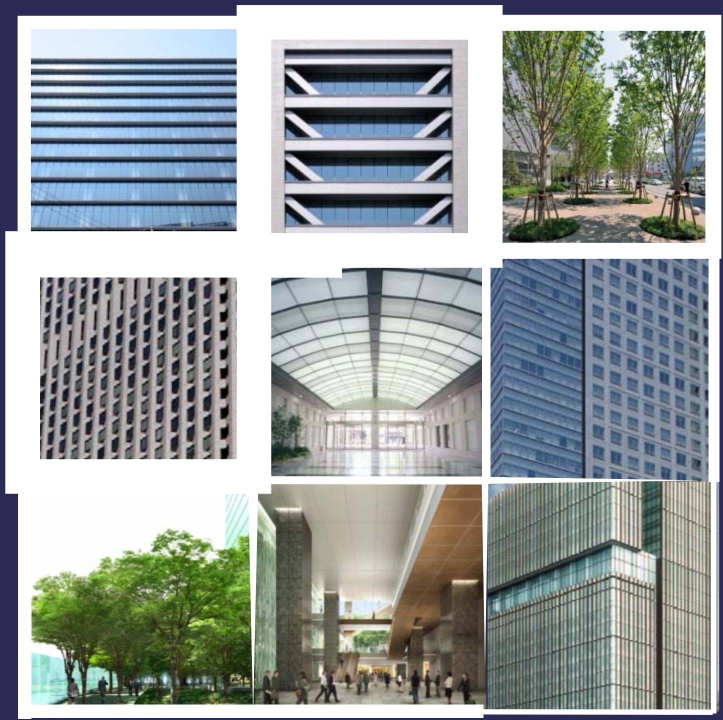


Japan Prime Realty Investment Corporation

Presentation Material

for the 21st Fiscal Period Ended June 2012

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

Tokyo Realty Investment Management, Inc.

Table of Contents

Financial Summary for the 21st Fiscal Period (Ended June 2012) and Future Prospects

Management Results of the 21st Fiscal Period (Ended June 2012)

Future Management Strategy

Appendix

(Note) The figures to the left of each item represents the relevant page number.

Japan Prime Realty Investment Corporation

Financial Summary for the 21st Fiscal Period (Ended June 2012) and Future Prospects

21st

Financial Highlights for the 21st Fiscal Period Ended June 2012

Achieved significant period-on-period increase in revenue and profits for the 21st fiscal period, thanks to the acquisition of Otemachi 1-6 Plan (tentative name) (land with land leasehold), and secured DPU at a level matching forecast at beginning of period

Assume to deliver DPU of JPY 6,000 in the forecast for the 22nd fiscal period, the target level for normal operations without extraordinary events, despite impact of dilution due to issuance of new investment units via public offering

	20th Period	21st Period (Forecast upon announcement of the 20th period financial results)	21st Period (Jan. 1, 2012 – Jun. 30, 2012)	Change from 20th period	Change from forecast	22nd Period (Jul. 1, 2012 – Dec. 31, 2012)	Change from 21st period
Operating revenue	JPY 11,772 mn	JPY 12,174 mn	JPY 12,345 mn	4.9%	1.4%	JPY 12,859 mn	4.2%
Operating income	JPY 5,763 mn	JPY 6,224 mn	JPY 6,393 mn	10.9%	2.7%	JPY 6,624 mn	3.6%
Ordinary income	JPY 4,201 mn	JPY 4,577 mn	JPY 4,597 mn	9.4%	0.4%	JPY 4,951 mn	7.7%
Net income	JPY 4,200 mn	JPY 4,576 mn	JPY 4,596 mn	9.4%	0.4%	JPY 4,950 mn	7.7%
Distribution per unit (DPU)	JPY 5,876	JPY 6,400	JPY 6,430	9.4%	0.5%	JPY 6,000	-6.7%
Total number of investment units outstanding	715,000	715,000	715,000	— %	— %	825,000	15.4%
Properties owned at end of fiscal period	57 properties	58 properties	58 properties	1 property	— properties	59 properties	1 property
Total acquisition price	JPY 344,984 mn	JPY 380,984 mn	JPY 380,984 mn	10.4%	— %	JPY 391,980 mn	2.9%
Average occupancy rate during period	95.0%	94.6%	94.8%	-0.2%p	0.2%p	93.9%	-0.9%p

(Note) Amounts have been rounded down to the nearest specified unit and percentages have been rounded to the first decimal place.

Financial Results and Forecasts

- Achieved period-on-period increase in DPU for the 21st fiscal period financial results due to such factors as increase in rent revenue through new property acquisition and the positive impact of accompanying property taxes being recorded as acquisition costs, and decrease in expenses related to rent business including depreciation.
- Anticipates period-on-period increase in revenue and profits for the 22nd fiscal period due to new property acquisition in the period, as well as to full-period contribution of property acquired in the 21st fiscal period, but expects DPU to be JPY 6,000 in the face of dilution caused by the public offering

Internal Growth

- Occupancy rate at end of period
  End of 21st fiscal period: 94.1% (down 1.5%p from 20th fiscal period, up 1.8%p from forecast)
  End of 22nd fiscal period (forecast): 93.7% (down 0.4%p from the 21st fiscal period)
  *Occupancy rate at end of 22nd fiscal period is based on confirmed contract status alone, reflecting newly concluded contracts and already notified cancellations, etc.
- Occupancy at end of 21st fiscal period decreased period-on-period due to the impact of tenant cancellations at some properties
  Tenant relocations is getting activated for the moment, but occupancy rate at end of 22nd fiscal period is expected to decrease slightly, based on currently confirmed contract status

External Growth

- Acquired beneficiary interest in real estate of Otemachi 1-6 Plan (tentative name) (land with land leasehold) in March 2012 for JPY 3.6 billion (excluding acquisition costs and other expenses) by taking advantage of sponsors' pipelines, followed by acquisition of Yakuin Business Garden (located in Fukuoka) in August 2012 for JPY 10.9 billion (excluding acquisition costs and other expenses)
- For the moment, keep reinforcing collection and investigation of information from sponsors on property supply, given the still limited availability of excellent properties in the real estate transaction market
- Continue focused investment in office properties in the greater Tokyo area

Financial Strategy

- Ratio of interest-bearing debts at end of 21st fiscal period (on a unitholders' capital basis): 53.2%
  (Ratio of interest-bearing debts is expected to have decreased to 48.5% after public offering)
- Credit ratings: R&I: AA-; S&P: A; and Moody's: A3
- Reduced borrowing costs for the 22nd fiscal period and after by making partial repayment of borrowings before maturity (June 2012)
- Issued additional investment units via public offering in July 2012
  Number of units issued: 110,000 (planned), total procured amount: JPY 20.7 billion (planned)

Statement of Income and Retained Earnings for the 21st Fiscal Period

Achieved significant period-on-period increase in revenue and profits due to new property acquisition and other factors, and conducted partial repayment of borrowings before maturity to bolster earnings for the 22nd fiscal period and after

(JPY mn)

	20th Fiscal Period Jul. 1, 2011 - Dec. 31, 2011		21st Fiscal Period Jan. 1, 2012 - Jun. 30, 2012		Change	
	Amount	%	Amount	%	Amount	%
Rental Revenues	10,996	93.4%	11,626	94.2%	629	5.7%
Other rental revenues	776	6.6%	719	5.8%	-56	-7.3%
Rent revenue - real estate (1)	11,772	100.0%	12,345	100.0%	573	4.9%
Operating revenue	11,772	100.0%	12,345	100.0%	573	4.9%
Property and other taxes	1,061	9.0%	1,031	8.4%	-29	-2.8%
Other expenses related to rent business	2,471	21.0%	2,432	19.7%	-39	-1.6%
Outsourcing expenses	510	4.3%	496	4.0%	-13	-2.7%
Utilities expenses	711	6.0%	682	5.5%	-28	-4.0%
Casualty insurance	28	0.2%	27	0.2%	-1	-3.6%
Repairs and maintenance	335	2.9%	347	2.8%	11	3.4%
Property management fees	218	1.9%	214	1.7%	-3	-1.7%
Management association accounts	554	4.7%	555	4.5%	1	0.3%
Others	112	1.0%	107	0.9%	-5	-4.5%
Depreciation	1,824	15.5%	1,754	14.2%	-69	-3.8%
Expenses related to rent business (2)	5,357	45.5%	5,217	42.3%	-139	-2.6%
Asset management fees	421	3.6%	443	3.6%	21	5.1%
Adm. service/custody fees	74	0.6%	74	0.6%	0	-0.1%
Directors' compensation	6	0.1%	6	0.1%	—	—
Trust fees	43	0.4%	42	0.3%	-1	-2.4%
Other operating expenses	105	0.9%	167	1.4%	61	58.6%
Operating expenses	6,009	51.0%	5,952	48.2%	-57	-0.9%
Operating income	5,763	49.0%	6,393	51.8%	630	10.9%
Profits ((1) - (2))	6,415	54.5%	7,127	57.7%	712	11.1%
Net operating income (NOI)	8,239	70.0%	8,882	71.9%	642	7.8%
Non-operating income	10	0.1%	62	0.5%	51	478.7%
Interest expenses (incl. investment corporation bonds)	1,402	11.9%	1,459	11.8%	57	4.1%
Borrowing expenses	147	1.2%	373	3.0%	226	154.1%
Amortization of investment corporation bond issuance costs	20	0.2%	23	0.2%	3	16.3%
Other non-operating expenses	3	0.0%	2	0.0%	-1	-41.2%
Non-operating expenses	1,573	13.4%	1,858	15.1%	285	18.1%
Ordinary income	4,201	35.7%	4,597	37.2%	396	9.4%
Income before income taxes	4,201	35.7%	4,597	37.2%	396	9.4%
Net income	4,200	35.7%	4,596	37.2%	396	9.4%
Unappropriated retained earnings	4,226	35.9%	4,622	37.4%	395	9.4%
Distributions per unit (Note 1)	5,876 yen		6,430 yen		554 yen	
Total number of units outstanding at end of period	(715,000)		(715,000)		(-)	

1. Rent revenues
- Properties owned at end of 19th period: −246 mn yen
  - Increase by new move-ins: +267 mn yen
  - Decrease by cancellation: −336 mn yen
  - Increase/decrease by contract revision: −183 mn yen

(Note) The increase/decrease includes variations in 21st period due to factors changed in 20th period)

- Properties acquired in 20th period: +31 mn yen
- Properties acquired in 21st period: +844 mn yen

2. Other rental revenues
- Properties owned at end of 19th period: −58 mn yen
  - Incidental income: −55 mn yen
- Properties acquired in 20th period: +2 mn yen

3. Expenses related to rent business
- Properties owned at end of 19th period: −164 mn yen
  - Property and other taxes: −48 mn yen
  - Utilities expenses: −31 mn yen
  - Depreciation: −71 mn yen
  - (Shinjuku Square: -38 mn yen, HDC Kobe; -26 mn yen, and others)
- Properties acquired in 20th period: +24 mn yen
- Properties acquired in 21st period: +0 mn yen

4. Other operating expenses
- Undeductible consumption taxes: +61 mn yen

5. Non-operating income
- Settlement of management association accounts +48 mn yen

6. Interest expenses
- Interest expenses for loans: +55 mn yen

7. Borrowing expenses
- Fees for early repayment: +198 mn yen

(Note 1) With regard to the cash distributions for the 20th and 21st fiscal periods, JPR includes part of the retained earnings brought forward that were internally reserved through the previous fiscal period, with the aim of having the profit distributions deducted as expenses based on application of the special provision on taxation of investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation) and in order to minimize the burden to unitholders incurred by accrual of income taxes, etc., and distributes the amount that is an integral multiple of the number of investment units outstanding as profit distributions.

(Note 2) Amounts have been rounded down to the nearest specified unit and percentages have been rounded to the first decimal place.

Comparison of Actual Results and Forecasts for the 21st Fiscal Period (Ended Jun. 2012)

Revenue and profits related to rent business surpassed forecast at beginning of period, and DPU settled at a level matching the forecast at beginning of period after absorbing the burden of fees for early repayment

(JPY mn)

	21st Fiscal Period Forecasts Jan. 1, 2012 - Jun. 30, 2012		21st Fiscal Period Actual Jan. 1, 2012 - Jun. 30, 2012		Change	
	Amount	%	Amount	%	Amount	%
Rental Revenues	11,520	94.6%	11,626	94.2%	106	0.9%
Other rental revenues	653	5.4%	719	5.8%	65	10.1%
Rent revenue - real estate (1)	12,174	100.0%	12,345	100.0%	171	1.4%
Operating revenue	12,174	100.0%	12,345	100.0%	171	1.4%
Property and other taxes	1,070	8.8%	1,031	8.4%	-39	-3.6%
Other expenses related to rent business	2,403	19.7%	2,432	19.7%	28	1.2%
Outsourcing expenses	493	4.1%	496	4.0%	3	0.7%
Utilities expenses	675	5.5%	682	5.5%	7	1.0%
Casualty insurance	27	0.2%	27	0.2%	0	-1.3%
Repairs and maintenance	316	2.6%	347	2.8%	31	9.9%
Property management fees	212	1.7%	214	1.7%	2	1.1%
Management association accounts	555	4.6%	555	4.5%	0	0.1%
Others	122	1.0%	107	0.9%	-15	-12.9%
Depreciation	1,750	14.4%	1,754	14.2%	4	0.2%
Expenses related to rent business (2)	5,224	42.9%	5,217	42.3%	-6	-0.1%
Asset management fees	439	3.6%	443	3.6%	3	0.8%
Adm. service/custody fees	76	0.6%	74	0.6%	-2	-2.6%
Directors' compensation	6	0.1%	6	0.1%	—	—
Trust fees	41	0.3%	42	0.3%	1	3.2%
Other operating expenses	160	1.3%	167	1.4%	7	4.4%
Operating expenses	5,949	48.9%	5,952	48.2%	3	0.1%
Operating income	6,224	51.1%	6,393	51.8%	168	2.7%
Profits ((1) - (2))	6,949	57.1%	7,127	57.7%	178	2.6%
Net operating income (NOI)	8,699	71.5%	8,882	71.9%	182	2.1%
Non-operating income	44	0.4%	62	0.5%	18	41.7%
Interest expenses (incl. investment corporation bonds)	1,539	12.6%	1,459	11.8%	-79	-5.2%
Borrowing expenses	125	1.0%	373	3.0%	247	196.7%
Amortization of investment corporation bond issuance costs	23	0.2%	23	0.2%	0	-1.0%
Other non-operating expenses	2	0.0%	2	0.0%	0	-2.9%
Non-operating expenses	1,691	13.9%	1,858	15.1%	167	9.9%
Ordinary income	4,577	37.6%	4,597	37.2%	19	0.4%
Income before income taxes	4,577	37.6%	4,597	37.2%	19	0.4%
Net income	4,576	37.6%	4,596	37.2%	19	0.4%
Unappropriated retained earnings	4,602	37.8%	4,622	37.4%	19	0.4%
Distributions per unit (Note 1)	6,400 yen		6,430 yen		30 yen	
Total number of units outstanding at end of period	(715,000)		(715,000)		(-)	

1. Rent revenues
- Properties owned at end of 19th period: ＋81 mn yen
  - Increase by new move-ins: ＋41 mn yen
  - Decrease by cancellation: －18 mn yen
  - Increase/decrease by contract revision: ＋53 mn yen

(Note) The increase/decrease includes variations in 21st period due to factors changed in 20th period)

- Properties acquired in 20th period ＋0 mn yen
- Properties acquired in 21st period: ＋24 mn yen

2. Other rental revenues
- Properties owned at end of 19th period: ＋66 mn yen
  - Incidental income: ＋55 mn yen
- Properties acquired in 20th period: ＋0 mn yen

3. Expenses related to rent business
- Properties owned at end of 19th period: －8 mn yen
  - Property and other taxes: －39 mn yen
  - Repairs and maintenance: ＋29 mn yen
- Properties acquired in 20th period: ＋1 mn yen
- Properties acquired in 21st period: ＋0 mn yen

4. Non-operating income
- Settlement of management association accounts ＋12 mn yen

5. Interest expenses
- Interest expenses for loans: －78 mn yen

6. Borrowing expenses
- Fees for early repayment: ＋220 mn yen

(Note 1) The forecasts for the 21st fiscal period were those released at the results announcement for the 20th fiscal period (ended December 31, 2011). They were calculated on the basis of 58 properties, comprising 57 properties JPR owned as of the end of the 20th fiscal period and one property to be acquired in the 21st fiscal period.

(Note 2) Amounts have been rounded down to the nearest specified unit; the percentages and the changes have been rounded to the first decimal place.

Forecasts for the 22nd Fiscal Period

Acquire excellent properties and repay borrowings using proceeds obtained from add-on offering to reinforce business foundations toward stable management in the 23rd fiscal period and after while securing the DPU level under normal operations without extraordinary events

(JPY mn)

	21st Fiscal Period Jan. 1, 2012 - Jun. 30, 2012		22nd Fiscal Period Forecast Jul. 1, 2012 - Dec. 31, 2012		Change	
	Amount	%	Amount	%	Amount	%
Rental Revenues	11,626	94.2%	12,132	94.3%	505	4.3%
Other rental revenues	719	5.8%	727	5.7%	7	1.1%
Rent revenue - real estate (1)	12,345	100.0%	12,859	100.0%	513	4.2%
Operating revenue	12,345	100.0%	12,859	100.0%	513	4.2%
Property and other taxes	1,031	8.4%	1,025	8.0%	-6	-0.6%
Other expenses related to rent business	2,432	19.7%	2,652	20.6%	220	9.1%
Outsourcing expenses	496	4.0%	510	4.0%	13	2.8%
Utilities expenses	682	5.5%	817	6.4%	135	19.8%
Casualty insurance	27	0.2%	30	0.2%	2	9.4%
Repairs and maintenance	347	2.8%	379	2.9%	31	9.1%
Property management fees	214	1.7%	214	1.7%	0	-0.4%
Management association accounts	555	4.5%	565	4.4%	9	1.7%
Others	107	0.9%	136	1.1%	28	27.1%
Depreciation	1,754	14.2%	1,830	14.2%	76	4.4%
Expenses related to rent business (2)	5,217	42.3%	5,508	42.8%	291	5.6%
Asset management fees	443	3.6%	461	3.6%	17	4.0%
Adm. service/custody fees	74	0.6%	81	0.6%	6	8.7%
Directors' compensation	6	0.1%	6	0.1%	—	—
Trust fees	42	0.3%	42	0.3%	0	0.6%
Other operating expenses	167	1.4%	133	1.0%	-33	-20.0%
Operating expenses	5,952	48.2%	6,234	48.5%	282	4.7%
Operating income	6,393	51.8%	6,624	51.5%	231	3.6%
Profits ((1) - (2))	7,127	57.7%	7,350	57.2%	222	3.1%
Net operating income (NOI)	8,882	71.9%	9,181	71.4%	298	3.4%
Non-operating income	62	0.5%	2	0.0%	-60	-96.8%
Interest expenses (incl. investment corporation bonds)	1,459	11.8%	1,394	10.8%	-64	-4.4%
Borrowing expenses	373	3.0%	148	1.2%	-224	-60.2%
Amortization of investment corporation bond issuance costs	23	0.2%	19	0.2%	-4	-17.4%
New unit issuance costs	—	—	110	0.9%	110	—
Other non-operating expenses	2	0.0%	2	0.0%	0	12.9%
Non-operating expenses	1,858	15.1%	1,675	13.0%	-183	-9.9%
Ordinary income	4,597	37.2%	4,951	38.5%	354	7.7%
Income before income taxes	4,597	37.2%	4,951	38.5%	354	7.7%
Net income	4,596	37.2%	4,950	38.5%	353	7.7%
Unappropriated retained earnings	4,622	37.4%	4,975	38.7%	353	7.6%
Distributions per unit (Note 1)	6,430 yen		6,000 yen		-430 yen	
Total number of units outstanding at end of period	(715,000)		(825,000)		(110,000)	

1. Rent revenues
- Properties owned at end of 20th period: －368 mn yen
  - Increase by new move-ins: ＋176 mn yen
  - Decrease by cancellation: －369 mn yen
  - Increase/decrease by contract revision: －176 mn yen

(Note) The increase/decrease includes variations in 22nd period due to factors changed in 21st period)
- Properties acquired in 21st period: ＋564 mn yen
- Properties acquired in 22nd period: ＋309 mn yen

2. Other rental revenues
- Properties owned at end of 20th period: －49 mn yen
  - Incidental income: ＋23 mn yen
  - Cancellation penalty, etc.: －65 mn yen
- Properties acquired in 22nd period: ＋57 mn yen

3. Expenses related to rent business
- Properties owned at end of 20th period: ＋134 mn yen
  - Utilities expenses: ＋90 mn yen
  - Repairs and maintenance: ＋30 mn yen
- Properties acquired in 22nd period: ＋156 mn yen

4. Other operating expenses
- Undeductible consumption taxes: －57 mn yen

5. Non-operating income
- Settlement of management association accounts: －54 mn yen

6. Interest expenses
- Interest expenses for loans: ＋6 mn yen
  (Decrease in interest expenses due to early repayment: －60 mn yen)
- Interest expenses for investment corporation bonds: －71 mn yen

7. Borrowing expenses
- Fees for early repayment: －219 mn yen

8. New unit issuance costs: ＋110 mn yen

(Note) Amounts have been rounded down to the nearest specified unit and percentages have been rounded to the first decimal place.

