash distributions (DPU, ¥)	3,449 (6,509)	3,397 (6,411)
Total units outstanding (Units)	530,000	530,000

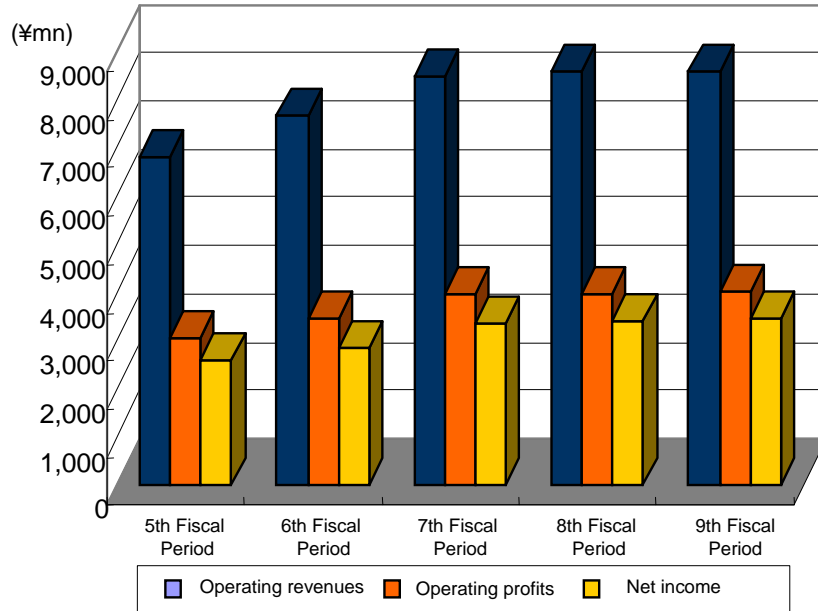
Comparison of Actual and Forecasted Results

(#mn, unless otherwise stated)	9th Period Results (Actual)	Forecasts in Nov. 2005	Difference	(Reference) Revised Forecast on June 23, 2006
Operating revenues	8,588	8,516	72	8,581
Operating profits	4,024	3,858	166	-
Recurring profits	3,450	3,287	163	3,393
Net income	3,449	3,286	163	3,392
Total cash distributions (DPU, ¥)	3,449 (6,509)	3,286 (6,200)	163 (309)	3,392 (6,400)
Total units outstanding (Units)	530,000	530,000	0	530,000

- *An increase in profit was recorded as a result of two properties acquired in the 8th fiscal period – Housing Design Center Kobe and Tachikawa Business Center Building – contributing to revenues during the entire fiscal period and the contribution of two properties acquired during the 9th fiscal period – Cupo-la Main Building and JPR Jingumae 432.*
- *The cash distribution per unit was just above the ¥16,200 level based on number of units prior to the unit split (1 to 2.5 units prior to the IPO).*
- *Profitability of existing properties has been improved and led to an increase in profit.*

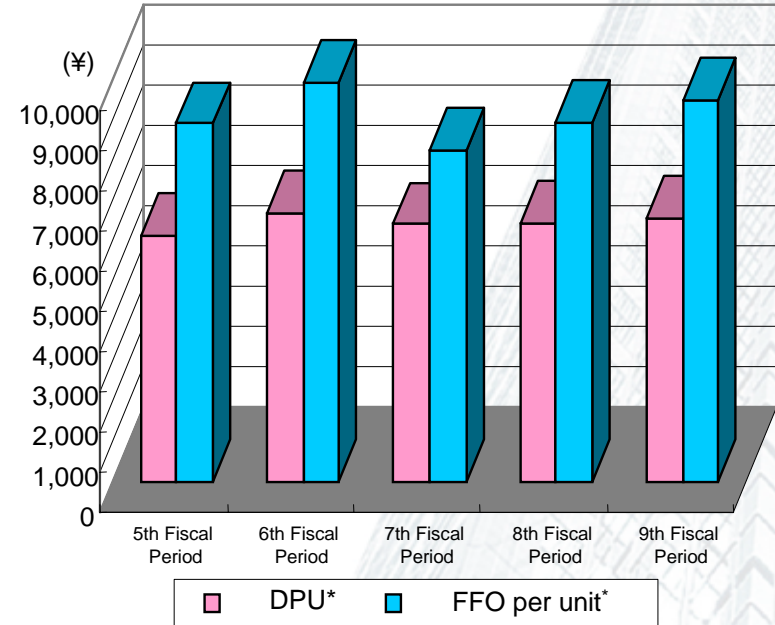
Primary Management Indicators over Past Five Fiscal Periods

Stable Increase in Revenues and Profits with Steady Asset Growth



	(¥mn)				
	5th Fiscal Period	6th Fiscal Period	7th Fiscal Period	8th Fiscal Period	9th Fiscal Period
Operating revenues	6,790	7,685	8,503	8,587	8,588
Operating profits	3,061	3,469	3,954	3,984	4,024
Net income	2,614	2,868	3,376	3,398	3,449

Continued Stable Cash Distribution



	(¥ unless otherwise indicated)				
	5th Fiscal Period	6th Fiscal Period	7th Fiscal Period	8th Fiscal Period	9th Fiscal Period
DPU (Note)	6,081	6,671	6,370	6,411	6,509
FFO per unit (Note)	8,874	9,907	8,214	8,896	9,453
Total units outstanding (Units)	430,000	430,000	530,000	530,000	530,000

* DPU and FFO per unit were calculated using the number of outstanding units as of the end of each fiscal period.



Statements of Income for the 9th Fiscal Period

(¥mm, unless otherwise indicated)

	9th Fiscal Period Jan. 1, 2006 – June 30, 2006		8th Fiscal Period July 1, 2005 – Dec. 31, 2005		Change	
	Amount	%	Amount	%	Amount	%
Rental revenues	8,072	94.0%	7,792	90.7%	279	3.6%
Other rental revenues	480	5.6%	579	6.8%	-99	-17.2%
Real estate rental revenues ①	8,552	99.6%	8,372	97.5%	180	2.2%
Gain on sale of real estate	—	—	214	2.5%	-214	-100.0%
Dividends income	35	0.4%	—	—	35	—
Operating revenues	8,588	100.0%	8,587	100.0%	1	0.0%
Property and other taxes	745	8.7%	682	7.9%	62	9.2%
Other rental expenses	1,706	19.9%	1,829	21.3%	-122	-6.7%
Outsourcing expenses	456	5.3%	484	5.6%	-28	-5.9%
Utilities expenses	472	5.5%	545	6.4%	-72	-13.4%
Casualty insurance	33	0.4%	38	0.5%	-5	-13.1%
Repairs and maintenance	165	1.9%	182	2.1%	-16	-9.2%
Property management fees	166	1.9%	166	1.9%	0	0.2%
Management association accounts	355	4.1%	345	4.0%	9	2.9%
Other	56	0.7%	65	0.8%	-9	-14.6%
Depreciation	1,560	18.2%	1,531	17.8%	28	1.9%
Real estate rental expenses ②	4,013	46.7%	4,044	47.1%	-31	-0.8%
Loss on sale of real estate	—	—	—	—	—	—
Asset management fees	350	4.1%	345	4.0%	5	1.5%
Adm. service/custodian fees	68	0.8%	73	0.9%	-4	-6.2%
Director's remuneration	5	0.1%	5	0.1%	—	—
Trust fees	50	0.6%	52	0.6%	-1	-3.3%
Other operating expenses	75	0.9%	81	0.9%	-5	-7.1%
Operating expenses	4,564	53.1%	4,602	53.6%	-37	-0.8%
Operating profits	4,024	46.9%	3,984	46.4%	39	1.0%
Profits (①-②)	4,539	52.9%	4,328	50.4%	211	4.9%
Net operating income (NOI)	6,100	71.0%	5,860	68.2%	240	4.1%
Non-operating revenues	67	0.8%	13	0.2%	53	388.5%
Non-operating expenses	640	7.5%	599	7.0%	41	6.9%
Interest expenses (including corporate bonds)	574	6.7%	545	6.4%	28	5.3%
Loan arrangement fees	18	0.2%	5	0.1%	12	206.2%
Amortization of corporate bond issuance costs	42	0.5%	42	0.5%	—	—
New unit-issuance costs	—	—	—	—	—	—
Other non-operating expenses	6	0.1%	5	0.1%	0	7.6%
Recurring profits	3,450	40.2%	3,399	39.6%	51	1.5%
Income before income taxes	3,450	40.2%	3,399	39.6%	51	1.5%
Net income	3,449	40.2%	3,398	39.6%	51	1.5%
Retained earnings at the end of period	3,449	40.2%	3,398	39.6%	51	1.5%
Distribution per units (¥)	6,509		6,411		98	

Distribution per Unit: ¥6,509

1. Operating Revenues

Revenues increased by ¥279 million due to the acquisition of four properties and improved occupancy rates. Other rental revenues decreased by ¥99 million due to seasonal factors. Operating revenues totaled ¥8,588 million, a slight increase, despite not having the capital gains of the last period.

2. Real Estate Rental Expenses

Utility expenses decreased ¥72 million due to seasonal factors. Property and other taxes grew ¥62 million due to acquisitions in the previous period.

3. Non-Operating Revenues and Expenses

Non-operating revenues increased ¥53 million due to revenues from settlement of management association accounts. Non-operating expenses climbed ¥28 million in the form of paid interest on increased loans.

4. Net Income

Net income increased ¥51 million due to the above factors.

Comparison with Forecasted Results for the 9th Period

	9th Fiscal Period Results		9th Fiscal Period Forecasted Results ⁽¹⁾		Increase/Decrease from Forecast	
	Jan. 1, 2006 – June 30, 2006 (44 properties)		Jan. 1, 2006 – June 30, 2006			
	Amount	%	Amount	%	Amount	%
Rental revenues	8,072	94.0%	8,021	94.2%	51	0.6%
Rental revenues	6,450	75.1%	6,416	75.3%	33	0.5%
Common charges	1,381	16.1%	1,371	16.1%	9	0.7%
Other rental revenues	480	5.6%	459	5.4%	20	4.5%
Incidental income	425	5.0%	427	5.0%	-1	-0.3%
Real estate rental revenues ①	8,552	99.6%	8,480	99.6%	71	0.8%
Dividends income	35	0.4%	35	0.4%	0	2.4%
Operating revenues	8,588	100.0%	8,516	100.0%	72	0.8%
Property and other taxes	745	8.7%	795	9.3%	-49	-6.3%
Other rental expenses	1,706	19.9%	1,722	20.2%	-15	-0.9%
Outsourcing expenses	456	5.3%	457	5.4%	-1	-0.3%
Utilities expenses	472	5.5%	477	5.6%	-4	-0.9%
Casualty insurance	33	0.4%	37	0.4%	-3	-8.5%
Repairs and maintenance	165	1.9%	171	2.0%	-6	-3.6%
Property management fees	166	1.9%	163	1.9%	3	2.0%
Management association accounts	355	4.1%	357	4.2%	-2	-0.7%
Other	56	0.7%	57	0.7%	-1	-1.8%
Depreciation	1,560	18.2%	1,567	18.4%	-6	-0.4%
Real estate rental expenses ②	4,013	46.7%	4,084	48.0%	-71	-1.8%
Asset management fees	350	4.1%	345	4.1%	5	1.6%
Adm. Service/custodian fees	68	0.8%	75	0.9%	-6	-8.6%
Directors' remuneration	5	0.1%	5	0.1%	—	—
Trust fees	50	0.6%	51	0.6%	-0	-0.9%
Other operating expenses	75	0.9%	95	1.1%	-20	-21.3%
Operating expenses	4,564	53.1%	4,657	54.7%	-93	-2.0%
Operating profits	4,024	46.9%	3,858	45.3%	165	4.3%
Profits (①-②)	4,539	52.9%	4,396	51.6%	143	3.3%
Net operating income (NOI)	6,100	71.0%	5,963	70.0%	136	2.3%
Non-operating revenues	67	0.8%	74	0.9%	-6	-9.1%
Non-operating expenses	640	7.5%	645	7.6%	-4	-0.7%
Interest expenses (including corporate bonds)	574	6.7%	579	6.8%	-4	-0.8%
Recurring profits	3,450	40.2%	3,287	38.6%	163	5.0%
Income before income taxes	3,450	40.2%	3,287	38.6%	163	5.0%
Net income	3,449	40.2%	3,286	38.6%	163	5.0%
Retained earnings at the end of period	3,449	40.2%	3,286	38.6%	163	5.0%
Distribution per unit (¥)	6,509		6,200		309	

(1) The forecast for the 9th fiscal period was announced together with the 8th fiscal period results. Calculations were based on a property portfolio of 42 properties held as of the end of the 8th fiscal period plus two new acquisitions – *Cupo-la Main Building* and *JPR Jingumae 432*.

Balance Sheet for the 9th Fiscal Period As of June 30, 2006

(¥mn)

	As of June 30, 2006		As of Dec. 31, 2005		Change	
	Amount	%	Amount	%	Amount	%
Total current assets	24,345	10.5%	24,183	10.7%	162	0.7%
Cash and bank deposits	10,478	4.5%	10,875	4.8%	-396	-3.6%
Entrusted cash and deposits	13,600	5.9%	13,035	5.8%	564	4.3%
Other current assets	266	0.1%	272	0.1%	-5	-2.1%
Total fixed assets	207,118	89.5%	201,597	89.2%	5,520	2.7%
Property and equipment	205,543	88.8%	200,021	88.6%	5,521	2.8%
Real estate	38,649	16.7%	36,706	16.3%	1,943	5.3%
Buildings and structures	15,612	6.7%	14,396	6.4%	1,216	8.5%
Land	23,036	9.9%	22,309	9.9%	726	3.3%
Entrusted real estate	166,894	72.1%	163,315	72.3%	3,578	2.2%
Buildings and structures	63,228	27.3%	63,704	28.2%	-476	-0.7%
Land	103,665	44.8%	99,611	44.1%	4,054	4.1%
Total intangible assets	5	0.0%	6	0.0%	-0	-7.7%
Other intangible assets	5	0.0%	6	0.0%	-0	-7.7%
Total investments and other assets	1,568	0.7%	1,569	0.7%	-0	-0.0%
Investment securities	1,558	0.7%	1,558	0.7%	—	—
Deposits	10	0.0%	10	0.0%	—	—
Long-term prepaid expenses	0	0.0%	0	0.0%	-0	-53.9%
Total deferred assets	59	0.0%	101	0.0%	-42	-41.6%
Corporate bond issuance costs	59	0.0%	101	0.0%	-42	-41.6%
Total assets	231,523	100.0%	225,882	100.0%	5,641	2.5%
Total current liabilities	38,991	16.8%	25,030	11.1%	13,961	55.8%
Accounts payable and accrued expenses	1,545	0.7%	1,608	0.7%	-63	-3.9%
Rent received in advance	946	0.4%	921	0.4%	24	2.7%
Short-term borrowings	14,000	6.0%	7,500	3.3%	6,500	86.7%
Current portion of long-term borrowings	22,500	9.7%	15,000	6.6%	7,500	50.0%
Total long-term liabilities	73,650	31.8%	82,022	36.3%	-8,372	-10.2%
Deposits received from tenants	12,684	5.5%	13,556	6.0%	-872	-6.4%
Long-term borrowings	18,966	8.2%	26,466	11.7%	-7,500	-28.3%
Corporate bonds	42,000	18.1%	42,000	18.6%	—	—
Total liabilities	112,641	48.7%	107,052	47.4%	5,589	5.2%
Unitholders' capital	115,431	49.9%	115,431	51.1%	—	—
Retained earnings	3,449	1.5%	3,398	1.5%	51	1.5%
Total unitholders' equity	118,881	51.3%	118,829	52.6%	51	0.0%
Total liabilities and unitholders' equity	231,523	100.0%	225,882	100.0%	5,641	2.5%

(¥mn)

