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For Translation Purposes Only

For Immediate Release

Japan Prime Realty Investment Corporation
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Notice Concerning Acquisition of Property and Conclusion of Agreement on the Acquisition

Japan Prime Realty Investment Corporation (JPR) today announced it acquired an asset (preferred securities) and concluded an agreement concerning the acquisition, as outlined below.

Details

1. Reason for Acquisition

JPR will acquire a new specified property in accordance with its fundamental investment policy to enhance and stabilize its investment portfolio.

2. Acquisition Details

- | | |
|---------------------------|--|
| 1) Type of Acquisition | Preferred securities (hereafter "these Preferred Securities") supported by cash flows acquired from real estate |
| 2) Property Name | Meiki Nichome Kaihatsu Special Purpose Company (*1) (hereafter "TMK") Preferred Securities |
| 3) Supporting Real Estate | Portion of the Nagoya Prime Central Project owned by TMK (88.623% of the office building) (hereafter "Property") |

4) Contract Date, Acquisition Date, Seller, Acquisition Price (Planned), etc.

	Contract Date	Acquisition Date	Seller	Acquisition Price (Planned) (*2)	Preferred Equity Ratio	Funding
A	November 9, 2007	November 9, 2007	Shimizu Corporation	¥340 million (*3)	3%	Cash on hand
B		May 2009 (One day after completion of construction)		¥1,643 million (*3) (*5)	12%	TBD
C		April 2010 (planned) (One year after completion of construction)	Marubeni Corporation	TBD (*4) (*5)	25%	TBD

*1 Meieki Nichome Kaihatsu Special Purpose Company is a Tokutei Mokuteki Kaisha based on the Law Concerning Asset Securitization.

*2 Acquisition costs are not included.

*3 Refer to “3. Details and risks of these Preferred Securities.” While the sum of the acquisition prices (planned) by A and B is ¥1,983 million (= ¥340 million + ¥1,643 million), 15% (total preferred securities ratio of A and B) of the amount of TMK’s preferred securities (appraisal value of the Property + cash equivalents - liabilities) is ¥2,055 million.

*4 This will be decided through a certain calculation method in April 2010.

*5 Regarding the acquisition of these Preferred Securities and payment for the transaction, B and C, it shall be stopped unless all the terms and conditions for the transfer of these Preferred Securities, as clearly indicated in the agreement on transfer of preferred securities to be concluded with the sellers, are satisfied.

3. Details and Risks of these Preferred Securities

(1) Details of these Preferred Securities

These Preferred Securities use cash flow received from the Property as capital, and distribute dividends according to the Preferred Securities rate of investors.

In addition, by the acquisition of these Preferred Securities, in the event of sales of the Property by TMK in the future, JPR will be able to acquire co-ownership and unit ownership of the Property equivalent to the ratio of the Preferred Securities at a price that is not affected by involvement in excessive market competition and will lead to acquisition of blue-chip office buildings.

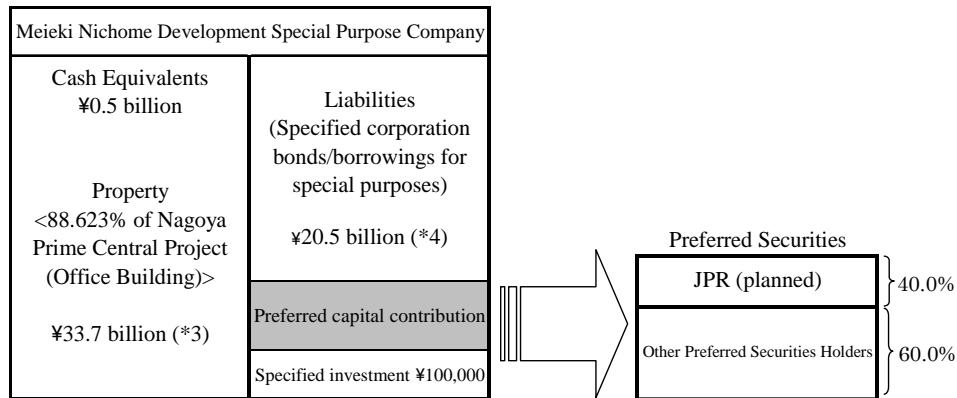
(2) Risks of these Preferred Securities

Due to the acquisition of Preferred Securities A in November 2007, JPR will practically bear some of the risks (*1) related to the development of the Property.

On the other hand, however, when JPR additionally acquires Preferred Securities B and C gradually, the payment for the transactions shall be stopped unless all the terms and conditions for the acquisition of these Preferred Securities are met (*2). By doing so, JPR has taken measures to eliminate the burden of risks related to the development of the Property.

