

March 31, 2008

**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 additional ownership in Shinjuku Sanhome East Building, as outlined below. The scheduled acquisition date is in April 24, 2008.

#### 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 additional ownership in a retail property in the center of Tokyo.

In deciding on the acquisition, JPR particularly appreciated that the value of Shinjuku Sanhome East Building and its management efficiency could be enhanced by increasing JPR's ownership in the property for which JPR has partial unit ownership by utilizing its preferential negotiating rights.

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

- |                        |   |
|------------------------|---|
| 1) Type of Acquisition | Real estate and leasing rights of real estate                                       |
| 2) Property Name       | Shinjuku Sanhome East Building<br>(additional ownership)                            |
| 3) Acquisition Price   | ¥2,200 million (excluding acquisition costs,<br>consumption tax and other expenses) |
| 4) Contract Date       | March 31, 2008  |
| 5) Acquisition Date    | April 24, 2008 (planned)  |

- 6) Seller D&M Holdings Inc.  
7) Funding Funding through borrowings and cash on hand

### 3. Details of Property for Acquisition

Property Name		Shinjuku Sanhome East Building (additional ownership)		
Location	Registered	Land	132, Shinjuku 3-chome, Shinjuku-ku, Tokyo, and others	
	Residential	Bldg.	132-1, Shinjuku 3-chome, Shinjuku-ku, Tokyo	
Access		One minute on foot from Shinjuku Sanhome Station on the Toei Subway Shinjuku Line and two minutes on foot from Shinjuku Sanhome Station on the Tokyo Metro Marunouchi Line		
Use		Retail, Parking facilities		
Type of Ownership		Land: Ownership (unit ownership) / lease Building: Co-ownership of unit ownership (co-ownership: 16.7%, other co-owners: Toei Corporation and two others)		
Site area (registered)	Land (Ownership)	Total site area (registered) (*1)		2,578.69㎡
		Area of site to be acquired this time		11.56㎡
		Area of site owned by JPR		81.89㎡
	Bldg. (Ownership)	Gross floor area of the entire building		24,617.65㎡
		Proprietary floor area		11,079.87㎡
		Proprietary floor area to be acquired this time		1,853.64㎡
	Proprietary floor area owned by JPR		2,328.14㎡	
Land (Leasing rights)	Area of site to be leased		263.19㎡	
	Lease period		Until September 20, 2034	
Type of Structure (registered)		S・RC・SRC with flat roof, B3/14F		
Completion Date (registered)		January 31, 2007		
Architecture and Design		Taisei Corporation First Class Registered Architect		
Construction		Taisei Corporation		
Building Construction Authorization Agency		Government		
Agency to Prepare Building Situation Appraisal Report		Nikken Sekkei Construction Management, Inc.		
Appraisal	Appraiser		Japan Real Estate Institute	
	Appraisal Value		¥2,000 million	
	Appraisal Date		March 1, 2008	
Probable Maximum Loss		12.4% (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		1		
Tenant		Marui Co., Ltd.		
Total Leasable Floor Space (*2)		1,869.30㎡		
Total Leased Floor Space (*2)		1,869.30㎡		
Occupancy Rate		100.0%		
Assumed NOI (NOI Return) (*3)		Portion to be acquired this time: ¥81million (3.7%) Portion to be owned by JPR: ¥106 million (3.8%)		
Remarks		None		

(\*1) This amount includes the portion owned by other unit-owners. The asset's site comprises ten parcels of land, two of which are the portion owned by JPR including the amount acquired this time. The remaining eight parcels are owned by each of the asset's unit owners.

(\*2) Because the entered figures are calculated from the leasing contract, it is different from the site area which is registered.

(\*3) The assumed NOI is an estimate for the fiscal year in which the property acquisition was made and is exclusive of extraordinary factors. The assumed NOI is not for the current fiscal year under review and has also been prepared based on the following assumptions.

(1) The occupancy rate is 100%.

(2) The same amount as in fiscal 2007 is assumed for property and other taxes.

## 4. Aim of Property Acquisition

### 1) Superior Location

JPR evaluates the asset to have high visibility and strong customer recognition as it faces Shinjuku-dori and Koshu-kaido, the major streets running through the commercial areas of the central Shinjuku district, and forms a multi-use facility including a cinema complex. Furthermore, its access to transportation will improve with the scheduled opening of the Tokyo Metro Fukutoshin Line in June 2008, which is expected to further improve its capability to attract customers.

### 2) Improvement of Investment Efficiency

Through collaboration with Taisei Corporation, an investor in JPR's asset management company, investment in the asset was initiated in March 2007 by becoming a co-owner by acquiring unit ownership of 4.28% of the asset. Now, through this acquisition of additional ownership, unit ownership of the asset has increased from 4.28% to 21.01%, and an improvement of investment and management efficiency can be expected.