Assumptions for the 22nd Fiscal Period Forecast

- Assets owned: Total of 59 properties (58 properties owned as of the end of the 21st fiscal period + 1 property acquired in the 22nd fiscal period)
- Average Monthly Occupancy during Period: 93.9% (based on confirmed contract status only, reflecting newly concluded contracts and already notified cancellations, etc.)
- Total units outstanding: 825,000 units
- Ratio of interest-bearing debts (on a unitholders' capital basis): 48.5% (at end of 22nd fiscal period)

The forecasts for the 22nd fiscal period were calculated based on the left "Assumptions for the 22nd Fiscal Period Forecast." Actual operating revenue, ordinary income, net income and cash distributions per unit may change as a result of the acquisition of new properties or the sale of owned properties, etc. Furthermore, the forecasts are in no way a guarantee of cash distribution amounts.

[Reference] Forecasts of Rent Revenue – Real Estate and Expenses Related to Rent Business for the 23rd Fiscal Period

Work to further improve NOI as well as decrease non-operating expenses, despite projected period-on-period decrease in profits related to rent business due to lack of property and city planning taxes to be included in the deductible acquisition cost of new property

(JPY mn)

	22nd Fiscal Period Forecast Jul. 1, 2012 - Dec. 31, 2012		23rd Fiscal Period Forecast Jan. 1, 2013 - Jun. 30, 2013		Change from the 22nd Fiscal Period Forecast	
	Amount	%	Amount	%	Amount	%
Rental revenues	12,132	94.3%	12,342	94.7%	210	1.7%
Other rental revenues	727	5.7%	687	5.3%	-39	-5.4%
Rent revenue - real estate (1)	12,859	100.0%	13,030	100.0%	170	1.3%
Property and other taxes	1,025	8.0%	1,821	14.0%	796	77.7%
Other expenses related to rent business	2,652	20.6%	2,449	18.8%	-203	-7.7%
Outsourcing expenses	510	4.0%	500	3.8%	-9	-1.9%
Utilities expenses	817	6.4%	763	5.9%	-54	-6.6%
Casualty insurance	30	0.2%	30	0.2%	0	0.4%
Repairs and maintenance	379	2.9%	259	2.0%	-119	-31.6%
Property management fees	214	1.7%	221	1.7%	6	3.2%
Management association accounts	565	4.4%	524	4.0%	-41	-7.3%
Others	136	1.1%	151	1.2%	15	11.4%
Depreciation	1,830	14.2%	1,852	14.2%	21	1.2%
Expenses related to rent business (2)	5,508	42.8%	6,124	47.0%	615	11.2%
Profits ((1) - (2))	7,350	57.2%	6,905	53.0%	-444	-6.0%
Net operating income (NOI)	9,181	71.4%	8,758	67.2%	-422	-4.6%
Capital expenditure	1,188	9.2%	926	7.1%	-262	-22.1%
Net cash flow (NCF)	7,992	62.2%	7,832	60.1%	-160	-2.0%

(Note) Amounts have been rounded down to the nearest specified unit and percentages have been rounded to the first decimal place.

1. Rent revenues
- Properties owned at end of 21st period: ＋134 mn yen
  - Increase by new move-ins: ＋223 mn yen
  - Decrease by cancellation: －139 mn yen
  - Increase/decrease by contract revision: ＋41 mn yen
- Properties acquired in 22nd period: ＋76 mn yen

(Note) The increase/decrease includes variations in 23rd period due to factors changed in 22nd period)

2. Other rental revenues
- Properties owned at end of 21st period －38 mn yen
- Properties acquired in 22nd period: －1 mn yen

3. Property and other taxes
- Properties owned at end of 21st period: ＋762 mn yen
  - Otemachi 1-6 Plan (tentative name) (land with land leasehold) ＋756 mn yen
- Properties acquired in 22nd period: ＋33 mn yen

4. Other expenses related to rent business
- Properties owned at end of 21st period: －215 mn yen
  - Utilities expenses: －58 mn yen
  - Repairs and maintenance: －119 mn yen
  - Management association accounts: －41 mn yen
- Properties acquired in 22nd period: ＋12 mn yen

5. Depreciation
- Properties owned at end of 21st period: ＋6 mn yen
- Properties acquired in 22nd period: ＋15 mn yen

Assumptions for the 23rd Fiscal Period Forecast
- Assets owned: Total of 59 properties (58 properties owned as of the end of the 21st fiscal period + 1 property acquired in the 22nd fiscal period)
- Average Monthly Occupancy during Period: 95.8% (Assumes some new contracts, etc. in addition to the assumptions for the 22nd fiscal period)

The forecasts of rent revenue – real estate and expenses related to the rent business for the 23rd fiscal period were calculated based on the left “Assumptions for the 23rd Fiscal Period Forecast.” Actual rent revenue – real estate, expenses related to the rent business, profits, net operating income (NOI), net cash flow and other figures may change as a result of the acquisition of new properties or the sale of owned properties, etc.

Balance Sheet as of the End of the 21st Fiscal Period

Interest-bearing debt ratio, which rose to 53.2% at end of the 21st fiscal period, is projected to decrease to 48.5% after the add-on offering

(JPY mn)

	20th Fiscal Period as of Dec. 31, 2011		21st Fiscal Period as of Jun. 30, 2012		Change	
	Amount	%	Amount	%	Amount	%
Current assets	27,171	7.5%	25,075	6.3%	-2,096	-7.7%
Cash and deposits	13,647	3.8%	12,750	3.2%	-897	-6.6%
Cash and deposits in trust	13,132	3.6%	11,910	3.0%	-1,221	-9.3%
Other current assets	391	0.1%	414	0.1%	23	6.0%
Noncurrent assets	333,357	92.4%	370,795	93.6%	37,438	11.2%
Property, plant and equipment	328,084	91.0%	365,368	92.3%	37,284	11.4%
Real estate	151,009	41.9%	150,681	38.0%	-327	-0.2%
Buildings and structures	44,361	12.3%	44,012	11.1%	-348	-0.8%
Land	106,648	29.6%	106,669	26.9%	21	0.0%
Real estate in trust	177,074	49.1%	214,686	54.2%	37,612	21.2%
Buildings and structures	56,583	15.7%	55,807	14.1%	-776	-1.4%
Land	120,491	33.4%	158,879	40.1%	38,388	31.9%
Intangible assets	4,801	1.3%	4,800	1.2%	-1	-0.0%
Leasehold rights	4,794	1.3%	4,794	1.2%	–	–
Other intangible assets	7	0.0%	5	0.0%	-1	-16.7%
Investments and other assets	472	0.1%	627	0.2%	155	32.9%
Lease and guarantee deposits	49	0.0%	49	0.0%	–	–
Others	422	0.1%	577	0.1%	155	36.7%
Deferred assets	169	0.0%	146	0.0%	-23	-13.8%
Investment corporation bond issuance costs	169	0.0%	146	0.0%	-23	-13.8%
Total assets	360,699	100.0%	396,017	100.0%	35,318	9.8%
Current liabilities	43,210	12.0%	54,346	13.7%	11,136	25.8%
Accounts payable - other	2,434	0.7%	3,875	1.0%	1,440	59.2%
Advances received	1,759	0.5%	2,328	0.6%	568	32.3%
Short-term loans payable	12,400	3.4%	20,600	5.2%	8,200	66.1%
Current portion of long-term loans payable	17,616	4.9%	18,543	4.7%	927	5.3%
Current portion of investment corporation bonds	9,000	2.5%	9,000	2.3%	–	–
Noncurrent liabilities	141,848	39.3%	165,635	41.8%	23,787	16.8%
Tenant leasehold and security deposits	17,859	5.0%	18,697	4.7%	838	4.7%
Long-term loans payable	81,489	22.6%	104,438	26.4%	22,949	28.2%
Investment corporation bonds	42,500	11.8%	42,500	10.7%	–	–
Total liabilities	185,058	51.3%	219,981	55.5%	34,923	18.9%
Unithoders' capital	171,339	47.5%	171,339	43.3%	–	–
Surplus	4,300	1.2%	4,696	1.2%	395	9.2%
Total unitholders' equity	175,640	48.7%	176,035	44.5%	395	0.2%
Total liabilities and unitholders' equity	360,699	100.0%	396,017	100.0%	35,318	9.8%

1. Balance of interest-bearing debt

(JPY mn)

	End of 20th Period	End of 21st Period	Change
Unsecured loans payable	111,505	143,581	32,076
Secured loans payable	–	–	–
Unsecured investment corporation bonds	51,500	51,500	–
Total	163,005	195,081	32,076

2. Interest-bearing debt ratio, etc.

	End of 20th Period	End of 21st Period	Change (p)
Interest-bearing debt ratio (Note 1)	48.8%	53.2%	4.5
Interest-bearing debt to total assets (Note 2)	45.2%	49.3%	4.1
Interest-bearing debt to total assets (including unrealized gains or losses) (Note 3)	47.6%	52.2%	4.7
Long-term fixed-rate interest-bearing debt ratio (Note 4)	76.1%	75.3%	-0.7

(Note 1) Interest-bearing debt / (Interest-bearing debt + Unitholders' capital)

(Note 2) Interest-bearing debt / Total assets at end of period

(Note 3) Interest-bearing debt / (Total assets at end of period + Gains or losses from real estate valuation)

(Note 4) Long-term fixed-rate interest-bearing debt(*) / Interest-bearing debt

(*) Total amount of long-term fixed-rate debt with over 1 year to maturity

3. Cash and deposits Status

(JPY mn)

	End of 20th Period	End of 21st Period	Change
Cash and deposits	26,780	24,660	-2,119
Tenant leasehold and security deposits (except tenant leasehold and security deposits) (Note)	13,859	11,197	-2,661

(Note) Amount equivalent to leasehold deposits released from tenants (4,000 million yen at end of 20th period and 7,500 million yen at end of 21st period) is excluded.

4. Commitment line status

(JPY mn)

	End of 20th Period	End of 21st Period	Change
Credit limit (total)	28,000	28,000	–
Outstanding debt	–	–	–
Unused commitment line	28,000	28,000	–
Lenders	Mizuho Corporate Bank, Resona Bank, The Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking, Sumitomo Mitsui Banking, Aozora Bank and Mizuho Trust & Banking		

5. Investment unit status

	End of 20th Period	End of 21st Period	Change
Total number of units outstanding (units) (Note)	715,000	715,000	–
Net assets per unit (yen)	245,651	246,204	553

(Note Total number of units outstanding is projected to be 825,000 units, adding the 101,420 units newly issued via add-on offering in July 2012 and the 8,580 units (maximum) newly issued through third-party allotment in August 2012 in association with the over-allotment option.

(Note) Amounts have been rounded down to the nearest specified unit and percentages have been rounded to the first decimal place.

Japan Prime Realty Investment Corporation

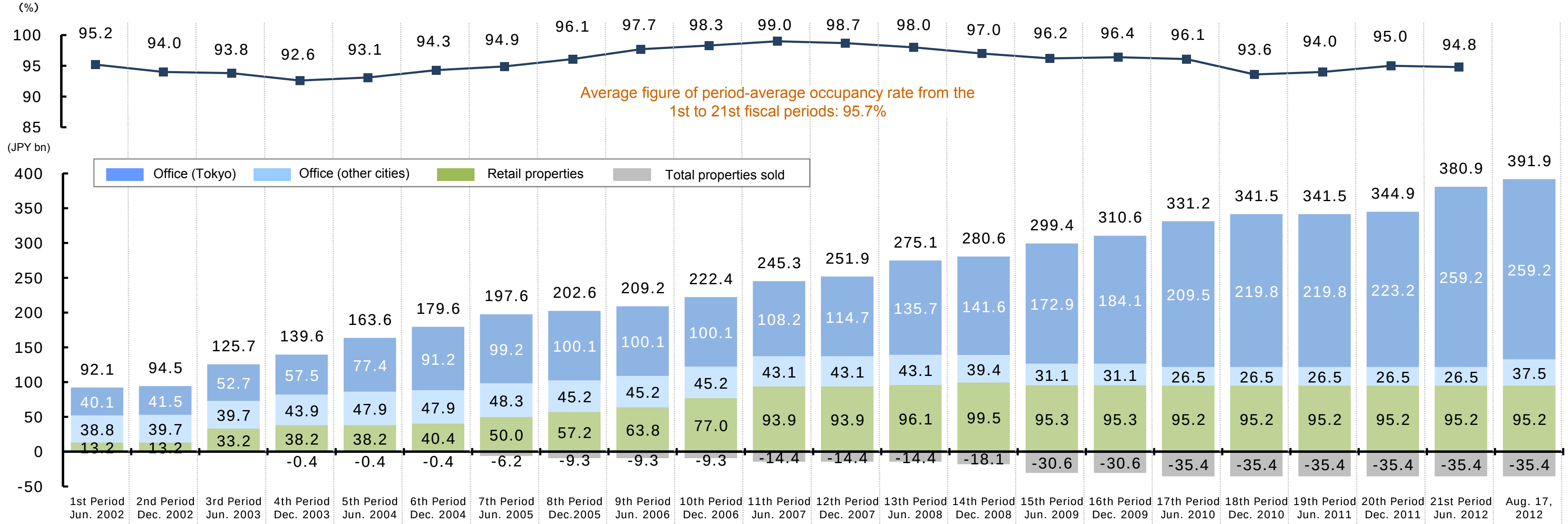
Management Results of the 21st Fiscal Period (Ended June 2012)

21st

History of Portfolio Growth

JPR has been steadily expanding its assets over ten years since listing, while working to enhance portfolio quality through focused investment in office properties in the greater Tokyo area

History of Average Occupancy Rate during Period and Growth of Portfolio Size



	1st Period Jun. 2002	2nd Period Dec. 2002	3rd Period Jun. 2003	4th Period Dec. 2003	5th Period Jun. 2004	6th Period Dec. 2004	7th Period Jun. 2005	8th Period Dec.2005	9th Period Jun. 2006	10th Period Dec. 2006	11th Period Jun. 2007	12th Period Dec. 2007	13th Period Jun. 2008	14th Period Dec. 2008	15th Period Jun. 2009	16th Period Dec. 2009	17th Period Jun. 2010	18th Period Dec. 2010	19th Period Jun. 2011	20th Period Dec. 2011	21st Period Jun. 2012	Aug. 17, 2012
Number of properties (buildings))	25	27	30	32	38	42	42	42	44	46	48	49	50	52	51	53	55	56	56	57	58	59
Average acquisition price per property (billion yen)	3.6	3.5	4.1	4.3	4.3	4.2	4.7	4.8	4.7	4.8	5.1	5.1	5.5	5.3	5.8	5.8	6.0	6.1	6.1	6.0	6.5	6.6

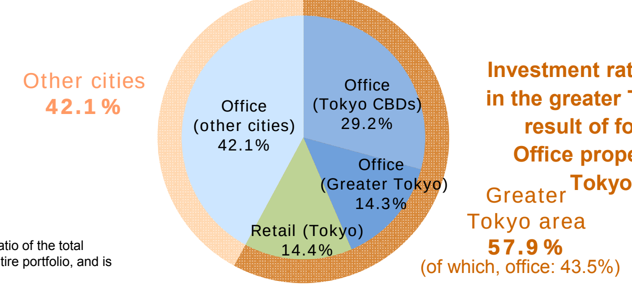
(Note 1) Average occupancy rates have been rounded to the first decimal place.
(Note 2) Portfolio size represents the sum total amount of acquisition price of the properties included in the JPR portfolio as of respective dates, rounded down to the nearest hundred million yen. In addition, portfolio size after having acquired a property to be acquired represents the sum total amount of acquisition prices of the properties JPR owns as of August 17, 2012. Furthermore, the acquisition price is the deal price (rounded down to the nearest hundred million yen) described in the transaction contracts with the sellers for respective properties, and does not include expenses related to acquisitions and consumption taxes. The same is true to below.
(Note 3) The accumulated amount of total properties sold represents the accumulated amount of acquisition prices at which JPR had acquired the respective properties that were sold by the respective dates.)
(Note 4) Average acquisition price per property is rounded down to the nearest hundred million yen.

Portfolio Management Guidelines

Investment Target by Area	Tokyo: **80~90%** Other cities: 20~10%
Investment Target by Asset Class	Office: **70~90%** Retail: 30~10%

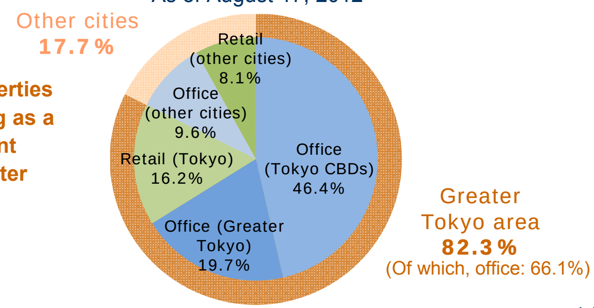
(Note) Figures in the graphs to the right represent investment ratio by area and by asset class, or the ratio of the total acquisition prices of properties in respective categories to the total acquisition prices of the entire portfolio, and is rounded to the first decimal place.

As of End of 1st Period (June 2002)



Investment ratio of office properties in the greater Tokyo area rising as a result of focused investment
Office properties in the greater Tokyo area: +22.6%

As of August 17, 2012



Property Acquisition in the 21st Period

Improved portfolio quality and stability of earnings through acquisition of a property in a prime location for domestic offices

Otemachi 1-6 Plan (tentative name) (ownership of land with land leasehold)	
1. Property Overview	
Location	6-6, etc., Otemachi 1-chome, Chiyoda-ku, Tokyo
Site area / Type of ownership	11,034.78m^2 / Beneficiary interest in real estate (land with surface rights establishment agreement)
2. Outline of Leasehold	
Form of agreement/ agreement period	Contract to set surface rights Surface rights / 70 years
3. Transaction Summary	
Seller	Tokyo Prime Stage Y.K. (SPC established jointly by Tokyo Tatemono Co., Ltd and Taisei Corporation)
Type of asset	Beneficiary interest in real estate
Acquisition price	36,000 million yen
Appraisal value	36,800 million yen (as of June 30, 2012)
Acquisition date	March 13, 2012
4. Yield	
Yield after depreciation (Note)	3.6%
5. Overview of Building under Project	

Development project for high-rise complex building with 38 floors above ground and total floor space of approx. 198,000m^2 is currently underway, with construction completion scheduled for end of April 2014. Occupancy by leading Japanese financial institution in office portion and world-class hotel on higher floors are planned.

Characteristics and Reasons for Acquisition

- Superiority in a prime location for domestic office buildings
- Ensure long-term stable earnings based on a contract to set surface rights for 70 years
- There is no depreciation burden, so the property contributes highly to dividends
- The property's yield (after depreciation) is 3.6% (Note), surpassing the average yield after depreciation of JPR's office buildings in Tokyo CBDs.
- Preferential negotiating rights are granted for cases of transferring, etc. currently planned buildings, etc.

(Note) Yield after depreciation is calculated by using annual earnings and expenses estimated exclusive of extraordinary factors of the fiscal year the property was acquired in (they are not the figures expected for the current fiscal period under review). It is calculated by dividing the rental business income (where property and other taxes, etc. are subtracted from annual rent) by the acquisition price. The figure is rounded to the first decimal point.

