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For Translation Purposes Only

For Immediate Release

Japan Prime Realty Investment Corporation
Hirohito Kaneko
Executive Officer
(Securities Code: 8955)

Asset Management Company:
Tokyo Realty Investment Management, Inc.
Toshihiro Hagiwara
President and Chief Executive Officer
Inquiries: Yasuo Furuya
Director and Chief Financial Officer
TEL: +81-3-3516-1591

Notice Concerning Property Acquisition (Conclusion of Contract)

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire the Yume-ooka Office Tower, as outlined below. The acquisition is scheduled to take place in July 2007.

Details

1. Reason for Acquisition

The acquisition of the Yume-ooka Office Tower is in accordance with JPR's fundamental investment policies to acquire new office buildings in Greater Tokyo in an effort to enhance and stabilize its investment portfolio.

2. Acquisition Details

- | | |
|------------------------|--|
| 1) Type of Acquisition | Real Estate |
| 2) Property Name | Yume-ooka Office Tower |
| 3) Acquisition Price | ¥6,510 million
(excluding acquisition costs and consumption tax)
The property has been acquired from the seller indicated below (City of Yokohama) through bidding, and JPR has provided ¥300 million to the seller as a bid bond. |
| 4) Contract Date | July 2007 (planned) |
| 5) Acquisition Date | July 2007 (planned) |
| 6) Seller | City of Yokohama |
| 7) Funding | Borrowings and Cash on hand (Planned) |

3. Details of Property for Acquisition

Property Name		Yume-ooka Office Tower	
Location	Registered	Land	270, Kamiookanishi 1-chome, Konan-ku, Yokohama-shi, Kanagawa
		Bldg.	270 and 271-1, Kamiookanishi 1-chome, Konan-ku, Yokohama-shi, Kanagawa
	Residential	6-1, Kamiookanishi 1-chome, Konan-ku, Yokohama-shi, Kanagawa	
Access		Directly connected to Kamiooka Station on the Keikyu Line and Yokohama Municipal Subway	
Use		Office space, Shops,	
Type of Ownership		Land: Co-ownership (19.7231% of the total site) Bldg.: Unit ownership (Partial of B1F and 3F, 14F - 24F) * Remaining owners: City of Yokohama, Keihin Electric Express Railway and 9 others	
Site Area (registered)	Land	Total site area (total of redevelopment project)	12,011.00㎡
		Net site area to be acquired by JPR	2,368.94㎡
	Bldg.	Gross floor space (total of redevelopment project)	185,974.87㎡
		Proprietary floor space (total of redevelopment project)	135,413.45㎡
		Net floor space to be acquired by JPR	14,525.18㎡
Type of Structure		S・SRC・RC B3/27F	
Completion Date		March 27, 1997	
Architecture and Design		Ishimoto Architectural & Engineering Firm, Inc.	
Construction		Joint construction project comprised of Kashima Corporation and 7 other companies.	
Building Construction Authorization Agency		City of Yokohama	
Building Condition Evaluation Report		Nikken Sekkei Construction Management, Inc. (Surveyed in January 2007)	
Building Specification	Rentable Floor Space	1,031.26㎡	
	Ceiling Height	2,700mm	
	Air Conditioning System	Separate system on each floor	
	Type of Flooring	OA floor	
Appraisal	Appraiser	Japan Real Estate Institute	
	Appraisal Value	¥5,810 million	
	Appraisal Date	May 1, 2007	
Probable Maximum Loss		6.4% 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		35	
Major Tenant		NTT Solco Corporation, S.F.C Co., Ltd., Tsukui Corporation	
Forecast Rental Revenue (including common charges)		¥628 million	
Total Leasable Floor Space		12,041.72㎡	
Total Leased Floor Space		12,041.72㎡	
Occupancy Ratio		100.0%	
Remarks		None	
<p>(*1) This building was built as a business tower by the Kamiooka Station west side redevelopment project and is registered as integral with retail tower and central tower (public facility).</p> <p>(*2) A building condition evaluation report was presented by the company entrusted with sales from the seller and PML indicates the figure in that building condition evaluation report.</p> <p>(*3) Forecast rental revenue 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 ratio of 97%. In addition, the number of tenants, total leasable floor space, total leased floor space, and occupancy ratio on planned acquisition date are projections as of July 2007.</p>			

4. Location and other factors of the Property

Kamiooka region is positioned as one of the sub-metropolitan regions in the Yumehama 2010 Plan (literally, Dream Yokohama 2010 Program) of the City of Yokohama. Kamiooka Station is a transfer station for the Keikyu Line and Yokohama Municipal Subway Line and the average number of passengers is on an increasing trend with the about 194,000 passengers in fiscal 1999 increasing to 205,000 passengers in fiscal 2003.