To enhance investment and management efficiency, JPR acquired a portion of the development-type property through cooperation with the company investing in JPR's asset management company and handles management while acquiring additional ownership of the property. JPR believes that this style of investment will be one of the characteristics of the investment corporation.

## 5. Seller Profile

Company Name	D&M Holdings, Inc.
Head Office Address	2-1 Nisshin-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa
Representative	Eric C. Evans, Representative Executive Officer
Capital	¥3,715 million (as of September 30, 2007)
Major Shareholders	RHJ International and others
Principal Activities	Holding company of audio equipment manufacturing, sales-related companies
Relationship with JPR	None

## 6. Ownership Before and After Property Acquisition

### 1) Acquisition Price / Area of Proprietary Site

	March 14, 2007 Acquisition Portion	This Acquisition Portion	Total
Acquisition Price	¥540 million	¥2,200 million	¥2,740 million
Area of Proprietary Site (equivalent share)	474.50m <sup>2</sup>	1,853.64m <sup>2</sup>	2,328.14m <sup>2</sup>
Percentage of Total Area of Proprietary Site	4.28%	16.73%	21.01%

## 7. Profile of Previous Owners

Seller (Previous Owner)	Owners before Previous Owner
1) Company name D&M Holdings, Inc. 2) Relationship with JPR and its Asset Management Company No special interest relationship exists 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.	—

## 8. Sales Agent Profile

### 1) Sales Agent

The sales agent contracted for the acquisition of the asset is Mizuho Trust & Banking Co., Ltd. (\*1)

### 2) Brokerage Fee: ¥66million (excluding consumption tax)

(\*1) Mizuho Trust & Banking Co., Ltd. acts as JPR's asset custodian/administrative agent according to the Law concerning Investment Trusts and Investment Corporations (hereafter, the "Investment Trust Law"), and is neither a related party, etc. of Tokyo Realty Investment Management, Inc. as defined in the Investment Trust Law nor an "interested party" as defined by the rules of JPR's Board of Directors.

## 9. Outlook

Operating forecasts for JPR's 13<sup>th</sup> fiscal period (the six months ending June 30, 2008) remain unchanged.

### 【Attachments】

1. Portfolio after property acquisition
2. Schematic drawing of the subject property (building only)
3. Appearance image of the subject property

## Attachment 1

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	5.6%
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	1.0%
	Office	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	0.7%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002 Nov. 2004	2,420	0.8%
	Office	JPR Crest Takebashi Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	1.4%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	3.9%
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	1.0%
	Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003 Apr. 2005	2,920	1.0%
	Office	JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	May 2004	5,100	1.8%
	Office	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 2004	3,500	1.2%
	Office	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2004	10,000	3.5%
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004 Apr. 2005	11,821	4.1%
	Office	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 2004	710	0.2%
	Office	Shinjuku Center Bldg.	Shinagawa-ku, Tokyo	Mar. 2008	21,000	7.3%
	Office	Shinagawa Canal Bldg. (Note3)	Minato-ku, Tokyo	Dec. 2008 (planned)	1,870	0.6%
	Retail	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	4.2%
	Retail	JPR Daikanyama	Shibuya-ku, Tokyo	Oct. 2004	2,160	0.7%
	Retail	JPR Jingumae 432	Shibuya-ku, Tokyo	Mar. 2006	4,460	1.5%
	<b>Retail</b>	<b>Shinjuku Sanchome East Bldg.</b>	<b>Shinjuku-ku, Tokyo</b>	<b>Mar. 2007 Apr. 2008</b>	<b>2,740</b>	<b>1.0%</b>
	<b>Subtotal</b>					<b>120,071</b>
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	2.0%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	0.8%
	Office	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	1.0%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.3%
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	2.8%
	Office	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	1.1%
	Office	Tachikawa Business Center Bldg.	Tachikawa, Tokyo	Sep. 2005 Feb. 2007	3,188	1.1%
	Office	Rise Arena Bldg.	Toshima-ku, Tokyo	Mar. 2007	5,831	2.0%
	Office	Yume-ooka Office Tower	Yokohama, Kanagawa	Jul. 2007	6,510	2.3%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	3.5%
	Retail	The Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 2006	2,100	0.7%
	Retail	JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Sep. 2006	7,260	2.5%
	Retail	Musashiurawa Shopping Square	Saitama, Saitama	Mar. 2007	4,335	1.5%
	Retail	Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 2007	15,080	5.2%
	<b>Subtotal</b>					<b>77,931</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	0.7%
	Office	Meiji Yasuda Life Osaka Umeda Bldg.	Osaka, Osaka	Dec. 2001	8,300	2.9%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	1.4%
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	1.0%
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	0.5%
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	1.3%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	1.1%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	0.6%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	1.0%
	Office	JPR Nagoya Sakae Bldg.	Nagoya, Aichi	Sep. 2003	4,550	1.6%
	Office	JPR Dojima Bldg.	Osaka, Osaka	Jan. 2004	2,140	0.7%
	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	1.4%
	Office	Meieki Nichome Kaihatsu Tokutei Mokuteki Kaisha Preferred Securities (Note4) (Note5)	Nagoya, Aichi	Nov. 2007 Apr. 2009(planned) May. 2010(planned)	1,983 (Note6)	0.7%
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	4.5%
	Retail	Strasse Ichibancho	Sendai, Miyagi	Feb. 2005	4,200	1.5%
	Retail	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May 2005	5,430	1.9%
	Retail	Housing Design Center Kobe	Kobe, Hyogo	Sep. 2005	7,220	2.5%
	Retail	JPR Chayamachi Bldg.	Osaka, Osaka	Aug. 2006	6,000	2.1%
	Retail	KM Fukugo Bldg. (tentative name) (Note7)	Osaka, Osaka	Mar. 2009 (planned)	9,250	3.2%
<b>Subtotal</b>					<b>90,210</b>	<b>31.3%</b>
<b>Total</b>					<b>288,212</b>	<b>100.0%</b>

