

Tokyo Realty Investment Management, Inc.



Japan Prime Realty Investment Corporation

Company Presentation

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

Mar. 2008

Profile Overview

Ticker	: 8955 (Tokyo Stock Exchange)	(as of January 31, 2008)
Market Cap.	: JPY 208.7 bn	
Asset Size (based on acquisition price)	: JPY 251.9 bn	
Investment Target (type)	: Office: 80%; Retail: 20%	
Investment Target (area)	: Tokyo: 60%; Other Selected Cities: 40%	
Real Estate Indices	: MSCI Japan Index, TSE REIT Index, GPR, EPRA/NAREIT	
Credit Rating	: R&I: AA-; Moody's: A2; S&P: A	

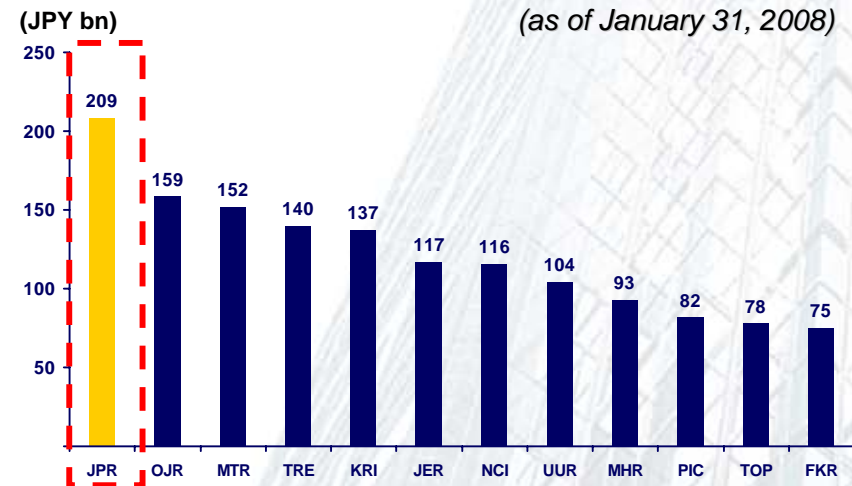
Asset Management Company

Tokyo Realty Investment Management (TRIM)

Sponsors (Shareholders of Asset Management Company)

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

Market Cap. of Major Diversified J-REITs



Top Ranked Diversified J-REIT with Strong Sponsor Capability

(JPY mn)	8th Period Ended Dec. 2005	9th Period Ended June 2006	10th Period Ended Dec. 2006	11th Period Ended June 2007	12th Period Ended Dec. 2007	13th Period (E) Ending June 2008 (E)
Operating revenues	8,587	8,588	9,088	10,056	10,449	10,490
Operating profits	3,984	4,024	4,373	5,108	5,006	4,997
Net income	3,398	3,449	3,642	4,372	4,169	4,218
DPU (JPY)	6,411	6,509	6,873	6,996	6,671	6,750
FFO	4,715	5,010	5,222	5,524	5,978	6,017
FFO per unit (JPY)	8,896	9,453	9,853	8,839	9,566	9,627
Total units outstanding (Units)	530,000	530,000	530,000	625,000	625,000	625,000
LTV (%)	44.1%	45.8%	48.7%	37.2%	38.9%	38.9%
Total assets	225,882	231,523	244,691	271,398	278,842	-
Number of properties	42	44	46	48	49	49
Average occupancy rate (%)	96.1%	97.7%	98.3%	99.0%	98.7	97.8%

12th Fiscal Period (2nd half 2007) Results

- ✓ 5 properties acquired in the 11th Fiscal Period contributing to the 12th Fiscal Period
 - Tachikawa Business Center Bldg. (additional ownership), Shinjuku Sanchome East Bldg., Rise Arena Bldg., Musashiurawa Shopping Square and Kawasaki Dice Bldg. (JPY 28.0 bn)
- ✓ 1 property newly acquired in the 12th Fiscal Period
 - Yume-ooka Office Tower (JPY 6.5 bn)
- ✓ Achieving higher rents with exiting and new tenants.

13th Fiscal Period (1st half 2008) Forecast (as of Feb. 2008)

- ✓ Achieving higher rents with exiting tenants.
- ✓ Penalty revenue from the tenant despite the cancellation at Strasse Ichibancho.
- ✓ Total units outstanding is based on 625,000 units.

Steady Increase in Revenues, FFO, and Net Income

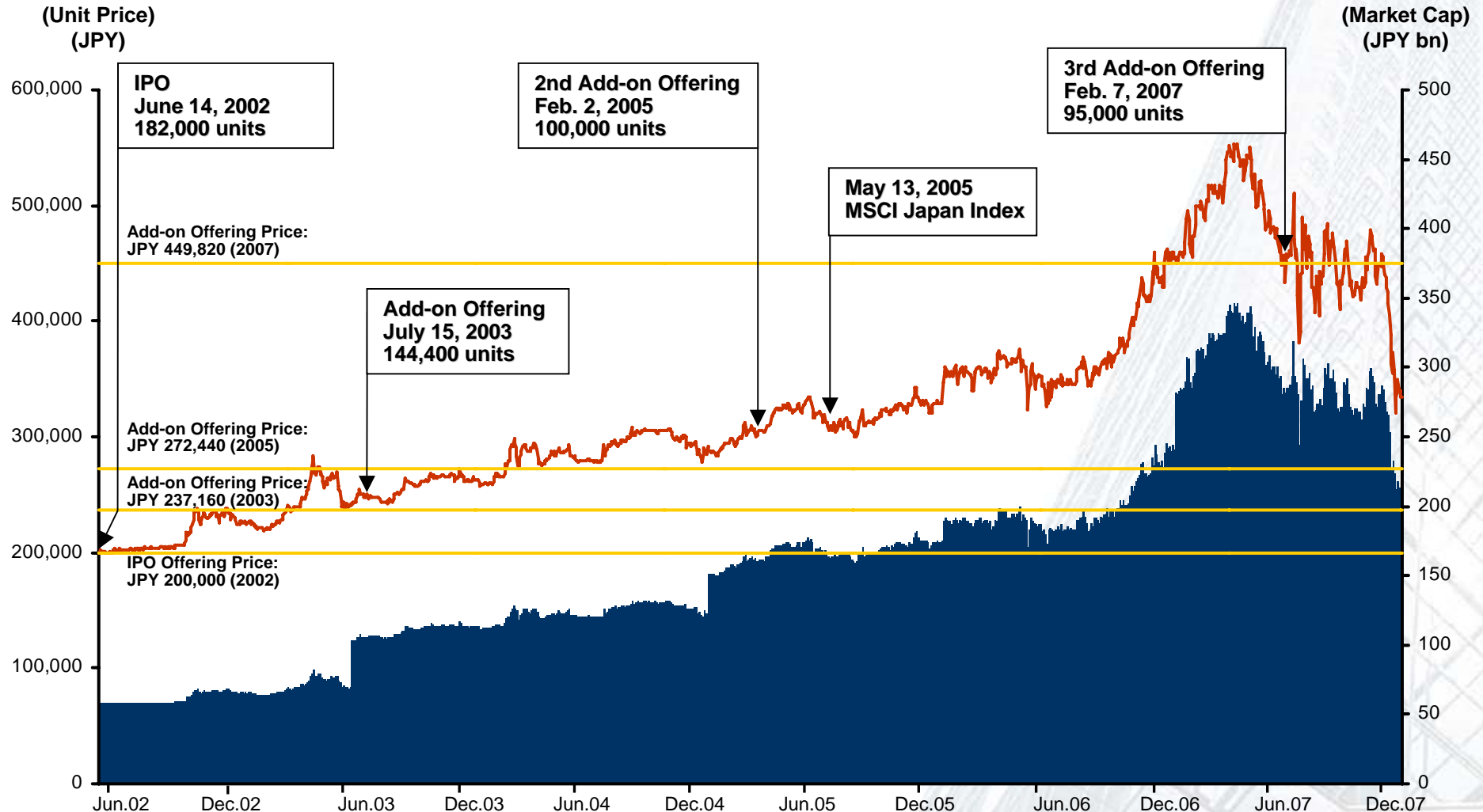
Note: FFO = Net Income + Depreciation and Amortization – Capital Gains (Losses) from Disposal of Properties
 DPU and FFO per unit are calculated using the number of units outstanding as of the end of each fiscal period.
 $LTV = \text{Interest Bearing Debt} \div (\text{Interest Bearing Debt} + \text{Unitholders'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



JPR's Market Recognition History

More than JPY 200 bin. In Market Cap. through Internal and External Growth

(as of January 31, 2008)

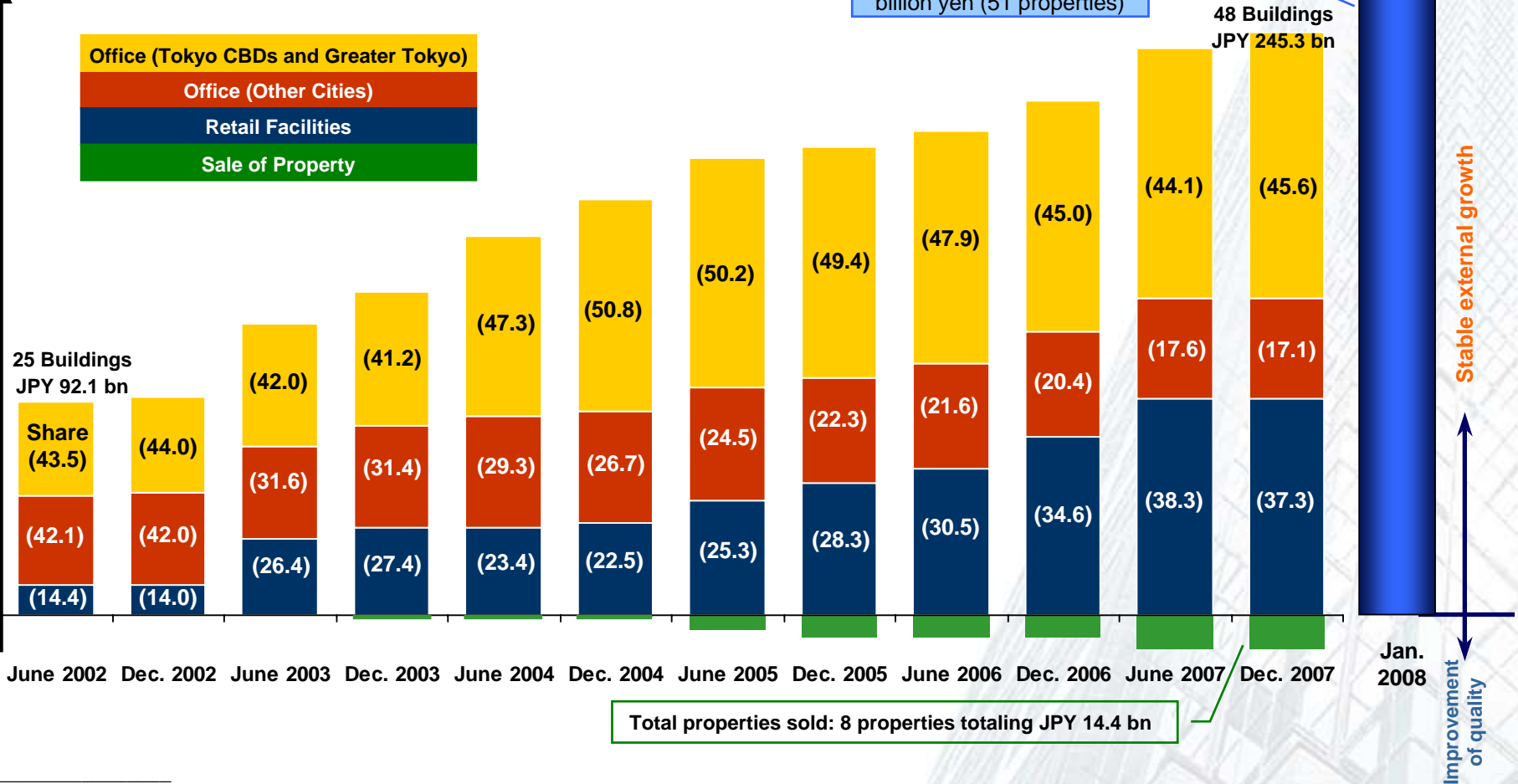


Towards a Target Portfolio Size of Over 300 Billion Yen

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

JPY 300 bn

Portfolio Size
(Acquisition price basis)



