



April 23, 2020

For Translation Purposes Only**For Immediate Release**

Japan Prime Realty Investment Corporation

**(Corrections) Notice Concerning Partial Corrections to
“Presentation Material for the 36th Fiscal Period Ended December 2019”**

Japan Prime Realty Investment Corporation (JPR) has corrected part of the content of its “Presentation Material for the 36th Fiscal Period Ended December 2019” released on March 12, 2020, as follows.

Details

1. Content of the partial corrections (Please note that the places in the document where corrections were made are underlined.)
“Presentation Material for the 36th Fiscal Period Ended December 2019” - NOI yield (book value) on pages 29 and 30.

[Before Corrections]

① Page 29

	36th Period	37th Period (forecast)	Change
NOI yield (book value)	5.0%	<u>5.3%</u>	<u>+0.3% pt</u>

② Page 30

	37th Period (forecast)	38th Period (forecast)	Change
NOI yield (book value)	<u>5.3%</u>	<u>5.4%</u>	+0.1% pt

[After Corrections]

① Page 29

	36th Period	37th Period (forecast)	Change
NOI yield (book value)	5.0%	<u>5.1%</u>	<u>+0.1% pt</u>

② Page 30

	37th Period (forecast)	38th Period (forecast)	Change
NOI yield (book value)	<u>5.1%</u>	<u>5.2%</u>	+0.1% pt

[Attachment]

Reference “Presentation Material for the 36th Fiscal Period Ended December 2019” pages 29 and 30
(After Corrections)

Forecast of the 37th fiscal period ending June 2020

DPU: 7,590 yen (up 97 yen from 36th period (Dec. '19) forecast)

Contribution from both internal and external growth

The medium-term DPU target of 7,500 yen is expected to be reached, absorbing the dilutive effect of the issuance of new investment units.

Item		36th Period (Dec. 31, '19)	37th Period (Jun. 30, '20)(forecast)	Change
Revenue and profit (million yen)	Operating revenue	16,005	16,439	+433
	Rental revenue	16,005	16,439	+433
	Operating expense	8,320	8,450	+129
	Expenses related to rent business	7,538	7,538	-0
	Selling, general and administrative expenses	782	912	+130
	Operating income	7,684	7,989	+304
	Non-operating income	7	58	+50
	Non-operating expenses	777	760	-17
	Ordinary income	6,915	7,287	+372
	Net income	6,914	7,286	+372
DPU (yen)	(per unit)	7,493	7,590	+97
Number of units outstanding		923,000	960,000	+37,000

(Rental revenue)

- ① [Rents and common charge] Revenue is expected to increase mainly due to full-year contribution of tenants that moved in in the previous period and upward revision of rents
- ② [Incidental income] Expected to decrease mainly due to seasonal factors

[Expenses related to rent business]

- ③ [Utility expense] Expected to decrease mainly due to seasonal factors and balance of utilities expenses is expected to be mostly unchanged
- ④ [Property and other taxes] Increased due to property tax being incurred on properties acquired in the previous fiscal period and the impact of reappraisal, among other things.
- ⑤ [Other expenses related to rent business] Decreased in brokerage fees, etc.

Selling, general and administrative expenses

- ⑥ [Selling, general and administrative expense] The number of asset management reports increased due to the change in fee structure.

Non-operating income and expenses

- ⑦ [Non-operating income] Expected to increase largely due to recording of settlement on management association accounts (mainly recorded in the June period every year)
- ⑧ [Non-operating expenses] Financial costs such as interest expense on loans and investment corporation bonds will decrease

Item	36th Period (Dec. 31, '19)	37th Period (Jun. 30, '20) (forecast)	Change	Change	
				Acquired properties	Existing properties
Operating revenue	16,005	16,439	+433	+384	+49
Rental revenue	15,081	15,640	+558	+335	+222
Rents and common charge	12,939	13,490	+551	+332	+218
Land rent	1,774	1,783	+9	-	+9
Other fixed income	368	366	-2	+3	-5
Other rental revenue	924	799	-124	+48	-173
Incidental income	799	758	-41	+44	-86
Cancellation penalty, etc	21	-	-21	-	-21
Income equivalent to expense for restoration	62	-	-62	-	-62
Other variable income	40	41	+1	+4	-3
Expenses related to rent business	7,538	7,538	-0	+139	-140
Outsourcing fees	609	620	+10	+12	-1
Utilities expenses	866	825	-40	+42	-83
Property and other taxes	2,335	2,400	+64	+0	+64
Insurance premiums	25	23	-1	+0	-2
Repairs and maintenance	610	578	-31	+12	-44
Property management fees	299	320	+21	+7	+13
Management association accounts	570	574	+3	+6	-2
Depreciation	1,973	2,035	+61	+56	+4
Other expenses related to rent business	247	159	-88	+0	-88
NOI	10,441	10,937	+495	+301	+194
NOI yield (book value)	5.0%	5.1%	+0.1%pt		
Rental income-real estate	8,467	8,901	+434	+244	+189
After-depreciation (book value)	4.1%	4.2%	+0.1%pt		
Rent-paying occupancy rate (period average)	98.9%	99.4%	+0.5%pt		

