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**For Translation Purposes Only**

**For Immediate Release**

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### **Notice Concerning Acquisition of the Kawasaki Dice Bldg.**

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire the Kawasaki Dice Bldg., as outlined below.

#### 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 | a. Beneficiary interest<br>b. Beneficiary interest<br>*The entrusted properties under a. and b. are part of the following real estate (Kawasaki Dice Building). a. is the unit ownership and related site of the portion from B1F to 10F (excluding part of 1F and 2F) and b. is that for the B2F portion. |
| 2) Asset Custodian     | a. Mitsubishi UFJ Trust and Banking Corporation<br>b. Mitsubishi UFJ Trust and Banking Corporation   |
| 3) Term of Trust       | a. From April 12, 2007 to April 30, 2017<br>b. From August 28, 2003 to August 31, 2023   |
| 4) Property Name       | Kawasaki Dice Building   |

- 5) Acquisition Price ¥15,080 million  
(excluding acquisition costs and consumption tax)  
\*The abovementioned assets that are to be acquired a. and b. will be acquired as one at the concerned price without separating the acquisition price.
- 6) Contract Date April 12, 2007
- 7) Planned Acquisition Date April 12, 2007
- 8) Seller Kawasaki Dice Tokutei Mokuteki Kaisha
- 9) Funding Borrowings and cash on hand

### 3. Details of Property for Acquisition

Building Name		Kawasaki Dice Building		
Location	Address Shown in Land Registry	Land	8-3 Ekimae-Honcho, Kawasaki-ku, Kawasaki, Kanagawa and others	
		Building	8-3 Ekimae Honcho, Kawasaki-ku, Kawasaki, Kanagawa and others	
	Address	8 Ekimae-Honcho, Kawasaki-ku, Kawasaki, Kanagawa		
Access		1-min. walk from Keikyu Kawasaki Station, Keihin Kyuko Honsen Line; 5-min. walk from Kawasaki Station, JR Tokaido Line, Keihin-Tohoku Line and Nanbu Line		
Intended Use		Shops		
Type of Ownership		<p>Land: Ownership of land and co-ownership of surface rights (ownership ratio: 87.04%) (co-ownership of trust beneficiary interests in real estate - ownership ratio: 52.00%) *The site is comprised of 13 parcels. Surface rights have been established for the entire site and space rights to the site of the building have been set in proportion to the surface rights. JPR holds co-ownership (52.00%) of trust beneficiary interests in real estate of the co-ownership (87.04%) of surface rights and 4 parcels (3,895.42m<sup>2</sup>) of the site.</p> <p>Building: Unit ownership (B1F-10F; however, excludes part of 1F and 2F) (co-ownership of trust beneficiary interests in real estate - ownership ratio: 52.00%) •Other co-owner: JPT Corporate Co., Ltd. Unit ownership (B2F) (co-ownership of trust beneficiary interests in real estate - ownership ratio: 12.65%) •Other co-owners: JPT Corporate Co., Ltd. and 7 corporations owning surface rights *Other unit owners (part of 1F and 2F): 7 corporations owning surface rights</p>		
Site Area (Registered)		Land	Total land area	4,475.45 m <sup>2</sup>
			Site area to be acquired by JPR	2,025.62 m <sup>2</sup>
		Building	Gross floor area of the entire building	36,902.01 m <sup>2</sup>
			Floor area to be acquired by JPR	16,702.09 m <sup>2</sup>
			Property floor area of the entire building	29,883.01 m <sup>2</sup>
Property floor area to be acquired by JPR	13,925.51 m <sup>2</sup>			
Type of Structure		S・SRC・RC B2/11F		
Completion		August 28, 2003		
Architecture and Design		Research Institute of Architecture		
Construction		Taisei Corporation, Rinkai Nissan Construction Co., Ltd.		
Building Construction Authorization Agency		Public sector (Municipal government)		
Agency to Prepare Building Situation Appraisal Report		Nikken Sekkei Construction Management, Inc. (Appraisal time: March, 2007)		
Appraisal	Appraiser	Appraisal Firm A Square Ltd.		
	Appraisal Value	¥15,236 million		
	Appraisal Date	April 1, 2007		

Probable Maximum Loss	10.5% (Based on the earthquake risk assessment report prepared by 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	20
Major Tenants	Sakuraya Co., Ltd., Toho Cinemas, Ltd.
Total Leasable Floor Space	Total leasable floor space of master lease: 29,159.78㎡
	Total leasable floor space for end tenants: 27,372.50㎡
Total Leased Floor Space	Total leased floor area of master lease: 29,159.78㎡
	Total leased floor area for end tenants: 27,163.18㎡
Occupancy Rate	Occupancy rate of master lease: 100.0%
	Occupancy rate of end tenants: 99.2%
Assumed Annual NOI (NOI yield)	¥689 million per annum (4.6%)
Special Considerations	None

