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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 additional ownership in Tachikawa Business Center Building, as briefly outlined below. The scheduled acquisition date is February 28, 2007.

Details

1. Reason for Acquisition

The acquisition of the additional ownership is in accordance with JPR's fundamental investment policies to acquire new office buildings in Greater Tokyo in an effort to enhance and stabilize its investment portfolio.

In deciding on the acquisition, JPR particularly appreciated that the value of Tachikawa Business Center and its management efficiency could be enhanced by increasing JPR's ownership in the property for which JPR owns partial rights. (The Chuo Mitsui Trust and Banking Co., Ltd. has partial unit ownership of Tachikawa Business Center as beneficiary interest, while JPR is the beneficiary of the property.)

2. Acquisition Details (Planned)

- | | |
|------------------------|---|
| 1. Type of Acquisition | Real estate |
| 2. Property Name | Tachikawa Business Center Building (additional ownership) |

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.

3. Acquisition Price ¥2,300 million
(excluding acquisition costs and consumption tax)
4. Contract Date January 17, 2007
5. Planned Acquisition Date February 28, 2007
6. Seller Tokyo Tatemono, Co., Ltd.
7. Funding Fund procurement through issuance of new investment units (planned)

3. Details of Property for Planed Acquisition

Location	Registered	Land	2-299, Akebono-cho, Tachikawa-shi, Tokyo	
		Bldg.	2-299, Akebono-cho, Tachikawa-shi, Tokyo	
	Residential	2-38-5, Akebono-cho, Tachikawa-shi, Tokyo		
Access		Five minutes on foot from JR Tachikawa Station		
Use		Office space, Parking facilities		
Type of Ownership		Land: Ownership (Co-ownership: co-ownership equity newly acquired: 29.7426% of the total site; JPR's co-ownership equity after the new acquisition: 46.6696%) Bldg.: Unit ownership (newly acquired floors: floors 8 - 10 and part of floor 11 totaling 3,065.63m ² ; total proprietary sections for which JPR has rights: floors 4 - 5, 8 - 10 and part of floor 11 totaling 4,812.21m ²) *Remaining owners: Tama-Shinkin Bank and two others		
Site Area (registered)		Land	Total site area	2,047.22m ²
			Site area to be acquired by JPR	608.90m ²
			Net site area for which JPR has rights	955.43m ²
		Bldg.	Gross floor area	14,706.36m ²
			Proprietary floor area	10,027.66m ²
			Proprietary floor areas to be acquired by JPR	3,065.63m ²
		Net floor area to be acquired by JPR	4,812.21m ²	
Type of Structure		S·SRC B1/12F		
Completion Date		December 15, 1994		
Architecture and Design		Housing and Urban Development Corporation (Presently Urban Renaissance Agency)		
Construction		Joint construction project comprising Kumagai Gumi Co., Ltd. and Okumura Corporation		
Building Specifications	Rentable floor space	883.22m ²		
	Ceiling height	2,600mm		
	Air Conditioning System	Separate system on each floor		
	Type of flooring	Three-way ducted flooring		
Appraisal	Appraiser	Japan Real Estate Institute		
	Appraisal Value	¥2,300 million		
	Appraisal Date	January 1, 2007		