	9th Period-End	8th Period-End	Change
Cash and bank deposits	10,478	10,875	-396
Cash and bank deposits	10,478	10,875	-396
Deposits received from tenants	2,718	3,739	-1,021
Others	7,760	7,135	625
Entrusted cash and deposits	13,600	13,035	565
Deposits received from tenants	9,965	9,816	149
Others	3,634	3,218	416

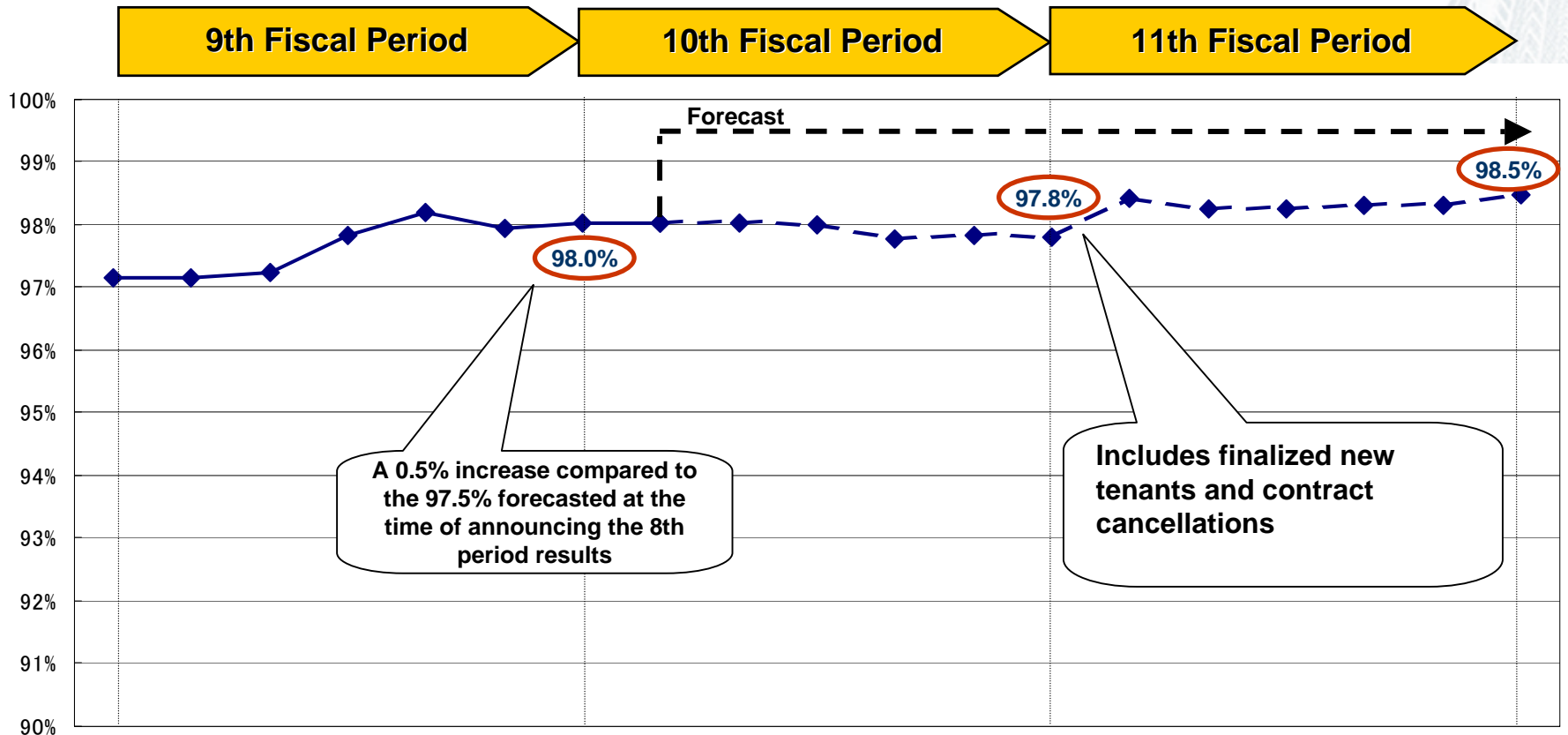
	8th Period-End			9th Period-End	
	Book value	Increase/Decrease	Depreciation	Book value	
Total property and equipment	200,021	7,081	1,560	205,543	
Real estate	36,706	2,223	280	38,649	
Buildings and structures	14,396	1,497	280	15,612	
Land	22,309	726	—	23,036	
Entrusted real estate	163,315	4,858	1,279	166,894	
Buildings and structures	63,704	803	1,279	63,228	
Land	99,611	4,054	—	103,665	
Total intangible assets	6	0	0	5	
Other intangible assets	6	0	0	5	
(Total fixed assets)	200,028	7,081	1,561	205,549	

	9th Period-End	8th Period-End	Change
Total investments and other assets	1,568	1,569	0
Deposits	10	10	—
Investment securities	1,558	1,558	—

	9th Period-End	8th Period-End	Change	
Borrowings and Corporate bonds	97,466	90,966	6,500	
Interest-bearing debt	97,466	90,966	6,500	
Interest-bearing debt to total assets ratio	$\frac{\text{Borrowings} + \text{Corporate bonds}}{\text{Total assets}}$	42.1%	40.3%	1.8
Long-term interest-bearing debt ratio ^(Note)	$\frac{\text{Long-term interest-bearing debt}}{\text{Interest-bearing debt}}$	62.6%	75.3%	-12.7
Interest-bearing debt ratio	$\frac{\text{Interest-bearing debt}}{\text{Interest-bearing debt} + \text{Unitholders' capital}}$	45.8%	44.1%	1.7

Note: Current portion of long-term borrowings are not included.

Projected Trends of Occupancy Rates



(Reference) Total leasable area: 315,156.84m² (end of the 9th fiscal period)

(1) Assumptions for the calculation of the occupancy in the 10th fiscal period and after

A. July 2006: Occupancy rate of all 44 properties

B. August 2006-: Occupancy rate of all 45 properties including the Chayamachi Grande Building to be acquired in August 2006

C. January 2007-: Occupancy of all 43 properties excluding Tsurumi fuga 1 and JPR Takamatsu Building, which are to be sold in January 2007

(2) The occupancy rate for the 10th fiscal period includes all of the scheduled contract cancellations as of August 10, 2006 and only actually contracted new tenants are included.

(3) The occupancy rate for the 11th fiscal period includes some new tenants in addition to what is indicated in above (2).

Forecast for the 10th Fiscal Period

(¥mn, unless otherwise indicated)

Rental revenues	8,255	—	85	8,340	93.5%
Other rental revenues	538	—	6	544	6.1%
Real Estate rental revenues ①	8,794	—	91	8,885	99.7%
Gain on sale of real estate	—	—	—	—	—
Dividends income	—	31	—	31	0.3%
Operating revenues	8,794	31	91	8,916	100.0%
Property and other taxes	743	—	—	743	8.3%
Other rental expenses	1,798	—	12	1,811	20.3%
Outsourcing expenses	459	—	3	462	5.2%
Utilities expenses	564	—	5	570	6.4%
Casualty insurance	32	—	0	33	0.4%
Repairs and maintenance	156	—	1	157	1.8%
Property management fees	167	—	2	169	1.9%
Management association accounts other	367	—	—	367	4.1%
Depreciation	51	—	—	51	0.6%
Real estate rental expenses ②	1,544	—	15	1,560	17.5%
Loss on sale of real estate	4,086	—	28	4,114	46.1%
Asset management fees	—	—	—	356	4.0%
Adm. service/custodian fees	—	—	—	74	0.8%
Directors' remuneration	—	—	—	5	0.1%
Cutodian fees	—	—	—	52	0.6%
Other operating expenses	—	—	—	103	1.2%
Operating expenses	—	—	—	4,706	52.8%
Operating profits	—	—	—	4,209	47.2%
Profits (①-②)	4,707	—	62	4,770	53.5%
Net operating income (NOI)	6,252	—	78	6,330	71.0%
Non-operating revenues	—	—	—	0	0.0%
Non-operating expenses	—	—	—	737	8.3%
Recurring profits	—	—	—	3,472	38.9%
Income before income taxes	—	—	—	3,472	38.9%
Net income	—	—	—	3,471	38.9%
Retained earnings at the end of period	—	—	—	3,471	38.9%
Distribution per unit (¥)				6,550	41

Forecasts for the 10th Fiscal Period				
July 1, 2006 - Dec. 31, 2006				
44 Properties as of the end of 9th fiscal period	Kawasaki Dice TMK Preferred Securities	Chayamachi Grande Building	Total	%
8,255	—	85	8,340	93.5%
538	—	6	544	6.1%
8,794	—	91	8,885	99.7%
—	—	—	—	—
—	31	—	31	0.3%
8,794	31	91	8,916	100.0%
743	—	—	743	8.3%
1,798	—	12	1,811	20.3%
459	—	3	462	5.2%
564	—	5	570	6.4%
32	—	0	33	0.4%
156	—	1	157	1.8%
167	—	2	169	1.9%
367	—	—	367	4.1%
51	—	—	51	0.6%
1,544	—	15	1,560	17.5%
4,086	—	28	4,114	46.1%
—	—	—	—	—
—	—	—	356	4.0%
—	—	—	74	0.8%
—	—	—	5	0.1%
—	—	—	52	0.6%
—	—	—	103	1.2%
—	—	—	4,706	52.8%
—	—	—	4,209	47.2%
4,707	—	62	4,770	53.5%
6,252	—	78	6,330	71.0%
—	—	—	0	0.0%
—	—	—	737	8.3%
—	—	—	3,472	38.9%
—	—	—	3,472	38.9%
—	—	—	3,471	38.9%
—	—	—	3,471	38.9%

Change from the 9th Fiscal Period Results	
Amount	%
267	3.3%
64	13.5%
332	3.9%
—	—
-4	-13.4%
327	3.8%
-2	-0.3%
104	6.1%
6	1.4%
97	20.6%
0	-0.7%
-8	-5.1%
2	1.6%
12	3.4%
-5	-9.1%
0	-0.0%
101	2.5%
—	—
5	1.5%
5	7.9%
—	—
1	3.8%
27	36.8%
142	3.1%
185	4.6%
230	5.1%
230	3.8%
-66	-99.3%
96	15.1%
21	0.6%
21	0.6%
21	0.6%

[10th Fiscal Period: Assumptions for Forecast]

Category	Premise
Operating period	10th fiscal period: July 1, 2006 – December 31, 2006 (184 days)
Portfolio	This is based on 45 properties and 1 issue of preferred securities. The 45 properties consist of the 44 owned as of June 30, 2006 and the Chayamachi Grande Building that is to be acquired on August 30, 2006. A monthly average occupancy of 97.9% is expected. The actual performance may change depending on the acquisition of new properties and sale of existing properties.
Number of outstanding units	The number of outstanding units is 530,000 units as of December 31, 2005.
Ratio of interest bearing debt	Interest bearing debt ratio was 45.8% as of June 2006. The ratio is expected to be 47.3% after the acquisition of Chayamachi Grande Building. The following formula was used to calculate the ratio of interest bearing debt in this table. Ratio of interest bearing debt: Interest bearing debt / (Interest bearing debt + Unitholders' equity) x 100
Operating expenses	Property tax, city planning tax and other acquisition related costs applicable to the acquisition of Cupo La Main Building, JPR Jingumae 432 and Chayamachi Grande Building were capitalized for the 10th fiscal period. The above taxes will be recorded as expenses for the owner as of January 1, 2007.
Distribution per unit	Forecasts assume the distribution of an amount of net income available for distribution, divided by total units outstanding and limited to the amount of unappropriated profits. Amounts less than ¥1 are discarded. Forecasts also assume that there will be no distribution in excess of profit, in accordance with corporate policy.

JPR forecasts a distribution per unit of ¥6,550 based on 530,000 outstanding units.

Note: Figures were rounded off to a million yen

The forecast for the 10th fiscal period is based on assumptions indicated above but there is a possibility that the actual operating revenues, recurring profits, net income and distribution per unit may change due to the acquisition of new properties, the sale of existing properties, etc. This forecast is in no way a guarantee of the distributions.

[Reference] Projected Real Estate Rental Income for the 11th Fiscal Period

(¥mn, unless otherwise indicated)

	Forecasts for the 11th Fiscal Period Jan. 1, 2006 - June 30, 2006						Change from the 10th Fiscal Period Forecasts	
	42 Properties *1	Kawasaki Dice TMK Preferred Securities*2	Chayamachi Grande Building	Rise Arena Building (provisional name)	Total	%	Amount	%
Rental revenues	8,066	—	131	102	8,300	94.4%	-40	-0.5%
Other rental revenues	478	—	9	—	488	5.6%	-56	-10.4%
Real estate rental revenues ①	8,545	—	140	102	8,788	100.0%	-96	-1.1%
Property and other taxes	738	—	8	—	746	8.5%	3	0.5%
Other rental expenses	1,731	—	19	19	1,771	20.2%	-40	-2.2%
Outsourcing expenses	443	—	5	15	463	5.3%	1	0.2%
Utilities expenses	509	—	8	—	517	5.9%	-52	-9.2%
Casualty insurance	29	—	1	0	31	0.4%	-2	-6.1%
Repairs and maintenance	190	—	1	1	193	2.2%	36	23.1%
Property management fees	165	—	3	1	171	1.9%	1	1.0%
Management association accounts	355	—	—	—	355	4.0%	-12	-3.3%
Other	38	—	—	—	38	0.4%	-12	-25.1%
Depreciation	1,502	—	19	30	1,552	17.7%	-7	-0.5%
Real estate rental expenses ②	3,973	—	47	50	4,070	46.3%	-44	-1.1%
Profits (①-②)	4,572	—	93	52	4,718	53.7%	-52	-1.1%
Net operating income (NOI)	6,074	—	112	82	6,270	71.4%	-60	-0.9%
Capital expenditures	440	—	—	—	440	5.0%	-22	-4.9%
Net cash flow (NCF) before depreciation	5,634	—	112	82	5,829	66.3%	-37	-0.6%

Note: Figures were rounded off to a million yen

*1: Tsurumi Fuga 1 and JPR Takamatsu Building are excluded from the 44 properties that were owned as of the end of the ninth fiscal period.

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

[11th Fiscal Period: Assumptions for Real Estate Rental Income Projections]

Category	Assumptions
Operating Period	11th fiscal period: January 1, 2007 – June 30, 2007 (181 days)
Assets Owned	The figures are based on the 44 existing properties and 1 issue of preferred equity securities owned as of June 30, 2006 plus the Chayamachi Grande Building scheduled for acquisition on August 30, 2006 and the Rise Arena Building (tentative name) scheduled for acquisition in March 2007, minus Tsurumi Fuga 1 and JPR Takamatsu Building scheduled for sale on January 11, 2007. In addition, the average occupancy rate for the period is forecasted to be 98.3%.

The projections for real estate rental income in the 11th fiscal period were calculated based on the "11th Fiscal Period: Assumptions for Real Estate Rental Income Projections." There is a possibility that the actual real estate rental revenues, real estate rental expenses, real estate rental profit and loss, net operating income (NOI) and net cash flow (NCF) before depreciation will vary due to the acquisition of new properties, the sale of existing properties, etc.



