

Tokyo Realty Investment Management, Inc.



Japan Prime Realty Investment Corporation

Company Presentation February 2007

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

Feb. 2007





Profile of Japan Prime Realty Investment Corporation

Profile Overview

(as of February 9, 2007)

Ticker : 8955 (Tokyo Stock Exchange)
 Market Cap. : JPY 280.86 bn
 Asset Size (based on acquisition price) : JPY 222.48 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 : Moody's: A2; S&P: A-; R&I: A+

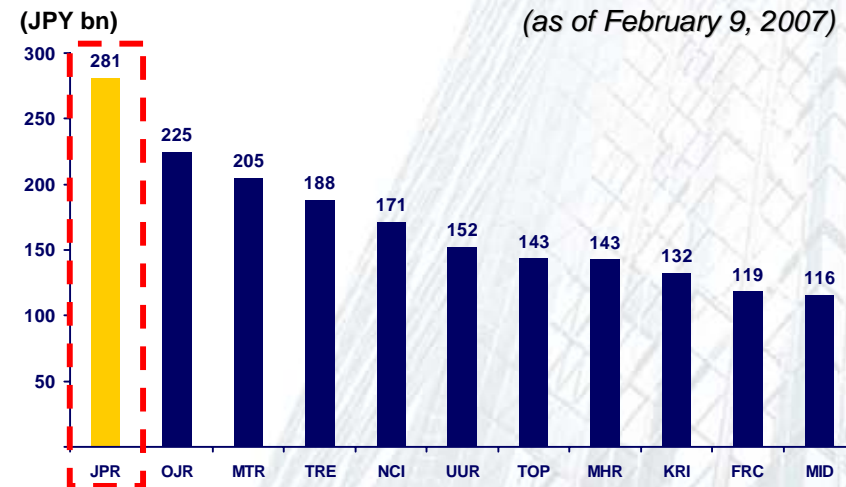
Asset Management Company

Tokyo Realty Investment Management (TRIM)

Sponsors (Shareholders of Asset Management Company)

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

Market Cap. of Major Diversified J-REITs



Top Ranked Diversified J-REIT with Strong Sponsor Capability



Financial Results and Forecast

JPR

(JPY mn)	6th Period	7th Period	8th Period	9th Period	10th Period	11th Period (E)
	Ended Dec. 2004	Ended June 2005	Ended Dec. 2005	Ended June 2006	Ended Dec. 2006	Ending June 2007 (E)
Operating revenues	7,685	8,503	8,587	8,588	9,088	9,708
Operating profits	3,469	3,954	3,984	4,024	4,373	4,843
Net income	2,868	3,376	3,398	3,449	3,642	4,125
DPU (JPY)	6,671	6,370	6,411	6,509	6,873	6,600
FFO	4,260	4,353	4,715	5,010	5,222	5,979
FFO per unit (JPY)	9,907	8,214	8,896	9,453	9,853	9,566
Total units outstanding (Units)	430,000	530,000	530,000	530,000	530,000	Max. 625,000
LTV (%)	51.1%	42.0%	44.1%	45.8%	48.7%	Approx. 35%
Total asset	198,673	216,574	225,882	231,523	244,691	-
Number of properties	42	42	42	44	46	46
Average Occupancy rate (%)	94.3%	94.9%	96.1%	97.7%	98.3%	98.4%

Financial Highlights

10th Fiscal Period Results

- ✓ 2 properties acquired in the 9th Fiscal Period contributing to the 10th Fiscal Period
 - *Cupo-la Main Bldg. and JPR Jingumae 432* (JPY 6.5 bn)
- ✓ Including 2 properties newly acquired in the 10th Fiscal Period
 - *Chayamachi Grande Bldg. and JPR Musashikosugi Bldg.* (JPY 13.2 bn)
- ✓ Increase in occupancy rate

11th Fiscal Period Forecast (as of Feb. 2007)

- ✓ Including contribution of 3 properties newly acquired in the 11th Fiscal Period
- ✓ Capital gains through the sale of 2 properties anticipated
- ✓ Total units outstanding assumed to be 625,000 units combining the 620,000 units as of February 9, 2007 and the third-party allotment (maximum 5,000 units to be issued) accompanying the over-allotment option

Stable Increase in Revenues, Profits and Size and Continued Stable Cash Distribution

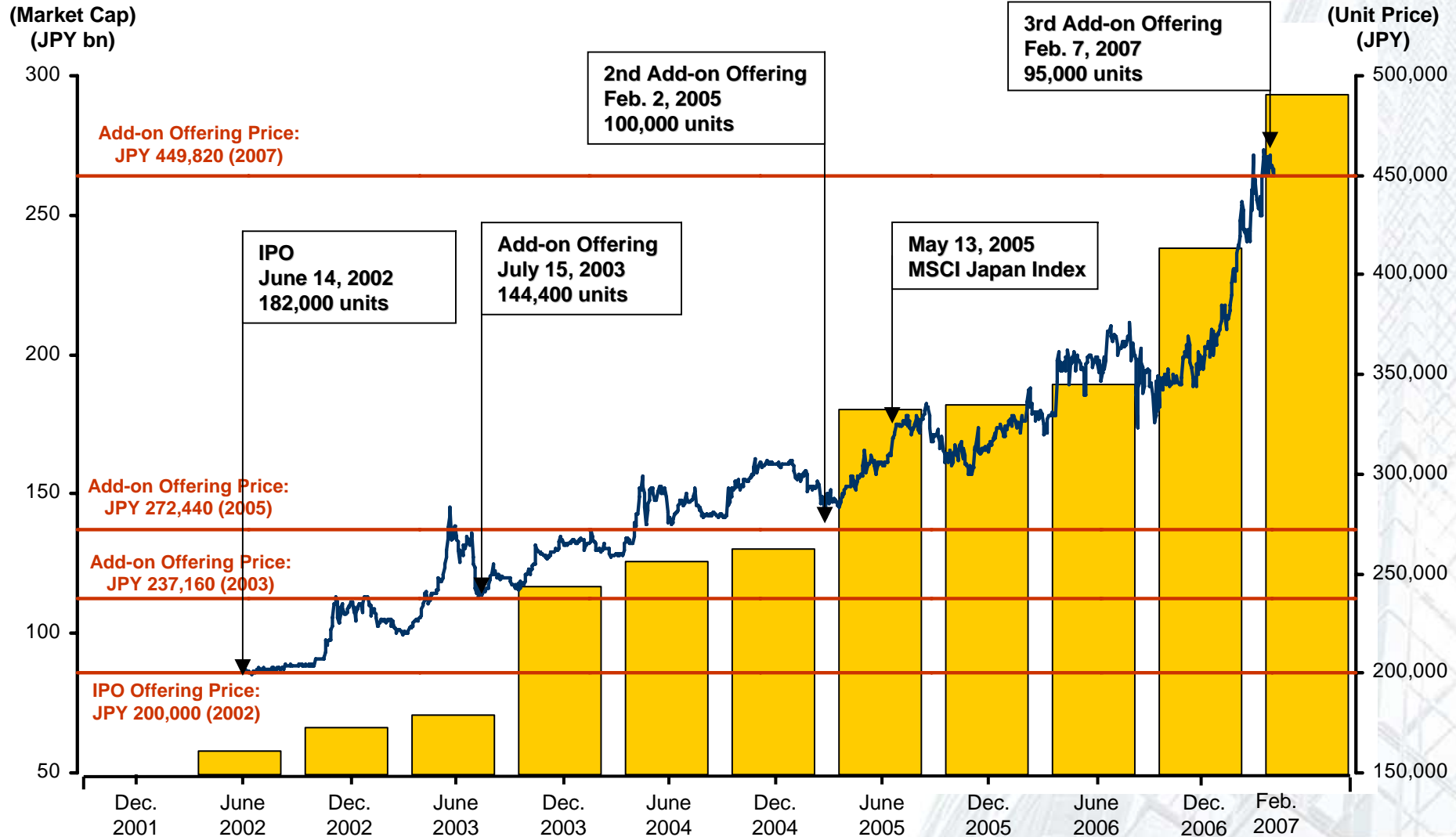
Note: FFO = Net Income + Depreciation and Amortization – Capital Gains (Losses) from Disposal of Properties
 DPU and FFO per unit are calculated using the number of units outstanding as of the end of each fiscal period.
 LTV = Interest Bearing Debt ÷ (Interest Bearing Debt + Unitholders' Capital) × 100



JPR's Market Recognition History

Steady Market Cap Growth through Equity Finance

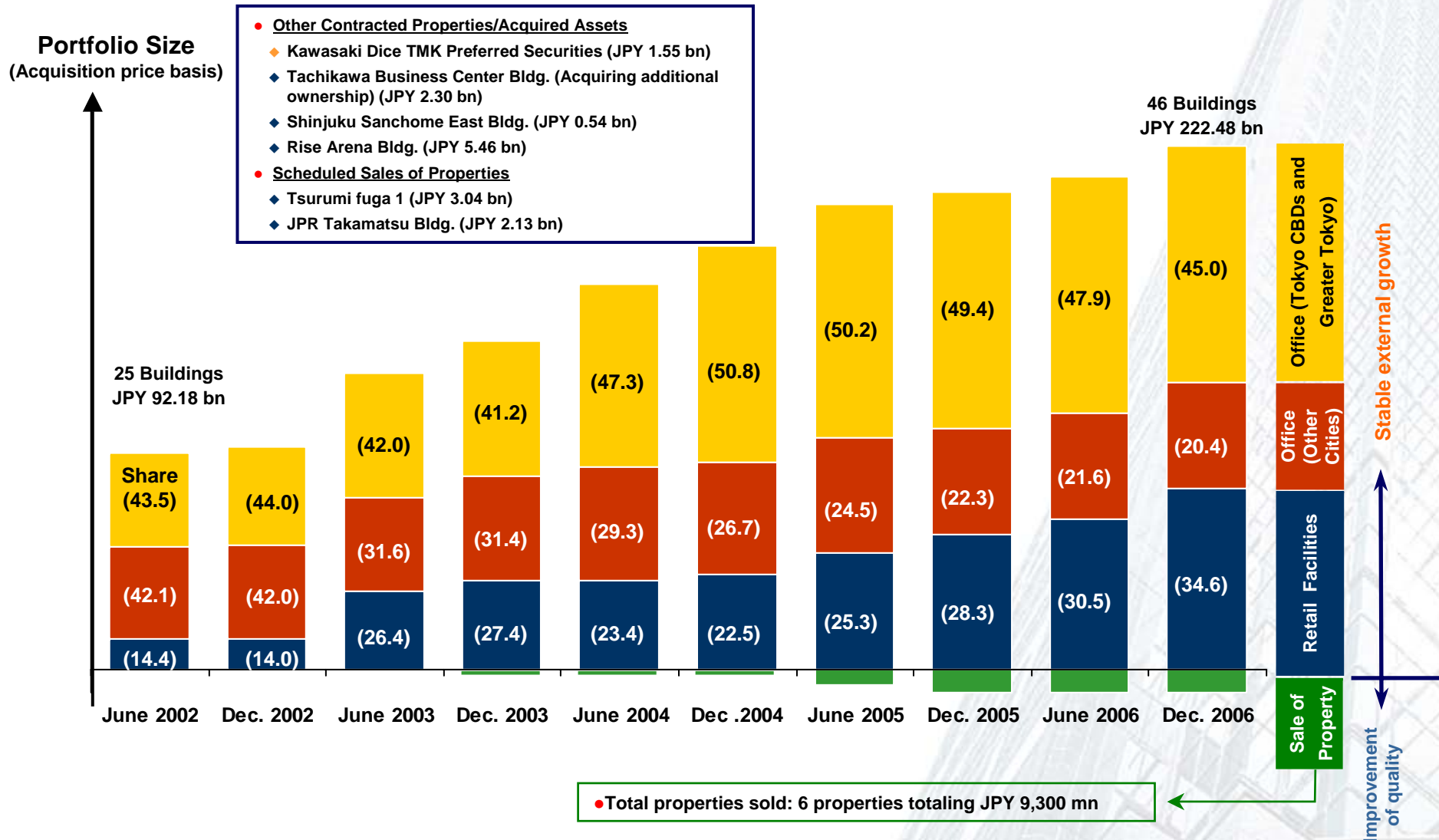
(as of February 9, 2007)





Track Record of External Growth

Efforts to Build Core Portfolio through Selective Investments



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

Track Record of Strategic Property Disposition

Properties Sold to: Realize Value Up

Yasuda Life Tenroku Bldg.



