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For Translation Purposes Only

For Immediate Release

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Notice Concerning Execution of Purchase Agreement for Acquiring the Chayamachi Grande Building

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire the Chayamachi Grande Building, as outlined below. The planned acquisition date is August 30, 2006.

Details

1. Reason for Acquisition

Acquisition of the Chayamachi Grande Building is in accordance with JPR's fundamental investment policies for acquiring new retail properties as a means to further enhance and stabilize our investment portfolio.

2. Acquisition Details (Planned)

- | | |
|------------------------|---|
| 1. Type of Acquisition | Beneficiary interest |
| 2. Asset Custodian | Mitsubishi UFJ Trust and Banking Corporation |
| 3. Term of Trust | From March 29, 2004 to March 31, 2009 |
| 4. Property Name | Chayamachi Grande Building |
| 5. Acquisition Price | ¥6,000 million
(excluding acquisition costs and consumption tax) |
| 6. Contract Date | July 25, 2006 |
| 7. Acquisition Date | August 30, 2006 (planned) |
| 8. Seller | Saturn Asset TMK Limited |
| 9. Funding | Debt funding and cash on hand (planned) |

3. Details of Property for Planned Acquisition

Location	Registered	Land	38-3(and 38-13), Chayamachi, Kita-ku, Osaka-shi, Osaka
		Bldg.	38-3(and 38-13), Chayamachi, Kita-ku, Osaka-shi, Osaka
	Residential		2-19 Chayamachi, Kita-ku, Osaka-shi, Osaka
Access		One minute on foot from Umeda station, Hankyu Line, and four minutes on foot from Umeda station, Midosuji Line, Osaka City Subway, and five minutes on foot from Osaka station, JR Line	
Use		Retail, office space and parking	
Type of Ownership		Land: Fee simple Bldg.: Fee simple	
Site Area (Registered)	Land	Total site area	592.45㎡
	Bldg.	Gross Total floor area	3,219.36㎡
Type of Structure		S, SRC, 9F	
Completion Date		June 1994	
Architecture and Design		Takenaka Corporation	
Construction		Takenaka Corporation	
Building Certification Authority		Public sector (Municipal government)	
Appraisal	Appraiser	CB Richard Ellis Japan K.K.	
	Appraisal Value	¥5,500 million	
	Appraisal Date	June 30, 2006	
Probable Maximum Loss		<p>17.4% based on the earthquake risk assessment report prepared by Shinozuka Research Institute.</p> <p>Probable Maximum Loss (PML) refers to the expected maximum loss ratio based on earthquake risk analysis caused by earthquakes. There are two types of PML: PML for respective buildings and PML for property portfolios. Although there is no precise unified definition of PML, PML refers to the percentage of expected damages caused by a maximum-level earthquake that happened during an assumed period for the economic life of a building, to procurement cost for restoring the expected damages. The expected period for economic life of a building is 50 years, which is the useful life of a standard building. The expected maximum-level earthquake here means an earthquake that happens once every 50 years with 10% probability. This means that this level of an earthquake statistically happens once every 475 years.</p>	
Collateral		None	
Number of Tenants		8	
Major Tenants		ZARA Japan Corporation	
Total Leasable Floor Space		2,484.39㎡	
Total Leased Floor Space		2,484.39㎡	
Occupancy Rate		100%	
Forecast Net Operating Income (Yield)		¥219 million per annum (3.7%)	
Special Considerations		<p>A boundary confirmation is yet to be exchanged with the relevant landowner concerning a certain section of the border between the land in trust of this property and the neighboring land.</p> <p>Part of the walls built on this land in trust encroaches on the neighboring land to the east and south.</p> <p>The beneficiary interest transfer agreement indemnifies the seller of the beneficiary interest from liability for defects.</p> <p>The property will be insured against earthquakes when it is acquired.</p>	

- The number of tenants, total leasable floor space, total leased floor space, and the occupancy rate on the scheduled date of acquisition are projections as of the scheduled acquisition date of August 30, 2006.

- Net Operating Income (NOI) is based on forecast income for a full year after eliminating special factors applicable to the period in which the property was acquired. Accordingly, it is not a forecast for the current fiscal period. Assumptions that form the basis of calculations are as follows:

- 1) Revenues are based on an estimated occupancy ratio of 100%.
- 2) Property and other taxes are the same as for fiscal 2006.

4. Location of Property

The Umeda district is a leading commercial area in Osaka comparable to Shinsaibashi, and is a highly popular area with the nearest stations are the Osaka and Umeda stations, which boast the largest number of passengers in Western Japan. The Chayamachi area where the property stands is an area in Umeda with a high concentration of shops, centering on roadside shops, for young and casual customers. A new image has been cultivated in recent years with the redevelopment of buildings and the area boasts advantages as a potential venue for market sensitive roadside fashion shops.

In addition, the area is recognized to have even greater commercial potential due to the large-scale redevelopment project in the Umeda Kita yard.