(Reference) Diagram of the Acquisition Scheme

(Expected Balance Sheet of the TMK after these Preferred Securities are Acquired)



*1 The risks include those regarding the building completion, delay in schedule or failure in soliciting tenants.

*2 JPR will pay the transaction proceeds after confirming that all the terms and conditions, including the completion of the building, have been satisfied.

*3 Appraisal value in the survey report by the Japan Real Estate Institute

*4 Value expected at present

4. Characteristics and Details of the Property

(1) Characteristics of the Property

The Nagoya Prime Central Project is a large-scale multi-use redevelopment project in which the TMK, Tokyo Tatemono Co., Ltd. and Marubeni Corporation develop offices, shops, residences, parking lots, a bus operation center, etc. by utilizing the remaining site for the Nagono Branch of Nagoya City Traffic Bureau. With constructions already started in June 2007, the project is scheduled for completion in April 2009.

The project is located in the neighborhood of Nagoya Station, where urban development is under way and commercial and business functions are increasingly concentrated, reflecting good economic conditions in recent years. The project is a multi-use redevelopment project that fuses business/commercial functions with housing functions in the center of the city, and its facilities will make a great contribution to the vitalization of the region. The office building has 24 stories above ground with a total floor area of approximately 50,000m², and is equipped with state-of-the-art facilities. As such, JPR highly evaluates it as an investment target.

(2) Details of the Property

1) Overview of the property

Property Name		Nagoya Prime Central Project (Office Building)	
Location	Registered	Land	2705, Meieki 2-chome, Nishi Ward, Nagoya-shi, Aichi and others
		Bldg.	To be determined
	Residential	To be determined	
Access		7 minutes on foot from Nagoya Station, JR; 9 minutes on foot from Shin-Nagoya Station, Nagoya Railroad; and 4 minutes on foot from Nagoya Station, Subway Higashiyama Line and Sakuradori Line	
Use		Office space, retail space and parking facilities (parking is in a separate building)	
Type of Ownership		Land: Ownership (*2) (Unit surface rights for Nagoya City Traffic Bureau is planned to be set for a portion of the land)	
		Bldg.: To be determined (portion TMK will acquire: to be determined)	
Site area	Land (*2)	Total development site area (registered indication)	7,463.10㎡
		Gross floor area	49,778.45㎡
	Bldg. (*3)	Proprietary floor area	47,703.58㎡
		Net floor area to be acquired by TMK	42,276.34㎡
Type of Structure		S B1/24F	
Completion Date		April 2009 (planned)	
Architecture and Design		Shimizu Corporation	
Construction		Shimizu Corporation	
Building Construction Authorization Agency		The Building Center of Japan	
Agency to Prepare Building Situation Appraisal Report		None	
Building Specifications	Rentable floor space	1,556.98㎡	
	Ceiling height	2,800mm	
	Air Conditioning System	Separate system on each floor	
	Type of flooring	Office-automation compatible floor	
Appraisal (*4)	Appraiser	Japan Real Estate Institute	
	Appraisal Value	¥33,700 million	
	Appraisal Date	September 1, 2007	
Probable Maximum Loss		<p>4.3% based on the earthquake risk assessment report prepared by the Shinozuka Research Institute.</p> <p>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.</p>	
Collateral		Yes (*5)	
Number of Tenants		To be determined	
Major Tenants		To be determined	
Total Leasable Floor Space		Total leasable floor space of the whole building: 34,265.56㎡ Area to be owned by TMK: 30,367.17㎡	
Remarks		<ul style="list-style-type: none"> 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. Harmful substances (arsenic, lead and fluorine) were detected in some parts of the land that surpassed the standards designated in the Regulations on Maintenance of the Environment that Secures Health and Safety of Citizens of Nagoya City. However, replacement work of the soil has already been conducted based on said regulation. 	

*1 The above data is the situation of the Property that supports the Preferred Securities.

*2 Currently, the site area is owned separately by TMK and the current owner.

*3 Entered figures are based on the latest area table.

*4 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.

*5 As of November 9, 2007, the below collateral has been set for some parts of the land.

