Japan Prime Realty Investment Corporation

Presentation Material for the 18th Fiscal Period Ended December 2010

18th

Japan Prime Realty Investment Corporation
(Securities Code: 8955 TSE)
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Highlights of Financial Results for the 18th Fiscal Period

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Highlights of Financial Results for the 18th Fiscal Period

- Achieved operating income of 5,886 million yen (up 1.7% over the beginning-of-period forecast) and period-end occupancy rate of 93.5% (up 0.9 percent points over the beginning-of-period forecast)
- Acquisitions of excellent properties and partial repayment of borrowings before maturity helped to establish an earnings foundation that should enable a turn to recovery

Highlights of Financial Results for the 18th Fiscal Period

(JPY mn unless otherwise stated)	18th Period (a) Jul. 1, 1010 - Dec. 31, 2010	17th Period (b) Jan. 1, 2010 - Jun. 30, 2010	Change from 17th period (a) － (b)	
Operating Revenue	11,870	12,314	－444	-3.6%
Operating Income	5,886	6,484	－597	-9.2%
Net Income	4,039	4,963	－924	-18.6%
Total Assets	360,904	358,339	2,564	0.7%
NAV	175,502	176,303	－801	-0.5%
NAV per Unit (JPY)	245,458	246,578	-1,120	-0.5%
NAV Ratio	48.6%	49.2%	-0.6% points	
DPU (JPY)	5,680	6,770	-1,090	-16.1%
Number of Units Outstanding (Units)	715,000	715,000	－	－

Comparison with Forecast

(JPY mn unless otherwise stated)	Forecasts for the 18th Fiscal Period (C) (4)	Change from 18th Fsical Period (a) － (c)		(Reference) Rivised Forecasts as of Dec. 24, 2010
Operating Revenue	11,758	111	0.9%	11,842
Operating Income	5,788	98	1.7%	5,860
Net Income	4,111	－72	-1.8%	4,011
DPU (JPY)	5,750	-70	-1.2%	5,680
Number of Units Outstanding (Units)	715,000	－	－	715,000

Highlights of Properties

(JPY mn unless otherwise stated)	18th Period Jul. 1, 1010 - Dec. 31, 2010	17th Period Jan. 1, 2010 - Jun. 30, 2010
Properties Owned at End of Fiscal Period	56	55
Total Acquisition Price (at period end)	341,584	331,284
(number/price of properties acquired for current period) (1)	2/10,300	3/25,400
(number/price of properties sold for current period) (1)	－	2/4,735
Average Monthly Occupancy Rate during Period	93.6%	96.1%

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

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

Distribution

Secured cash distribution for the 18th period at almost the same level as beginning-of-period forecast, though lower than the 17th period's result

- Period-on-period decreases in revenues and profits were due to decreased rent revenue from existing properties, the lack of gain on sales of real estate properties recorded in 17th period and an increase in non-operating expenses in 18th period
- Operating revenues and operating income surpassed beginning-of-period forecasts
- DPU for 18th period: 5,680 yen (down 1,090 yen from 17th period and down 70 yen from beginning-of-period forecast)

External growth

Acquired excellent properties by utilizing sponsors' pipelines and other measures

- Properties acquired in 18th period: 2 properties totaling 10.3 billion yen
- BYGS Shinjuku Building (3.3 billion yen) and Tokyo Tatemono Yokohama Building (7.0 billion yen)
- Utilized the sponsors' pipelines and additional acquisition of ownership through executing preemptive rights
- JPR made relatively early decision to shift to a policy of property acquisitions; as a result, it acquired 5 properties totaling 35.7 billion yen in the past year

Internal growth

Reinforced leasing system enabled occupancy rate to surpass beginning-of-period forecast

- Occupancy rate at end of 18th period: 93.5%
- Occupancy rate decreased compared with end of 17thh period due to contract termination by large tenants, but surpassed beginning-of-period forecast by 0.8 percent points
- Reinforced leasing system at the asset manager and enhanced cooperation with property management companies
- Newly leased spaces increased significantly in 18th period (newly leased spaces up 450% over 17th period)
- Major properties achieving new leases include Kanematsu Building (2,737㎡) and JPR Sendagaya Building (1,271㎡)

Financial Strategy

Reduced fund procurement costs based on stable financial foundations

- Ratio of interest-bearing liabilities to total assets at end of 18th period: 45.4%Ratio of long-term, fixed-rate borrowings at end of 18th period: 73.8%
- Issuer ratings: R&I AA-, Moody's A2, S&P A
- Reduced debt costs by partially repaying borrowings, which pose relatively high interest rates, before maturity

Japan Prime Realty Investment Corporation

Financial Summary for the 18th Fiscal Period (Ended December 2010) and Future Prospects

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Statement of Income and Retained Earnings for the 18th Fiscal Period

Revenues and income decreased from the 17th fiscal period (ended June 2011) because of lack of gains on sale of real estate that we had in previous period, although newly acquired properties contributed to earnings

(JPY mn)

Item	18th Fiscal Period Jul 1, 2010 - Dec. 31, 2010		17th Fiscal Period Jan 1, 2010 - Jun. 30, 2010		Change	
	Amount	%	Amount	%	Amount	%
Rent revenue - real estate	10,731	90.4%	11,014	89.4%	-282	-2.6%
Other rent revenue	1,138	9.6%	840	6.8%	297	35.4%
Rent revenue - real estate (1)	11,870	100.0%	11,855	96.3%	14	0.1%
Gain on sales of real estate properties	–	–	459	3.7%	-459	100.0%
Operating revenue	11,870	100.0%	12,314	100.0%	-444	-3.6%
Property and other taxes	975	8.2%	995	8.1%	-20	-2.0%
Other expenses related to rent business	2,456	20.7%	2,252	18.3%	204	9.1%
Outsourcing expenses	512	4.3%	497	4.0%	14	3.0%
Utilities expenses	754	6.4%	630	5.1%	123	19.6%
Casualty insurance	30	0.3%	30	0.2%	0	1.8%
Repairs and maintenance	247	2.1%	214	1.7%	33	15.7%
Property management fees	213	1.8%	219	1.8%	-6	-2.8%
Management association accounts	553	4.7%	569	4.6%	-15	-2.7%
Others	145	1.2%	91	0.7%	53	58.6%
Depreciation	1,929	16.3%	1,896	15.4%	32	1.7%
Expenses related to rent business (2)	5,361	45.2%	5,144	41.8%	216	4.2%
Asset management fees	421	3.6%	447	3.6%	-25	-5.7%
Adm. service/custody fees	71	0.6%	68	0.6%	2	4.2%
Directors' compensation	6	0.1%	6	0.1%	0	0.0%
Trust fees	49	0.4%	48	0.4%	1	2.2%
Other operating expenses	73	0.6%	115	0.9%	-42	-36.5%
Operating expenses	5,983	50.4%	5,830	47.3%	152	2.6%
Operating income	5,886	49.6%	6,484	52.7%	-597	-9.2%
Profits ((1) - (2))	6,508	54.8%	6,710	54.5%	-201	-3.0%
Net operating income (NOI)	8,438	71.1%	8,607	69.9%	-169	-2.0%
Non-operating income	12	0.1%	79	0.6%	-66	-83.7%
Non-operating expenses	1,859	15.7%	1,598	13.0%	260	16.3%
Interest expenses (incl. investment corporation bonds)	1,542	13.0%	1,439	11.7%	103	7.2%
Borrowing expenses	287	2.4%	89	0.7%	198	221.3%
Amortization of investment corporation bond issuance costs	21	0.2%	16	0.1%	5	34.2%
New unit issuance costs	–	–	50	0.4%	-50	100.0%
Other non-operating expenses	6	0.1%	2	0.0%	4	181.6%
Ordinary income	4,039	34.0%	4,964	40.3%	-924	-18.6%
Income before income taxes	4,039	34.0%	4,964	40.3%	-924	-18.6%
Net income	4,039	34.0%	4,963	40.3%	-924	-18.6%
Unappropriated retained earnings	4,039	34.0%	4,963	40.3%	-875	-17.6%
Distributions per unit (JPY)	5,680 yen		6,770 yen		-1,090 yen	
	(Note 3)		(Note 2)			

Ordinary Income and Loss / Operating Income and Loss

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

1. Rent revenue - real estate
- Properties owned at end of 16th period: -505 mn yen
- Property acquired in 17th period: +176 mn yen
- Properties sold in 17th period: -84 mn yen
- Properties acquired in 18th period: +131 mn yen

2. Other rent revenues
- Of which, proceeds from cancellation penalty at Tokyo Tatemono Honmachi Building: +280 mn yen

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

4. Expenses related to rent business
- Properties owned at end of 16th period: +114 mn yen
- Property acquired in 17th period: +99 mn yen
- Properties sold in 17th period: -45 mn yen
- Properties acquired in 18th period: +48 mn yen

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

6. Interest expenses
- Of which, interest expenses (for loans): +55 mn yen
- Of which, interest expenses (for investment corporation bonds): +47 mn yen

7. Borrowing expenses
- Of which, fees for prepayment : +153 mn yen

Recorded fees for prepayment paid to the lenders associated with partial prepay ment of borrowings

(Note 1) For gains on sale of real estate for the 17th fiscal period, JPR recorded the gain on partial sale of land of JPR Jingumae 432 for expropriation as land for road (sold on June 1, 2010).

(Note 2) For distribution per unit for the 17th fiscal period, the Special Measures on Taxation for Investment Corporations (Special Taxation Measures Law, Article 67-15), the Special Deduction from Income for Expropriated Land or Other Property (Special Taxation Measures Law Article 65-2) and the Special Measures in Case Land or Other Property is Acquired in Advance in 2009 or 2010 (Special Taxation Measures Law, Article 66-2) have been applied to internally reserve a certain amount of unappropriated retained earnings within the scope that no burden is borne on unitholders due to the additional levy of corporate tax, etc.

(Note 3) As for the distribution per unit for the 18th fiscal period, JPR decided to distribute part of retained earnings brought forward that had been internally reserved through the 17th fiscal period (same for below).

Comparison of Actual Results and Forecasts for the 18th Fiscal Period (Ended December 2010)

(JPY mn)

		Item	18th Fiscal Period Jul. 1, 2010 - Dec. 30, 2010		18th Fiscal Period Forecasts Jul. 1, 2010 - Dec. 30, 2010		Change from 18th Period Forecasts	
			Amount	%	Amount	%	Amount	%
Ordinary Income and Loss	Operating Income and Loss	Rent revenue - real estate	10,731	90.4%	10,819	92.0%	−87	−0.8%
		Rents	8,747	73.7%	8,810	74.9%	−63	−0.7%
		Common charges	1,720	14.5%	1,741	14.8%	−20	−1.2%
		Other rent revenue	1,138	9.6%	938	8.0%	199	21.2%
		Incidental income	745	6.3%	708	6.0%	36	5.2%
		Rent revenue - real estate (1)	11,870	100.0%	11,758	100.0%	111	0.9%
		Operating revenue	11,870	100.0%	11,758	100.0%	111	0.9%
		Property and other taxes	975	8.2%	981	8.3%	−6	−0.6%
		Other expenses related to rent business	2,456	20.7%	2,405	20.5%	51	2.1%
		Outsourcing expenses	512	4.3%	514	4.4%	−2	−0.5%
		Utilities expenses	754	6.4%	708	6.0%	45	6.4%
		Casualty insurance	30	0.3%	32	0.3%	−1	−3.6%
		Repairs and maintenance	247	2.1%	217	1.8%	30	14.1%
		Property management fees	213	1.8%	214	1.8%	−1	−0.5%
		Management association accounts	553	4.7%	575	4.9%	−21	−3.8%
		Others	145	1.2%	143	1.2%	1	1.2%
		Depreciation	1,929	16.3%	1,927	16.4%	1	0.1%
		Expenses related to rent business (2)	5,361	45.2%	5,314	45.2%	46	0.9%
		Asset management fees	421	3.6%	418	3.6%	3	0.8%
		Adm. service/custody fees	71	0.6%	71	0.6%	0	−0.2%
		Directors' compensation	6	0.1%	6	0.1%	—	0.0%
		Trust fees	49	0.4%	49	0.4%	0	1.0%
		Other operating expenses	73	0.6%	110	0.9%	−37	−33.7%
		Operating expenses	5,983	50.4%	5,970	50.8%	13	0.2%
		Operating income	5,886	49.6%	5,788	49.2%	98	1.7%
		Profits ((1) - (2))	6,508	54.8%	6,444	54.8%	64	1.0%
		Net operating income (NOI)	8,438	71.1%	8,371	71.2%	66	0.8%
		Non-operating income	12	0.1%	5	0.0%	7	155.9%
		Non-operating expenses	1,859	15.7%	1,680	14.3%	178	10.6%
		Interest expenses (incl. investment corporation bonds)	1,542	13.0%	1,550	13.2%	−7	−0.5%
		Ordinary income	4,039	34.0%	4,112	35.0%	−72	−1.8%
		Income before income taxes	4,039	34.0%	4,112	35.0%	−72	−1.8%
		Net income	4,039	34.0%	4,111	35.0%	−72	−1.8%
		Unappropriated retained earnings	4,088	34.4%	4,160	35.4%	−72	−1.7%
		Distributions per unit (JPY)	5,680		5,750		−70	

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

(Note) The forecasts for the 18th fiscal period were those released at the results announcement for the 17th fiscal period (ended June 30, 2010). It was based on total 55 properties, adding additional acquisition of co-ownership of BYGS Shinjuku Building in the 18th fiscal period to 55 properties held as of the 17th fiscal period.

Forecast for the 19th Fiscal Period

Distribution per unit for the 19th fiscal period (ending June 2011) is anticipated to be about the same as the 18th fiscal period (ended December 2010); JPR aims to further increase the amount

Ordinary Income and Loss / Operating Income and Loss

Item	18th Fiscal Period Jul 1, 2010 – Dec 31, 2010 Amount	%	19th Fiscal Period Jan 1, 2011 – Jun 30, 2011 Amount	%	Change Amount	%
Rent revenue – real estate	10,731	90.4%	10,808	94.1%	76	0.7%
Other rent revenue	1,138	9.6%	682	5.9%	-455	-40.0%
Rent revenue – real estate (1)	11,870	100.0%	11,490	100.0%	-379	-3.2%
Operating revenue	11,870	100.0%	11,490	100.0%	-379	-3.2%
Property and other taxes	975	8.2%	1,049	9.1%	74	7.7%
Other expenses related to rent business	2,456	20.7%	2,323	20.2%	-133	-5.4%
Outsourcing expenses	512	4.3%	517	4.5%	5	1.1%
Utilities expenses	754	6.4%	674	5.9%	-79	-10.5%
Casualty insurance	30	0.3%	31	0.3%	0	0.8%
Repairs and maintenance	247	2.1%	214	1.9%	-33	-13.5%
Property management fee	213	1.8%	211	1.8%	-1	-0.9%
Management association accounts	553	4.7%	556	4.8%	2	0.5%
Others	145	1.2%	118	1.0%	-27	-18.7%
Depreciation	1,929	16.3%	1,917	16.7%	-11	-0.6%
Expenses related to rent business (2)	5,361	45.2%	5,290	46.0%	-70	-1.3%
Asset management fees	421	3.6%	414	3.6%	-6	-1.7%
Adm. service/custody fees	71	0.6%	73	0.6%	2	3.8%
Directors' compensation	6	0.1%	6	0.1%	–	–
Trust fees	49	0.4%	49	0.4%	0	-0.3%
Other operating expenses	73	0.6%	103	0.9%	30	41.0%
Operating expenses	5,983	50.4%	5,938	51.7%	-44	-0.8%
Operating income	5,886	49.6%	5,551	48.3%	-334	-5.7%
Profits ((1)-(2))	6,508	54.8%	6,200	54.0%	-308	-4.7%
Net operating income (NOI)	8,438	71.1%	8,117	70.6%	-320	-3.8%
Non-operating income	12	0.1%	42	0.4%	29	226.4%
Non-operating expenses	1,859	15.7%	1,588	13.8%	-270	-14.5%
Interest expenses (incl. investment corporation bonds)	1,542	13.0%	1,461	12.7%	-81	-5.3%
Borrowing expenses	287	2.4%	103	0.9%	-184	-64.0%
Amotization of investment corporation bond issuance costs	21	0.2%	20	0.2%	-1	-5.0%
Other non-operating expenses	6	0.1%	2	0.0%	-3	-59.1%
Ordinary income	4,039	34.0%	4,005	34.9%	-34	-0.9%
Income before income taxes	4,039	34.0%	4,005	34.9%	-34	-0.9%
Net income	4,039	34.0%	4,004	34.8%	-35	-0.9%
Unappropriated retained earnings	4,088	34.4%	4,031	35.1%	-57	-1.4%

Distrbution per units (JPY)	5,680 yen	5,600 yen	-80 yen
	(715,000 units)	(715,000 units)	(– unit)

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

1. Rent revenue – real estate
- Properties owned at end of 17th period: -200 mn yen
- Properties acquired in 18th period: +276 mn yen

2. Other rent revenue
- Of which, proceeds from cancellation penalty: -117 mn yen
- Of which, proceeds from restoration payments by tenants: -229 mn yen
- Of which, incidental charges: -92 mn yen

3. Expenses related to rent business
- Properties owned at end of 17th period: -174 mn yen
- Properties acquired in 18th period: +104 mn yen

4. Non-operating income
- Of which, settlement of management association accounts: +39 mn yen

5. Interest expenses
- Of which, interest expenses (for loans): -78 mn yen

Reduction of interest expenses as a result of partial prepayment of debt: -85 mn yen

6. Borrowing expenses
- Of which, fees for prepayment: -155 mn yen

Lack of fees for prepayment paid to lenders associated with partial prepayment of debt