JPR Ikebukuro Bldg.



SK Hiroshima Bldg.



Park East Sapporo



Disposition Date	Sept. 2003	Mar. 2005	Sept. 2005	Nov. 2005
Acquisition Price	JPY 418 mn	JPY 2,040 mn	JPY 947 mn	JPY 2,150 mn
Book Value (at disposition)	JPY 418 mn	JPY 2,577 mn	JPY 1,002 mn	JPY 2,150 mn
Disposition Price	JPY 600 mn	JPY 3,345 mn	JPY 1,040 mn	JPY 2,400 mn
Property Age at Disposition	12.2 yrs	24.4 yrs	15.8 yrs	20.1 yrs

Properties Sold to: Improve Portfolio Quality

JPR Park West Takamatsu



JPR Square Hakata East / West



Tsurumi fuga 1



JPR Takamatsu Bldg.



Expected Disposition

Disposition Date	Mar. 2005	Mar. 2005	Apr. 2007	Apr. 2007
Acquisition Price	JPY 872 mn	JPY 2,873 mn	JPY 3,040 mn	JPY 2,130 mn
Book Value (at disposition)	JPY1,027 mn	JPY 2,898 mn	JPY 2,875 mn	JPY 2,283 mn
Disposition Price	JPY 842 mn	JPY 2,923 mn	JPY 4,270 mn	JPY 1,530 mn
Property Age at Disposition	23.6 yrs	21.1/18.4 yrs	21.5 yrs	24.6 yrs

Note: Book values of Tsurumi fuga 1 and JPR Takamatsu Bldg. are as of December 31, 2006.

Recent Acquisitions (from July 2006)

Chayamachi Grande Bldg.



JPR Musashikosugi Bldg.



Tachikawa Business Center Bldg. (additional ownership)



Rise Arena Bldg.



Shinjuku Sanhome East Bldg.

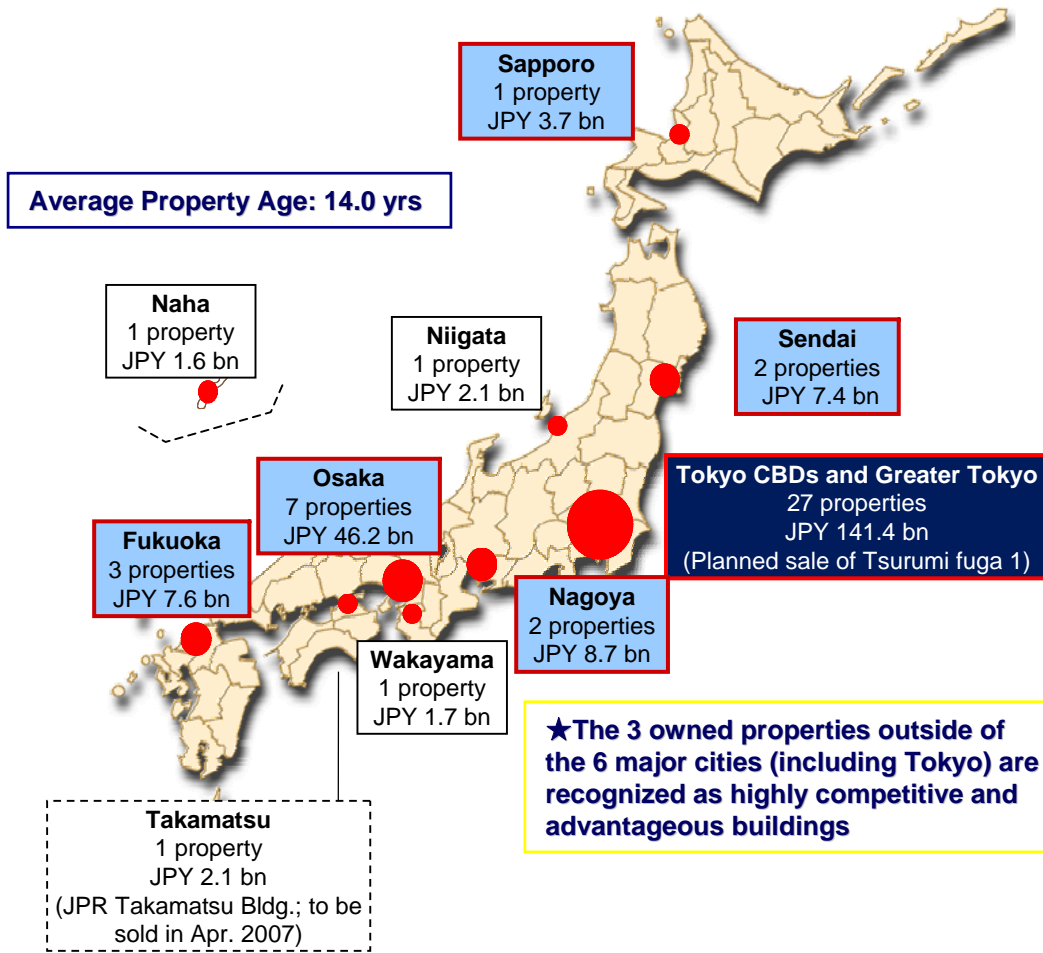


■ Type of Use	Retail	Retail	Office	Office	Retail
■ Acquisition Date	Aug. 2006	Sept. 2006	Feb. 2007 (planned)	Mar. 2007 (planned)	Mar. 2007 (planned)
■ Acquisition Price	JPY 6.00 bn	JPY 7.26 bn	JPY 2.30 bn	JPY 5.47 bn (planned)	JPY 0.54 bn
■ Appraisal Value	JPY 5.56 bn	JPY 7.01 bn	JPY 2.30 bn	JPY 5.85 bn	JPY 0.54 bn
■ Location	Osaka-shi, Osaka	Kawasaki-shi, Kanagawa	Tachikawa-shi, Tokyo	Toshima-ku, Tokyo	Shinjuku-ku, Tokyo
■ Ownership	Land	100%	100%	Co-ownership 15.9%	Ownership 2.7% (Unit ownership)
	Building	100%	100%	Unit ownership, Co-ownership of unit ownership	Co-ownership of unit ownership
■ Occupancy %	100%	100%	100%	100% (planned)	100%
■ Expected NOI %	4.0% (10th Period actual)	5.3% (10th Period actual)	Total 5.8% (planned)	5.2% (planned)	4.1% (planned)
■ Seller	Saturn Asset TMK Ltd.	Tokyo Kikai Seisakusho, Ltd.	Tokyo Tatemono, Co., Ltd. (Sponsor)	Taisei Corporation (Sponsor)	Taisei Corporation (Sponsor)
■ Lease Term	10 yrs lease agreement (1F to 3F, to 2015) Normal lease agreement (4F to 9F, 2 yrs)	10 yrs lease agreement (to Mar. 2013) Rents to be revised every 3 yrs. Terminable on 12 months notice.	Normal lease agreement (2 yrs)	To be determined	Major Tenant : MARUI Co., Ltd. Lease term : not approved to disclose

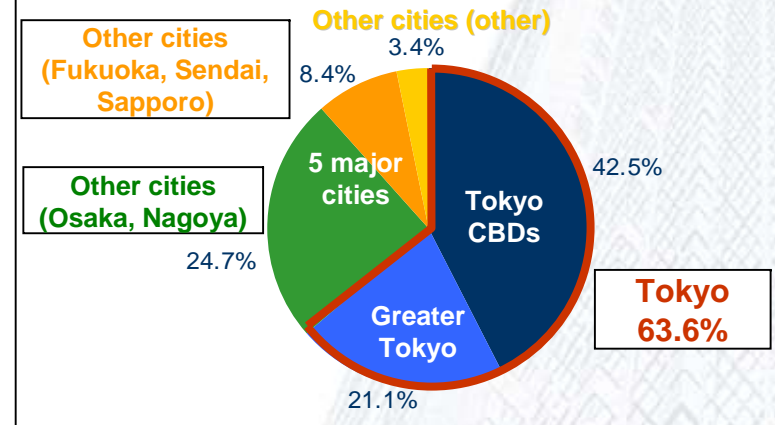
Establishment of Core Portfolio

Portfolio Based in Tokyo and 5 Major Cities where Stability and Growth is Expected

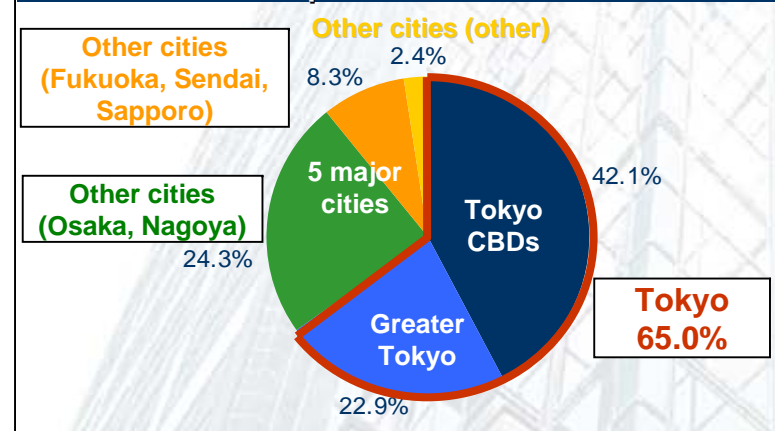
Portfolio Diversification (as of the end of Dec. 2006)



Diversification (as of the end of Dec. 2006)



Diversification after Planned Acquisitions and Sales (Note)



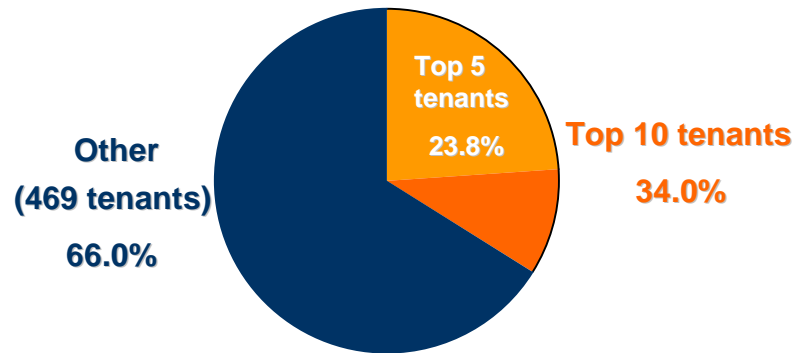
Note: Based on the portfolio as of December 31, 2006 with the Tachikawa Business Center Bldg., the Rise Arena Bldg. and the Shinjuku Sanchoe East Bldg. scheduled for acquisition added, and the Tsurumi fuga 1 and JPR Takamatsu Building scheduled for sale excluded. Further, the preferred securities in the Kawasaki Dice TMK are not considered in the above.



