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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 |

Note: This document provides information regarding the JPR's property acquisition. The document is not provided as an inducement or invitation for investment. We caution readers to refer to the JPR's prospectus and notice of amendments thereto and to undertake investment decisions subject to individual determination.

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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