Assumptions for the 19th Fiscal Period Forecast

■ Portfolio

Portfolio as of end of 18th fiscal period: 56 properties

Properties to be acquired in the 19th fiscal period: –

■ Average Monthly Occupancy during Period: 93.2%

(reflecting notices of contract terminations and only new contracts already executed)

■ Total units outstanding: 715,000 units

■ LTV ratio 48.8% (as of end of the 19th period)

(LTV ratio = Interest-bearing liabilities / (Interest-bearing liabilities + Unitholders' capital)

The forecasts for the 19th fiscal period were calculated based on the above "Assumptions for the 19th Fiscal Period Forecast." Actual operating revenue, ordinary income, net income and cash distributions per unit may change as a result of the acquisition of new properties or the sale of owned properties, etc. Furthermore, the forecasts are in no way a guarantee of cash distribution amounts. For details on the Assumptions for the 19th Fiscal Period Forecasts, please refer to the "Assumptions for the 19th Fiscal Period Forecast (January 1, 2011 – June 30, 2011)" of the "Japan Prime Realty Investment Corporation 18th Fiscal Period Results (July 1, 2010 – December 31, 2010)"

[Reference] Forecasts of Rent Revenue – Real Estate and Expenses Related to Rent Business for the 20th Fiscal Period

Rent revenue for the 20th fiscal period (ending December 2011) will be on track to recovery due to improvement in occupancy rate

(JPY mn)

	Item	19th Fiscal Period Forecast Jan. 1, 2011-Jun. 30, 2011 Amount	%	20th Fiscal Period Forecast Jul. 1, 2011-Dec. 31, 2011 Amount	%	Change from the 19th Fiscal Period Forecast Amount	%
Real Estate Rent Revenue and Expenses	Rent revenue - real estate	10,808	94.1%	10,864	93.3%	56	0.5%
	Other rent revenue	682	5.9%	783	6.7%	101	14.8%
	Rent revenue - real estate(1)	11,490	100.0%	11,648	100.0%	157	1.4%
	Property and other taxes	1,049	9.1%	1,042	9.0%	-7	-0.7%
	Other expeses related to rent business	2,323	20.2%	2,494	21.4%	170	7.4%
	Outsourcing expenses	517	4.5%	513	4.4%	-4	-0.8%
	Utilities expenses	674	5.9%	777	6.7%	102	15.2%
	Casualty insurance	31	0.3%	30	0.3%	0	-1.0%
	Repairs and maintenance	214	1.9%	257	2.2%	42	19.9%
	Property management fees	211	1.8%	216	1.9%	4	2.3%
	Management association accounts	556	4.8%	557	4.8%	1	0.2%
	Others	118	1.0%	142	1.2%	23	20.3%
	Depreciation	1,917	16.7%	1,834	15.8%	-82	-4.3%
	Expenses related to rent business (2)	5,290	46.0%	5,371	46.1%	81	1.5%
	Profits ((1)-(2))	6,200	54.0%	6,276	53.9%	76	1.2%
	Net operating income (NOI)	8,117	70.6%	8,111	69.6%	-6	-0.1%
	Capital expenditure	755	6.6%	901	7.7%	145	19.3%
	Net cash flow (NCF)	7,362	64.1%	7,210	61.9%	-151	-2.1%

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

1. Rent revenue – real estate
•Properties owned at end of 17th period: +60 mn yen
•Properties acquired in 18th period: -4 mn yen

2. Other rent revenue
•Of which, incidental charges: +114 mn yen

3. Expenses related to rent business
•Properties owned at end of 17th period: +77 mn yen
•Properties acquired in 18th period: +3 mn yen

Assumptions for the 20th Fiscal Period Forecast

■ Portfolio
Portfolio as of end of 18th fiscal period: 56 properties
Properties to be acquired or sold in the 19th fiscal period: –
Properties to be acquired or sold in the 20th fiscal period: –

■ Average Monthly Occupancy during Period:94.9%
(Anticipates move-ins of some new tenants in addition to the forecast for the 19th period)

■ Total Capital Expenditures: 901 mn yen
Major constructions with capital expenditures
Renewal of air-conditioning systems at BYGS Shinjuku Building: 175 mn yen
Renewal of air-conditioning systems at Nigata Ekinan Center Building: 80 mn yen
Renewal of common space at Shinjuku Center Building: 69 mn yen

The forecasts of rent revenue – real estate and expenses related to the rent business for the 20th fiscal period were calculated based on the above “Assumptions for the 20th 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 18th Fiscal Period

Kept the ratio of interest-bearing liabilities to total assets as of the end of the 18th fiscal period at 45% level even after newly acquiring 2 properties (totaling 10.3 billion yen) by utilizing abundant cash on hands

(JPY mn)

Item	As of Dec. 31, 2010		As of Jun. 30, 2010		Change	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets	28,396	7.9%	34,728	9.7%	-6,332	-18.2%
Cash and deposits	14,090	3.9%	19,647	5.5%	-5,557	-28.3%
Cash and deposits in trust	13,934	3.9%	14,681	4.1%	-747	-5.1%
Other current assets	371	0.1%	399	0.1%	-27	-6.9%
Noncurrent assets	332,357	92.1%	323,438	90.3%	8,919	2.8%
Property, plant and equipment	327,008	90.6%	318,008	88.7%	8,999	2.8%
Real estate	148,220	41.1%	138,268	38.6%	9,951	7.2%
Buildings and structures	45,044	12.5%	43,687	12.2%	1,357	3.1%
Land	103,175	28.6%	94,581	26.4%	8,593	9.1%
Real estate in trust	178,788	49.5%	179,739	50.2%	-951	-0.5%
Buildings and structures	58,297	16.2%	59,248	16.5%	-951	-1.6%
Land	120,491	33.4%	120,491	33.6%	0	0.0%
Intangible assets	4,798	1.3%	4,799	1.3%	-0	-0.0%
Leasehold rights	4,794	1.3%	4,794	1.3%	—	—
Other intangible assets	4	0.0%	5	0.0%	-0	-14.4%
Investments and other assets	550	0.2%	630	0.2%	-79	-12.6%
Lease and guarantee deposits	49	0.0%	49	0.0%	0	1.1%
Others	501	0.1%	581	0.2%	-80	-13.8%
Deferred assets	150	0.0%	172	0.0%	-21	-12.7%
Investment corporation bond issuance costs	150	0.0%	172	0.0%	-21	-12.7%
Total assets	360,904	100.0%	358,339	100.0%	2,564	0.7%
Liabilities						
Current liabilities	46,622	12.9%	33,004	9.2%	13,618	41.3%
Accounts payable - other	2,189	0.6%	2,039	0.6%	150	7.4%
Advances received	1,498	0.4%	1,465	0.4%	32	2.3%
Short-term loans payable	10,000	2.8%	5,000	1.4%	5,000	100.0%
Current portion of long-term loans payable	24,899	6.9%	21,499	6.0%	3,400	15.8%
Current portion of investment corporation bonds	8,000	2.2%	3,000	0.8%	5,000	166.7%
Others	35	0.0%	—	—	35	—
Noncurrent liabilities	138,779	38.5%	149,031	41.6%	-10,252	-6.9%
Tenant leasehold and security deposits	17,774	4.9%	17,268	4.8%	505	2.9%
Long-term loans payable	78,505	21.8%	84,263	23.5%	-5,758	-6.8%
Investment corporation bonds	42,500	11.8%	47,500	13.3%	-5,000	-10.5%
Total Liabilities	185,402	51.4%	182,035	50.8%	3,366	1.8%
Unitholders' Equity						
Unithoders' capital	171,339	47.5%	171,339	47.8%	—	—
Surplus	4,162	1.2%	4,963	1.4%	-801	-16.1%
Total unitholders' equity	175,502	48.6%	176,303	49.2%	-801	-0.5%
Total liabilities and unitholders' equity	360,904	100.0%	358,339	100.0%	2,564	0.7%

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

(JPY mn)

1. Balance of interest-bearing debt	End of 18th Period	End of 17th Period	Change
Total	163,904	161,262	2,642
Unsecured loans payable	104,221	101,579	2,642
Secured loans payable	9,183	9,183	—
Unsecured investment corporation bonds	50,500	50,500	—

2. Interest-bearing debt ratio, etc.	End of 18th Period	End of 17th Period	Change (P)
(1) Interest-bearing debt ratio			
Interest-bearing debt / (Interest-bearing debt + Unitholders' capital)	48.9%	48.5%	0.4
(2) Interest-bearing debt to total assets			
1) Interest-bearing debt / Total assets at end of period	45.4%	45.0%	0.4
2) Interest-bearing debt / (Total assets at end of period + Gains or losses from real estate valuation)	47.5%	46.9%	0.6
(3)Long-term fixed-rate interest-bearing debt ratio			
Long-term fixed-rate interest-bearing debt (*) / Interest-bearing debt	73.8%	81.7%	-7.9

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

(JPY mn)

3. Commitment line status	End of 18th Period	End of 17th Period	Change
1) Credit limit (total)	16,000	16,000	—
2) Outstanding debt	—	—	—
3) Unused commitment line	16,000	16,000	—
4) Lenders (at the end of the 18th fiscal period) Mizuho Corporate Bank, The Bank of Tokyo-Mitsubishi UFJ, Resona Bank, Mitsubishi UFJ Trust and Banking			

*Agreements have been concluded separately with the respective banks listed above.

4. Investment unit status	End of 18th Period	End of 17th Period	Change
1) Total number of units outstanding (units)	715,000	715,000	—
2) Net assets per unit (yen)	245,458	246,578	-1,120

Japan Prime Realty Investment Corporation

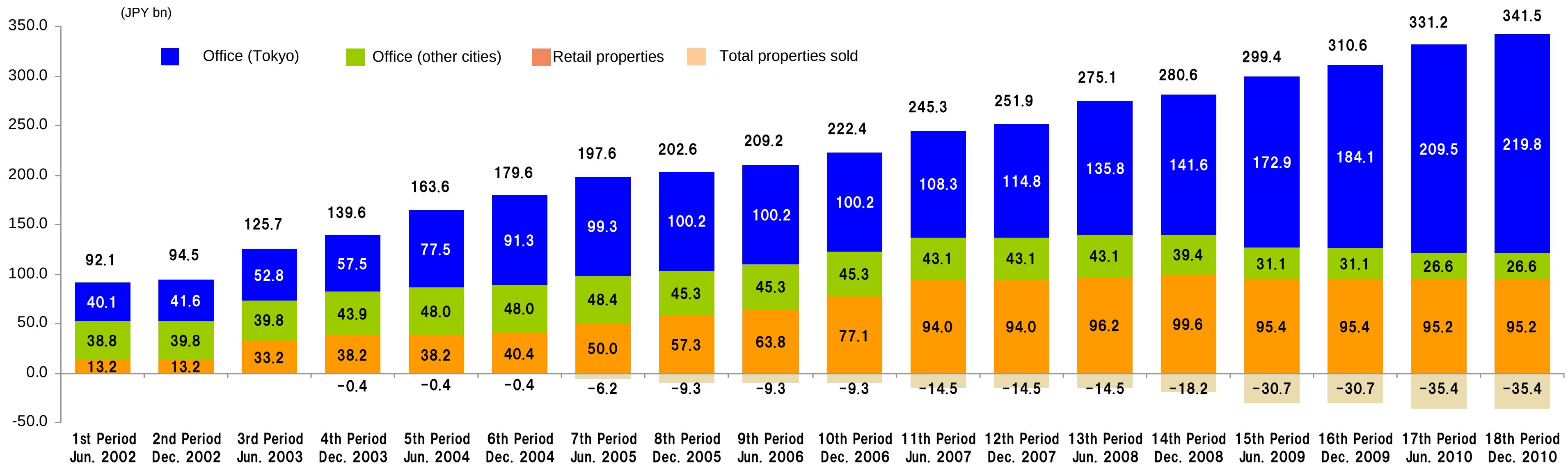
Management Results of the 18th Fiscal Period (Ended December 2010)

18th

History of Portfolio Growth

Asset size grew to 341.5 billion yen through acquiring 2 office buildings in Tokyo despite severe acquisition environment

History of Growth of Portfolio Size

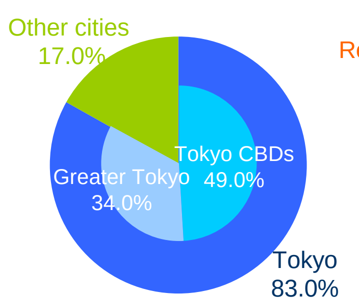


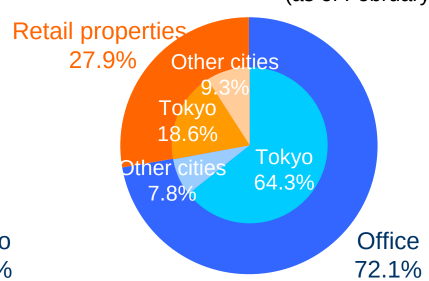
(Note) Portfolio sizes have been rounded down to 100 million yen.

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%

(as of February 15, 2011)





Properties Acquired in the Past Two Years

Acquired 8 office buildings in Tokyo totaling approximately JPY 80bn

(JPY bn)

Fiscal Period	Acquisition Date	Area	Asset Type	Property Name	Seller	Acquisition Price
15th	Jun. 2009	Greater Tokyo	Office	Olinas Tower	Tokyo Tatemono Co., Ltd. and others	31.30
16th	Dec. 2009	Tokyo CBDs	Office	Rokubancho Building	Domestic special purpose company	2.80
	Dec. 2009	Tokyo CBDs	Office	Ryoshin Harajuku Building	TOKYU REIT, Inc.	8.40
17th	Feb. 2010	Tokyo CBDs	Office	Tokyo Tatemono Kyobashi Building	Tokyo Tatemono Co., Ltd.	5.25
	Mar. 2010	Tokyo CBDs	Office	JPR Nihonbashi-horidome Building	Domestic special purpose company	5.10
	May 2010	Tokyo CBDs	Office	JPR Sendagaya Buildings	Sendagaya Kaihatsu Tokutei Mokuteki Kaisha (SPC operated by Tokyo Tatemono)	15.05
18th	Jul. 2010	Tokyo CBDs	Office	BYGS Shinjuku Building (additional acquisition)	Central General Development Co., Ltd.	3.30
	Dec. 2010	Greater Tokyo	Office	Tokyo Tatemono Yokohama Building	Tokyo Tatemono Co., Ltd.	7.00
Total						78.20

Improvement in Portfolio Quality (Properties Acquired in the 18th Period)

Acquired excellent properties by additional acquisition through exercising preferential purchase rights and utilizing sponsor pipelines

BYGS Shinjuku Building

Additional acquisition of co-ownership through exercising preferential purchase rights (realized entire ownership by additional acquisition of the remaining co-ownership)

Type of use:	Office and retail
Location:	Shinjuku Ward, Tokyo
Acquisition date:	July 2010
Acquisition price:	JPY 3,300 mn (25% co-ownership) *Acquisition price of the entire property: JPY 15,121 mn
Completion:	April 1985
Seller:	Central General Development Co., Ltd.
Total floor space	25,733.10㎡

Directly connected to Shinjuku-Sanchome Station on the Toei Subway Shinjuku Line

[Advantage of acquiring additional ownership]

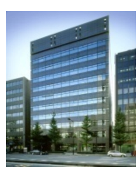
Acquiring additional ownership of BYGS Shinjuku Building realized JPR's entire ownership of the property, which should eliminate risks involving co-ownership and cancel the reduced appraisal value associated with co-ownership.

Number of properties for which JPR has preferential purchase rights, etc.:	16 properties
Number of properties with additional ownership acquisitions by JPR:	7 properties

[Major properties with additional ownership acquisitions]

Shinjuku Sanchome East Building

Tachikawa Business Center Building



Fukuoka Building

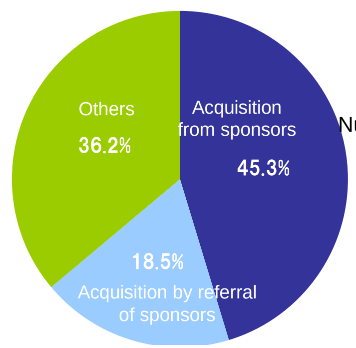
Tokyo Tatemono Yokohama Building

Acquisition by utilizing sponsor pipelines

Type of use:	Office and retail
Location:	Yokohama City, Kanagawa
Acquisition date:	December 2010
Acquisition price:	JPY 7,000 mn
Completion:	May 1981
Seller:	Tokyo Tatemono Co., Ltd.
Total floor space:	8,772.51㎡

Four minutes walk from Yokohama Station on the JR Line, Keikyu Main Line, Tokyu Toyoko Line and Sotetsu Main Line Very close to Yokohama Station on the Yokohama Municipal Subway Line

Acquisitions pipelines



(Note) The figures represent the ratios of acquisition prices for properties JPR owns as of February 15, 2011.

