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For Translation Purposes Only

For Immediate Release

Japan Prime Realty Investment Corporation
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Notice Concerning Property Acquisition (Conclusion of Contract)

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire Shinjuku Sanhome East Building, as detailed below. The acquisition is scheduled to take place in March 2007.

Details

1. Reason for Acquisition

The acquisition of the property is in accordance with JPR's fundamental asset management and investment policies and aims to enhance and stabilize its investment portfolio by acquiring a new retail property.

2. Acquisition Details (Planned)

- | | |
|--|---|
| 1. Type of Acquisition | Real estate |
| 2. Property Name | Shinjuku Sanhome East Building (Shinjuku 3-chome East Redevelopment Project) |
| 3. Acquisition Price | ¥540 million (excluding acquisition costs and consumption tax) |
| 4. Contract Date | January 17, 2007 |
| 5. Planned Construction Completion Date | End of January 2007 |

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6. Planned Acquisition Date March 2007
 7. Seller Taisei Corporation
 8. Funding Fund procurement through issuance of new investment units (planned)

3. Details of Property for Planned Acquisition

| | | | |
|--|--|--|--|
| Location | Registered on Outline of Right Conversion Plan (scheduled) | Land | 130, Shinjuku 3-chome, Shinjuku-ku, Tokyo and others |
| | | Bldg. | 130, Shinjuku 3-chome, Shinjuku-ku, Tokyo and others |
| | Residential | 1-26, Shinjuku 3-chome, Shinjuku-ku, Tokyo (planned) | |
| Access | | One minute on foot from Shinjuku-Sanchome Station, Toei Subway Shinjuku Line, and two minutes on foot from Shinjuku-Sanchome Station, Tokyo Metro Marunouchi Line | |
| Use | | Retail, Parking facilities | |
| Type of Ownership | | Land: Ownership (unit ownership) Bldg.: Co-ownership of unit ownership (co-ownership: 4.3%, other co-owners: Toei Corporation and three others) Other unit owners: Toei Corporation and two others | |
| Site Area (Indication in building construction authorization application and outline of rights conversion plan) | Land | Total site area of the redevelopment project | 2,578.69 m ² |
| | | Area of unit site to be acquired by JPR | 70.33 m ² |
| | Bldg. | Gross floor area of the entire building | 26,360.56 m ² |
| | | Area of proprietary site (co-owned section only) | 11,173.47 m ² |
| | | Area of proprietary site to be acquired by JPR | 478.51 m ² |
| Type of Structure (indication in building construction authorization application) | | S・RC・SRC with flat roof, B3/14F | |
| Planned Completion Date | | January 31, 2007 | |
| Architecture and Design | | Taisei Corporation First Class Registered Architect | |
| Construction | | Taisei Corporation | |
| Building Construction Authorization Agency | | Government | |
| Agency to Prepare Building Situation Appraisal Report | | Nikken Sekkei Construction Management, Inc. | |
| Appraisal | Appraiser | Japan Real Estate Institute | |
| | Appraisal Value | ¥542 million | |
| | Appraisal Date | December 1, 2006 | |
| Probable Maximum Loss | | 12.2% based on the earthquake risk assessment report prepared by the Shinozuka Research Institute. PML (Probable Maximum Loss) refers to the expected maximum loss ratio 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 | | The property may be mortgaged with tenants as the first order to secure refund of mortgage from the tenant. | |

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| | |
|---|--------------------------|
| Number of Tenants | 1 |
| Major Tenant | MARUI Co. Ltd. |
| Total Leasable Floor Space (co-owned section only) | 11,173.47 m ² |
| Total Leased Floor Space (co-owned section only) | 11,173.47 m ² |
| Occupancy Ratio on Planned Acquisition Date | 100% |
| Assumed NOI (NOI yield) | ¥22 million yen annually |
| Remarks | None |

* The proprietary area of the entire building combining portions of other unit owners is 18,848.58 m².

* Since the building is not yet completed, JPR will obtain the building condition appraisal report and appraisal report after the building is completed.

* The number of tenants, total leasable floor space, total leased floor space and occupancy ratio on planned acquisition date are projections as of the acquisition date.

* The assumed NOI is an estimate for the fiscal year in which the property acquisition was made and is exclusive of extraordinary factors. The assumed NOI 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.

4. Acquisition of the Property

(1) Efforts on development property

The property is under construction with planned completion at the end of January 2007. However, JPR has concluded a building leasing reservation contract with the tenant, and a contract on delivery of the property has been signed on the assumption of the tenant being housed based on the reservation contract. Furthermore, JPR has taken appropriate risk management measures to exclude various risks, including building completion risk, delayed schedule risk and tenant solicitation risk, as much as possible.

JPR acquired JPR Jingumae 432 and Cupo-la Main Building (1-1 Kawaguchi Redevelopment Project) in March 2006. Moreover, it plans to acquire Rise Arena Building (Higashi-Ikebukuro 4-chome Redevelopment Project) in March 2007. The Shinjuku Sanhome East Building is JPR's fourth development-type property. JPR will continue to contribute to creating better towns by participating in legally designated redevelopment projects with high public benefits and social interest. Moreover, JPR will proactively work to acquire development-type properties in order to obtain rare and excellent properties as a means to exclude excess competition.

