

October 31, 2007

For Translation Purposes Only

For Immediate Release

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Notice Concerning Change in a Tenant at Strasse Ichibancho

Japan Prime Realty Investment Corporation (JPR) announced that it today received a report from a lessee that the lessee had received a notification concerning the cancellation of a lease contract from a sublessee at Strasse Ichibancho, a retail property in Sendai City owned by JPR, as described below.

Details

1. Overview of Lease Contract and Notification of Cancellation

The property is master leased to Mitsui Fudosan Co., Ltd. (lessee) for the whole building, all of which is subleased to FIVE FOXes Co., Ltd. (sublessee) . Below is the outline of the lease and sublease contracts.

(1) Lease contract

| | |
|-------------------------------------|---|
| Contract period: | October 31, 2002 - October 31, 2012 |
| Tenant name: | Mitsui Fudosan Co., Ltd. |
| Leased floor space: | 4,136.95m ² (Note 1) |
| Contracted annual rent: | Lessee shall pay the amount equivalent to the rent it receives from the sublessee |
| Cancellation before maturity, etc.: | Cancellation is allowed |

(2) Sublease contract

| | |
|------------------|-------------------------------------|
| Contract period: | October 31, 2002 - October 31, 2012 |
|------------------|-------------------------------------|

Tenant name: FIVE FOXes Co., Ltd.
Leased floor space: 4,136.95 m² (Note 1)
Contracted annual rent: 256 million yen (Note 2)
Cancellation
before maturity, etc.: Cancellation not allowed for 4 years after the lease start, but is possible after the period with an advance notice of 12 months

(Note 1) The figure represents 1.1% of the total leased floor areas of the entire JPR portfolio as of the end of September 2007.

(Note 2) The contracted annual rent is the sum of the monthly rent, common expenses and others designated in the contract for twelve months. Furthermore, the rental revenues from the property for the 11th fiscal period ended June 2007 represented 1.4% of the total rental revenues from the entire portfolio for the same period.

2. Overview of Notification of Cancellation (Note 3)

Desired cancellation date: February 29, 2008

(Note 3) There is no notification of cancellation regarding the lease contract between Mitsui Fudosan Co., Ltd.

3. Future Arrangement

The replacing tenant after the cancellation of the concerned lease contract is yet to be decided, but JPR will start solicitation together with Mitsui Fudosan Co., Ltd., the real estate management consignee.

In addition, if the contract is cancelled on the desired cancellation date as indicated above, the sublessee will pay an amount equivalent to the deficient portion of the rent for the advanced notice period, since the sublease contract requires an advanced notice of 12 months for cancellation before maturity of the contract period.

4. Impact of the Cancellation on JPR's Performance

Despite the cancellation, no change will be made to the forecasts of JPR's performance for the 12th fiscal period ending December 2007.