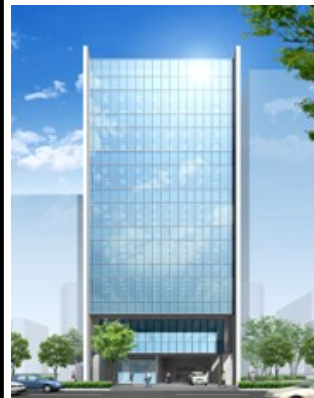
Note: JPR listed on June 14, 2002. Portfolio size is based on acquisition prices, including the Konan 2cyome Building (tentative name) to be acquired, the KM Fukugo Building (tentative name) to be acquired, not including the Meieki 2cyome Kaihatu TMK preferred securities acquired in November 2007 and to be acquired in the future.

Acquisition in 12th Fiscal Period and After (Planned)

Yume-ooka Office Tower



Konan Nichome Bldg. (tentative name) - Redevelopment Project -



KM Fukugo Bldg. Project (tentative name) Retail Building - Redevelopment Project -



Meieki Nichome Kaihatsu SPC Preferred Securities - Redevelopment Project -



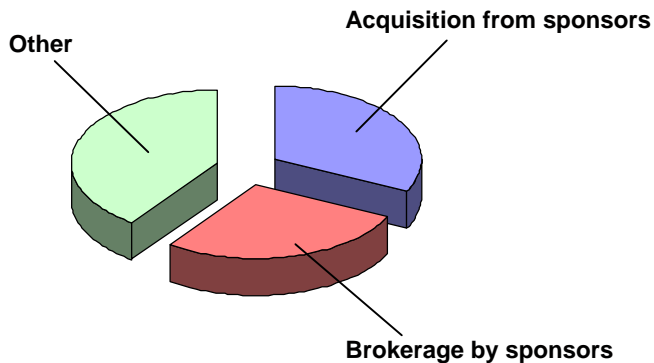
*Redevelopment project by Tokyo Tatemono Co, Ltd. with buildings to be completed in April 2009

■ Type of Use	Office	Office	Retail	Office
■ Acquisition Date (planned)	July 2007 (Acquired)	December 2008 (contracted in October 2007)	March 2009 (contracted in March 2007)	(1) November 2007 (acquired) / (2) May 2009 ^(Note 1) / (3) April 2010 ^(Note 1)
■ Acquisition Price (planned)	JPY 6.51 bn	JPY 1.87 bn	JPY 9.25 bn	(1) JPY 0.34 bn / (2) JPY 1.643 bn / (3) TBD
■ Appraisal Value (at acquisition or contract)	JPY 5.81 bn	JPY 1.89 bn	JPY 9.27 bn	JPY 33.7 bn ^(Note 2)
■ Location	Yokohama-shi, Kanagawa	Minato-ku, Tokyo	Osaka-shi, Osaka	Nagoya-shi, Aichi
■ Ownership Land	Co-ownership (19.7%)	Co-ownership (45.6%)	Ownership (21.42%)	Preferred equity ratio (acquired and planned) [total 40%] (1) 3% / (2) 12% / (3) 25% (ratio after additional preferred equity planned for April 2009)
■ Ownership Bldg.	Unit ownership	Unit ownership	Unit ownership	
■ Expected NOI (%)	4.8%	4.8% (appraisal cap rate)	4.3% (appraisal cap rate)	—
■ Seller (planned)	The City of Yokohama	Tokyo Tatemono Co., Ltd.	Sanyo Homes Co., Ltd., Haseko Corporation and 8 other companies	(1) And (2): Shimizu Corporation / (3) Marubeni Corporation

Continuing to Secure Acquisitions of Blue-Chip Properties Mainly through Sponsor Company's Redevelopment Projects (JPY 19.613 bn in Total)

(Note 1) The preferred securities of Meieki Nichome Kaihatsu SPC are to be acquired in three steps. (1) JPR already acquired the 3% equity in November 2007. (2) JPR concluded purchase agreements for the 12% equity and (3) the 25% equity in November 2007. The (2) and (3) portions will be acquired in May 2009 and April 2010, respectively. (Note 2) The figure is the appraisal value of the real estate that backs the preferred securities of Meieki Nichome Kaihatsu SPC.

■ Acquisitions through Sponsor Pipeline (Note 1)

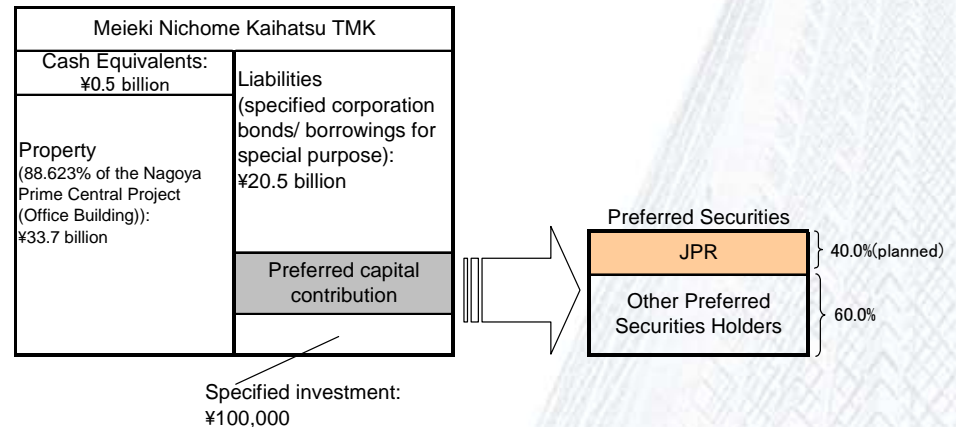


JPR acquired 32% of all properties it acquired between the 1st fiscal period and the end of the 12th fiscal period (including properties that have been sold (Note 1)) from sponsors, totaling about 86.1 billion yen. The figures rise to 60% and about 159.9 billion yen if combined with projects brokered by sponsors.

JPR will further utilize collaborations with sponsors to achieve external growth.

■ Sponsor-Development Project Investment Example

(Project developed by Tokyo Tatemono: Nagoya Prime Central Project)



■ Investment Merits

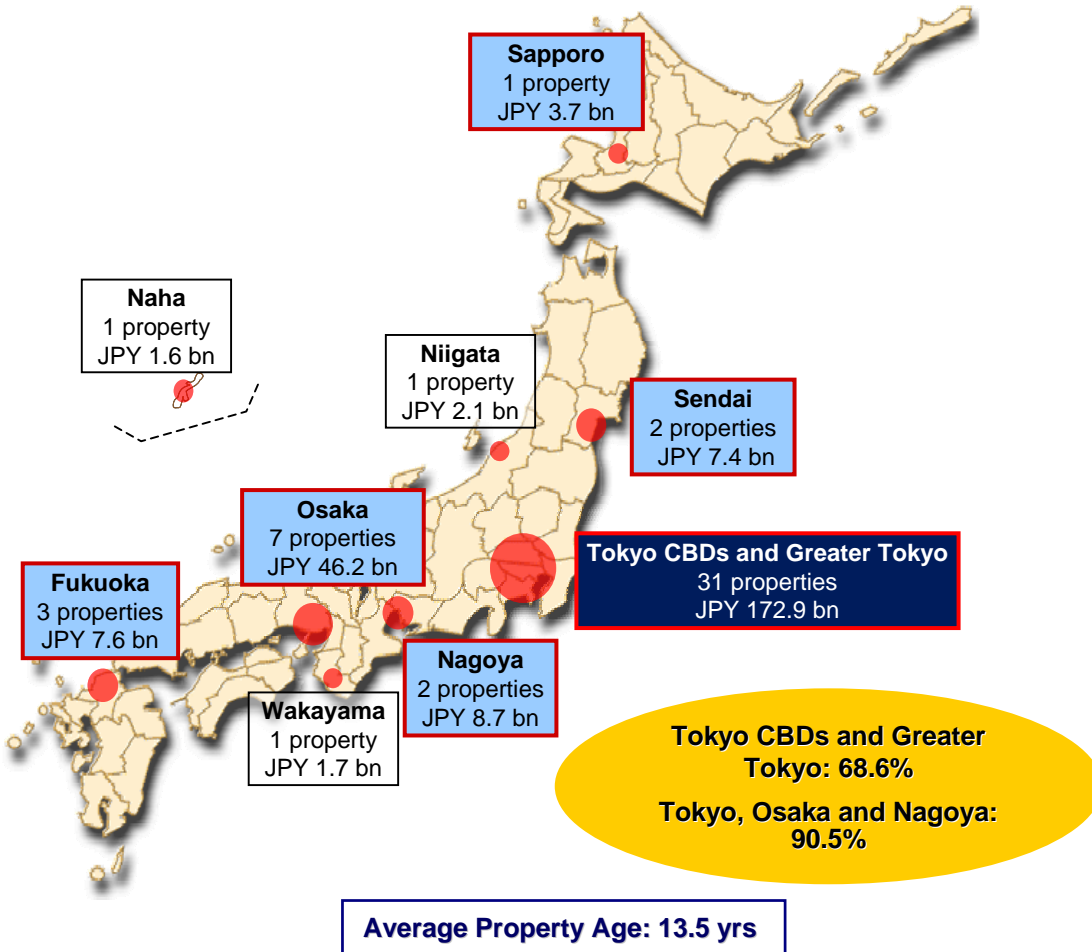
- Avoids excessive competition, as JPR will obtain the right to acquire 40% of the SPC-backed asset by investing in the SPC from the development stage and after
- Able to acquire an excellent office building in front of Nagoya Station where significant developments are underway
- Raises efficiency of funds by setting to pay the 12% portion of JPR's preferred securities (40% of the total) on the day following completion of construction (May 2009) and 25% a year after completion of construction (April 2010)

■ Investment Risks

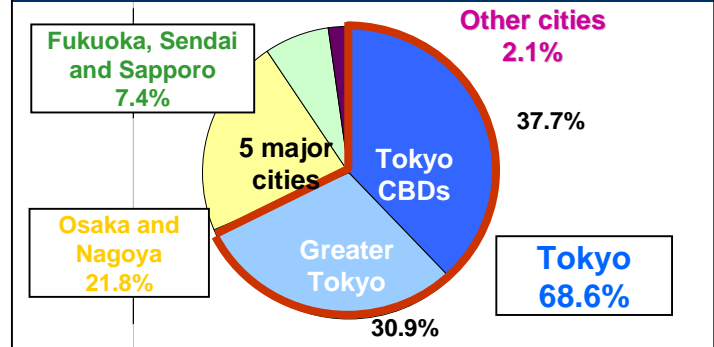
- As an investment in a property under development, there are such risks as the building not being completed, the construction schedule being delayed and the tenants not being found
- ⇒ Avoid risks other than leasing risks as much as possible by setting the date of delivery of the property (the 37% portion of JPR's equity of 40%) after the completion of construction