Furthermore, JPR will possess preferred purchase rights with the acquisition of the property. Accordingly, JPR will be able to preferably negotiate additional acquisitions when other unit owners and/or co-owners of store floor spaces sell entire or partial unit-owned buildings or co-ownership.

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(2) Location and other factors of the property

Shinjuku district is one of Japan's largest commercial zones with great popularity and prosperity. The property is on Shinjuku-dori and Koshu-kaido, both of which are major streets running through the commercial areas in the central Shinjuku district, and enjoys high visibility and recognition as it is a multi-use facility combining a cinema complex. These characteristics give the property strong capabilities to attract customers. Furthermore, it is expected that the Tokyo Metro No.13 Line, scheduled to open in June 2008, will give the property even better access and hence greater capabilities to attract customers.

(3) Collaboration with a firm investing in JPR's asset manager

The property is a redevelopment project in which Taisei Corporation, an investor in JPR's asset manager, participates as a cooperator to the urban area redevelopment project. In accordance with this, JPR will acquire the retained floors which Taisei Corporation is scheduled to acquire.

(4) Profile of Property Purchaser

| Previous Owner | Owners before Previous Owner |
|--|------------------------------|
| <p>1) Company name: Taisei Corporation</p> <p>2) Relationship with JPR: Major shareholder of JPR's asset manager</p> <p>3) Acquisition price, etc.: The property is a redevelopment project in which Taisei Corporation participated as a business cooperator. JPR has compared the price of the property with the survey value it obtained from an appraisal agency, and judged that the price is reasonable. Accordingly, JPR has decided to acquire the property.</p> <p>*For the profile of Taisei Corporation, please refer to 5. Seller Profile indicated below.</p> | None |

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5. Seller Profile

| | |
|-----------------------|--|
| Company Name | Taisei Corporation |
| Head Office Address | 25-1, Nishi-shinjuku 1-chome, Shinjuku-ku, Tokyo |
| Representative | Kanji Hayama, President & CEO |
| Capital | ¥112,448 million (as of September 30, 2006) |
| Major Shareholders | Japan Trustee Services Bank, Ltd. (entrusted) and others (as of September 30, 2006) |
| Principal Activities | General constructor |
| Relationship with JPR | Taisei Corporation is a shareholder of JPR's asset management company, Tokyo Realty Investment Management, Inc. (TRIM), and falls within the scope of interested parties as defined by JPR's Board of Directors. JPR has provided its authorization to TRIM for this acquisition in advance. Interested parties differ from related parties as defined in the Enforcement Order for Investment Trusts and Investment Corporations Law. |

6. Outlook

As for the operating forecast for JPR's results for the 11th fiscal period ending June 2007 in accordance with the new acquisition, please refer to JPR's "Notice Concerning Operating Forecast for the Fiscal Period Ending June 2007" dated January 17, 2007.

[Attachments]

1. Real estate portfolio after property acquisition
2. Photograph of the Shinjuku Sanhome East Building

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Attachment 1

Real estate 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 | 7.2% |
| | 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 | 4.9% |
| | 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 | 2.2% |
| | Office | Oval Court Ohsaki Mark West | Shinagawa-ku, Tokyo | Jun. 2004 | 3,500 | 1.5% |
| | Office | Shinjuku Square Tower | Shinjuku-ku, Tokyo | Jul. 2004 | 10,000 | 4.4% |
| | Office | BYGS Shinjuku Bldg. | Shinjuku-ku, Tokyo | Nov. 2004 Apr. 2005 | 11,821 | 5.2% |
| | 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% |
| | Retail | Shinjuku Sanhome East Bldg. | Shibuya-ku, Tokyo | Mar. 2007 (planned) | 540 | 0.2% |
| Subtotal | | | | | 95,001 | 41.8% |
| 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 Feb. 2007 (planned) | 3,188 | 1.4% |
| | 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% |
| | Retail | JPR Musashikosugi Bldg. | Kawasaki, Kanagawa | Sep. 2006 | 7,260 | 3.2% |
| | Retail | Kawasaki Dice Special Purpose Company Preferred Securities (Note4) | Kawasaki, Kanagawa | Dec. 2005 | 1,553 | 0.7% |
| | Subtotal | | | | | 53,195 |

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| 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 | 0.9% |
| | 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 | 1.2% |
| | Office | JPR Nagoya Sakae Bldg. | Nagoya, Aichi | Sep. 2003 | 4,550 | 2.0% |
| | Office | JPR Dojima Bldg. | Osaka, Osaka | Jan. 2004 | 2,140 | 0.9% |
| | Office | JPR hakata Chuo Bldg. | Fukuoka, Fukuoka | Jun. 2004 | 1,920 | 0.8% |
| | 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 | 5.7% |
| | Retail | Strasse Ichibancho | Sendai, Miyagi | Feb. 2005 | 4,200 | 1.8% |
| | 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 | 2.6% |
| | Subtotal | | | | | 78,977 |
| Total | | | | | 227,173 | 100.0% |

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Attachment 2

Photograph of the Shinjuku Sanchome East Building



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