Overview for the 9th Fiscal Period



Selective Investments

■ Investment Results

- Portfolio size of ¥209.2 billion as of the end of June 2006 (based on acquisition price)
- Prioritize prime locations and future potential for selective investments from a long-term perspective
- Acquisition of superior new development-type properties through collaboration with sponsors

■ Establishment of Core Portfolio

- Strategic replacement of properties for a strong, quality core portfolio
- Completion of the initial value-up strategy
- Well designed portfolio with a core of six major cities where stability and growth is anticipated

Sustainable Growth of Cash Flow

■ Stabilization of Cash Flow

- Tenant concentration: Downslide in share of the largest tenant (further reduction via sale of Tsurumi fuga 1)
- Reduce top five properties concentration by acquisition price

■ Cash Flow Growth

- Growth in rental revenue of office building: Increase in new rental unit rates, renewal rent rates and occupancy rates
- Undertaking of growth-type retail properties

■ Sound Financial Strategy Focused on Long-Term Stability



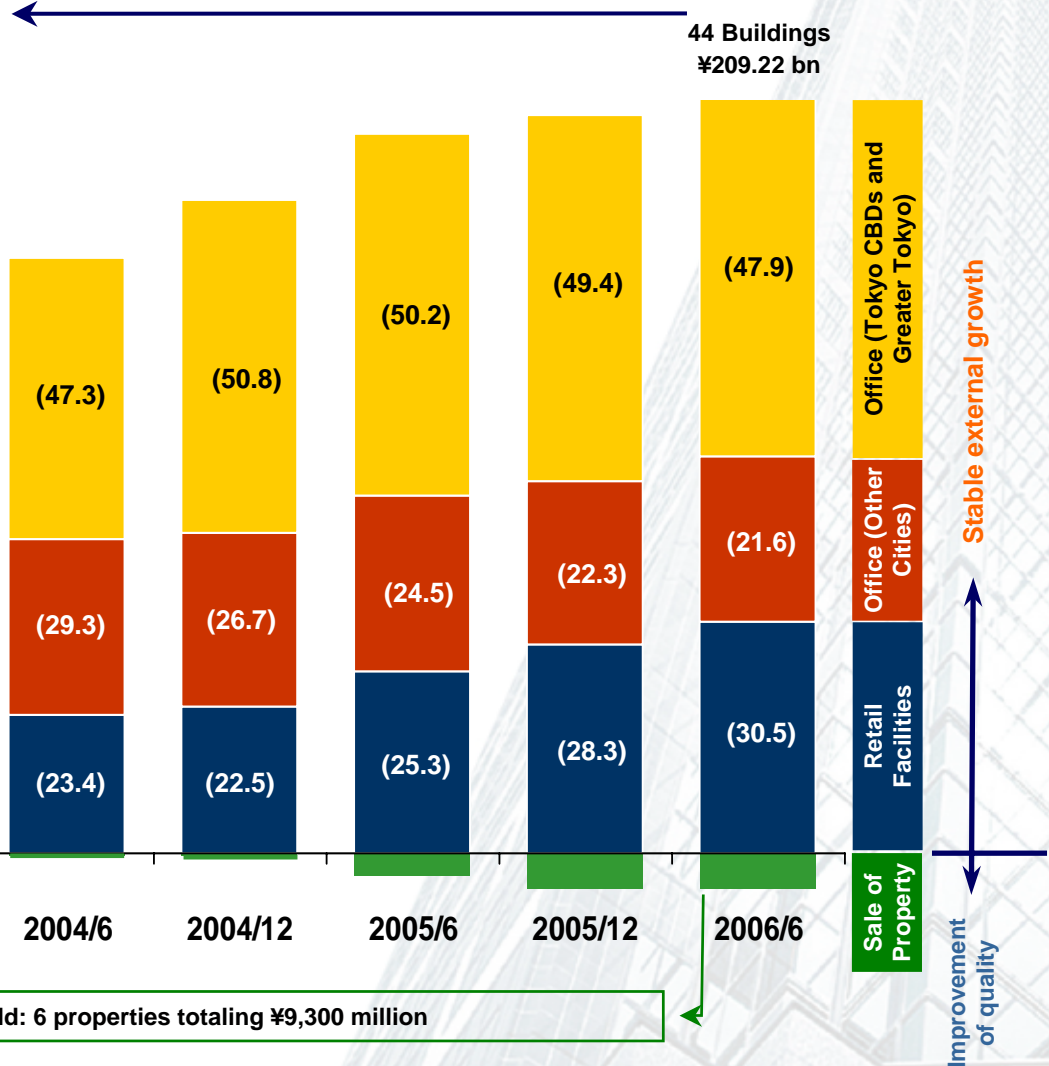
Selective Investments



Efforts to Build Core Portfolio through Selective Investments

Portfolio Size
(Acquisition price base)

- Other contracted properties/acquired assets
 - ◆ Kawasaki Dice TMK Preferred Securities (¥1.55 billion)
 - ◆ Chayamachi Grande Building (¥6.00 billion)
 - ◆ Rise Arena Building (tentative name) (¥5.46 billion)
- Scheduled Sales of Properties
 - ◆ Tsurumi fuga 1 (¥3.04 billion)
 - ◆ JPR Takamatsu Building (¥2.13 billion)



• Total properties sold: 6 properties totaling ¥9,300 million

Note: JPR listed on June 14, 2002. All of the amounts are based on acquisition price with shares rounded to the first decimal place.

JPR Jingumae 432



▶ Property description

Type: Retail
 Acquisition price: ¥4,460 million
 Acquisition date: March 24, 2006
 Ownership: Fee simple
 Occupancy rate: 100%
 Annual NOI yield: 3.5% (9th period actual)
 Location: Tokyo CBDs (Shibuya-ku, Tokyo)

▶ Highlights

- An excellent location along Meiji Dori that is only a six-minute walk from JR Harajuku Station and a three-minute walk from Tokyo Metro Meiji Jingumae Station
- Potential growth through the opening of a new subway line and various re-development projects in the neighboring areas
- The property's tenants are comprised of several retail and restaurant tenants. Increase of rents can also be expected due to growth of area's potential

Cupo-la Main Building



▶ Property description

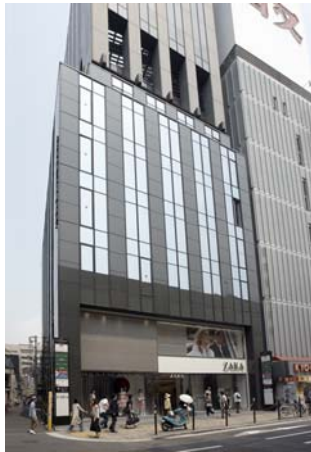
Type: Retail
 Acquisition price: ¥2,100 million
 Acquisition date: March 31, 2006
 Ownership: (Land) Co-ownership;
 (Building) Unit ownership
 Occupancy rate: 100%
 Annual NOI yield: 6.5% (9th period actual)
 Location: Greater Tokyo (Kawaguchi City, Saitama Prefecture)

▶ Highlights

- Acquired from one of our sponsors, Taisei Corporation, and is the first development-type property JPR was involved in
- The property is one minute from JR Kawaguchi Station
- Directly connected to the station via a pedestrian deck
- A 20-year lease with Japanese recognized retailer, Maruetsu, to secure steady revenues over the long term

■ Planned Acquisition During the 10th Fiscal Period

Chayamachi Grande Building



▶ Property description

Type:	Retail
Acquisition price:	¥6,000 million
Acquisition date:	August 30, 2006
Ownership:	Fee simple
Occupancy rate:	100%
Forecast NOI yield:	3.7%
Location:	Other Cities (Osaka City, Osaka Prefecture)

▶ Highlights

- An excellent location only a 5 minutes walk from JR Osaka Station and a 1 minute walk from Hankyu Umeda Station
- Future growth is expected in this area due to redevelopment projects in the surrounding areas including the North Umeda Freight Yard
- A fixed-term lease with Zara Japan, a tenant. The fourth floor and above are short-term leases enabling both stability and improved profitability

■ Planned Acquisition During the 11th Fiscal Period

Rise Arena Building



▶ Property description

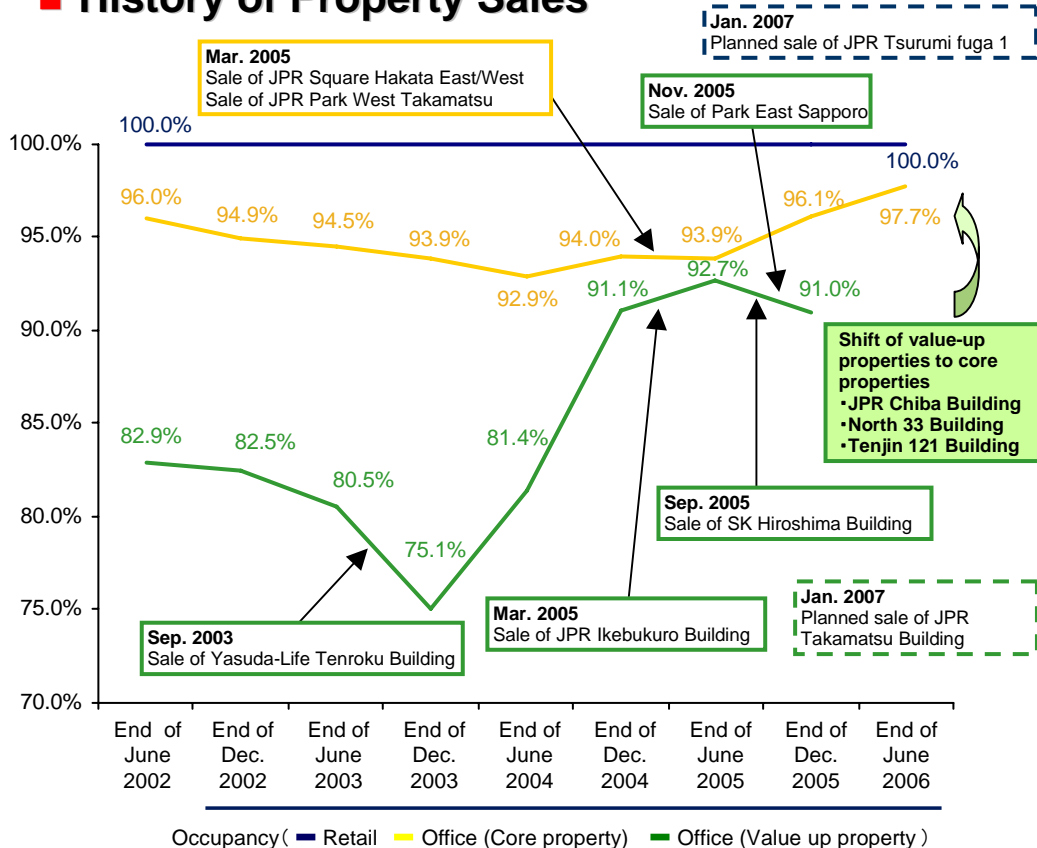
Type:	Office
Acquisition price:	¥5,467 million (planned)
*In the event profitability improves as a result of efforts by the seller to attract tenants, the acquisition price is subject to revision based on a predetermined formula.	
Acquisition date:	March 2007 (planned)
Ownership:	(Land) Co-ownership (Building) Unit ownership
Forecast NOI yield:	5.2%
Location:	Greater Tokyo (Toshima-ku, Tokyo)

▶ Highlights

- Acquired from Taisei Corporation
- Rare large office building with about 530 tsubos (about 1752m²) per floor and the latest facilities
- Directly connected to the Higashi-Ikebukuro Station on the Tokyo Metro Yurakucho Line
- Appropriate risk management through eliminating construction and lease-up risks by securing certain terms and conditions

Strategic Property Replacement for the High-Quality Core Portfolio

History of Property Sales



Sold and Planned Sale Properties

Property name	Yasuda-Life Tenroku Building	JPR Square Hakata East/West	JPR Park West Takamatsu	JPR Ikebukuro Building
Sale date	Sep. 2003	Mar. 2005	Mar. 2005	Mar. 2005
Acquisition price	¥410 mn	¥2,870 mn	¥870 mn	¥2,040 mn
Sale price	¥600 mn	¥2,920 mn	¥840 mn	¥3,340 mn
Age (years)	12.2	21.1/18.4	23.6	24.4
Reason	To realize value up	Selection of properties in the region	Selection of properties in the region	To realize value up

Property name	SK Hiroshima Building	Park East Sapporo	Tsurumi fuga 1	JPR Takamatsu Building
Sale date	Sep. 2005	Nov. 2005	Jan. 2007	Jan. 2007
Acquisition price	¥940 mn	¥2,150 mn	¥3,040 mn	¥2,130 mn
Sale price	¥1,040 mn	¥2,400 mn	¥4,270 mn	¥1,530 mn
Age (years)	15.8	20.1	21.3	24.4
Reason	To realize value up	To realize value up	To improve portfolio quality	To reconstruct area strategy

Shift to Core Properties

JPR Chiba Building	<ul style="list-style-type: none"> • Mostly maintain over 90% occupancy in the past four years • Stable NOI yield • Located in the area where recovery is expected
North 33 Building	
Tenjin 121 Building	

- Sale of 2 properties in January 2007 (scheduled)
- Transfer of 3 value-up properties to core properties



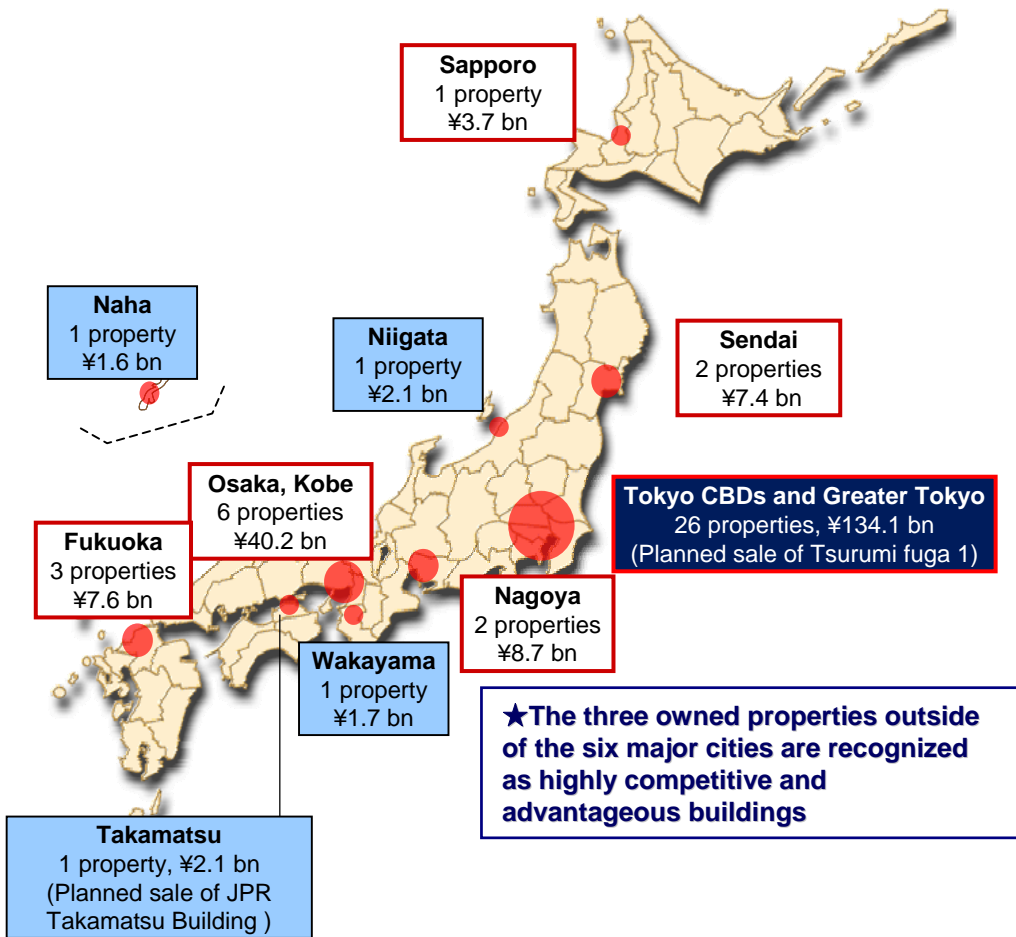
Completion of initial value-up strategy
Portfolio building based on long-term investment

Keep Taking Every Opportunity for "Value-Up" Investment

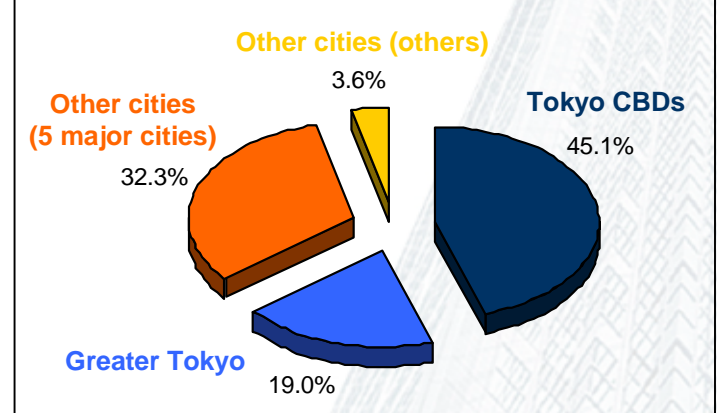
Establishment of Core Portfolio (2)

JPR's Portfolio is Spread through Six Major Cities where Stability and Growth is Foreseen

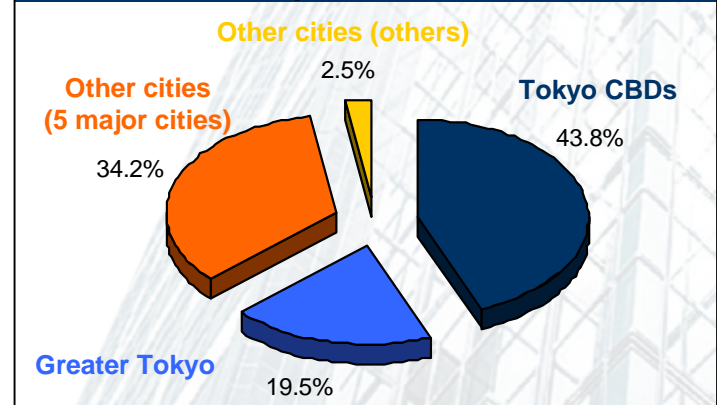
Portfolio Diversification (as of the end of June 2006)



Diversification as of the End of June 2006



Diversification after Planned Acquisitions and Sales (1)



< Establishment of Core Portfolio >

Note: Based on the portfolio as of the end of June 2006 with the Chayamachi Grande Building scheduled for acquisition in August 2006 and the Rise Arena Building (tentative name) scheduled for acquisition in March 2007 added, and the Tsurumi fuga 1 and JPR Takamatsu Building scheduled for sale in January 2007 excluded. Further, the preferred securities in the Kawasaki Dice TMK are not considered in the above.