Exterior perspective

Location map

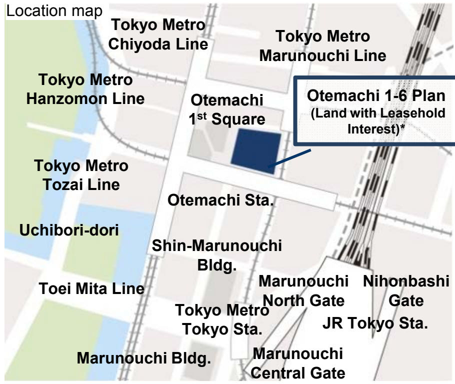


Image of Underground Plaza (tentative name)

Image of Otemachi Forest (tentative name)

Concerning the rent review article

Rent will be reviewed when there is an
A: increase or reduction of property and other taxes, or
B: change in the consumer price index
in the base year of property tax.
(However, rent will also be adjusted if there is change in property and other taxes other than in the base year.)
As such, the provision for rent review will not be impacted by changes of rental revenue, etc. of currently planned buildings.

Rent (2,817 million yen/year) (Note)

NOI (Rent - Property and other taxes, etc.) — Net rental income (NOI), which is rent subtracted by property and other taxes, is reviewed in conjunction with the consumer price index (Statistic Bureau, Ministry of Internal Affairs and Communications)

Property and other taxes (Property tax, etc.: 1,512 million yen/year) (Note) — When there are changes in property and other taxes, the same amount will be reviewed in rent

(Note) Figures for rent and property tax, etc. are the annual amounts after the fiscal 2012 review based on the contract to set surface rights.

Property Acquisition in the 22nd Period

Leveraging sponsors' pipelines and selectively investing in excellent large office buildings in Fukuoka where steady market recovery is expected compared to other regional cities

Yakuin Business Garden

1. Property Overview

Location	1-1, Yakuin 1-chome, Chuo-ku, Fukuoka-shi, Fukuoka
Completion	January 2009
Total floor space	22,286.35m^2
Type of ownership	Ownership

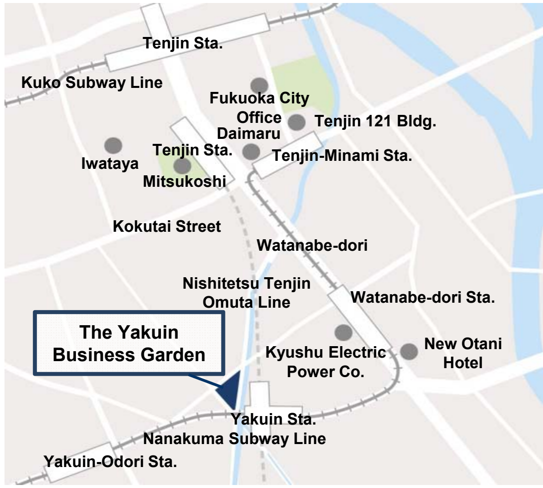
2. Transaction Summary

Seller	Yakuin Holdings TMK (an SPC invested in by Tokyo Tatemono)
Asset type	Real estate
Acquisition price	10,996 million yen
Appraisal value	11,000 million yen (as of May 1, 2012)
Acquisition date	August 8, 2012

3. Yield (Current Base)

NOI yield (Note)	5.8%
Yield after depreciation (Note)	4.0%

(Note) Yields are calculated based on annual earnings and expenses estimated that assumes the current rent level, occupancy rate, etc. NOI yield is calculated by dividing expected NOI by the acquisition price and yield after depreciation is calculated by dividing the rental income (expected NOI subtracted by depreciation) by the acquisition price. Figures are rounded to the first decimal point. Furthermore, the NOI yield of the property obtained by dividing the net operating income, which was indicated in the appraisal report and used as a base for calculating the capitalized value through direct capitalization method by the acquisition price, was 5.5%.



Approx. 2-minute walk from Yakuin Station on the Nishitetsu Tenjin-Omuta Line and Fukuoka City Subway Nanakuma Line

Characteristics and Reasons for Acquisition

■ Location with Excellent Access

Accomplished companies such as Kyushu Electric Power Company (head office) and NTT DoCoMo (Kyushu branch) place their Kyushu hubs in the Yakuin area of Fukuoka where the property is located and transportation access throughout the area is excellent with Fukuoka's main train line, the Nishitetsu Tenjin-Omuta Line, passing through Yakuin Station in addition to the Nanakuma subway line and several bus routes.

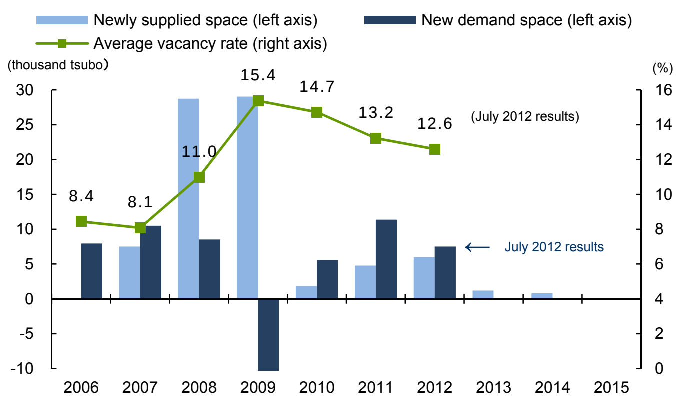
■ Top-class Specifications in the Area

The property is relatively new, completed in January 2009. With floor space of a standard floor of approx. 400 tsubos, the largest scale in the area, and built in a rectangular shape with column-free space and surrounded on three sides by glass wall curtains, the property provides a very open office environment. In terms of facilities, the property employs the latest technology in power supply, air conditioning, communications, security, etc. and is fully equipped with high specifications. The building's design employs a seismic damping structure and is therefore highly resistant to earthquakes (earthquake PML: 1.45%).

■ Expectation for Internal Growth Capacity

The Fukuoka business district was impacted by large supply in 2009, the year the property was completed, resulting in a downturn of rents. Because many of the tenants moved in when rents were in a lower range, an increase in profitability can be expected with the market recovery.

Changes in Supply and New Demand Trends and the Vacancy Rate in Fukuoka's Office Market



(Note) Data through 2011 was prepared by Tokyo Realty Investment Management, Inc. based on the Office Report (Fukuoka CBD) published by Miki Shoji Co., Ltd. Data for 2012 and after were prepared by Tokyo Realty Investment Management, Inc. based on its own survey.

Exterior photogragh

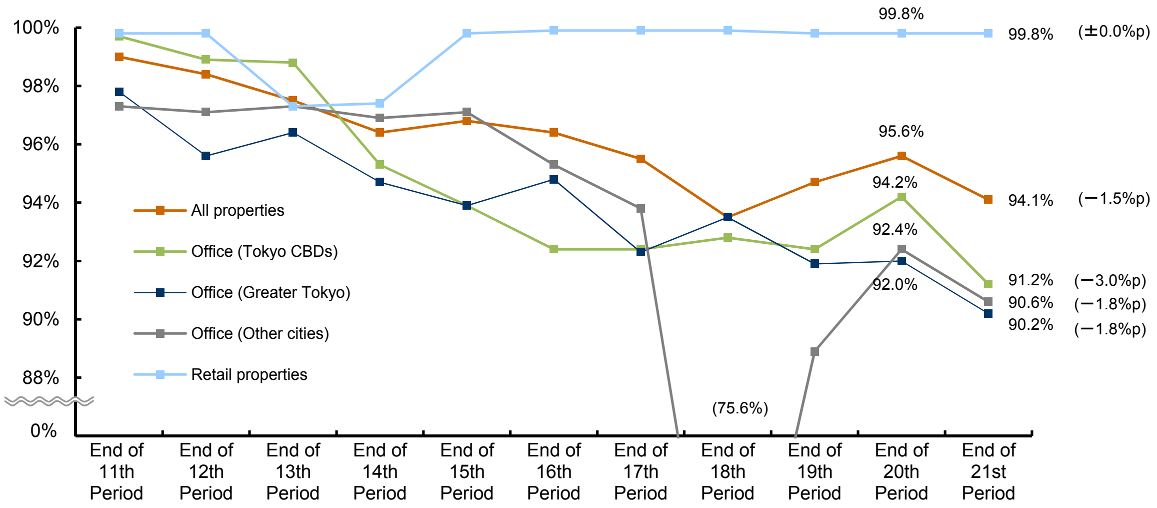
Inside of an office

Vibration control damper

Changes in Occupancy Rates and Contract Changes

Despite tenant relocations becoming more active, the impact of cancellations at some properties resulted in occupancy rates being as assumed at the beginning of the period

Changes in Period-End Occupancy Rates of Properties by Asset Class and by Location



■ Although steady lease-up was conducted centering on office buildings in Tokyo, due to the impact of cancellations at some properties, the occupancy rate for the entire portfolio at the end of the period dropped 1.5% points compared to the 20th fiscal period

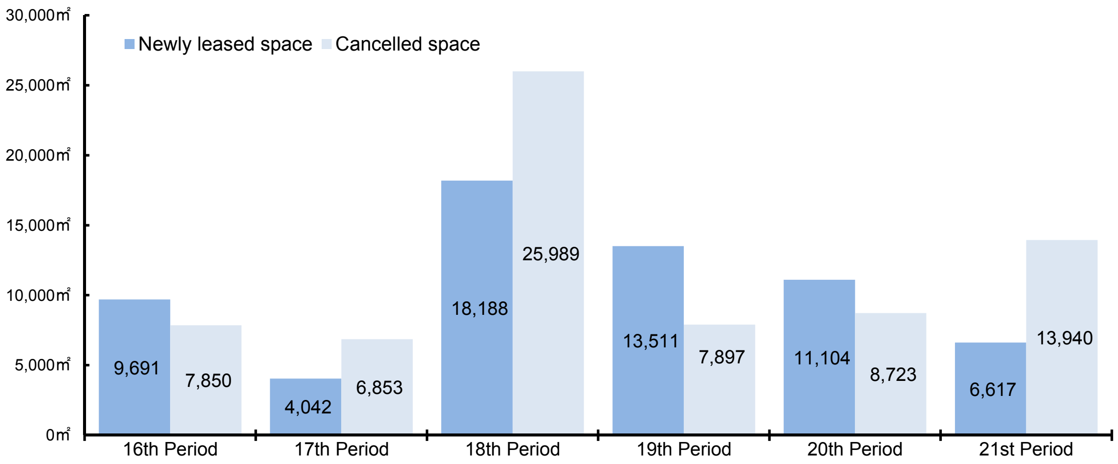
■ By location, decreases were seen in office buildings in Tokyo CBDs of -3.0% points and both Greater Tokyo and other cities of -1.8% points compared to the 20th fiscal period

(Main Properties with Fluctuations in Occupancy Rates)

	20th Period Dec. 2011	21st Period Jun. 2012	Change
JPR Harajuku Building	88.5%	98.7%	10.2%p
Yume-ooka Office Tower	87.9%	91.1%	3.2%p
Shinjuku Center Building	87.5%	90.0%	2.5%p
Minami Azabu Building	100.0%	0.0%	-100.0%p
JPR Crest Takebashi Building	94.9%	58.5%	-36.4%p
Olinas Tower	98.6%	91.3%	-7.3%p

(Note 1) Indicated occupancy rates are as of the end of June 30, 2012, calculated on the basis of the lease conditions as of the same date for properties JPR owned as of the same date.
(Note 2) Figures have been rounded to the first decimal place.

Changes in Contract Changes



■ Given notices of cancellations for about 6,000m² in three office buildings in Tokyo CBDs, cancelled space significantly exceeded newly leased space

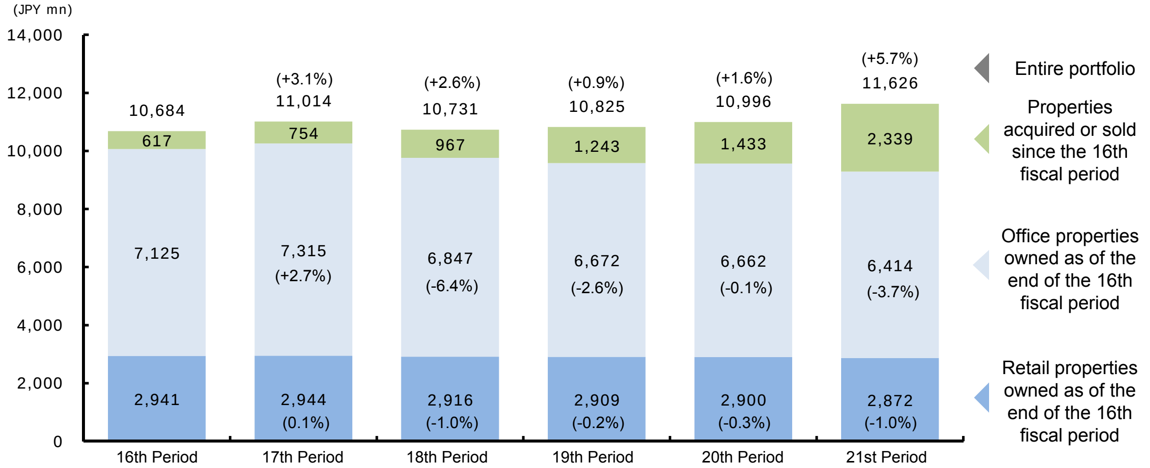
(Breakdown by Asset Class and by Location for the 21st Fiscal Period)

	Newly leased space	Cancelled space	Newly leased space – cancelled space
Entire portfolio	6,617㎡	13,940㎡	-7,323㎡
Office in Tokyo CBDs	1,901㎡	6,408㎡	-4,508㎡
Office in Greater Tokyo	3,290㎡	5,222㎡	-1,932㎡
Office in other cities	1,340㎡	2,309㎡	-969㎡
Retail properties	86㎡	0㎡	86㎡

Changes in Rent Revenue and Unit Rent

Rent revenue on same-store basis and average unit rent continued on downward trends, impacted by reductions in contract rents and other factors

Changes in Rent Revenue (from Properties Owned as of the End of the 16th Period)

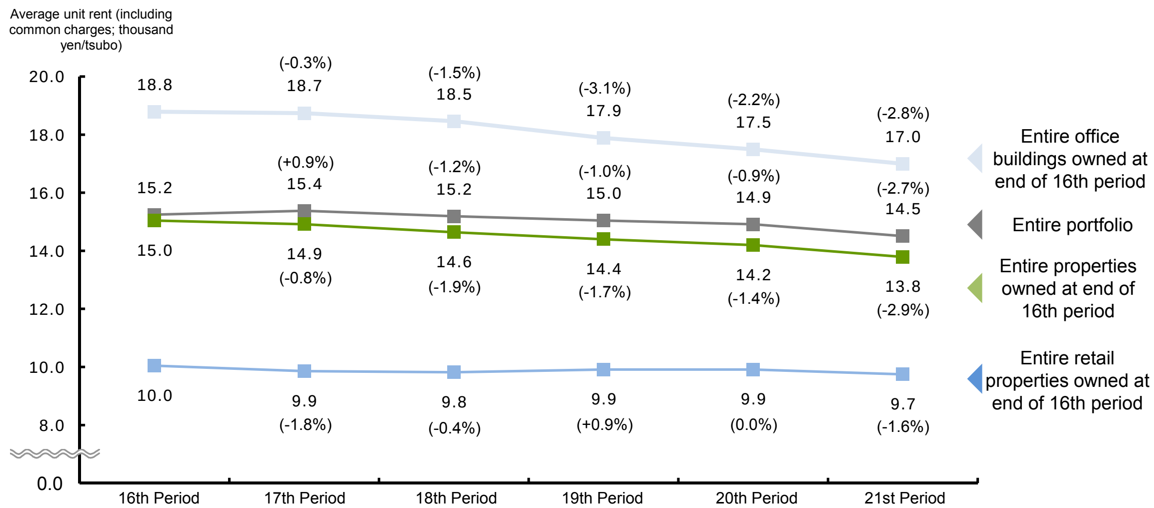


- Rent revenue of entire portfolio increased significantly as a result of new property acquisition
- Office buildings owned as of the end of the 16th fiscal period decreased period-on-period as a result of declines in occupancy rate
- Concerning retail properties, since the 16th fiscal period, none have been acquired or sold and rent revenue has generally been stable, serving to support entire portfolio

(Note 1) Values for the entire portfolio are the sum of rents, common charges, parking rates and other revenues (excluding such variable revenues as incidental income) for all properties owned in respective periods (including properties sold during the respective periods). Values for the office properties owned as of the end of the 16th fiscal period and Retail properties owned as of the end of the 16th fiscal period are the sum of rents, common charges, parking rates and other revenues (excluding such variable revenues as incidental income) for properties owned as of the end of the 16th fiscal period but excluding those sold by the end of the 21st fiscal period. Furthermore, BYGS Shinjuku Building, of which JPR additionally acquired the remainder of common areas at the end of the 18th fiscal period, has been excluded from the Office properties owned as of the end of the 16th fiscal period and included in the Properties acquired or sold since the 16th fiscal period category.

(Note 2) Values have been rounded down to million yen, and the rates of period-on-period change have been rounded to the first decimal place.

Changes in Average Rent of Office Buildings (for Properties Owned as of the End of the 16th Period)



- Average unit rent of entire portfolio continues to be on downward trend, albeit modest
- Degree of decrease for office buildings owned as of the end of the 16th fiscal period grew to −2.8% period-on-period for the 21st fiscal period
- Average unit rent of retail properties remained relatively stable

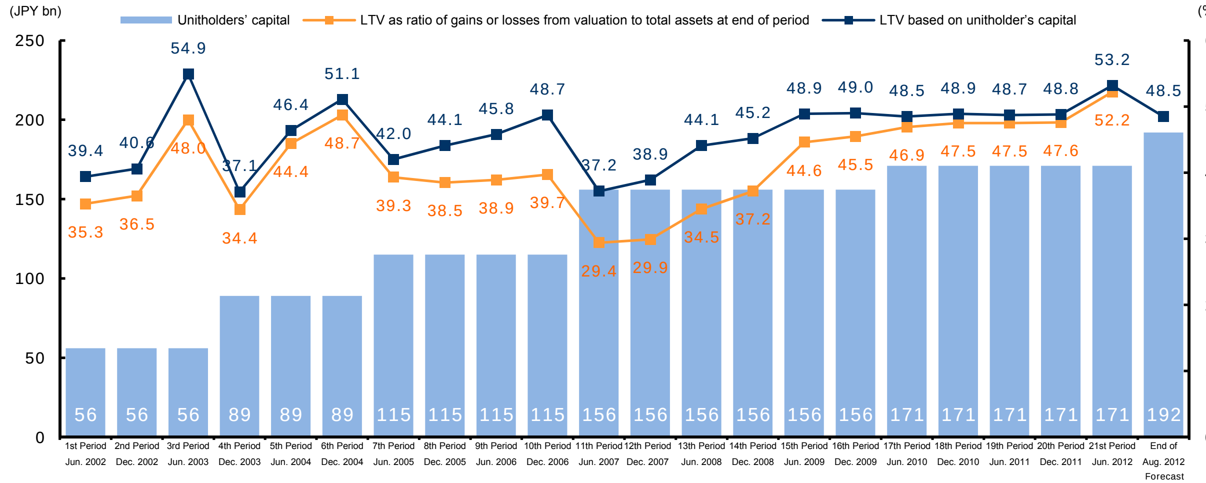
(Note 1) Values for Entire portfolio are the average unit rent (monthly rent revenue per tsubo of occupied spaces including common charges at end of each fiscal period) for all properties owned in respective periods (including properties sold during the respective periods). Values for Properties Owned as of the End of the 16th Period, Office properties owned as of the end of the 16th fiscal period and Retail properties owned as of the end of the 16th fiscal period are the average unit rent (monthly rent revenue per tsubo of occupied spaces including common charges at end of each fiscal period) for properties owned as of the end of the 16th fiscal period but excluding those sold by the end of the 21st fiscal period. Furthermore, BYGS Shinjuku Building, of which JPR additionally acquired the remainder of common areas at the end of the 18th fiscal period, has been excluded from the Properties Owned as of the End of the 16th Period and the Office properties owned as of the end of the 16th fiscal period categories.

(Note 2) The period-on-period figures have been rounded to the first decimal place.