	Type of collateral	Debtor	Mortgagee	Limit
First	mortgage (temporarily registered)	TMK	Mizuho Corporate Bank	¥2,000,000,000
Second	mortgage (temporarily registered)	TMK	Mizuho Corporate Bank	¥9,156,132,597
Second	mortgage (temporarily registered)	TMK	Sumitomo Trust & Banking	¥11,303,867,404
Third	mortgage (temporarily registered)	TMK	Mizuho Corporate Bank	¥990,000,000

2) Details of Appraisal Value

Appraiser	Japan Real Estate Institute
Appraisal Value (Appraisal Date)	¥33,700 million (September 1, 2007)

(Reference: Capitalized Value of the Entire Office Building)

Capitalized Value through Direct Capitalization Method	¥38,600 million
Net Cash Flow (NCF)	¥1,738 thousand
Cap Rate	4.5 %
Capitalized Value through Discounted Cash Flow (DCF) Method	¥37,300 million
Discount Rate	4.3 %
Terminal Cap Rate	4.7 %

5. Profile of the Seller of these Preferred Securities

(1) Seller of A and B

Company Name	Shimizu Corporation
Head Office Address	1-2-3 Shibaura, Minato-Ku, Tokyo 105-8007
Representative	Yoichi Miyamoto, President and Representative Director
Capital	¥74,365 million (as of March 31, 2007)
Major Shareholders	Shimizu Jisho Co, Ltd. and others (as of March 31, 2007)
Principal Activities	Construction business
Relationship with JPR and the Asset Manager	None

(2) Seller of C

Company Name	Marubeni Corporation
Head Office Address	4-2, Ohtemachi 1-chome, Chiyoda-ku, Tokyo
Representative	Nobuo Katsumata, President and CEO, Director
Capital	¥262,686 million (as of March 31, 2007)
Major Shareholders	Japan Trustee Services Bank, Ltd. (Trust Account) (as of March 31, 2007)
Principal Activities	Wholesale business
Relationship with JPR and the Asset Manager	None

6. Profile of Owners of these Preferred Securities

(1) Previous owner of A and B

Previous Owner	Owners before Previous Owner
<ol style="list-style-type: none">1) Company name Shimizu Corporation2) Relationship with JPR and its Asset Management Company No special interest relationship exists3) 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.	-

(2) Previous owner of C

Previous Owner	Owners before Previous Owner
<ol style="list-style-type: none">1) Company name Marubeni Corporation2) Relationship with JPR and its Asset Management Company No special interest relationship exists3) 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.	-

7. Outlook

Since the impact of the acquisition of these Preferred Securities on JPR's asset management is rather small, the operating forecasts for JPR's 12th fiscal period, the six months ending December 31, 2007, remain unchanged.

[Attachments]

1. Portfolio after acquiring these Preferred Securities
2. Appearance image of the Property at completion

Attachment 1

Portfolio after acquiring these Preferred Securities

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	6.1%
	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	4.2%
	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%
	Office	Konan Nichome Bldg. (tentative name) (Note3)	Minato-ku, Tokyo	Dec. 2008 (planned)	1,870	0.7%
	Retail	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	4.5%
	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					96,871	36.6%
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	3.8%
	Retail	The Cupola Main Bldg.	Kawaguchi, Saitama	Mar. 2006	2,100	0.8%
	Retail	JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Sep. 2006	7,260	2.7%
	Retail	Musashiurawa Shopping Square	Saitama, Saitama	Mar. 2007	4,335	1.6%
	Retail	Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 2007	15,080	5.7%
	Subtotal					77,931

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	3.1%
	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%
	Office	Meieki Nichome Kaihatsu Tokutei Mokuteki Kaisha Preferred Securities (Note5) (Note6)	Nagoya, Aichi	Nov. 2007 Apr. 2009(planned) May. 2010(planned)	1,983 (Note7)	0.7%
	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	2.0%
	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) (Note8)	Osaka, Osaka	Mar. 2009 (planned)	9,250	3.5%
Subtotal					90,210	34.0%
Total					265,012	100.0%

(Note 1) The “Acquisition Price” is the amount identified in the purchase agreement and does not include acquisition costs and consumption tax.

(Note 2) Percentages are rounded to the first decimal point.

(Note 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.

(Note 4) Regarding Kawasaki Dice TMK preferred securities (acquisition date: December 21, 2005, acquisition value: 1,553 million yen), liquidation was completed as of October 31, 2007

(Note 5) Meieki Nichome Kaihatsu Special Purpose Company is a Tokutei Mokuteki Kaisha based on the Law Concerning Asset Securitization. As of April 2010, JPR will acquire 40.0% of the issued preferred securities of the TMK.

(Note 6) Regarding Meieki Nichome Kaihatsu Special Purpose Company preferred securities, an agreement on the transfer of preferred securities was concluded as of November 9, 2007. The acquisition of the preferred securities will be conducted on November 9, 2007 (acquired), May 2009 (planned) and April 2010 (planned).

(Note 7) Among the three acquisitions indicated in (Note 6), the acquisition price for April 2010 is not yet determined at this time. Therefore, the acquisition price for April 2010 is not included in this acquisition price.

(Note 8) 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 Property at completion