Portfolio Diversification

Elimination of Excess Concentration on Major Tenants through Portfolio Expansion and Replacement of Properties

Tenant Diversification (based on total monthly rent^(Note))



Top Tenants based on Total Monthly Rent

	Tenant Name	Share
1	The Seiyu, Ltd.	8.6%
2	The Loft Co., Ltd.	4.6%
3	Tower Records Japan Inc.	4.0%
4	Shinjuku Square Tower Management Co., Ltd.	3.5%
5	ABC Development Corporation	3.1%
6	Ito-Yokado Co., Ltd.	2.3%
7	Iwatani International Corporation	2.2%
8	Sompo Japan Insurance Inc.	2.1%
9	UFJ Central Leasing Co., Ltd.	2.0%
10	Deloitte Touche Tohmatsu	1.6%
		34.0%

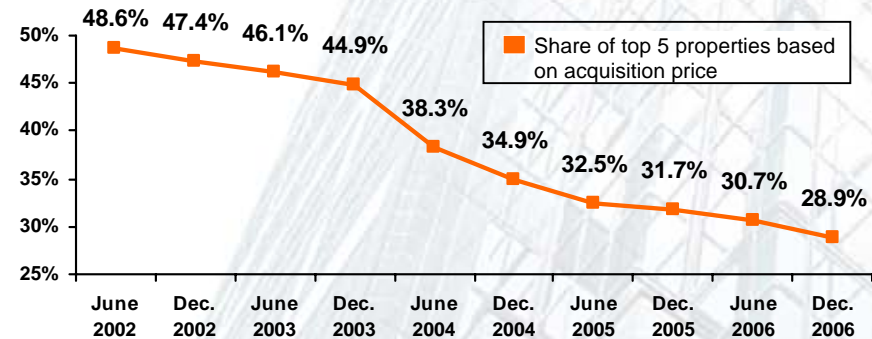
Breakdown of Seiyu's ratio by property: Tanashi ASTA: 6.9%; Tsurumi fuga 1: 1.7%

Reduction of Revenue Impact of Top Properties through Diversification via Portfolio Expansion

Top 5 Properties based on Acquisition Price

	Property	Acquisition Price (JPY mn)	Share
1	Kanematsu Bldg.	16,276	7.3%
2	JPR Umeda Loft Bldg.	13,000	5.8%
3	JPR Shibuya Tower Records Bldg.	12,000	5.4%
4	BYGS Shinjuku Bldg.	11,821	5.3%
5	MS Shibaura Bldg.	11,200	5.0%
		64,297	28.9%

Share of Top 5 Properties based on Acquisition Price



Note: Total monthly rent represents the total for the contracted rent, common expenses, parking fees, warehousing fees and sign usage fees.



Investment Environment and Policy on Selecting Investment Properties

■ Investment Environment

- Cap rate remained at a low level partly due to the inflow of capital from overseas into the Japanese real estate market. Severe conditions continued with regards to the acquisition of properties.

■ Property Acquisition Information Obtained by JPR

Asset Type	7th Fiscal Period	8th Fiscal Period	9th Fiscal Period	10th Fiscal Period	
				Obtained	Considered
Office	97	74	52	56	5
Retail	22	12	22	18	4
Total	119	86	74	74	9
Of which, Development Projects	8	5	13	7	0

Region	7th Fiscal Period	8th Fiscal Period	9th Fiscal Period	10th Fiscal Period	
				Obtained	Considered
Tokyo CBDs	78	43	32	24	2
Greater Tokyo	27	22	20	20	3
Osaka and Nagoya	5	13	10	14	4
Other Cities	9	8	12	16	0

■ Policy on Selecting Investment Properties

Properties for which rent hikes can be expected in the short term	Office	Office buildings in Tokyo CBDs that are of a medium or larger size with a certain level of facilities Large office buildings in Greater Tokyo and major regional cities like Osaka City
Properties for which rent hikes can be expected in the medium to long term	Retail	Multi-tenant retail properties located in very popular districts Retail properties whose future growth in value can be expected as a result of development in surrounding areas
Properties that can secure a certain level of yield	Office Retail	Blue-chip properties that can be acquired through collaboration with sponsors

JPR Continued to Conduct Selective Investment Focused on Location and Future Potential

Investment Properties Currently under Consideration

Existing Properties under Consideration

	Office	Retail
Tokyo CBDs	1	1
Greater Tokyo	5	2
Osaka and Nagoya	1	0
Other Cities	0	0
Estimated Investment Value	Approx. JPY 60 bn	Approx. JPY 22 bn

- ✓ Number of blue-chip properties eligible for consideration started to increase in 2007
- ✓ Most of the considered properties indicated in the table to the left are scheduled to be closed at the end of March 2007
- ✓ Presently, conclusion of acquisition contracts are being arranged for retail properties in Greater Tokyo

Development Projects^(Note 1) under Consideration

Region	2008	2009	2010	2011 or after
Tokyo CBDs	1	1	0	0
Greater Tokyo	0	0	0	0
Osaka and Nagoya	1	3	0	0
Other Cities	0	1	0	0

Asset Type	2008	2009	2010	2011 or after
Office	2	4	0	0
Retail	0	1	0	0

Estimated No. of Projects and Investment Value
7 properties Approx. JPY 100 bn

Share of Investment Value in Tokyo, Osaka and Nagoya (Currently About 90%) is Expected to Rise Further

Notes: (1) The above development projects do not include properties for which an acquisition contract has already been concluded.

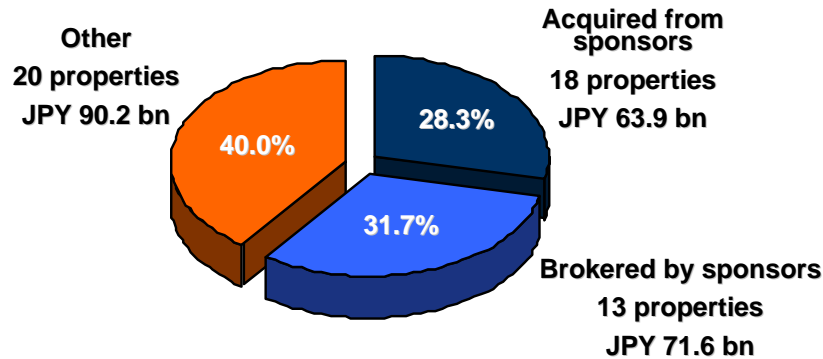
(2) The above figures are the number of properties or projects that have been considered as of February 9, 2007.



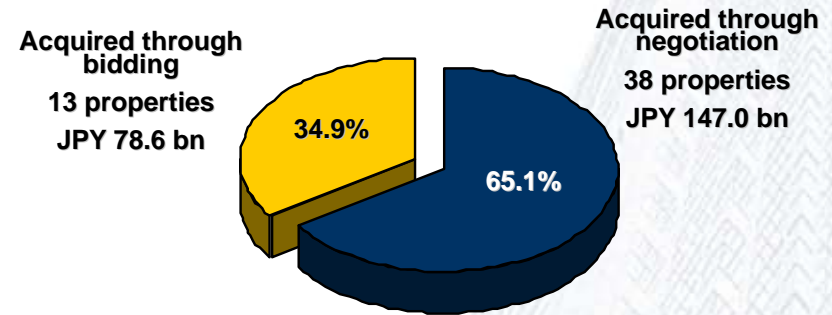
Future Investment Strategy and Blueprint Portfolio

Acquisition Capabilities with LTV Cap at 55% on an Investment Amount Basis: About JPY 110 Bn

■ **Properties Acquired through Sponsor Pipelines**



■ **Properties Acquired through Negotiation with Sellers**

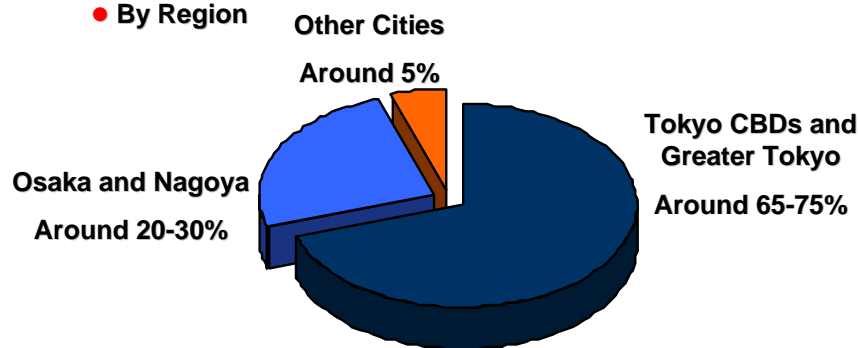


Focus on Acquiring Additional Properties through Negotiations with Sellers by Reinforcing Sponsor Pipelines

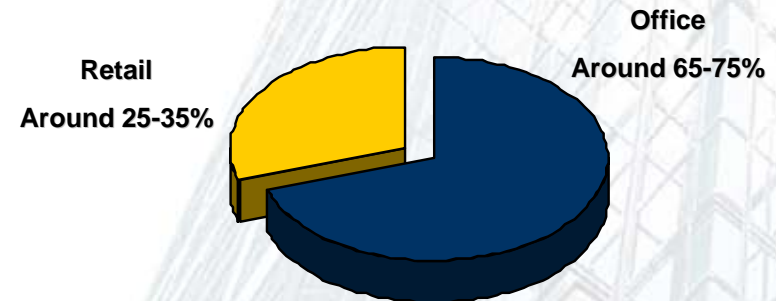
Notes: (1) The above numbers and percentages of transactions have been calculated on an acquisition price basis by adding the transactions of 3 properties scheduled for acquisition to the transactions of properties owned by JPR as of February 20, 2007 and subtracting 2 properties scheduled for sale.
 (2) In the above number of transactions, additional acquisition of ownership in one property has been counted as a single transaction.