Number of properties acquired from sponsors 28 properties

Number of properties acquired by referral of sponsors 12 properties

[Major properties acquired from sponsors]

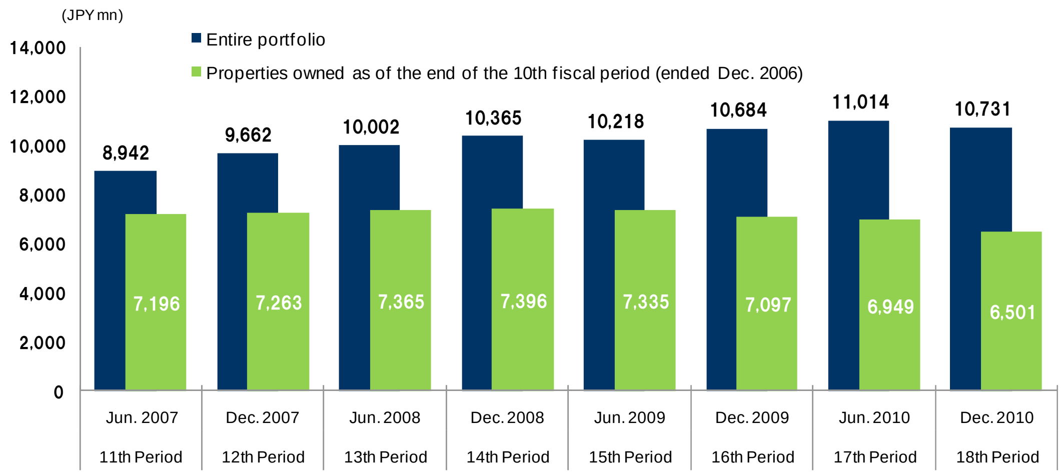
Olinas Tower

Rise Arena Building

Management Results (1) (Changes in Rent Revenue and Rent)

Decreased occupancy rate caused decrease of rent revenue, although decreases in average rent tens to decelerate

Changes in Rent Revenue (from Properties Owned as of the End of the 10th Period)



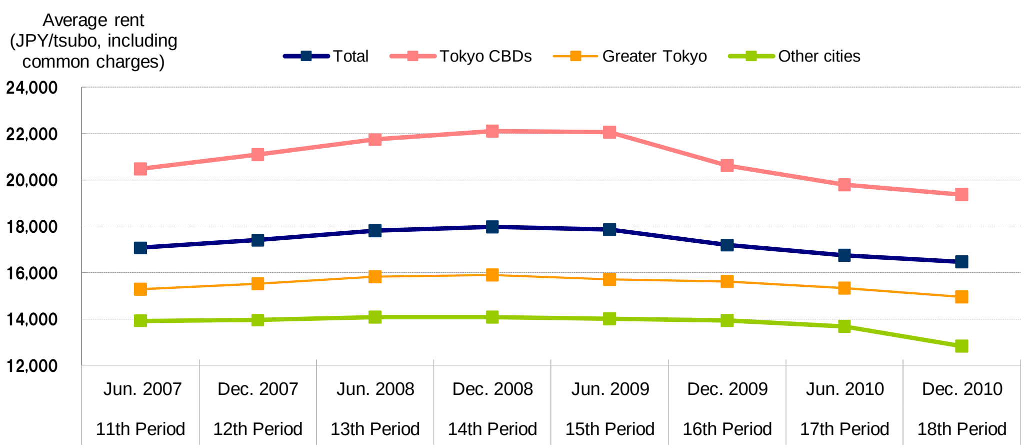
(JPY mn)

	11th Period Jun. 2007	12th Period Dec. 2007	13th Period Jun. 2008	14th Period Dec. 2008
Rent revenue from the entire portfolio	8,942	9,662	10,002	10,365
Rent revenue from properties owned as of the end of the 10th fiscal period	7,196	7,263	7,365	7,396
Period-on-period change (value)	–	67	101	30
Period-on-period change (rate)	–	0.9%	1.4%	0.4%

	15th Period Jun. 2009	16th Period Dec. 2009	17th Period Jun. 2010	18th Period Dec. 2010
Rent revenue from the entire portfolio	10,218	10,684	11,014	10,731
Rent revenue from properties owned as of the end of the 10th fiscal period	7,335	7,097	6,949	6,501
Period-on-period change (value)	-60	-238	-148	-447
Period-on-period change (rate)	-0.8%	-3.2%	-2.1%	-6.4%

(Note 1) The "properties owned as of the end of the 10th fiscal period" in the graph to the left represent properties that JPR continuously owns since the end of the 10th fiscal period excluding those replaced through transactions up to the 18th fiscal period. The indicated figures of rent revenue are the sum of rents, common charges, parking rates and other revenues (excluding such variable revenues as incidental income) for these properties. As for the "entire portfolio," the indicated figures are the sum of rents, common charges, parking rates and other revenues (excluding such variable revenues as incidental income) for all properties owned in respective fiscal periods (including properties that were sold during the periods).
(Note 2) 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 10th Period)



(JPY thousand/tsubo)

		11th Period Jun. 2007	12th Period Dec. 2007	13th Period Jun. 2008	14th Period Dec. 2008
Total	Average rent	17.1	17.4	17.8	18.0
	Period-on-period change (rate)	–	1.9%	2.3%	0.9%
Tokyo CBDs	Average rent	20.5	21.1	21.7	22.1
	Period-on-period change (rate)	–	3.0%	3.1%	1.7%
Greater Tokyo	Average rent	15.3	15.5	15.8	15.9
	Period-on-period change (rate)	–	1.6%	1.9%	0.5%
Other cities	Average rent	13.9	13.9	14.1	14.1
	Period-on-period change (rate)	–	0.2%	0.9%	0.0%

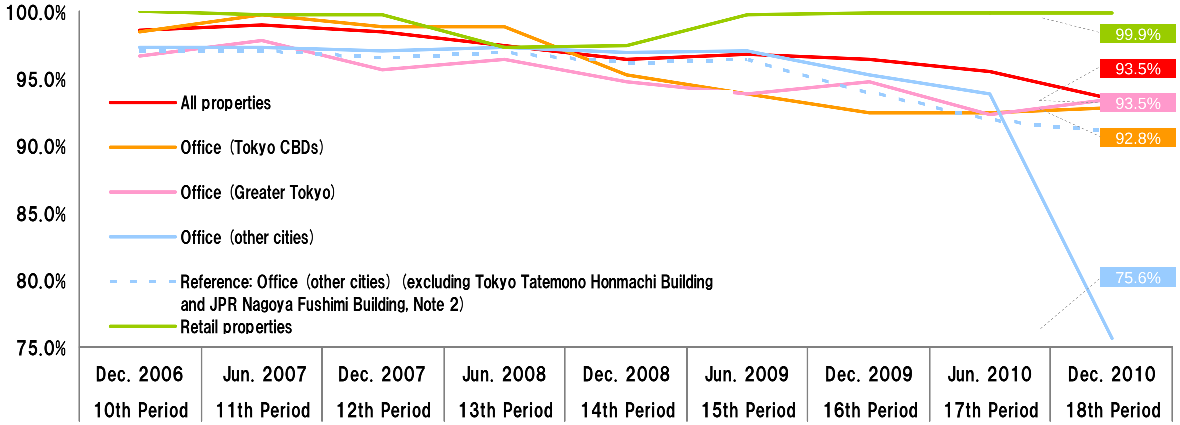
		15th Period Jun. 2009	16th Period Dec. 2009	17th Period Jun. 2010	18th Period Dec. 2010
Total	Average rent	17.8	17.2	16.7	16.5
	Period-on-period change (rate)	-0.7%	-3.7%	-2.6%	-1.7%
Tokyo CBDs	Average rent	22.1	20.6	19.8	19.4
	Period-on-period change (rate)	-0.2%	-6.6%	-4.0%	-2.2%
Greater Tokyo	Average rent	15.7	15.6	15.3	15.0
	Period-on-period change (rate)	-1.2%	-0.7%	-1.7%	-2.5%
Other cities	Average rent	14.0	13.9	13.7	12.8
	Period-on-period change (rate)	-0.5%	-0.5%	-1.9%	-6.2%

(Note) The graph to the left covers office buildings which JPR continuously owns since the end of the 10th fiscal period excluding those replaced through transactions up to the 18th fiscal period. The indicated figures are the average rents (rent per tsubo of occupied spaces including common charges per month) for these properties.

Management Results (2) (Changes in Occupancy Rates and Contract Changes)

Occupancy rate of the entire portfolio decreased due to contract termination by large tenants of properties in other cities
Office buildings in Tokyo CBDs and Greater Tokyo showed improvement in occupancy rates

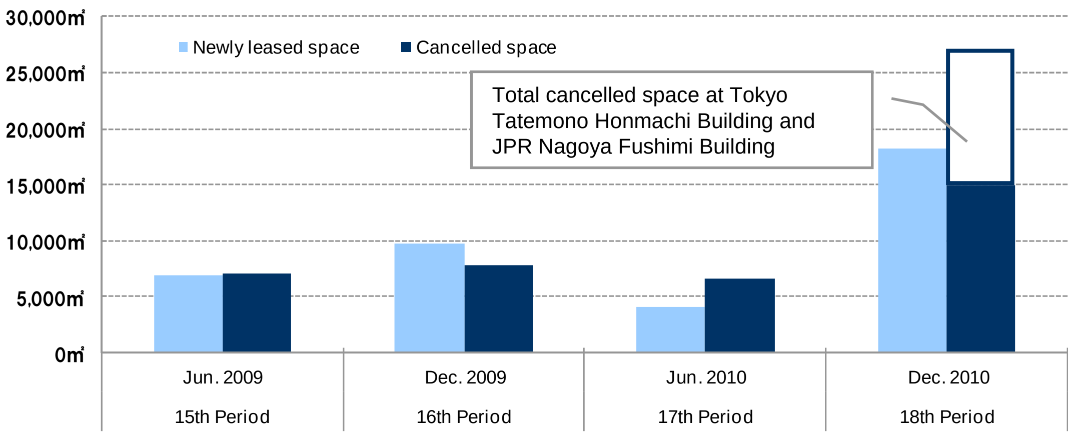
Changes in Period-End Occupancy Rates of Properties by Asset Class and by Location



- Average occupancy rate of the entire portfolio decreased due to worsened occupancies in office buildings in other cities.
  at the end of 17th period: 95.5% → at the end of 18th period: 93.5% (down 2.0 percent points period-on-period)
- Office (Tokyo CBDs)
  at the end of 17th period: 92.4% → at the end of 18th period: 92.8% (up 0.4 percent points period-on-period)
  Office (Greater Tokyo)
  at the end of 17th period: 92.3% → 18th period: 93.5% (up 1.2 percent points period-on-period)
  Show trends of gradual improvement
- Occupancy rate of office buildings in other cities decreased significantly due to contract terminations by large tenants at Tokyo Tatemono Honmachi Building and JPR Nagoya Fushimi Building
  at the end of 17th period: 93.8% → at the end of 18th period: 75.6% (down 18.2 percent point period-on-period)
- Retail properties continued stable operations
  at the end of 17th period: 99.9% → at the end of 18th period: 99.9% (±0.0 percent point period-on-period)

(Note 1) Indicated occupancy rates are as of the end of December 2010, calculated on the basis of the lease conditions as of the same date for properties JPR owned as of the same date.
(Note 2) "Reference: Office (other cities) (excluding Tokyo Tatemono Honmachi Building and JPR Nagoya Fushimi Building)" shows the average occupancy rates of office buildings in other cities excluding Tokyo Tatemono Honmachi Building and JPR Nagoya Fushimi Building.
(Note 3) Figures have been rounded to the first decimal place.

Changes in Contract Changes



- On an accumulated basis, spaces nearly as much as the cancelled spaces were successfully leased to new tenants in the three fiscal periods from the 15th to the 17th period.
- In the 18th fiscal period, cancelled spaces were larger than newly leased spaces due to contract terminations by large tenants in properties in other cities. However, the reinforced leasing efforts enabled JPR to significantly expand newly leased floors.

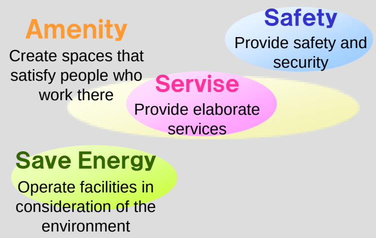
	Newly leased space	Cancelled space	Newly leased space – cancelled space
15th Period	6,985㎡	7,048㎡	- 63㎡
16th Period	9,691㎡	7,850㎡	1,841㎡
17th Period	4,042㎡	6,853㎡	- 2,811㎡
18th Period	18,188㎡	25,989㎡	- 7,801㎡

Continued Implementation of JPR Brand Strategy (Countermeasures for Long-Period Earthquake Ground Motion)

■JPR has been implementing the JPR Brand Strategy with the aim of heightening tenant satisfaction and perpetually enhancing its asset values.
■With the 3 S's (**Servise**, **Safety** and **Save Energy**) at the core, JPR is promoting it as a brand of buildings that provide the best A (**Amenities**).
■JPR will create facility spaces that always provide good amenities by providing high-quality services and environmentally-friendly operations with consideration given to the safety and security of all users.

Measures on "Safety" (safety and security) of the JPR Brand Strategy

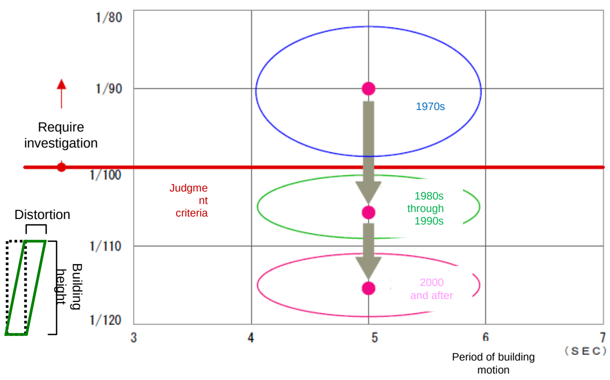
- Enhance security systems and human support system
- Prepare countermeasures for earthquake disasters and fully implement fire protection plans and training
- Continuously improve environment inside buildings, including prevention of infection
- Check safety systems inside buildings, including parking lots
- Conduct anti-seismic reinforcement



Situation of governmental guidance on countermeasures for long-period earthquake ground motion

- The Ministry of Land, Infrastructure, Transport and Tourism currently plans to prepare countermeasure guidelines based on its survey results of long-period earthquake ground motion as well as requesting for private-sector surveys and comments. The Ministry is considering to conduct re-examination and give guidance on necessary reinforcement and other measures for existing ultra-skyscraper buildings, etc. (*) that may be largely impacted by long-period earthquake ground motion, as well as for ultra-skyscraper buildings, etc. to be newly constructed.
  (*)Buildings having a height of over 60 meters or seismic isolation structures, and approved by the Minister of Land, Infrastructure, Transport and Tourism
- The table to the right represents judgment of impacts large-scale earthquakes may give on buildings in accordance with their completion dates. It has been confirmed that ultra skyscrapers designed in the 1970s may have distortion of over 1/100 upon long-period earthquake ground motion, possibly resulting in failures caused by the large volume of distortion.

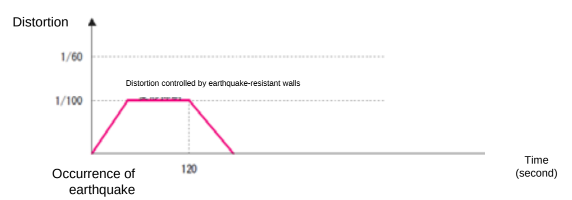
Scale of vibration in long-period ground motion at magnitude-8-class earthquake



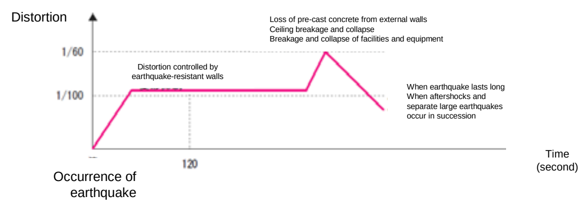
What is long-period earthquake ground motion?

Upon the Tokachi-oki Earthquake in September 2003, fire broke out in Tomakomai City, approximately 250 kilometers away from the epicenter, as a result of at oil tanks sloshing (liquid surface displacement) occurred inside them. Attention was given to long-period earthquake ground motion as one of the causes of the incident. A long-period earthquake ground motion involves seismic waves with a long cycle of motion ranging from a few seconds to 20 seconds, and is characterized by slow and extremely long vibration. The larger the magnitude of earthquakes becomes, the more frequently long-period earthquake ground motions occur, and the ling-period earthquake ground motion is amplified by the sedimentary layers that exist on the ground surface through deep underground. As such, it is believed that any occurrence of a large earthquake will tend to give more impact on plain areas with thick sedimentary layers, such as Tokyo and Osaka.