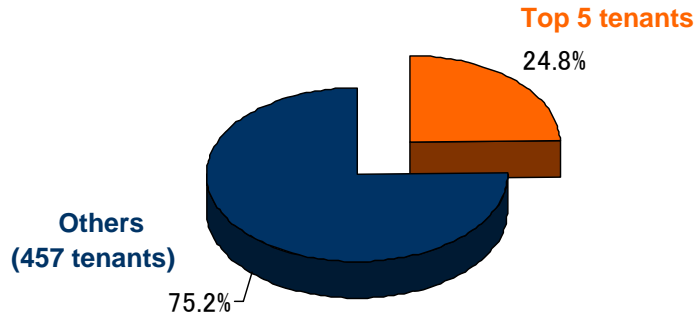


Sustainable Growth of Cash Flow



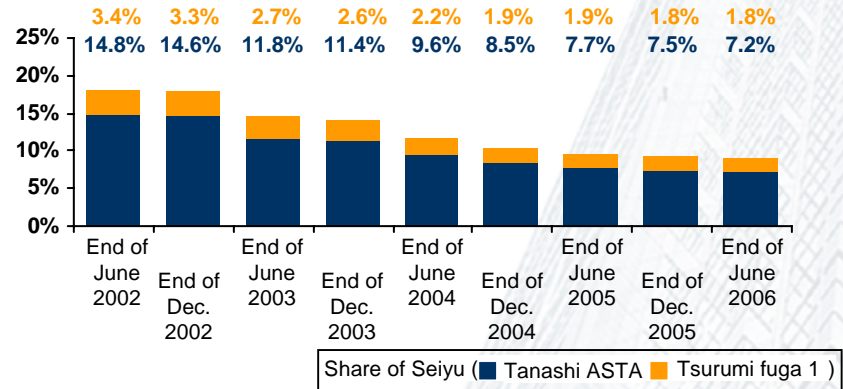
Tenant Diversification: Elimination of Excess Concentration on Major Tenants through Portfolio Expansion and Strategic Replacement of Properties

Portfolio Diversification (monthly rental revenue⁽¹⁾ basis)



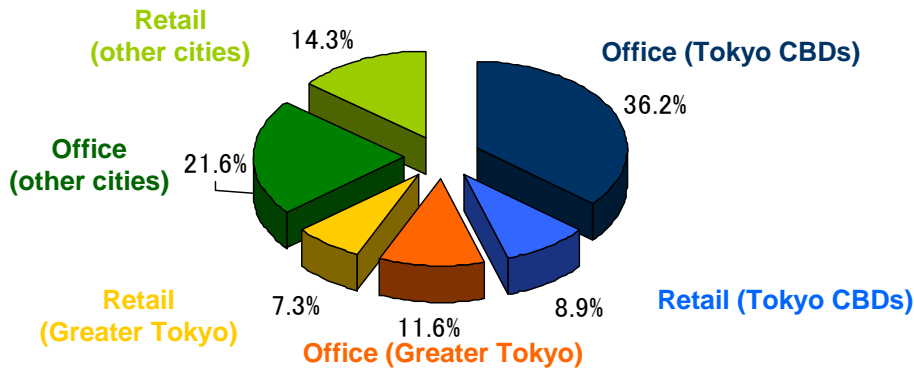
Share of Top Tenants on a Monthly Rental Revenue Basis

- Share of Seiyu, the largest tenant, has decreased to 9.0%
- Diversification will proceed after sale of Tsurumi fuga 1

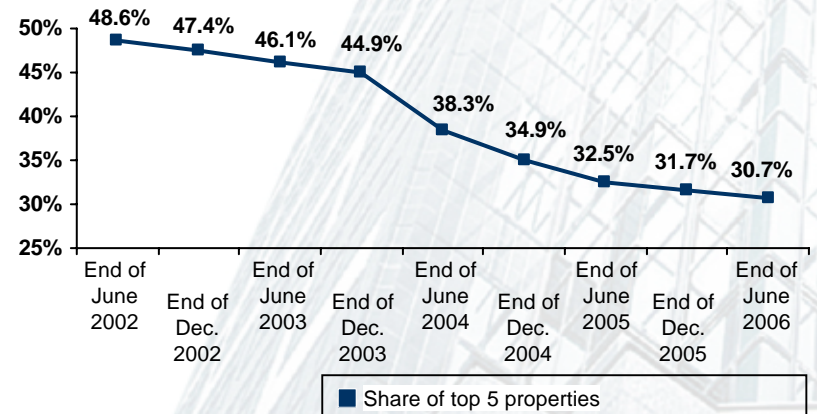


Property Diversification: Reduction of Revenue Impact of Largest Properties through Diversification via Portfolio Expansion

Portfolio Diversification (acquisition price basis)



Share of Top 5 Properties on an Acquisition Price Basis

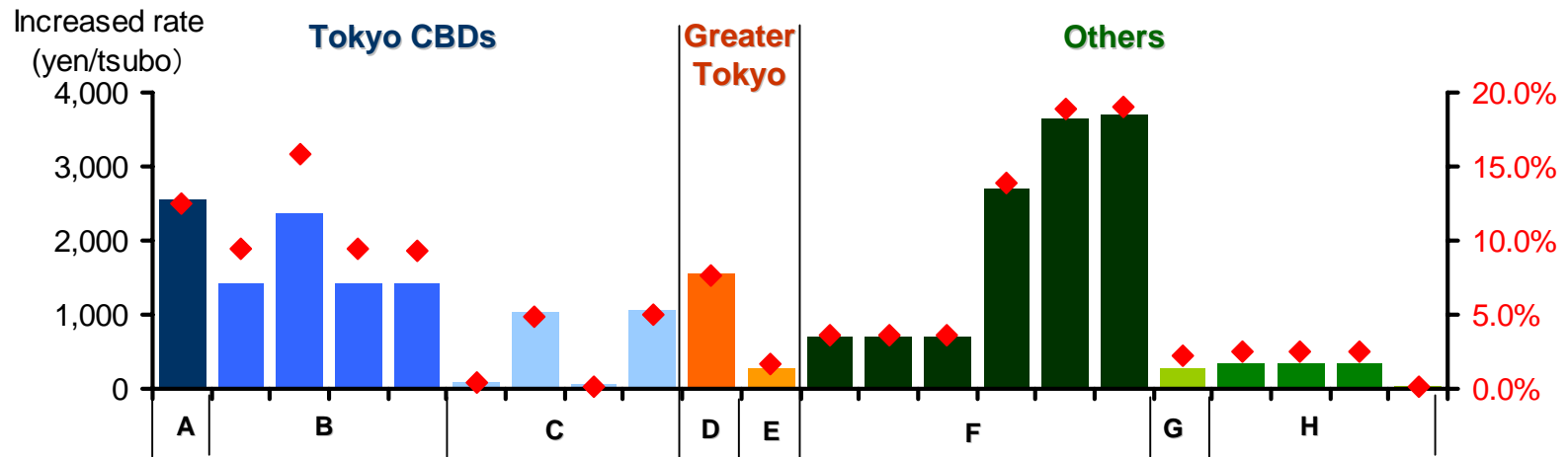


(1) Total monthly rent represents the total for the contracted rents, common expenses, parking fees, warehousing fees and sign usage fees.

Nationwide Upward Trend of Increasing Rent

- Increase in rents are most evident in central and greater Tokyo and key buildings in local cities
 - The increase in rent rates⁽¹⁾ is as great as ¥3,680/tsubo and the rate of increase is as great as 19%⁽¹⁾
- JPR will continue to strive for increased rents by raising rent rates proactively when replacing tenants

■ Cases of Newly Contracted Rents that Exceed Average Rents of Properties⁽¹⁾ (performance of 9th fiscal period and plans for 10th fiscal period)



A: JPR Crest Takebashi Building
 B: Shinjuku Square Tower
 C: BYGS Shinjuku Building
 D: Arca East

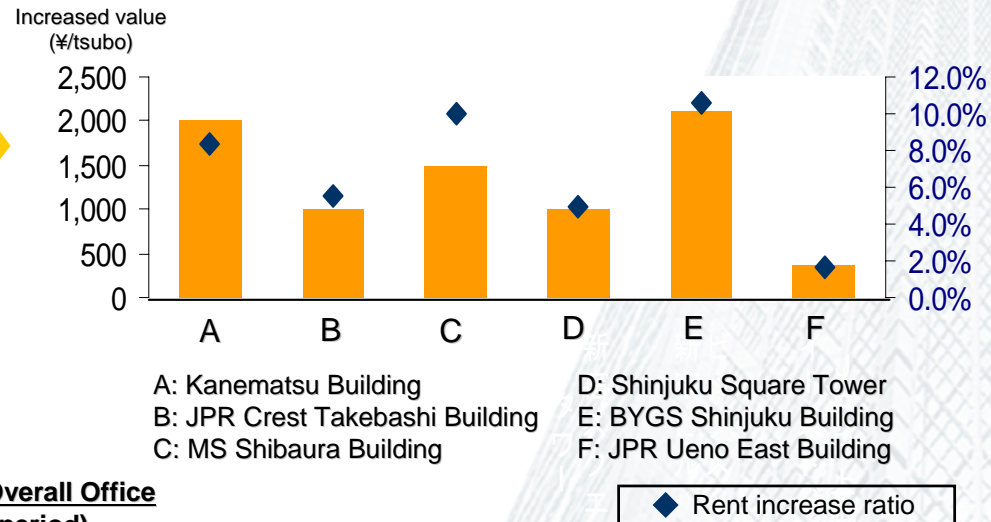
E: Kawaguchi Center Building
 F: Meiji Yasuda Life Osaka Umeda Building
 G: North 33 Building
 H: Sompo Japan Sendai Building

◆ Increased ratio of new rent

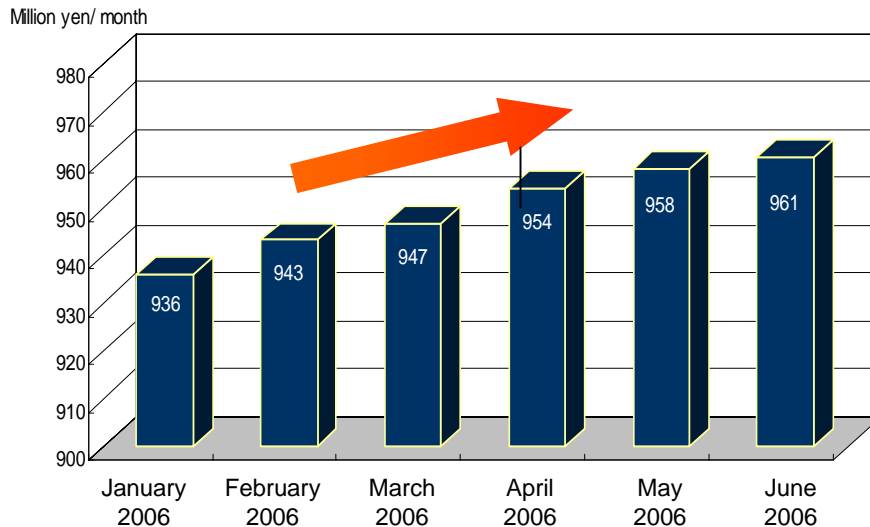
(1) Comparison of rental rates that include average common expenses as of the end of the 8th fiscal period

- **Continuing rent rates are rising in the Tokyo metropolitan area**
 Increase amount: Up to ¥2,100/tsubo
 Increase rate: Up to about 11%
- **Greater focus on raising continuing rents in 10th fiscal period**
- **Trend is expected to spread to other major cities**

■ **Maximum Increase and Rate of Rent Rates including Common Expenses upon Renewal of Continuing Rents (contract basis)**



■ **History of Rental Revenues including Common Expenses for Overall Office Properties (based on 34 properties owned as of end of 8th fiscal period)**



- **Trend of increase in rental revenue including common expenses for overall office portfolio in 9th fiscal period**
 Increase amount: ¥32 million
 Increase rate: 3.4%
 (compared to December 2005)
- **Rise in occupancy and rent rates contributing to rise in revenue**

Increase Rents when Replacing Tenants in Growth-Type Retail Properties Located in Highly Popular Districts

Investment in Growth-Type Retail Properties






- Proactive investment in multi-tenanted retail properties where greater cash flow can be generated in the future
- Selective investment in properties in good locations where competitive advantages can be secured over the long term
- Proactive rent rate hikes can be aimed for during future replacement of tenants



