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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 Konan Nichome Building (tentative name), as outlined below. The planned acquisition date is December 2008.

#### Details

#### **1. Reason for Acquisition**

The acquisition of Konan Nichome Building (tentative name) is in accordance with JPR's fundamental investment policy and aims to enhance and stabilize its investment portfolio by acquiring a new office building in Tokyo's CBDs.

#### **2. Acquisition Details**

- |                        |   |
|------------------------|---|
| 1) Type of Acquisition | Real estate   |
| 2) Property Name       | Konan Nichome Building (tentative name) (*1)                        |
| 3) Acquisition Price   | ¥1,870 million<br>(excluding acquisition costs and consumption tax) |
| 4) Construction Start  | June 2007   |
| 5) Contract Date       | October 24, 2007  |
| 6) Completion Date     | July 2008 (planned)   |
| 7) Acquisition Date    | December 2008 (planned) (*2)  |
| 8) Seller              | Tokyo Tatemono, Co., Ltd.   |
| 9) Funding             | To be determined  |

(\*1) Construction of the building already started in June 2007. Though it has not been completed when the purchase contract was concluded, JPR plans to acquire the property after its completion on the

assumption that it will be completed.

(\*2) The acquisition and payment for the transaction of the property shall be stopped unless all the terms and conditions for the transfer of the property, clearly indicated in the real estate transaction agreement that was concluded with the seller, are fulfilled.

### 3. Details of Property for Acquisition

Property Name		Konan Nichome Building (tentative name)	
Location	Registered	Land	2-7-13, Koan, Minato-ku, Tokyo
		Bldg.	To be determined
	Residential	To be determined	
Access		Ten minutes on foot from Shinagawa Station, JR (Yamanote Line, Tokaido Main Line, Keihin Tohoku Line, Yokosuka Line and Tokaido Shinkansen Line) and Keihin Kyuko Main Line	
Use		Office space, parking facilities	
Type of Ownership		Land: Ownership (Co-ownership: 45.6%) Bldg.: Unit ownership (floors 5 - 7)	
Site area	Land	Total site area (registered indication)	828.82m <sup>2</sup>
		Co-ownership equity to be acquired by JPR	377.94m <sup>2</sup>
	Bldg. (*1)	Gross floor area	5,446.77m <sup>2</sup>
		Proprietary floor area	3,729.62m <sup>2</sup>
	Net floor area to be acquired by JPR	1,700.58m <sup>2</sup>	
Type of Structure		S B1/8F	
Completion Date		July 2008 (planned)	
Architecture and Design		Shimizu Corporation	
Construction		Shimizu Corporation	
Building Construction Authorization Agency		Tokyo Bldg-Tech Center Co., Ltd.	
Agency to Prepare Building Situation Appraisal Report		None	
Building Specifications	Rentable floor space	566.86m <sup>2</sup>	
	Ceiling height	2,700mm	
	Air Conditioning System	Separate system on each floor	
	Type of flooring	Office-automation compatible floor (100mm)	
Appraisal (*2)	Appraiser	Japan Real Estate Institute	
	Appraisal Value	¥1,890 million	
	Appraisal Date	August 1, 2007	
Probable Maximum Loss		11.5% 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	
Major Tenants		To be determined	
Total Leasable Floor Space		1,700.58m <sup>2</sup>	
Remarks		The building area and other figures indicated above are in accordance to the current plans. They may be subject to change due to future changes to the construction plans.	

(\*1) The entered figures are based on the latest area table.

(\*2) Since the building is not yet completed, the figure was obtained by applying appraisal valuation methods that assumed that the building was completed at the time specified in the appraisal.

### 4. Acquisition of the Property

#### 1) Location of the Property

The property is located close to the east exit of Shinagawa Station. The area has seen a tremendous growth in concentration of corporations, mainly of large companies, due to the construction of large-scale office buildings and the launch of Tokaido Shinkansen (bullet train) operations at Shinagawa Station. The property is equipped with the latest fundamental facilities, and JPR evaluates it as a facility with high competitive advantages.

## 2) Efforts on Development Properties

Although the subject property is still under construction to be completed in July 2008, JPR has concluded a contract with the seller that allows the property to be transferred to JPR in five months after completion. By doing so, JPR has taken appropriate countermeasures for risk management to avoid risks regarding the building completion, delay in schedule or tenant solicitation as much as possible. JPR will continue to work proactively in acquiring development properties as a means to avoid excessive competition in property acquisitions and acquire blue-chip properties.