■ Typical earthquake



■ Long-period earthquake ground motion



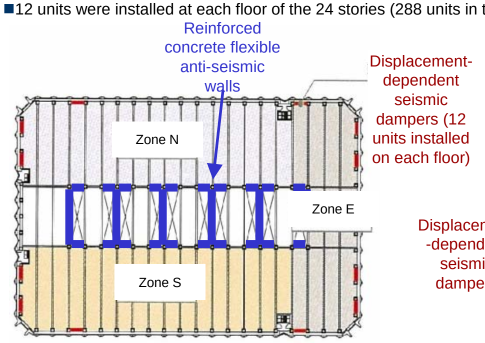
Overview of countermeasure construction at Shinjuku Center Building (already implemented)

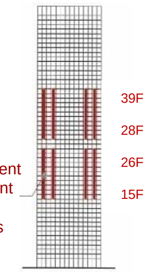
■Renovations for anti-seismic reinforcement were implemented at Shinjuku Center Building (construction completed in 1979) as a countermeasure for long-period earthquake ground motion, with Taisei Corporation, one of JPR's sponsors, conducting design and construction

- – Overview of anti-seismic reinforcement construction –
- Anti-seismic capacity was enhanced by installing seismic dampers

■Seismic dampers were introduced primarily at floors having larger story drift angles and floors having larger accumulated fatigue of reinforced concrete flexible anti-seismic walls

■12 units were installed at each floor of the 24 stories (288 units in total)

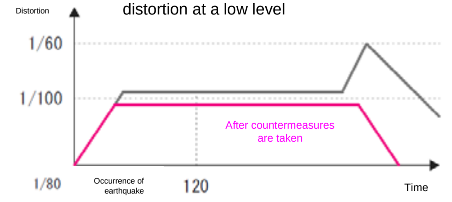




Shinjuku Center Building

Newly installed seismic damper

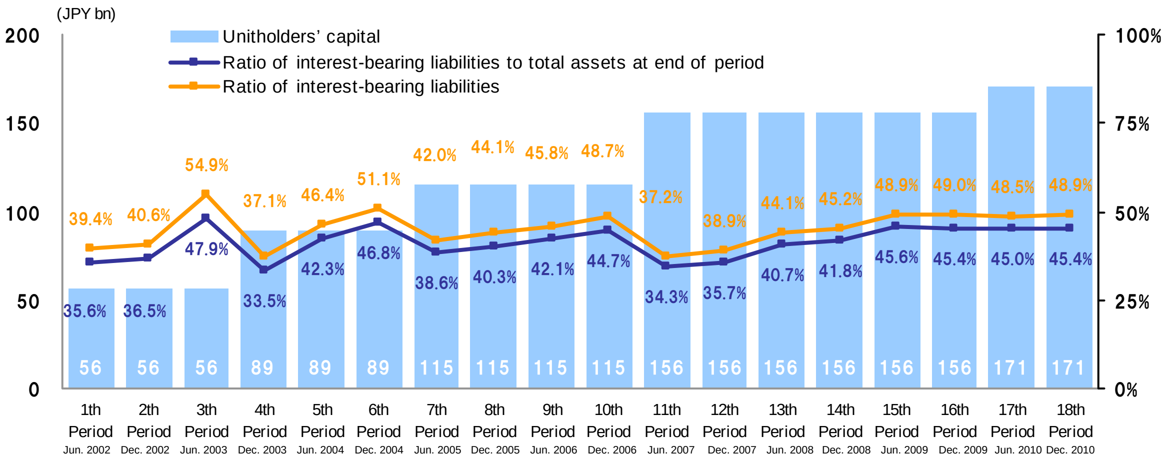
The countermeasure construction should be able to prevent major accidents by damping vibrations as early as possible and restricting distortion at a low level



Financial Strategy

Continued conservative financial operations by focusing on long-term, fixed-rate borrowings and diversifying repayment dates by fiscal period, so as to maintain high credit ratings

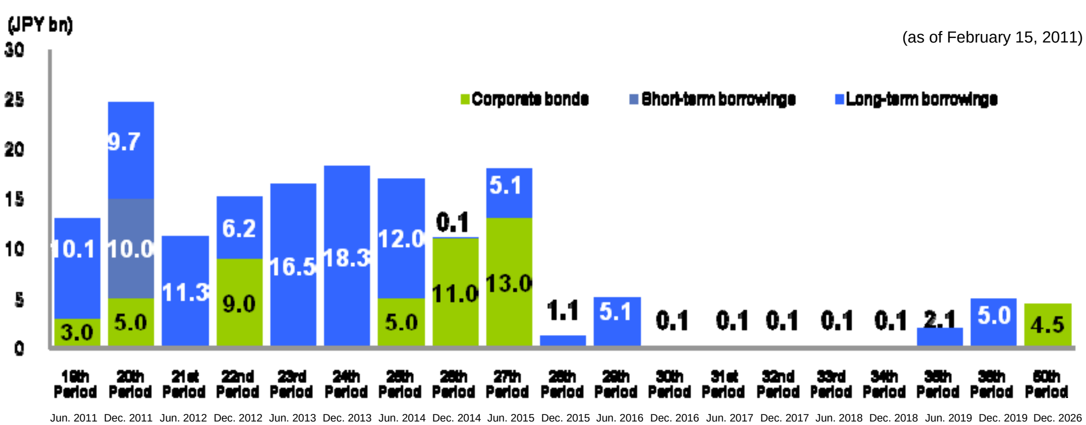
Changes in Unitholders' Capital, Ratio of Interest-Bearing Liabilities and Ratio of Interest-Bearing Liabilities to Total Assets at End of Period



(Note 1) Ratio of interest-bearing liabilities (%) = Interest-bearing liabilities / (Interest-bearing liabilities + Unitholders' capital), Ratio of interest-bearing liabilities to total assets at end of period (%) = Interest-bearing liabilities / Total assets at end of period
(Note 2) Unitholders' capital has been rounded down to the nearest billion yen.
(Note 3) The ratio of interest-bearing liabilities and the ratio of interest-bearing liabilities to total assets at end of period have been rounded to the first decimal place.

Diversification of Repayment Dates of Interest-Bearing Liabilities

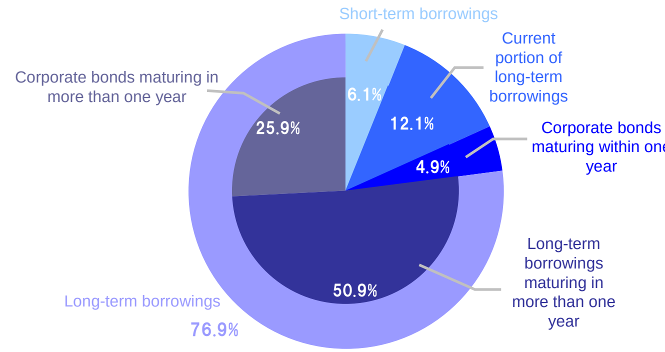
(as of February 15, 2011)



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

Ratio of Interest-Bearing Liabilities

(as of February 15, 2011)



	17th Period Jun. 2010	As of February 15, 2011
Ratio of long-term, fixed-ratio borrowings	81.71%	76.88%
Average maturity of long-term interest-bearing liabilities	4.13 years	3.62 years
Average interest rate of long-term interest-bearing liabilities	1.99%	1.89%
Average maturity of interest-bearing liabilities	3.47 years	2.88 years

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

Credit Ratings Assigned to JPR

(as of February 15, 2011)

Rating Agency	Rating
R&I (Issuer rating)	AA-
Moody's (Issuer rating)	A2
S&P (Long-term corporate credit rating)	A

Breakdown of Interest-Bearing Liabilities

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

Table of Balance of Borrowings

(JPY mn)

	Lender	Balance as of June 30, 2010	Balance as of December 31, 2010	Security
Short-term borrowings	Resona Bank, Limited	4,000	4,000	Unsecured / Unguaranteed / Non-subordinated
	Mitsubishi UFJ Trust and Banking Corporation	-	3,000	
	Mizuho Corporate Bank, Ltd.	1,000	2,000	
	Mizuho Trust & Banking Co., Ltd.	-	1,000	
	Total short-term borrowings	5,000	10,000	

	Lender	Balance as of June 30, 2010	Balance as of December 31, 2010	Security
Lon-term borrowings	Mizuho Corporate Bank, Ltd.	13,800	13,700	Unsecured / Unguaranteed / Non-subordinated
	The Bank of Tokyo-Mitsubishi UFJ, Ltd	12,834	12,751	
	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	2,900	5,850	
	Aozora Bank, Ltd.	5,300	5,300	
	American Family Life Assuarance Company of Columbus	10,000	5,000	
	Development Bank of Japan Inc.	4,745	4,620	
	Sompo Japan Insurance Inc.	4,000	4,000	
	Sumitomo Life Insurance Company	4,000	4,000	
	The Bank of Fukuoka, Ltd.	3,000	3,000	
	The Chugoku Bank, Ltd.	3,000	3,000	
	Mizuho Trust & Banking Co., Ltd.	3,000	3,000	
	The Shinkumi Federation Bank	3,000	3,000	
	ORIX Trust and Banking Corporation	3,000	3,000	
	Taiyo Life Insurance Company	2,000	3,000	
	Shinsei Bank, Limited	3,000	2,000	
	The Hachijuni Bank, Ltd.	2,000	2,000	
	Daido Life Insurance Company	2,000	2,000	
	The Iyo Bank, Ltd.	1,000	1,000	
	Meiji Yasuda Life Insurance Company	9,183	9,183	Secured / Unguaranteed / Non-subordinated
	Total long-term borrowings	105,762	103,404	
	Total borrowings	110,762	113,404	

	Balance as of June 30, 2010	Balance as of December 31, 2010	Security
Total corporate bonds	50,500	50,500	Unsecured / Unguaranteed / Non-subordinated

	Balance as of June 30, 2010	Balance as of December 31, 2010	
Total interest-bearing liabilities	161,262	163,904	

Overview of Corporate Bonds

(JPY mn)

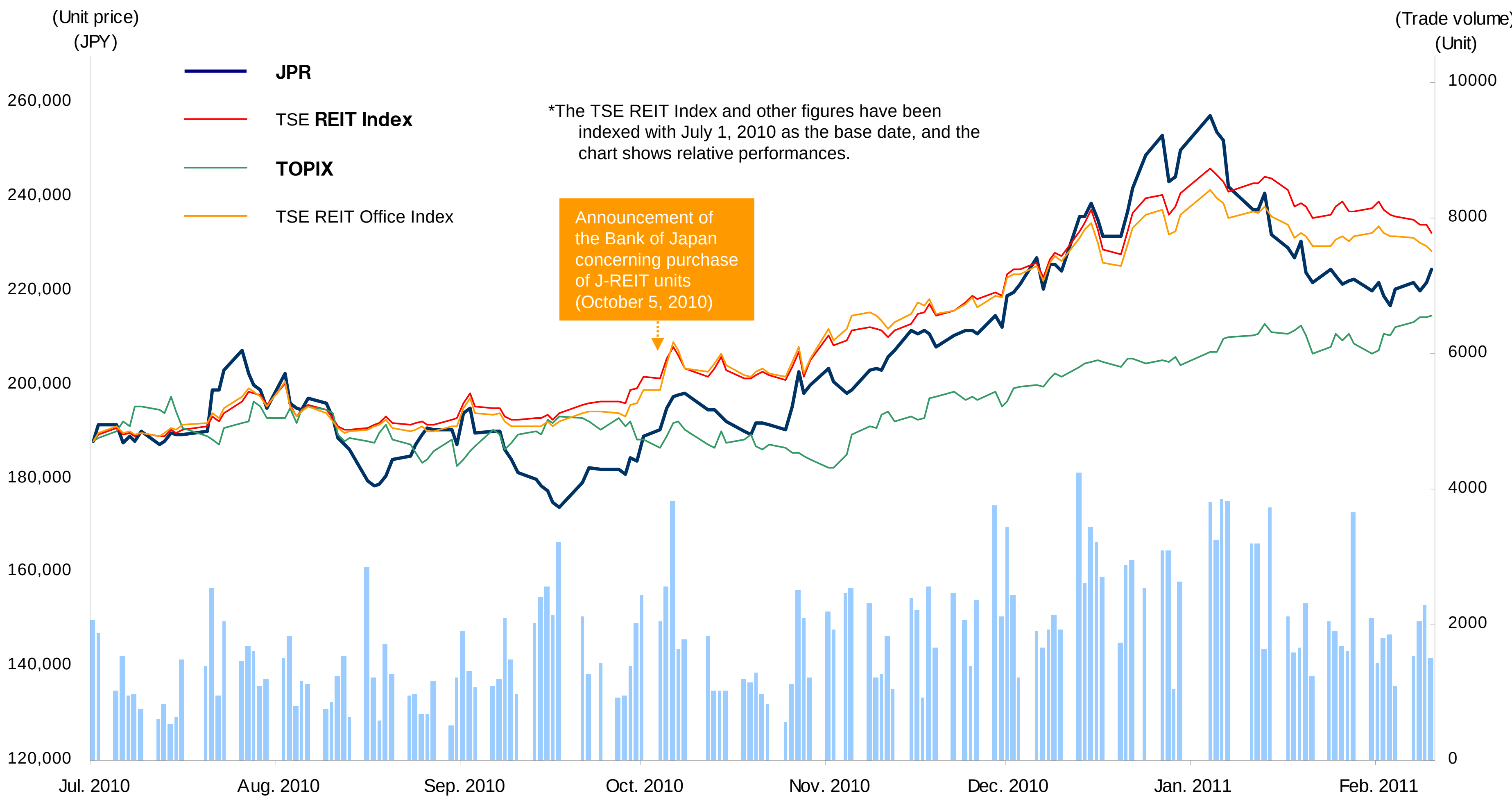
Name	Totak Issue Amount
Third Series of Corporate Bonds	5,000
Fifth Series of Corporate Bonds	5,000
Sixth Series of Corporate Bonds	5,000
Seventh Series of Corporate Bonds	4,500
Eighth Series of Corporate Bonds	9,000
Ninth Series of Corporate Bonds	6,000
Tenth Series of Corporate Bonds	3,000
Eleventh Series of Corporate Bonds	6,000
Twelfth Series of Corporate Bonds	7,000
Balance of corporate bonds	50,500

Overview of Commitment Line Contract

Limit	16 billion yen (total)
Maturity date	November 30, 2011
Lenders	Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Resona Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation

History of JPR's Unit price and Trade Volume (Jul. 1, 2010 – Feb. 10, 2011)

Since the announcement of the Bank of Japan in October 2010 concerning its purchase of J-REIT units, JPR's investment unit price outperformed the TSE REIT Index through the end of the 18th fiscal period (ended December 2010)



Japan Prime Realty Investment Corporation

Future Management Strategy

19th～

Future Management Policies

JPR aims to increase distribution for the 19th fiscal period (ending June 2011), and make the distribution per unit of 5,680 yen for the 18th fiscal period (ended December 2010) the bottom, by fully employing the management capabilities of the Asset Manager

External Growth Strategy
– Strictly Selected Investment in Excellent Properties –

[Market Analysis]

- Financial enviroment have notably improved
- Transactions of excellent properties, which we can expect revenue improvement at the timing of market recovery, remain stagnant
- Buyers' investment appetite has recovered
- Transaction market is turning to recovery ahead of the rental market

[JPR's Strategy]

- Reinforce sponsors' pipelines
- Strictly select investment properties among extensive targets in multiple categories: "office buildings in Tokyo", "urban retail properties" and "properties with low occupancy"
- Avoid investment in office buildings in Tokyo that are overvalued
- Continue to seek investment opportunities based on the expectation that rental market is about to bottom out

Internal Growth Strategy
– Continuous Endeavors on Reinforcing Leasing Activities and Improving NOI –

[Market Analysis]

- Vacancy rates of office buildings in Tokyo have peaked out
- New demand has now been increasing after significant rent adjustments
- Rent levels are expected to bottom out in 2011
- Multiple applications for the same spaces and lease contracts at higher-than-anticipated rents are observed at JPR's properties

[JPR's Strategy]

- Focus on leasing of properties in Tokyo CBDs that should make large contributions to earnings as well as in properties in other cities that saw contract terminations by large tenants
- Reinforce the Asset Manager's leasing activities and enhance cooperation in tenant solicitation activities with Tokyo Tatemono, one of the sponsor, to realize lease-ups as early as possible
- Continuously endeavor to improve NOI by reducing administration and energy costs and other expenses

Financial and IR Strategies
– Reduction of Debt Financing Costs and Implementation of Strategic IR

[Market Analysis]

- Financial institutions, primarily regional banks, started to take proactive lending attitude
- Investment unit prices quickly recovered after the Bank of Japan announced that J-REIT units are scope of its target for its purchase operation
- Equity finance and corporate bond market for J-REIT became active

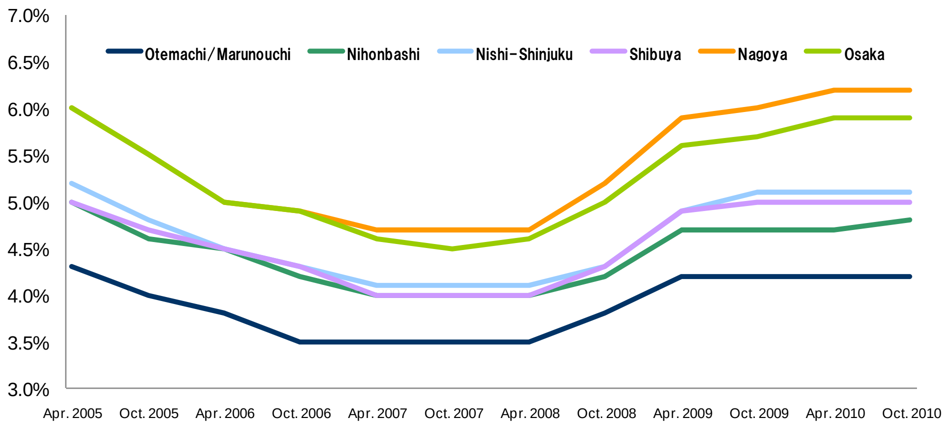
[JPR's Strategy]

- Endeavor to reduce debt financing costs
- Take a cautious approach to equity financing by fully discerning when the existing portfolio will recover
- Conduct flexible control of LTV for dynamically promoting investment strategy
- Implement IR activities demonstrating the atrong potential of JPR's portfolio, its high fund management capabilities and other distinctive characteristics

Office Transaction Market Conditions

Changes in Cap Rates of Offices

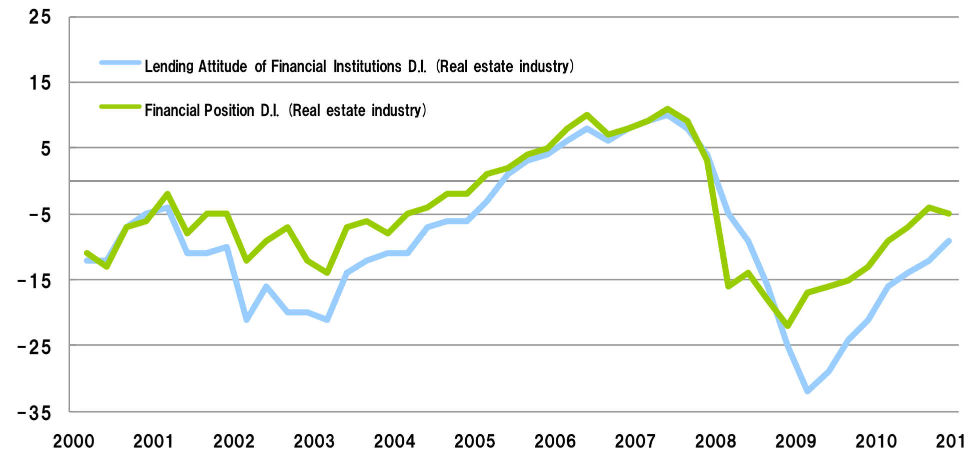
Cap rates of office buildings in Tokyo have begun to increase or remained flat



(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 Lending Attitude of Financial Institutions D.I. and Financial Position D.I.