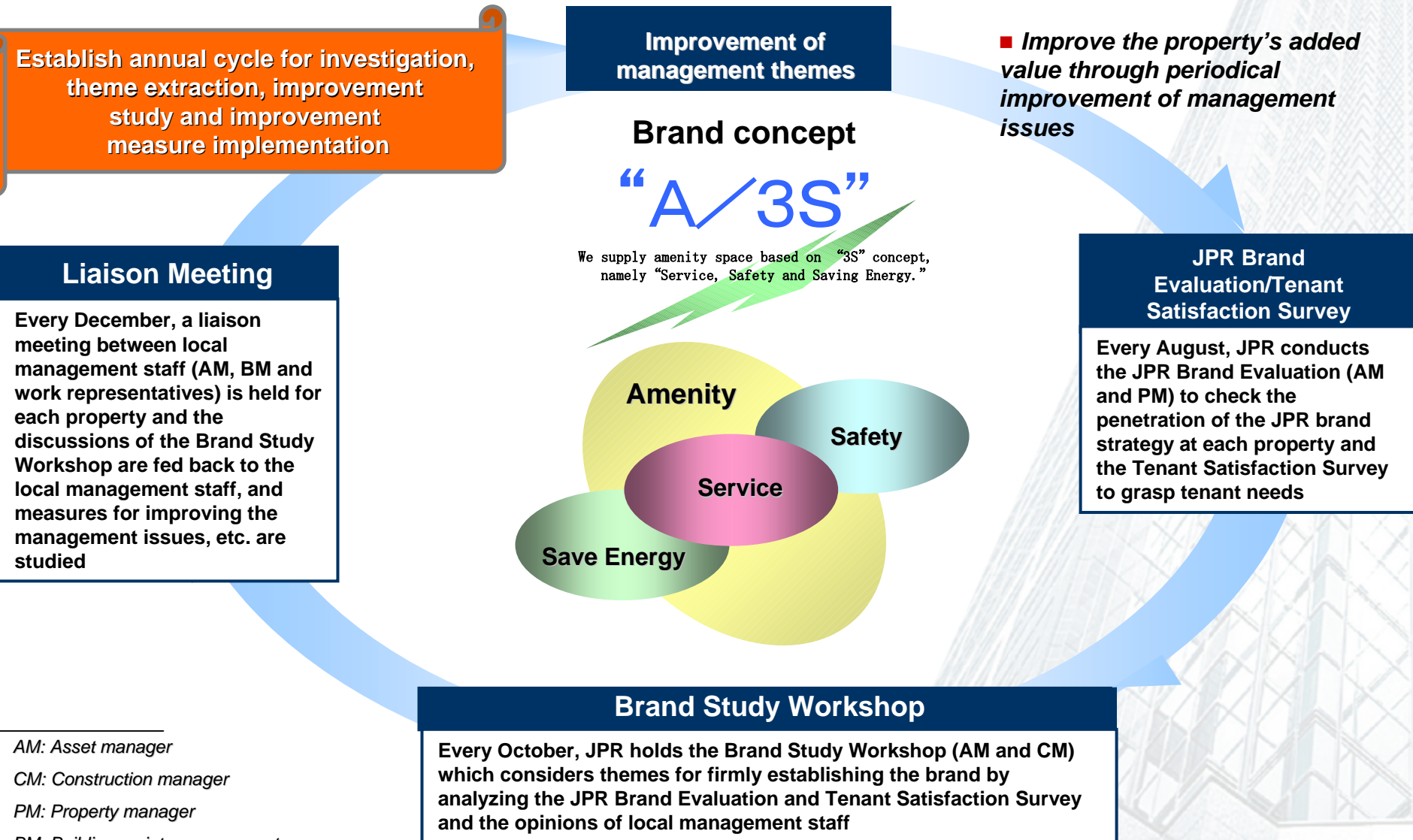
Investment in Stable-Type Retail Properties

- Secure stable rental revenue through long-term, fixed rent contracts
- Limit investments to properties located in front of key stations or in other very popular districts
- Make investment decisions that consider the potential of the concerned area including the existence or non-existence of development plans in surrounding areas

■ JPR's Growth-Type Retail Properties

					
	JPR Daikanyama	JPR Jingumae 423	Benetton Shinsaibashi Bldg.	Chayamachi Grande Bldg. (to be acquired on August 30, 2006)	Kawasaki Dice Building (Kawasaki Dice TMK preferred capital contribution certificates)
Tenants	4	5	1 (7 subtenants)	8	20
Rent Contract Lengths	2, 3 and 6 years	2 years	30 years	2 and 10 years	5, 6, 8, 10 and 20 years
Remarks	Located in front of Tokyu Daikanyama Station: Changed from renting to a single tenant to a multi-tenant property with the changing of tenants	Located along Meiji Dori in Harajuku: The value is expected to rise with the opening of the Subway No. 13 Line	Located along Midosuji Avenue in Osaka: Planning to raise rents at the time of each 3-year renewal	Located in front of Hankyu Umeda Station. Progress in the redevelopment of Chayamachi town may further increase the value of the property	Located in front of Tokyu Kawasaki Station: Variable rents linked to sales are used with some tenants

Formulation of Facility Space with High Amenities through Steady Execution of JPR Brand Implementation Cycle



AM: Asset manager

CM: Construction manager

PM: Property manager

BM: Building maintenance operator



- JPR Brand Manuals are prepared to implement the JPR brand strategy and quickly spread the JPR brand. Acquisition of knowledge concerning and adherence to these are promoted among the management companies and staff of each property.

JPR Brand Manual

- 01 Brand Strategy Game Plan
- 03 Parking Lot Safety Standards
- 05 Building Management Standardization
- 07 Cleaning Crew Manual

- 02 Entrance Activities
- 04 Staff Manner Manual
- 06 Disaster Prevention Manual
- 08 Evaluation Manual

Service

Safety

Save Energy

Implementation of Entrance Activities, etc.

Verification of Parking Lot Safety, etc.

Implementation of Energy Management, etc.

- Fun activities in which tenants participate

Tanabata Festival

(Held at 25 properties in July 2006)

- Wishes written and hung by building users were submitted to the Orihime Shrine (Tochigi Prefecture) in the hope that they would come true



- The safety of parking lots was verified based on the Integrated JPR Brand Parking Lot Safety Standards

- Safety standards by category and points for checking implementation of measures unique to JPR were established

Secure awareness of current conditions and apply to safety standards



Further reduction of risk through human communication

Lower risk by installing, reviewing and updating equipment

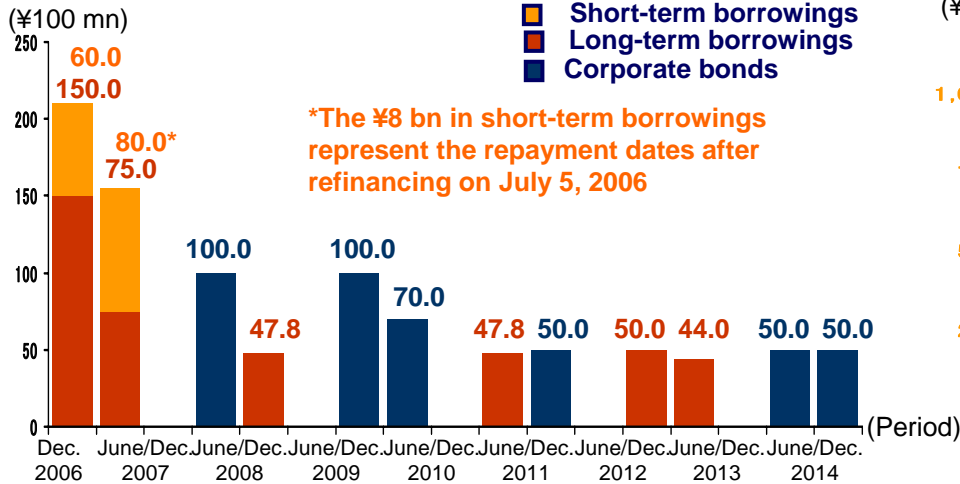
- Continued promotion of energy conservation and environmental friendliness

- Upgrade lighting stabilizers to inverter types
- Upgrade air conditioning equipment to highly efficient equipment
- Reinforce temperature maintenance of cooling medium piping
- Use of water conserving equipment
- Promotion of greening

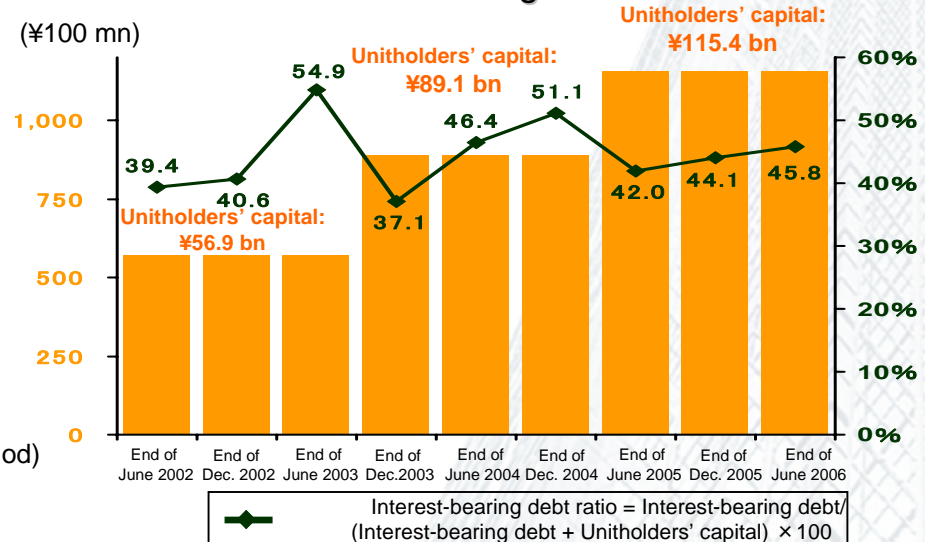


JPR will Continue to Emphasize Sound Financial Strategies and Aim for a Well Balanced Debt Structure

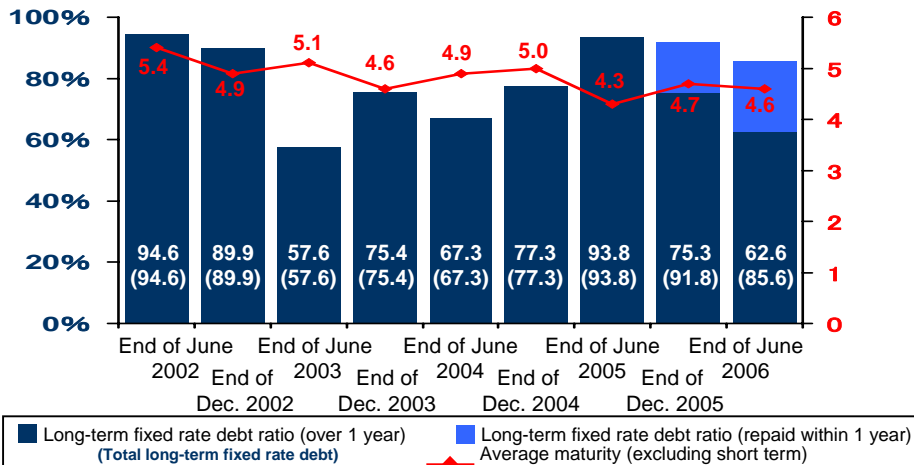
■ Staggered Maturities of Interest-Bearing Debt



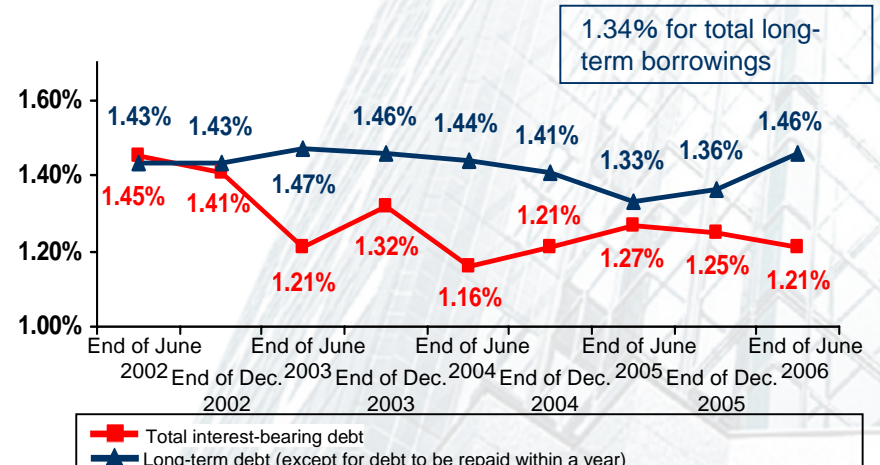
■ Historical Interest-Bearing Debt Ratio



■ Long-Term Fixed Rate Interest-Bearing Debt



■ Weighted Average Cost of Debt





Investment and Fund Management Strategy





Office Buildings

- Growth in office demand as a result of steady recovery in corporate performance
- A national decline in vacancy rates is evident, particularly in large metropolitan areas

Lease Markets of Large Cities

- Tokyo: The vacancy rate in the 23 wards of Tokyo is 3.1% and it has dropped to 2.7% in the central five wards. The supply-demand balance is tight. New rents and renewed rents from existing tenants are both in an upward trend.
- Osaka: The vacancy rate has dropped to 6.8% with new offices opening and office floor space expanding. The vacancy rate is expected to drop further and the supply-demand balance is expected to improve rapidly.
- Nagoya: As with Osaka, the increased demand has absorbed a huge new supply of buildings and the vacancy has dropped to 6.8%. Popularity is concentrated in front of Nagoya Station.
- Sapporo: Despite the increase in new floor space with the completion of major new buildings, the central area remains relatively strong.
- Sendai: Vacancy rate remains flat despite greater needs among tenants for larger floor space. However, improvement is expected as the concentration of the Tohoku region on Sendai continues.
- Fukuoka: Despite increases in demand, it is not as strong as in the other major cities and the vacancy rate remains flat.
- Local cities outside of these continue to have weak demand with no recovery apparent. The vacancy rate in Takamatsu rose from 16.6% last December to 17.0%.

(Data: CB Richard Ellis K.K.)

Retail Properties

- People have started to spend more money, driven by the improved economic conditions.
- Consumption trends are also diversified. Expensive brand name products, luxury cars, overseas vacations, the restaurant industry, etc. have seen improvement.
- In the retail industry, there is a distinct polarization between well performing players and those that are unprofitable, and uneven results among regions is also becoming apparent

Trends by Location

- Urban station front locations: In cities like Sapporo, Nagoya and Kyoto, the most popular commercial areas have shifted from traditional locations to station front areas due to redevelopment.
- Fashion streets: The popularity of urban roadside stores has resurrected itself with a re-assessment of time consumption in urban areas with their own naturally generated identity.
- Urban markets: The urban potential of commerce is growing even more with the return of the population to urban centers.

A Continued Severe Acquisition Environment from Price Increases due to Heightened Demand

- With the conclusion of a deflationary economy, the demand for corporations and financial institutions to sell their properties has come to a close (although there was information of corporations continuing to sell properties at the behest of financial institutions through March, such information has decreased since April)
- Although there has been a change in the management style of private funds (sale of properties to REITs they launched and the policy of owning large properties for the medium to long-term), they still tend to be an increasing major seller of real estate
- The drop in cap rates has spread to local cities and medium and small buildings, and the disparity in cap rates compared to blue chip properties has shrunk
- Decrease in information on investment grade properties being sold (particularly true for office buildings -> the share of information on retail properties has increased relatively)
- There has been a gradual increase in information on development-type and development inclusive properties

■Property Acquisition Information Obtained by JPR

	5th fiscal Period	6th fiscal period	7th fiscal period	8th fiscal period	9th fiscal period	
					Obtained	Considered
Office	119	89	97	74	52	11
Retail	14	21	22	12	22	13
Total	133	110	119	86	74	24
Development Properties	10	8	8	5	13	4

■ Selective Investment Focused on Location and Future Potential

- Focused on long-term fund management, selectively acquiring competitive properties with interest rate hike risk tolerance
- Aim to build a balanced portfolio in the future by executing selective investment that focuses on portfolio quality and profitability




Properties in which rent hikes can be expected in the short and medium-term	<ul style="list-style-type: none"> ➢ Office buildings in Tokyo CBDs (medium-size or greater office buildings with a certain level of facilities) ➢ Class A buildings in Greater Tokyo and major regional cities like Osaka and Fukuoka
Properties in which rent hikes can be expected in the medium to long-term	<ul style="list-style-type: none"> ➢ Multi-tenant retail properties located in very popular districts ➢ Retail properties in areas where future value growth can be expected as a result of development in surrounding areas
Properties that can secure a certain level of yield	<ul style="list-style-type: none"> ➢ Securing of blue-chip properties through collaboration with sponsors

■ Avoiding Excessive Competition

- JPR will further reinforce its collaboration with sponsors and acquire properties through its unique pipeline

Collaboration with sponsors	<p>JPR will effectively utilize the comprehensive strength it possesses through collaborations with sponsors to create opportunities to acquire properties through a more multi-faceted approach.</p> <p>Specifically, JPR will acquire properties being sold by sponsors, participate in development-type properties being launched by sponsors and/or acquire such properties as it completes.</p>
Additional acquisition in unit ownership and joint ownership buildings	<p>JPR will work with property managers to achieve the quick additional acquisition of sectional and joint ownership buildings it has interests in by continually approaching other owners for the purchase of their interests.</p> <p>JPR will also work to incorporate sectional and joint ownership buildings, in which there is the possibility of acquiring additional interests in the future, into the portfolio.</p>

■ Past Investments

			
	Cupo-la Main Building	Rise Arena Building (tentative name)	JPR Jingumae 432
Seller	Taisei Corporation	Taisei Corporation	SPC formed by Sankei Building
Contracted Date	November 25, 2004	September 30, 2005	February 7, 2006
Acquired Date	March 31, 2006	March 2007 (scheduled)	March 24, 2006
Leasing Risk	Seller	Seller/Partially buyer	Seller
Notes	Leases were all concluded with tenants upon signing of sale and purchase agreement	Tenants not finalized at time of signing of sale and purchase agreement. However, acquisition will only go through if a certain percentage of occupancy has been attained. Acquisition price will change according to rental conditions.	Leases were all concluded with tenants upon signing of the sale and purchase agreement

■ Future Strategy

- As in the past, reinforce our collaboration strategies with our sponsors (Tokyo Tatemono, Taisei Corporation and Yasuda Real Estate) concerning development properties such as major properties, multi-use developments, urban redevelopment projects and the rebuilding of existing properties where the comprehensive strength of a developer is needed.
- Work to secure properties with excellent locations, size, etc. as soon as possible through commitments at the land acquisition stage, leasing risk allowances, equity investments within a limited total investment, etc.
- Also take active steps to acquire development properties of non-sponsor major developers after studying the property details and carefully making the investment decision.

