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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 Sendagaya Yonchome Building (tentative name), as outlined below. The acquisition is scheduled to take place in May 2010.

Details

1. Reason for Acquisition

JPR is acquiring a new office building in Tokyo CBDs in accordance with its basic policies and investment stance on asset management as provided in its articles of incorporation in an effort to stabilize and enhance its investment portfolio.

2. Acquisition Details

- 1) Type of Acquisition: Real estate
- 2) Property Name: Sendagaya Yonchome Building (tentative name) (*1)
- 3) Acquisition Price: ¥15,050 million
(excluding acquisition costs, consumption tax and other expenses)
In the event profitability improves as a result of efforts by the seller to attract tenants, etc. the acquisition price is subject to revision at the maximum of 16,500 million yen based on a predetermined formula.
- 4) Contract Date: June 30, 2008
- 5) Acquisition Date: May 2010 (planned) (*2)
- 6) Seller: Sendagaya Kaihatsu Tokutei Mokuteki Kaisha

- 7) Funding: To be determined
 8) Payment Method Lump-sum payment at the time of transfer

(*1) Construction of the building already started in June 2008. 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 Planned Acquisition

Property Name		Sendagaya Yonchome Building (tentative name)	
Location	Registered	Land	20-11 Sendagaya 4-chome, Shibuya-ku, Tokyo
	Residential	Bldg.	To be determined
Access		6 minutes on foot from JR Sendagaya Station; 6 minutes on foot from Kokuritsu-Kyogijo Station on the Toei Subway Oedo Line; 7 minutes on foot from Yoyogi Station on the JR and Toei Subway Oedo Lines; 4 minutes on foot from Kita-Sando Station on the Tokyo Metro Fukutoshin Line	
Use		Office space, shops, parking area	
Type of Ownership		Land: Ownership Bldg.: Ownership	
Site Area	Land	Total site area (registered indication)	2,217.49㎡
	Bldg.	Gross floor area (*1)	8,146.53㎡
Type of Structure		S 8F	
Completion Date		May 2009	
Architecture and Design		Toda Corporation Ikkyu Kenchikushi Jimusho	
Construction		Toda Corporation	
Building Construction Authorization Agency		Center of International Architectural Standard	
Building Specifications	Leasable floor area of standard floor	817.20㎡	
	Ceiling height of standard floor	2,800mm	
	Air conditioning system	Separate system on each floor (Zone control)	
	Type of flooring	OA floor	
Appraisal	Appraiser	HIRO & REAS network, Inc.	
	Appraisal value	¥15,100 million (*2)	
	Appraisal date	June 1, 2008	
Probable Maximum Loss (*3)		13.6% (based on the earthquake risk assessment report prepared by the Shinozuka Research Institute) Probable Maximum Loss (PML) refers to the probability of the maximum loss expected to be caused by an earthquake based on earthquake risk analyses. 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 here refers to the level of expected damages caused by an earthquake of the assumed maximum size for the assumed expected period of economic life of a building, expressed as a percentage (%) of the replacement price of the amount of physical loss equivalent to a non-exceedance probability of 90%. The expected period of economic life of a building is 50 years, which is the useful life of a standard building. An earthquake of the assumed maximum size here means a major earthquake that happens once every 475 years and has a 10% probability of occurring within 50 years.	
Collateral		None	
Number of Tenants		To be determined	
Major Tenants		To be determined	
Total Leasable Floor Area (*3)		6,176.28㎡	
Assumed NOI (NOI Yield) (*4)(*5)		¥600 million (4.0%)	
Remarks		None	

- (*1) The figure is based on the confirmation certificate.
- (*2) JPR will take a new appraisal report on acquiring the property.
- (*3) The figure projected as of the contract date.
- (*4) The figure is based on the estimated revenues and expenditures for a full year, after eliminating extraordinary factors applicable to the period in which the acquisition is made, and an assumed occupancy ratio of 97%.
- (*5) The figure of NOI yield is based on the assumption that the acquisition price will be 15,050 million yen.