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



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

Major Transaction Cases of Properties by Other REITs (Jul. – Dec. 2010)

Acquisition Date	Buyer	Property Name	Location	Acquisition Price (JPY bn)	Cap Rate
Jul. 2010	OJR	ORIX Meguro Building	Meguro Ward, Tokyo	6.4	5.2%
Aug. 2010	JEI	No. 32 Kowa Building (additional acquisition of ownership)	Minato Ward, Tokyo	2.4	5.7%
Aug. 2010	DOI	Kyodo Building (Nishi-Shimbashi)	Minato Ward, Tokyo	5.0	5.0%
Sep. 2010	DOI	Kyodo Building (Kudan Ichigo-kan)	Chiyoda Ward, Tokyo	4.0	5.0%
Oct. 2010	TRI	Akihabara Sanwa Toyo Building	Chiyoda Ward, Tokyo	4.6	4.8%
Oct. 2010	TRI	Kiba Eidai Building	Koto Ward, Tokyo	4.0	5.2%
Nov. 2010	KRI	Kyodo Building (Ginza No.8)	Chuo Ward, Tokyo	4.3	4.6%
Nov. 2010	KRI	Kyodo Building (Honcho 1chome)	Chuo Ward, Tokyo	4.0	4.9%
Dec. 2010	JEI	Kowa Shirokanedai Building	Minato Ward, Tokyo	4.7	5.3%

(Note 1) Prepared by Tokyo Realty Investment Management, Inc. based on press releases by respective REITs, with acquisition prices rounded off to 100 million yen
(Note 2) Cap rates are values through direct capitalization method based on appraisal values indicated in the press releases.

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

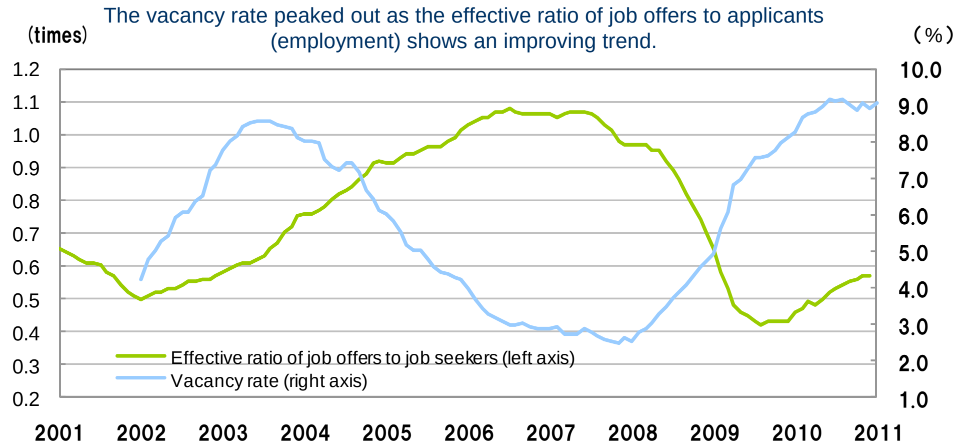
Expected cap rates

- The increasing trend of expected cap rates of class A buildings continued through April 2010, but the trend is anticipated to reverse hereafter.
- The decrease in expected cap rates will progress, given the increase in investment seeking stable income gains, loosened lending attitude of financial institutions and continued tightness in the demand and supply situation due to infrequent fire sales.
- The pace of decreases in the expected cap rates is anticipated to be slow because significant rises in rents cannot be expected under low economic growth.

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

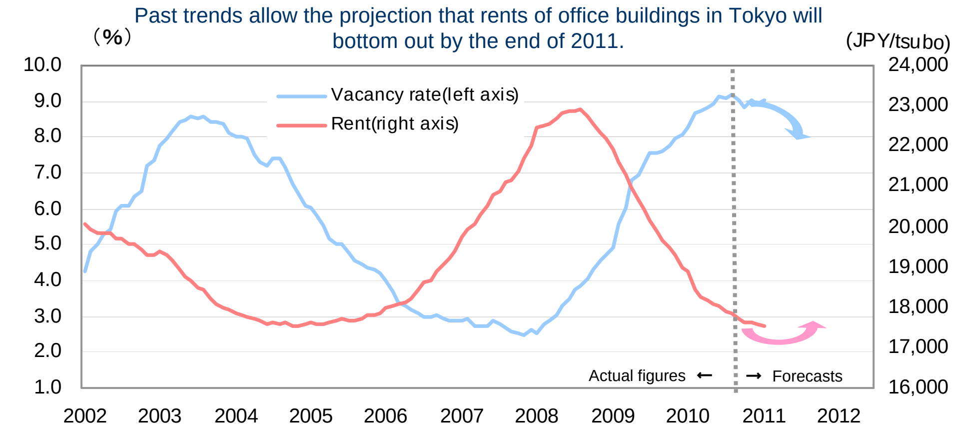
Office Rental Market Conditions

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



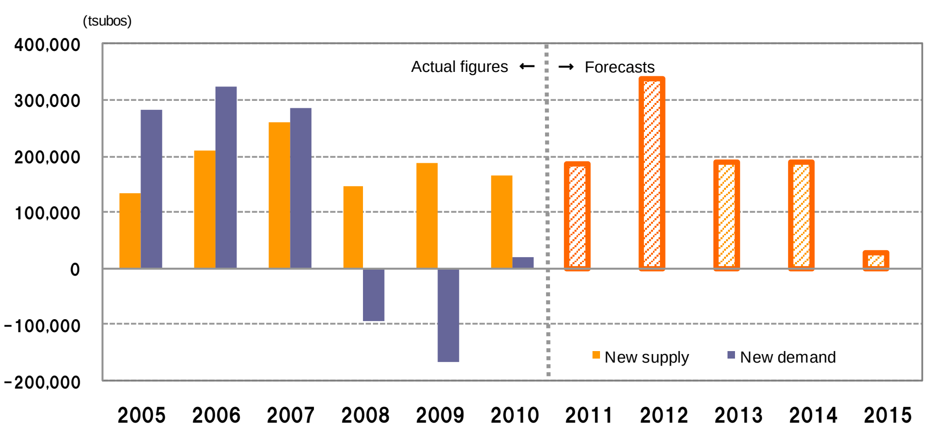
(Note) Prepared by Tokyo Realty Investment Management, Inc. based on the Effective Ratio of Job Offers to Job Seekers published by the Ministry of Health, Labour and Welfare and the Office Data (Average Vacancy Rates in Tokyo CBDs) published by Miki Shoji Co., Ltd.

Changes in Vacancy Rate and Rents of Office Buildings in Tokyo



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

New Supply and New Demand of Office Spaces in Tokyo 23 Wards



(Note 1) Prepared by Tokyo Realty Investment Management, Inc. based on materials from CB Richard Ellis (through 2011) and the Real Estate Quarterly Review published by NLI Research Institute (2012 and after)
(Note 2) The demand figures represent net increases, and supply figures are accumulation of new completion (without considering lost spaces)

Although a large volume of supply will be made in 2012, the vacancy rate is forecast to decrease in 2013 and after due to progresses in the adjustment of new supply and other factors.

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

Vacancy Rates

- Vacancy rates generally stayed flat through September 2010 after the rise in June and slowly decreased toward the year end. New supply in 2011 will be at an average level, and vacancy rates are anticipated to decrease as the increased demand will be larger than supply.

Rent Levels

- Demand slowed in the middle of 2010. For 2011, there will be contrary trends of rents between large-scale buildings, where rent levels will recover bit by bit as tenant solicitation starts to proceed as a result of rent adjustments, and for medium- to small-sized buildings, where further rent adjustments will be unavoidable as tenants move out to large-scale buildings. As the average in the market, however, the rent levels are anticipated to bottom out by year end.

Supply and Demand Trend

- Features of new supply through 2011:
  “Medium-sized office buildings occupying major part of supply”, “small supply in the central 5 wards of Tokyo” and “total volume of new supply will not be so large”
- Demand is slowly increasing, primarily led by companies in the IT industry that are showing good performance. Demand is anticipated to grow, stimulated by the recovery in employment and the sense of comparative inexpensiveness associated with rent adjustments.
- Vacancy rates will temporarily rise in 2012 due to mass supply as large as nearly 300,000 tsubos.
- In 2013 and thereafter, vacancy rates will decrease as volume adjustments of new supply and stock adjustments (such as dissolution of old buildings) will progress.

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

External Growth Strategy (Environmental Recognition and Investment Strategy)

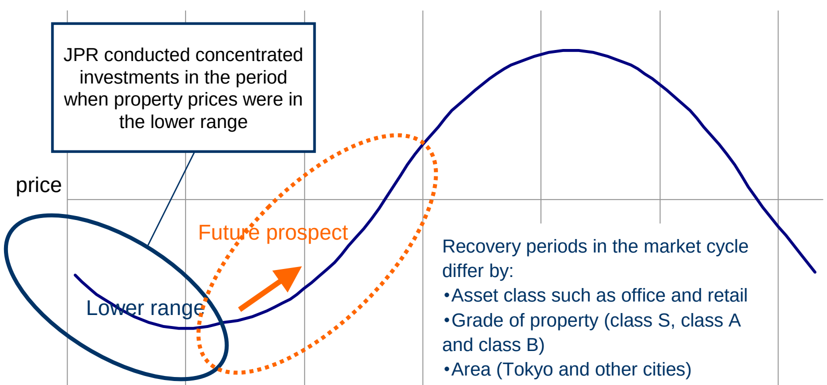
[JPR's View on Present Situation]

- Fund procurement environment has notably improved
- Transactions of excellent properties, which we can expect revenue improvement at the timing of market recovery, remain stagnant
- Acquisition targets tend to expand into class B office buildings
- Buyers' investment appetite to invest has recovered

[Future Prospects]

- Prices will rise in association with full recovery of the rental market.
- Investment will be boosted by the rise in investment unit prices and the reduction in procurement costs
- J-REITs will accelerate property acquisitions by using funds procured through public offerings and corporate bonds
- Transaction market is turning to a period of recovery ahead of the rental market

Conceptual Chart of Price Fluctuation Cycles (Primarily from the viewpoint of cap rates)



Recovery periods in the market cycle differ by:
•Asset class such as office and retail
•Grade of property (class S, class A and class B)
•Area (Tokyo and other cities)
↓
Must discern the specific characteristics of respective properties

[Investment Strategy]

- Strictly select investment properties among extensive targets in multiple categories, as a diversified REIT investing in office buildings and retail properties
- Set acquiring core office buildings in the Tokyo area as the main scenario and target urban retail properties that we expect price rise over the medium term and properties with low occupancy that the cash flow would increase surely
- Investigate acquisitions of excellent properties in other cities that promises stable returns by carefully discerning their areas, locations and specifications
- Obtain information of excellent properties by reinforcing sponsor pipelines and taking advantage of high sourcing abilities such as focusing on property acquisitions through negotiated transactions

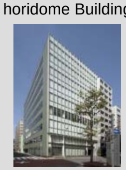
Strictly select investment properties among extensive targets in multiple categories	Utilize sponsors' pipelines

[Core Office Buildings in Tokyo Area]

- Cooperating with the sponsors to avoid excessive competition in the market
- Reinforce collection of information on properties through negotiations
- Conduct strictly selected investment in class B office buildings that cannot be priced easily as market recovery is postponed

Ryoshin Harajuku Building

JPR Nihonbashi-horidome Building



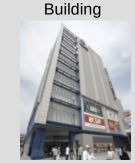
BYGS Shinjuku Building

[Urban Retail Properties]

- Still less competition compared to office buildings
- Target properties located in front of stations and under lease contracts based on fixed rents over a long term
- Total investment amount will be limited

JPR Shibuya Tower Records Building

Kawasaki Dice Building



[Properties in Other Cities]

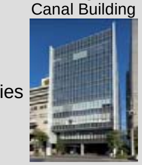
- Properties that promises stable returns
- Resumed collecting information while cautiously selecting investment areas

JPR Hakata Building

[Properties with Low Occupancy]

- Properties that allow expectations for upside revenues by reinforcing leasing
- Competition among J-REITs is still limited; volume of information JPR received on potential investment properties increased since last autumn

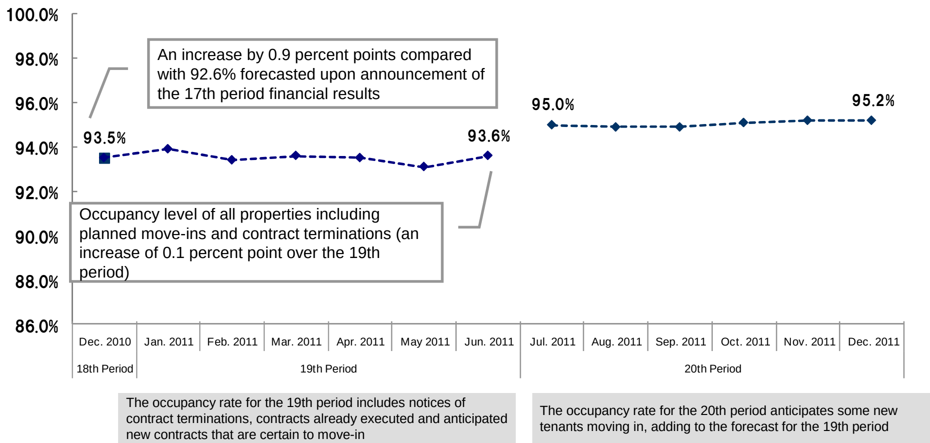
Shinagawa Canal Building



Internal Growth Strategy (1)

Projected Trends of Occupancy Rates

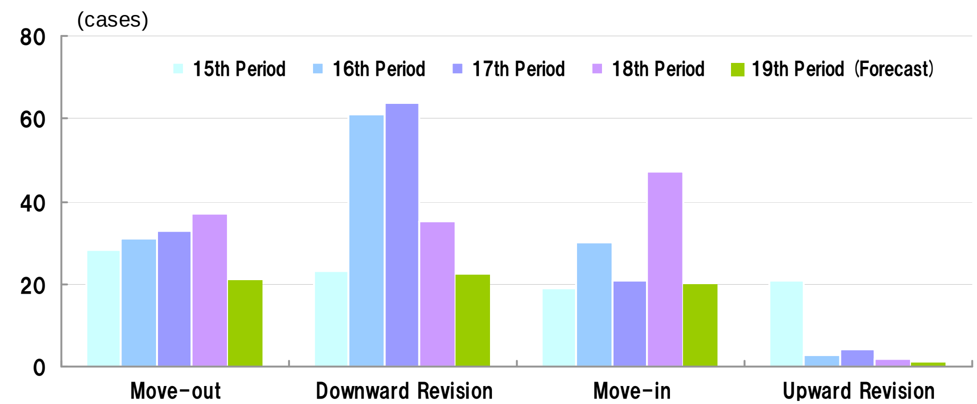
Occupancy rate is anticipated to recover in the 20th fiscal period



(Note) Occupancy rates for the 19th and the 20th period have been calculated based on the 56 properties JPR owned at the end of the 18th period

Changes in the Number of Tenant Changes at Existing Properties

The number of tenant move-outs and downward revisions of rents shows a decreasing trend.

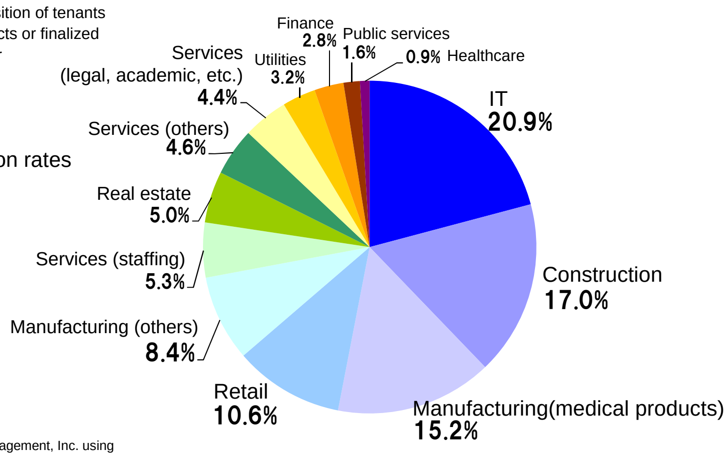


Composition of New Tenants by Industry

The chart to the right indicates the composition of tenants (by floor space) who executed new contracts or finalized move-ins in the 18th fiscal period and after

■Industries with high composition rates

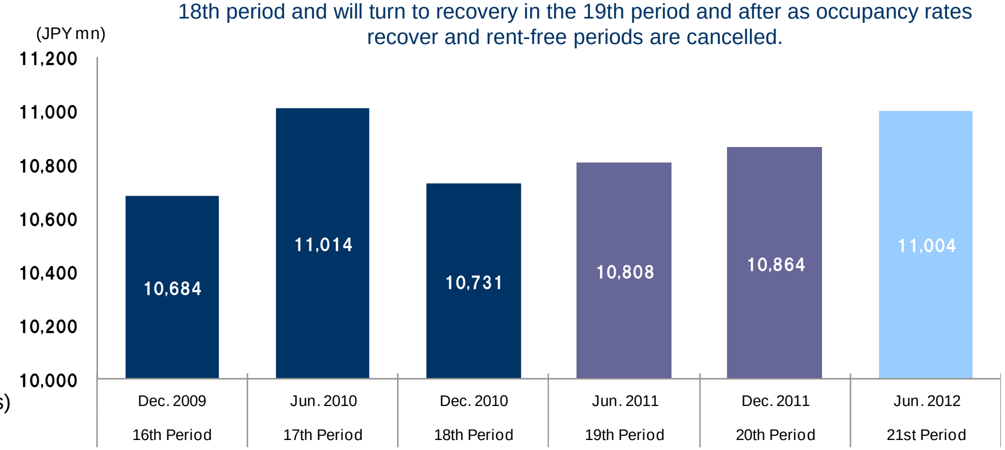
IT	20.9%
Construction	17.0%
Manufacturing (medical products)	15.2%
Retail	10.6%



(Note) Prepared by Tokyo Realty Investment Management, Inc. using information posted on the websites of respective companies and based on the Japan Standard Industrial Classification by the Statistics Bureau, Ministry of Internal Affairs and Communication

Changes in Rents and Other Income from the Entire Portfolio

Although rents and other income continued to remain weak, they hit the bottom in the 18th period and will turn to recovery in the 19th period and after as occupancy rates recover and rent-free periods are cancelled.