■ Development Project Consideration Pipeline*

Region	2007	2008	2009	2010 or after
Tokyo CBDs	1	2	0	0
Greater Tokyo	1	1	0	0
Other cities	1	0	2	0
Asset Class	2007	2008	2009	2010 or after
Office Building	2	3	2	0
Retail Facility	1	0	0	0

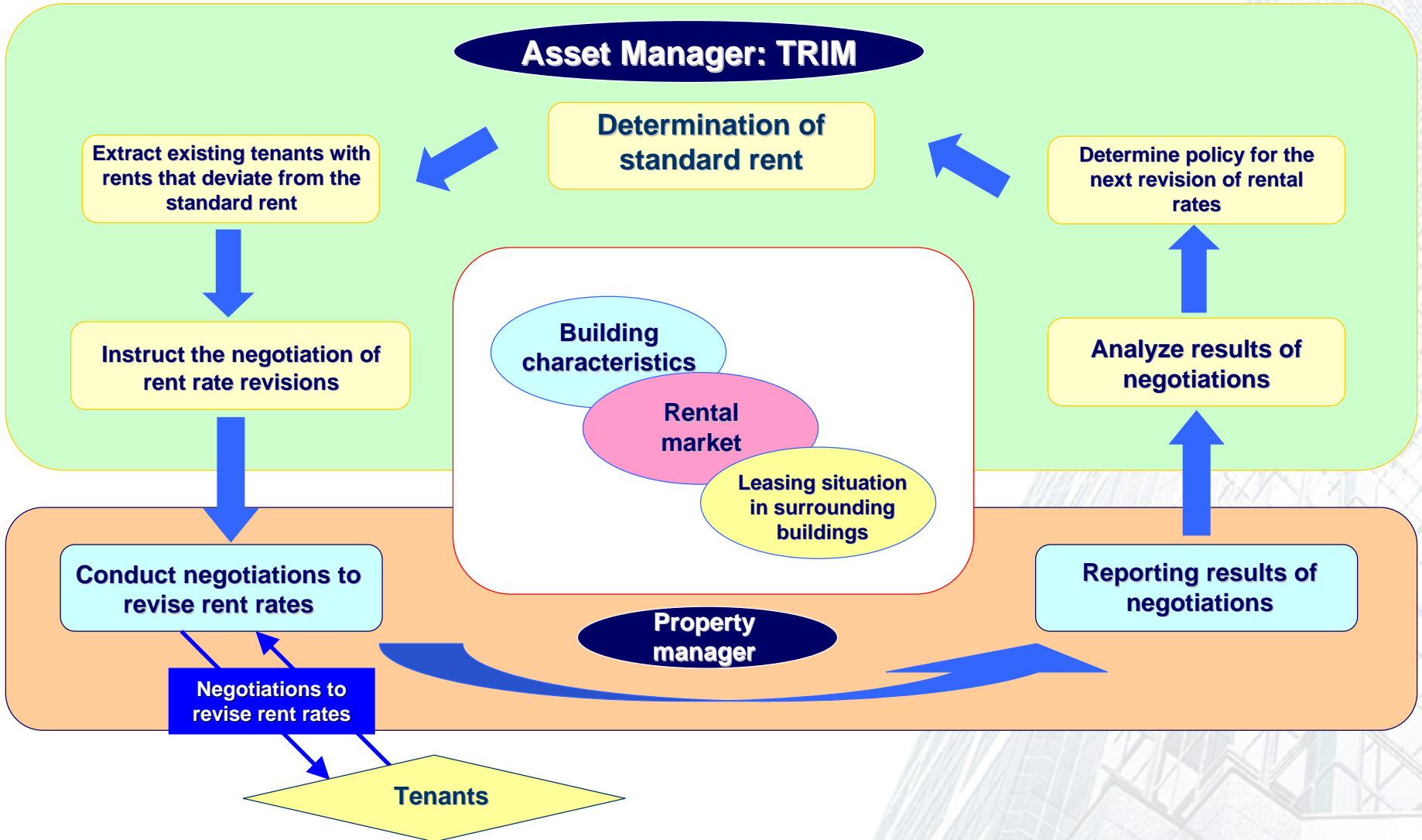
Assumed Amount
8 properties About ¥100 billion

*The above development-type properties do not include properties for which the acquisition contract has already been concluded.

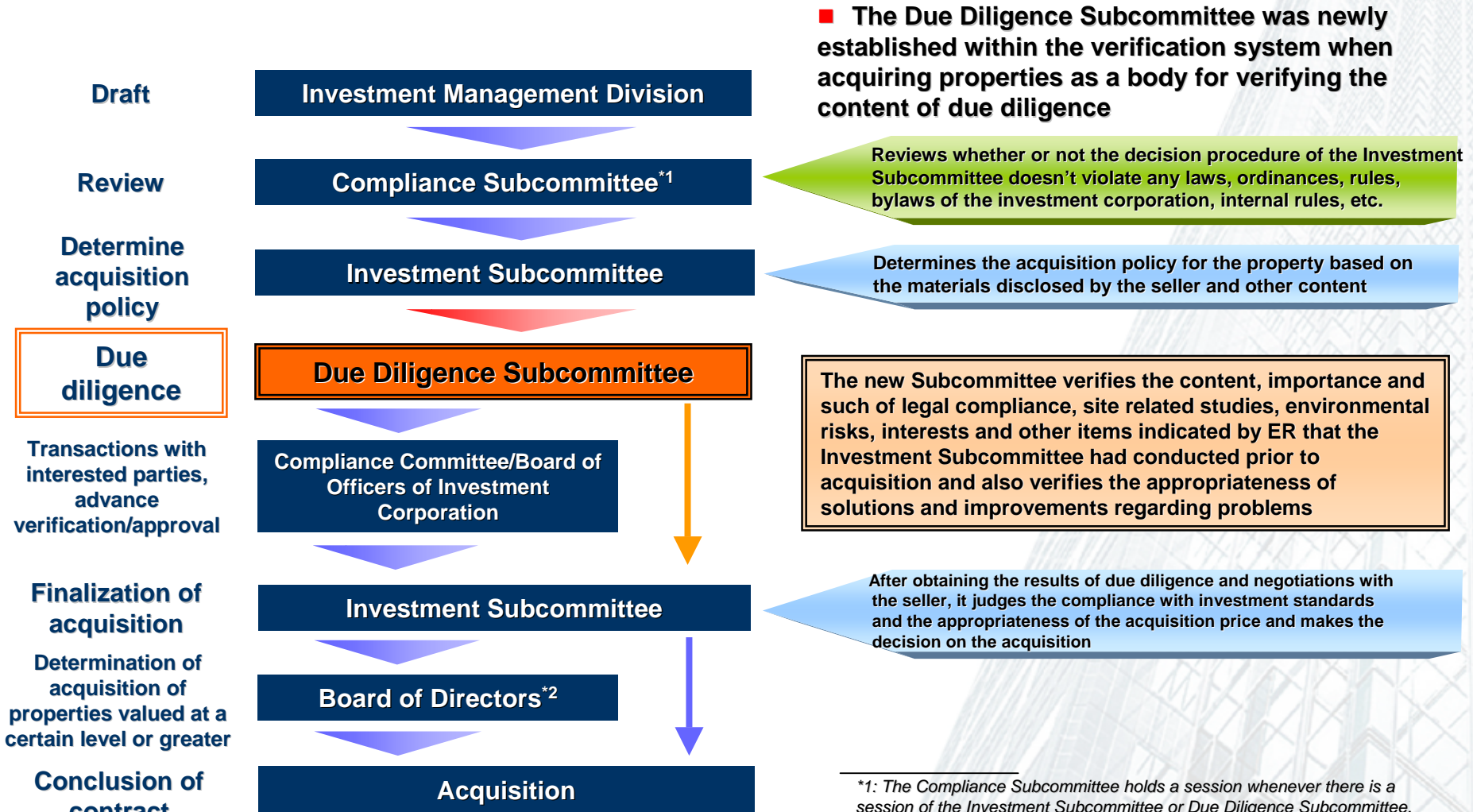
Future Management Strategy: Steps for Increasing Rental Revenue

Continuation of Rent Rate Revision Negotiations through an Accurate Grasping of the Rental Market and Collaboration with the Property Manager

■ Rent Rate Revision Flow



Due Diligence Subcommittee Set Up for Risk Management to Reinforce Internal Control System



■ The Due Diligence Subcommittee was newly established within the verification system when acquiring properties as a body for verifying the content of due diligence

Reviews whether or not the decision procedure of the Investment Subcommittee doesn't violate any laws, ordinances, rules, bylaws of the investment corporation, internal rules, etc.

Determines the acquisition policy for the property based on the materials disclosed by the seller and other content

The new Subcommittee verifies the content, importance and such of legal compliance, site related studies, environmental risks, interests and other items indicated by ER that the Investment Subcommittee had conducted prior to acquisition and also verifies the appropriateness of solutions and improvements regarding problems

After obtaining the results of due diligence and negotiations with the seller, it judges the compliance with investment standards and the appropriateness of the acquisition price and makes the decision on the 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.



Appendix





Cash Distributions for the 9th Fiscal Period

Cash Distribution for the 9th Fiscal Period

(¥)

NO.		9th Period (Jan. 1, 2006 - June 30, 2006)	8th Period (July 1, 2005 - Dec. 31, 2005)
1.	Retained Earnings at End of Period	3,449,967,136	3,398,137,679
2.	Total Cash Distribution (DPU)	3,449,770,000 (6,509)	3,397,830,000 (6,411)
3.	Retained Earnings Carried Forward	197,136	307,679
4.	Total Units Outstanding (Units)	530,000	530,000

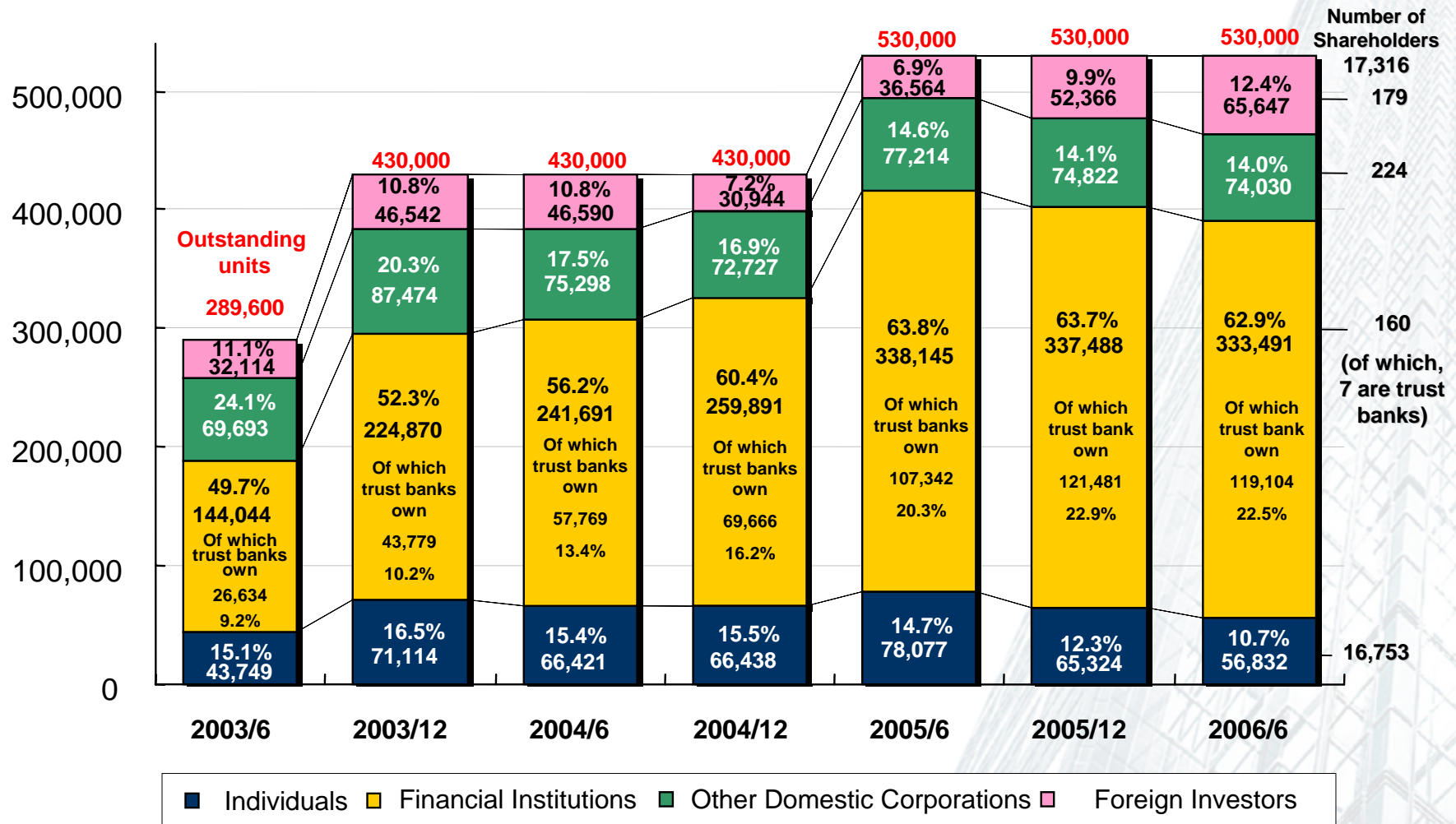
Comparison of Actual and Forecasted Results for the 9th Fiscal Period

(¥mn, unless otherwise stated)

	Operating Revenues	Recurring profits	Net income	DPU (yen)
Actual Results (1)	8,588	3,450	3,449	6,509
Forecast (2)	8,516	3,287	3,286	6,200
Difference between Actual and Forecasted (3)=(1)-(2)	72	163	163	309
Difference between Actual and Forecasted (4)=(3)/(2)	0.8%	5.0%	5.0%	5.0%
(Reference) Revised Forecast as of June 23, 2006	8,581	3,393	3,392	6,400

Breakdown of Unitholders (Units by Owner)

Conspicuous Increase in Ownership by Foreign Corporations Amidst Decrease in Ownership by Financial Institutions (including trust banks), Other Domestic Corporations, Individuals, etc.