Financial Strategy

Continued conservative financial operations by promoting long-term, fixed interest rates and diversifying repayment dates, so as to maintain high credit ratings

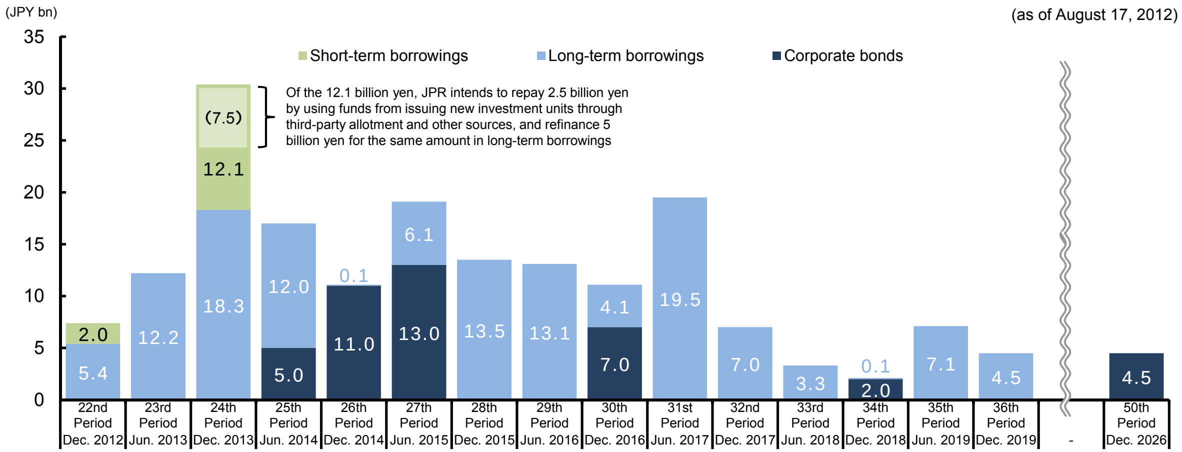
Changes in Unitholders' Capital and Ratio of Interest-Bearing Debts (LTV)



(Note 1) LTV based on unitholders' capital (%) = Interest-bearing debts / (interest-bearing debts + Unitholders' capital); LTV as ratio of gains or losses from valuation to total assets at end of period = Interest-bearing debt / (Total assets at end of period + Gains or losses from real estate valuation)
(Note 2) Unitholders' capital has been rounded down to the nearest specified unit.
(Note 3) LTV based on unitholders' capital and LTV as ratio of gains or losses from valuation to total assets at end of period have been rounded to the first decimal place.
(Note 4) Forecast at end of August 2012 assumes that JPR will issue 8,580 new investment units through third-party allotment and repay JPY 2.5 billion in interest-bearing debts.

Diversification of Repayment Dates of Interest-Bearing Debts

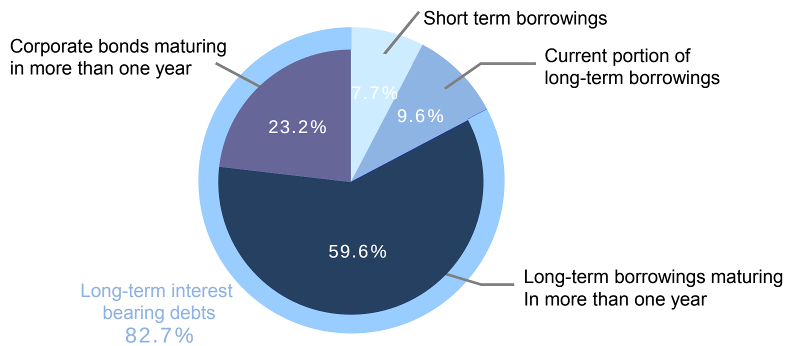
(as of August 17, 2012)



(Note) Figures have been rounded down to the nearest 100 million yen.

Ratio of Interest-Bearing Debts

(as of August 17, 2012)



	20th Period Dec. 2011	Aug. 17, 2012
Ratio of long-term, fixed-ratio borrowings	76.1%	82.7%
Average maturity of long-term interest-bearing debts	3.84 years	3.72 years
Average interest rate of long-term interest-bearing debts	1.76%	1.54%
Average maturity of interest-bearing debts	3.05 years	3.19 years

(Note) Long-term interest-bearing debts: interest-bearing debts with repayment dates coming in more than one year

Credit Ratings Assigned to JPR

(as of August 17, 2012)

Rating Agency	Corporate Credit Rating	Outlook
Rating and Investment Information, Inc. (R&I)	AA–	Stable
Standard & Poor's Ratings Japan K.K. (S&P)(Note1)	Long-term: A Short-term: A-1	Stable
Moody's Japan K.K.(Moody's)(Note 2)	A3	Negative

(Note 1) JPR had been placed on credit watch with negative implications since March 5, 2012, but the credit watch was removed on August 1, 2012 and the ratings were kept unchanged at A/A-1, with the Outlook being stable.
(Note 2) The rating was downgraded from A2 to A3 on May 9, 2012.

Equity Finance Overview

JPR conducted its fifth additional public offering through a global offering, the first such arrangement for JPR

[Background]

- Concerns about real estate transaction prices rising in anticipation for recovery in the office building leasing market
- Apparent moves toward equity financing during the current fiscal year being activated led by operating companies
- Tendency for "risk off" (avoiding risks) in the face of the European sovereign debt crisis, uncertain outlook of the world economy and other factors
- JPR's unit price remains solid, staying above net asset value (NAV) per unit
- Investigation of an offering size that can absorb investor demand amid limited offering opportunities

[Objectives]

- Prepare for implementing growth strategy by quickly regaining JPR's extra capacity to acquire properties through debt financing
- Selective investment in properties with relatively high yields, akin to the stabilized profitability and reinforced foundations for growth realized by the acquisition of Otemachi 1-6 Plan (tentative name) (land with land leasehold)
- Secure DPU at 6,000 yen, the target level under normal operations, for the 23rd fiscal period and after
- Firmly maintain the position as one of the largest J-REITs managing a comprehensive-type portfolio, both in terms of market capitalization and asset size
- Provide foreign investors with investment opportunity in the primary market through global offering, the first such arrangement for JPR

	End of 21st fiscal period	After public offering
LTV (based on unitholders' capital)	53.2%	48.5% (Note)

(Note) The figure assumes that JPR will issue 8,580 new investment units through third-party allotment and repay JPY 2.5 billion in interest-bearing debts.

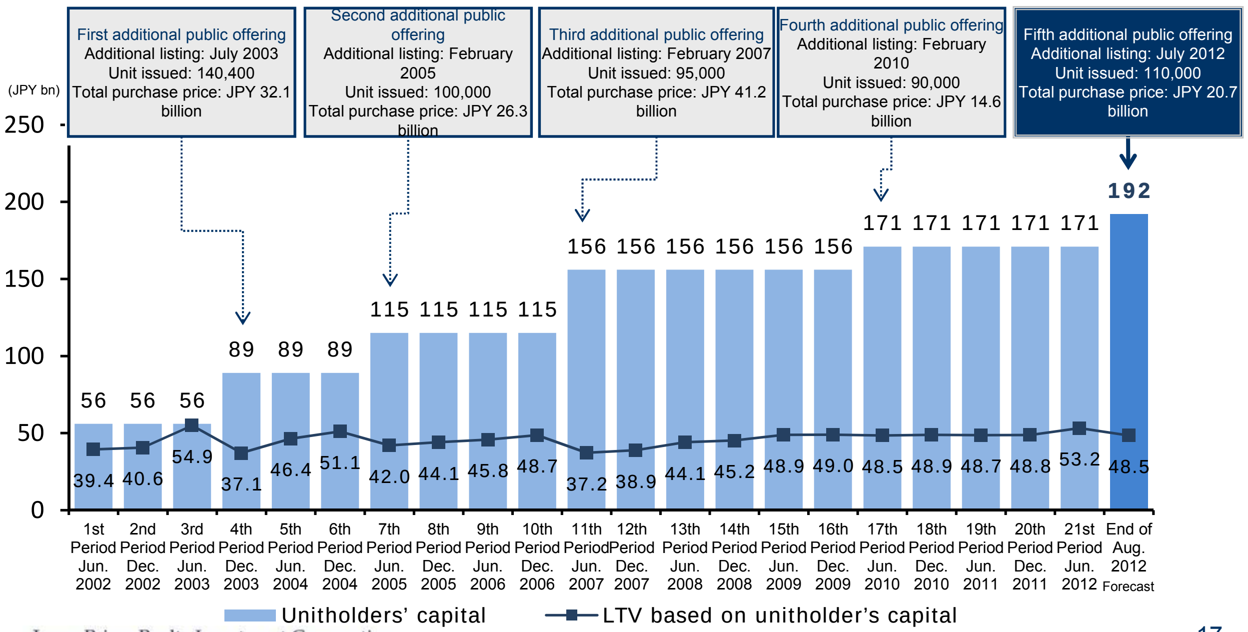
Acquisition price (single property)	JPY 10,996 million
NOI yield (current figure)	5.8%

Market capitalization (as of Aug. 10, 2012)	JPY 170.4 billion
Asset size (as of Aug. 17, 2012)	JPY 391.9 billion

[Equity Finance Overview]

Offering type	Global offering (offering centered on Europe and Asia [excluding the U.S. and Canada])	
Number of investment units issued and outstanding	715,000 units	
Total number of units issued / dilution ratio	110,000 units	Dilution ratio: 15.4% of units issued and outstanding
Domestic primary offering and global offering	101,420 units	(57,420 units via domestic offering and 44,000 units via global offering)
Secondary offering (over-allotment)	8,580 units	(Third-party allotment as a result of exercising the greenshoe option: 8,580 units maximum)
Total amount of offering	JPY 21,407 million	Total procured amount JPY 20,704 million (maximum)
Domestic primary offering and global offering	JPY 19,737 million	Net proceeds JPY 19,089 million
Secondary offering (over-allotment)	JPY 1,669 million	Net proceeds through third-party allotment JPY 1,614 million (maximum)
Portion	60% domestic (42% public and 18% institutional): 40% global	
Issue price (offer price)	JPY 194,610 per unit	(closing price of the pricing date: JPY 199,600)
Paid-in amount (purchase price)	JPY 188,222 per unit	
Resolution day of issuance /pricing date	Resolution day of issuance: July 9, 2012 Pricing date: July 23, 2012	
Payment date / additional listing date	Payment date: July 30, 2012 Additional listing date: July 31, 2012	
Use of proceeds	JPY 7.0 billion to fund acquisition of specified asset, JPY 13.7 billion to repay short-term borrowings (planned)	

[Public Offering Results]



Breakdown of Interest-Bearing Liabilities

JPR invited 5 banks as new lenders by originating its first syndicated loan to expand lenders to 28 financial institutions

Borrowings

(JPY mn)

	Lender	Balance as of Dec. 31, 2011	Balance as of June 30, 2012	Security
Short-term borrowings	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000	5,000	Unsecured Unguaranteed Non-subordinated
	Mizuho Corporate Bank, Ltd.	2,000	4,600	
	Mitsubishi UFJ Trust and Banking Corporation	2,000	4,000	
	Resona Bank, Limited	2,000	2,000	
	Aozora Bank, Ltd.	2,000	2,000	
	Sumitomo Mitsui Bank Corporation	1,400	2,000	
	Mizuho Trust & Banking Co., Ltd.	1,000	1,000	
	Total short-term borrowings	12,400	20,600	
Long-term bborrowings	Mizuho Corporate Bank, Ltd.	13,500	20,400	Unsecured Unguaranteed Non-subordinated
	The Bank of Tokyo-Mitsubishi UFJ, Ltd	12,585	12,502	
	Mitsubishi UFJ Trust and Banking Corporation	7,000	7,000	
	Zenkyoren (The National Mutual Insurance Federation of Agricultural Cooperatives)	7,000	7,000	
	Sumitomo Mitsui Bank Corporation	5,750	12,100	
	The Bank of Fukuoka, Ltd.	5,000	5,000	
	American Family Life Assurance Company of Columbus (Note 2)	5,000	1,500	
	Development Bank of Japan Inc.	4,370	4,245	
	Sompo Japan Insurance Inc.	4,000	4,000	
	Sumitomo Life Insurance Company	4,000	4,000	
	Meiji Yasuda Life Insurance Company	4,000	3,934	
	Mizuho Trust & Banking Co., Ltd.	3,000	7,000	
	The Chugoku Bank, Ltd.	3,000	3,000	
	Taiyo Life Insurance Company	3,000	3,000	
	ORIX Trust and Banking Corporation	3,000	3,000	
	The Shinkumi Federation Bank	3,000	3,000	
	The Nishi-Nippon City Bank, Ltd.	3,000	3,000	
	Shinsei Bank, Limited	2,000	7,000	
	The Hachijuni Bank, Ltd.	2,000	2,000	
	Daido Life Insurance Company	2,000	2,000	
	Aozora Bank, Ltd.	1,900	1,900	
	The Iyo Bank, Ltd.	1,000	1,000	
	Resona Bank, Limited	-	2,000	
	The Tokyo Tomin Bank, Limited. (Note 3)	-	1,000	Unsecured Unguaranteed Non-subordinated
	The Bank of Yokohama, Ltd. (Note 3)	-	1,000	
	The Minato Bank, Ltd. (Note 3)	-	800	
	The Yamaguchi Bank, Ltd. (Note 3)	-	500	
	The Chiba Kogyo Bank, Ltd. (Note 3)	-	100	
	Total long-term borrowings	99,105	122,981	
	Total borrowings	111,505	143,581	

(Note 1) Among the short-term borrowings of 20,600 million yen, JPR repaid 11,000 million yen on August 1, 2012 prior to the repayment date using proceeds gained through the additional offering.
(Note 2) Among the long-term borrowings of 5,000 million yen, JPR repaid 3,500 million yen on June 27, 2012 prior to the repayment date.
(Note 3) These are borrowings made through originating a syndicated loan.

Corporate Bonds

(JPY mn)

	Name	Balance as of Dec. 31, 2011	Balance as of June 30, 2012	Security
Corporate bonds	Third Series of Corporate Bonds	5,000	5,000	Unsecured Unguaranteed Non-subordinated
	Sixth Series of Corporate Bonds	5,000	5,000	
	Seventh Series of Corporate Bonds	4,500	4,500	
	Eighth Series of Corporate Bonds (Note)	9,000	9,000	
	Ninth Series of Corporate Bonds	6,000	6,000	
	Eleventh Series of Corporate Bonds	6,000	6,000	
	Twelfth Series of Corporate Bonds	7,000	7,000	
	Thirteenth Series of Corporate Bonds	7,000	7,000	
	Fourteenth Series of Corporate Bonds	2,000	2,000	
	Balance of corporate bonds	51,500	51,500	
	Total interest-bearing liabilities	163,005	195,081	

(Note) Redemption of Japan Prime Realty Investment Corporation's Eighth Series of Unsecured Bonds of 9,000 million yen was conducted on July 23, 2012.

Commitment Line Contract

(JPY mn)

Lenders (already established)	Limit	Maturity date	Security
Mizuho Corporate Bank, Ltd.	4,000	November 30, 2012	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,000		
Resona Bank, Limited	4,000		
Mitsubishi UFJ Trust and Banking Corporation	4,000		
Sumitomo Mitsui Bank Corporation	4,000		
Aozora Bank, Ltd.	4,000		
Mizuho Trust & Banking Co., Ltd.	4,000		
Total commitment line	28,000		

History of JPR's Unit Price and Trade Volume (Jan. 4, 2012~Aug. 10, 2012)

*The TSE REIT Index and other figures have been indexed with January 4, 2012 as the base date, and the chart shows relative performances.

Japan Prime Realty Investment Corporation

Future Management Strategy

22nd～

Future Management Policies

Investing with an emphasis on Tokyo offices in addition to implementing various measures for improving NOI with the aim of stabilizing steady DPU in the 23rd Fiscal Period forward

External Growth Strategy

[Market Analysis]

- The real estate transaction market is heading for recovery ahead of office rental market and conditions for greater market activity is emerging
- Information on excellent properties in the secondary market still in scarce state
- Buyers find it difficult to set high price targets as the Japanese economy remains unclear and the real estate market is not showing clear improvements
- Investment corporations may boost property acquisition with recovery of investment unit prices

[JPR's Strategy]

- Somewhat overheated transaction can be seen here and there as there is a lack of excellent properties in the real estate transaction market, but judging from a medium- to long-term perspective the favorable period for property acquisitions will continue for some time
- Leverage sponsors' pipelines and consider acquisitions mainly of office properties in the greater Tokyo area and also acquisitions from the secondary market
- Continue to strive to enhance portfolio quality while continuing to consider property replacements intended for NAV improvement
- Continue to make investment decisions by extensively setting up antennas in the market to collect information through such sources as sponsors, accurately grasping market trends and carefully researching investment value including determining future potential

Internal Growth Strategy

[Market Analysis]

- Although the vacancy rate of Tokyo offices increased due to the impact of new supply concentrated in the first half of 2012, the vacancy rate is expected to improve in the second half due to a decrease in supply and steady demand
- The supply-demand balance is improving but a turnaround (increase) of rents is expected to require some time due to uncertain economic prospects
- Some excellent offices and retail properties in good locations have mostly bottomed out

[JPR's Strategy]

- Newly set up the Leasing Supervising Group at the Asset Manager (TRIM) to oversee leasing and reinforce leasing activities
- In the recovery phase of the office rental market, steadily catch up to the needs for relocation and increasing floor space to lead to the recovery of the occupancy rate through careful operative response
- Improve competitiveness of properties with focused investment in renewal work, responding to tenant needs, etc.
- Strengthen cost control by proactively introducing energy-saving facilities and pursuing rationalization of management structure

Financial and IR Strategies

[Market Analysis]

- Long-term interest rates will be falling as risk aversion tendencies increase due to the impact of concerns over global economic slowdown such as the European debt crisis
- Environment of debt financing from financial institutions continues to be favorable

[JPR's Strategy]

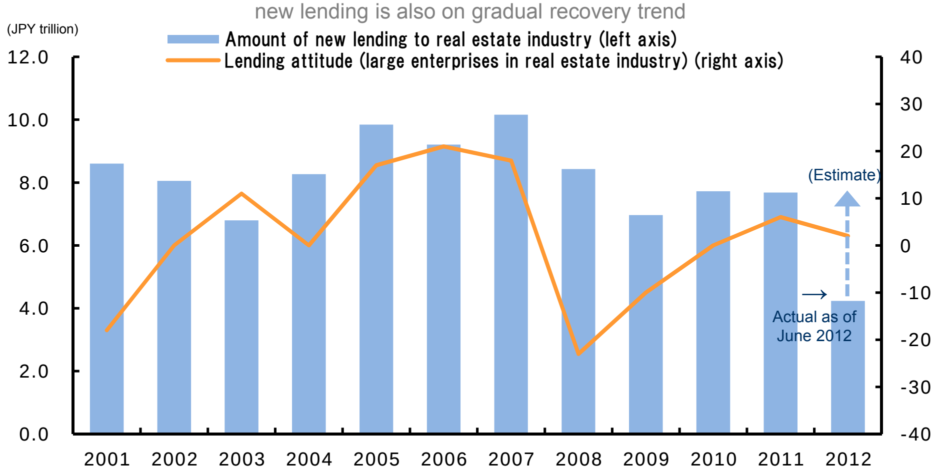
- Engage in further compression of borrowing costs in refinancing and financing for property acquisitions
- Continue to consider early repayments with regard to some relatively high cost borrowings
- Consider acquiring borrowings with longer terms, keeping in mind the diversification of maturity dates
- Utilize syndicate loans, etc. and work to increase new lenders as flexibility of loan transactions have improved with amendment of loan agreement

Office Transaction Market Conditions

With environment of debt financing from financial institutions favorable, property acquisition by J-REITs from sponsors driving real estate transactions

Lending Attitude of Japanese Financial Institutions and Amount of New Lending

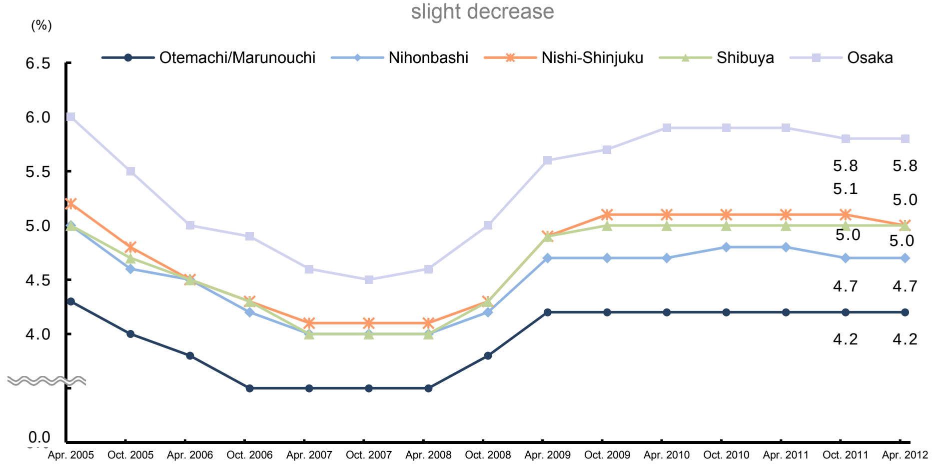
Financing from Japanese financial institutions is proactive, and the amount of new lending is also on gradual recovery trend



(Note) Prepared by Tokyo Realty Investment Management, Inc. based on data by Bank of Japan.