- Note 1 Total number or tenants, total leasable floor space, total leased floor space, occupancy rate, etc. are current figures as of the acquisition date. In addition, the total number and names of end tenants are indicated for total number of tenants and major tenants. Furthermore, total leasable floor space and total leased floor space are figures that include co-ownership equity of co-owners.
- Note 2 Assumed NOI is based on projected cash flow for the full year after eliminating special factors applicable to the period in which the acquisition is made. (The figure is not a forecast for the current period.)
- Note 3 Co-owners (beneficiary interests holders) have preemptive rights to other co-ownership shares (beneficiary interests). For instance, when a co-owner (beneficiary interests holder) is to dispose of its co-ownership (beneficiary interests), it is first conferred with other co-owners (beneficiary interests holders) before being offered to third parties.
- Note 4 JPT Corporate Co., Ltd. is an SPC that entrusts Babcock & Brown Co., Ltd. with its asset management.

## 4. Acquisition of the Property

### 1) Location and other factors of the Property

Situated in a prime location in front of the JR Kawasaki Station and Keihin Electric Express Railway Keikyu Kawasaki Station, the Property is a retail facility housing a concentration of merchandise stores, restaurants, cinema complexes, etc. Aside from office buildings, JPR also invests in retail facilities, limited to blue-chip retail facilities situated in highly thriving locations such as in front of major stations. JPR evaluates the Property to truly be a property that extremely rarely becomes available for investment.

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

The Property is a retail facility based on the participation of Tokyo Tatemono Co., Ltd. in the Kawasaki Station North Exit Area West Block 3 Zone Category 1 Urban Redevelopment Project in December 2001 and constructed by utilizing a securitization structure. Kawasaki Dice Tokutei Mokuteki Kaisha (hereafter, "TMK"), a tokutei mokuteki kaisha (special purpose company established in accordance with the Law Concerning Asset Securitization), owns about 87% of the Property as specified assets.

In December 2005, JPR acquired 10% of preferred capital contribution certificates

issued by TMK and thus has the right to preferentially purchase specified assets held by TMK when they are sold (preemptive rights). Based on this, JPR is acquiring the portion of the Property (52%) owned by TMK.

Furthermore, Tokyo Tatemono Co., Ltd. is a major shareholder of the asset manager that makes preferred capital contribution into TMK and has been entrusted with TMK's asset management.

This approach is one approach for acquiring highly-scarce blue-chip properties that avoid excessive competition by utilizing the information of firms that make capital contributions into the asset manager. JPR will continue to proactively acquire blue-chip properties while collaborating with firms that make capital contributions into the asset manager.

## 5. Details of Building Lease Agreement

### (1) Details of Lease Agreement (Master Lease)

Based on a master lease agreement, the Property is leased to Tokyo Tatemono Co., Ltd. and subleased to a third party by Tokyo Tatemono Co., Ltd.

Tokyo Tatemono Co., Ltd. is entrusted with TMK's asset management and has been managing and operating from the standpoint of a substantial owner of the Property. From the perspective of greater stability in the structure, a master lease agreement has been entered with the firm as the firm was deemed to be competent to continue on in the position of master lessee.

Leasehold Object	Unit ownership (B1F to 10F, excluding part of 1F and 2F)	Unit ownership (B2F)
Floor Area	26,018.76㎡	3,141.02㎡
Lessor	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Corporation
Lessee	Tokyo Tatemono Co., Ltd.	Tokyo Tatemono Co., Ltd.
Term of Lease	April 2007 - April 2017	August 2003 - August 2023
Rent Review	Negotiable	Negotiable every 3 years
Cancellation Prior to Lease Termination Date	No cancellations are permitted for the initial five years.	No cancellations by the lessee permitted during the lease term.
Relationship with JPR and TRIM	Tokyo Tatemono Co., Ltd. is a shareholder of JPR's asset management company, Tokyo Realty Investment Management, Inc. (hereafter "TRIM"). Because Tokyo Tatemono Co., Ltd. falls under the category of interested parties as defined under internal rules of JPR's board of directors, TRIM has acquired prior approval from JPR's board of directors regarding the conclusion of a lease agreement (master lease) with Tokyo Tatemono Co., Ltd. on April 12, 2007 and the entrustment of its real estate management operations (property management operations). Tokyo Tatemono Co., Ltd. does not, however, fall within the scope of related parties as defined under the Investment Trust Law.	
Special Considerations	The concerned tenant subleases to third parties.	

### (2) Details of Lease Agreement (Sublease)

Tokyo Tatemono Co., Ltd. (abovementioned lessee) subleases part of the leasehold object to Totate International Bldg. Co., Ltd., which is a related party of JPR's asset management company (as designated in the Investment Trust Law Enforcement Ordinance). An outline is given below.