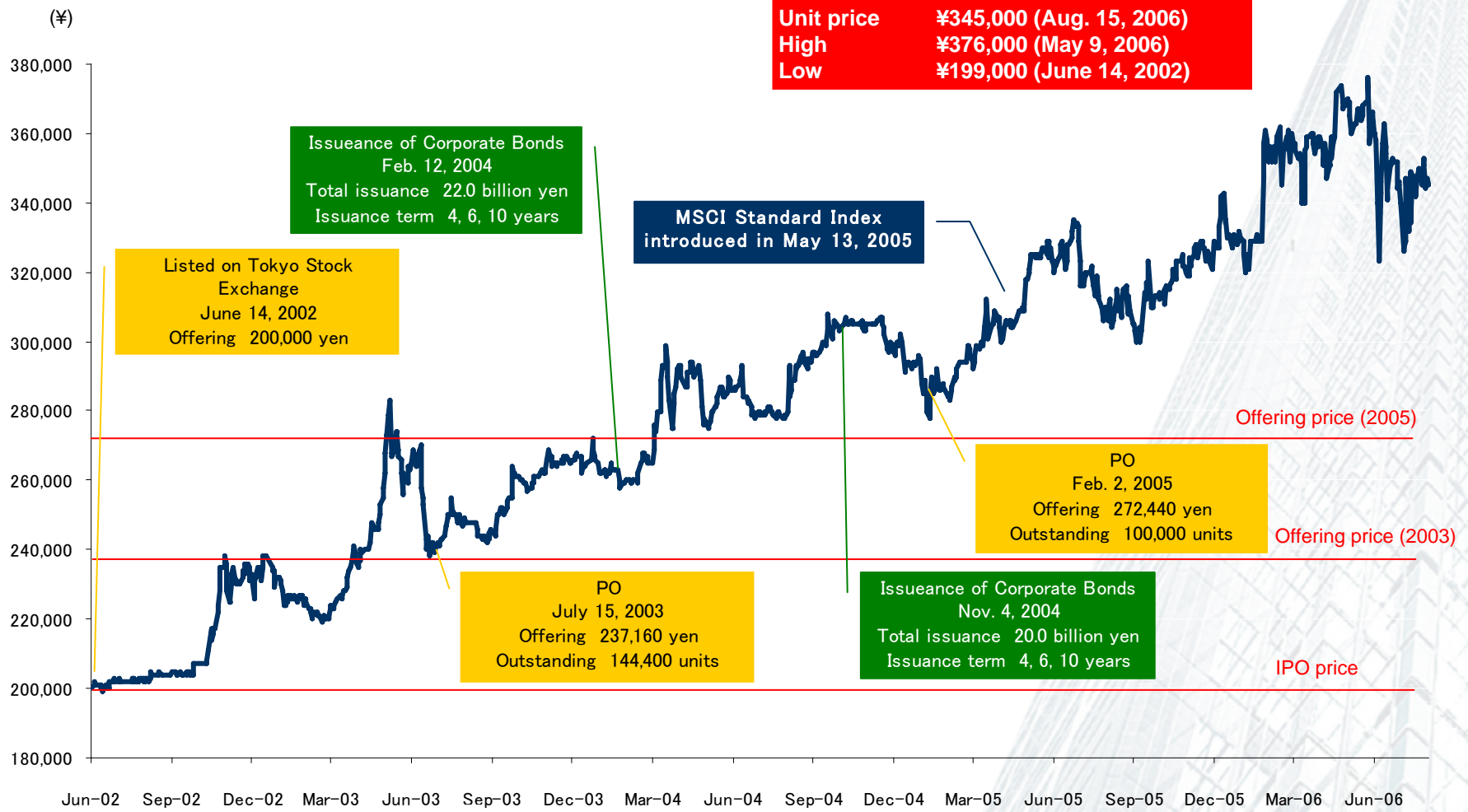
Note: The composition ratio is rounded to one decimal place.

Top Ten Unitholders

9th Fiscal Period			8th Fiscal Period		
Name	Units	% (1)	Name	Units	% (1)
Japan Trustee Services Bank, Ltd.	42,221	7.97%	Japan Trustee Services Bank, Ltd.	47,240	8.91%
NikkoCiti Trust and Banking Corporation	35,340	6.67%	Tokyo Tatemono Co., Ltd.	29,300	5.53%
Tokyo Tatemono Co., Ltd.	29,300	5.53%	NikkoCiti Trust and Banking Corporation	25,496	4.81%
Kawasaki Gakuen	25,000	4.72%	Kawasaki Gakuen	25,000	4.72%
Meiji Yasuda Life Insurance Company	24,000	4.53%	Meiji Yasuda Life Insurance Company	24,000	4.53%
Trust & Custody Services Bank, Ltd.	19,919	3.76%	The Master Trust Bank of Japan, Ltd.	22,631	4.27%
The Master Trust Bank of Japan, Ltd.	18,476	3.49%	Trust & Custody Services Bank, Ltd.	20,315	3.83%
AIG Star Life Insurance Co., Ltd.	13,190	2.49%	AIG Star Life Insurance Co., Ltd.	13,190	2.49%
The Senshu Bank, Ltd.	10,568	1.99%	The Hiroshima Bank, Ltd.	10,837	2.04%
The Hiroshima Bank, Ltd.	9,355	1.77%	The Senshu Bank, Ltd.	8,936	1.69%
Total	227,369	42.90%	Total	226,945	42.82%

(1) The ratio of owned units of total outstanding units is rounded to the second decimal place.

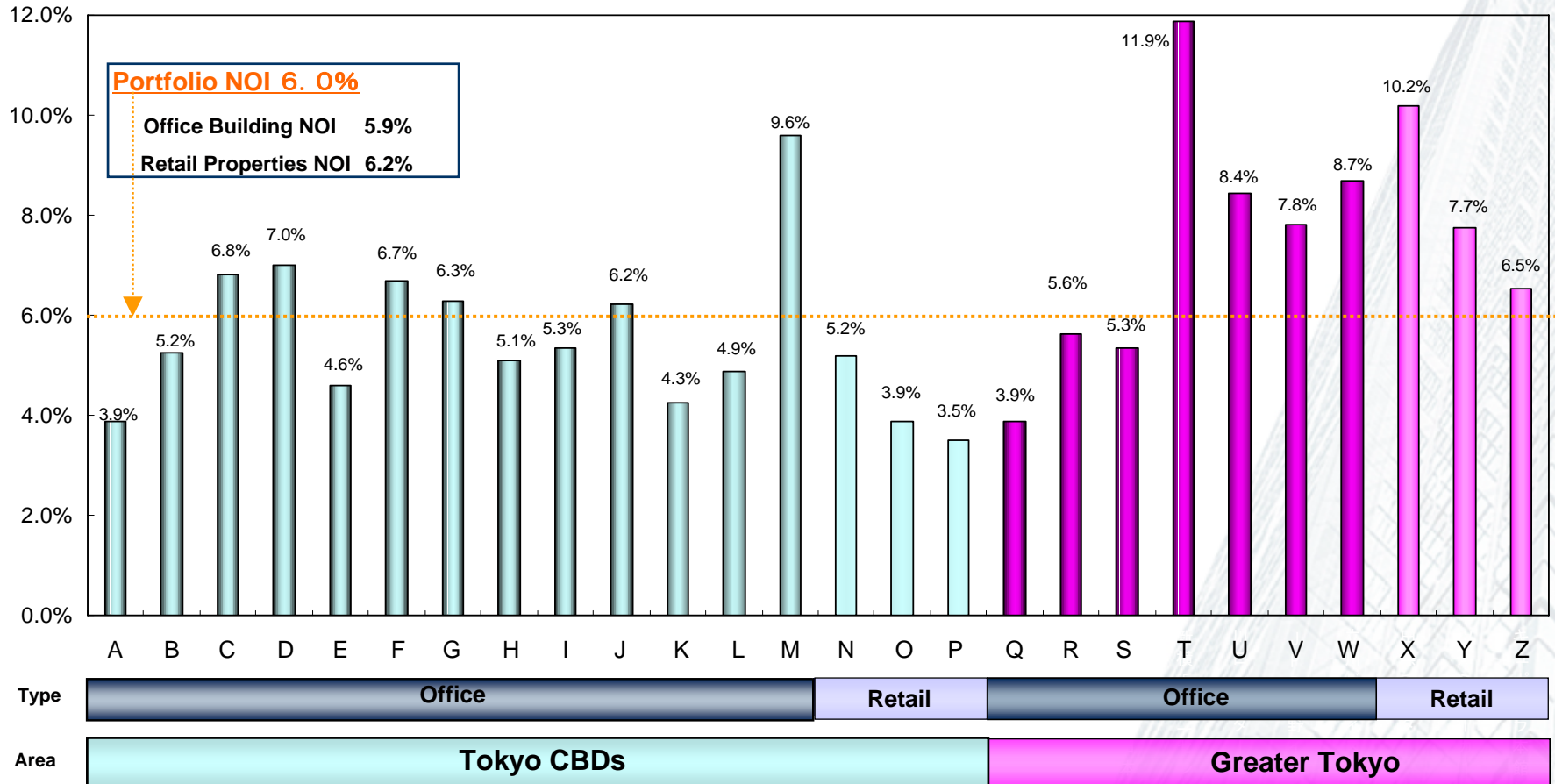
Milestones since IPO and Historical Unit Price (June 14, 2002 – Aug. 15, 2006)



Fiscal Period	June 2002	Dec. 2002	June 2003	Dec. 2003	June 2004	Dec. 2004	June 2005	Dec. 2005	June 2006
DPU (¥)	2,545	6,912	6,873	5,738	6,081	6,671	6,370	6,411	6,509

NOI Yield by Property for the 9th Fiscal Period (Tokyo CBDs and Greater Tokyo)

(Jan. 1, 2006 – June 30, 2006)



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

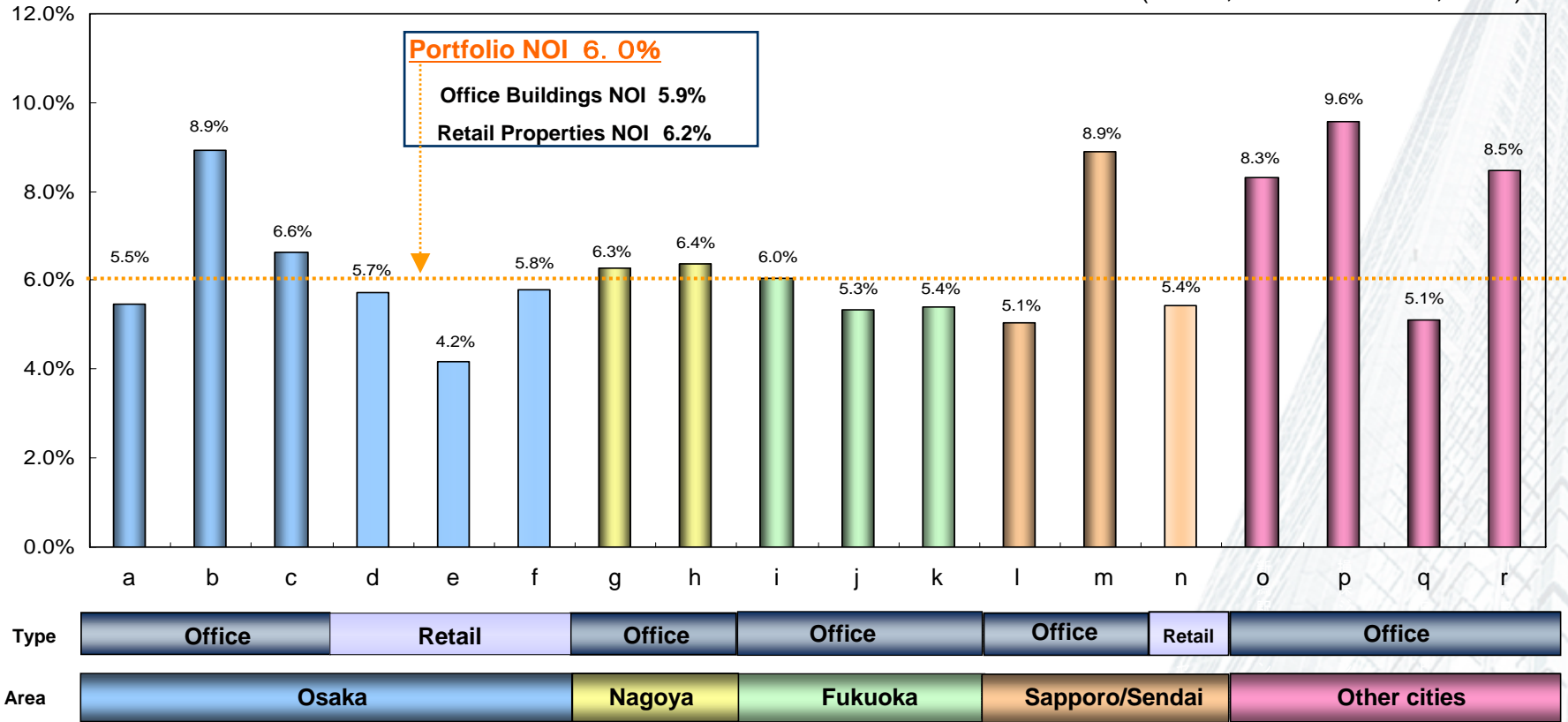
H: Fukuoka Building
 I: JPR Ichigaya Building
 J: Oval Court Ohsaki Mark West
 K: Shinjuku Square Tower
 L: BYGS Shinjuku Building
 M: Across Shinkawa Building Annex
 N: JPR Shibuya Tower Records Building

O: JPR Daikanyama
 P: JPR Jingumae 432
 Q: Arca East
 R: JPR Chiba Building
 S: JPR Yokohama Nihon Odori Building
 T: Shinyokohama 2nd Center Building
 U: Kawaguchi Center Building

V: JPR Ueno East Building
 W: Tachikawa Business Center Building
 X: Tanashi ASTA
 Y: Tsurumi fuga 1
 Z: Cupo-la Main Building

NOI Yield by Property for the 9th Fiscal Period (Other cities)

(Jan. 1, 2006 – June 30, 2006)



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

g: JPR Nagoya Sakae Building
 h: UFJ Central Leasing Head Office Building
 i: JPR Hakata Building
 j: Tenjin 121 Building
 k: Semba Fukuoka Building
 l: NORTH 33 Building

m: Sompo Japan Sendai Building
 n: Strasse Ichibancho
 o: Niigata Ekinan Center Building
 p: Sompo Japan Wakayama Building
 q: JPR Takamatsu Building
 r: JPR Naha Building

Appraisals as of the End of the 9th Fiscal Period

No.	Property name	Appraisal (thousands yen)	Direct Capitalization Method	DCF	
			Cap rate	Discount rate	Terminal cap
1	Kanematsu Bldg.	14,300,000	4.50%	4.20%	4.60%
2	Kanematsu Bldg. Annex	2,880,000	5.00%	4.80%	5.20%
3	JPR Ningyo-cho Bldg.	2,240,000	5.40%	5.20%	5.60%
4	Shin-Kojimachi Bldg.	2,710,000	5.20%	4.90%	5.40%
5	JPR Crest Takebashi Bldg.	3,510,000	4.90%	4.80%	5.10%
6	MS Shibaura Bldg.	14,000,000	5.00%	5.00%	5.25%
7	Gotanda First Bldg.	3,160,000	4.90%	4.90%	5.15%
8	Fukuoka Building	2,950,000	4.70%	4.40%	4.70%
9	JPR Ichigaya Bldg.	5,330,000	4.70%	4.60%	4.90%
10	Oval Court Ohsaki Mark West	4,160,000	4.60%	4.50%	4.80%
11	Shinjuku Square Tower	9,580,000	4.60%	4.50%	4.70%
12	BYGS Shinjuku Bldg.	12,100,000	4.80%	4.80%	5.10%
13	Across Shinkawa Bldg. Annex	793,000	6.80%	6.10%	7.00%
14	JPR Shibuya Tower Records Bldg.	15,200,000	4.00%	4.00%	4.10%
15	JPR Daikanyama	1,730,000	4.60%	4.50%	4.90%
16	JPR Jingumae 432	4,560,000	3.30%	3.10%	3.50%
17	Arca East	6,530,000	4.90%	4.60%	5.10%
18	JPR Chiba Bldg.	2,060,000	5.80%	5.70%	6.00%
19	JPR Yokohama Nihon Odori Bldg.	2,620,000	5.80%	5.70%	6.00%
20	Shinokohama 2nd Center Bldg.	1,340,000	6.00%	5.80%	6.30%
21	Kawaguchi Center Bldg.	9,760,000	5.80%	5.60%	6.10%
22	JPR Ueno East Bldg.	4,210,000	5.70%	5.50%	5.90%
23	Tachikawa Business Center Building	1,150,000	6.00%	6.00%	6.25%
24	Tanashi ASTA	13,200,000	5.60%	5.50%	5.80%
25	Tsurumi fuga 1	3,720,000	5.90%	5.80%	6.10%
26	Cupo-la Main Bldg.	2,420,000	5.80%	5.40%	6.20%