Changes in Cap Rates of Offices

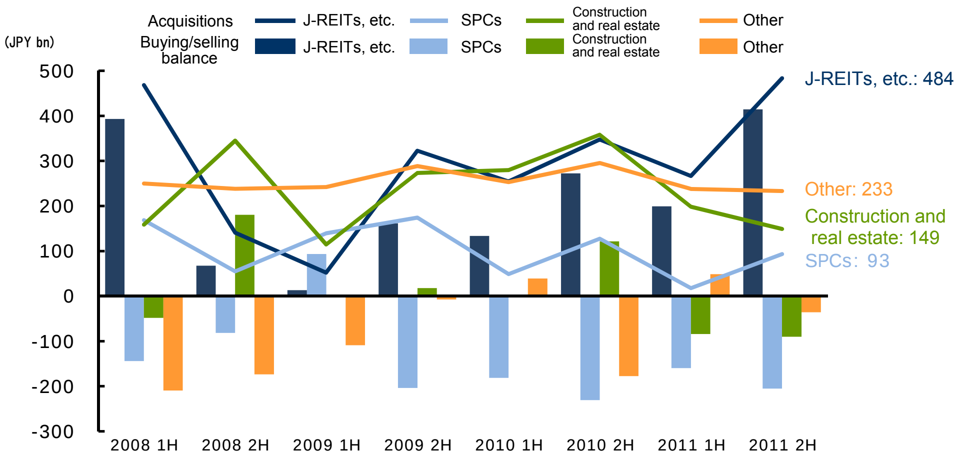
While office building cap rates in Tokyo remained flat, some areas showed a slight decrease



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

Changes in Amount of Acquisition and Amount of Buying on Balance by Business Sector

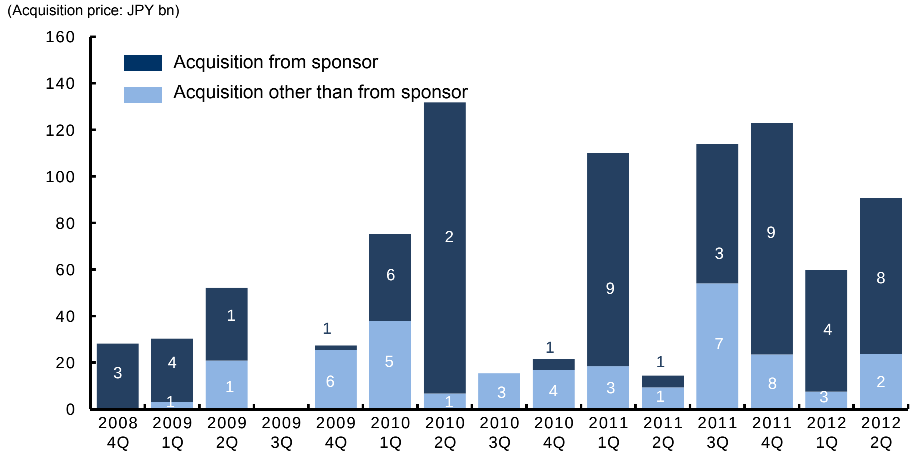
Analysis by business sector finds largest is J-REITs in amount of acquisition at 750 billion yen and amount of buying on balance at 600 billion yen in past year



(Note) Prepared by Tokyo Realty Investment Management, Inc. based on Survey on Actual Real Estate Transactions by Urban Research Institute Corporation (Mizuho Trust & Banking Co., Ltd.'s think tank).

Changes in Acquisition Results of Office Buildings in Tokyo by J-REITs

Acquisition size on upward trend, led by property acquisition from sponsors



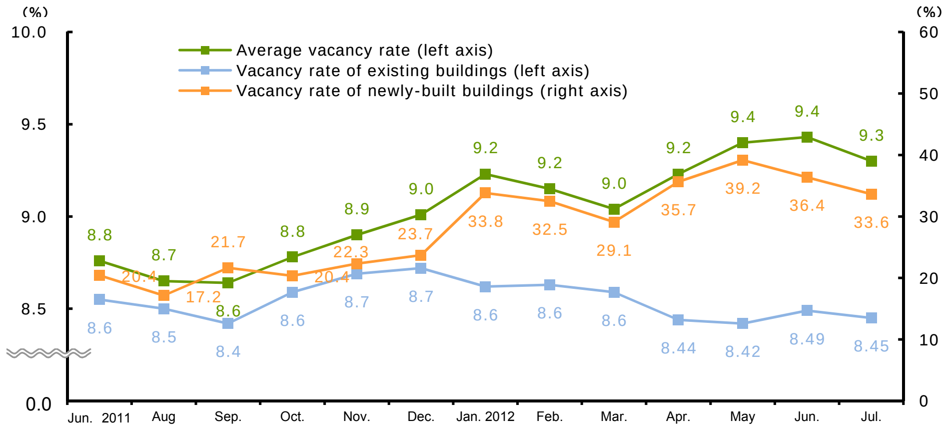
(Note) Prepared by Tokyo Realty Investment Management, Inc. based on press releases by respective J-REITs, with acquisition prices rounded off to the nearest specified unit. 1Q refers to the period from January to March and subsequent quarters refer to the 3-month periods thereafter.

Office Rental Market Conditions

Secondary vacancies, etc. can be seen due to the impact of new supply in 2012 but a moderate recovery is anticipated due to robust new demand

Changes in Average Vacancy Rates of Tokyo Office Buildings

Although vacancy rates were trending upward due to the impact of large supply in 2012, the trend was turned around and rates have been falling moderately supported by robust tenant demand for newly-built buildings, etc.

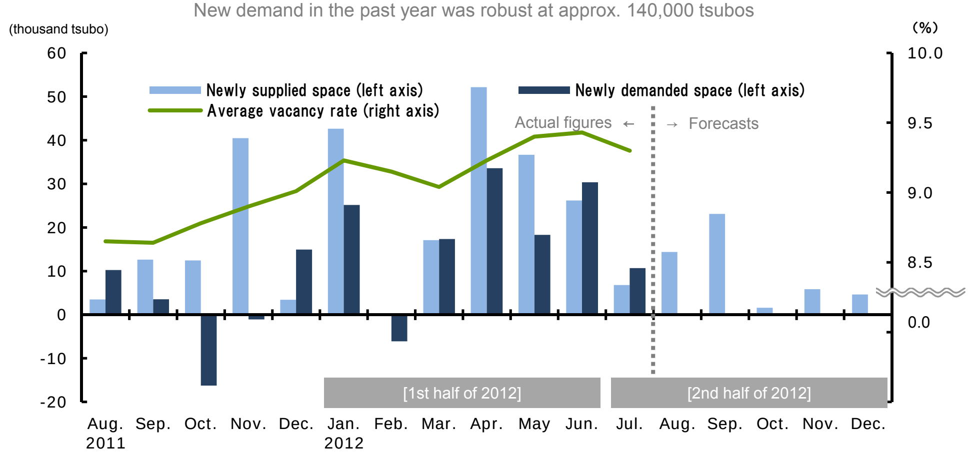


(Note) Actual figures were prepared by Tokyo Realty Investment Management, Inc. based on the Office Report (in Tokyo CBDs) published by Miki Shoji Co., Ltd.

Supply and New Demand Trends of Tokyo Office Buildings (1)

Large supply in 2012 is focused in the first half and supply in the second half is expected to remain at about 1/3 of the first half

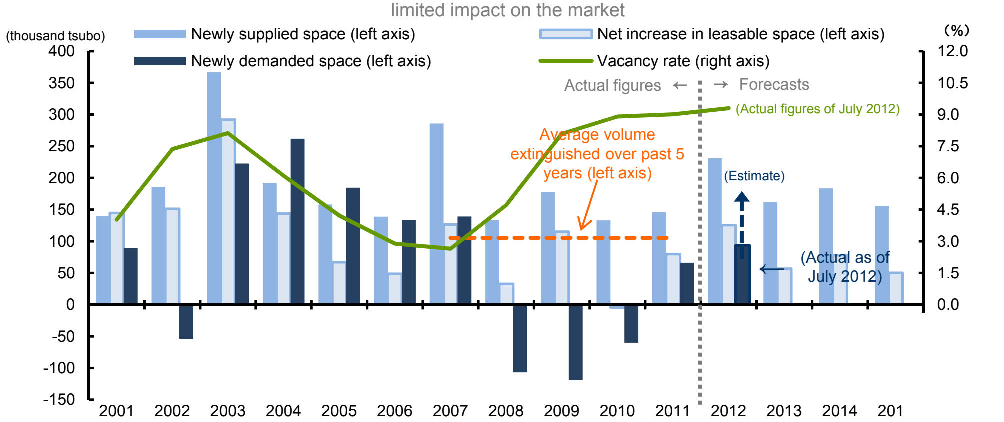
New demand in the past year was robust at approx. 140,000 tsubos



(Note) Data through July 2012 was prepared by Tokyo Realty Investment Management, Inc. based on the Office Report (Tokyo CBD) published by Miki Shoji Co., Ltd. Data for August 2012 and after were prepared by Tokyo Realty Investment Management, Inc. based on its own survey.

Supply and New Demand Trends of Tokyo Office Buildings (2)

New supply in 2012 and after will continue at a certain level, but the net increase in leasable space estimated from the volume extinguished will likely remain low compared to the volume of new supply, and will have only limited impact on the market



(Note) Data through July 2011 was prepared by Tokyo Realty Investment Management, Inc. based on the Office Report (Tokyo CBD) published by Miki Shoji Co., Ltd. Data for August 2012 and after were prepared by Tokyo Realty Investment Management, Inc. based on its own survey.

Views on the Market by an Independent Institution (Office Buildings in Tokyo)

Outlook of Office Market in the 23 Wards of Tokyo

- In 2012 large-scale buildings will generally be completed as scheduled and will have large supply of 302,000 tsubos
- Companies that are viewing rents to be close to the bottom price are starting to move toward relocating to reduce costs as well as to improve location and grade
- Although the European debt crisis will put downward pressure on the economy, demand for recovery from the Great East Japan Earthquake will support the economy, and the volume of new demand in 2012 will be a relatively sizeable 218,000 tsubos
- As absorption of large supply in 2012 will be difficult, the vacancy rate is forecast to remain generally flat at 7.4%
- The vacancy rate continues to remain high but the downward pressure is becoming relaxed as average contract rents have already been significantly adjusted and tenant relocations are becoming more active
- Volume of new supply in 2013 will shrink to 109,000 tsubos as a rebound to the large supply, and the vacancy rate which has remained high for some time will finally head toward a decrease, and it is expected to continue decreasing in 2014 also
- Average contract rent will remain stagnant during 2013 where the after effect of the large supply will still linger, and is expected to begin increasing starting from 2014 when the vacancy rate will start to show a clear decreasing trend

(Note) Prepared by Tokyo Realty Investment Management, Inc. based on the Real Estate Market Research Report (surveyed in Apr. 2012) by Sumitomo Mitsui Trust Research Institute Co., Ltd.

External Growth Strategy

Position focused investment in office properties in the greater Tokyo area as the basic strategy for external growth, leveraging sponsors' pipelines and promoting acquisitions from the secondary market

Focused investment in office properties in the greater Tokyo area

JPR has in the approx. 3 years since 2009 conducted focused investment in 10 office properties in the greater Tokyo area amounting to 117.6 billion yen

JPR will advance an acquisition strategy that utilizes its sponsors' pipelines, preferential negotiation rights, etc. and plan further investment in Tokyo offices

■ **Acquisition of large development property from Tokyo Tatemono, the main sponsor**
Tokyo Tatemono is handling many large developments centering in Tokyo and owns excellent properties that rarely flow through the transaction market. Also, Tokyo Tatemono has in the area of focus in its medium-term business plan the continued expansion of REIT and real estate fund management business. Its policy for JPR is to further strengthen the collection of information to be passed through the sponsor pipeline.


Otemachi 1-6 Plan (tentative name) (ownership of land with leasehold)


Olinas Tower

■ **Supply of properties from other sponsors such as Taisei Corporation**
JPR has also acquired many properties from its 4 other sponsors. JPR will watch the changes in the sponsors' business environments going forward and consider together with the sponsors the strengthening of supply of properties from a long-term perspective.


Rise Arena Bldg.


JPR Ningyocho Bldg.

■ **Utilizing various property acquisition methods and promoting an investment strategy based on excellent sourcing abilities**
JPR also has a history of property acquisitions from third parties other than its sponsors. It engages in property acquisitions that utilize various acquisition methods such as additional acquisition of co-ownership of shared properties that makes use of preferential negotiation rights.
(JPR possesses preferential negotiation rights for a majority of the 20 office properties in the greater Tokyo area for which it owns land with leasehold or has co-ownership or partial unit ownership.)


BYGS Shinjuku Bldg.


Ginza Sanwa Bldg.

Selective investment in regional office buildings and retail properties

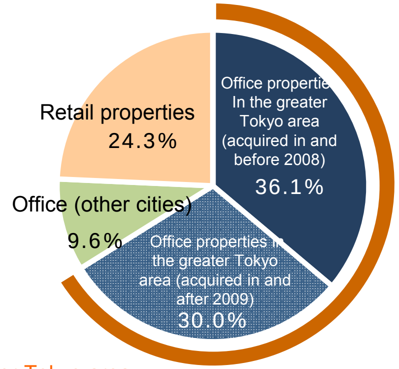
Acquired regional property for the first time in approx. 6 years, complementing profitability of portfolio with relatively high yields

■ **Selective investment in regional office buildings**
As the capacity for expanding investment size per property was generated due to the growth of the portfolio asset size, JPR will selectively invest in large regional offices with high area competitiveness.

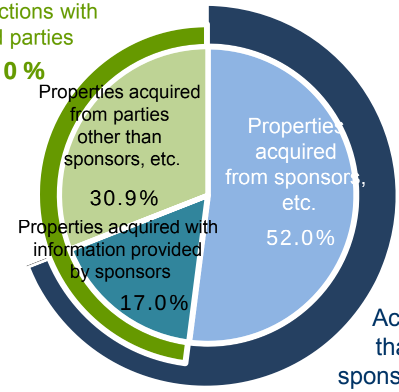

Yakuin Business Garden

■ **Replacement of assets centering on retail properties**
The yields of JPR's retail properties are comparatively higher than its office buildings and they contribute to the raising the overall portfolio's earnings. However, some of these properties cannot be expected to continually grow in the future while they can be sold at preferable prices. Opportunities for replacements centering on these assets will be considered.

Investment Ratio by Location and by Asset Class



Property Acquisitions that Utilized Sponsors' Pipelines



[Reference] Development Projects which Tokyo Tatemono is Undertaking in the Tokyo Station Area

The following graphic shows properties owned, or development projects being undertaken, by Tokyo Tatemono Co., Ltd., its affiliates or special purpose companies in which Tokyo Tatemono Co., Ltd. has interests in the Tokyo station area.
As of August 17, 2012, we have not yet entered into negotiations with Tokyo Tatemono Co., Ltd., or any other party to acquire any of these properties, with the exception of the Otemachi 1-6 Plan (land with land leasehold), which we acquired in March 2012.

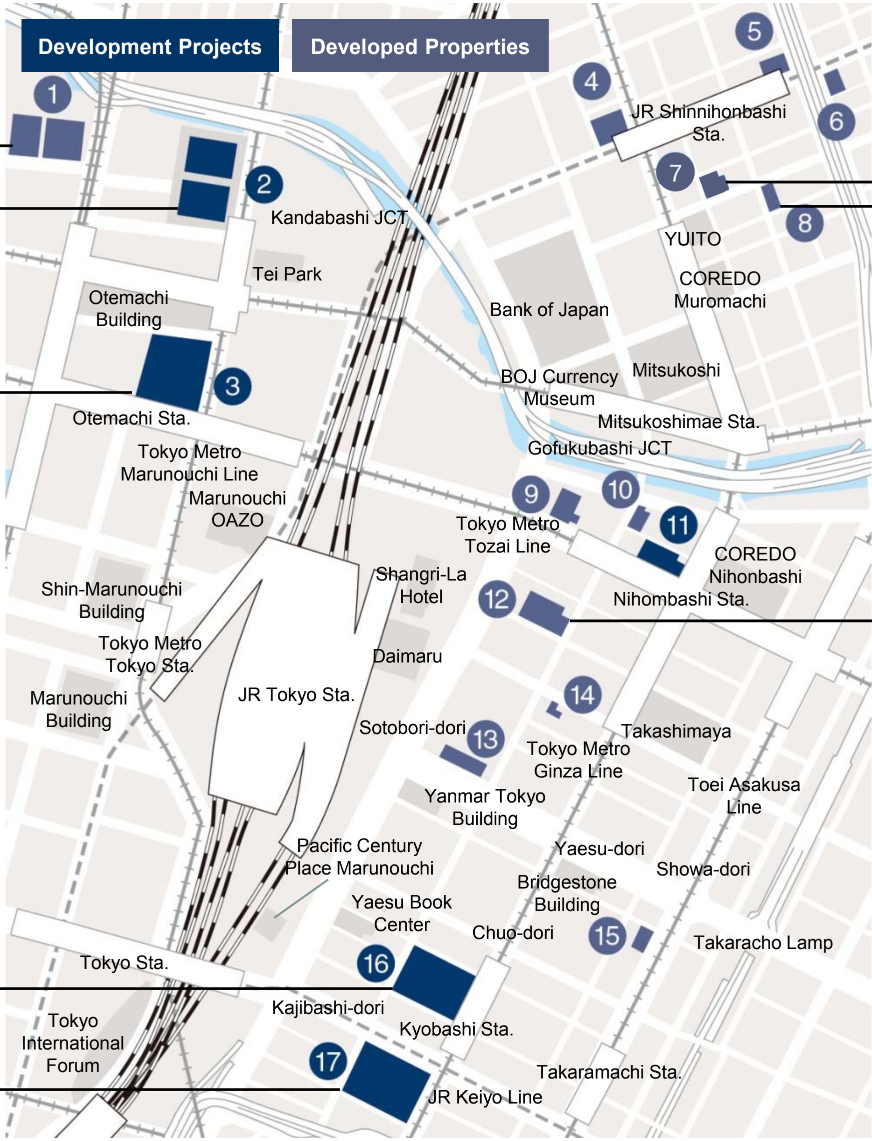
1. JA Building Keidanren Kaikan

2. Otemachi Financial City (North Tower)

3. Otemachi 1-6 Plan(a) (Note)

16. Kyobashi 2-chome Project (a)

17. Kyobashi 3-1 Project (a)



7. Nihonbashi IT Building

8. Tokyo Tatemono Nihonbashi Honcho Bldg.

12. Tokyo Tatemono Yaesu Bldg.

4. Tokyo Tatemono Muromachi Bldg.
5. Tokyo Tatemono Daisan Muromachi Bldg.
6. Tosho Bldg.
9. Shingofukubashi Bldg.
10. Nihonbashi First Bldg.
11. Nihonbashi 1-chome Project
13. Tokyo Tatemono Headquarters Bldg.
14. NTA Nihonbashi Bldg.
15. Kyobashi YS Bldg.

(a) The names of these properties have not been determined.

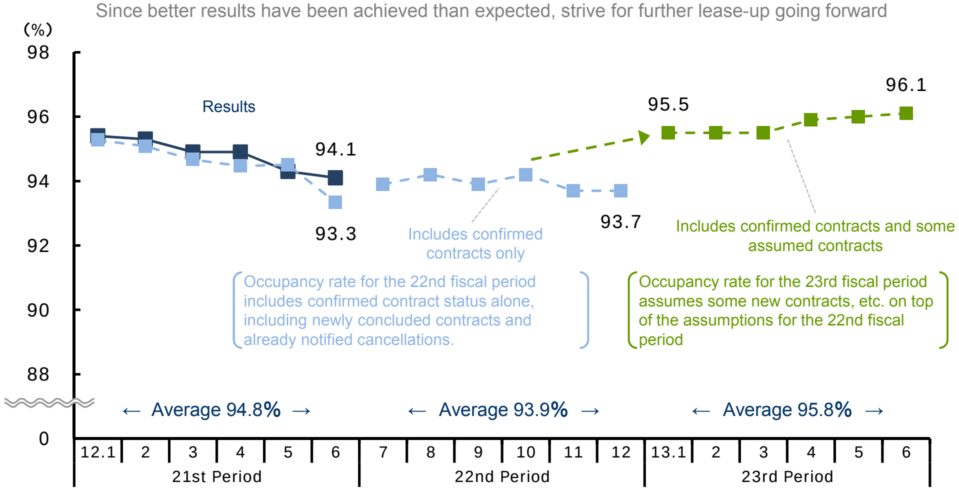
(Note) JPR has the ownership of land with land leasehold.