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

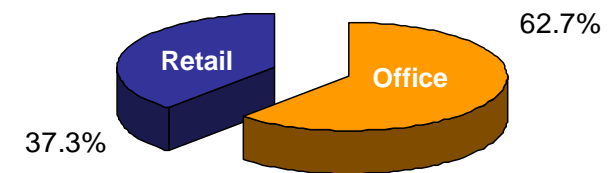
Portfolio Diversification (as of the end of June 2007)



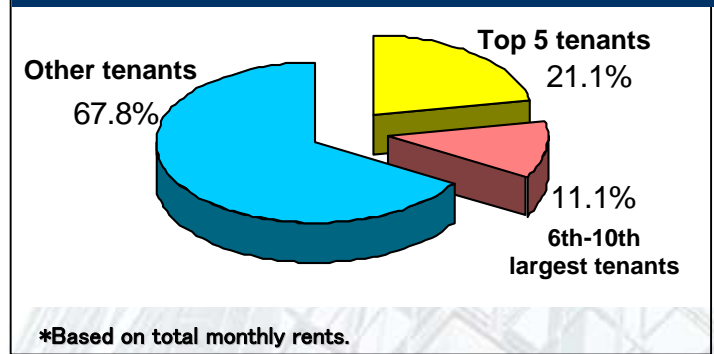
Geographic Diversification (as of June 2007)



Property Type (as of June 2007)



Tenant Diversification (as of June 2007)



*Portfolio (acquisition price) as of Dec. 2007, not including the Konan 2cyome Building (tentative name) to be acquired, the KM Fukugo Building (tentative name) to be acquired and the Meieki 2cyome Kaihatu TMK preferred securities acquired in November 2007 and to be acquired in the future.

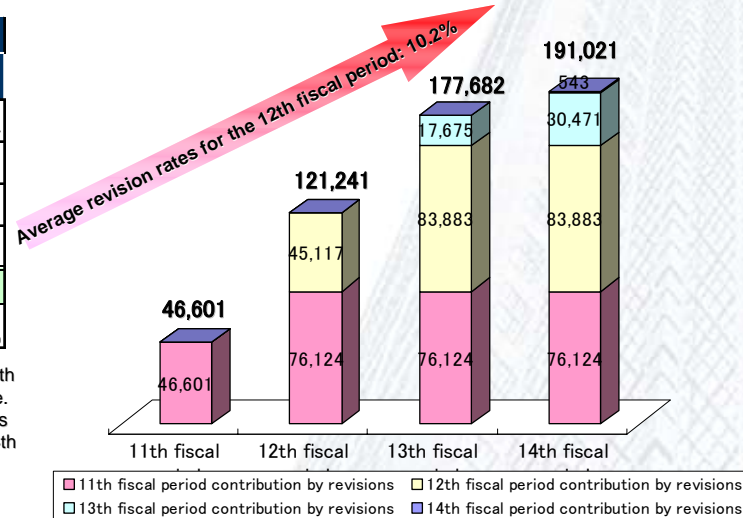
Promote Upward Revisions of Rents

Internal Growth through Promoting Rent Revisions Contributes to Expanded Revenues and Profits

Examples of Upward Revisions for Office Buildings in Tokyo CBD and Greater Tokyo

Limited to offices in Tokyo CBD and greater Tokyo

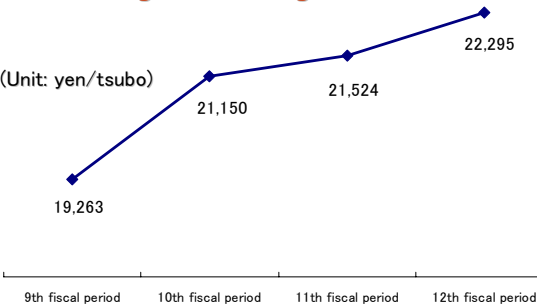
Timing of Rent Increase	Revised Contracts	Total No. of	%	Contribution to Profit Increase (1,000 yen)			
				11th fiscal period	12th fiscal period	13th fiscal period	14th fiscal period
11th fiscal period (Jun. 2007 period) or before	56	297	18.9%	46,601	76,124	76,124	76,124
12th fiscal period (Dec. 2007 period)	35	328	10.7%	0	45,117	83,883	83,883
13th fiscal period (Jun. 2008 period)	28	328	8.5%	0	0	17,675	30,471
14th fiscal period (Dec. 2008 period)	4	328	1.2%	0	0	0	543
Total	123	328	37.5%	46,601	121,241	177,682	191,021
			vs. 10th fiscal period rents	1.6%	4.2%	6.1%	6.6%



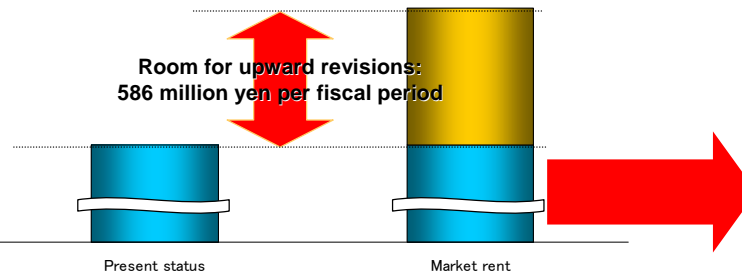
*1. The revision results are accumulated numbers on a contract basis. *2. The numbers of contracts are those at the ends of the 11th and 12th fiscal periods, while using the figure at the end of the 12th fiscal period for the 13th and 14th fiscal periods for convenience. *3. Offices covered are only those located in Tokyo or Greater Tokyo. *4. Contributions to increased revenues and the ratios of rents over the 10th fiscal period have been calculated solely based on rents excluding common expenses. *5. Figures for the 13th and 14th fiscal periods are revisions that were already agreed on as of the end of December 2007.

Room for Upward Revisions of Rents for Office Buildings in Tokyo and Greater Tokyo

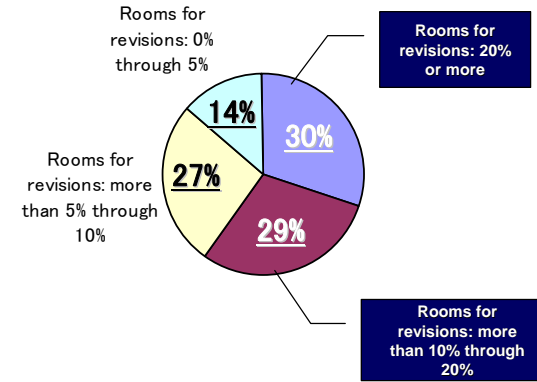
Changes in Average Market Rents



Disparity between Existing Rents and Market Rents



Breakdown of Existing Rents that are Lower than Market Rents



- Room for upward revisions based on comparisons between market rents and the monthly contract rents as of the end of the 12th fiscal period: 586 million yen per fiscal period (97 million yen per month)
- Since the average market rent is in a rising trend, room for upward revisions are expected to continue expanding in the future.

*1. Average market rents have been calculated through simple averaging of market rents for individual office buildings owned by JPR in Tokyo and Greater Tokyo, based on reports by K.K. Ikoma Data Service System. *2. Room for upward revisions have been calculated by simply adding the differences between the rents (that are lower than market rents) for individual tenants at offices owned by JPR in Tokyo and Greater Tokyo at the end of the 12th fiscal period and market rents for individual buildings.

Conversion Construction at Yume-ooka Office Tower

The 24th Floor used for a Restaurant with a View was Renovated to Suit Office Specs, Leading to Improved Profitability



- Convenience due to direct connection to station
- Scarcity value as top floor of high-rise office building
- High grade as large-scale office building
- Location as connecting point in southern part of Yokohama
- Considerations given to office demands in neighboring areas

Convert a restaurant into offices to enjoy strong demand



Improvement in profitability



Construction period: Oct 2007 – Feb 2008
Construction cost: 178 million yen

- Total renovation of the restaurant space and installation of OA floor with office specifications
 - Renewal of toilets, common areas and elevator halls
 - Separate air conditioning system (around-the-clock)
 - Installation of a refreshment space
 - Installation of a smoking room
- Introduced design and facilities focused on the comfort of tenants



Before converting the 24F

After converting the 24F (assumption)

Rent for the previous restaurant
36 million yen per year

Rent for offices (about 2.1 times)
77 million yen per year (assumed)

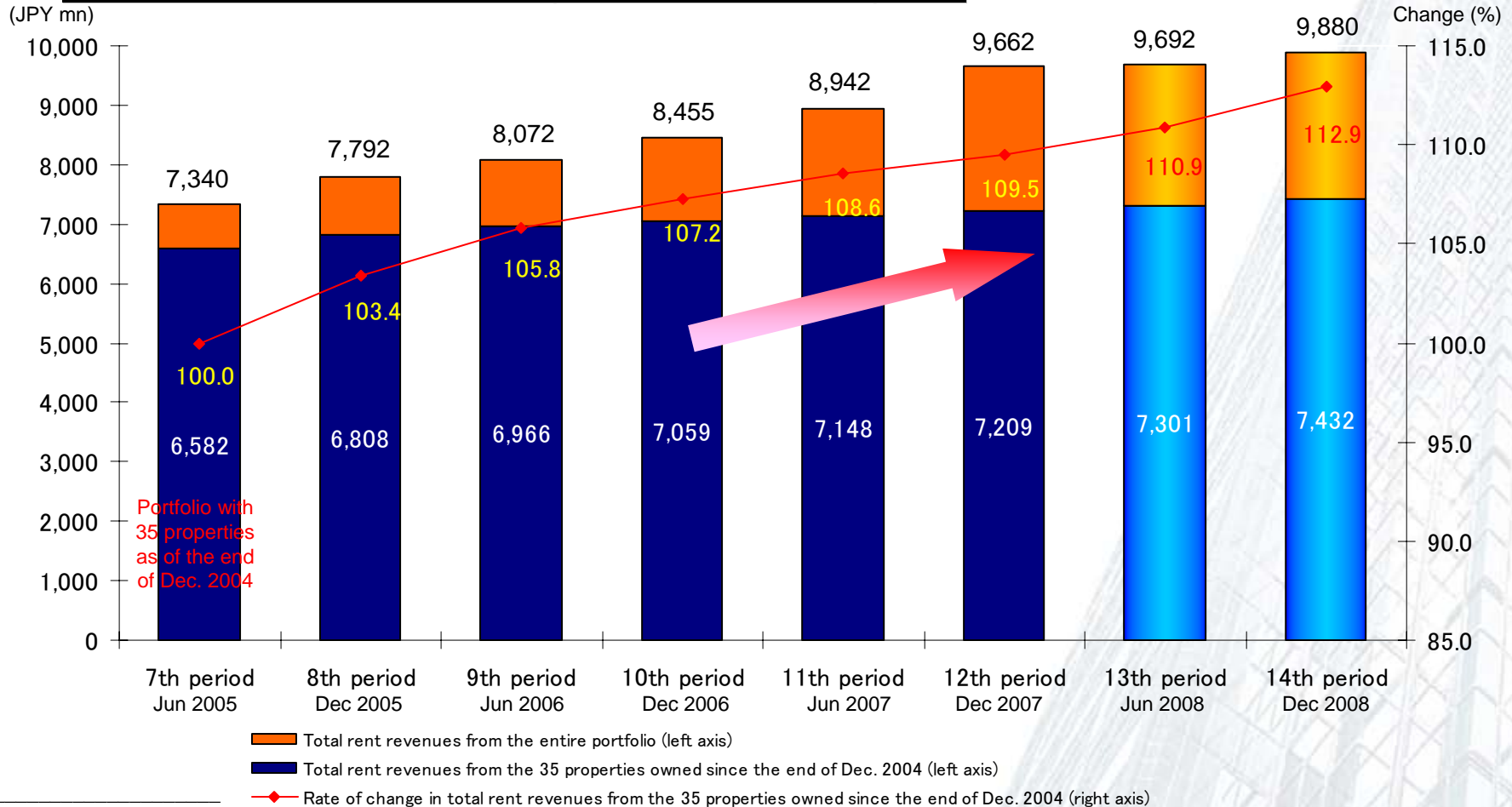
NOI yield (acquisition price basis)
4.8% (assumed, upon acquisition)

