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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 the Musashiurawa Shopping Square, as outlined below. The acquisition is scheduled to take place on March 19, 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

- | | |
|-----------------------------|---|
| 1) Type of Acquisition | Beneficiary interest |
| 2) Asset Custodian | Mizuho Trust & Banking Co., Ltd. |
| 3) Term of Trust | From November 1, 2005 to March 31, 2017 (Planned) |
| 4) Property Name | Musashiurawa Shopping Square |
| 5) Acquisition Price | ¥4,335 million (excluding acquisition costs and consumption tax) |
| 6) Contract Date | March 15, 2007 |
| 7) Planned Acquisition Date | March 19, 2007 |
| 8) Seller | Musashiurawa Retail Properties Y.K. |
| 9) Funding | Cash on hand |

3. Details of Property for Acquisition

| | | | |
|---|--|--|---|
| Property Name | | Musashiurawa Shopping Square | |
| Location | Registered | Land | 1546, Bessho 7-chome, Minami-ku, Saitama-shi, Saitama |
| | | Bldg. | 1546, Bessho 7-chome, Minami-ku, Saitama-shi, Saitama |
| | Residential | 3-1, Bessho 7-chome, Minami-ku, Saitama-shi, Saitama | |
| Access | | Three minutes on foot from Musashiurawa Station, JR Saikyo Line and JR Musashino Line | |
| Use | | Retail, parking facilities | |
| Type of Ownership | | Land: Co-ownership (50.0%) Bldg.: Unit ownership (50.0%) *Building registered as unit-owned building and total unit ownership is subject to this beneficiary interest *Other co-owner: TOP REIT, Inc. (Planned) | |
| Site Area (registered) | Land | Total site area | 8,317.99m ² |
| | | Site area to be acquired by JPR | 4,159.00m ² |
| | Bldg. | Gross floor area of the entire building | 28,930.36m ² |
| | | Floor area to be acquired by JPR | 14,465.18m ² |
| | Property floor area of the entire building | 22,741.45m ² | |
| | Property floor area to be acquired by JPR | 11,370.73m ² | |
| Type of Structure | | S B1/4F (flat roof) | |
| Completion Date | | October 12, 2005 | |
| Architecture and Design | | Joint architectonics project comprising Yasui Architects & Engineers, Inc. and Institute of Regional and Social Planning | |
| Construction | | Joint construction project comprising Kumagai Gumi Co., Ltd. and Okumura Corporation | |
| Building Construction Authorization Agency | | The Building Center of Japan | |
| Agency to Prepare Building Situation Appraisal Report | | Nikken Sekkei Construction Management, Inc. (Appraisal time: December, 2006) | |
| Appraisal | Appraiser | HIRO & REAS network, Inc. | |
| | Appraisal Value | ¥4,400 million | |
| | Appraisal Date | January 1, 2007 | |
| Probable Maximum Loss | | 12.6% 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 | | None | |
| Number of Tenants | | 3 | |
| Major Tenant | | Olympic Corporation, Nitori Co., Ltd. | |
| Total Leasable Floor Space | The entire building : | 29,921.37m ² | |
| | Acquired by JPR : | 14,960.69m ² | |
| Total Leased Floor Space | The entire building : | 29,921.37m ² | |
| | Acquired by JPR : | 14,960.69m ² | |
| Occupancy Ratio on Planned Acquisition Date | | 100% | |
| Assumed NOI (NOI yield) | | ¥217 million yen annually (5.0%) | |
| Remarks | | An agreement as beneficiaries is planned to be concluded between JPR and Top REIT, Inc., in which the two firms plan to have a quasi-co-ownership over beneficiary interests of real estate with 50.0% respectively. | |

* 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.

(Note) When a quasi-co-owner (each beneficiary) disposes its quasi-co-ownership equity (beneficiary interest), each quasi-co-owner has a preferred purchase right over other quasi-co-ownership equity (beneficiary interests), such as being able to discuss with other quasi-co-owners (beneficiaries) in advance prior to any third parties.

4. Acquisition of the Property

1) Location and other factors of the Property

Musashiurawa Station is a terminal station for transfers between the JR Saikyo Line and JR Musashino Line, with approximately 78,000 passengers using the station each day, with this number on an increasing trend. The town has high growth potential with a population of around 290,000 within a three kilometer radius trade zone and condominium developments conspicuously under way.