Internal Growth Strategy

Work to achieve recovery in occupancy rate by securing to absorb tenants' demand for relocation, which is becoming more active, and conduct various measures to improve NOI

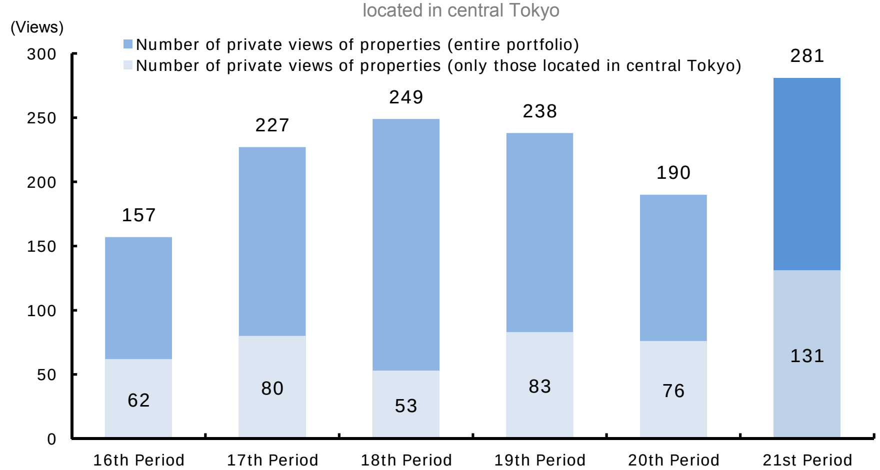
Perspective of Portfolio Occupancy Rates

Occupancy rates of office properties in the greater Tokyo area still at a low level and there is room for further increase
Since better results have been achieved than expected, strive for further lease-up going forward



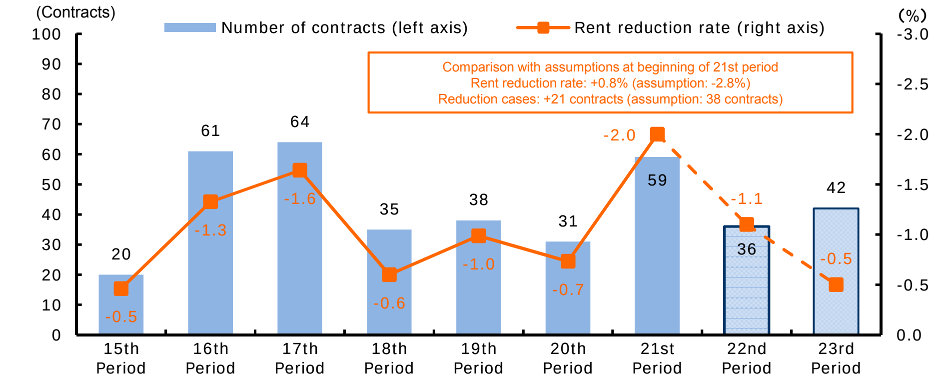
Number of private views of properties

Number of private views significantly increased in the 21st fiscal period, primarily for properties located in central Tokyo



Rent Reduction Rate Due to Downward Revision

Worked to address high-level rent reductions during the 21st fiscal period, almost completing rent reductions for tenants who still saw certain rent gaps with the market



(Note) Rent reduction rate expresses the amount of rent revised downward as a percentage of gross monthly rent (including common charges) at the end of the respective fiscal period.
Outlook for the 22nd fiscal period and 23rd fiscal period anticipates some assumed rent reductions in addition to the confirmed rent reductions.

Initiatives to improve NOI

- Leasing:
  Newly set up the Leasing Supervising Group at the Asset Manager (TRIM) to further reinforce leasing activities
- Focused investment in construction work to facilitate leasing and for upgrading:
  Conduct focused investment in works to renovate highly-demanded spaces and common areas, etc., and to upgrade facility specifications
- Reduction in energy costs:
  Place priority on older properties in replacing facilities with energy-saving models ahead of schedule, thereby taking advantage of the effect of energy cost reductions as early as possible
- Streamlining of operational and administrative systems:
  Pursue streamlining of administrative systems, management specifications and other factors, primarily for properties in which JPR has co-ownership or sectional ownership, in order to further enhance cost control that should lead to improved NOI

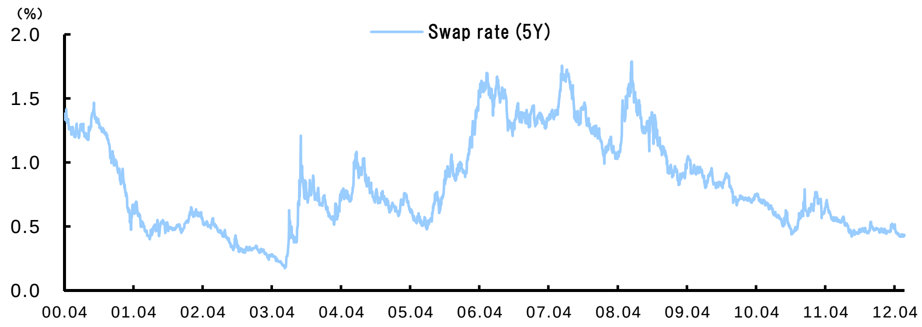
Financial Strategy

Strive for extended duration and lower average borrowing interest rate by reaping maximum benefits from the favorable debt financing environment

Basic Policy on Financial Strategy

- Lower interest rates through refinancing
- Promote long-term, fixed interest rates and diversify and level off repayment dates
- Maintain commitment line (28.0 billion yen)
- Enhance flexibility of debt financing through complete revision of financing agreements
- Increase lenders by utilizing syndicated loans

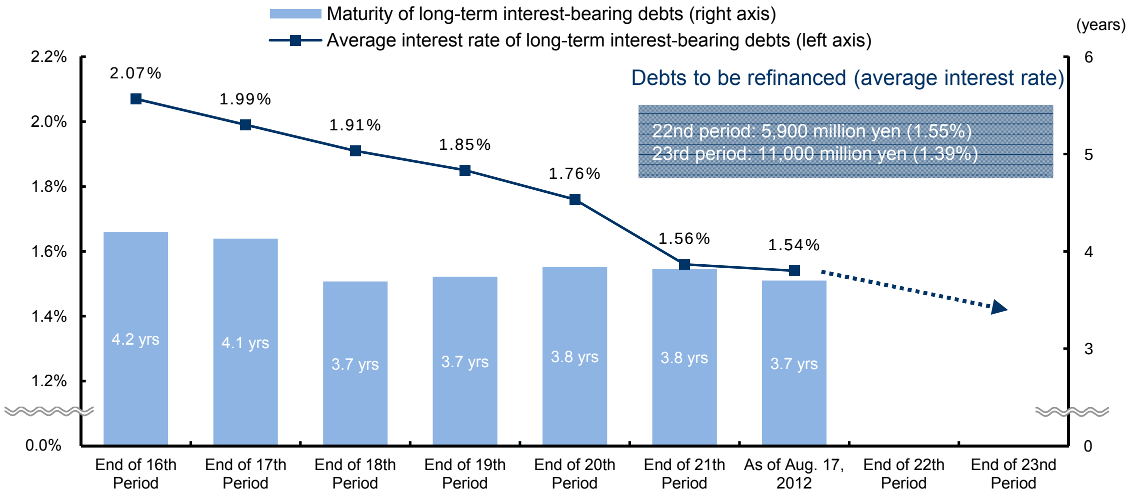
Changes in base borrowing rate



(Note) Data has been taken from the swap rate of the five-year Tokyo Swap Reference Rate (10 a.m.) indicated on the Telerate Systems screen 17143P.

Changes in Maturity and Average Interest Rate of Long-Term Interest-Bearing Debts

Average interest rate of long-term interest-bearing debts has been decreasing under the favorable debt financing environment, and is projected to continue decreasing slowly
On the other hand, JPR intends to increasingly extend maturity (duration) of long-term interest-bearing debts



(Note 1) Average interest rate of long-term interest-bearing debts is a weighted average of interest rates at the end of respective periods and dates, calculated in accordance with the balance of respective interest-bearing debts, for long-term interest-bearing debts maturing in more than one year from the end of respective periods and dates.
(Note 2) Maturity of long-term interest-bearing debts has been rounded to the first decimal place, and average interest rate of long-term interest-bearing debts has been rounded to the second decimal place.

(Reference) Overview of Refinancing in the 22nd Fiscal Period

Lender: Aozora Bank, Ltd.

	Borrowing terms
Amount	2.0 billion yen
Interest rate	1.178%
Duration	7 years
Drawdown date	2012.8.8
Repayment date	2019.8.8

Lender: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

	Borrowing terms	+	Borrowing terms
Amount	1.0 billion yen		1.0 billion yen
Interest rate	1.178%		0.948%
Duration	7 years		5 years
Drawdown date	2012.8.8		2012.8.8
Repayment date	2019.8.8		2017.8.8

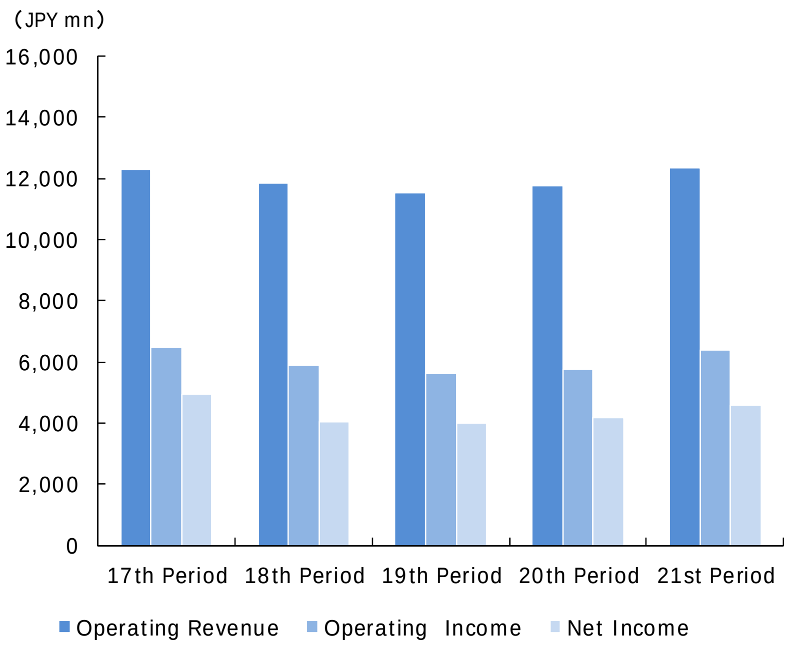
Appendix

Japan Prime Realty Investment Corporation

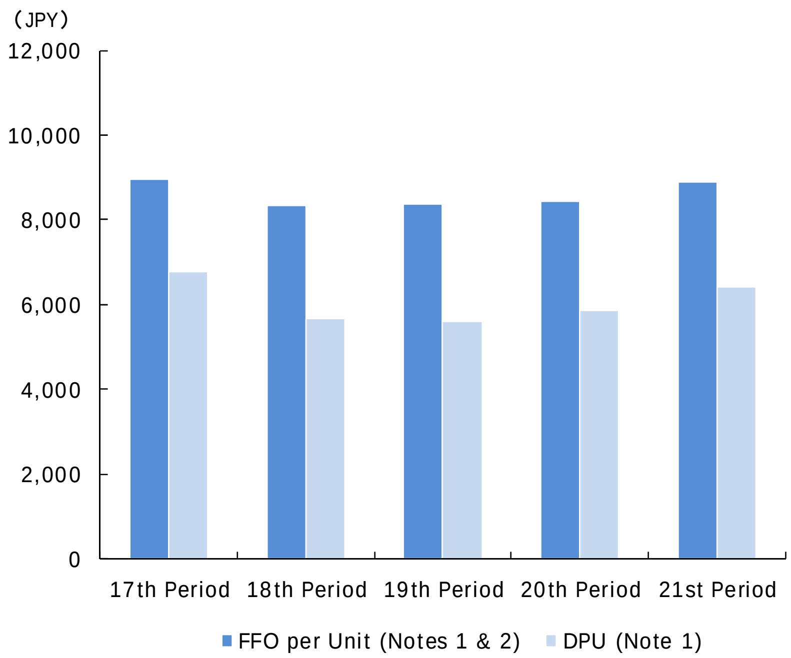
21st

Performance over the Past Five Fiscal Periods

Operating Revenue, Operating Income and Net Income



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



(JPY mn)

	17th Period	18th Period	19th Period	20th Period	21st Period
Operating Revenue	12,314	11,870	11,529	11,772	12,345
Operating Income	6,484	5,886	5,603	5,763	6,393
Net Income	4,963	4,039	4,010	4,200	4,596

(JPY)

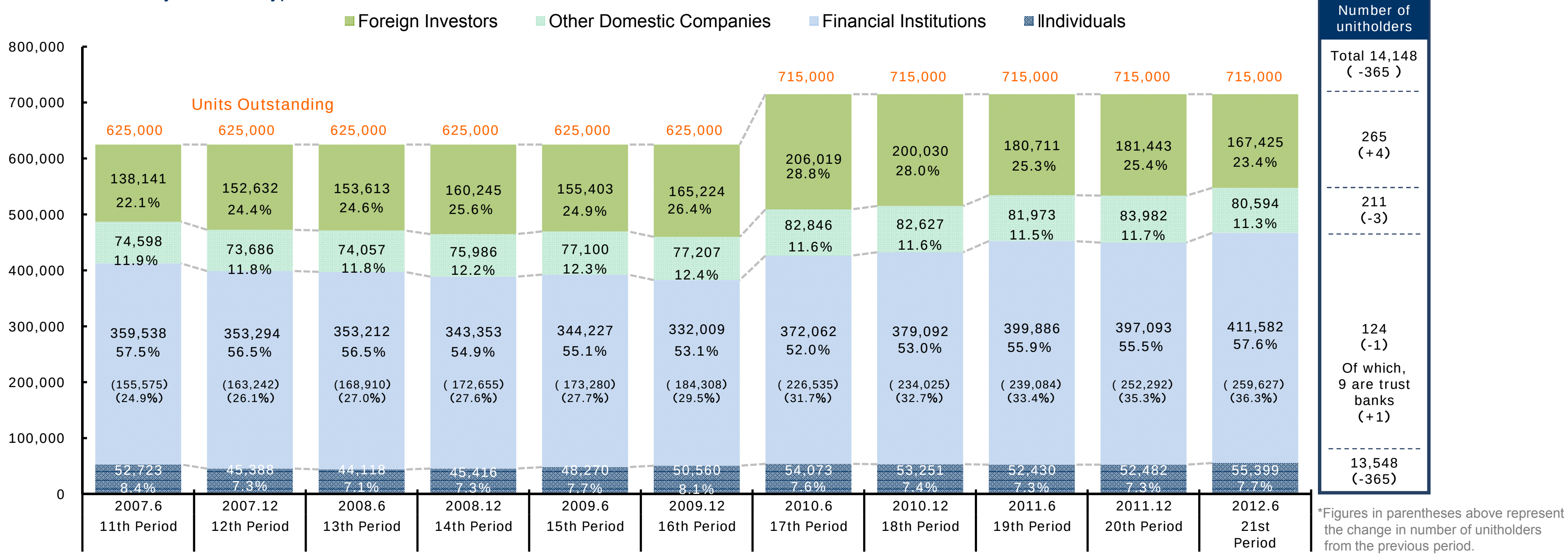
	17th Period	18th Period	19th Period	20th Period	21st Period
FFO per Unit (Notes 1 & 2)	8,952	8,353	8,372	8,426	8,882
DPU (Note 1)	6,770	5,680	5,611	5,876	6,430
Number of Units Outstanding	715,000	715,000	715,000	715,000	715,000

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

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

Historical Unitholder Composition

Number of Units by Investor Type



(Note 1) The composition ratios in the above graph have been rounded to the first decimal place.
(Note 2) Figures in parentheses in the graph represent the number of investment units owned by trust banks within the category of financial institutions (including securities companies).

Principle Unitholders

20th Fiscal Period (Ended December 2011)

Name	Number of Units Owned	% of Units Outstanding*
Japan Trustee Services Bank, Ltd. (Trust Account)	129,119	18.05%
The Nomura Trust and Banking Co., Ltd. (Investment Trsut Account)	53,652	7.50%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	42,043	5.88%
Tokyo Tatemono Co., Ltd.	29,300	4.09%
Northern Trust Company (AVFC), Account Singapore Clients (Standing Proxy: The Hongkong and Shanghai Banking Corporation Ltd., Tokyo Branch)	27,258	3.81%
Kawasaki Gakuen	25,000	3.49%
Meiji Yasuda Life Insurance Company	24,000	3.35%
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,000	3.21%
The Senshu Ikeda Bank, Ltd.	13,630	1.90%
Nomura Bank (Luxembourg) S. A. (Standing Proxy: Sumitomo Mitsui Banking Corporation)	13,096	1.83%
Total	380,098	53.16%

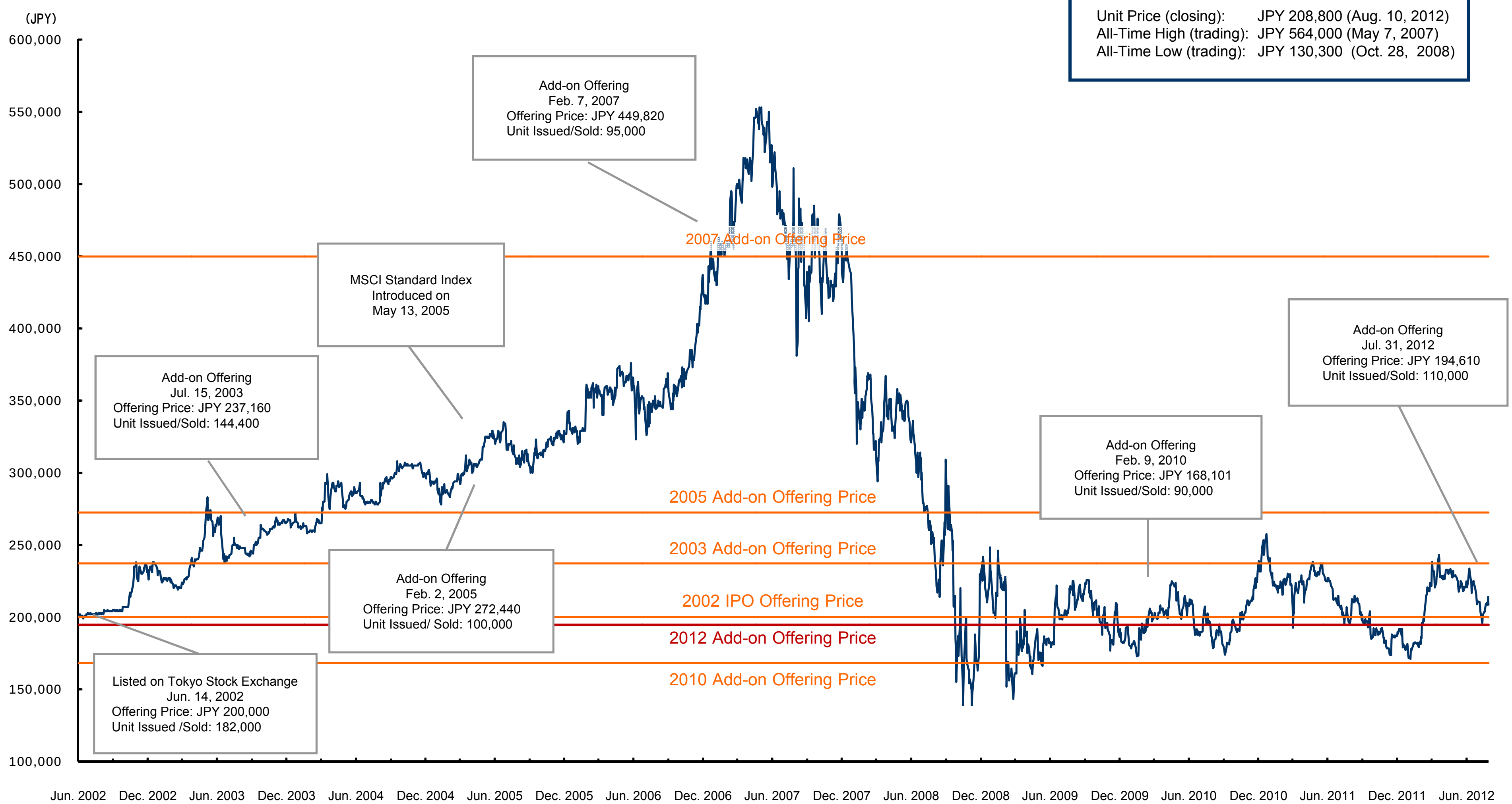
21st Fiscal Period (Ended June 2012)