■ **Blueprint Portfolio of JPY 300 Bn in Asset Size**

● **By Region**



● **By Asset Type**



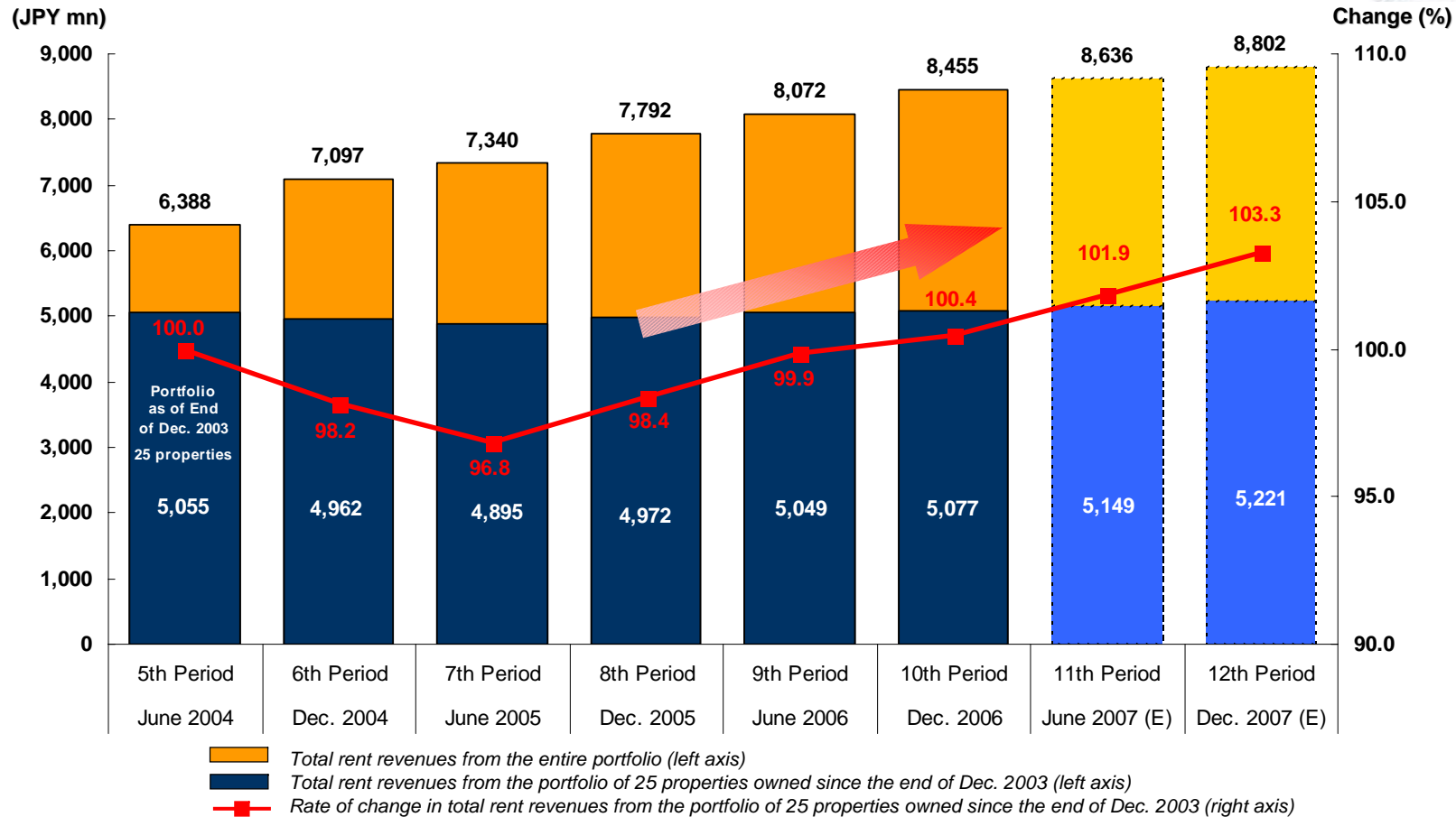
Review Target Investment Ratio in the Portfolio after Reaching Asset Size of JPY 300 Bn



Growth Potential of Cash Flow: History of Rent Revenues

Rent Revenues^(Note 1) Bottomed Out and in Recovery Trend in the 7th Fiscal Period (Ended June 2005)

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



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

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

Growth Potential of Cash Flow: Rising New Rent and Continuing Rent

■ Replacement Rate of New Tenants in Office Buildings

(Unit: m²)

	6th Period	7th Period	8th Period	9th Period	10th Period
Occupied area	17,159	10,144	10,395	8,313	5,218
Vacated area	-10,253	-10,649	-7,470	-5,787	-3,555
Replacement rate	5.3%	5.3%	4.0%	3.0%	1.9%
Average occupancy rate	94.3%	94.9%	96.1%	97.7%	98.3%

* Replacement rates are calculated by dividing the area that is the smaller out of the occupied area and vacated area for each fiscal period by the total leased floor space (of offices) at the end of the fiscal period.

■ Increases in New Rent in Office Buildings

	10th Period	11th Period or After
No. of tenants	33	14
Of which, no. of tenants whose rent will surpass the average rent unit price for the 9th Period	20	10

- **Of the 30 tenants whose rent will surpass the average rent unit price in the 10th Fiscal Period or after,**
 Maximum increase in rent unit price: JPY 5,746 per tsubo (an increase of 35.4%)
 Average rate of increase of all 30 tenants: 17.9% (actual average rate of increase of 20 tenants in the 10th Fiscal Period: 10.8%)

■ Actual Upward Revisions in Continuing Rent for Office Tenants

	10th Period (Actual)	11th Period (Finalized)	12th Period (Finalized)
No. of matured contracts	116	174	135
No. of tenants with increased rent	7	37	7
% of tenants with increased rent	6.0%	21.3%	5.2%
Increased rent (monthly)	JPY 1 mn	JPY 9 mn	JPY 4 mn

- **Continuing rent rose especially in Tokyo CBDs**
 Maximum increase: About JPY 3 mn per month
 Maximum rate of increase: About 18%

* The number of matured contracts are obtained by adding the number of tenants with whom an upward rent revision has been concluded within the existing contract period to the number of tenants whose contract is maturing during each fiscal period.

■ Efforts on Raising Rent

- Aim to realize upward rent revision of an even greater amount by encouraging property management companies through the introduction of incentive fees at times of upward rent revision
- Aim to attract new tenants with higher rents and to realize upward revisions by establishing standard rent levels that are higher than current market levels

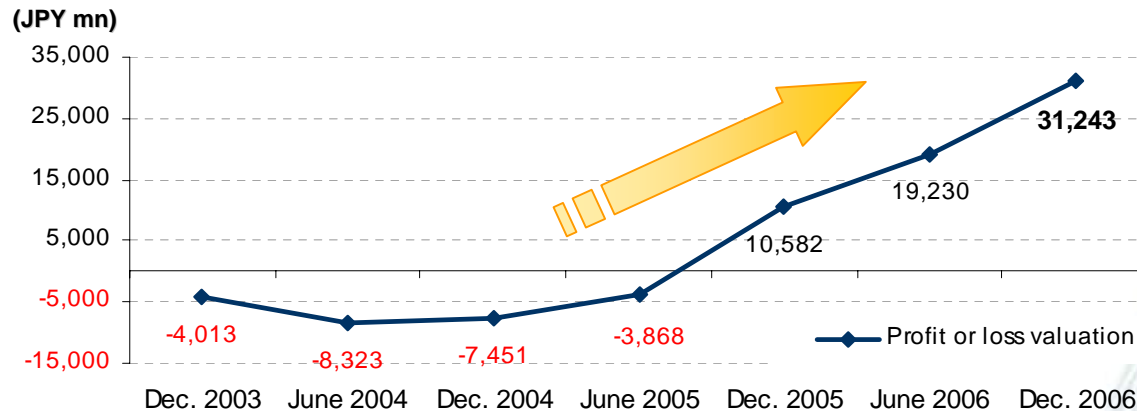
The above number of contracts for offices do not include contracts for warehouses.

Real Estate valuation (June 2006)

(JPY mn)

	Acquisition price		Book value		Appraisal value		Profit or loss valuation	
		(%)	(A)	(%)	(B)	(%)	(B-A)	(%)
Tokyo CBDs								
Office	75,841	34.1%	74,800	34.3%	84,416	33.9%	9,616	12.9%
Retail	18,620	8.4%	18,721	8.6%	21,040	8.4%	2,319	12.4%
Subtotal	94,461	42.5%	93,521	42.9%	105,456	42.3%	11,935	12.8%
Greater Tokyo								
Office	24,315	10.9%	23,244	10.7%	29,140	11.7%	5,896	25.4%
Retail	22,600	10.2%	21,447	9.8%	26,500	10.6%	5,053	23.6%
Subtotal	46,915	21.1%	44,691	20.5%	55,640	22.3%	10,949	24.5%
Other Cities								
Office	45,257	20.3%	43,717	20.0%	49,110	19.7%	5,393	12.3%
Retail	35,850	16.1%	36,194	16.6%	39,160	15.7%	2,966	8.2%
Subtotal	81,107	36.5%	79,911	36.6%	88,270	35.4%	8,359	10.5%
Total	222,483	100.0%	218,123	100.0%	249,366	100.0%	31,243	14.3%

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

Continue to Emphasize Financial Stability in Administration and Aiming for a Well Balanced Debt Structure

■ Credit Ratings Obtained by JPR

R&I (issuer rating)	A+
Moody's (issuer rating)	A2
S&P (long-term issuer rating)	A-

* Moody's upgraded JPR's corporate credit rating from A3 to A2 in Nov. 2006.

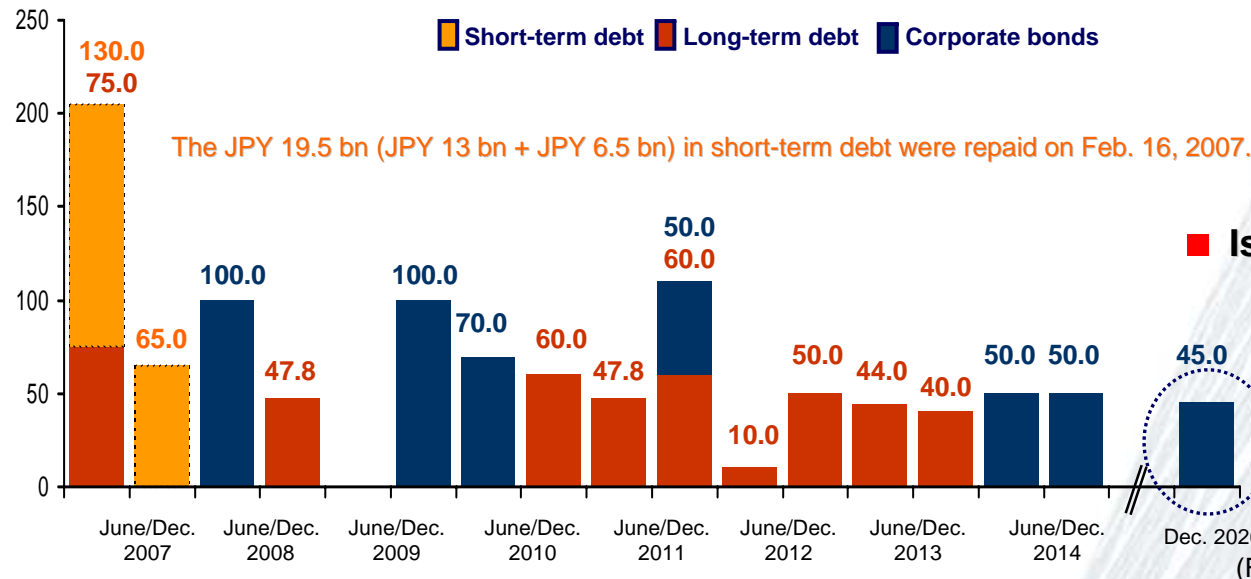
■ State of Interest-bearing Debt

Long-term fixed-rate debt ratio	75.3%
Average maturity of long-term interest-bearing debt	5.1 yrs
Average interest rate of long-term interest-bearing debt	1.6%
Average interest rate of interest-bearing debt	1.3%
Interest-bearing debt ratio	48.7%

*Interest-bearing debt ratio is on an investment amount basis.