## 3) Collaboration with the Sponsor Company

Tokyo Tatemono Co., Ltd., an investor in JPR's asset manager, has participated in the development of the property (\*1) with accurate knowledge of the landowner's desire to make the best use of assets. JPR is to acquire the unit ownership portion of the co-ownership and the building, which are planned to be owned by Tokyo Tatemono.

(\*1) The project has been structured in a way in which Tokyo Tatemono Co., Ltd. constructs the building on the land owned by the landowner and, after completion, Tokyo Tatemono will exchange a portion of the building it owns for a portion of the land owned by the landowner that is of equivalent value.

## 5. Lease Agreement Details

Details have not been decided yet

## 6. Details of Appraisal Value

Appraiser	Japan Real Estate Institute
Appraisal Value (Appraisal Date)	¥1,890 million (August 1, 2007)
(Reference)	
Capitalized Value through Direct Capitalization Method	¥1,908 million
Net Cash Flow (NCF)	¥91,607 thousand
Cap Rate	4.8%
Capitalized Value through Discounted Cash Flow (DCF) Method	¥1,860 million
Discount Rate	4.5%
Terminal Cap Rate	5.0%

## 7. Seller Profile

Company Name	Tokyo Tatemono Co., Ltd.
Head Office Address	9-9, Yaesu 1-chome, Chuo-ku, Tokyo
Representative	Makoto Hatanaka, President and Representative Director
Capital	¥77,181million (as of December 31, 2006)
Major Shareholders	Japan Trustee Services Bank, Ltd. (entrusted) and others (as of December 31, 2006)
Principal Activities	Real estate business
Relationship with JPR and the Asset Manager	Tokyo Tatemono Co., Ltd. is a shareholder of JPR's asset management company, Tokyo Realty Investment Management, Inc. (TRIM), and falls within the scope of interested parties as defined by JPR's Board of Directors. JPR 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 Previous Owners

Previous Owner	Owners before Previous Owner (land portion)
1) Company name Tokyo Tatemono Co., Ltd (*1) 2) Relationship with JPR and its Asset Management Company Major shareholder of JPR's asset manager 3) Acquisition Background, reason, etc. The property is a development property in which the previous owner participates as operator. As such, the acquisition price (including other expenses) and the acquisition date have been omitted.	Parties with which no special interest relationship exists

(\*1)For details of Tokyo Tatemono Co., Ltd., please refer to "7. Seller Profile."

## 9. Sales Agent Profile

There will be no sales agent, as the property is planned to be acquired through a direct transaction between JPR and the seller.

## 10. Outlook

Despite the acquisition (contract conclusion) of the subject property, the operating forecasts for JPR's 12<sup>th</sup> fiscal period, the six months ending December 31, 2007, remain unchanged.

### [Attachments]

1. Portfolio after property acquisition
2. Appearance image of the subject property at completion

## 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	6.2%
	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%
	<b>Office</b>	<b>Konan Nichome Bldg. (tentative name) (Note3)</b>	<b>Minato-ku, Tokyo</b>	<b>Dec. 2008 (planned)</b>	<b>1,870</b>	<b>0.7%</b>
	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%
<b>Subtotal</b>					<b>96,871</b>	<b>36.8%</b>
Greater Tokyo (Note4)	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	0.3%
	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	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	1.6%
	Retail	Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 2007	15,080	5.7%
<b>Subtotal</b>					<b>77,931</b>	<b>29.6%</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	0.6%
	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) (Note5)	Osaka, Osaka	Mar. 2009 (planned)	9,250	3.5%
	<b>Subtotal</b>					<b>88,227</b>
<b>Total</b>					<b>263,029</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. JPR concluded a contract to purchase the Konan Nichome Building (tentative name) on October 24, 2007. However, the acquisition date is scheduled to be in December 2008.
4. As Kawasaki Dice Special Purpose Company (TMK) made a resolution on August 20, 2007 that the TMK would be liquidated, the TMK's preferred securities (total acquisition price of 1,553 million yen) have been excluded from the portfolio list.
5. JPR concluded a contract to purchase the KM Fukugo Building (tentative name) on March 30, 2007. However, the acquisition date is scheduled to be in March 2009.

**Attachment 2**

Appearance image of the subject property at completion



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