5. Seller Profile

Company Name	Saturn Asset TMK Limited
Head Office Address	7-2-1 Minami-Aoyama, Minato-ku, Tokyo
Representative	Director Koichi Yokoyama
Capital	¥171 million (sum of qualified capital and preferred capital)
Relationship with JPR	None

6. Outlook

The impact on JPR's results for the 10th fiscal period ending December 31, 2006 will be disclosed together with the announcement of the Company's 9th fiscal period results.

[Attachments]

1. Projected cash flow
2. Portfolio after property acquisition
3. Photograph of the Chayamachi Grande Building

Attachment 1

Projected cash flow

(Millions of yen)

Projected Cash Flow	
Operating revenues	280
Rental revenues and common charges	255
Other operating revenues	25
Operating expenses (excluding depreciation)	62
Property management fees	14
Utility charges	17
Property and other taxes	16
Other operating expenses	15
NOI (= -)	219

Notes:

The above projected cash flow is an estimate for the fiscal year in which the property acquisition was made and is exclusive of extraordinary factors. The projected cash flow is not for the current period under review and has also been prepared based on the following assumptions.

- 1) Revenues are based on an estimated occupancy ratio of 100%.
- 2) Property and other taxes are the same as for fiscal 2006.

Attachment 2

Portfolio after property acquisition

Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions)	% of Total
Tokyo CBDs	Office	Kanematsu Bldg.	Chuo-ku, Tokyo	Dec. 2001	16,276	7.3%
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	1.3%
	Office	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	0.9%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002 Nov. 2004	2,420	1.1%
	Office	JPR Crest Takebashi Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	1.8%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	5.0%
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	1.3%
	Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003 Apr. 2005	2,920	1.3%
	Office	JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	May 2004	5,100	2.3%
	Office	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 2004	3,500	1.6%
	Office	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2004	10,000	4.5%
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004 Apr. 2005	11,821	5.3%
	Office	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 2004	710	0.3%
	Retail	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	5.4%
	Retail	JPR Daikanyama	Shibuya-ku, Tokyo	Oct. 2004	2,160	1.0%
	Retail	JPR Jingumae 432	Shibuya-ku, Tokyo	Mar. 2006	4,460	2.0%
Subtotal					94,461	42.5%
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	2.6%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	1.1%
	Office	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	1.3%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.4%
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	3.6%
	Office	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	1.5%
	Office	Tachikawa Business Center Bldg.	Tachikawa, Tokyo	Sep. 2005	888	0.4%
	Office	Rise Arena Bldg. (Higashi-Ikebukuro 4-chome Redevelopment Project)	Toshima-ku, Tokyo	Mar. 2007 (planned)	5,467	2.5%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	4.6%
	Retail	Tsurumi fuga 1	Yokohama, Kanagawa	Nov. 2001	3,040	1.4%
	Retail	The Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 2006	2,100	0.9%
	Retail	Kawasaki Dice Special Purpose Company Certificates	Kawasaki, Kanagawa	Dec. 2005	1,553	0.7%
Subtotal					46,675	21.0%

Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions)	% of Total
Other Cities	Office	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 2001	2,140	1.0%
	Office	Meiji Yasuda Life Osaka Umeda Bldg.	Osaka, Osaka	Dec. 2001	8,300	3.7%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	1.9%
	Office	JPR Takamatsu Bldg.	Takamatsu, Kagawa	Dec. 2001	2,130	1.0%
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	1.3%
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	0.7%
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	1.7%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	1.4%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	0.8%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	1.3%
	Office	JPR Nagoya Sakae Bldg.	Nagoya, Aichi	Sep. 2003	4,550	2.0%
	Office	Dojima F Bldg.	Osaka, Osaka	Jan. 2004	2,140	1.0%
	Office	Semba Fukuoka Bldg.	Fukuoka, Fukuoka	Jun. 2004	1,920	0.9%
	Office	UFJ Central Leasing Head Office Bldg.	Nagoya, Aichi	Mar. 2005	4,137	1.9%
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	5.8%
	Retail	Strasse Ichibancho	Sendai, Miyagi	Feb. 2005	4,200	1.9%
	Retail	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May 2005	5,430	2.4%
	Retail	Housing Design Center Kobe	Kobe, Hyogo	Sep. 2005	7,220	3.2%
	Retail	Chayamachi Grande Bldg.	Osaka, Osaka	Aug. 2006 (planned)	6,000	2.7%
	Subtotal					81,107
Total					222,243	100.0%

Notes:

1. The "Acquisition Price" is the amount identified in the purchase agreement and does not include acquisition costs and consumption tax.
2. Percentages are rounded to the nearest first decimal place.
3. JPR contracted to purchase a parcel of the Rise Arena Building (Higashi-Ikebukuro 4-chome Redevelopment Project) on September 30, 2005. The planned acquisition date, however, is in March 2007.
4. Kawasaki Dice Special Purpose Company (TMK) is a special purpose company established in accordance with the Law Concerning Asset Securitization. JPR holds 10.0% of TMK's outstanding preferred capital contribution certificates.

Attachment 3

Photograph of the Chayamachi Grande Building