Name	Number of Units Owned	% of Units Outstanding*
Japan Trustee Services Bank, Ltd. (Trust Account)	143,607	20.08%
The Nomura Trust and Banking Co., Ltd. (Investment Trsut Account)	44,278	6.19%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	39,390	5.50%
Tokyo Tatemono Co., Ltd.	29,300	4.09%
Northern Trust Company (AVFC), Account Singapore Clients (Standing Proxy: The Hongkong and Shanghai Banking Corporation Ltd., Tokyo Branch)	27,258	3.81%
The Master Trust Bank of Japan, Ltd. (Trust Account)	26,858	3.75%
Kawasaki Gakuen	25,000	3.49%
Meiji Yasuda Life Insurance Company	24,000	3.35%
Nomura Bank (Luxembourg) S. A. (Standing Proxy: Sumitomo Mitsui Banking Corporation)	17,832	2.49%
Deutsche Securities Inc.	9,256	1.29%
Total	386,779	54.09%

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

Milestones since IPO and Historical Unit Price

Unit Price (closing): JPY 208,800 (Aug. 10, 2012)
All-Time High (trading): JPY 564,000 (May 7, 2007)
All-Time Low (trading): JPY 130,300 (Oct. 28, 2008)



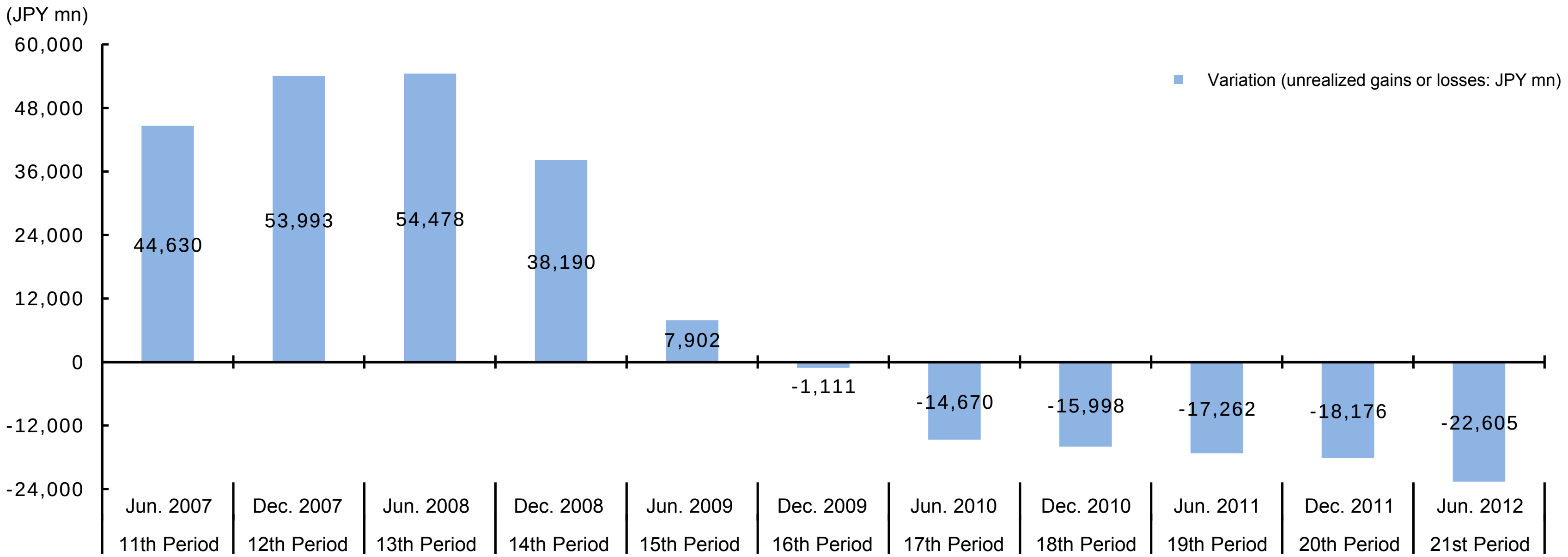
Fiscal Period	DPU
1st Period	2,545 yen
2nd Period	6,912 yen
3rd Period	6,873 yen
4th Period	5,738 yen
5th Period	6,081 yen
6th Period	6,671 yen
7th Period	6,370 yen
8th Period	6,411 yen
9th Period	6,509 yen
10th Period	6,873 yen
11th Period	6,996 yen
12th Period	6,671 yen
13th Period	7,122 yen
14th Period	7,092 yen
15th Period	3,731 yen
16th Period	6,933 yen
17th Period	6,770 yen
18th Period	5,680 yen
19th Period	5,611 yen
20th Period	5,876 yen
21st Period	6,430 yen

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

NAV (as of Jun.2012) 214,588 yen P/NAV:1.00 (Note 1)

	11th Period Jun. 2007	12th Period Dec. 2007	13th Period Jun. 2008	14th Period Dec. 2008	15th Period Jun. 2009	16th Period Dec. 2009	17th Period Jun. 2010	18th Period Dec. 2010	19th Period Jun. 2011	20th Period Dec. 2011	21st Period Jun. 2012
Number of properties	48	49	50	52	51	53	55	56	56	57	58
Appraisal value at end of period (JPY mn)	285,176	299,995	322,984	311,513	300,509	301,979	308,134	315,806	313,274	314,704	347,558
Book Value (JPY mn)	240,546	246,002	268,506	273,323	292,607	303,090	322,804	331,804	330,536	332,880	370,163
Variation (unrealized gains: JPY mn)	44,630	53,993	54,478	38,190	7,902	-1,111	-14,670	-15,998	-17,262	-18,176	-22,605
Ratio of unrealized gains or losses (Note 2)	18.60%	21.90%	20.30%	14.00%	2.70%	-0.37%	-4.54%	-4.82%	-5.22%	-5.46%	-6.11%

(Note 1) NAV: Net assets per unit after including unrealized gains = (Net assets at end of period + Unrealized gains or losses) / Number of outstanding units issued at end of period
P/NAV: Unit Price (Aug. 10, 2012) / NAV
(Note 2) Ratio of unrealized gains or loss = Variation / book value x 100



Appraisals and Cap Rates at End of Period

Area	No.	Property Name	End of 20th Period (a) Appraisal Value (Note 1)	End of 20th Period (a) Cap Rate (Note 2)	End of 21st Period (b) Appraisal Value (Note 1)	End of 21st Period (b) Cap Rate (Note 2)	Change (b-a, JPY mn, %)		Appraiser
Tokyo CBDs	1	Kanematsu Building	10,200	4.7%	10,600	4.6%	400	3.9%	3
	2	Kanematsu Building Annex	2,060	5.1%	2,040	5.1%	-20	-1.0%	3
	3	JPR Ningyo-cho Building	2,260	5.1%	2,100	5.1%	-160	-7.1%	1
	4	Shin-Kojimachi Building	3,030	4.8%	3,050	4.8%	20	0.7%	1
	5	JPR Crest Takebashi Building	3,470	4.7%	3,410	4.7%	-60	-1.7%	5
	6	MS Shibaura Building	13,400	4.9%	12,300	4.9%	-1,100	-8.2%	1
	7	Gotanda First Building	2,850	5.0%	2,770	5.0%	-80	-2.8%	1
	8	Fukuoka Building	3,180	4.5%	3,170	4.5%	-10	-0.3%	5
	9	JPR Ichigaya Building	4,760	4.6%	4,770	4.6%	10	0.2%	5
	10	Oval Court Ohsaki Mark West	4,280	4.8%	4,200	4.8%	-80	-1.9%	5
	11	Shinjuku Square Tower	7,796	4.6%	7,685	4.6%	-111	-1.4%	6
	12	BYGS Shinjuku Building	13,700	4.6%	13,400	4.6%	-300	-2.2%	5
	13	Across Shinagawa Building Annex	819	5.5%	813	5.5%	-6	-0.7%	5
	14	Shinjuku Center Building	13,300	4.3%	12,500	4.3%	-800	-6.0%	1
	15	Minami Azabu Building	2,730	5.2%	2,830	5.4%	100	3.7%	1
	16	Shinagawa Canal Building	1,790	4.9%	1,780	4.9%	-10	-0.6%	1
	17	Rokubancho Building	3,090	6.1%	3,110	7.2%	20	0.6%	1
	18	Ryoshin Harajuku Building	7,250	4.5%	6,830	4.5%	-420	-5.8%	8
	19	Tokyo Tatemono Kyobashi Building	5,210	4.9%	5,210	4.9%	–	–	1
	20	JPR Nihonbashi-horidome Building	5,740	4.9%	5,630	4.9%	-110	-1.9%	8
	21	JPR Sendagaya Building	10,200	4.4%	10,300	4.4%	100	1.0%	8
	22	Ginza Sanwa Building	3,430	3.8%	3,230	3.8%	-200	-5.8%	8
	23	Otemachi 1-6 Plan (tentative name) (land with land leasehold)	–	–	36,800	3.6%	–	–	5
	24	JPR Shibuya Tower Records Building	12,600	4.5%	12,100	4.4%	-500	-4.0%	1
	25	JPR Daikanyama	1,280	5.1%	1,270	5.1%	-10	-0.8%	3
	26	JPR Jingumae 432	3,750	3.5%	3,700	3.5%	-50	-1.3%	7
	27	Shinjuku Sanchome East Building	2,330	4.5%	2,390	4.4%	60	2.6%	1
	28	Yurakucho Ekimae Building (Yurakucho Itocia)	2,620	4.3%	2,620	4.2%	–	–	1
Greater Tokyo	29	Arca East	5,890	4.7%	5,750	4.7%	-140	-2.4%	1
	30	JPR Chiba Building	1,550	6.1%	1,550	6.1%	–	–	5
	31	JPR Yokohama Nihon Odori Building	2,460	5.7%	2,400	5.7%	-60	-2.4%	5
	32	Shinyokohama 2nd Center Building	815	6.1%	840	6.0%	25	3.1%	3
	33	Kawaguchi Center Building	8,020	6.0%	7,700	6.0%	-320	-4.0%	3
	34	JPR Ueno East Building	4,620	5.1%	4,570	5.1%	-50	-1.1%	1
	35	Tachikawa Business Center Building	2,880	5.6%	2,890	5.6%	10	0.3%	1
	36	Rise Arena Building	5,890	5.6%	6,030	5.4%	140	2.4%	4
	37	Yume-ooka Office Tower	5,560	5.6%	5,260	5.6%	-300	-5.4%	1

Area	No.	Property Name	End of 20th Period (a) Appraisal Value (Note 1)	End of 20th Period (a) Cap Rate (Note 2)	End of 21st Period (b) Appraisal Value (Note 1)	End of 21st Period (b) Cap Rate (Note 2)	Change (b-a, JPY mn, %)		Appraiser
Greater Tokyo	38	Olinas Tower	32,300	4.7%	32,300	4.7%	–	–	1
	39	Tokyo Tatemono Yokohama Building	6,990	5.6%	6,910	5.7%	-80	-1.1%	1
	40	Tanashi ASTA	12,300	5.8%	12,500	5.7%	200	1.6%	5
	41	Cupo-la Main Building	2,480	5.9%	2,500	5.9%	20	0.8%	1
	42	JPR Musashikosugi Building	5,280	5.2%	5,270	5.2%	-10	-0.2%	8
	43	Musashiurawa Shopping Square	3,920	5.4%	3,960	5.4%	40	1.0%	8
	44	Kawasaki Dice Bldg.	14,664	4.7%	14,560	4.7%	-104	-0.7%	7
Other cities	45	Niigata Ekinan Center Building	2,090	6.7%	2,090	6.7%	–	–	2
	46	Tokyo Tatemono Honmachi Building	3,210	5.7%	3,210	5.7%	–	–	1
	47	JPR Hakata Building	2,890	6.0%	2,770	6.0%	-120	-4.2%	2
	48	JPR Naha Building	1,460	6.8%	1,460	6.7%	–	–	2
	49	Sompo Japan Sendai Building	3,320	6.3%	3,300	6.3%	-20	-0.6%	1
	50	Sompo Japan Wakayama Building	1,670	7.5%	1,660	7.5%	-10	-0.6%	1
	51	Tenjin 121 Building	2,070	5.8%	2,080	5.7%	10	0.5%	1
	52	JPR Dojima Building	2,180	5.3%	2,050	5.4%	-130	-6.0%	1
	53	JPR Hakata-chuo Building	1,640	5.7%	1,650	5.7%	10	0.6%	1
	54	JPR Nagoya Fushimi Building	2,660	6.3%	2,770	6.2%	110	4.1%	4
	55	JPR Umeda Loft Building	13,500	4.8%	13,600	4.8%	100	0.7%	6
	56	Benetton Shinsaibashi Building	4,270	4.8%	4,340	4.8%	70	1.6%	4
	57	Housing Design Center Kobe	6,460	6.2%	6,430	6.2%	-30	-0.5%	4
	58	JPR Chayamachi Building	4,540	5.0%	4,550	5.0%	10	0.2%	4
		Total	314,704	–	347,558	–	-3,946		

Properties whose appraisal values decreased by 5% or more compared with those at the end of the 20th period

Properties whose appraisal values increased compared with those at the end of the 20th period

Appraiser	No.
Japan Real Estate Institute	1
The Tanizawa Sogo Appraisal Co., Ltd.	2
Nippon Tochi-Tatemono Co., Ltd.	3
CBRE K.K.	4
Daiwa Real Estate Appraisal Co., Ltd.	5
LCR Co., Ltd.	6
Appraisal Firm A Square Ltd.	7
Japan Valuers Co., Ltd.	8

(Note 1) At end of period (JPY mn)

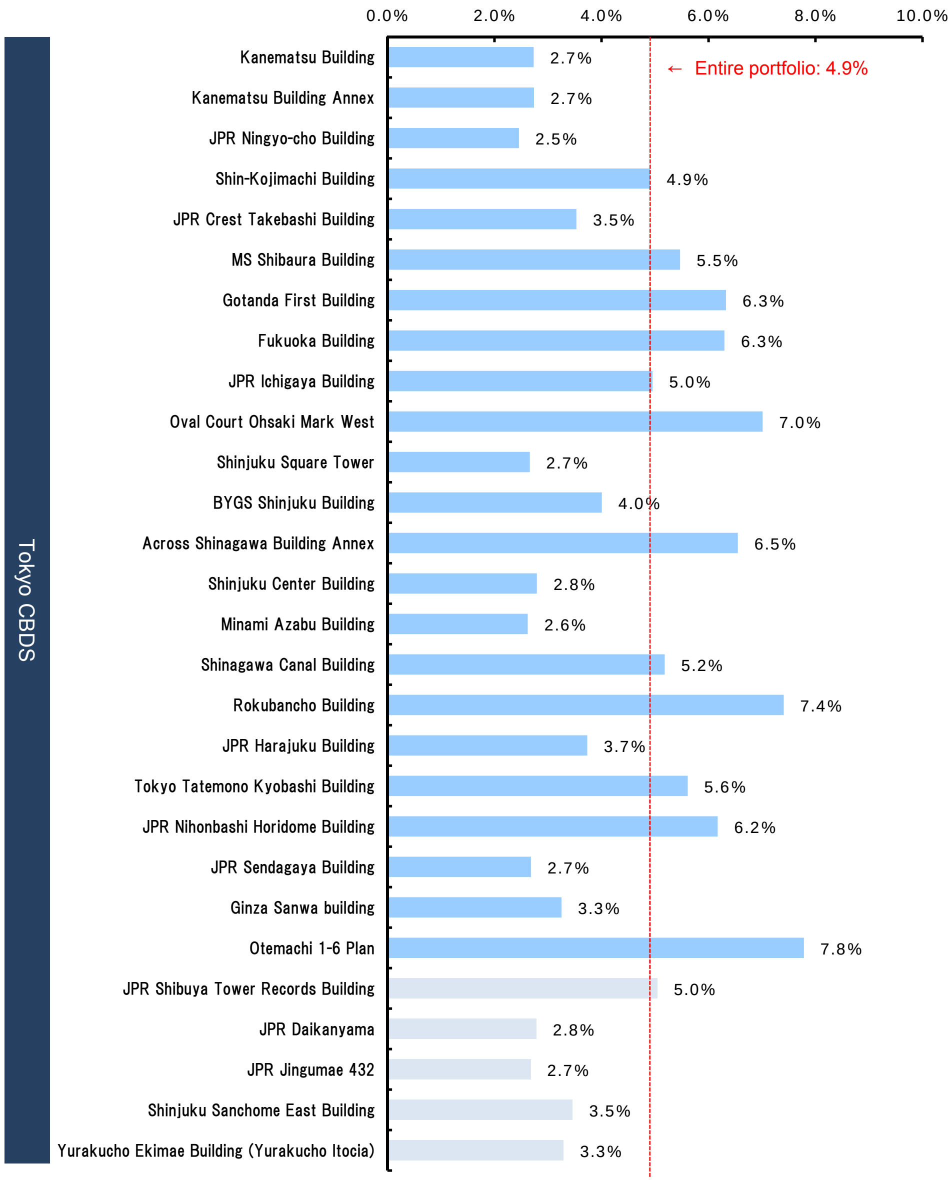
(Note 2) Direct Capitalization Method

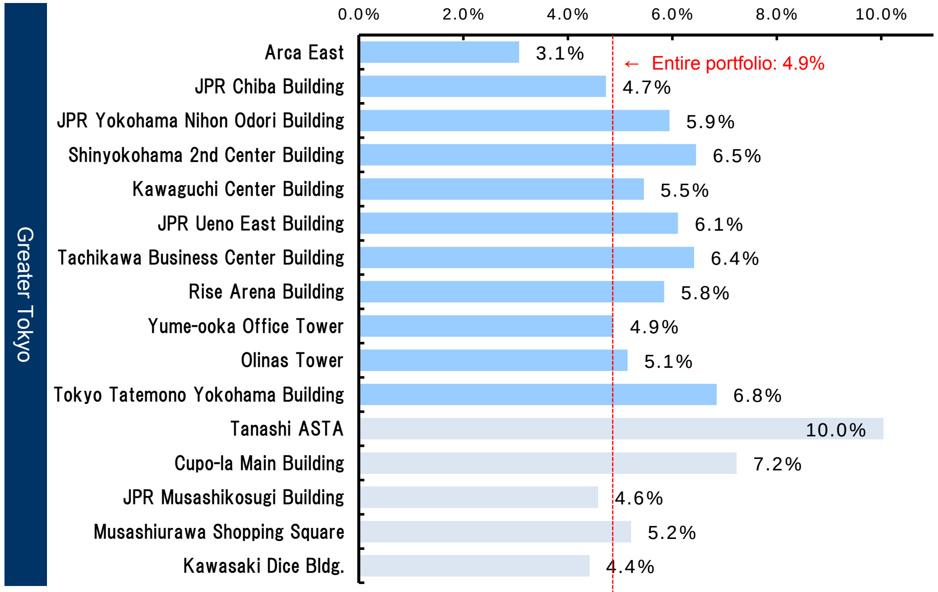
(Note 3) The Direct Capitalization Method is a method for determining income using the capitalization method (a method that determines the price of targeted real estate by determining the sum of the current price of the net income that the targeted real estate is expected to produce in the future), which discounts the net income for a set period using the cap rate.