Yume-ooka Office Tower is a 27-story high-rise combining retail, culture, amenity, office, etc. subject to the redevelopment project conducted by the City of Yokohama and Keihin Electric Express Railway. JPR evaluates Yume-ooka Office Tower as an exceptional office building with competitive advantages positioned in a location with high potential and a presence as a landmark tower in the area.

5. Lease Agreement Details

Sompo Japan Insurance Inc., falling within the definition of an interested party as stipulated in the rules and regulations prescribed by JPR's Board of Directors, resides as a tenant of Yume-ooka Office Tower. Details are as follows.

Tenant Name	Sompo Japan Insurance Inc.
Total Leasable Floor Space	527.38㎡
Lease Term	March 31, 2006 to March 31, 2009
Method of Rent Renewal	Rent will be renewed for another three years unless a declaration of intent to terminate is made six months prior to maturity.
Cancellation Prior to Lease Termination Date	Cancellation possible with prior notice of six month
Relationship between JPR and TRIM	Sompo Japan Insurance Inc. is a shareholder of JPR's asset management company, Tokyo Realty Investment Management, Inc. (hereafter "TRIM"). Since Sompo Japan Insurance Inc. falls under the category of interested parties as defined under the 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 Sompo Japan Insurance Inc. Sompo Japan Insurance Inc. does not, however, fall within the scope of related parties as defined under the Investment Trust Law.

6. Details of Appraisal Value

Appraiser	Japan Real Estate Institute
Appraisal Value (Appraisal Date)	¥5,810 million (May 1, 2007)
(Reference)	
Capitalized Value through Direct Capitalization Method	¥5,820 million
Net Cash Flow (NCF)	¥296,762 thousand
Cap Rate	5.1%
Capitalized Value through Discounted Cash Flow (DCF) Method	¥5,790 million
Discount Rate	4.8%
Terminal Cap Rate	5.3%

7. Seller Profile

Name	City of Yokohama
Relationship between JPR and TRIM	None

8. Profile of Property Purchaser

Seller (Previous Owner)	Owners before Previous Owner
<p>1) Name City of Yokohama</p> <p>2) Relationship with JPR and TRIM No special interest relationship exists</p> <p>3) Acquisition background, reason, etc. No special interest relationship exists with the previous owner. As such, the acquisition background, reason, etc., acquisition price (including other expenses) and acquisition date have been omitted.</p>	-

9. Outlook

The impact on JPR's results for the twelfth fiscal period ending December 31, 2007 will be disclosed together with the announcement of the Company's eleventh fiscal period results ending June 30, 2007.

[Attachments]

1. Projected cash flow
2. Portfolio after property acquisition
3. Photograph of the Yume-ooka Office Tower

Attachment 1

Projected cash flow

(Millions of yen)

Projected Cash Flow	
① Operating revenues	628
Rental revenues and common charges	628
Other operating revenues	0
② Operating expenses (excluding depreciation)	318
Property management fees	28
Utility charges	39
Property and other taxes	70
Other operating expenses	181
NOI (=①-②)	310

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 97%.
- 2) Property and other taxes indicated are those presented by the seller.

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	6.2%
	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	1.5%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	4.3%
	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	1.9%
	Office	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 2004	3,500	1.3%
	Office	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2004	10,000	3.8%
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004 Apr. 2005	11,821	4.5%
	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	4.6%
	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%
	Subtotal					95,001
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	2.2%
	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	3.1%
	Office	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	1.2%
	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	2.2%
	Office	Yume-ooka Office Tower	Yokohama, Kanagawa	Jul. 2007 (Planned)	6,510	2.5%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	3.9%
	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%
	Retail	Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 2007	15,080	5.7%
Retail	Kawasaki Dice Tokutei Mokuteki Kaisha Preferred Securities (Note3)	Kawasaki, Kanagawa	Dec. 2005	1,553	0.6%	
Subtotal					79,484	30.3%

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	0.6%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	1.1%
	Office	JPR Nagoya Sakae Bldg.	Nagoya, Aichi	Sep. 2003	4,550	1.7%
	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	4.9%
	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	2.7%
	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	3.5%
Subtotal					88,227	33.6%
Total					262,712	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. 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.

Attachment 3

Photograph of the Yume-ooka Office Tower