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

Internal Growth Strategy (2) (Endeavors on Leasing)

Tokyo Tatemono Honmachi Building

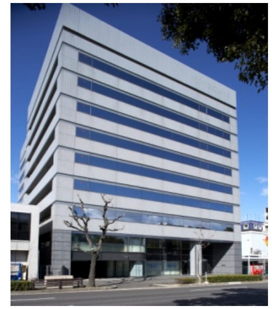
- Move-out of key tenant: end of August 2010
- A leasing project team newly set up at the Asset Manager
- Implemented renewal of toilets, common spaces, etc.
- Conducted a private view for possible tenants on the renewed floor: November 2011
- Reduced property management costs by changing regulations and reviewing management specifications in association with the tenant's move-out (cost reduction by 30%)

– Potential of the property –

Located in the center of a business district; rectangular-shaped floor having 300 tsubos

Leasing status

- New leases: finalized 3 cases totaling approximately 1,500m² (equivalent to 21% of the total leasable area)
- Negotiations are under way with 4 candidates on leasing area of approximately 4,000m² in total
- Successfully found promising candidate tenants in a short time through cooperation between the leasing project team and the tenant marketing forces of Tokyo Tatemono



JPR Nagoya Fushimi Building (former Mitsubishi UFJ Lease & Finance Nagoya Head Office Building)

- Move-out of key tenant: September 2010
- Renewed air-conditioning systems, employed OA-compatible floor, newly established a refreshing room, introduced security systems, etc.
- Changed the building name: October 1, 2010

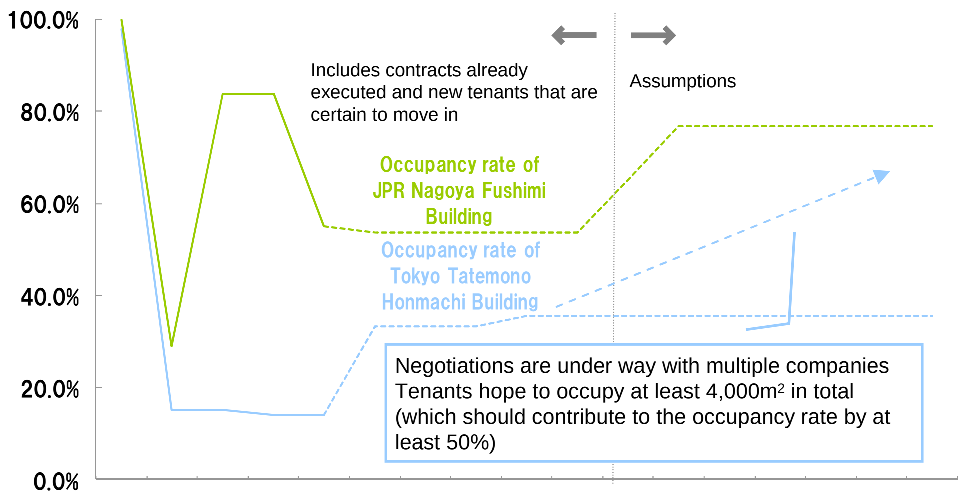
– Potential of the property –

Rectangular-shaped floor, large-scale parking lot, good access to express way

Leasing status

- New leases totaling approximately 2,700m² (equivalent to 38% of the leasable area) comprising floor expansion (one case) and new contracts (2 cases)
- There are relocation needs as a location for office buildings, with many concentrations of manufacturers and areas with relatively inexpensive rents
- Utilized tenant information accumulated from tenants associated with the large-scale development conducted by Tokyo Tatemono, one of JPR's sponsors

Future Prospects of Occupancy Rates



Endeavors to Reinforce Leases

[Asset Manager] Tokyo Realty Investment Management, Inc.

Investment Management Division
Asset Management Group
+
Leasing project team

Formed a leasing project team at the Asset Manager
Reinforce cooperation with property management companies to further accelerate collection of information
Handle brokerage by mediators and conduct direct marketing to tenants

Synergy of the comprehensive capabilities of Tokyo Tatemono and direct leasing by the Asset Manager

[Property Management Assignee] Tokyo Tatemono

Leasing Promotion
Property Management
Kansai Branch and Nagoya Branch

Tokyo Tatemono Co., Ltd., the main sponsor of the Asset Manager and the assignee of property management operations, conducts property management services for 220 buildings on a consignment basis, and has tenant information accumulated in association with its large-scale property development projects.
The Asset Manager promptly handles and responds according to accumulated tenant information and tenant needs by reinforcing cooperation between its leasing project team and Tokyo Tatemono.

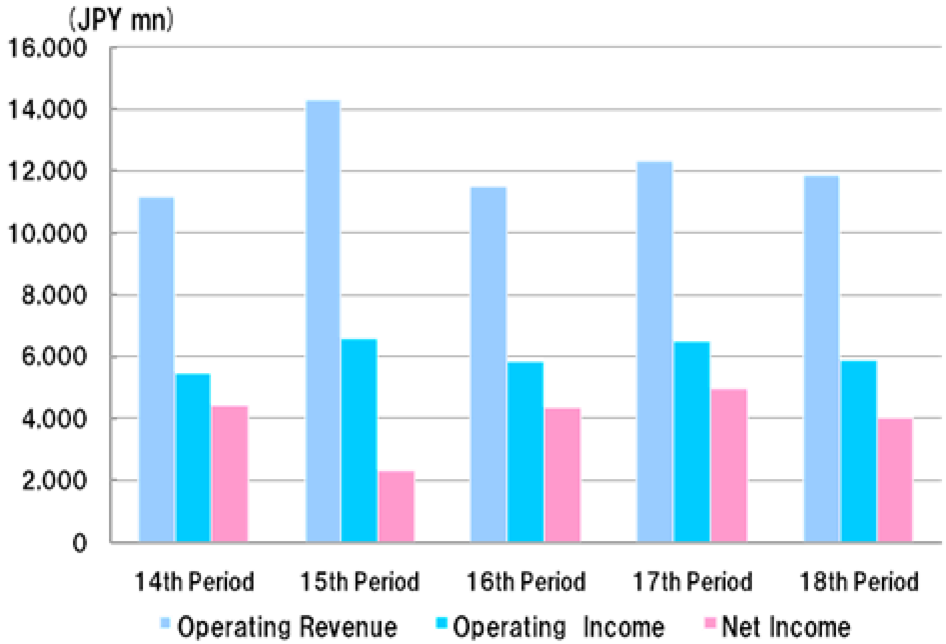
Japan Prime Realty Investment Corporation

Appendix

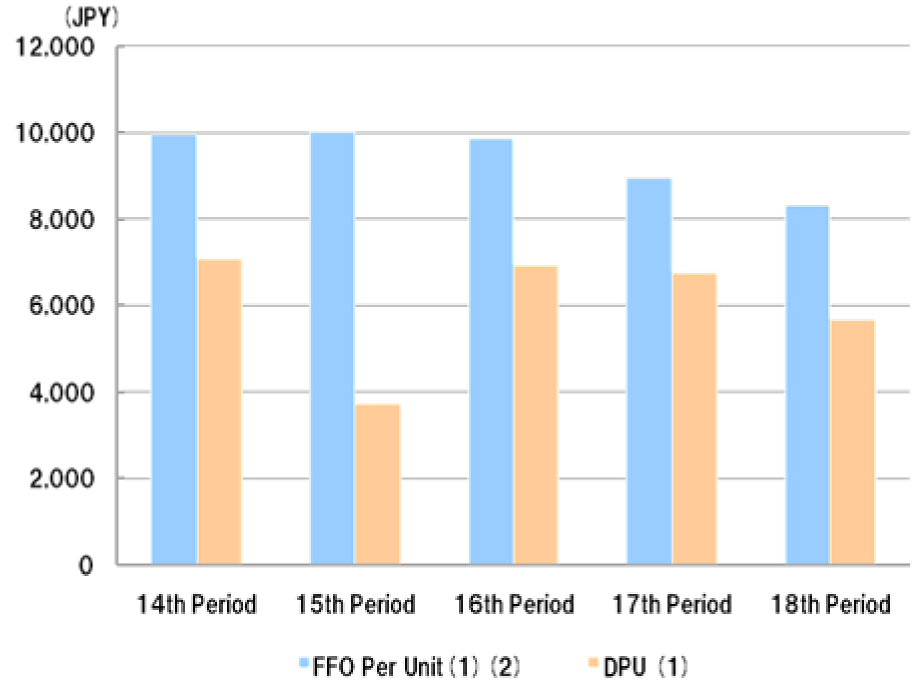
18th

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)

	14th Period	15th Period	16th Period	17th Period	18th Period
Operating Revenue	11,171	14,330	11,493	12,314	11,870
Operating Income	5,482	6,568	5,827	6,484	5,886
Net Income	4,432	2,331	4,332	4,963	4,039

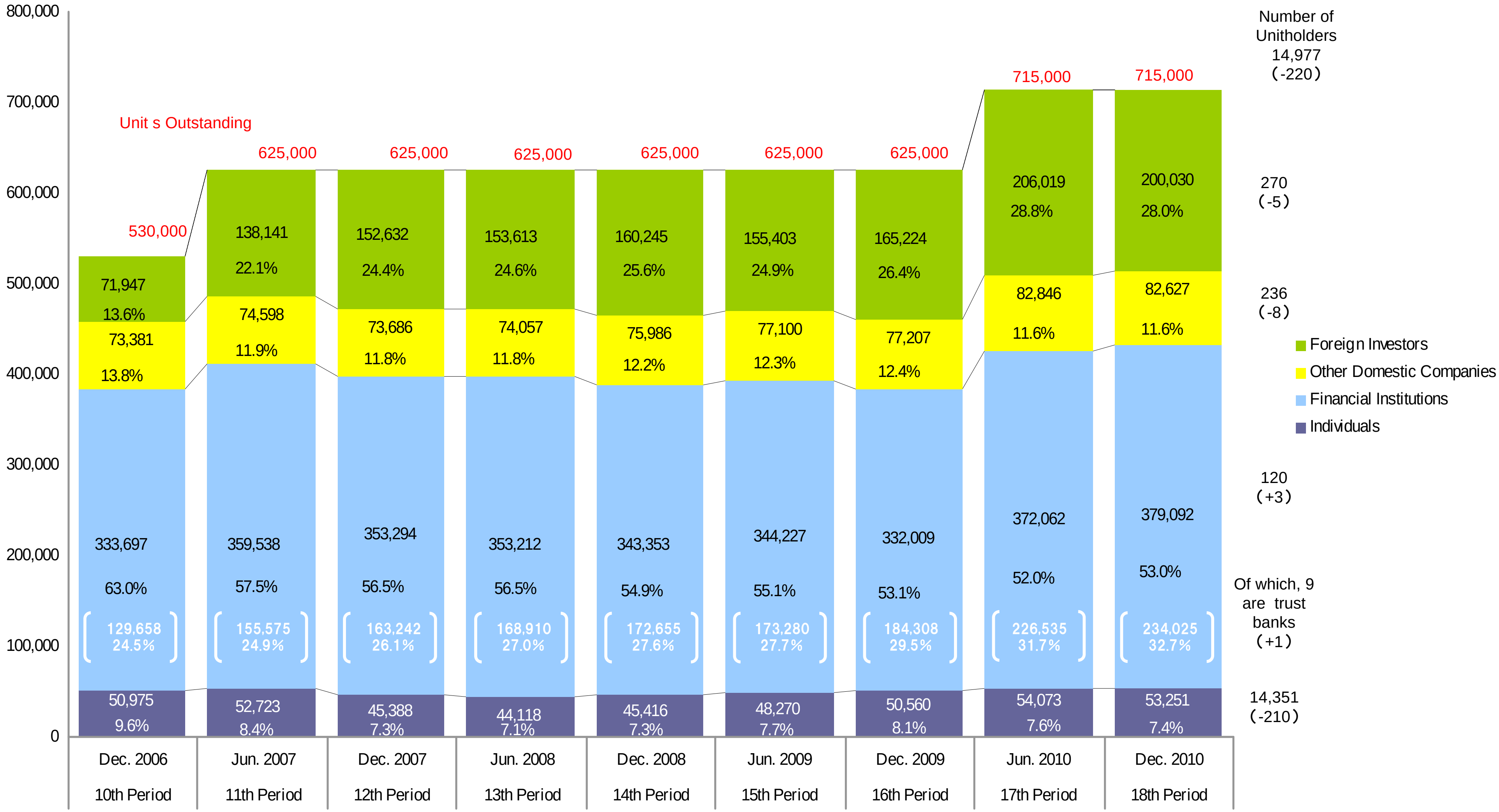
(JPY)

	14th Period	15th Period	16th Period	17th Period	18th Period
FFO Per Unit (1)(2)	9,977	10,015	9,892	8,952	8,347
DPU (1)	7,092	3,731	6,933	6,770	5,680
Number of Units Outstanding	625,000	625,000	625,000	715,000	715,000

(1) DPU and FFO per unit are calculated by dividing distributions and FFO by the total units outstanding as of the end of each fiscal period.
(2) FFO per unit = (Net income - Gains on sale of real estate - Gains on sale of investment securities - Extraordinary revenues and expenses + Depreciation + Other real estate-related depreciation) / Total units outstanding

Historical Unitholder Composition (Number of Units by Investor Type)

In the numbers of units held and unitholders, foreign investors and individuals decreased while domestic financial institutions increased (primarily trust banks)



(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

18th Fiscal Period (Ended December 2010)			17th Fiscal Period (Ended June 2010)		
Name	Number of Units Owned	% of Units Outstanding*	Name	Number of Units Owned	% of Units Outstanding*
Japan Trustee Services Bank, Ltd. (Trust Account)	100,081	13.99%	Japan Trustee Services Bank, Ltd. (Trust Account)	74,751	10.45%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	66,494	9.29%	NCT Trust and Banking Corporation (Investment Trust Account)	52,809	7.38%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	38,185	5.34%	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	41,216	5.76%
Tokyo Tatemono Co., Ltd.	29,300	4.09%	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 Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	28,211	3.94%
The Master Trust Bank of Japan, Ltd. (Trust Account)	25,269	3.53%	Northern Trust Company (AVFC), Account Singapore Clients (Standing Proxy: The Hongkong and Shanghai Banking Corporation Ltd., Tokyo Branch)	27,324	3.82%
Kawasaki Gakuen	25,000	3.49%	The Master Trust Bank of Japan, Ltd. (Trust Account)	25,796	3.60%
Meiji Yasuda Life Insurance Company	24,000	3.35%	Kawasaki Gakuen	25,000	3.49%
AIG Star Life Insurance, Co., Ltd. (general account) （Standing Proxy: Citibank Japan Ltd.）	12,982	1.81%	Meiji Yasuda Life Insurance Company	24,000	3.35%
The Senshu Ikeda Bank, Ltd.	11,448	1.60%	AIG Star Life Insurance, Co., Ltd. (general account) （Standing Proxy: Citibank Japan Ltd.）	13,190	1.84%
Total	360,017	50.35%	Total	341,597	47.77%

(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 224,700 (Feb. 10, 2011)
All-Time High (trading): JPY 564,000 (May 7, 2007)
All-Time Low (trading): JPY130,300 (Oct. 28, 2008)