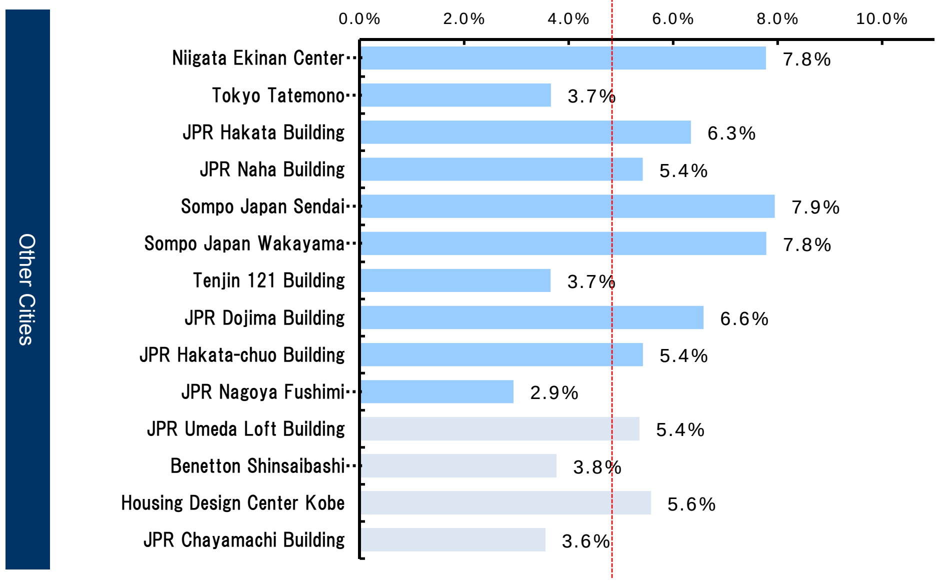
(Note 4) “Otemachi 1-6 Plan (tentative name) (land with land leasehold)” acquired in the 20th period is excluded from the Change column.

NOI Yield by Property for the 21st Fiscal Period

Portfolio NOI: 4.9%　Office building NOI: 4.8%　Retail property NOI: 5.1%





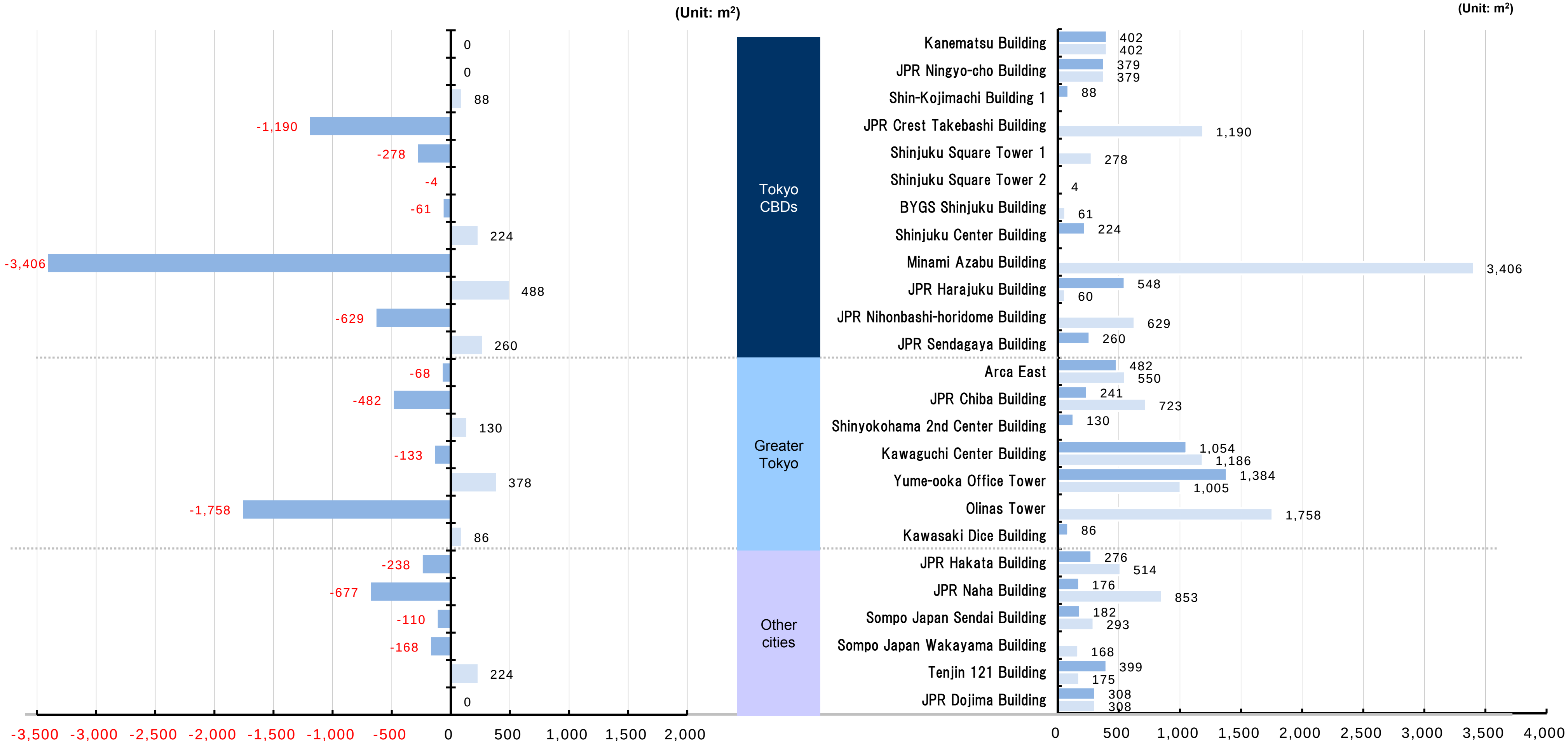


(Note) NOI yield = (Operating revenues - Operating expenses + Depreciation) x 365 / 182 ÷Acquisition price. However, for properties acquired during the fiscal period, the annualized NOI yield has been calculated on a daily pro rata basis.
The entered properties are those owned as of the end of the 21st fiscal period.

Contracting Status of Tenants by Property for the 21st Fiscal Period

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

Occupied / Vacated Floor Space by Property



*The above graphs exclude properties at which there were no changes in tenants during the 21st fiscal period, but include changes in tenants from the amendment of lease contracts.

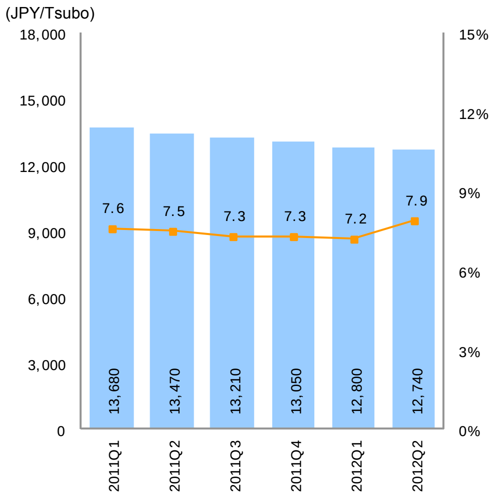
(Unit: m²)

	Occupied	Vacated	Net
Office (Tokyo CBDs)	1,901	6,408	-4,508
Office (Greater Tokyo)	3,290	5,222	-1,932
Office (Other cities)	1,340	2,309	-969
Retail	86	0	86
Total	6,617	13,940	-7,323

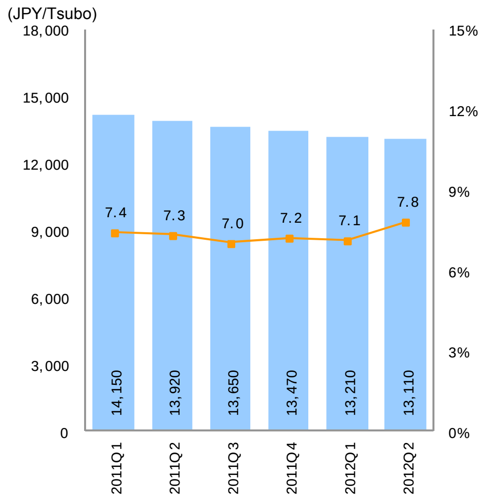
Office Vacancy Rates and Average Advertised Rents in Major Investment Areas

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

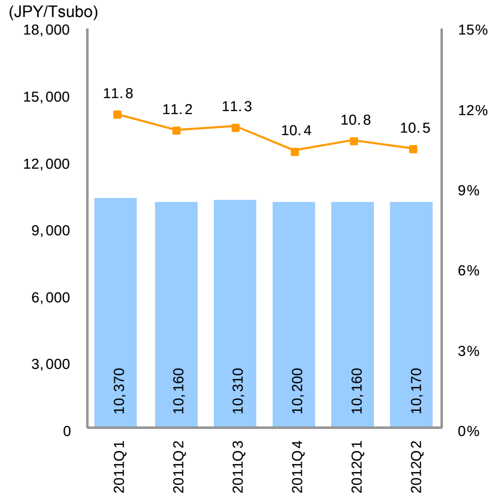
23 Wards of Tokyo



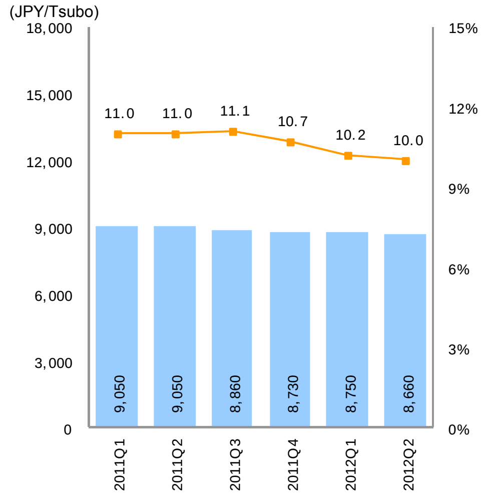
5 Wards of Tokyo



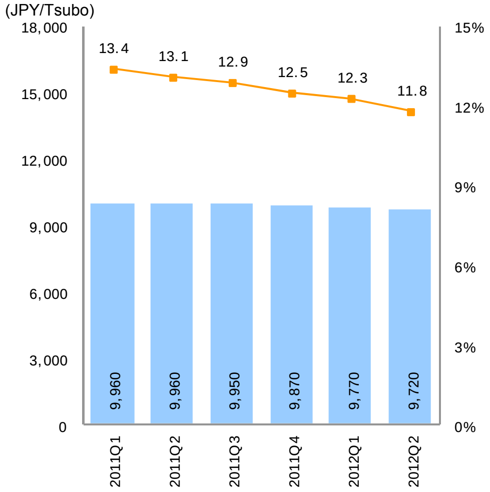
Yokohama City



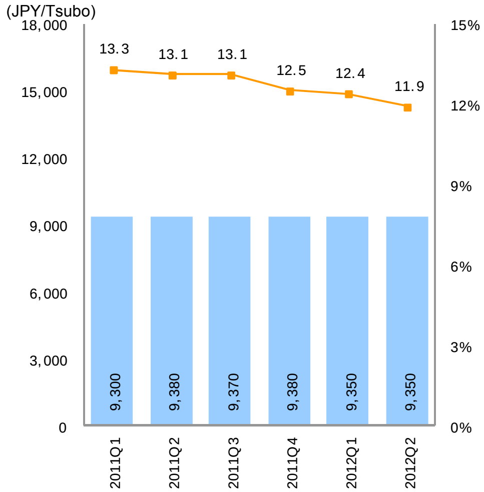
Osaka City



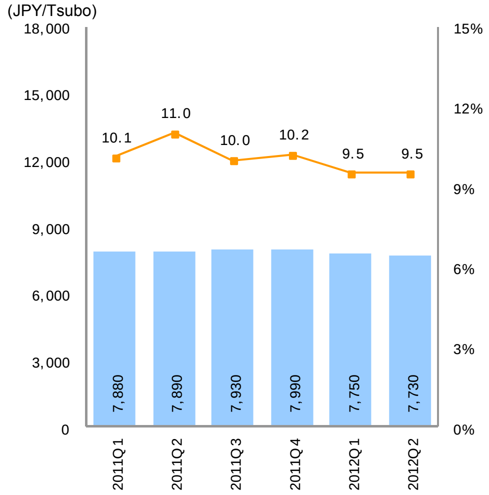
Nagoya City



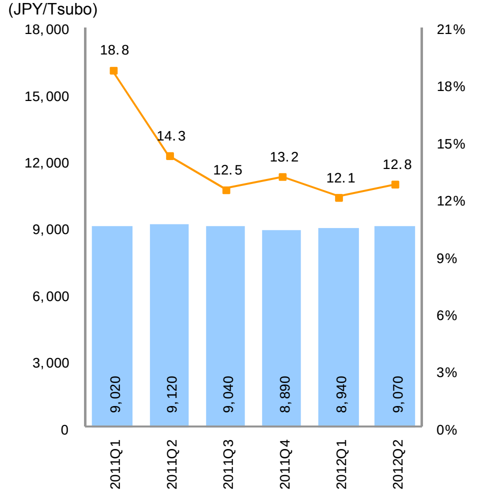
Fukuoka City



Sapporo City



Sendai City



Source: Japan Office Market Review (CBRE)

Environmental Initiatives

Environmental initiatives are being proactively taken, such as acquiring DBJ Green Building Certification

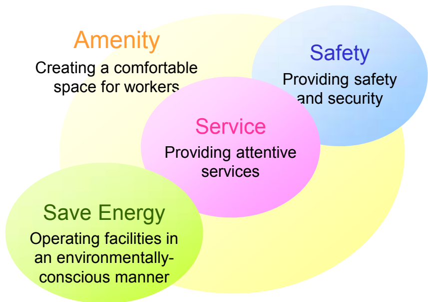
JPR has been continuously addressing environmental issues as part of the JPR Brand Strategy. With initiatives for "Eco-Friendly Buildings" as the basic concept, JPR thoroughly implements energy management based on assessment and analysis of efficient energy use for each property, among other measures, and strives to effectively cut energy costs through systematic introduction of energy-saving devices and by switching over to contracts with electricity suppliers. Also, JPR is proactively developing greenery that is in harmony with the urban environment as well as advancing ecology through the promotion of waste recycling and such.

Olinas Tower
4-1-3 Taihei-cho, Sumida-ku,Tokyo

JPR Sendagaya Building
4-23-5 Sendagaya, Shibuya-ku, Tokyo

JPR Brand Strategy

The "JPR Brand Strategy" is positioned as one of our internal strategies for improving tenant satisfaction, and increase the earnings ratios and asset values of our properties. This brand strategy is based on the brand concept of "A/3S," which offers the ultimate in "Amenities" and optimal space by focusing on "Service," "Safety" and "Save Energy (environment)." Our office building brand strategy is built around the active promotion of these objectives.



Acquisition of DBJ Green Building Certification ~Acquisition of the First "Gold" among J-REITs~

- Development Bank of Japan Inc.'s DBJ Green Building Certification is a system designed to select superior real estate that meets the demand of the times, with a purpose of promoting properties that are environmentally friendly, equipped to mitigate disaster and prevent crime, as well as meet the various social requirements surrounding real estate from stakeholders ("Green Buildings"). Four levels of certification, namely Platinum, Gold, Silver or Bronze are awarded depending on a building's green level.
- In August 2011 JPR acquired Gold certification, the first achievement among J-REITs, for Olinas Tower, and Silver certification for JPR Sendagaya Building

Acquisition of GRESB Ranking by Asset Manager Tokyo Realty Investment Management, Inc.

- GRESB, which stands for Global Real Estate Sustainability Benchmark, is a benchmark system for analyzing and evaluating sustainability of real estate companies, REITs and real estate private placement funds, in terms of environmental friendliness and social nature. It is based on surveys conducted by a group of the same name composed of more than 20 organizations worldwide such as European pension asset managers.
- In the 2011 survey (Note) JPR ranked third among listed companies in Asia. JPR believes that it was evaluated at such a high level in this survey as a result of the consistency of the JPR system among all parties involved in the operation of buildings, from property management companies starting with asset managers, to building maintenance companies, under a clear environmental policy, combined with JPR's steady efforts to reduce energy consumption while gaining the cooperation of tenants.

(Note) The number of responding companies in the 2011 survey was 340 worldwide (69 listed companies and 271 private placement funds). Of these, 49 were from Asia (12 listed companies and 37 private placement funds) and 20 from Japan (5 listed companies (including J-REITs) and 15 private placement funds).

Leveraging the Know-How of the Sponsors of the Asset Manager (TRIM)

- TRIM's features are that it entrusts operations related to environmental laws and regulations to its sponsor, Tokyo Tatemono Co, Ltd., and that it promptly established a system to be provided with know-how and given advice. Based on the technological know-how of Taisei Corporation, another sponsor, JPR places dedicated staff in the portfolio's construction planning section and implements environmental measures.

Governance Initiatives

JPR has consistently set reinforcement of “governance” as one of the most important themes in the sound and efficient operation of a corporation and has consequently been establishing such a structure from the listing criteria stage

Independent Officer Composition

- At JPR, neither the executive officer nor the supervising officers serve concurrently as officers of the Asset Manager (TRIM). The independence of the JPR officers is firmly secured by appointing human resources with high expertise, such as attorneys and accountants, from the outside.
- This arrangement should reinforce the officers’ function to check and control the Asset Manager, ensuring sound and efficient operations of JPR.

JPR Officers

Executive Officer	Hirohito Kaneko	(attorney)
Supervising Officer	Sosuke Yasuda	(certified public accountant)
Supervising Officer	Masato Denawa	(attorney)

Mutual Checks and Controls between the Investment Corporation and Asset Manager

- For important transactions and other arrangements with sponsor companies, the Compliance Committee screens and verifies the validity and rationality of the deals, in addition to decisions made by the Board of Directors, the Investment Policy Committee and other institutions on ordinary transaction matters.
- The Compliance Committee, in which an outside attorney participates as a special member, employs unanimous vote, not majority vote, for approvals as a rule.
- Executing transaction matters approved by the Compliance Committee requires approval in advance by JPR’s Board of Directors, which comprises directors independent of TRIM.
- For important transaction matters that might cause problematic conflicts of interest with the sponsors, monitoring through internal and external checks and controls is conducted, involving screening/verification and approval in advance, in order to secure sound and efficient operations. This constitutes a characteristic feature of JPR.

TRIM Compliance Committee Members

President and CEO	
Corporate Planning / Administration Division General Manager	Investment Management Division General Manager
Financial Division General Manager	Compliance Office General Manager
Special member (outside attorney)	

The Compliance Committee is held by inviting an outside attorney as special member. As a rule, the Committee employs unanimous voting system rather than majority voting system.

Support and Monitoring of Management by the Asset Manager’s 5 Sponsors

- TRIM is provided support in terms of properties, human resources and information by respective sponsor companies based on their strengths, while its shareholding composition is diversified among the sponsors so as to secure its independence as an asset manager.
- TRIM President and CEO has assumed office after having his employment transferred to TRIM, instead of being seconded from the sponsor company he belonged to.
- The position of Compliance Office general manager in charge of internal control is assumed by a career employee.
- With a high proportion of career employees, the personnel structure of TRIM also serves to help secure independence as an asset manager.

*Figures represent the ratio of shares owned by the respective sponsor companies against the number of shares outstanding of the Asset Manager.

The asset management of Japan Prime Realty Investment Corporation (JPR) is conducted by entrusting such services to an asset manager (Tokyo Realty Investment Management, Inc. (TRIM)). TRIM maintains close relationships with its sponsors, which are 5 companies of the Fuyo Group.

Such relationships allow to build on the strengths of respective sponsor companies. On the other hand, if the sponsor companies become too influential, priority might end up being placed on the interest of the sponsor companies rather than the interest of the investment corporation, causing disadvantages to the investment corporation and unitholders. For sound and efficient operations of the investment corporation, it is particularly important to prevent disadvantages to unitholders

To that end, JPR thinks it is vital and has worked to build a compliance structure so that sound and efficient operations can be promised to unitholders.

JPR

Disclaimer Regarding Forward-Looking Statements

This material contains information that constitutes forward-looking statements. Such forward-looking statements are made by Japan Prime Realty Investment Corporation and Tokyo Realty Investment Management, Inc. based on information currently available, and are therefore not guarantees of future performance. Actual results may differ materially from those in the forward-looking statements as a result of various factors including known or unknown risks and uncertainties.

This material is solely for the purpose of providing information and it is not intended for the purpose of offering or soliciting investment, or as a recommendation to purchase or sell any specific product. Please refer any inquiries for possible purchases of units or other products of Japan Prime Realty Investment Corporation to a securities dealer.

Although Japan Prime Realty Investment Corporation takes all possible measures to ensure the accuracy of the content provided in this material (including references to legislation and taxation), it makes no guarantee as to the accuracy of the content. Furthermore, the content may be subject to change without prior notification.

Please further note that this English material is a provisional translation of the original Japanese material.