■ Diversified Maturity of Interest-bearing Debt

(JPY 100 mn)



■ Issue of 20-year Corporate Bonds

<Issuance Outline>
 Seventh series of unsecured corporate bonds
 Issue value: JPY 4.5 bn
 Interest rate: 2.9%
 Maturity date: Dec. 14, 2026

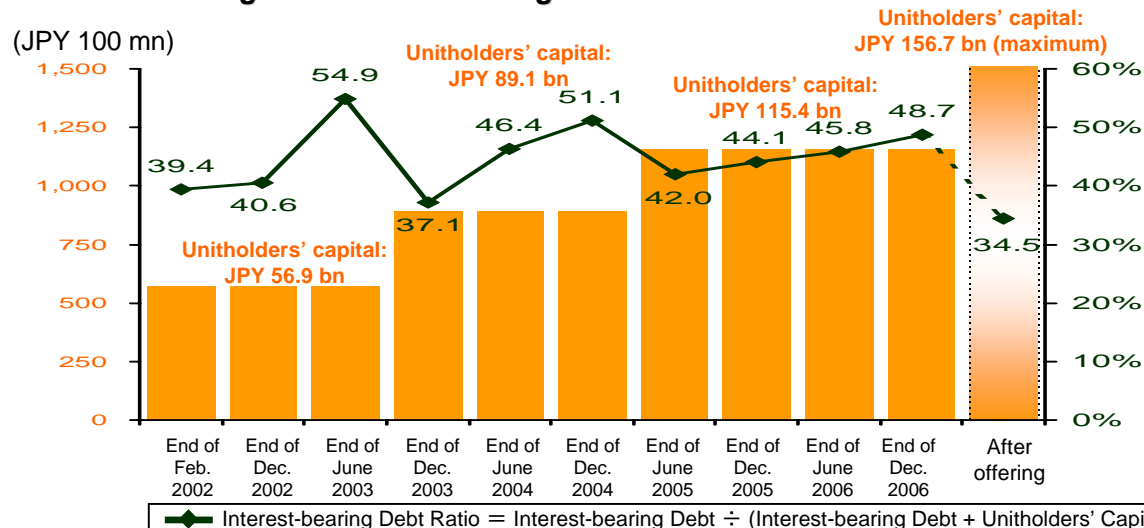
Additional Issue of New Investment Units

Expand Property Acquisition Capacity via Offering

Offering Schedule	
Launch	Jan. 17, 2007 (Wed.)
Book-building period	From: Jan. 23, 2007 (Tues.) To: Jan. 29, 2007 (Mon.)
Pricing date	Jan. 29, 2007 (Mon.)
Primary and secondary offering subscription period	From: Jan. 30, 2007 (Tues.) To: Feb. 1, 2007 (Thurs.)
Payment date	Feb. 6, 2007 (Tues.)
Investment securities delivery and settlement date	Feb. 7, 2007 (Wed.)
Third-party allotment subscription period	Mar. 6, 2007 (Tues.)
Third-party allotment payment date	Mar. 7, 2007 (Wed.)
*Third-party allotment shall not be issued if there is no subscription during the subscription period.	

Overview of Offering	
Total amount of the offer price	JPY 42,732,900,000 (including over-allotment)
Total number of units to be issued	90,000
Over-allotment	5,000 (issuance of all investment units)
Total number of units to be issued through third-party allotment	5,000 (maximum)
Offer price	JPY 449,820 per unit (discount rate of 2.0%)
Number of units outstanding after offering	625,000 (530,000 before offering) *When all of the 5,000 units for third-party allotment are issued

Changes in Interest-bearing Debt Ratio



Capacity to Acquire Properties after Offering

Interest-bearing Debt Ratio (%)	Acquisition Capacity
50	About JPY 80 bn
55	About JPY 110 bn



Summary

Profile Overview

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

Growth Strategy

- Selective investment focused on future potential
- Leverage sponsor pipeline
 - ◆ Focus on acquiring additional properties from Tokyo Tatemono, a main sponsor
 - ◆ Focus on incorporating development projects participated by Taisei Corporation, a sponsor
- Seek growth through rent hikes

Management View

- Target
 - ◆ Asset size exceeding JPY 300 bn
 - ◆ Aim to raise cash distribution per unit, which has been stable at the JPY 6,000 level, to the JPY 7,000 level



Appendix

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





Financial Summary





Balance Sheet for the 10th Fiscal Period

(JPY mn)

	As of Dec. 31, 2006		As of June 30, 2006		Change	
	Amount	%	Amount	%	Amount	%
Total current assets	24,933	10.2%	24,345	10.5%	587	2.4%
Cash and bank deposits	10,653	4.4%	10,478	4.5%	174	1.7%
Entrusted cash and deposits	13,997	5.7%	13,600	5.9%	397	2.9%
Other current assets	282	0.1%	266	0.1%	16	6.0%
Total fixed assets	219,697	89.8%	207,118	89.5%	12,579	6.1%
Property and equipment	218,123	89.1%	205,543	88.8%	12,579	6.1%
Real estate	46,007	18.8%	38,649	16.7%	7,357	19.0%
Buildings and structures	17,425	7.1%	15,612	6.7%	1,812	11.6%
Land	28,581	11.7%	23,036	9.9%	5,545	24.1%
Entrusted real estate	172,116	70.3%	166,894	72.1%	5,222	3.1%
Buildings and structures	63,292	25.9%	63,228	27.3%	63	0.1%
Land	108,824	44.5%	103,665	44.8%	5,158	5.0%
Total intangible assets	5	0.0%	5	0.0%	-0	-8.3%
Other intangible assets	5	0.0%	5	0.0%	-0	-8.3%
Total investments and other assets	1,568	0.6%	1,568	0.7%	-	-
Investment securities	1,558	0.6%	1,558	0.7%	-	-
Deposits	10	0.0%	10	0.0%	-	-
Long-term prepaid expenses	0	0.0%	0	0.0%	-	-
Total deferred assets	60	0.0%	59	0.0%	1	2.4%
Corporate bond issuance costs	60	0.0%	59	0.0%	1	2.4%
Total assets	244,691	100.0%	231,523	100.0%	13,168	5.7%
Total current liabilities	29,741	12.2%	38,991	16.8%	-9,250	-23.7%
Accounts payable and accrued expenses	1,727	0.7%	1,545	0.7%	181	11.8%
Rent received in advance	1,014	0.4%	946	0.4%	67	7.1%
Short-term borrowings	19,500	8.0%	14,000	6.0%	5,500	39.3%
Current portion of long-term borrowings	7,500	3.1%	22,500	9.7%	-15,000	-66.7%
Total long-term liabilities	95,876	39.2%	73,650	31.8%	22,226	30.2%
Deposits received from tenants	13,410	5.5%	12,684	5.5%	726	5.7%
Long-term borrowings	35,966	14.7%	18,966	8.2%	17,000	89.6%
Corporate bonds	46,500	19.0%	42,000	18.1%	4,500	10.7%
Total liabilities	125,617	51.3%	112,641	48.7%	12,975	11.5%
Unitholders' capital	115,431	47.2%	115,431	49.9%	-	-
Retained earnings	3,642	1.5%	3,449	1.5%	192	5.6%
Total unitholders' equity	119,074	48.7%	118,881	51.3%	192	0.2%
Total liabilities and unitholders' equity	244,691	100.0%	231,523	100.0%	13,168	5.7%

(JPY mn)

	End of 10th Fiscal Period	End of 9th Fiscal Period	Variation
1. Balance of interest-bearing debt			
Total	109,466	97,466	12,000
(Breakdown) Unsecured borrowings	49,000	26,500	22,500
Secured borrowings	13,966	28,966	-15,000
Unsecured corporate bonds	46,500	42,000	4,500

	End of 10th Fiscal Period	End of 9th Fiscal Period
2. Interest-bearing debt ratio, etc.		
(1) Interest-bearing debt to total assets		
① Interest-bearing debt ÷ Total assets at end of period	44.7%	42.1%
② Interest-bearing debt ÷ (Total assets at end of period + Gains or losses from real estate valuation)	39.7%	38.9%
(2) Ratio of long-term fixed-rate borrowings		
Long-term fixed-rate interest-bearing debt (*) ÷ Interest-bearing debt	75.3%	62.6%
*Current portion of long-term borrowings and corporate bonds are excluded.		
(3) Interest-bearing debt ratio		
Interest-bearing debt ÷ (Interest-bearing debt + Unitholders' capital)	48.7%	45.8%

	End of 10th Fiscal Period	End of 9th Fiscal Period	Variation
3. Commitment line status			
① Credit limit (total)	20,000	20,000	-
② Outstanding debt at the end of the period	-	-	-
③ Unused commitment line at the end of the period	20,000	20,000	-
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			
*Agreements have been concluded separately with respective banks listed above.			

