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**For Translation Purposes Only**

**For Immediate Release**

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## **Notice Concerning Additional Issue of New Investment Units and Secondary Offering**

Japan Prime Realty Investment Corporation (JPR) today announced that it has resolved at a Board of Directors Meeting to issue additional new investment units and conduct a secondary offering. Brief details of the resolution are outlined below.

### 1. Additional Issue of New Investment Units via Public Offering (Primary Offering)

(1) Total number of units to be issued  
90,000

(2) Offer price  
To be determined

(3) Purchase price  
To be determined  
(The purchase price for new investment units shall be determined by a resolution of the Board of Directors on a date (the pricing date) between January 29, 2007 (Monday) and January 31, 2007 (Wednesday). The purchase price shall be the proceeds per unit received from the underwriters mentioned under (5) below upon payment of the new investment units to be issued.)

(4) Gross proceeds  
To be determined

Note: This document provides general information in connection with the issue and secondary offering of investment units and 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.

(5) Offering method

The investment units shall be offered as a primary offering, and underwritten in full by Mizuho Securities Co., Ltd. and Merrill Lynch Japan Securities Co., Ltd. (collectively referred to as the “joint lead managers”) in addition to Nomura Securities Co., Ltd., Daiwa Securities SMBC Co. Ltd., Shinko Securities Co., Ltd., Nikko Citigroup Ltd., Mitsubishi UFJ Securities Co., Ltd. and Tokai Tokyo Securities Co., Ltd. (collectively referred to together with the joint lead managers as the “underwriters”).

The offer price of the Primary Offering shall provisionally be calculated by multiplying the Tokyo Stock Exchange closing price on the pricing date (the closing price on the day immediately preceding the pricing date in the event there is no closing price) by a factor of 0.90 to 1.00 (amounts less than ¥1 to be omitted) and subject to demand.

(6) Underwriting agreement

No selling concession, management concession or underwriting commission will be payable by JPR. Underwriting fees applicable to the issue shall be the difference between the offer price and the purchase price of the Primary Offering.

(7) Book-building period

January 23, 2007 (Tuesday) to the pricing date

(8) Subscription period

February 1, 2007 (Thursday) to February 5, 2007 (Monday)

Subject to demand, the subscription period may be brought forward. The earliest subscription period shall be January 30, 2007 (Tuesday) to February 1, 2007 (Thursday).

(9) Payment date

February 8, 2007 (Thursday)

Subject to demand, the payment date may be brought forward. The earliest payment date applicable shall be February 6, 2007 (Tuesday).

(10) Subscription unit

One unit or more in multiples of one unit

(11) Investment securities delivery and settlement date

One business day after the payment date

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(12) Other

The purchase price and other items relating to the Primary Offering shall be approved at a future Board of Directors Meeting.

(13) Notification

The aforementioned items shall be subject to the effectiveness of the Securities Registration Statement in accordance with the Securities Exchange Law in Japan.

2. Secondary Offering (Over-allotment Option)

(1) Seller and the number of units to be offered

Mizuho Securities Co., Ltd. 5,000

The Secondary Offering (over-allotment option) conducted by Mizuho Securities Co., Ltd. is subject to Primary Offering demand. The abovementioned number of units indicates the maximum number of units. Depending on demand, there may be cases when this number of units is reduced or the Secondary Offering (over-allotment option) not conducted. In connection with the over-allotment option, JPR's investment unitholder Tokyo Tatemono Co., Ltd. has agreed to lend Mizuho Securities Co., Ltd. a maximum of 5,000 units.

(2) Offer price

To be determined

(It shall be the same as the offer price of the Primary Offering.)

(3) Subscription period

It shall be the same as the Primary Offering.

(4) Settlement date

One business day after the payment date of the Primary Offering.

(5) Subscription unit

One unit or more in multiples of one unit

(6) Other

The offer price and other items relating to the Secondary Offering shall be approved at a future Board of Directors Meeting.

(7) Notification

The aforementioned items shall be subject to the effectiveness of the Securities Registration Statement in accordance with the Securities Exchange Law in Japan.

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### 3. Third-party Allotment

- (1) Total number of units to be issued  
5,000
- (2) Third party and number of units to be issued to the third party  
Mizuho Securities Co., Ltd. 5,000
- (3) Purchase price  
To be determined  
(It shall be the same as the purchase price of the Primary Offering.)
- (4) Gross proceeds  
To be determined
- (5) Subscription date  
March 9, 2007 (Friday)  
Subject to demand for the Primary Offering, the subscription date may be brought forward. The earliest subscription date applicable shall be March 6, 2007 (Tuesday).
- (6) Payment date  
March 12, 2007 (Monday)  
Subject to demand, the closing date may be brought forward. The earliest payment date applicable shall be March 7, 2007 (Wednesday).
- (7) Subscription unit  
One unit or more in multiples of one unit
- (8) Investment units shall not be issued in the case no application has been made by the third party during the subscription period.
- (9) Other  
The purchase price and other items relating to the third-party allotment shall be approved at the next Board of Directors Meeting.
- (10) Notification  
The aforementioned items shall be subject to the effectiveness of the Securities Registration Statement in accordance with the Securities Exchange Law in Japan.