5.4% (assumed, full-period operation)

Aim to improve profitability

Rental Revenues (Note 1) Steady Growth Since the 7th Fiscal Period

■ **History of Rent Revenues from the Entire Portfolio and from the 35 Properties Owned Since the End of the 6th Fiscal Period (Ended December 2004) (Note 2)**



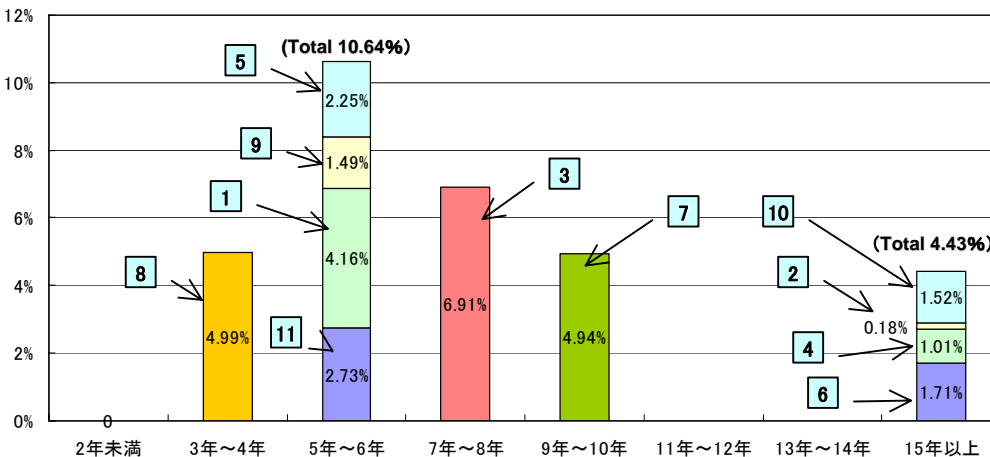
Notes (1) The rent revenues represent the fixed revenues designated in the contracts with tenants, including rent, common expenses and parking fees.

(2) The 35 properties owned as of the end of the 6th Fiscal Period (ended December 2004) represent the 42 properties owned as of the end of the 6th Fiscal Period (ended December 2004) minus JPR Ikebukuro Bldg., JPR Park West Takamatsu and JPR Square Hakata East/West that were sold in March 2005, SK Hiroshima Bldg. that was sold in September 2005, Park East Sapporo that was sold in November 2005, and Tsurumi fuga 1 and JPR Takamatsu Bldg. that were sold in April 2007.

■ Overview of Lease Contracts for Retail Properties

	No	Retail Properties	Lease Period	Overview of Lease Contract (No Cancellation, etc.)
Stability	1	JPR Shibuya Tower Records Bldg.	Through June 30, 2012	No cancellation allowed during the contract period on the left
	2	Shinjuku Sanchome East Bldg.	Through January 31, 2027	No cancellation allowed until January 31, 2017, after which one-year notice is needed
	3	Tanashi ASTA	Through February 9, 2015	No cancellation allowed during the contract period on the left
	4	Cupo-la Main Bldg.	Through March 16, 2026	No cancellation allowed during the contract period on the left
	5	JPR Musashikosugi Bldg.	Through March 1, 2013	Cancellation allowed with one-year notice
	6	Musashiurawa Shopping Square	Through October 31, 2025	No cancellation allowed until October 31, 2015, after which one-year notice is needed (with penalty imposed)
	7	Kawasaki Dice Bldg.	Through April 30, 2017	No cancellation allowed until April 11, 2012, after which no cancellation is allowed for some tenants through August 2023
	8	JPR Umeda Loft Bldg.	Through March 15, 2010	No cancellation allowed during the contract period on the left
	9	Strasse Ichibancho	Through October 31, 2012	Received one-year notice of cancellation on October 31, 2007 (scheduled to leave at the end of February 2008); Master-lease by Mitsui Fudosan
	10	Benetton Shinsaibashi Bldg.	Through February 14, 2033	Cancellation allowed with one-year notice but penalty is imposed.
	11	Housing Design Center Kobe	Through March 31, 2012	No cancellation allowed during the contract period on the left
Growth	—	JPR Chayamachi Bldg.	Leasehold contract of two years as a rule	(Multi-tenant retail property) No cancellation allowed for 1F through 3F until May 10, 2015
	—	JPR Daikanyama	Leasehold contract of two years as a rule	(Multi-tenant retail property)
	—	JPR Jingumae 432	Leasehold contract of two years as a rule	(Multi-tenant retail property)

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



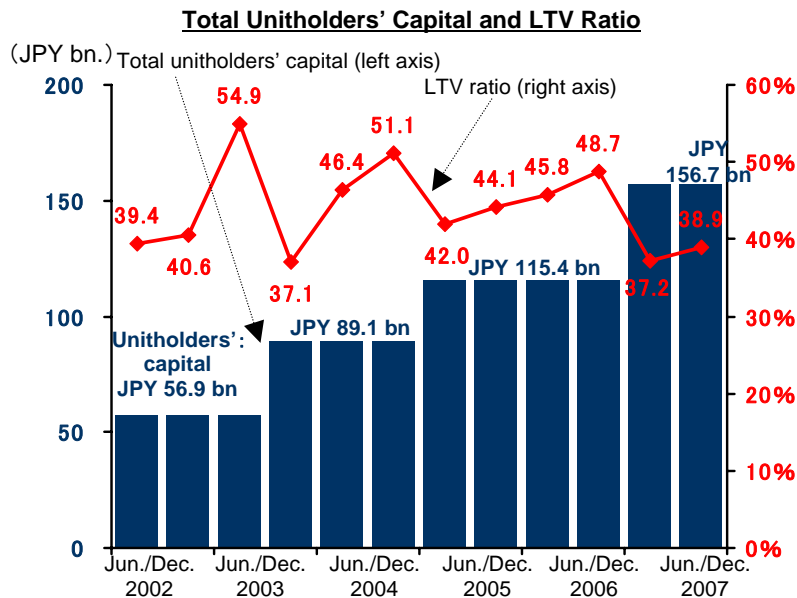
- The remaining period of the leaseholds and the ratios of NOIs by individual properties against the NOI of the entire portfolio are diversified, which helps reduce vacancy risks at retail properties.
- JPR focuses its investment in retail properties on urban-type retail properties located close to stations. This assures high availability of tenants to fill vacancies.

(Note 1) The remaining periods of lease contracts are those as of the end of the 12th fiscal period (December 31, 2007), while the NOI ratios are those of NOIs of individual retail facilities against the NOI of the entire portfolio for the 12th fiscal period. The numbers are linked to the above table of "Overview of lease contracts for retail properties."

Current LTV Ratio is Less than 40% , being Controlled between 30% and 50%

<Add-on offering reduced LTV ratio>

- Since the add-on offering of February 2005, the JPR LTV ratio has fluctuated at between 40 and 50%
- The LTV ratio dropped to approx. 36% with the add-on offering of 95,000 units in February 2007 (approx. 18% of total units outstanding)
- LTV ratio has risen to approx. 39% with recent property acquisition at end of July 2007

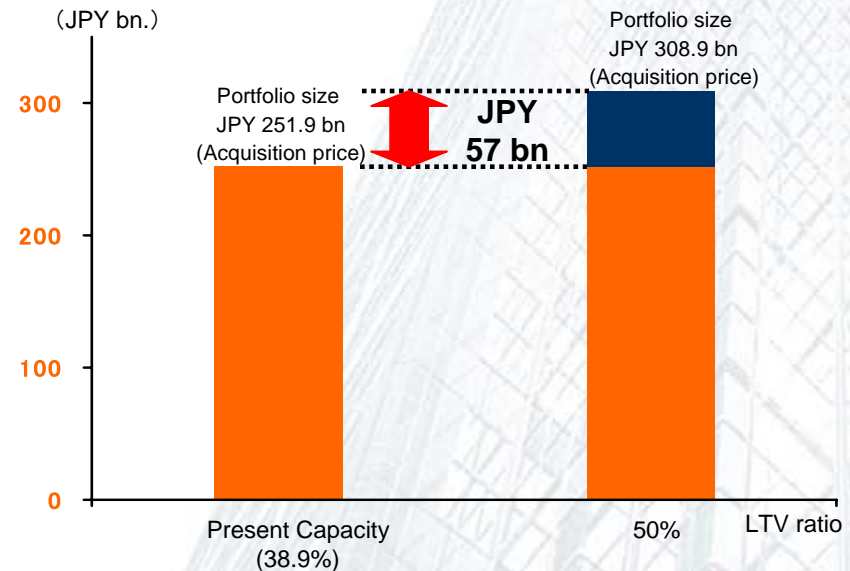


$$\text{LTV ratio} = \frac{\text{Interest-bearing Debt}}{\text{Interest-bearing Debt} + \text{Unitholders' Capital}} \times 100$$

<LTV ratio will be controlled between 30% and 50%>

- Acquisition capacity will become JPY 57 billion by raising up LTV ratio.