The property is located between the northern side of the Musashiurawa Station and National Highway Route 17, a location with high potential for attracting customers utilizing both trains and cars. It is one of the largest retail facilities around the station, and JPR evaluates it as a highly competitive property.

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

The property is a retail facility in a multi-use redevelopment project comprising housing, retail and office facilities in which Tokyo Tatemono Co., Ltd. and Nippon Steel City Products, Inc. have participated and promoted.

Tokyo Tatemono Co., Ltd. is a major shareholder in JPR's asset manager. Tokyo Tatemono has made a Tokumei Kumiai (anonymous association) investment in the subject beneficiary interest, owned by Musashiurawa Retail Properties Y.K. (an SPC), and has been consigned the asset management by the SPC. JPR has decided to acquire the equivalent of this equity.

Meanwhile, Nippon Steel City Products, Inc., which is also a major shareholder of Top REIT's asset manager, has decided to make joint investments with JPR in an effort to avoid excessive competition in acquiring this property.

JPR will continue to acquire high quality properties by effectively utilizing information provided to JPR's asset manager by shareholders, so that being involved in excessive competition can be avoided.

Furthermore, JPR, Top REIT Inc. and the asset managers will aim to realize stable management and improved value of the property by consigning property management to Tokyo Tatemono Co., Ltd. and Nippon Steel City Products, Inc.

5. Lease Agreement Details

| | | |
|--|--|--|
| Tenant Name | Olympic Corporation | Nitori Co., Ltd. |
| Total Leased Floor Space (Note) | 19,117.01 m ² | 10,570.79 m ² |
| Lease Term | From November 1, 2005 to October 31, 2025 | From November 1, 2005 to October 31, 2025 |
| Rent Review | No revisions are permitted for the initial five years. After that, revisions are discussed every three years. | No revisions are permitted for the initial five years. After that, revisions are discussed every three years. |
| Cancellation Prior to Lease Termination Date | No cancellations are permitted for the initial ten years. | No cancellations are permitted for the initial eleven years. |

(Note)

The leased floor space indicated above includes the common equity of the co-owners.

6. Details of Appraisal Value

| | |
|---|----------------------------------|
| Appraiser | HIRO & REAS network, Inc. |
| Appraisal Value (Appraisal Date) | ¥4,400 million (January 1, 2007) |
| (Reference) | |
| Capitalized Value through Direct Capitalization Method | ¥4,500 million |
| Net Cash Flow (NCF) | ¥215,796 thousand |
| Cap Rate | 4.8% |
| Capitalized Value through Discounted Cash Flow (DCF) Method | 4,400 million |
| Discount Rate | 4.8% |
| Terminal Cap Rate | 5.1% |

7. Seller Profile

| | |
|----------------------|---|
| Company Name | Musashiurawa Retail Properties Y.K. |
| Head Office Address | 11, Kandajinbocho 1-chome, Chiyoda-ku, Tokyo |
| Representative | Kazunori Igarashi, Director |
| Capital | ¥3 million (as of March 8, 2007) |
| Major Shareholders | Musashiurawa Holdings Mutual Benefit Corporation |
| Principal Activities | 1. Holding and acquisition of monetary obligations over the Musashiurawa Station No. 8-1 District City Area Redevelopment Association |
| | 2. Acquisition, holding, disposal and selling of real estate |
| | 3. Acquisition, holding and selling of beneficiary interest |
| | 4. All work associated with each of the above items |

| | |
|-----------------------------------|---|
| Relationship with JPR and TRIM | The seller is an SPC in which Tokyo Tatemono Co. Ltd. and Nippon Steel City Products, Inc. have made Tokumei Kumiai (anonymous association) investment and from which the two firms have been consigned the asset management. Accordingly, Tokyo Tatemono Co., Ltd. has certain influence on the decisions made by the seller. Tokyo Tatemono Co., Ltd. is a shareholder of JPR's asset manager, Tokyo Realty Investment Management, Inc. (TRIM), and falls within the scope of interested parties as defined by JPR's Board of Directors. JPR's Board of Directors 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. |
|-----------------------------------|---|

