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**For Translation Purposes Only**

**For Immediate Release**

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**Notice Concerning Property Acquisition (Conclusion of Contract)**

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire the retail property, KM Fukugo Building (tentative name), as outlined below. The acquisition is scheduled to take place in March 2009.

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 in a city outside of Tokyo.

**2. Acquisition Details**

- |                        |   |
|------------------------|---|
| 1) Type of Acquisition | Real estate   |
| 2) Property Name       | KM Fukugo Building (tentative name)<br>*Construction of the building already started in September 2006. Though it was not completed as of when the purchase contract was concluded, JPR plans to acquire the property following its completion. |
| 3) Acquisition Price   | ¥9,250 million<br>(excluding acquisition costs and consumption tax)<br>*Payment shall be made on the conclusion of the contract after taking protection measures on the earnest money of ¥475 million.  |
| 4) Construction Start  | September 2006  |
| 5) Contract Date       | March 30, 2007  |
| 6) Completion Date     | March 2009 (Planned)  |

- 7) Acquisition Date March 2009 (Planned)
- 8) Seller Sanyo Homes Co., Ltd., Haseko Corporation, Art Planning Co., Inc., NTT Urban Development Co., Shinko Real Estate Co., Ltd., Heiwa Real Estate Co., Ltd., Meitetsu Real Estate Co., Ltd., Mitsubishi Electric Life Service Corporation, Kinki Ryojyu Kosan Co., Ltd., Unitika Estate Co., Ltd.
- 9) Funding To be determined
- \*The earnest money shall be paid by cash on hand.

### 3. Details of Property for Acquisition

Property Name		KM Fukugo Building (tentative name)	
Location	Registered	Land	63-1, Koraibashi 1-chome, Chuo-ku, Osaka-shi and others
		Bldg.	To be determined
	Residential	To be determined	
Access		Zero minutes on foot from Kitahama Station on the Osaka City Subway Sakaisuji Line and Keihan Honsen Line (directly connected to the subway entrance)	
Use		Retail, sporting facilities, clinics, parking facilities	
Type of Ownership		Land: Ownership (To be determined; Equity of 21.42% based on the percentage of property floor area) Bldg: Unit ownership (B1F-6F) (Retail Facility)	
Site Area	Land	Total site area (description on registration)	5,138.40㎡ (1,554.37 tsubos)
		Site area to be acquired by JPR (*1)	1,100.65㎡ (332.95 tsubos)
	Bldg.	Gross floor area of the entire building (*2)	79,777.78㎡ (24,132.78 tsubos)
		Floor area to be acquired by JPR (*2)	12,407.14㎡ (3,753.16 tsubos)
		Property floor area of the entire building (*2)	56,805.12㎡ (17,183.55 tsubos)
	Property floor area to be acquired by JPR (*2)	12,168.45㎡ (3,680.96 tsubos)	
Type of Structure		RC B1/54F	
Completion Date		March 2009 (Planned)	
Architecture and Design		Mitsubishi Jisho Sekkei Inc., Haseko Corporation, Nihon Sekkei Inc., Kajima Corporation	
Construction		Kajima Corporation	
Building Construction		The Building Center of Japan	
Appraisal	Appraiser	CB Richard Ellis K.K. (* Since the building has not yet been completed, the value has been obtained by applying appraisal valuation methods with the assumption that the building is completed as of the pricing period.	
	Appraisal Value	¥9,270 million	
	Appraisal Date	March 27, 2007	
Probable Maximum Loss		12.3% 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		To be determined	
Tenants (*4)		B1-2F: To be determined 3F: Not disclosed 4-6F: Not disclosed	
Total Leasable Floor Space(*5)		7,979.10㎡ (2,413.68 tsubos)	
Remarks		The building area and other figures indicated above are those planned in the current plans. They may be subject to change due to future changes in the construction plans.	
<p>(*1) The land area to be acquired by JPR has been calculated at an equity of 21.42% based on the property floor area.</p> <p>(*2) The entire building area and the floor area to be acquired by JPR are based on the latest area table.</p> <p>(*3) (*4) The earthquake PML and total leasable floor space are figures as expected on the planned contract date (March 2007).</p> <p>(*4) Some tenants have already concluded lease reservation agreements, but they are not disclosed since their consensus for disclosure has not been obtained.</p>			

## 4. Acquisition of the Property

### 1) Location of the Property

With a concentration of financial institutions and other companies, the Kitahama area is one of the largest business districts in Osaka City. In recent years, however, the area as well as its surrounding areas has seen many redevelopment projects being implemented one after another, including condominium developments. The 2005 National Census has revealed that the population of the area is rapidly growing at a rate of 120% compared to the previous Census.

The property is one of the largest projects in Osaka City, with retail facilities and an ultra-high-rise residence building (planned to have 465 units in total) developed in an integrated manner on the development site of 5,138.40m<sup>2</sup>. It has highly convenient access, as it faces the Sakaisuji street and directly connects to the subway entrance. The location has high potential of attracting demand from office workers and residents. JPR evaluates the property as an exceptional retail facility with competitive advantages.