LTV Ratio and Acquisition Capacity (Simulation)



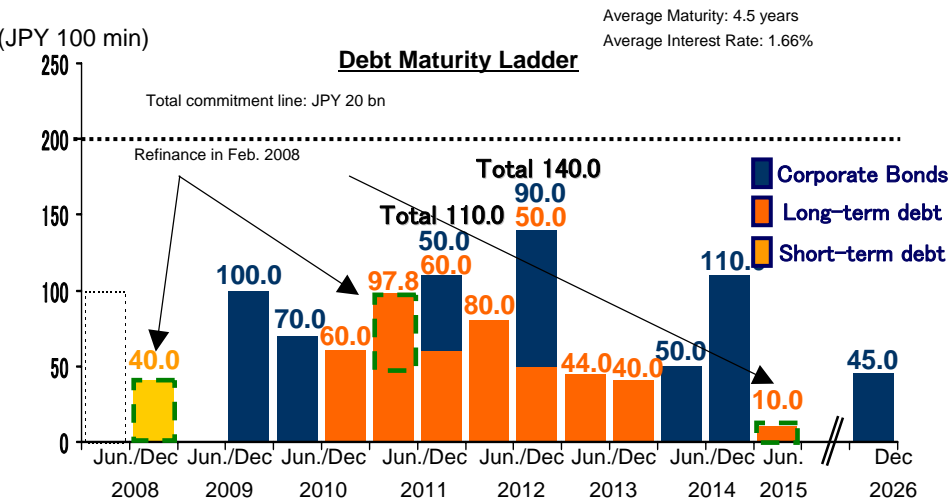
The target portfolio size of 300billion yen is achievable without new issue of additional equity

Reducing Refinance Risks through Diversified Debt Maturity

<Repayment in Feb. 2008 was refinanced through bank loans>

Repayment of 1 st series of corporate bonds JPY 10 bn	The Bank of Tokyo-Mitsubishi UFJ	JPY 2 bn	5 months
	Resona Bank	JPY 2 bn	5 months
	The Mizuho Corporate bank	JPY 5 bn	3 years
	Daido Life Insurance	JPY 1 bn	7 years

<Refinance in every period is less than the commitment line>



Diversify Source of Debt to Secure Future Property Acquisitions

<Expanding sources of both direct and indirect finance>

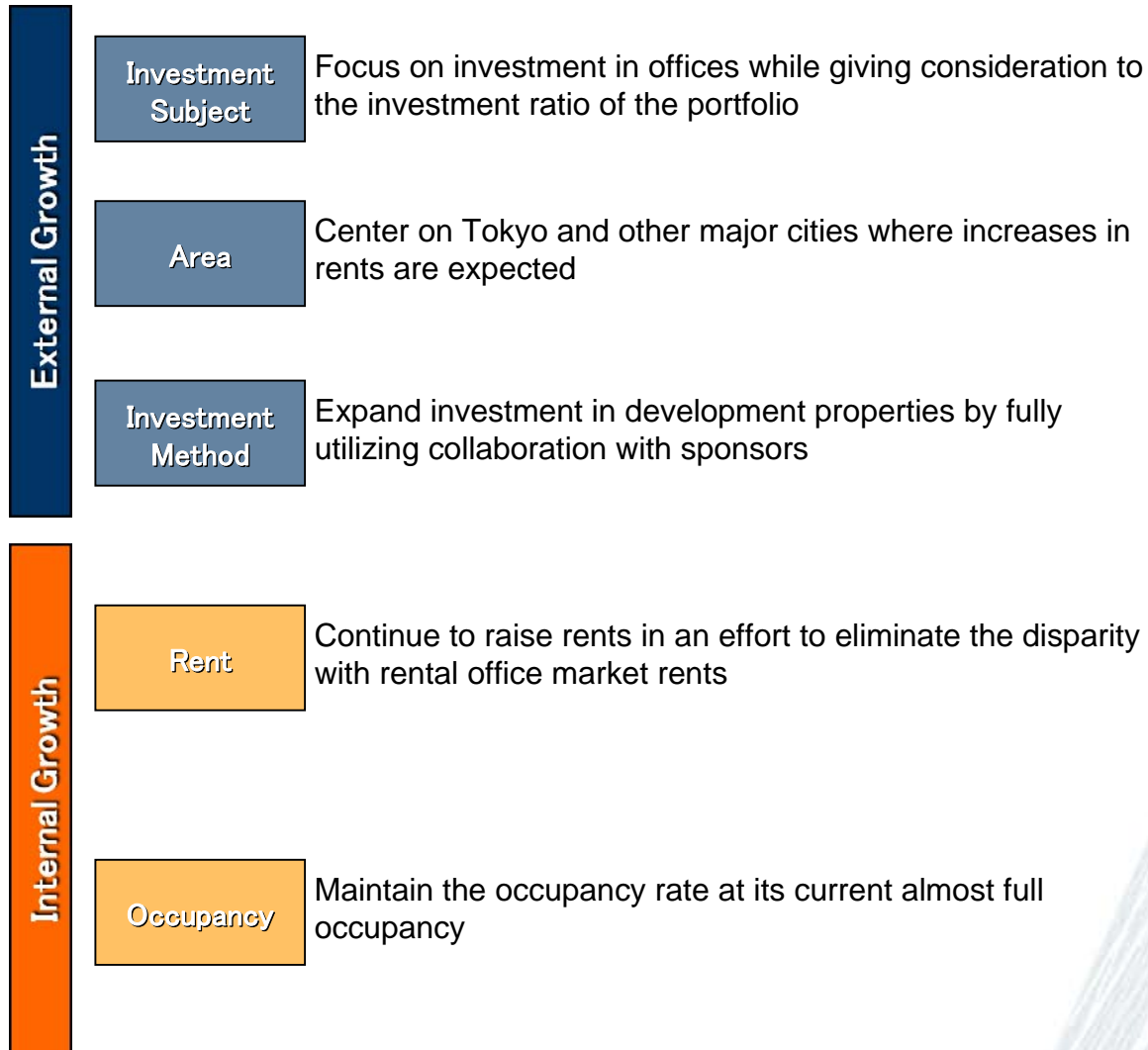
Procurement Method	Current Status
Short-term borrowings	A credit limit of 34 billion yen arranged with 7 banks A commitment line of 20 billion yen arranged with 5 banks
Long-term borrowings	Approx. 38 billion yen has been borrowed from 12 financial institutions
Corporate Bonds	Shelf registration of 100 billion yen in bond issues has been arranged (remainder 100 billion yen)
Commercial Paper (CP)	Under examination

Get High Credit Ratings

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

Upgraded in Jan. 2008

Realize Well-balanced External and Internal Growth to Achieve Growth in Dividends



Striving for a portfolio size of more than 300 billion yen and dividend per unit of 7,000 yen



Appendix

1. Financial Summary
2. Property Portfolio Summary
3. Overview of TRIM





Financial Summary





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

Issuance of Corporate Bonds had Debts longer and much fixed

	(JPY mn)						(JPY mn)				
	As of Dec. 31, 2007		As of June 30, 2007		Change		End of 12th	End of 11th	Variation		
	Amount	%	Amount	%	Amount	%	Fiscal Period	Fiscal Period			
Total current assets	31,874	11.4%	28,455	10.5%	3,418	12.0%	1. Balance of interest-bearing debt				
Cash and bank deposits	16,307	5.8%	13,189	4.9%	3,118	23.6%	Total	99,683	92,966	6,717	
Entrusted cash and deposits	14,990	5.4%	14,818	5.5%	171	1.2%	(Breakdown) Unsecured borrowings	29,000	32,500	-3,500	
Other current assets	576	0.2%	448	0.2%	128	28.6%	Secured borrowings	9,183	13,966	-4,783	
							Unsecured corporate bonds	61,500	46,500	15,000	
Total fixed assets	246,844	88.5%	242,900	89.5%	3,944	1.6%	2. Interest-bearing debt ratio etc.				
Property and equipment	246,478	88.4%	241,322	88.9%	5,156	2.1%	(1) Interest-bearing debt ratio	Interest-bearing debt / (Interest-bearing debt + Unitholders' capital)	38.9%	37.2%	1.6
Real estate	61,270	22.0%	55,194	20.3%	6,075	11.0%	(2) Interest-bearing debt to total assets				
Buildings and structures	24,670	8.8%	20,643	7.6%	4,026	19.5%	① Interest-bearing debt / Total assets at end of period		35.7%	34.3%	1.5
Land	36,600	13.1%	34,551	12.7%	2,049	5.9%	② Interest-bearing debt / (Total assets at end of period + Gains or losses from real estate valuation)		29.9%	29.4%	0.5
Entrusted real estate	185,207	66.4%	186,127	68.6%	-919	-0.5%	(3) Ratio of long-term fixed-rate borrowings	Long-term fixed-rate interest-bearing debt (*) / Interest-bearing debt	90.0%	85.5% (Note)	4.5
Buildings and structures	68,079	24.4%	68,999	25.4%	-919	-1.3%	*Total amount of long-term fixed-rate debt with over 1 year to maturity				
Land	117,128	42.0%	117,128	43.2%	-	-					
Total intangible assets	10	0.0%	9	0.0%	1	14.6%	3. Commitment line status				
Other intangible assets	10	0.0%	9	0.0%	1	14.6%	① Credit limit (total)	20,000	20,000	-	
Total investments and other assets	355	0.1%	1,568	0.6%	-1,213	-77.3%	② Outstanding debt at the end of the per	-	-	-	
Investment securities	344	0.1%	1,558	0.6%	-1,213	-77.9%	③ Unused commitment line at the end of the period	20,000	20,000	-	
Deposits	10	0.0%	10	0.0%	0	-	④ Lenders (as of the end of the period)	Mizuho Corporate Bank, The Bank of Tokyo-Mitsubishi UFJ, Resona Bank, Mitsubishi UFJ Trust and Banking, Shinsei Bank			
Long-term prepaid expenses	0	0.0%	0	0.0%	0	260.0%	* Agreements have been concluded separately with respective banks listed above.				
Total deferred assets	122	0.0%	42	0.0%	80	189.3%	4. Investment units status				
Corporate bond issuance costs	122	0.0%	42	0.0%	80	189.3%	① Total number of units issued and outstanding (units)	625,000	625,000	-	
Total assets	278,842	100.0%	271,398	100.0%	7,443	2.7%	② Total unitholders' equity per unit (yen)	257,432	257,757	-325	
Total current liabilities	13,242	4.7%	21,066	7.8%	-7,823	-37.1%					
Accounts payable and accrued expenses	2,101	0.8%	1,739	0.6%	362	20.8%					
Rent received in advance	1,140	0.4%	1,044	0.4%	96	9.3%					
Short-term borrowings	-	-	3,500	1.3%	-3,500	-100.0%					
Current portion of long-term borrowings	-	-	(Note) 4,783	1.8%	-4,783	-100.0%					
Current portion of corporate bonds	10,000	3.6%	10,000	3.7%	-	-					
Total long-term liabilities	104,704	37.5%	89,234	32.9%	15,470	17.3%					
Deposits received from tenants	15,021	5.4%	14,551	5.4%	470	3.2%					
Long-term borrowings	38,183	13.7%	38,183	14.1%	-	-					
Corporate bonds	51,500	18.5%	36,500	13.4%	15,000	41.1%					
Total liabilities	117,946	42.3%	110,300	40.6%	7,646	6.9%					
Unitholders' capital	156,725	56.2%	156,725	57.7%	-	-					
Retained earnings	4,169	1.5%	4,372	1.6%	-203	-4.6%					
Total unitholders' equity	160,895	57.7%	161,098	59.4%	-203	-0.1%					
Total liabilities and unitholders' equity	278,842	100.0%	271,398	100.0%	7,443	2.7%					

Note: Figures were rounded off to a million yen

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

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

Income Statement for the 12th Fiscal Period

(JPY mn, unless otherwise indicated)

