

September 28, 2006

**For Translation Purposes Only**

**For Immediate Release**

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### **Notice Concerning Acquisition of the Tokyokikai Musashikosugi Building**

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire the Tokyokikai Musashikosugi Building, as outlined below.

#### Details

#### **1. Reason for Acquisition**

Acquisition of the Tokyokikai Musashikosugi 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**

- |                        |   |
|------------------------|---|
| 1) Type of Acquisition | Real estate   |
| 2) Property Name       | Tokyokikai Musashikosugi Building<br>(Ito-Yokado Musashikosugi)     |
| 3) Acquisition Price   | ¥7,260 million<br>(excluding acquisition costs and consumption tax) |
| 4) Contract Date       | September 28, 2006  |
| 5) Acquisition Date    | September 28, 2006  |
| 6) Seller              | Tokyo Kikai Seisakusho, Ltd.  |
| 7) Funding             | Debt funding and cash on hand                                       |

### 3. Details of Property for Acquisition

Location	Registered	Land	3-420-1(and other), Kosugimachi, Nakahara-ku, Kawasaki-shi, Kanagawa	
		Bldg.	3-426-1, 3-420-1 and 3-428-1, Kosugimachi, Nakahara-ku, Kawasaki-shi, Kanagawa	
	Residential		3-420-1(and other), Kosugimachi, Nakahara-ku, Kawasaki-shi, Kanagawa	
Access		Two minutes on foot from Musashikosugi Station, JR Nambu Line and Tokyu Toyoko Line		
Use		Retail and parking		
Type of Ownership		Land: Fee simple Bldg.: Fee simple		
Site Area (Registered)	Land	Total site area	4,761.62㎡	
	Bldg.	Total floor area	18,394.32㎡	
Type of Structure (Registered)		SRC, RC, S, B1/6F		
Completion Date (Registered)		March 2, 1983		
Architecture and Design		Tokyu Architects & Engineers Inc. (renewal: SDC. Co., Ltd.)		
Construction		Konoike Construction Co., Ltd.		
Building Certification Authority		Public sector (Municipal government)		
Appraisal	Appraiser	HIRO & REAS network, Inc.		
	Appraisal Value	¥7,010 million		
	Appraisal Date	August 31, 2006		
Probable Maximum Loss		13.6% based on the earthquake risk assessment report prepared by Shinozuka Research Institute. 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.		
Collateral		None		
Number of Tenants		1		
Major Tenants		Ito-Yokado Co., Ltd.		
Total Leasable Floor Space		19,740.95㎡		
Total Leased Floor Space		19,740.95㎡		
Occupancy Rate		100%		
Forecast Net Operating Income (Yield)		¥331 million per annum (4.6%)		
Special Considerations		None		

- The number of tenants, total leasable floor space, total leased floor space, and the occupancy rate are as of the acquisition date of September 28, 2006.

- Forecast net operating income (NOD) 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 rate of 100%.
- 2) Property and other taxes are the same as for fiscal 2006.

#### 4. Location of Property

The Tokyokikai Musashikosugi Building is located in a highly thriving commercial area close to Musashikosugi Station on the JR Nambu Line and Tokyu Toyoko Line. The business area is also advantageous with a population of 46,000 people within a one-kilometer radius and 375,000 people within a three-kilometer radius. Furthermore, a number of new projects are underway around Musashikosugi Station, including a large-scale condominium development by private-sector developers, several redevelopment projects and the opening of a new station on the JR Yokosuka Line planned for 2009. As such, the area is evaluated as being highly promising for the future.

Furthermore, the Tokyokikai Musashikosugi Building had a large-scale renovation, such as renewal of interior and exterior finishes, facilities and equipment, in 2004.

#### 5. Lease Agreement Details

Tenant Name	Ito-Yokado Co., Ltd.
Total Leased Floor Space	19,740.95 m <sup>2</sup>
Lease Term	From March 2, 2003 to March 1, 2013
Rent Review	To be negotiated and implemented every three years
Cancellation Prior to Lease Termination Date	Cancellation possible with prior notice of one year or more

#### 6. Seller Profile

Company Name	Tokyo Kikai Seisakusho, Ltd.
Head Office Address	5-26-24, Shiba, Minato-ku, Tokyo
Representative	Noriyuki Shiba, President
Capital	¥8,341 million (as of March 31, 2006)
Principal Shareholders	The Nomura Trust and Banking Co., Ltd. and others (as of March 31, 2006)
Principal Activities	Manufacture and sale of printing machinery
Relationship with JPR	None

#### 7. Sales Agent Profile

1) Sales Agent: Tokyo Tatemono Real Estate Sales Co., Ltd. (TTRES)

TTRES is a subsidiary of Tokyo Tatemono Co., Ltd., which is a shareholder of JPR's asset management company, Tokyo Realty Investment Management, Inc. (TRIM). TTRES falls within the scope of TRIM's related parties as defined in the Law Concerning Investment Trusts and Investment Corporations. In addition, TTRES falls within the scope of interested parties as defined by the rules of JPR's Board of Directors. JPR has provided its authorization to TRIM for this transaction to act in its capacity as sales agent.

2) Brokerage Fee: ¥217,800,000 (excluding consumption tax)

## **8. Outlook**

The impact on business results following the acquisition of the Tokyokikai Musashikosugi Building is expected to be minimal. Accordingly, operating forecasts for JPR's 10th fiscal period, the six months ending December 31, 2006, remain unchanged.

### **[Attachments]**

1. Portfolio after property acquisition
2. Photograph of the Tokyokikai Musashikosugi Building

## Attachment 1

### Portfolio after property acquisition

Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions) (Note1)	% of Total (Note2)
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	5.3%
	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%
	<b>Subtotal</b>					<b>94,461</b>
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	2.6%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	1.0%
	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	1.4%
	Office	Tachikawa Business Center Bldg.	Tachikawa, Tokyo	Sep. 2005	888	0.4%
	Office	Rise Arena Bldg. (Higashi-Ikebukuro 4-chome Redevelopment Project) (Note3)	Toshima-ku, Tokyo	Mar. 2007 (planned)	5,467	2.4%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	4.5%
	Retail	The Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 2006	2,100	0.9%
	<b>Retail</b>	<b>Tokyokikai Musashikosugi Bldg.</b>	<b>Kawasaki, Kanagawa</b>	<b>Sep. 2006</b>	<b>7,260</b>	<b>3.2%</b>
	Retail	Kawasaki Dice Special Purpose Company Preferred Securities (Note4)	Kawasaki, Kanagawa	Dec. 2005	1,553	0.7%
<b>Subtotal</b>					<b>50,895</b>	<b>22.7%</b>

Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions) (Note1)	% of Total (Note2)
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	1.8%
	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	1.6%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	1.4%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	0.7%
	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	1.8%
	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	6,000	2.7%
<b>Subtotal</b>					<b>78,977</b>	<b>35.2%</b>
<b>Total</b>					<b>224,333</b>	<b>100.0%</b>

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 securities.
5. JPR plans to sell the Tsurumi Fuga 1 (acquisition price ¥3,040 million), and the JPR Takamatsu Building (acquisition price ¥2,130 million) on January 11, 2007. The real estate portfolio identified above is exclusive of these properties.

## Attachment 2

Photograph of the Tokyokikai Musashikosugi Building

