

March 20, 2007

For Translation Purposes Only

For Immediate Release

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Notice Concerning Property Acquisition

Japan Prime Realty Investment Corporation (JPR) today announced that the acquisition price of the Higashi-Ikebukuro 4-chome Redevelopment Project, tentatively called Rise Arena Building, was concluded as outlined below. JPR announced its decision to acquire the property on September 30, 2005.

Details

1. Acquisition Details

- | | |
|------------------------|--|
| 1) Type of Acquisition | Real estate |
| 2) Property Name | Rise Arena Building (Higashi-Ikebukuro 4-chome Redevelopment Project) |
| 3) Acquisition Price | ¥5,831 million
(excluding acquisition costs and consumption tax)
The acquisition price rose from ¥5,467 million based on the purchase agreement as the property's profitability improved due to tenant attraction by the seller. |
| 4) Acquisition Date | March 22, 2007 |
| 5) Seller | Taisei Corporation |
| 6) Funding | Fund procurement through the issue of new investment units |

2. Details of Property for Acquisition

Property Name		Rise Arena Building (Higashi-Ikebukuro 4-chome Redevelopment Project)	
Location	Registered	Land	4-82-10, Higashi-Ikebukuro, Toshima-ku, Tokyo
	Residential	Bldg.	4-82-10, Higashi-Ikebukuro, Toshima-ku, Tokyo
			4-5-2, Higashi-Ikebukuro, Toshima-ku, Tokyo
Access		Ten minutes on foot from Ikebukuro Station on the JR Yamanote Line, Saikyo Line and Seibu Ikebukuro Line, and directly connected to Higashi Ikebukuro Station on the Tokyo Metro Yurakucho Line	
Use		Office space, parking facilities	
Type of Ownership		Land: Co-ownership (15.915% of the total site) Bldg.: Unit ownership (10F - 12F), co-ownership (9F (Partial) [*]) [*] Percentage ownership of 9F (Partial): 95.5%(of 801.93m ²) [*] Remaining owners: Toshima Ward government and four others	
Site Area	Land	Total site area	9,377.28m ²
		Net site area to be acquired by JPR	1,492.41 m ²
	Bldg.	Gross floor area	37,444.50m ²
		Proprietary floor area	21,964.58m ²
		Net floor area to be acquired by JPR	6,023.39m ²
Type of Structure		S・SRC・RC B2/15F	
Completion Date		January 31, 2007	
Architecture and Design		Nihon Sekkei, Inc.	
Construction		Joint construction project comprising Taisei Corporation and Fujita Corporation	
Building Construction Authorization Agency		The Building Center of Japan	
Building Condition Evaluation Report		Nikken Sekkei Construction Management, Inc. (Surveyed in February 2007)	
Building Specification	Rentable Floor Space	1,752.47m ²	
	Ceiling Height	2,700mm	
	Air Conditioning System	Separate system on each floor	
	Type of Flooring	OA floor (100mm)	
Appraisal	Appraiser	CB Richard Ellis	
	Appraisal Value	¥7,110 million (¥5,850 million reported upon contract as of September 30, 2005)	
	Appraisal Date	March 1, 2007	
Probable Maximum Loss		10.4% based on an 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 every 475 years.	
Collateral		None	
Number of Tenants		1	
Major Tenant		Yuraku Real Estate Co., Ltd.	
Forecast Net Operating Income (Yield)		¥319 million (5.5%)	
Total Leasable Floor Space		6,023.39m ²	
Remarks		None	
<p>*Forecast Net Operating Income 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 rate of 100%.</p> <p>*Yuraku Real Estate Co., Ltd. subleases all the leasable rooms to Hitachi Plant Technologies, Ltd.</p>			

3. Lease Agreement Details

Leasehold Object	Unit-ownership building
Total Leased Floor Space	6,023.39㎡

(1) Lease Agreement Details (Master Lease)

Lessor	Japan Prime Realty Investment Corporation
Lessee	Yuraku Real Estate Co., Ltd.
Lease Term	Five years from February 1, 2007
Rent Review	The rent shall be the rent, common charges and other payments the lessee actually receives from the sublessee based on the lease agreement concluded between the lessee and the sublessee.
Termination of Agreement	To terminate the agreement with the maturity of the lease term, a notice in writing shall be made at least six months prior to the date when the lease term ends.
Relationship between JPR/TRIM	Yuraku Real Estate Co., Ltd. falls under the category of interested parties as defined under the Investment Trust Law Enforcement Ordinance of JPR's asset management company, Tokyo Realty Investment Management, Inc. (hereafter "TRIM"). JPR is scheduled to conclude a lease agreement (master lease) with and consign property management work to Yuraku Real Estate Co., Ltd. on March 22, 2007. TRIM has acquired prior approval from JPR's board of directors regarding the agreement and the consignment.

(2) Lease Agreement Details (Sublease)

Lessor	Yuraku Real Estate Co., Ltd.
Lessee	Hitachi Plant Technologies, Ltd.
Lease Term	Five years from February 1, 2007
Rent Review	No revisions are permitted during the lease term
Cancellation Prior to Lease Termination Date	No cancellations are permitted before the lease term is matured.
Other	The lessor and lessee can consult with each other to conclude new lease agreement that starts on the day next to the maturity day of the previous agreement.

4. Details of Appraisal Value

Appraiser	CB Richard Ellis
Appraisal Value (Appraisal Date)	¥7,110 million (March 1, 2007)
(Reference)	
Capitalized Value through Discounted Cash Flow (DCF) Method	¥7,110 million
Discount Rate	4.80% (1 st -5 th years), 5.10% (6 th - years)
Terminal Cap Rate	5.35%

5. Seller Profile

Company Name	Taisei Corporation
Head Office Address	1-25-1, Nishi-shinjuku, Shinjuku-ku, Tokyo
Representative	Kanji Hayama, President & Chief Executive Officer
Capital	¥112,448 million (as of September 30, 2006)
Principal Shareholders	Japan Trustee Services Bank, Ltd. and others (as of September 30, 2006)
Principal Activities	General contractor
Relationship between JPR/TRIM	Taisei Corporation is a shareholder of JPR's asset management company, Tokyo Realty Investment Management, Inc. (hereafter "TRIM"). Because Taisei Corporation falls under the category of interested parties as defined under the bylaws of JPR's board of directors, TRIM has acquired prior approval from JPR's board of directors regarding the acquisition. Taisei Corporation does not however fall within the scope of related parties as defined under the Investment Trust Law.

6. Profile of Property Purchaser

Previous Owner	Owners before Previous Owner
1) Company name: Taisei Corporation 2) Relationship with JPR: Taisei Corporation is a shareholder of JPR's asset management company. 3) Acquisition price, etc.: The property is a redevelopment project in which Taisei Corporation participated as a business partner. *For details of Taisei Corporation, refer to the above 5. Seller Profile.	None

7. Outlook

The acquisition of the property will not affect the operating forecasts for JPR's 11th fiscal period, the six months ending June 30, 2007.

[Attachments]

- Portfolio after property acquisition
- Photograph of the Rise Arena Building (Higashi-Ikebukuro 4-chome Redevelopment Project)

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
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)	Toshima-ku, Tokyo	Mar. 2007 (planned)	5,831	2.5%
	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	4,335	1.9%
	Retail	Kawasaki Dice Special Purpose Company Preferred Securities (Note3)	Kawasaki, Kanagawa	Dec. 2005	1,553	0.7%
Subtotal					57,894	25.0%

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					231,872	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 nearest first decimal place.
3. 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.
4. 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 Rise Arena Building (Higashi-Ikebukuro 4-chome Redevelopment Project)