	12th Fiscal Period Jul. 1, 2007 – Dec. 31, 2007		11th Fiscal Period Jan. 1, 2007 – June 30, 2007		Change	
	Amount	%	Amount	%	Amount	%
Rental revenues	9,662	92.5%	8,942	88.9%	720	8.1%
Other rental revenues	752	7.2%	553	5.5%	198	35.9%
Real estate rental revenues ①	10,415	99.7%	9,496	94.4%	918	9.7%
Gain on sale of real estate	—	—	530	5.3%	-530	-100.0%
Dividends income	34	0.3%	30	0.3%	4	14.8%
Operating revenues	10,449	100.0%	10,056	100.0%	393	3.9%
Property and other taxes	764	7.3%	784	7.8%	-19	-2.5%
Other rental expenses	2,242	21.5%	1,848	18.4%	393	21.3%
Outsourcing expenses	477	4.6%	462	4.6%	14	3.2%
Utilities expenses	740	7.1%	542	5.4%	198	36.7%
Casualty insurance	35	0.3%	32	0.3%	2	6.8%
Repairs and maintenance	251	2.4%	189	1.9%	62	33.0%
Property management fees	207	2.0%	200	2.0%	6	3.0%
Management association accounts	461	4.4%	381	3.8%	79	20.9%
Other	69	0.7%	40	0.4%	29	74.2%
Depreciation	1,809	17.3%	1,682	16.7%	127	7.6%
Real estate rental expenses ②	4,816	46.1%	4,315	42.9%	501	11.6%
Asset management fees	400	3.8%	391	3.9%	9	2.3%
Adm. service/custodian fees	69	0.7%	81	0.8%	-12	-15.7%
Director's remuneration	6	0.1%	5	0.1%	0	10.5%
Trust fees	55	0.5%	55	0.6%	0	0.6%
Other operating expenses	94	0.9%	98	1.0%	-3	-3.9%
Operating expenses	5,443	52.1%	4,948	49.2%	495	10.0%
Operating profits	5,006	47.9%	5,108	50.8%	-101	-2.0%
Profits (①-②)	5,598	53.6%	5,181	51.5%	417	8.1%
Net operating income (NOI)	7,407	70.9%	6,863	68.2%	544	7.9%
Non-operating revenues	18	0.2%	94	0.9%	-75	-80.1%
Non-operating expenses	854	8.2%	828	8.2%	25	3.1%
Interest expenses (including corporate bonds)	809	7.7%	705	7.0%	104	14.8%
Loan arrangement fees	16	0.2%	16	0.2%	-0	-0.1%
Amortization of corporate bond issuance costs	8	0.1%	18	0.2%	-10	-55.8%
New unit-issuance costs	—	—	83	0.8%	-83	-100.0%
Other non-operating expenses	20	0.2%	5	0.1%	14	255.2%
Recurring profits	4,170	39.9%	4,373	43.5%	-203	-4.6%
Income before income taxes	4,170	39.9%	4,373	43.5%	-203	-4.6%
Net income	4,169	39.9%	4,372	43.5%	-203	-4.6%
Retained earnings at the end of period	4,169	39.9%	4,372	43.5%	-203	-4.6%
Distribution per unit (JPY)	6,671		6,996		(325)	

Distribution per unit: 6,671 yen

1. Rental business income

- * Whole-period contribution of 4 properties acquired in 11th fiscal period
+484 mn yen
- * In-period rental of 1 property acquired in 12th fiscal period
+299 mn yen
- * Improved profitability of existing properties
+67 mn yen
- * Rental revenue decrease from sale of 2 properties in 11th fiscal period
-130 mn yen

2. Additional use fees/utilities

- * Additional use fees: +191 mn yen
- * Utilities: +198 mn yen
(Increased due to seasonal factors)

3. Non-operating profits and losses

(1) Non-operating profits

- * Income from settlement of management accounts
-83 mn yen

(2) Non-operating expenses

- * Paid interest +104 mn yen
(Increase from refinancing to long-term and fixed rate debt)
(Long-term, fixed interest ratio:
End of previous period 85.5%
→ End of this period 90.0%)
- * Amortization of corporate bond issuance costs
-10 mn yen
- * New investment unit issuance costs
-83 mn yen

(Reference)

In January 2002 (before IPO) investment units (500,000 yen a unit) were split into 2.5 units (200,000 yen a unit) to make investment units easier to invest in. Therefore, the distribution per unit based on the pre-split level would be 16,670 yen.

Note: Figures were rounded off to a million yen

Forecast for the 12th Fiscal Period

(JPY mn, unless otherwise indicated)

	Forecasts for the 13th Fiscal Period January 1, 2008 – June 30, 2008				Change from the 11th Fiscal Period Results	
	49 properties as of the end of 12th Fiscal Period	Meieki Nichome Kaihatsu TMK Preferred Securities	Total	%	Amount	%
Rental revenues	9,692	—	9,692	92.4%	29	0.3%
Other rental revenues	797	—	797	7.6%	45	6.1%
Real estate rental revenues ①	10,490	—	10,490	100.0%	74	0.7%
Gain on sale of real estate	—	—	—	—	—	—
Dividends income	—	—	—	—	-34	-100.0%
Operating revenues	10,490	—	10,490	100.0%	40	0.4%
Property and other taxes	865	—	865	8.3%	100	13.2%
Other rental expenses	2,187	—	2,187	20.9%	-55	-2.5%
Outsourcing expenses	470	—	470	4.5%	-6	-1.3%
Utilities expenses	653	—	653	6.2%	-86	-11.7%
Casualty insurance	33	—	33	0.3%	-1	-3.6%
Repairs and maintenance	269	—	269	2.6%	18	7.2%
Property management fees	198	—	198	1.9%	-8	-4.0%
Management association accounts	465	—	465	4.4%	3	0.8%
Other	95	—	95	0.9%	25	36.8%
Depreciation	1,799	—	1,799	17.2%	-10	-0.6%
Real estate rental expenses ②	4,852	—	4,852	46.3%	35	0.7%
Loss on sale of real estate	—	—	—	—	—	—
Asset management fees			405	3.9%	4	1.0%
Adm. service/custodian fees			73	0.7%	4	5.9%
Director's remuneration			6	0.1%	0	4.8%
Trust fees			55	0.5%	-0	-0.1%
Other operating expenses			99	0.9%	4	4.7%
Operating expenses			5,492	52.4%	48	0.9%
Operating profits			4,997	47.6%	-8	-0.2%
Profits (①-②)	5,637	—	5,637	53.7%	39	0.7%
Net operating income (NOI)	7,437	—	7,437	70.9%	29	0.4%
Non-operating revenues			97	0.9%	79	423.7%
Non-operating expenses			876	8.4%	21	2.5%
Recurring profits			4,219	40.2%	49	1.2%
Income before income taxes			4,219	40.2%	49	1.2%
Net income			4,218	40.2%	49	1.2%
Retained earnings at the end of period			4,218	40.2%	49	1.2%
Distribution per unit (JPY)			6,750		79	

Total units outstanding (Units)
625,000

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

<Portfolio>

Portfolio as of end of 12th fiscal
period: 49 properties

Preferred securities: 1

Properties to be acquired in 13th
fiscal period and after: 0

<Average Monthly Occupancy during Period>

97.8%

<Total Number of Units Outstanding>

625,000 units

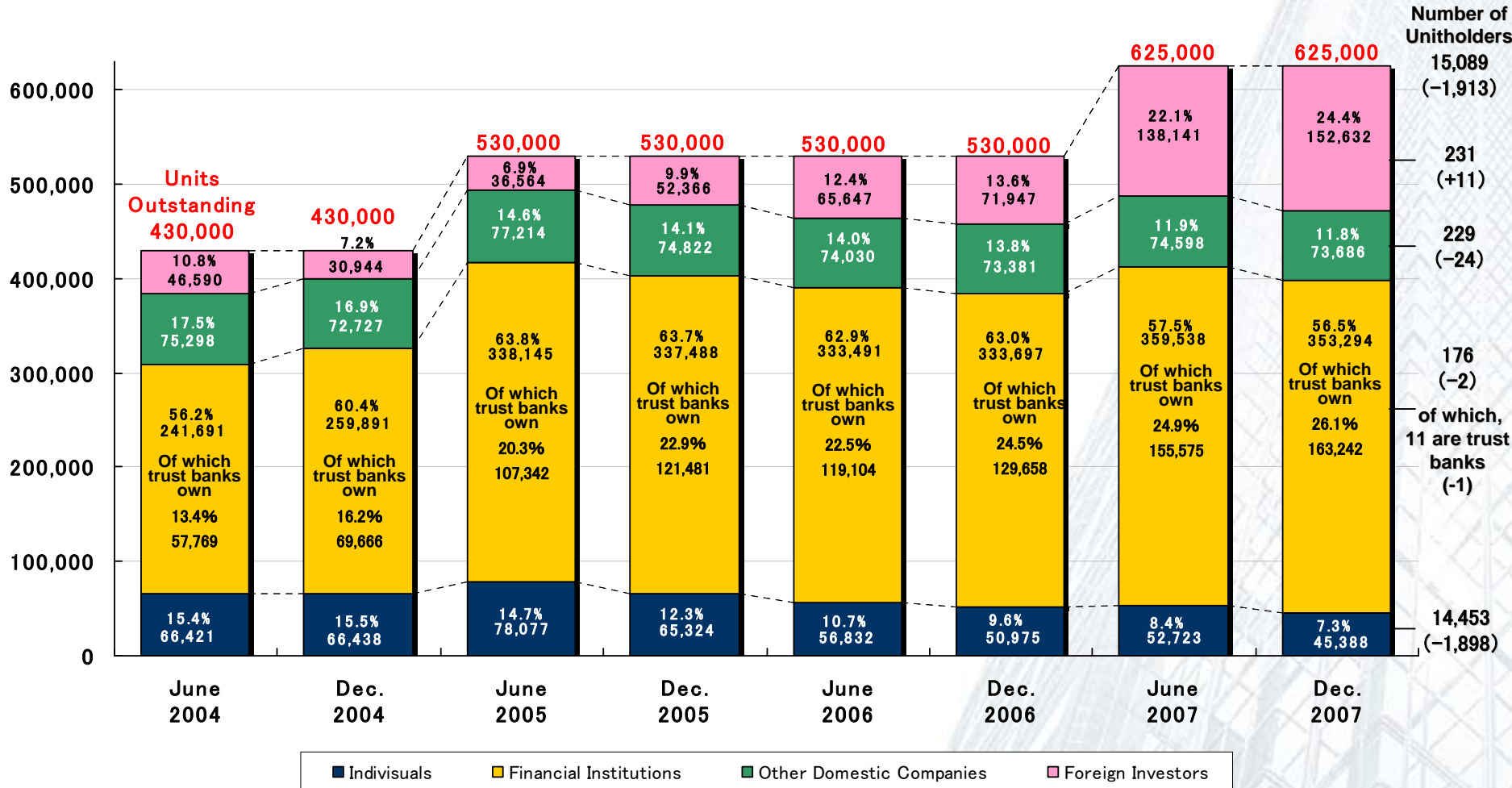
<LTV Ratio>

38.9%

Note: Figures were rounded off to a million yen

For details on assumptions for the 13th Fiscal Period forecast, please refer to the "Assumptions for the 13th Fiscal Period Forecast (January 1, 2008 - June 30, 2008)" on pages 3 and 4 of the "Japan Prime Realty Investment Corporation 12th Fiscal Period Results (July 1, 2007 - December 31, 2007)."