Leasehold Object	Unit ownership (B1F to 10F, excluding part of 1F and 2F)
Floor Area	161.46m <sup>2</sup>
Lessor	Tokyo Tatemono Co., Ltd.
Lessee	Totate International Bldg. Co., Ltd.
Term of Lease	August 2003 - August 2009
Rent Review	Negotiable every 3 years
Cancellation Prior to Lease Termination Date	Cancellation possible with 6 months prior notice
Relationship with JPR and TRIM	Totate International Bldg. Co., Ltd. falls under the category of TRIM's interested parties (as defined under the Investment Trust Law Enforcement Ordinance). TRIM has acquired prior approval from JPR's board of directors regarding Tokyo Tatemono Co., Ltd.'s subleasing to Totate International Bldg. Co., Ltd.

## 6. Details of Appraisal Value

Appraiser	Appraisal Firm A Square Ltd.
Appraisal Value (Appraisal Date)	¥15,236 million (April 1, 2007)
(Reference)	
Capitalized Value through Direct Capitalization Method	¥15,384 million
Net Cash Flow (NCF)	¥707,673 thousand
Cap Rate	4.6%
Capitalized Value through Discounted Cash Flow (DCF) Method	15,269 million
Discount Rate	4.1%
Terminal Cap Rate	4.8%

## 7. Seller Profile

Corporate Name	Kawasaki Dice Tokutei Mokuteki Kaisha
Address of Registered Head Office	Within Sakura & Co., 1-11 Kandajinbo-cho, Chiyoda-ku, Tokyo
Representative	Kazunori Igarashi, Director
Paid-in Capital	¥4,245 million (sum total of specified capital and preferred capital) (as of March 20, 2007)
preferred capital holders	Tokyo Tatemono Co., Ltd., Japan Prime Realty Investment Corporation etc.
Principal Business	1. Transfer of specified assets in accordance with asset securitization plans based on the Law Concerning Asset Securitization and related management and disposal 2. Other costs incidental to the abovementioned operations on the liquidation of specified assets
Relationship with JPR and TRIM	Kawasaki Dice Tokutei Mokuteki Kaisha (TMK) is a tokutei mokuteki kaisha (special purpose company established in accordance with the Law Concerning Asset Securitization). JPR holds 10% of the preferred capital contribution certificates TMK has issued. In addition, Tokyo Tatemono Co., Ltd., a major shareholder of JPR's asset management company, also holds preferred capital contribution certificates TMK has issued and is entrusted with asset management from TMK. Tokyo Tatemono Co., Ltd. is a shareholder of JPR's asset management company, Tokyo Realty Investment Management, Inc. (hereafter "TRIM"). Because Tokyo Tatemono Co., Ltd. falls under the category of interested parties as defined under internal rules of JPR's board of directors, TRIM has acquired prior approval from JPR's board of directors regarding the acquisition. Tokyo Tatemono Co., Ltd. does not however fall within the scope of related parties as defined under the Investment Trust Law.

## 8. Profile of Property Purchaser

Previous Owner	Owners before Previous Owner
<p>1) Company name Kawasaki Dice Tokutei Mokuteki Kaisha</p> <p>2) Relationship with JPR and TRIM Kawasaki Dice Tokutei Mokuteki Kaisha (TMK) is a tokutei mokuteki kaisha (special purpose company established in accordance with the Law Concerning Asset Securitization). JPR holds 10% of the preferred capital contribution certificates TMK has issued. In addition, Tokyo Tatemono Co., Ltd., a major shareholder of JPR's asset management company, also holds preferred capital contribution certificates TMK has issued and is entrusted with asset management from TMK.</p> <p>3) Acquisition background, reason, etc. The Property is a retail facility based on the participation of Tokyo Tatemono Co., Ltd. in the Kawasaki Station North Exit Area West Block 3 Zone Category 1 Urban Redevelopment Project in December 2001 and constructed by utilizing a securitization structure. Accordingly, the acquisition price (including other costs) and acquisition timing have been omitted.</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: ¥452,400,000 (excluding consumption tax)

## 10. Kawasaki Dice Tokutei Mokuteki Kaisha (TMK)

Through the disposal of the concerned specified asset, TMK has served its role based on asset securitization plans. Hereafter, TMK is scheduled to implement an extraordinary settlement of its accounts in April 2007 (regular settlements of accounts are in March and September), pay out dividends that include the concerned property disposal in July 2007 and go into liquidation in October 2007.

Accordingly, JPR is to hold 10.0% of preferred capital contribution certificates issued

by TMK as at the end of the eleventh period (fiscal period ending June 30, 2007), but the proceedings from dividends in correlation with the extraordinary settlement of accounts at TMK through to liquidation are expected to be conducted during the twelfth period (fiscal period ending December 31, 2007).