### 2) Efforts on Development-Type Properties

Although the subject property has not yet been completed, JPR has concluded contracts with the seller that allows JPR to acquire the property on the assumption that it is completed, avoiding risks regarding building completion or delays in schedule. In addition, despite some tenants not yet being finalized, the excellent location and exceptional property has adequate potential to attract suitable tenants by the time of building completion, and JPR determines that the risks regarding the attracting of tenants are low.

JPR will continue to work proactively on acquiring development-type properties in order to acquire rare, blue-chip properties that are appropriate for its portfolio. To do so, JPR will see to it that appropriate risk management measures are taken and excessive competition is eliminated.

## 5. Lease Agreement Details

Floor	B1-2F	3F	4-6F
Tenant Name	To be determined	Not disclosed (*1) (*2)	Not disclosed (*1)
Business Type of End Tenants	To be determined	Clinic-related	Fitness club
Total Leased Floor Space	2,978.16m <sup>2</sup>	1,034.00m <sup>2</sup>	3,966.94m <sup>2</sup>
Lease Term	To be determined	April 2009 - March 2019	April 2009 - March 2029

(\*1) Although lease reservation agreements have been concluded with tenants, they are not disclosed since consent for their disclosure has not been provided.  
(\*2) The tenant plans to sublease the space to third-party tenants (clinic-related).

## 6. Details of Appraisal Value

Appraiser	CB Richard Ellis K.K.
Appraisal Value (Appraisal Date)	¥9,270 million (March 27, 2007)
(Reference)	
Capitalization Value through Direct Capitalization Method	¥9,260 million
Net Cash Flow (NCF)	¥398,184 thousand
Cap Rate	4.30%
Capitalized Value through Discounted Cash Flow (DCF) Method	¥9,280 million
Discount Rate	4.20%
Terminal Cap Rate	4.40%

## 7. Seller Profile (Major Two Firms)

Company Name	Sanyo Homes Co., Ltd.	Haseko Corporation
Head Office Address	3-12-12, Minami Senba, Chuo-ku, Osaka-shi	2-32-1, Shiba, Minato-ku, Tokyo
Representative	President: Yasunori Tanaka	President: Takashi Iwao
Capital	¥3,000 million (as of September 30, 2006)	¥50,000 million (as of September 30, 2006)
Major Shareholders	Sanyo Electric Co., Ltd. and others (as of September 30, 2006)	The Master Trust Bank of Japan (trust unit) and others (as of September 30, 2006)
Principal Activities	Real estate	Real estate
Relationship with JPR and TRIM	None	None

Note that the descriptions of Art Planning Co., Inc. and seven other companies have been omitted.

## 8. Profile of Property Purchaser

Previous Owner	Owners before Previous Owner
1) Company name Sanyo Homes Co., Ltd., Haseko Corporation and other eight companies 2) Relationship with JPR and TRIM Parties not falling within the scope of interest parties 3) Acquisition Background, reason, etc. The property is a development-type property in which the purchaser participates as operator. As such, the acquisition price (including other expenses) and the acquisition date have been omitted.	None

## 9. Sales Agent Profile

The name of the sales agent and the brokerage fees are not indicated due to the requests of the sales agent. The sales agent is a third party not falling within the

scope of interested parties.

## **10. Outlook**

Despite the acquisition (contract conclusion) of the subject property, the operating forecasts for JPR's 11<sup>th</sup> fiscal period, the six months ending June 30, 2007, remain unchanged.

### **[Attachments]**

1. Portfolio after property acquisition
2. Image of the subject property

# 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	6.8%
	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	4.6%
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	1.2%
	Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003 Apr. 2005	2,920	1.2%
	Office	JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	May 2004	5,100	2.1%
	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	4.1%
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004 Apr. 2005	11,821	4.9%
	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	5.0%
	Retail	JPR Daikanyama	Shibuya-ku, Tokyo	Oct. 2004	2,160	0.9%
	Retail	JPR Jingumae 432	Shibuya-ku, Tokyo	Mar. 2006	4,460	1.8%
	Retail	Shinjuku Sanchome East Bldg.	Shibuya-ku, Tokyo	Mar. 2007	540	0.2%
<b>Subtotal</b>					<b>95,001</b>	<b>39.4%</b>
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	2.4%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	1.0%
	Office	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	1.2%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.4%
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	3.4%
	Office	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	1.3%
	Office	Tachikawa Business Center Bldg.	Tachikawa, Tokyo	Sep. 2005 Feb. 2007	3,188	1.3%
	Office	Rise Arena Bldg.	Toshima-ku, Tokyo	Mar. 2007	5,831	2.4%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	4.2%
	Retail	The Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 2006	2,100	0.9%
	Retail	JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Sep. 2006	7,260	3.0%
	Retail	Musashiurawa Shopping Square	Saitama, Saitama	Mar. 2007	4,335	1.8%
	Retail	Kawasaki Dice Special Purpose Company Preferred Securities (Note3)	Kawasaki, Kanagawa	Dec. 2005	1,553	0.6%
<b>Subtotal</b>					<b>57,894</b>	<b>24.0%</b>