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Probable Maximum Loss	<p>11.4% based on the earthquake risk assessment report prepared by the Shinozuka Research Institute.</p> <p>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.</p>
Collateral	Urban Renaissance Agency has made temporary registration of claim for ownership transfer and registration for setting up mortgage rights, but these are planned to be removed by the time the new acquisition is made.
Number of Tenants	<p>Number of tenants in the proprietary area for which JPR has rights after the new acquisition: 20</p> <p>Number of tenants in the proprietary areas to be newly acquired: 16</p>
Major Tenants	JACCS Co., Ltd., Sanshin Electronics Co., Ltd., Ono Pharmaceutical Co., Ltd., OMRON Corporation
Forecast Rental Revenue (including common charges)	¥297 million
Total Leasable Floor Space	<p>Total leasable floor space for which JPR has rights after the new acquisition: 4,728.03m²</p> <p>Leasable floor space to be newly acquired: 2,980.90m²</p>
Total Leased Floor Space	<p>Total leased floor space for which JPR has rights after the new acquisition: 4,728.03m²</p> <p>Leased floor space to be newly acquired: 2,980.90m²</p>
Occupancy Ratio on Planned Acquisition Date	100%
Remarks	<p>1) The management association of the property set up a roof against rain at the garbage storage area in B1 after the building was completed. This resulted in an excess of approximately 0.7% of floor area rate legally designated at the time of completion. However, the roof has been removed and the excess of the floor area rate has been solved.</p> <p>2) Use surveys of asbestos blow materials (qualitative and quantitative surveys through sampling) has confirmed that asbestos blow materials with a weight ratio of less than 1% were used in some of the beams in the ceiling of a proprietary floor (F8). However, they are in a stable condition and there is no concern of fly-tipped asbestos.</p>
<p>Note: Forecast rental revenue figure above is not a forecast for the current fiscal period. The figure is based on forecast income for a full year for the entire building, after eliminating special factors applicable to the period in which the acquisition is made, and an assumed occupancy ratio of 100%. In addition, the number of tenants, total leasable floor space, total leased floor space, and occupancy ratio on planned acquisition date are projections as of February 28, 2007.</p>	

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4. Seller Profile

Company Name	Tokyo Tatemono Co., Ltd.
Head Office Address	9-9, Yaesu 1-chome, Chuo-ku, Tokyo
Representative	Makoto Hatanaka, President and Representative Director
Capital	¥77,181million (as of June 30, 2006)
Major Shareholders	Japan Trustee Services Bank, Ltd. (entrusted) and others (as of June 30, 2006)
Principal Activities	Real estate business
Relationship with JPR	Tokyo Tatemono Co., Ltd. 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.

5. Profile of Property Purchaser

Previous Owner	Owners before Previous Owner
<p>1) Company name Tokyo Tatemono Co., Ltd.</p> <p>2) Relationship with JPR Major shareholder of JPR's asset manager</p> <p>3) Acquisition price, etc. Tokyo Tatemono Co., Ltd. has owned Tachikawa Business Center in October for about 12 years since it acquired the property in October 1994. JPR has decided to acquire the additional ownership as Tokyo Tatemono has an intention to sell it and the additional ownership will reinforce JPR's portfolio. Besides, the acquisition price is the same with appraisal value, and JPR judges that it is reasonable.</p> <p>*For the profile of Tokyo Tatemono Co., Ltd., please refer to 4. Seller Profile above.</p>	<p>Parties with which no special interest relationship exists</p>

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6. Ownership after the New Acquisition

	Acquisition on September 30, 2005	New Acquisition
Acquisition Price (Accumulated)	¥888 million (¥888 million)	¥2,300 million (¥3,188 million)
Proprietary Area (Accumulated)	1,746.58 m ² (1,746.58 m ²)	3,065.63 m ² (4,812.21 m ²)
Percentage against Total Proprietary Areas	17.374% (17.374%)	30.528% (47.902%)

Floor	Type	Portion Owned by JPR
12F	Office	
11F	Office	New acquisition portions
10F	Office	
9F	Office	
8F	Office	
7F	Office	
6F	Office	
5F	Office	Portions acquired on September 30, 2005
4F	Office	
3F	Office	
2F	Office	
1F	Office	

Note: JPR owns the portions acquired on September 30, 2005 as real estate beneficiary interest in trust.

7. Outlook

As for the operating forecast for JPR's results for the 11th fiscal period 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. Projected cash flow
2. Real estate portfolio after property acquisition
3. Photograph of the Tachikawa Business Center Building

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Attachment 1

Projected cash flow

(Millions of Yen)

Projected Cash Flow	Acquisition of September 30, 2005	New Acquisition	Total
① Operating revenues	114	183	297
Rental revenues and common charge	103	174	277
Other operating revenues	10	9	20
② Operating expenses (excluding depreciation)	39	72	111
Property management fees	11	20	32
Utility charges	14	27	41
Property and other taxes	7	13	20
Other operating expenses	6	12	18
NO I (=①-②)	75	110	185

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.

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Attachment 2

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 3-chome East Bldg.	Shibuya-ku, Tokyo	Mar. 2007 (planned)	540	0.2%
	Subtotal					95,001
Greater Tokyo	Office	Area 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 3

Photograph of the Tachikawa Business Center Building



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