8. Profile of Property Purchaser

| Previous Owner | Owners before Previous Owner |
|---|---------------------------------|
| <p>1) Company name Musashiurawa Retail Properties Y.K.</p> <p>2) Relationship with JPR Musashiurawa Retail Properties Y.K. is an SPC in which Tokyo Tatemono Co. Ltd. (a major shareholder of JPR's asset manager) and Nippon Steel City Products, Inc. have made a Tokumei Kumiai (anonymous association) investment from which the two firms have been consigned the asset management. Accordingly, Tokyo Tatemono Co., Ltd. has certain influence on the decisions made by the seller.</p> <p>3) Acquisition background, reason, etc. The property has been acquired for investment management purposes.</p> <p>4) Acquisition price (including other expenses) This is omitted since previous owner has owned the property for more than one year.</p> <p>5) Acquisition date November 2005</p> | None |

9. Sales Agent Profile

- 1) Sales Agent: Tokyo Tatemono Co., Ltd.
As described in the above 7. Seller Profile, Tokyo Tatemono Co., Ltd. falls within the scope of an "interest party" 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 a sales agent.
- 2) Brokerage Fee: ¥130,000,000 (excluding consumption tax)

10. Outlook

The impact on business results following the acquisition of the Musashiurawa Shopping Square is expected to be minimal. Accordingly, operating forecasts for JPR's 11th fiscal period, the six months ending June 30, 2007, remain unchanged.

[Attachments]

1. Portfolio after property acquisition
2. Photograph of the Musashiurawa Shopping Square

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 | 7.0% |
| | Office | Kanematsu Bldg. Annex | Chuo-ku, Tokyo | Dec. 2001 | 2,874 | 1.2% |
| | 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 | 1.0% |
| | Office | JPR Crest Takebashi Bldg. | Chiyoda-ku, Tokyo | Jun. 2002 | 4,000 | 1.7% |
| | Office | MS Shibaura Bldg. | Minato-ku, Tokyo | Mar. 2003 | 11,200 | 4.8% |
| | 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 | 4.3% |
| | Office | BYGS Shinjuku Bldg. | Shinjuku-ku, Tokyo | Nov. 2004 Apr. 2005 | 11,821 | 5.1% |
| | 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 | 5.2% |
| | Retail | JPR Daikanyama | Shibuya-ku, Tokyo | Oct. 2004 | 2,160 | 0.9% |
| | Retail | JPR Jingumae 432 | Shibuya-ku, Tokyo | Mar. 2006 | 4,460 | 1.9% |
| | Retail | Shinjuku Sanchome East Bldg. | Shibuya-ku, Tokyo | Mar. 2007 | 540 | 0.2% |
| Subtotal | | | | | 95,001 | 41.0% |
| Greater Tokyo | Office | Arca East | Sumida-ku, Tokyo | Nov. 2001 | 5,880 | 2.5% |
| | 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 | 3.5% |
| | 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 | 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 | 4.4% |
| | Retail | The Cupo-la Main Bldg. | Kawaguchi, Saitama | Mar. 2006 | 2,100 | 0.9% |
| | Retail | JPR Musashikosugi Bldg. | Kawasaki, Kanagawa | Sep. 2006 | 7,260 | 3.1% |
| | Retail | Musashiurawa Shopping Square | Saitama, Saitama | Mar. 2007 (planned) | 4,335 | 1.9% |
| | Retail | Kawasaki Dice Special Purpose Company Preferred Securities (Note4) | Kawasaki, Kanagawa | Dec. 2005 | 1,553 | 0.7% |
| Subtotal | | | | | 57,530 | 24.9% |

| 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 | 3.6% |
| | 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 | 5.6% |
| | Retail | Strasse Ichibancho | Sendai, Miyagi | Feb. 2005 | 4,200 | 1.8% |
| | Retail | Benetton Shinsaibashi Bldg. | Osaka, Osaka | May 2005 | 5,430 | 2.3% |
| | Retail | Housing Design Center Kobe | Kobe, Hyogo | Sep. 2005 | 7,220 | 3.1% |
| | Retail | Chayamachi Grande Bldg. | Osaka, Osaka | Aug. 2006 | 6,000 | 2.6% |
| Subtotal | | | | | 78,977 | 34.1% |
| Total | | | | | 231,508 | 100.0% |

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 first decimal point.
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 April 11, 2007. The real estate portfolio identified above is exclusive of these properties.

Attachment 2

Photograph of the Musashiurawa Shopping Square