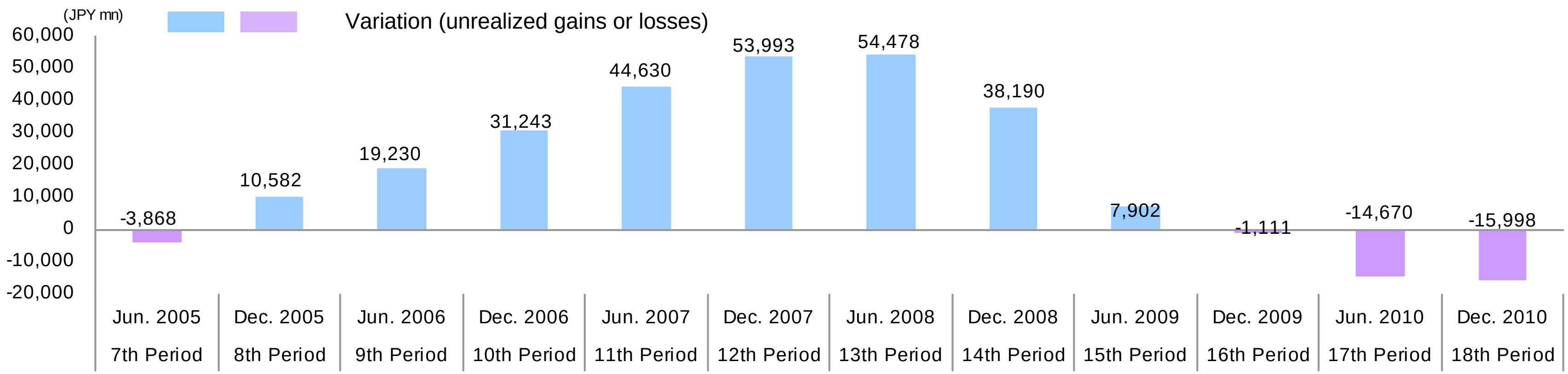
Fiscal Period	1st Period	2nd Period	3rd Period	4th Period	5th Period	6th Period	7th Period	8th Period	9th Period	10th Period	11th Period	12th Period	13th Period	14th Period	15th Period	16th Period	17th Period	18th Period
DPU	JPY2,545	JPY6,912	JPY6,873	JPY5,738	JPY6,081	JPY6,671	JPY6,370	JPY6,411	JPY6,509	JPY6,873	JPY6,996	JPY6,671	JPY7,122	JPY7,092	JPY3,731	JPY6,933	JPY6,770	JPY5,680

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

Net assets per unit after including variation between the appraisal value and book value (unrealized gains or losses) were 223,082 yen (Note 1)

	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
Number of properties	42	42	44	46	48	49	50	52	51	53	55	56
Appraisal value at end of period (JPY mn)	191,905	210,601	224,773	249,366	285,176	299,995	322,984	311,513	300,509	301,979	308,134	315,806
Book value (JPY mn)	195,773	200,019	205,543	218,123	240,546	246,002	268,506	273,323	292,607	303,090	322,804	331,804
Variation (unrealized gains: JPY mn)	-3,868	10,582	19,230	31,243	44,630	53,993	54,478	38,190	7,902	-1,111	-14,670	-15,998
Ratio of unrealized gains or losses (Note 2)	-2.00%	5.30%	9.40%	14.30%	18.60%	21.90%	20.30%	14.00%	2.70%	-0.40%	-4.50%	-4.82%

(Note 1) Net assets per unit after including unrealized gains = (Net assets at end of period + Unrealized gains or losses) / Number of outstanding units issued at end of period
(Note 2) Ratio of unrealized gains or loss = Variation / book value x 100



Appraisals and Cap Rates at End of Period

No.	Property Name	End of 18th Period Appraisal Value (Note 2)	End of 18th Period Cap Rate (Note 3)	End of 17th Period Appraisal Value (Note 2)	End of 17th Period Cap Rate (Note 3)	Appraiser
1	Kanematsu Building	10,200,000	4.8%	10,300,000	4.8%	3
2	Kanematsu Building Annex	2,290,000	5.1%	2,310,000	5.1%	3
3	JPR Ningyo-cho Building	2,320,000	5.3%	2,380,000	5.3%	1
4	Shin-Kojimachi Building	3,090,000	5.0%	3,090,000	5.0%	1
5	JPR Crest Takebashi Building	3,440,000	4.8%	3,530,000	4.8%	5
6	MS Shibaura Building	14,700,000	5.0%	14,800,000	5.0%	1
7	Gotanda First Building	2,780,000	5.1%	2,850,000	5.1%	1
8	Fukuoka Building	3,240,000	4.6%	3,240,000	4.6%	5
9	JPR Ichigaya Building	4,840,000	4.7%	4,970,000	4.7%	5
10	Oval Court Ohsaki Mark West	4,320,000	4.8%	4,320,000	4.8%	5
11	Shinjuku Square Tower	8,659,000	4.6%	8,912,000	4.6%	6
12	BYGS Shinjuku Building	13,800,000	4.7%	9,930,000	4.8%	5
13	Across Shinagawa Building Annex	863,000	5.6%	863,000	5.6%	5
14	Shinjuku Center Building	12,600,000	4.3%	13,100,000	4.3%	1
15	Minami Azabu Building	2,830,000	5.0%	2,880,000	5.1%	1
16	Shinagawa Canal Building	1,680,000	5.1%	1,620,000	5.1%	1
17	Rokubancho Building	3,030,000	6.1%	3,020,000	6.1%	1
18	Ryoshin Harajuku Building	7,610,000	4.5%	7,570,000	4.5%	8
19	Tokyo Tatemono Kyobashi Building	5,120,000	5.0%	5,120,000	5.0%	1
20	JPR Nihonbashi-horidome Building	5,780,000	4.9%	5,900,000	4.9%	8
21	JPR Sendagaya Building	10,600,000	4.4%	10,900,000	4.3%	8
22	JPR Shibuya Tower Records Building	12,600,000	4.5%	12,600,000	4.5%	1
23	JPR Daikanyama	1,300,000	5.0%	1,310,000	5.0%	3
24	JPR Jingumae 432	3,800,000	3.5%	4,000,000	3.5%	7
25	Shinjuku Sanchome East Building	2,350,000	4.5%	2,350,000	4.5%	1
26	Yurakucho Ekimae Building (Yurakucho Itocia)	2,660,000	4.2%	2,660,000	4.2%	1
27	Arca East	5,570,000	4.8%	5,530,000	4.8%	1
28	JPR Chiba Building	1,550,000	6.1%	1,550,000	6.1%	5
29	JPR Yokohama Nihon Odori Building	2,460,000	5.7%	2,460,000	5.7%	5
30	Shinyokohama 2nd Center Building	790,000	6.2%	775,000	6.2%	3
31	Kawaguchi Center Building	8,800,000	6.1%	9,420,000	6.1%	3
32	JPR Ueno East Building	4,600,000	5.2%	4,920,000	5.2%	1
33	Tachikawa Business Center Building	2,880,000	5.7%	3,190,000	5.7%	1
34	Rise Arena Building	5,730,000	5.6%	5,740,000	5.6%	4
35	Yume-ooka Office Tower	5,540,000	5.6%	5,550,000	5.6%	1
36	Olinas Tower	32,100,000	4.8%	31,500,000	4.8%	1
37	Tokyo Tatemono Yokohama Building	7,030,000	5.6%	-	-	1

No.	Property Name	End of 18th Period Appraisal Value (Note 2)	End of 18th Period Cap Rate (Note 3)	End of 17th Period Appraisal Value (Note 2)	End of 17th Period Cap Rate (Note 3)	Appraiser
38	Tanashi ASTA	12,200,000	5.8%	12,200,000	5.8%	5
39	Cupo-la Main Building	2,480,000	5.9%	2,480,000	5.9%	1
40	JPR Musashikosugi Building	5,940,000	5.2%	5,940,000	5.2%	8
41	Musashiurawa Shopping Square	3,910,000	5.4%	3,890,000	5.4%	8
42	Kawasaki Dice Bldg.	14,664,000	4.7%	14,664,000	4.7%	7
43	Niigata Ekinan Center Building	2,090,000	6.7%	2,090,000	6.7%	2
44	Tokyo Tatemono Honmachi Building	2,960,000	6.2%	3,030,000	6.0%	1
45	JPR Hakata Building	2,940,000	6.0%	2,940,000	6.0%	2
46	JPR Naha Building	1,540,000	6.8%	1,600,000	6.8%	2
47	Sompo Japan Sendai Building	3,260,000	6.3%	3,350,000	6.4%	1
48	Sompo Japan Wakayama Building	1,770,000	7.5%	1,800,000	7.5%	1
49	Tenjin 121 Building	2,340,000	5.7%	2,460,000	5.7%	1
50	JPR Dojima Building	2,270,000	5.4%	2,370,000	5.4%	1
51	JPR Hakata-chuo Building	1,790,000	5.7%	1,820,000	5.7%	1
52	JPR Nagoya Fushimi Building	2,490,000	6.3%	2,510,000	6.5%	4
53	JPR Umeda Loft Building	14,000,000	4.8%	14,000,000	4.8%	6
54	Benetton Shinsaibashi Building	4,530,000	4.8%	4,630,000	4.8%	4
55	Housing Design Center Kobe	6,390,000	6.3%	6,550,000	6.3%	4
56	JPR Chayamachi Building	4,690,000	5.0%	4,650,000	5.0%	4
Total		315,806,000	-	308,134,000	-	

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

(Note 3) Direct Capitalization Method

Properties whose appraisal values decreased by 5% or more compared with those at the end of the 17th period

Properties whose appraisal values increased compared with those at the end of the 17th period

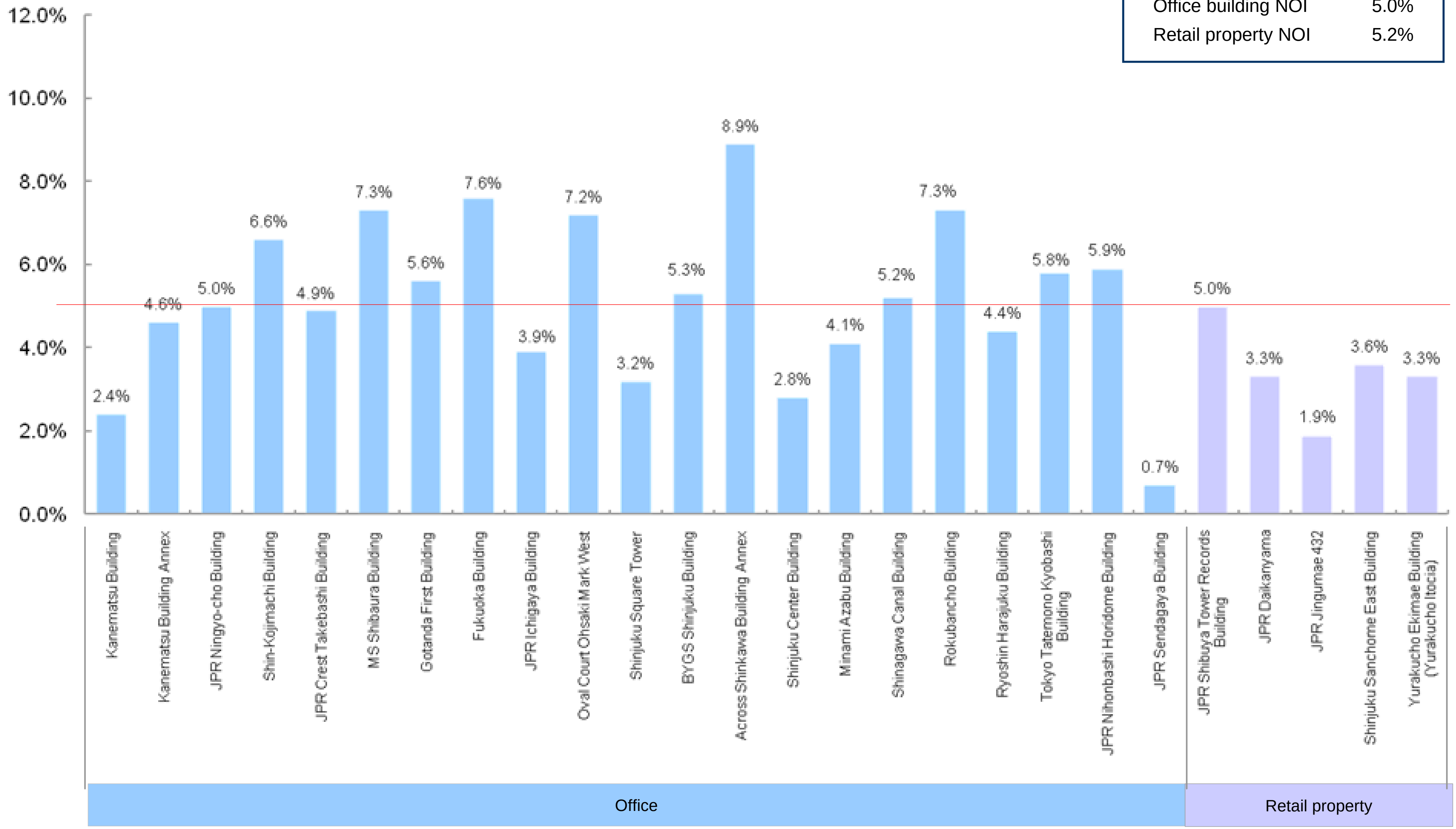
Appraiser	No.
Japan Real Estate Institute	1
Tanizawa Sogo Appraisal	2
Nippon Tochi-Tatemono	3
CB Richard Ellis	4
Daiwa Real Estate Appraisal Co., Ltd.	5
LCR	6
A Square	7
Japan Valuers	8

(*1) 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.

(*2) JPR is now the sole owner of BYGS Shinjuku Buildings as a result of acquiring additional 25% co-ownership conducted in the 18th fiscal period.

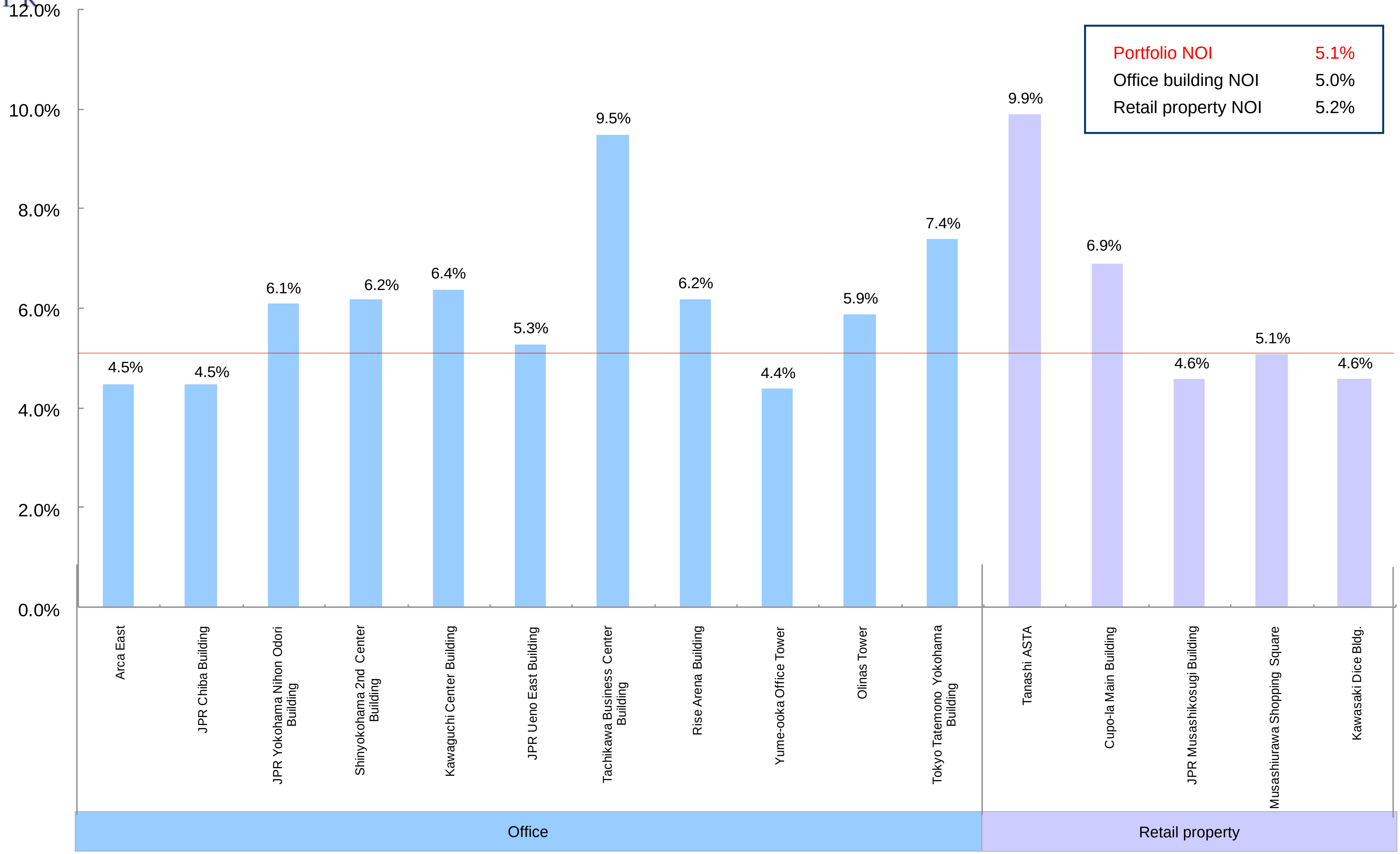
NOI Yield by Property for the 18th Fiscal Period (Tokyo CBDs)