Ratio of Foreign Investors Rose through 5 Consecutive Periods



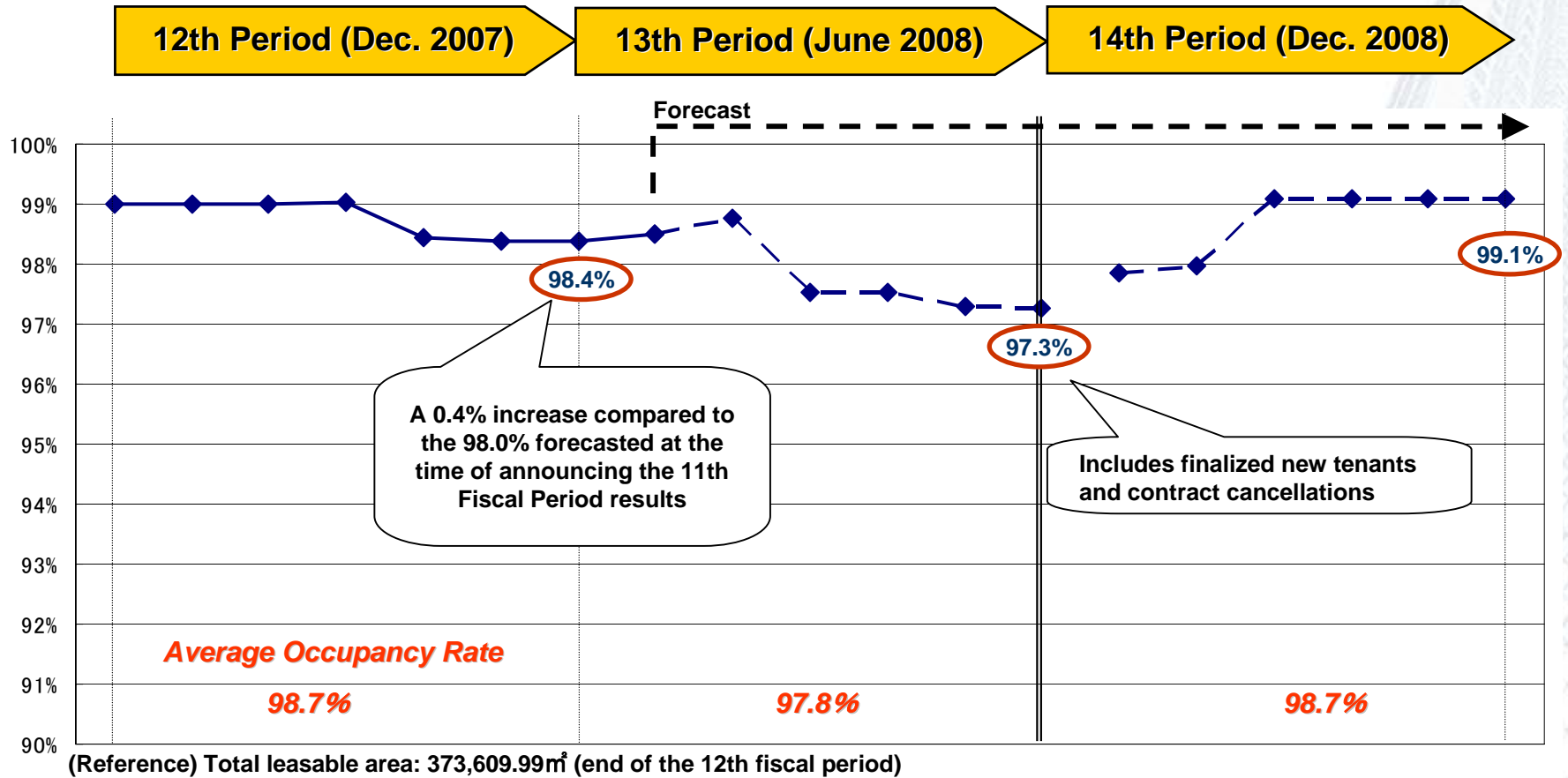
Note: The composition ratio is rounded to one decimal place.



Property Portfolio Summary



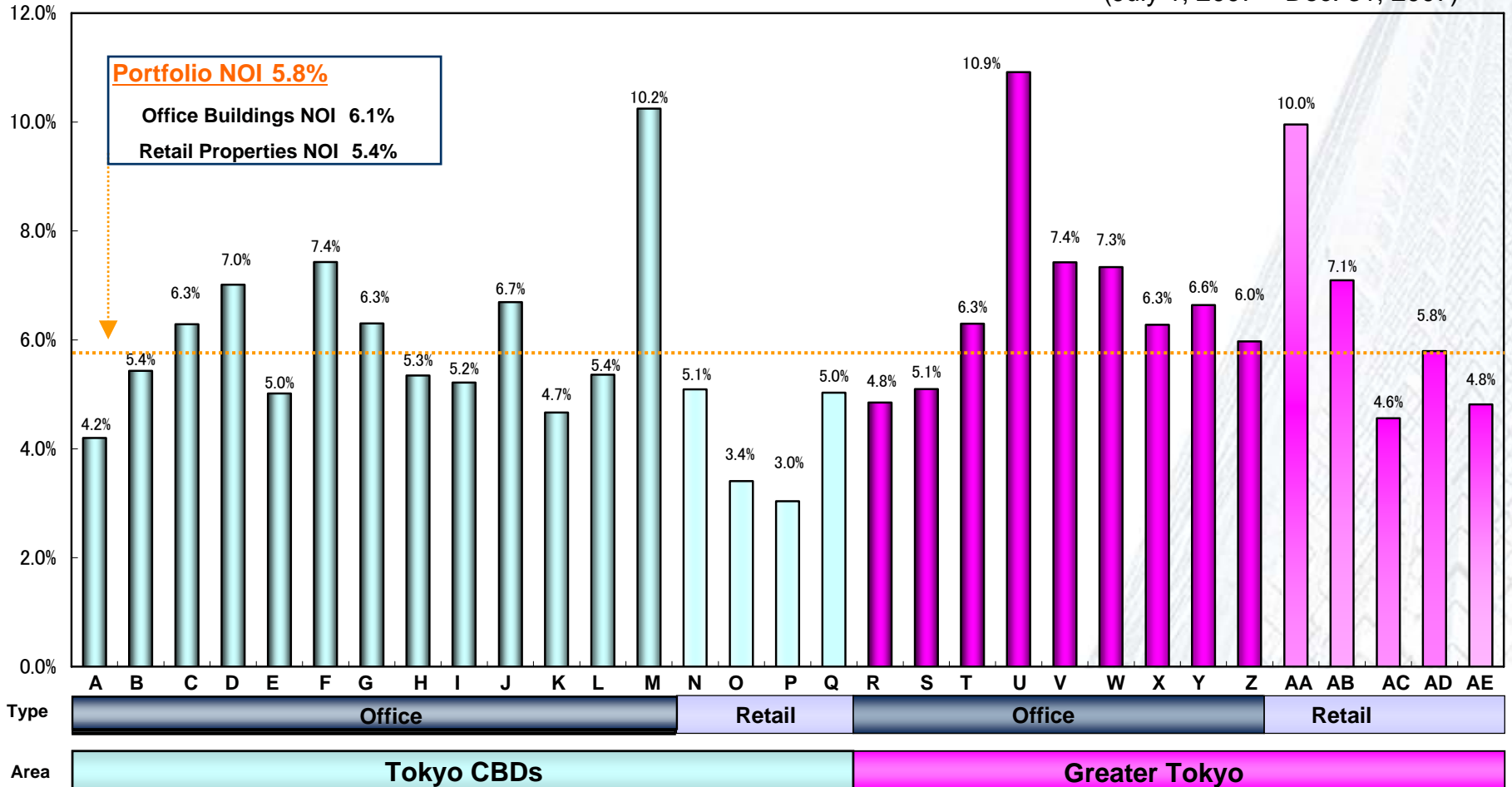
Projected Trends of Occupancy Rates



- (1) The occupancy rate for the 12th fiscal period and after is for 49 properties including Yume-ooka Office Tower to be acquired in July 2007.
- (2) The occupancy for the 13th fiscal period has taken into consideration all of the contract terminations known as of February 12, 2008 and included only executed contracts for the scheduled new tenants.
- (3) The occupancy for the 14th fiscal period includes some new tenants in addition to the above (2).

NOI Yield by Property for the 12th Fiscal Period (Tokyo CBDs and Greater Tokyo)

(July 1, 2007 – Dec. 31, 2007)



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

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

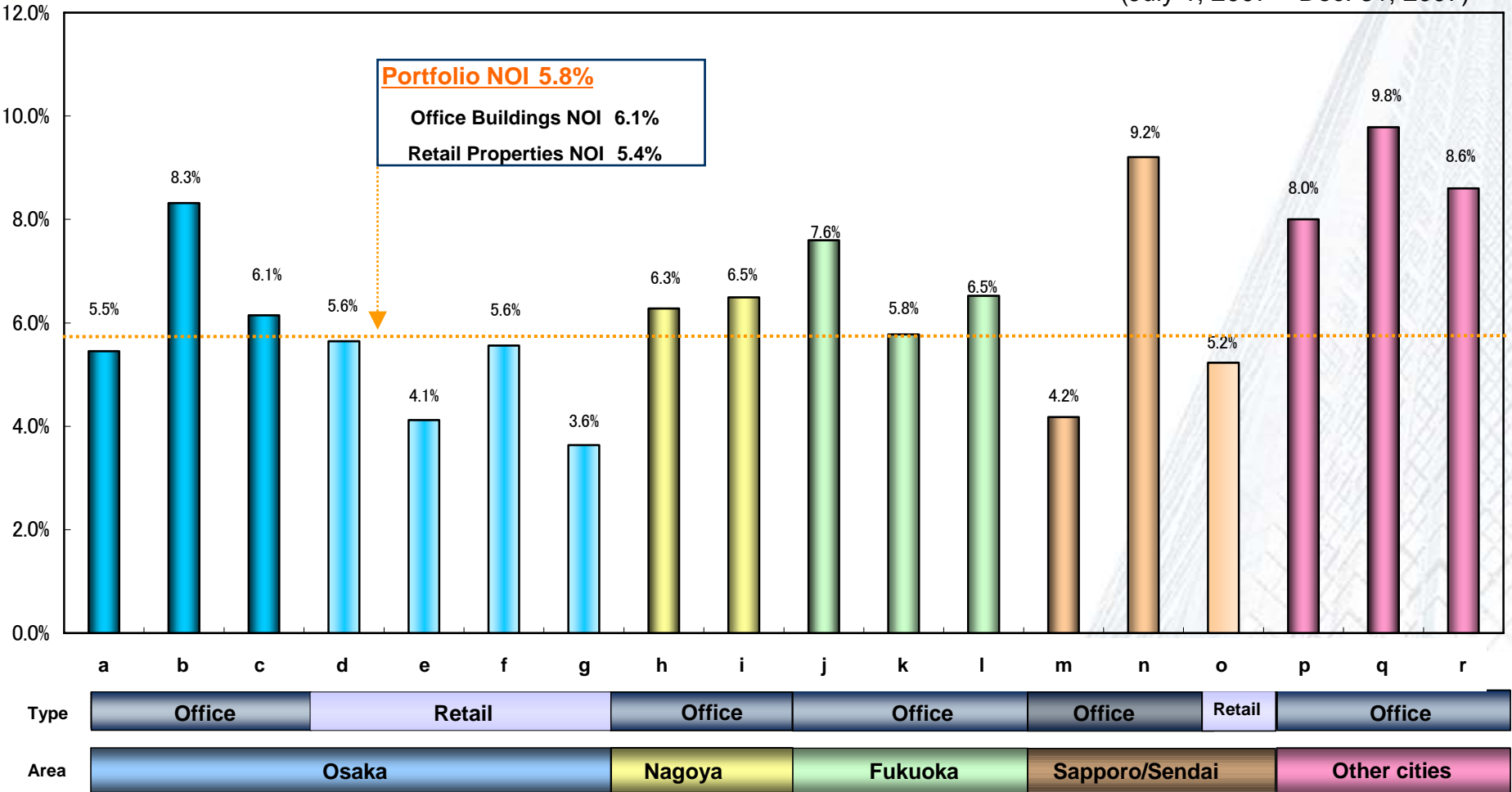
Q: Shinjuku Sanchoe East Building
 R: Arca East
 S: JPR Chiba Building
 T: JPR Yokohama Nihon Odori Building
 U: Shinyokohama 2nd Center Building
 V: Kawaguchi Center Building
 W: JPR Ueno East Building
 X: Tachikawa Business Center Building