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	3.4%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	1.7%
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	1.2%
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	0.6%
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	1.5%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	1.3%
	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	1.9%
	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	1.7%
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	5.4%
	Retail	Strasse Ichibancho	Sendai, Miyagi	Feb. 2005	4,200	1.7%
	Retail	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May 2005	5,430	2.3%
	Retail	Housing Design Center Kobe	Kobe, Hyogo	Sep. 2005	7,220	3.0%
	Retail	Chayamachi Grande Bldg.	Osaka, Osaka	Aug. 2006	6,000	2.5%
	<b>Retail</b>	<b>KM Fukugo Bldg. (tentative name) (Note4)</b>	<b>Osaka, Osaka</b>	<b>Mar. 2009 (planned)</b>	<b>9,250</b>	<b>3.8%</b>
	<b>Subtotal</b>					<b>88,227</b>
<b>Total</b>					<b>241,122</b>	<b>100.0%</b>

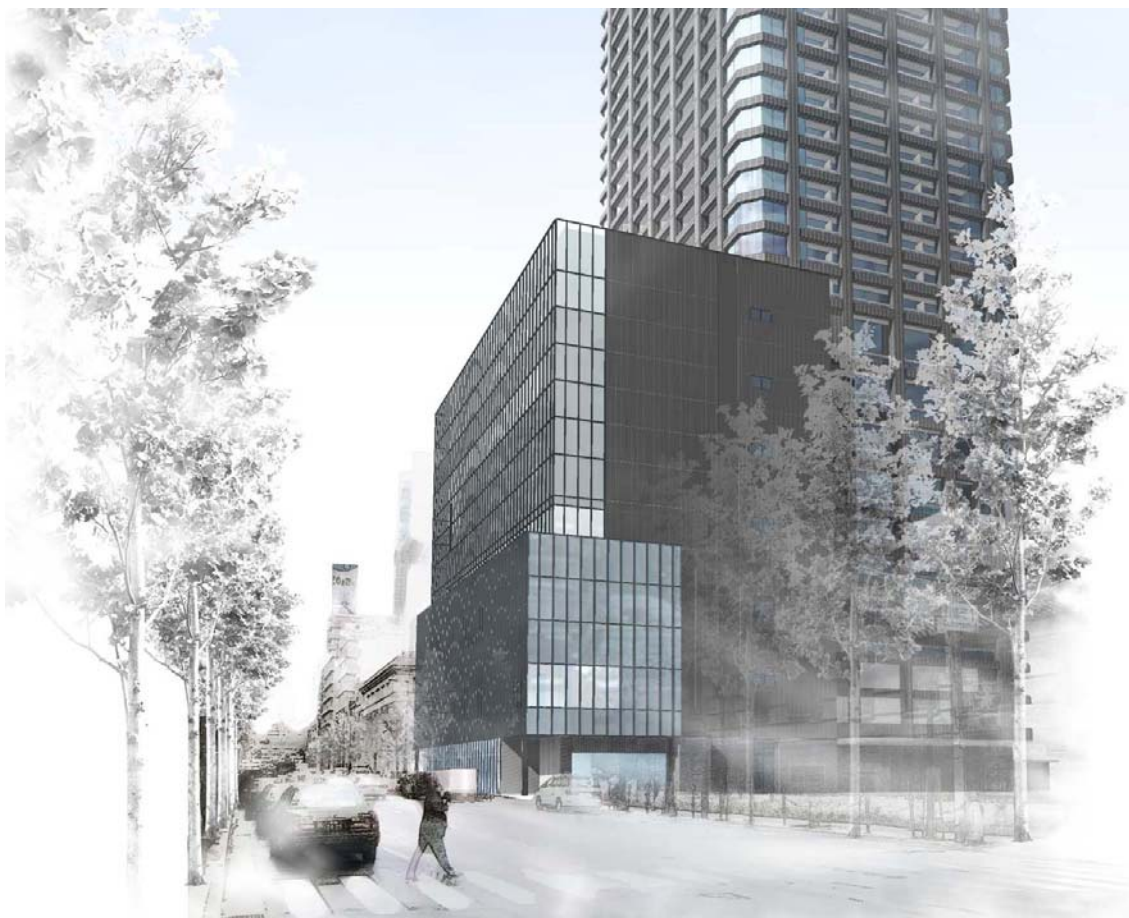
Notes:

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 contracted to purchase the KM Fukugo Building (tentative name) on March 30, 2007. The planned acquisition date, however, is in March 2009.
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

Image of the subject property



(Note) The above is an illustration of the property upon completion based on the architectural designs and suppositions. The actual completed appearance of the property may be different.