Portfolio NOI	5.1%
Office building NOI	5.0%
Retail property NOI	5.2%



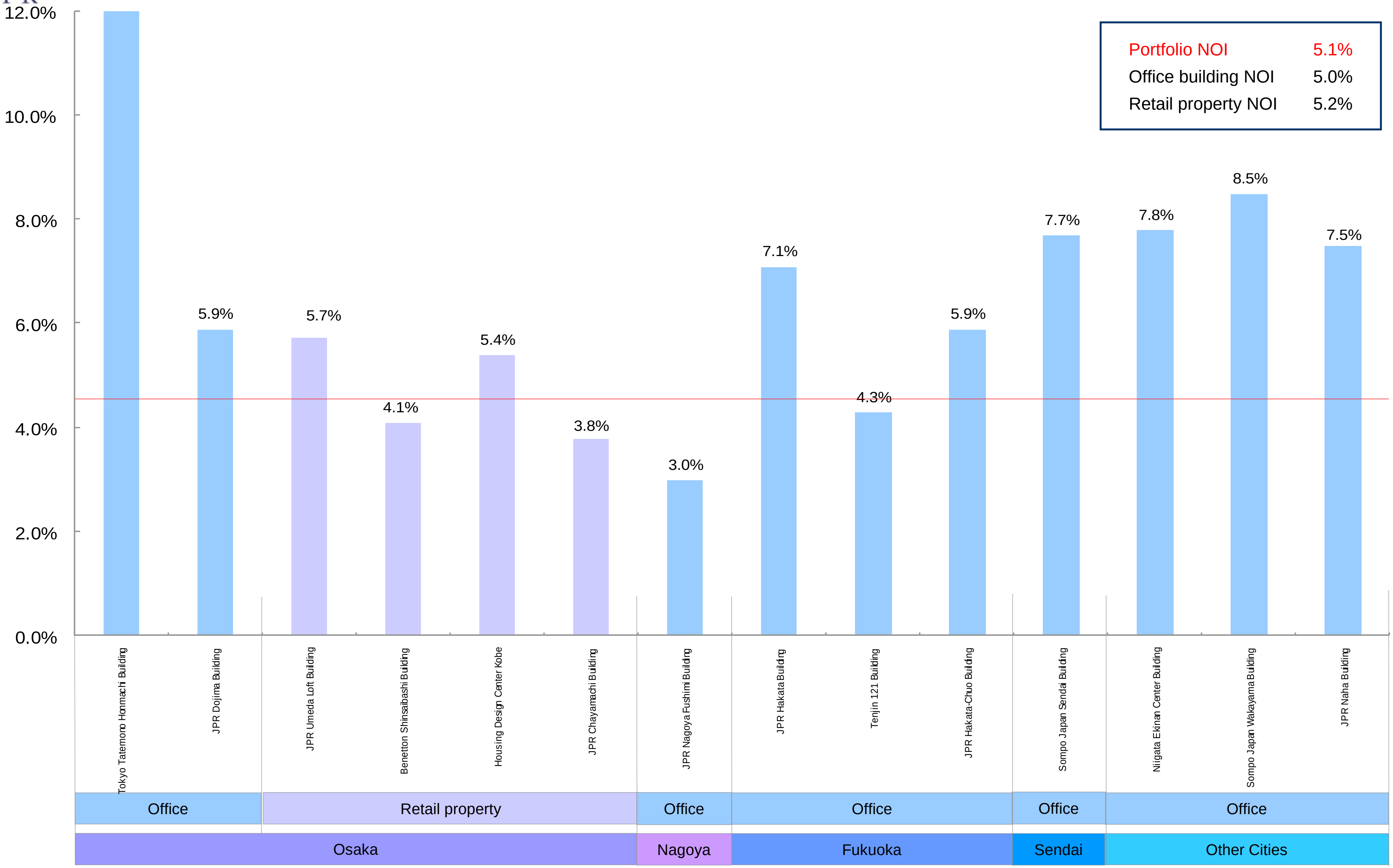
(Note) NOI yield = (Operating revenues - Operating expenses + Depreciation) x 365 / 184 ÷ Acquisition price. However, for properties acquired during the fiscal period, the annualized NOI yield has been calculated on a daily pro rata basis. The entered properties are those owned as of the end of the 18th fiscal period.

NOI Yield by Property for the 18th Fiscal Period (Greater Tokyo)



(Note) NOI yield = (Operating revenues - Operating expenses + Depreciation) x 365 / 184 ÷ Acquisition price. However, for properties acquired during the fiscal period, the annualized NOI yield has been calculated on a daily pro rata basis. The entered properties are those owned as of the end of the 18th fiscal period.

NOI Yield by Property for the 18th Fiscal Period (Other Cities)

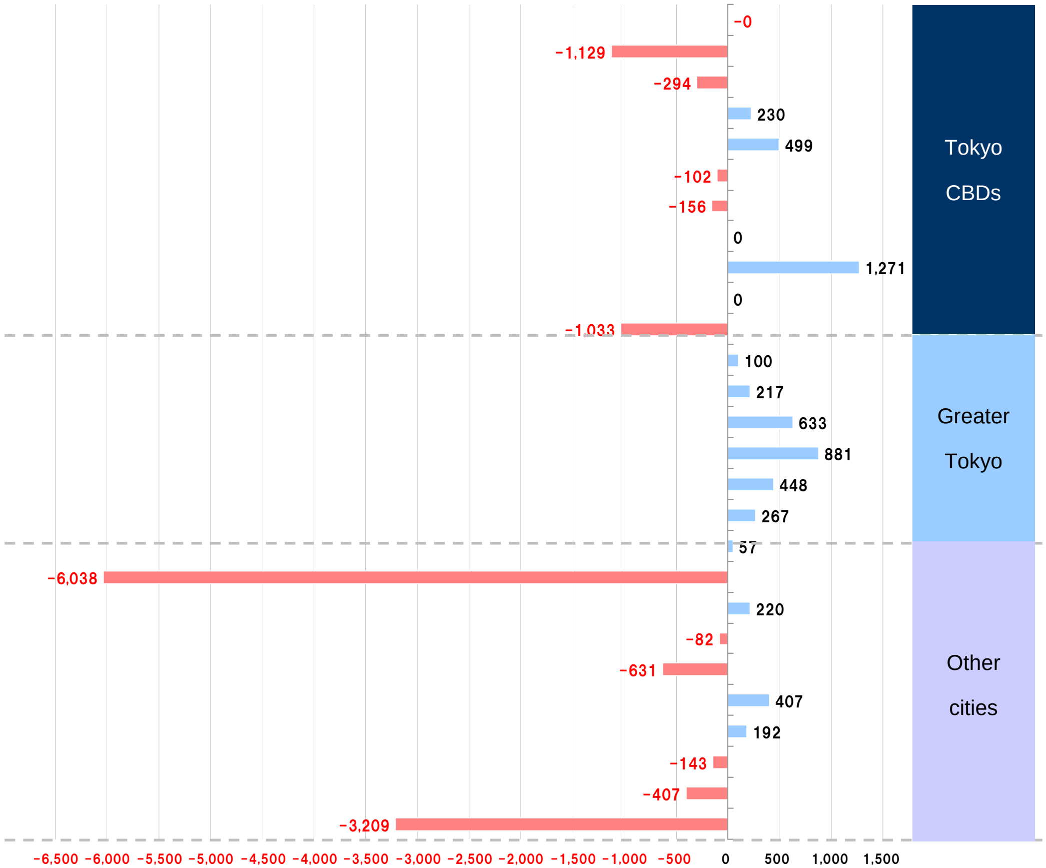


(Note) NOI yield = (Operating revenues - Operating expenses + Depreciation) x 365 / 184 ÷ Acquisition price. However, for properties acquired during the fiscal period, the annualized NOI yield has been calculated on a daily pro rata basis. The entered properties are those owned as of the end of the 18th fiscal period.

Contracting Status of Tenants by Property for the 18th Fiscal Period

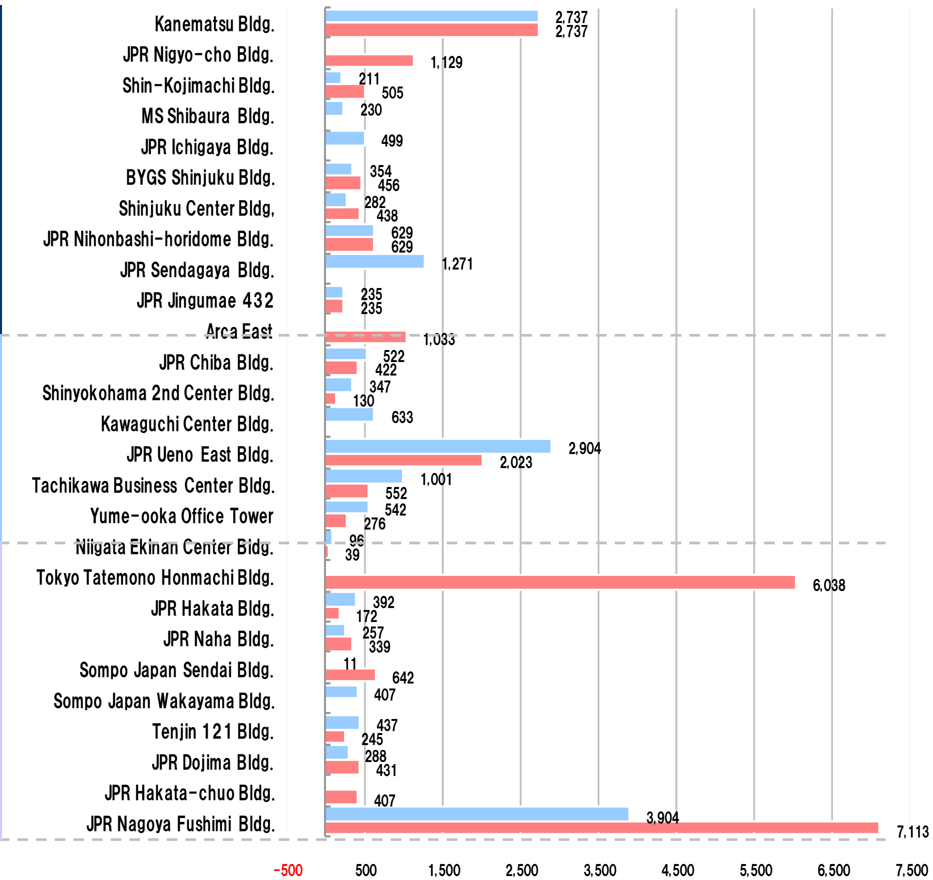
Net Increase / Decrease of Floor Space by Property (Occupied-Vacated)

(Unit: m²)



Occupied / Vacated Floor Space by Property

(Unit: m²)



(Unit: m²)

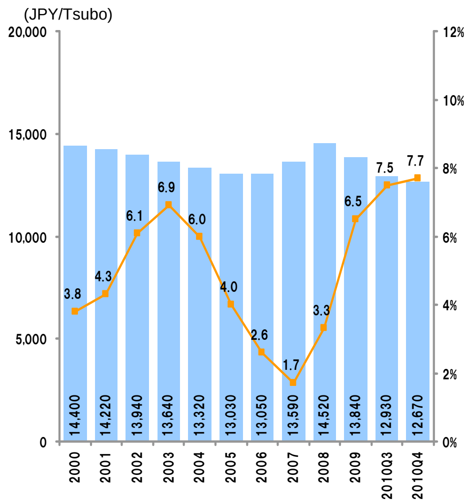
*The above graphs exclude properties at which there were no changes in tenants during the 18th fiscal period, but include changes in tenants from the amendment of lease contracts.

	Occupied	Vacated	Net
Office (Tokyo CBDs)	6,213	5,894	319
Office (Greater Tokyo)	5,948	4,436	1,513
Office (Other cities)	5,792	15,425	-9,633
Retail	235	235	0
Total	18,188	25,989	-7,801

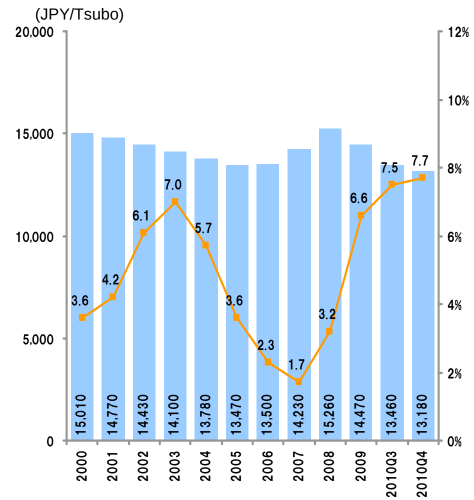
Office Vacancy Rates and Average Advertised Rents in Major Investment Areas

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.)

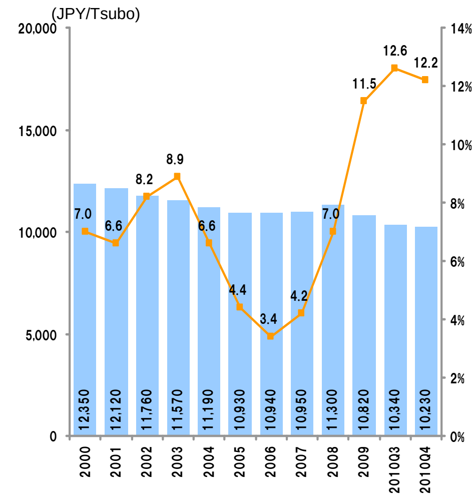
23 Wards of Tokyo



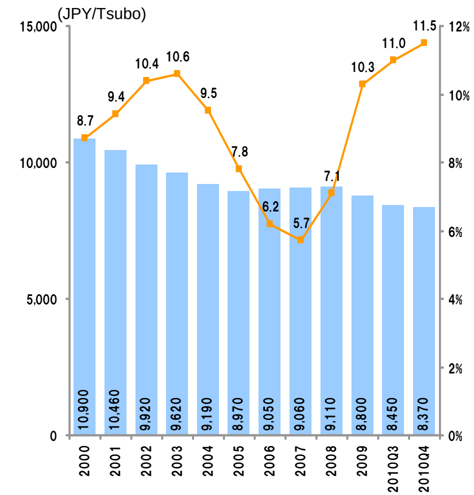
5 Wards of Tokyo



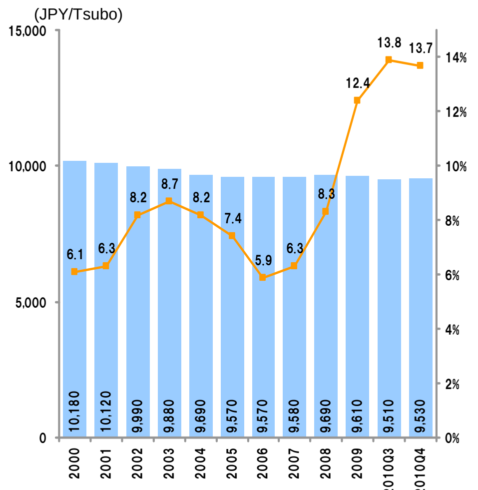
Yokohama City



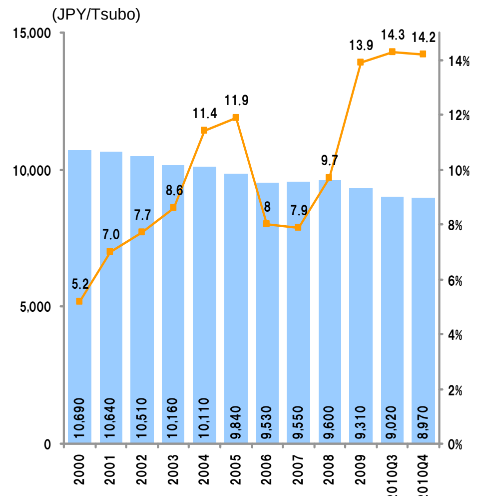
Osaka City



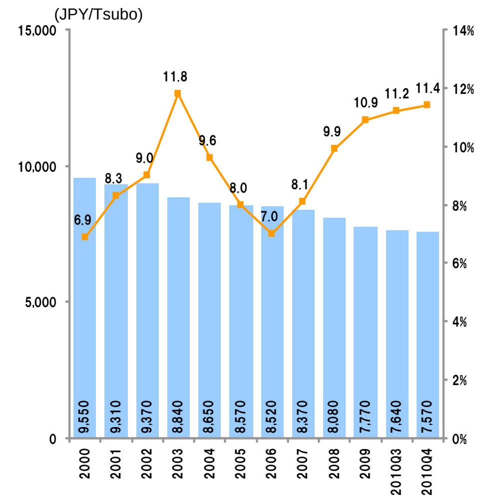
Nagoya City



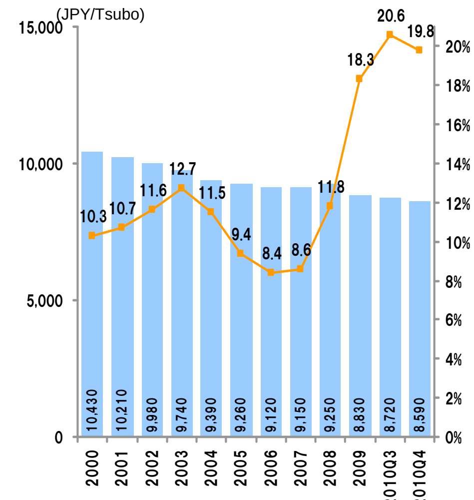
Fukuoka City



Sapporo City



Sendai City



Overview of the Asset Manager

Tokyo Realty Investment Management, Inc.

TRIM

- Provide opportunities for property acquisitions
- Provide information on property acquisitions and property sales
- Conduct tenant leasing
- Conduct property management
- Provide know-how in technical support

- Support establishing financial strategies
- Provide funds through debt financing

Take advantage of the strengths of the respective sponsors

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

Tokyo Tatemono Co., Ltd.	Taisei Corporation	Yasuda Real Estate Co., Ltd.	Meiji Yasuda Life Insurance Company	Sompo Japan Insurance Inc.
40%	20%	20%	10%	10%
TOKYO TATEMONO	TAISEI	安田不動産株式会社	明治安田生命	損保ジャパン

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

Corporate governance system of the Asset Manager

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

1st Check Compliance Committee

Verification to be made in advance, with the participation of outside lawyers, on the appropriateness and rationality of transactions

5 full-time directors（including one Compliance Officer ）+ Outside lawyers (special members of the Committee)

2nd Check Directors' Meeting of the Investment Corporation

Transactions with interested parties to be approved in advance by directors who are independent from shareholders of the Asset Manager

Transaction projects with interested parties

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

Verification in advance

Decision-making institutions

Board of Directors' Meeting or Respective committees

Approval in advance

Implement transactions of strictly selected projects only

Disclaimer Regarding Forward-Looking Statements

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