No.	Property Name	Appraisal (thousands yen)	Direct Capitalization Method	DCF	
			Cap rate	Discount rate	Terminal cap
27	Niigata Ekinan Center Bldg.	2,140,000	6.90%	6.90%	7.20%
28	Meiji Yasuda-Life Osaka Umeda Bldg.	9,780,000	5.20%	4.80%	5.30%
29	Tokyo Tatemono Honmachi Bldg.	4,230,000	6.90%	6.60%	7.20%
30	JPR Takamatsu Bldg.	1,400,000	6.25%	6.25%	6.50%
31	JPR Hakata Bldg.	2,840,000	6.00%	6.00%	6.30%
32	JPR Naha Bldg.	1,440,000	7.00%	7.20%	7.50%
33	NORTH 33 Bldg.	2,910,000	5.70%	5.60%	5.90%
34	Sompo Japan Sendai Bldg.	3,700,000	6.80%	6.30%	7.00%
35	Sompo Japan Wakayama Bldg.	1,800,000	7.70%	7.20%	8.00%
36	Tenjin 121 Bldg.	2,660,000	5.70%	5.20%	5.90%
37	JPR Nagoya Sakae Bldg.	5,550,000	5.10%	5.00%	5.30%
38	Dojima F Bldg.	2,420,000	5.90%	5.70%	6.20%
39	Semba Fukuoka Bldg.	2,060,000	5.70%	5.50%	6.00%
40	UFJ Central Leasing Head Office Bldg.	4,400,000	5.50%	5.50%	5.75%
41	JPR Umeda Loft Bldg.	13,980,000	5.15%	5.05%	5.25%
42	Strasse Ichibancho	3,960,000	5.70%	5.50%	6.00%
43	Benetton Shinsaibashi Bldg.	5,680,000	4.00%	4.00%	4.10%
44	Housing Design Center Kobe	7,610,000	5.25%	5.25%	5.50%
Total (44 properties)		224,773,000	—	—	—

List of Appraisers

Japan Real Estate Institute	Property No.	3.4.17.22.28.29.34.35.36.38.39
Tanizawa Sogo Appraisal	Property No.	27.31.32
Nippon Tochi-Tatemono	Property No.	1.2.15.20.21.42
CB Richard Ellis	Property No.	6.7.14.23.30.40.43.44
Sanyu System Appraisal	Property No.	12.13.26
Daiwa Real Estate Appraisal	Property No.	5.8.9.10.18.19.24.25.33.37
Nihon LCR	Property No.	11.41
A Square	Property No.	16

*The direct capitalization method is the method for determining the capitalized value using the direct capitalization method that discounts the net profit of a set period using the cap rate.

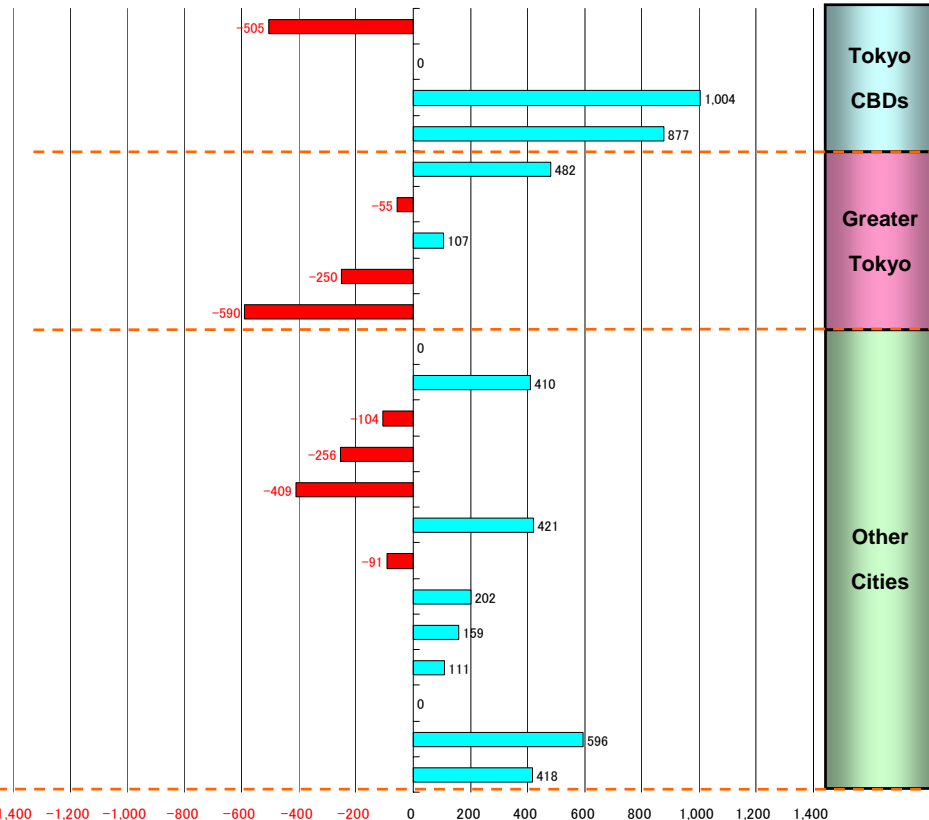
*The discounted cash flow method is the method for determining the capitalized value using the direct capitalization method in which the net profit and recovery price that occur in each of several consecutive periods are discounted by the present value in line with their corresponding period and totaled.

Tenant Contracting Status by Property for the 9th Fiscal Period

(Jan. 1, 2006 – June 30, 2006)

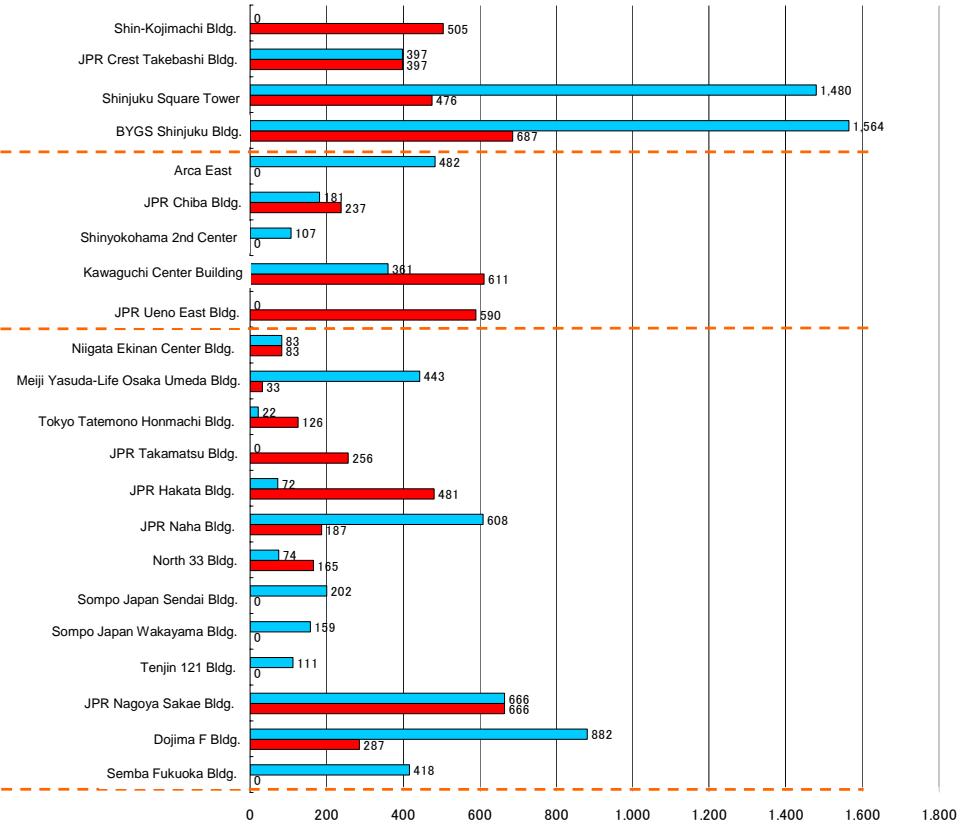
Net Increase by Property (Move In – Move Out)

(m²)



Move In/Out by Property

(m²)

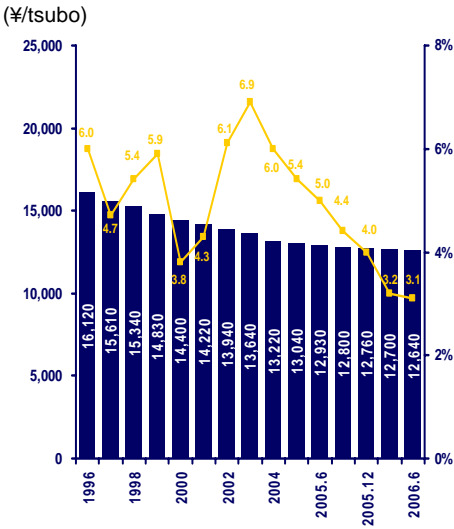


	In (m ²)	Out (m ²)	Net (m ²)
Office (Tokyo CBDs)	3,441	2,066	1,376
Office (Greater Tokyo)	1,131	1,437	-306
Office (Other Cities)	3,740	2,284	1,456
Total	8,313	5,787	2,526

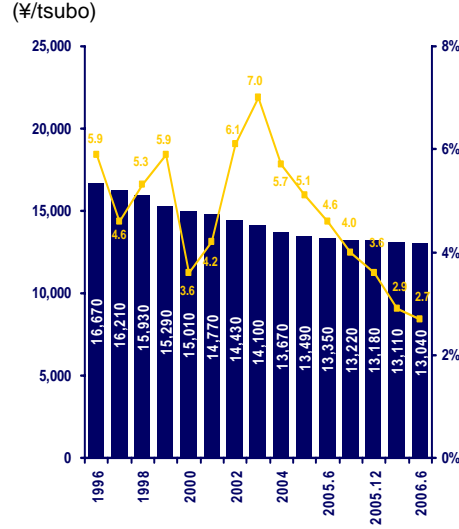
Note: The graphs exclude the properties which had no action, and include the moving in/out by amendment of lease contracts.

Vacancy Rate and Average Asked Rents in Major Areas

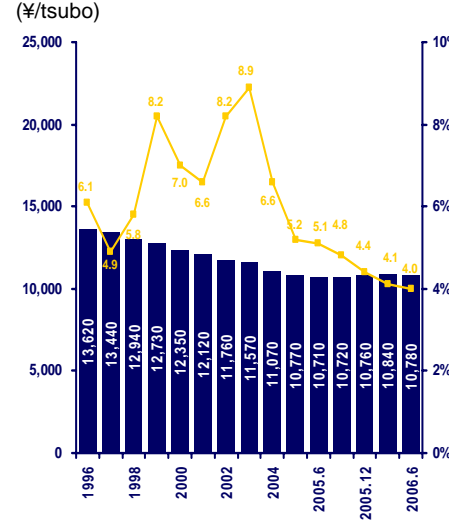
23 wards of Tokyo



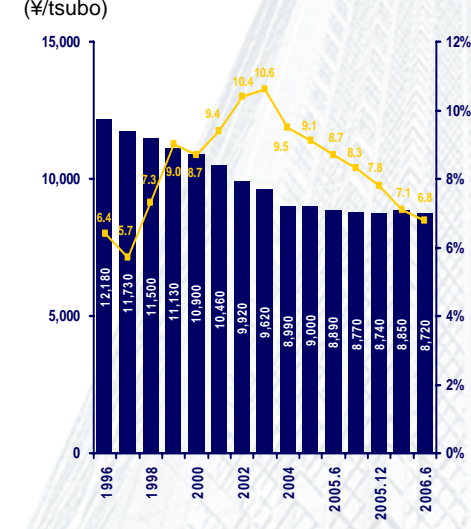
5 wards of Tokyo



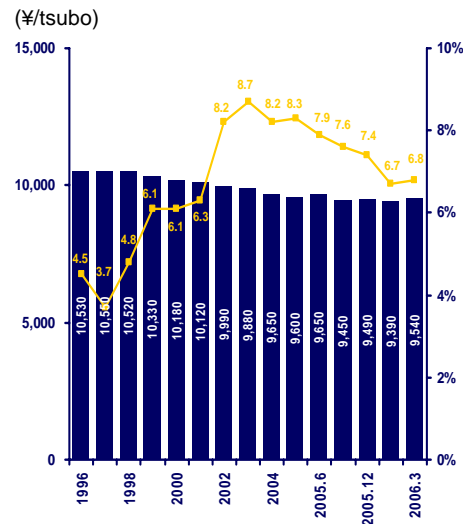
Yokohama



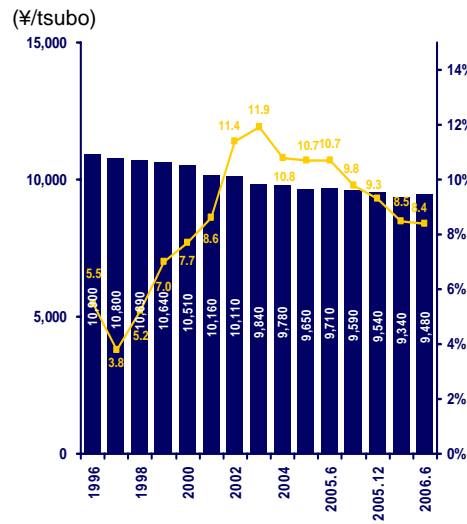
Osaka



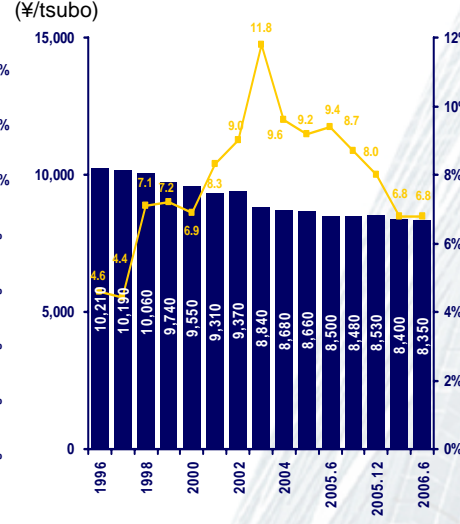
Nagoya



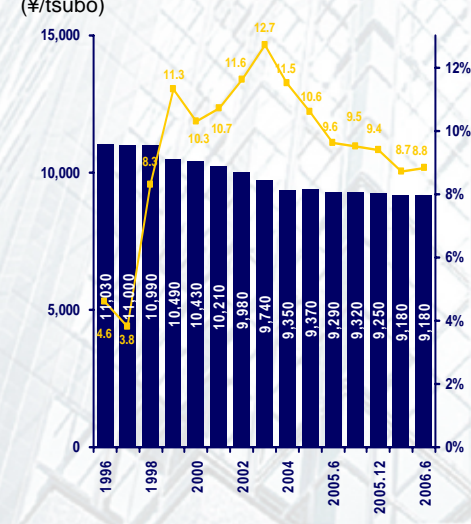
Fukuoka



Sapporo



Sendai



■ Advertised rents ■ Vacancy Rate

Note: Annual rents are for months from January to December every year / Vacancy Rate is calculated as of Dec 31 from 1996 to 2004

Disclaimer Regarding Forward-Looking Statements

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