*1 The increase/decrease due to the acquisition of the Minami Semba Building in the 37th fiscal period and the Sencity Building that is scheduled to be acquired is calculated.

*2 Increase/decrease for existing properties, excluding the above, is calculated (the major factors behind the increase/decrease for existing properties are described in (i) to (v)).

Forecast of the 38th fiscal period ending December 2020

DPU: 7,720 yen (up 130 yen from 37th period (Jun. '20) forecast)

Cash distributions are expected to continue increasing, thanks to the full-year contribution of the properties acquired in the previous fiscal period.

With an eye on a new medium-term goal, aim for stable growth through the continuous upward revision of rents and cost control.

Item		37th Period (Jun. 30, '20/ forecast)	38th Period (Dec. 31, 2020/ forecast)	Change
Revenue and profit (million yen)	Operating revenue	16,439	16,797	+357
	Rental revenue	16,439	16,797	+357
	Operating expense	8,450	8,630	+180
	Expenses related to rent business	7,538	7,699	+161
	Selling, general and administrative expenses	912	930	+18
	Operating income	7,989	8,166	+177
	Non-operating income	58	3	-54
	Non-operating expenses	760	757	-2
	Ordinary income	7,287	7,412	+125
	Net income	7,286	7,411	+125
DPU (yen) (per unit)	7,590	7,720	+130	
Number of units outstanding		960,000	960,000	-

(Rental revenue)

① [Rents and common charge] With respect to rent revisions, although the current upward rent revisions are expected to be maintained, TRIM has conservative estimates of move-ins and move-outs, rent revisions, etc. for the future.

② [Incidental income] Expected to increase mainly due to seasonal factors

[Expenses related to rent business]

③ [Utility expense] Expected to increase mainly due to seasonal factors and balance of utilities expenses is expected to be mostly unchanged

④ [Property and other taxes] Brokerage fees, etc. will increase

Non-operating income and expenses

⑤ [Nonoperating income] Likely to decrease in the absence of settlement on management association accounts (mainly recorded in the June period every year)

Item	37th Period (Jun. 30, '20) (forecast)	38th Period (Dec. 31, '20) (forecast)	Change		
				Acquired properties ^{*1}	Existing properties ^{*2}
Operating revenue	16,439	16,797	+357	+268	+89
Rental revenue	15,640	15,879	+239	+228	+11
Rents and common charge	13,490	13,717	+226	+227	-1
Land rent	1,783	1,793	+9	-	+9
Other fixed income	366	369	+3	+0	+3
Other rental revenue	799	917	+117	+39	+78
Incidental income	758	871	+112	+35	+77
Cancellation penalty, etc.	-	-	-	-	-
Income equivalent to expense for restoration	-	-	-	-	-
Other variable income	41	45	+4	+3	+0
Expenses related to rent business	7,538	7,699	+161	+78	+83
Outsourcing fees	620	633	+12	-0	+13
Utilities expenses	825	936	+111	+33	+77
Property and other taxes	2,400	2,393	-7	-0	-7
Insurance premiums	23	24	+0	+0	+0
Repairs and maintenance	578	529	-49	+10	-59
Property management fees	320	305	-15	+4	-19
Management association accounts	574	583	+9	+5	+4
Depreciation	2,035	2,100	+65	+23	+42
Other expenses related to rent business	159	192	+33	+0	+32
NOI	10,937	11,198	+261	+212	+48
NOI yield (book value)	5.1%	5.2%	+0.1%pt		
Rental income-real estate	8,901	9,097	+195	+189	+6
After-depreciation (book value)	4.2%	4.2%	- %pt		
Rent-paying occupancy rate (period average)	99.4%	99.1%	-0.3%pt		

*1 The increase/decrease due to the acquisition of the Minami Semba Building in the 37th fiscal period and the Sencity Building that is scheduled to be acquired is calculated.

*2 Increase/decrease for existing properties, excluding the above, is calculated (the major factors behind the increase/decrease for existing properties are described in (i) to (v)).