(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 changed the name of the building from the Konan Nichome Building (tentative name) to Shinagawa Canal Building on March 19 2008 and concluded a contract to purchase this Building on October 24, 2007. However, the acquisition date is scheduled to be in December 2008.

(Note 4) 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.

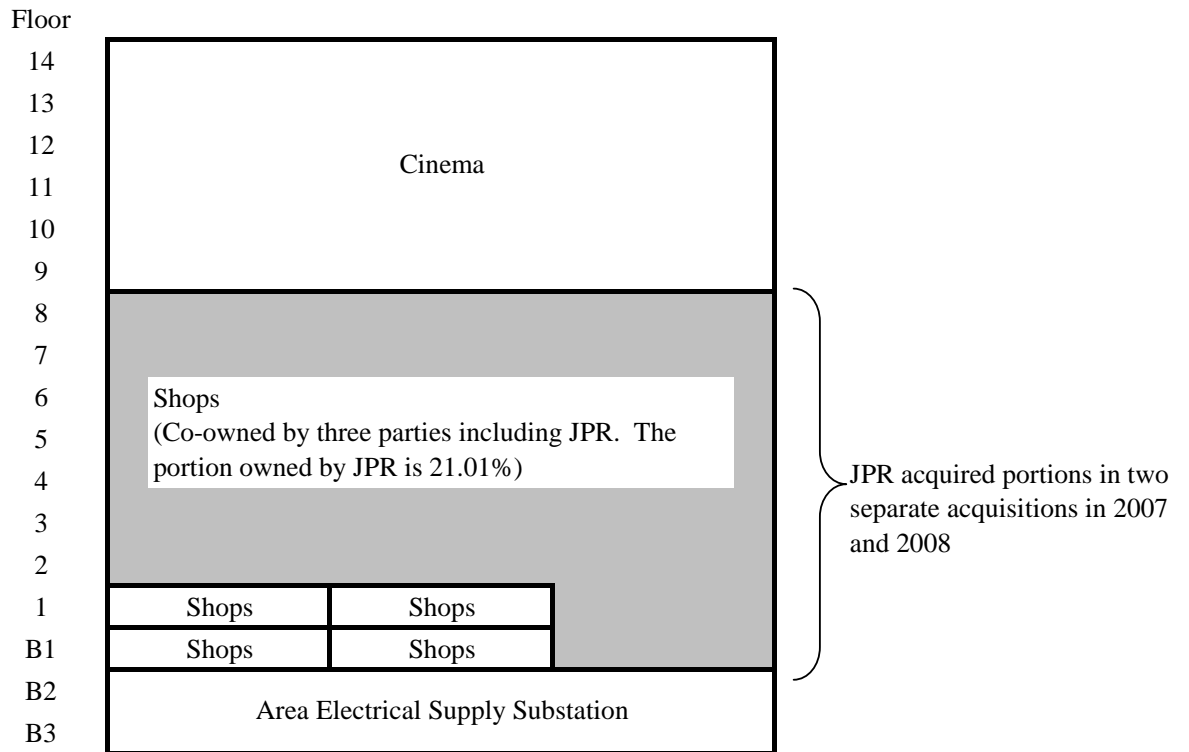
(Note 5) Regarding Meieki Nichome Kaihatsu Special Purpose Company preferred securities, an agreement on the transfer of preferred securities was concluded as of November 9, 2007. The acquisition of the preferred securities will be conducted on November 9, 2007 (acquired), May 2009 (planned) and April 2010 (planned).

(Note 6) 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 7) 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**

Schematic drawing of the subject property (building only)



**Attachment 3**

Appearance image of the subject property