Y: Rise Arena Building
 Z: Yume-ooka Office Tower
 AA: Tanashi ASTA
 AB: Cupo-la Main Building
 AC: JPR Musashikosugi Building
 AD: Musashiurawa Shopping Square
 AE: Kawasaki Dice Building



NOI Yield by Property for the 12th Fiscal Period (Other selected cities)

(July 1, 2007 – Dec. 31, 2007)



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

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

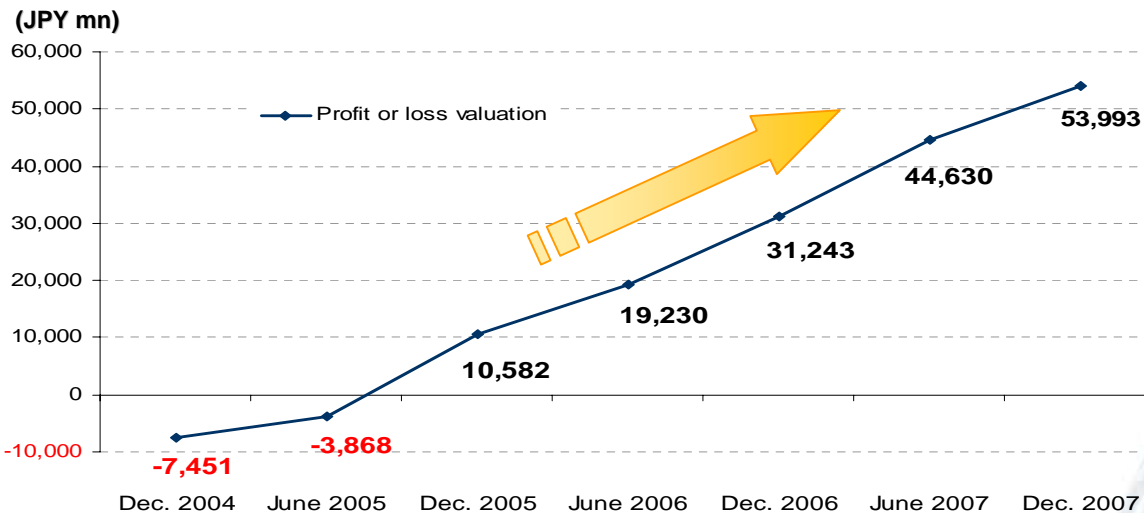
m: NORTH 33 Building
 n: Sompo Japan Sendai Building
 o: Strasse Ichibancho
 p: Niigata Ekinan Center Building
 q: Sompo Japan Wakayama Building
 r: JPR Naha Building

Real Estate valuation (Dec. 2007)

(¥ mn)

	Acquisition price		Book value		Appraisal value		Profit or loss valuation	
		(%)	(A)	(%)	(B)	(%)	(B-A)	(%)
Tokyo CBDs								
Office	75,841	30.1%	74,068	30.1%	94,360	31.5%	20,292	27.4%
Retail	19,160	7.6%	19,166	7.8%	22,453	7.5%	3,287	17.2%
Subtotal	95,001	37.7%	93,234	37.9%	116,813	38.9%	23,579	25.3%
Greater Tokyo								
Office	38,956	15.5%	37,711	15.3%	48,490	16.2%	10,779	28.6%
Retail	38,975	15.5%	38,195	15.5%	42,992	14.3%	4,797	12.6%
Subtotal	77,931	30.9%	75,906	30.9%	91,482	30.5%	15,576	20.5%
Other Cities								
Office	43,127	17.1%	41,066	16.7%	51,500	17.2%	10,434	25.4%
Retail	35,850	14.2%	35,796	14.6%	40,200	13.4%	4,404	12.3%
Subtotal	78,977	31.4%	76,862	31.2%	91,700	30.6%	14,838	19.3%
Total	251,909	100.0%	246,002	100.0%	299,995	100.0%	53,993	21.9%

Development of Potential Gain/Loss on Holding Real Estate



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

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



Overview of TRIM



Name

Biography



Toshihiro Hagiwara

President & Chief Executive Officer

- Has over 30 years of experience in investment, brokerage and development of real estate as well as property management since joining Tokyo Tatemono Co., Ltd. in 1968. At Tokyo Tatemono, he worked on acquisitions of leasing building companies with a total transaction value in the tens of billions of yen. He was Director and Head of the Osaka Branch of Tokyo Tatemono before assuming his current role of President and CEO of Tokyo Realty Investment Management, Inc. (TRIM) in January 2001. In addition, he assumed the concurrent role as Substitute Executive Officer of Japan Prime Realty Investment Corporation (JPR) in September 2007.



Kazuo Kitami

Director & Chief Administrative Officer

- Joined The Yasuda Mutual Life Insurance Company (currently, Meiji Yasuda Life Insurance Company) in 1975. Since then, he has been involved in a wide-range of finance business and real estate investment for almost 30 years. His experience includes overseeing the insurer's loan management as its credit manager, formulation of a series of regulations such as self-assessment in line with the insurance inspection manual and supervising credit management based on such regulations.



Seiji Miwa

Director & Chief Investment Officer

- Joined Tokyo Tatemono in 1983. After working in Design Supervision, Planning and Development for 15 years, he was responsible for real estate securitization from 1998. He became a member of the J-REIT Composition Project Team after the formation of the first securitization deal based on the Japanese SPC law. He was responsible for the establishment of TRIM and was one of the key members in the launch of JPR. In 2003, he was seconded to TRIM to work in asset management. He is a first-class architect.



Yasuo Furuya

Director & Chief Financial Officer

- Joined The Yasuda Mutual Life Insurance Company (currently, Meiji Yasuda Life Insurance Company) in 1980. Spent eight years in securities investment operations engaged in interest rate analysis, as well as the establishment of bond investment and asset management companies. Undertook activities related to variable insurance securities management and oversaw securities investment activities as Chief Bond Trader. Later, he gained further experience in stock market investment operations.

Overview of TRIM - Measures to Avoid Conflicts of Interests

<1st check > Compliance Committee

Asset Manager's Compliance Committee

Prior examination of appropriateness/rationality of transactions by members including outside attorney, 4 full-time directors + compliance manager + outside attorney (Special Committee)

【Prior Examination】



Transactions with Interested Parties

- Acquisitions/sales of individual assets
- Property management commissions
- Trading intermediation or agent
- Large-scale renovation works, etc.



< 2nd check > Compliance Subcommittee

Asset Manager's Compliance Subcommittee

Prior review of decision making procedures of various committees by members including 4 full-time directors + deal manager + compliance manager

【Prior Review】



<Decision Making Organization>

Board of Directors

- 4 full-time directors: Dispatched from shareholders, except the President
- 4 part-time directors: Interlocking directors with shareholders

OR

Committees

(Investment Policy Committee / Investment Subcommittee / Management Subcommittee)

- 4 full-time directors
- 4 managers in each committee

< 3rd check > Investment Committee

JPR : BoD Meeting

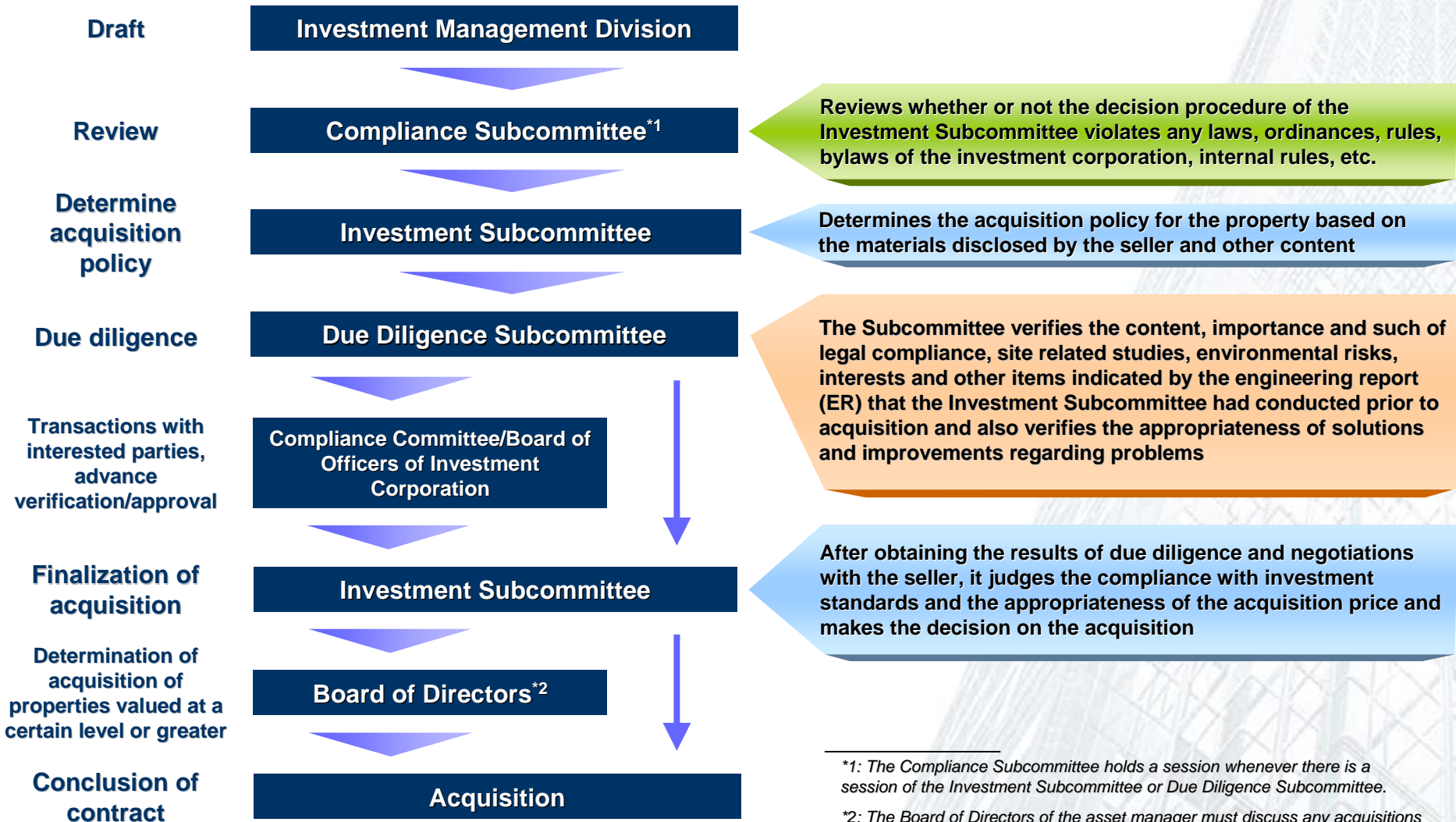
Prior approval of transactions by a committee independent from shareholders of the asset manager, based on investor-oriented decision

【Prior Approval】



Execution of Selected Deals Only

Enhanced Due Diligence Process upon Acquisition



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

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

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

- **Fixed**

(JPY 12.5 mn every 6 months)

+

- **Incentive Fee 1**

+

- **Incentive Fee 2**

+

- **Incentive Fee 3**

(after Jan. 2008)

Merits from Economies of Scale

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

Incentive for Cost Reductions

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

Incentive for Acquiring Blue-Chip Properties

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

Disclaimer Regarding Forward-Looking Statements

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