	End of 10th Fiscal Period	End of 9th Fiscal Period	Variation
4. Investment units status			
① Total number of units issued and outstanding (units)	530,000	530,000	-
② Total unitholders' equity per unit (yen)	224,668	224,304	364

Note: Figures were rounded off to a million yen



Income Statements for the 10th Fiscal Period

(JPY mn, unless otherwise indicated)

	10th Fiscal Period July 1, 2006 – Dec. 31, 2006		9th Fiscal Period Jan. 1, 2006 – June 30, 2006		Change	
	Amount	%	Amount	%	Amount	%
Rental revenues	8,455	93.0%	8,072	94.0%	383	4.7%
Other rental revenues	600	6.6%	480	5.6%	120	25.1%
Real estate rental revenues ①	9,056	99.7%	8,552	99.6%	503	5.9%
Dividends income	31	0.3%	35	0.4%	-4	-12.1%
Operating revenues	9,088	100.0%	8,588	100.0%	499	5.8%
Property and other taxes	744	8.2%	745	8.7%	-1	-0.2%
Other rental expenses	1,826	20.1%	1,706	19.9%	120	7.0%
Outsourcing expenses	467	5.1%	456	5.3%	10	2.4%
Utilities expenses	590	6.5%	472	5.5%	118	25.0%
Casualty insurance	34	0.4%	33	0.4%	0	1.2%
Repairs and maintenance	146	1.6%	165	1.9%	-18	-11.4%
Property management fees	171	1.9%	166	1.9%	4	2.8%
Management association accounts	367	4.0%	355	4.1%	12	3.4%
Other	49	0.5%	56	0.7%	-6	-12.3%
Depreciation	1,579	17.4%	1,560	18.2%	19	1.2%
Real estate rental expenses ②	4,151	45.7%	4,013	46.7%	138	3.4%
Asset management fees	356	3.9%	350	4.1%	5	1.5%
Adm. service/custodian fees	63	0.7%	68	0.8%	-5	-7.5%
Director's remuneration	5	0.1%	5	0.1%	—	—
Trust fees	51	0.6%	50	0.6%	1	2.8%
Other operating expenses	85	0.9%	75	0.9%	10	13.8%
Operating expenses	4,714	51.9%	4,564	53.1%	149	3.3%
Operating profits	4,373	48.1%	4,024	46.9%	349	8.7%
Profits (①-②)	4,905	54.0%	4,539	52.9%	365	8.1%
Net operating income (NOI)	6,485	71.4%	6,100	71.0%	384	6.3%
Non-operating revenues	4	0.0%	67	0.8%	-63	-93.5%
Non-operating expenses	734	8.1%	640	7.5%	93	14.6%
Interest expenses (including corporate bonds)	668	7.4%	574	6.7%	93	16.3%
Loan arrangement fees	18	0.2%	18	0.2%	0	1.5%
Amortization of corporate bond issuance costs	42	0.5%	42	0.5%	0	0.3%
Other non-operating expenses	5	0.1%	6	0.1%	-0	-3.3%
Recurring profits	3,643	40.1%	3,450	40.2%	192	5.6%
Income before income taxes	3,643	40.1%	3,450	40.2%	192	5.6%
Net income	3,642	40.1%	3,449	40.2%	192	5.6%
Retained earnings at the end of period	3,642	40.1%	3,449	40.2%	192	5.6%
Distribution per unit (JPY)	6,873		6,509		364	

Note: Figures were rounded off to a million yen

1. Operating Revenues

Growth in operating revenues was backed by the two properties acquired in the 9th Fiscal Period bringing additional JPY 103 mn during the entire fiscal period, and the two properties acquired in the 10th Fiscal Period adding JPY 188 mn, compared with the 9th Fiscal Period. Moreover, enhanced profitability of owned properties increased revenues by JPY 90 mn.

2. Real Estate Rental Expenses

Utility expenses corresponding to the additional service charges (other rental revenues) increased by JPY 118 mn over the 9th Fiscal Period due to seasonal factors.

3. Non-Operating Revenues and Expenses

Non-operating revenues decreased from the 9th Fiscal Period due to lack of income on settlement of management association accounts, which accrues once a year in the fiscal period through January to June. Non-operating expenses saw a rise in interest paid by JPY 93 mn over the 9th Fiscal Period, because of an increase in interest-bearing debt as well as JPR's endeavor to shift to fixed-rate borrowings in preparation for higher interest rates in the future.

4. Net Income

Net income continued to rise, increasing by JPY 192 mn from the 9th Fiscal Period since increases in operating revenues offset increases in expenses, as stated above.



Forecast for the 11th Fiscal Period

(JPY mn, unless otherwise indicated)

	Forecasts for the 11th Fiscal Period January 1, 2007 – June 30, 2007								Change from the 10th Fiscal Period Results	
	44 properties as of the end of 10th Fiscal Period	Scheduled sales of 2 properties *1	Kawasaki Dice TMK Preferred Securities *2	Tachikawa Business Center Bldg. (Acquiring additional ownership)	Shinjuku Sanchome East Bldg.	Rise Arena Bldg. *3	Total	%	Amount	%
Rental revenues	8,400	130	—	57	9	37	8,636	89.0%	181	2.1%
Other rental revenues	496	1	—	3	—	—	500	5.2%	-99	-16.6%
Real estate rental revenues ①	8,896	132	—	61	9	37	9,137	94.1%	81	0.9%
Gain on sale of real estate	—	539	—	—	—	—	539	5.6%	539	—
Dividends income	—	—	31	—	—	—	31	0.3%	-0	-1.9%
Operating revenues	8,896	671	31	61	9	37	9,708	100.0%	619	6.8%
Property and other taxes	770	12	—	—	—	—	782	8.1%	38	5.2%
Other rental expenses	1,764	25	—	20	3	22	1,836	18.9%	9	0.5%
Outsourcing expenses	444	6	—	7	1	1	462	4.8%	-4	-1.1%
Utilities expenses	516	6	—	9	—	—	532	5.5%	-58	-9.9%
Casualty insurance	30	0	—	0	0	0	32	0.3%	-2	-6.4%
Repairs and maintenance	208	3	—	1	0	3	217	2.2%	70	48.0%
Property management fees	182	2	—	1	0	16	203	2.1%	32	18.8%
Management association accounts	343	7	—	—	—	—	351	3.6%	-16	-4.4%
Other	37	0	—	0	0	—	37	0.4%	-11	-23.0%
Depreciation	1,553	17	—	13	1	38	1,624	16.7%	44	2.8%
Real estate rental expenses ②	4,088	56	—	33	4	61	4,243	43.7%	91	2.2%
Loss on sale of real estate	—	—	—	—	—	—	—	—	—	—
Asset management fees	—	—	—	—	—	—	381	3.9%	25	7.1%
Adm. service/custodian fees	—	—	—	—	—	—	86	0.9%	22	35.8%
Director's remuneration	—	—	—	—	—	—	5	0.1%	—	—
Trust fees	—	—	—	—	—	—	53	0.5%	1	2.2%
Other operating expenses	—	—	—	—	—	—	94	1.0%	9	10.9%
Operating expenses	4,088	56	—	33	4	61	4,864	50.1%	150	3.2%
Operating profits	4,808	76	—	27	5	-23	4,843	49.9%	469	10.7%
Profits (①-②)	4,808	76	—	27	5	-23	4,894	50.4%	-10	-0.2%
Net operating income (NOI)	6,361	94	—	40	6	15	6,518	67.1%	33	0.5%
Non-operating revenues	—	—	—	—	—	—	82	0.9%	78	1784.9%
Non-operating expenses	—	—	—	—	—	—	799	8.2%	65	8.9%
Recurring profits	6,361	94	—	40	6	15	4,126	42.5%	482	13.2%
Income before income taxes	—	—	—	—	—	—	4,126	42.5%	482	13.2%
Net income	4,125	—	—	—	—	—	4,125	42.5%	482	13.2%
Retained earnings at the end of period	—	—	—	—	—	—	4,125	42.5%	482	13.2%

Distribution per unit (JPY)

Note: Figures were rounded off to a million yen

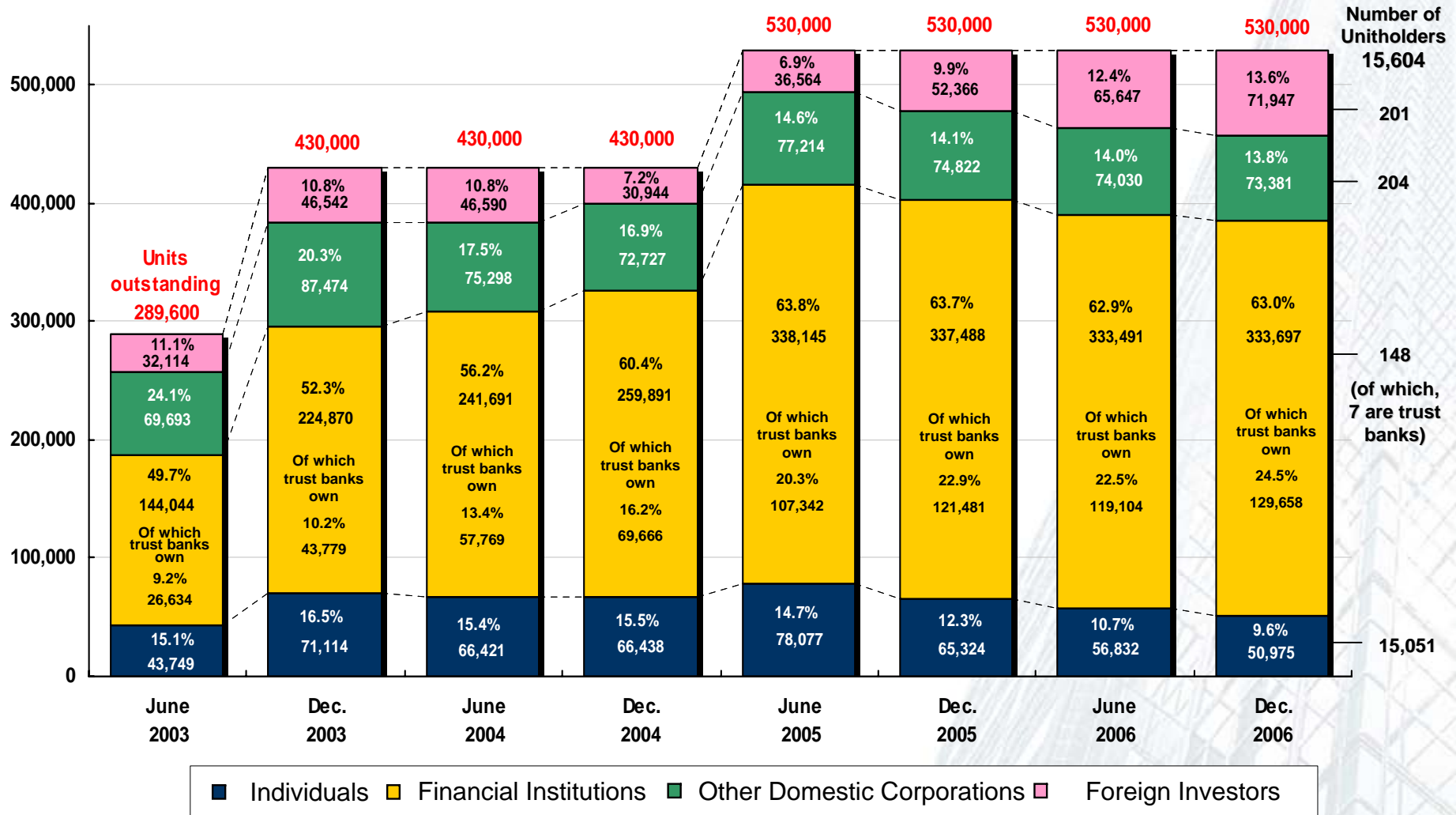
*1 Tsurumi fuga 1 and JPR Takamatsu Bldg. scheduled for sale on April 11, 2007.
 *2 The Kawasaki Dice TMK preferred securities are investment securities and thus not included in real estate rental revenues.
 *3 Rental revenues from Rise Arena Bldg. are set to accrue on June 1, 2007 and after.