## **11. Outlook**

For operating forecasts for the eleventh period (fiscal period ending June 30, 2007) in correlation with acquisition of the Property, please refer to the “Notice Concerning Revisions to Operating Forecasts for the Fiscal Period Ending June 30, 2007” dated today.

### **[Attachments]**

1. Projected cash flow
2. Portfolio after property acquisition
3. Photograph of the Kawasaki Dice Bldg.

## Attachment 1

### Projected cash flow

(Millions of yen)

Projected Cash Flow	
①Operating revenues	977
Rental revenues and common charges	745
Other operating revenues	233
②Operating expenses (excluding depreciation)	288
Utility charges	166
Property and other taxes	41
Other operating expenses	81
NOI (=①-②)	689

#### Notes:

The above figures are based on projected cash flow for the full year after eliminating special factors applicable to the period in which the acquisition is made. (The figure is not a forecast for the current period.) They have also been prepared based on the following assumptions.

- 1) Revenues are based on an estimated occupancy ratio of end tenants as of the acquisition date.
- 2) Property and other taxes are the same as for fiscal 2007.



## Attachment 2

### 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	6.4%
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	1.1%
	Office	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	0.8%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002 Nov. 2004	2,420	0.9%
	Office	JPR Crest Takebashi Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	1.6%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	4.4%
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	1.1%
	Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003 Apr. 2005	2,920	1.1%
	Office	JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	May 2004	5,100	2.0%
	Office	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 2004	3,500	1.4%
	Office	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2004	10,000	3.9%
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004 Apr. 2005	11,821	4.6%
	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	4.7%
	Retail	JPR Daikanyama	Shibuya-ku, Tokyo	Oct. 2004	2,160	0.8%
	Retail	JPR Jingumae 432	Shibuya-ku, Tokyo	Mar. 2006	4,460	1.7%
	Retail	Shinjuku Sanchome East Bldg.	Shibuya-ku, Tokyo	Mar. 2007	540	0.2%
	<b>Subtotal</b>					<b>95,001</b>
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	2.3%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	0.9%
	Office	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	1.1%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.4%
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	3.2%
	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	1.2%
	Office	Rise Arena Bldg.	Toshima-ku, Tokyo	Mar. 2007	5,831	2.3%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	4.0%
	Retail	The Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 2006	2,100	0.8%
	Retail	JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Sep. 2006	7,260	2.8%
	Retail	Musashiurawa Shopping Square	Saitama, Saitama	Mar. 2007	4,335	1.7%
	<b>Retail</b>	<b>Kawasaki Dice Bldg.</b>	<b>Kawasaki, Kanagawa</b>	<b>Apr. 2007</b>	<b>15,080</b>	<b>5.9%</b>
	Retail	Kawasaki Dice Tokutei Mokuteki Kaisha Preferred Securities (Note3)	Kawasaki, Kanagawa	Dec. 2005	1,553	0.6%
	<b>Subtotal</b>					<b>72,974</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	0.8%
	Office	Meiji Yasuda Life Osaka Umeda Bldg.	Osaka, Osaka	Dec. 2001	8,300	3.2%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	1.6%
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	1.1%
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	0.6%
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	1.4%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	1.2%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	0.7%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	1.1%
	Office	JPR Nagoya Sakae Bldg.	Nagoya, Aichi	Sep. 2003	4,550	1.8%
	Office	JPR Dojima Bldg.	Osaka, Osaka	Jan. 2004	2,140	0.8%
	Office	JPR hakata Chuo Bldg.	Fukuoka, Fukuoka	Jun. 2004	1,920	0.7%
	Office	Mitsubishi UFJ Lease & Finance Nagoya Head Office Bldg.	Nagoya, Aichi	Mar. 2005	4,137	1.6%
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	5.1%
	Retail	Strasse Ichibancho	Sendai, Miyagi	Feb. 2005	4,200	1.6%
	Retail	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May 2005	5,430	2.1%
	Retail	Housing Design Center Kobe	Kobe, Hyogo	Sep. 2005	7,220	2.8%
	Retail	Chayamachi Grande Bldg.	Osaka, Osaka	Aug. 2006	6,000	2.3%
	Retail	KM Fukugo Bldg. (tentative name) (Note4)	Osaka, Osaka	Mar. 2009 (planned)	9,250	3.6%
<b>Subtotal</b>					<b>88,227</b>	<b>34.4%</b>
<b>Total</b>					<b>256,202</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 first decimal point.
3. Kawasaki Dice Tokutei Mokuteki Kaisha (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.

### Attachment 3

Photograph of the Kawasaki Dice Bldg.

