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For Translation Purposes Only

For Immediate Release

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Notice Concerning Operating Forecasts for the Fiscal Period Ending June 30, 2013

Japan Prime Realty Investment Corporation (JPR) today announced its operating forecasts for the fiscal period ending June 30, 2013 (January 1, 2013 – June 30, 2013), as detailed below.

Details

1. Forecasts for the Fiscal Period Ending June 30, 2013 (January 1, 2013 – June 30, 2013)

	Operating Revenues (Millions of yen)	Operating Income (Millions of yen)	Ordinary Income (Millions of yen)	Net Income (Millions of yen)	Dividend per Unit (excluding distributions in excess of earnings per unit) (Yen)	Distributions in Excess of Earnings per Unit (Yen)
Fiscal Period Ending June 2013	13,017	6,180	4,770	4,769	5,780	—

Notes:

1. Forecast units outstanding as of June 30, 2013: 825,000 units
2. The above forecasts are based on the assumptions outlined in the attached “Assumptions for the Operating Forecasts for the Fiscal Period Ending June 30, 2013.” Accordingly, actual operating revenues, operating income, ordinary income, net income and dividend per unit may change due to the additional acquisition or sale of properties, changes in the operating environment and other factors occurring in the future. JPR is not in a position to guarantee these results.
3. Figures of less than one unit have been rounded down.

Attachment

Assumptions for the Operating Forecasts for the Fiscal Period Ending June 30, 2013

	Assumptions
Period	23rd fiscal period: January 1, 2013 to June 30, 2013 (investment period: 181 days)
Property Portfolio	<p>The number of properties held by JPR as of the end of the fiscal period ended December 2012 is assumed to be 59 properties. Furthermore, the assumed average occupancy rate at the end of each month in the fiscal period is 94.8%.</p> <p>In practice, these assumptions may vary due to the acquisition of additional properties or the sale of existing properties.</p>
Operating Revenues	<p>Real estate rental revenues have been calculated on the basis of the lease contracts effective as of the end of the fiscal period ended December 2012, with consideration given to the market environment, competitiveness of the properties, status of tenants and other factors.</p> <p>For operating revenues, JPR assumes that rents will be paid on time and that no tenants will fail or decline to pay rents.</p> <p>Gain and loss on sales of real estate properties is not assumed.</p>
Operating Expenses	<p>Among rental expenses, which are the principal operating expenses, outsourcing expenses and other expenses excluding depreciation are calculated based on historical data, reflecting variable factors of expenses and considering the information as of the end of the fiscal period ended December 2012. Outsourcing expenses are assumed to be 501 million yen for the 23rd fiscal period.</p> <p>For property taxes and city planning taxes, the amount to be paid in the 23rd fiscal period has been calculated out of the levied tax amount, and is assumed to be 1,822 million yen. In general practice, the property taxes and city planning taxes levied on properties acquired are settled after prorating for the period with the previous owner at the time of acquisition, but JPR includes the amount equivalent to such settlement in the acquisition costs for the property.</p> <p>For expenditures for the repair and maintenance of buildings, the amount expected to be required in the 23rd fiscal period has been recorded. However, the expenditures for repair and maintenance for the fiscal period could differ significantly from the estimated amount, as expenditures may arise due to damage to the building caused by unexpected factors, etc., and because the variance in amounts generally tends to grow from year to year and repair expenses do not arise regularly.</p> <p>Depreciation is calculated using the straight line method, including incidental expenses and additional future capital expenditures. Depreciation for the 23rd fiscal period is</p>

	assumed to be 1,843 million yen.
Non-operating Expenses	As for major non-operating expenses, JPR assumes 1,435 million yen for interest paid, interest on corporate bonds and fees related to loan arrangement.
Interest-bearing Debt Ratio	<p>The interest-bearing debt ratio as of the end of the fiscal period ended December 2012 stands at 48.5%, with interest-bearing debt of 180,557 million yen (comprised of 30,618 million in current portion of long-term debt, 100,439 million yen in long-term debt and 49,500 million yen in corporate bonds).</p> <p>As for the borrowings of 11,820 million yen that will mature during the 23rd fiscal period, JPR assumes it will refinance the full amount excluding the already agreed to repayment of 399 million yen. In addition, JPR assumes that the interest-bearing debt ratio at the end of the 23rd fiscal period will be 48.4%.</p> <p>The following formula has been used for calculating the interest-bearing debt ratios in this table: Interest-bearing debt ratio = Interest-bearing debt / (Interest-bearing debt + Unitholders' equity) x 100</p>
Units Outstanding	Forecast units outstanding as of the end of the fiscal period ended December 2012 are 825,000 units.
Dividend per Unit	<p>Dividend per unit is based on the assumption that distributions will comply with the monetary distribution policy stipulated in JPR's Articles of Incorporation.</p> <p>The amount of the dividend per unit is subject to change due to various factors that include changes in rental income associated with changes in properties, changes in tenants or other causes, and the emergence of unexpected repair work.</p>
Distributions in Excess of Earnings per Unit	JPR does not currently anticipate distributions in excess of earnings (dividend in excess of earnings per unit).
Other	<p>The performance forecasts are based on the assumption that revisions impacting the forecast figures above will not be made to laws and regulations, the tax system, accounting standards, the listing rules, the rules of the Investment Trusts Association, Japan, etc.</p> <p>It is also assumed that there will be no unexpected material change in general economic trends, the real estate market, etc.</p>