6,600
 Total units outstanding (Units)
 625,000
 -273
 +95,000

For details on assumptions for the 11th Fiscal Period forecast, please refer to the "Assumptions for the Eleventh Fiscal Period Forecast (January 1, 2007 – June 30, 2007)" on page 4 of the "Japan Prime Realty Investment Corporation Tenth Fiscal Period Results (July 1, 2006 to December 31, 2006)."

Breakdown of Unitholders (Units by Owner)

**Increase in Ownership by Foreign Investors and Trust Banks
Amidst Decrease in Other Domestic Corporations and Individuals, etc.**



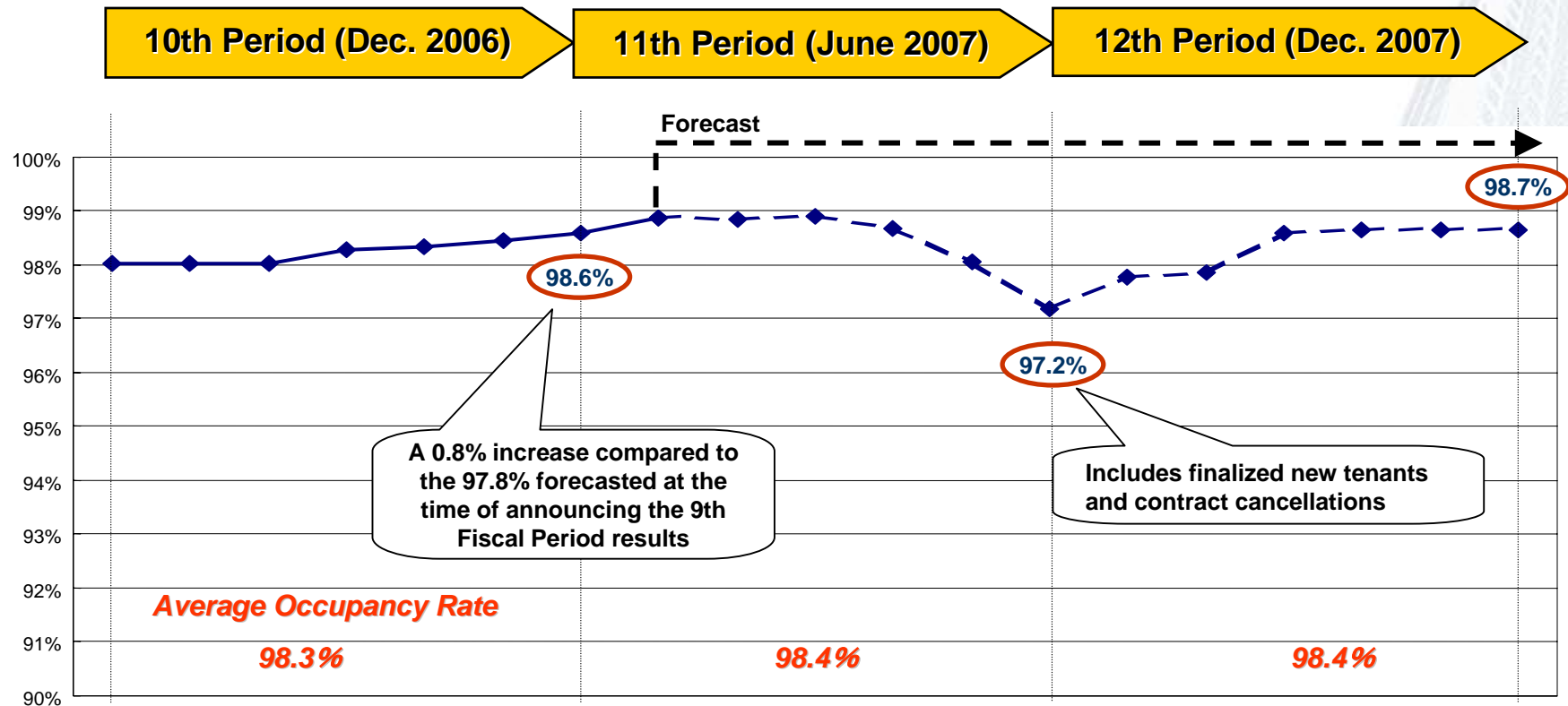
Note: The composition ratio is rounded to one decimal place.



Property Summary



Projected Trends of Occupancy Rates



(Reference) Total leasable area: 337,382.05m² (end of the 10th fiscal period)

(1) Assumptions for the calculation of occupancy in the 11th Fiscal Period and after

- A. January 2007 : Occupancy rate of all 46 properties
- B. February 2007- : Occupancy rate of all 46 properties including the Tachikawa Business Center Bldg. to be acquired in February 2007
- C. March 2007- : Occupancy rate of all 48 properties including the Shinjuku Sanhome Bldg. and Rise Arena Bldg. to be acquired in March 2007
- D. April 2007- : Occupancy of all 46 properties excluding Tsurumi fuga 1 and JPR Takamatsu Bldg., which are to be sold in April 2007

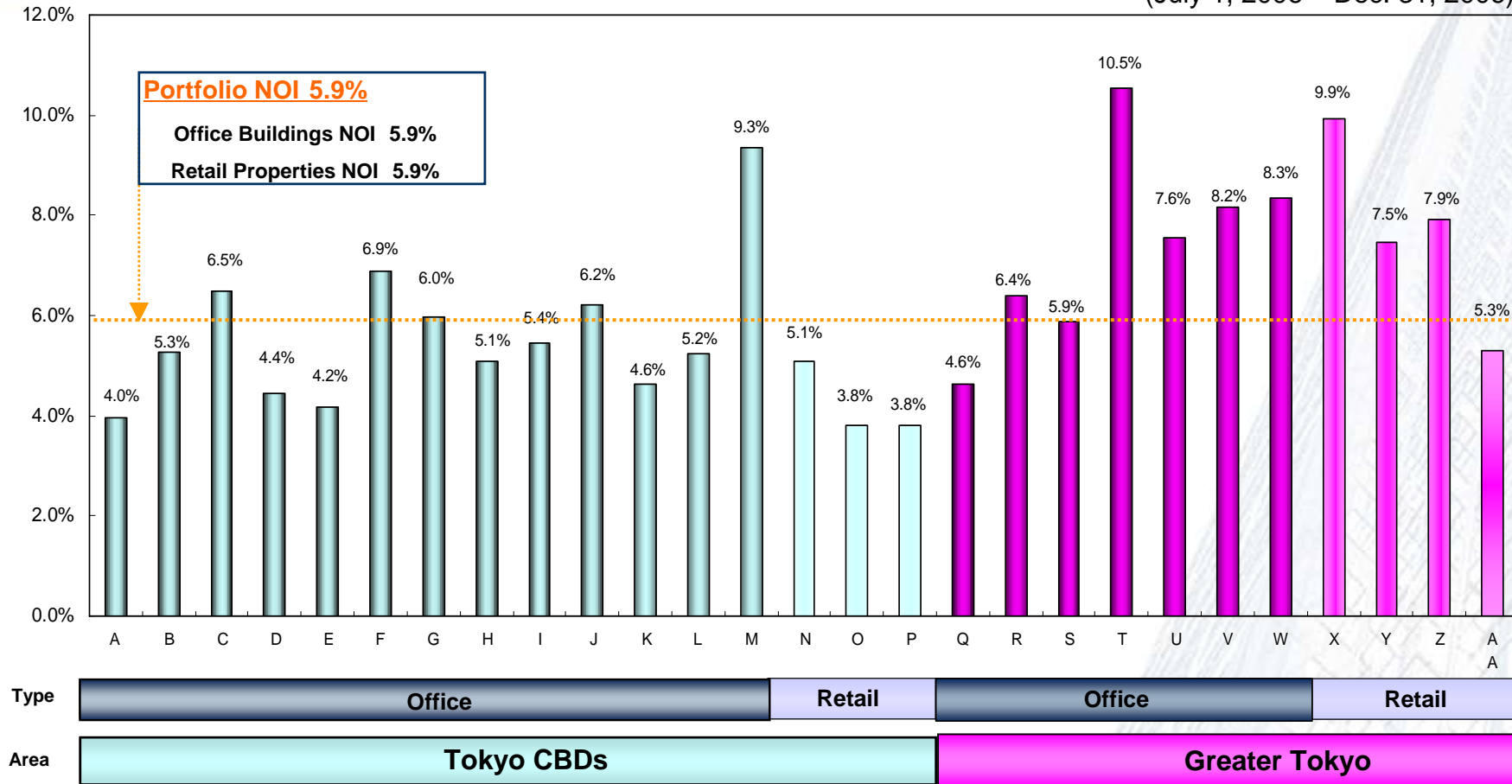
(2) The occupancy rate for the 11th Fiscal Period includes all of the scheduled contract cancellations as of February 13, 2007 and only actually contracted new tenants are included.

(3) The occupancy rate for the 12th Fiscal Period includes some new tenants in addition to what is indicated in (2) above.



NOI Yield by Property for the 10th Fiscal Period (Tokyo CBDs and Greater Tokyo)

(July 1, 2006 – Dec. 31, 2006)