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(Reference)

1. Details of the Secondary Offering (Over-allotment Option)

- (1) In order to effect return of the investment securities to be borrowed by Mizuho Securities Co., Ltd. from Tokyo Tatemono Co., Ltd. for the Secondary Offering (over-allotment option) (the “borrowed investment securities”), JPR shall grant Mizuho Securities Co., Ltd. an option to purchase new investment units by way of the third-party allotment mentioned under 3. above (the “third-party allotment”) up to a maximum of 5,000 units (the “greenshoe option”). The greenshoe option may be exercised by the 30th day (the immediately preceding business day if such date is not a business day) from the day following the close of the subscription period for the Primary Offering and the Secondary Offering (over-allotment option).
- (2) In order to effect return of the investment securities borrowed, there may be cases when Mizuho Securities Co., Ltd. may also purchase investment units up to the number of units for the Secondary Offering (over-allotment option) in the Tokyo Stock Exchange (the “syndicated cover transaction”) during the period from the day following the close of the subscription period for the Primary Offering and the Secondary Offering (over-allotment option) until the 30th day (the immediately preceding business day if such date is not a business day) from the day following the close of the subscription period.
- (3) Moreover, Mizuho Securities Co., Ltd. may possibly engage in stabilizing transactions related to the Primary Offering and the Secondary Offering (over-allotment option). The investment securities purchased through such stabilizing transactions may possibly be used, in whole or in part, in return of the investment securities borrowed.
- (4) Concerning the total number of investment units in relation to when investment securities purchased through the stabilizing transactions in correlation with the Primary Offering and the Secondary Offering (over-allotment option) are used to return the investment securities borrowed, Mizuho Securities Co., Ltd. does not intend to exercise the greenshoe option. Consequently, there may be cases when there will be no subscription to the investment units offered in the third-party allotment in whole or in part, the final number of investment units placed by the third-party allotment may possibly decrease to that extent due to forfeiture, or such allotment itself may possibly not take place at all.
- (5) The transaction described in the above (1) to (4) will be performed upon consultation between Mizuho Securities Co., Ltd. and Merrill Lynch Japan Securities Co., Ltd.

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## 2. Total Number of Investment Units Outstanding after Additional Issue

Total number of investment units outstanding (as of January 17, 2007)	530,000
Number of new investment units to be issued in Primary Offering	90,000
Total number of investment units outstanding after Primary Offering	620,000
Increase in number of investment units from third-party allotment	5,000*
Total number of investment units outstanding after third-party allotment	625,000*

\*In the case that all new investment units are issued in the third-party allotment.

## 3. Reason for Issue (Use of Proceeds)

Proceeds from the Primary Offering and the third-party allotment are earmarked for the repayment of JPR's debt and the acquisition of new specified assets (same meaning as defined in Article 2:1 of the Law Concerning Investment Trusts and Investment Corporations) by JPR.

## 4. Distribution to Unitholders

### (1) Distribution policy

Distribution is determined in line with the cash distribution policy stipulated in JPR's internal rules and regulations.

### (2) Distribution for the previous three fiscal periods

	7 <sup>th</sup> Fiscal Period January 1, 2005 to June 30, 2005	8 <sup>th</sup> Fiscal Period July 1, 2005 to December 31, 2005	9 <sup>th</sup> Fiscal Period January 1, 2006 to June 30, 2006
Distribution per Investment Unit	¥6,370	¥6,411	¥6,509

## 5. Other

### (1) Specified purchaser

No specified purchaser

### (2) Stabilizing transactions

Mizuho Securities Co., Ltd. may possibly engage in stabilizing transactions related to the Primary Offering and the Secondary Offering (over-allotment option).

### (3) Lock-up agreement with issuer

JPR has agreed with the joint lead managers that it will not additionally issue investment units (except for the third-party allotment) for a period of three months after the listing date of the additional issue (same date as the

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settlement date of the Primary Offering). In addition, in the event of the above, this condition may be deleted in part or in whole at the mutual discretion of the joint lead managers, and the period limitation reduced.

(4) Lock-up agreements with major unitholders

Upon the Primary Offering, the unitholders of JPR (listed below) have agreed with the joint lead managers not to sell, transfer, pledge as collateral, lend or dispose of investment units of JPR, in any other manner, their share of JPR's investment securities as of December 27, 2006 (Wednesday) for a period of three months after the listing date of the additional issue. This excludes the agreement with Mizuho Securities Co., Ltd. relating to the lending of investment securities in correlation to the Secondary Offering (over-allotment option). However, each of the aforementioned conditions may be circumvented subject to written approval from the joint lead managers in advance.

The number of investment units held by each unitholder as of December 27, 2006 (Wednesday) is listed as follows.

(As of December 27, 2006)

Unitholders	Number of Investment Units Held
Tokyo Tatemono Co., Ltd.	29,300
Meiji Yasuda Life Insurance Company	24,000
Yasuda Real Estate Co., Ltd.	5,000
Taisei Corporation	1,500
Tokyo Realty Investment Management, Inc.	100
Total	59,900

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(5) Past Equity finance

i. Equity finance

(Millions of yen)

Date	Total Issue Amount	Total Unitholders' Capital after Issue	Description
September 14, 2001	120	120	Private placement
November 16, 2001	31,000	31,120	Private placement
June 14, 2002	25,862	56,982	Public offering
July 15, 2003	30,758	87,740	Public offering
August 9, 2003	1,373	89,113	Third-party allotment
February 2, 2005	25,001	114,115	Public offering
March 2, 2005	1,315	115,431	Third-party allotment

ii. Recent trends in investment unit price during the past three fiscal periods and most recent fiscal period

(Yen)

	8 <sup>th</sup> Fiscal Period July 1, 2005 to December 31, 2005	9 <sup>th</sup> Fiscal Period January 1, 2006 to June 30, 2006	10 <sup>th</sup> Fiscal Period July 1, 2006 to December 31, 2006	11 <sup>th</sup> Fiscal Period January 1, 2007 to June 30, 2007
Opening	328,000	328,000	349,000	423,000
High	345,000	376,000	443,000	460,000
Low	300,000	318,000	319,000	423,000
Closing	331,000	344,000	432,000	433,000

Note: The 11<sup>th</sup> Fiscal Period shows the unit price for the period from January 1, 2007 to January 16, 2007.

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