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

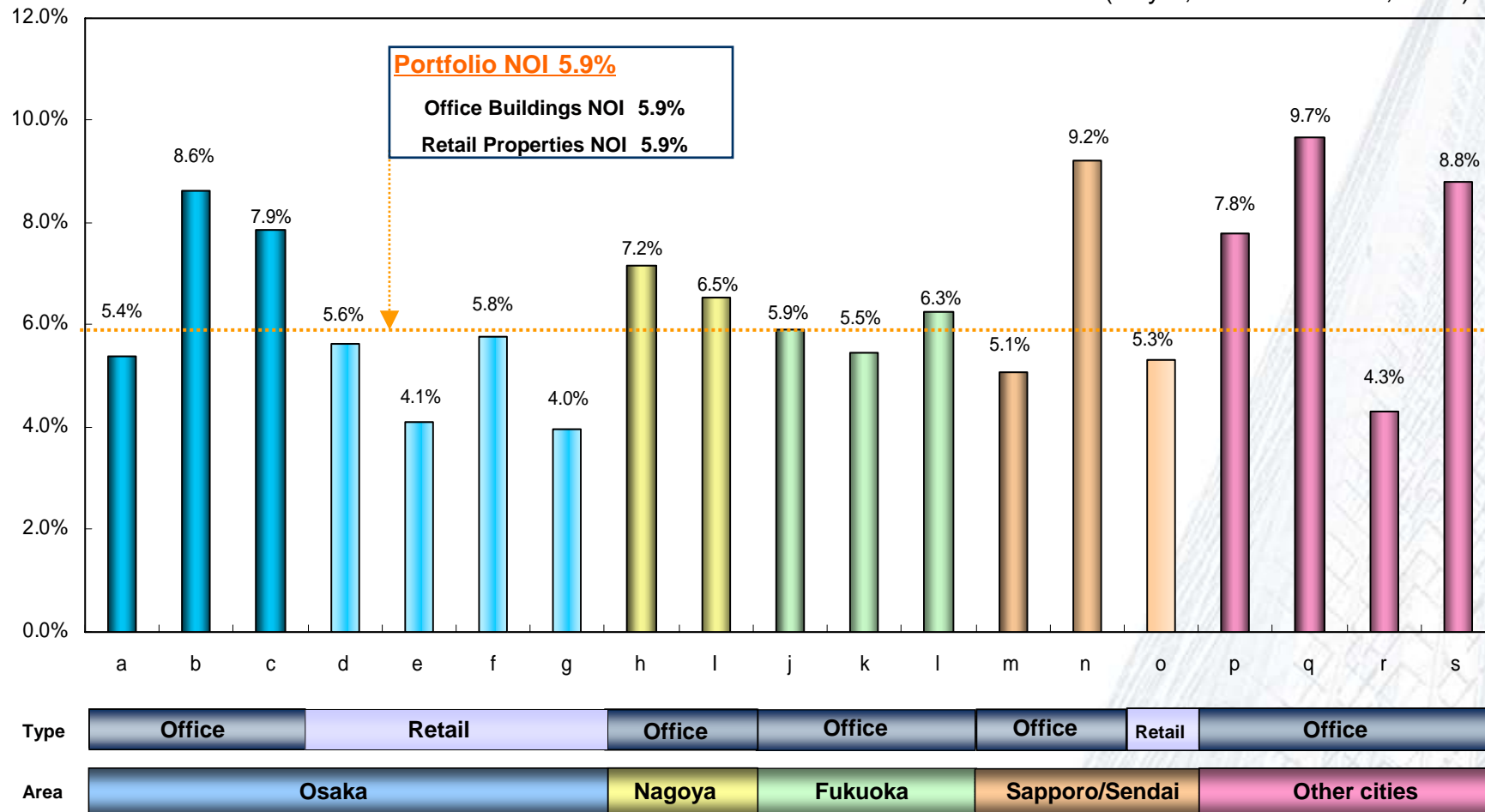
O: JPR Daikanyama
 P: JPR Jingumae 432
 Q: Arca East
 R: JPR Chiba Building
 S: JPR Yokohama Nihon Odori Building
 T: Shinyokohama 2nd Center Building
 U: Kawaguchi Center Building

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



NOI Yield by Property for the 10th Fiscal Period (Other selected cities)

(July 1, 2006 – Dec. 31, 2006)



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: UFJ Central Leasing 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 Takamatsu Building
 s: JPR Naha Building

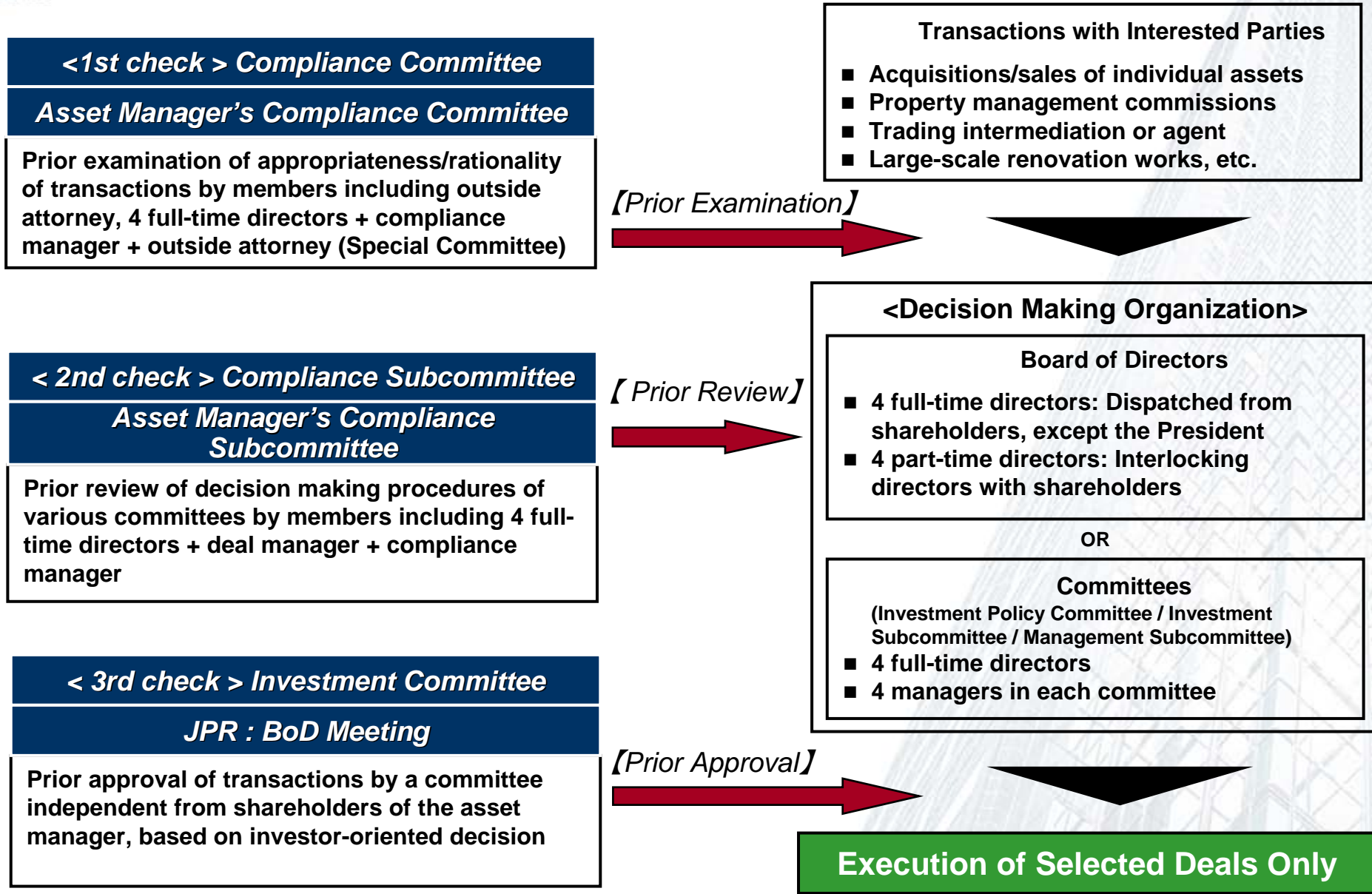


Overview of TRIM



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

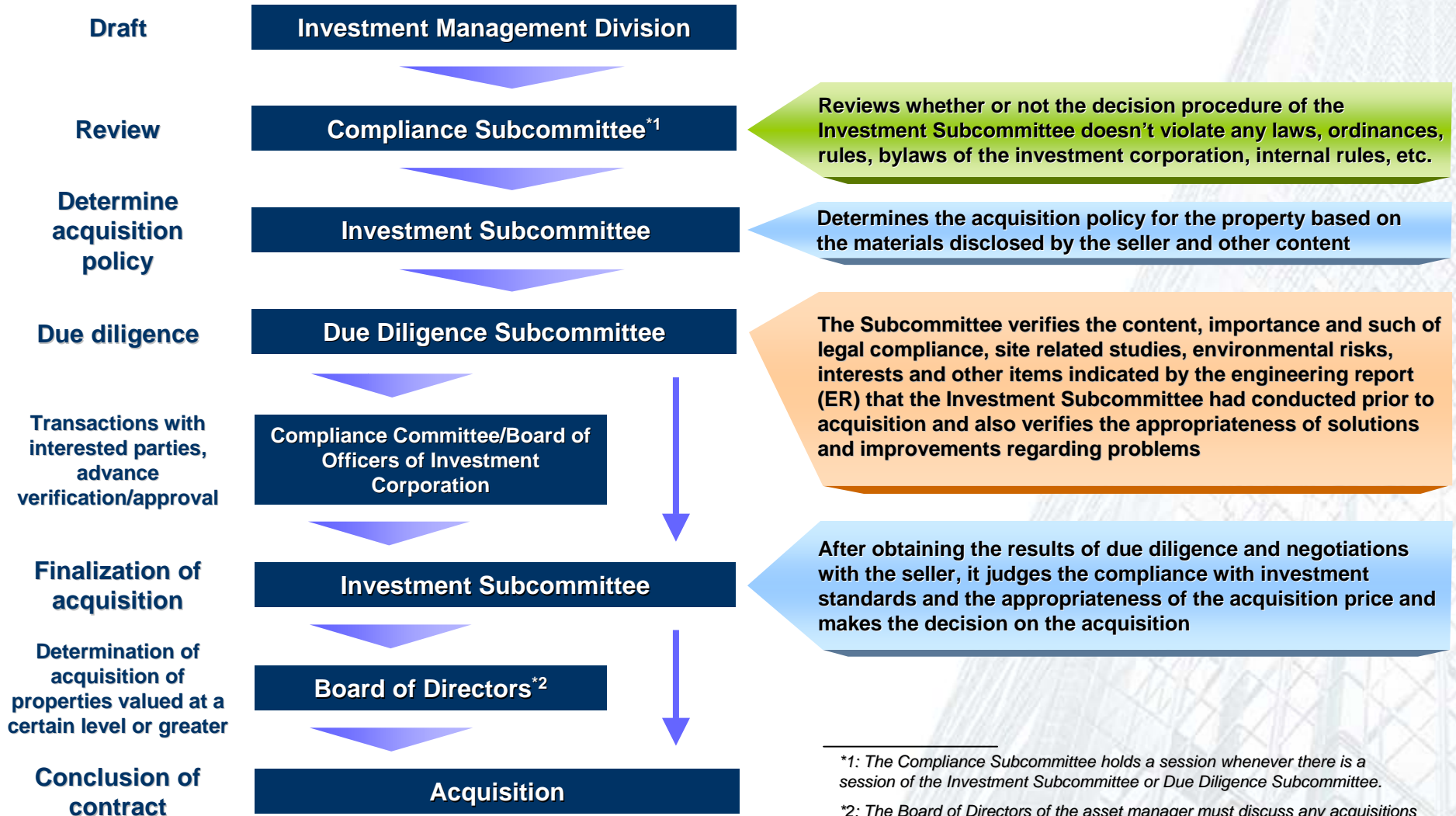
Overview of TRIM – Measures to Avoid Conflict of Interests





Overview of TRIM – Decision Making Process of Property Acquisition

Enhanced Due Diligence Process upon Acquisition



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

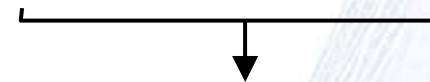
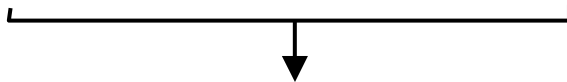
^{*2}: The Board of Directors of the asset manager must discuss any acquisitions (sales) of individual assets valued at a certain level or greater and exercise caution in their management.

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

- **Fixed + Incentive Fee 1**
(JPY 12.5 mn every 6 months)

+

Incentive Fee 2



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

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