4. Aim of Property Acquisition

1) Location, size and other advantages

The Sendagaya area where the property is situated has access to JR Sendagaya and Yoyogi Stations and Kokuritsu-Kyogijo and Yoyogi Stations on the Toei Subway Oedo Line. In addition, the recent opening of the Tokyo Metro Fukutoshin Line has enhanced the convenience of the area in terms of transportation as it now also has access to Kita-Sando Station on said line. In view of the property being equipped with the latest fundamental facilities and having a size of over 800m² in standard floor area, JPR evaluates the property to have advantages in terms of size and facilities over office buildings in the surrounding area.

2) Collaboration with a firm investing in JPR's asset management company

The property is being developed by a tokutei mokutei kaisha (special purpose company established in accordance with the Law Concerning Asset Liquidation) into which investments are made and for which asset management is conducted by Tokyo Tatemono Co., Ltd., a company that invests in JPR's asset management company (hereafter, the "Sponsor"). This collaboration with the Sponsor from the property sourcing stage has enabled JPR to conclude a contract for acquisition of a blue-chip property at an early date.

3) Efforts on Development Projects

Although the property is currently under construction for completion in May 2009, JPR has reached an agreement with the seller that includes handover of the property to JPR about one year after construction of the building is completed. By doing so, JPR avoids the risk of incompleteness of construction of the building, the risk of delays in the construction schedule, the risk of not being able to solicit tenants and other risks as much as possible. On the other hand, JPR has reached an agreement with the seller to revise the acquisition price based on a predetermined formula in the event profitability at the time of acquisition of the property in May 2010 is better than was envisioned when the contract was concluded. Through these measures, JPR will be able to provide incentives to the seller to raise the profitability of the property, and to deal with the risk of not being able to solicit tenants.

5. Seller Profile

Company Name	Sendagaya Kaihatsu Tokutei Mokuteki Kaisha
Head Office Address	1-11 Jimbo-cho, Kanda, Chiyoda-ku, Tokyo (within Sakura & Co. office)
Representative	Tomoyoshi Horikawa
Capital	¥3,227,100,000 (sum total of specified capital and preferred capital)
Major Shareholder	Tokyo Tatemono Co., Ltd.
Principal Activities	Transfer of specified assets in accordance with asset liquidation plans based on the Law Concerning Asset Liquidation, and management and disposal thereof
Relationship with JPR and its Asset Management Company	The seller is a tokutei mokuteki kaisha (special purpose company established in accordance with the Law Concerning Asset Liquidation). Tokyo Tatemono Co., Ltd. has made preferred investment into and is entrusted with asset management from the seller. Accordingly, Tokyo Tatemono Co., Ltd. has certain influence on the decisions made by the seller. 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 in the rules of JPR's Board of Directors. JPR's Board of Directors has provided its authorization to TRIM for this acquisition in advance. Interested parties differ from related parties as defined in the Enforcement Order of the Law Concerning Investment Trusts and Investment Corporations.

6. Profile of Property Purchaser

Seller (Previous Owner)	Owners before Previous Owner (Land)
<p>1) Name Sendagaya Kaihatsu Tokutei Mokuteki Kaisha (*1)</p> <p>2) Relationship with JPR and its asset management company Sendagaya Kaihatsu Tokutei Mokuteki Kaisha is a tokutei mokuteki kaisha (special purpose company established in accordance with the Law Concerning Asset Liquidation). Tokyo Tatemono Co., Ltd., a shareholder of JPR's asset management company, has made preferred investment into and is entrusted with asset management from Sendagaya Kaihatsu Tokutei Mokuteki Kaisha. Accordingly, Tokyo Tatemono Co., Ltd. has certain influence on the decisions made by this previous owner.</p> <p>3) Acquisition background, reason, etc. The property is a development project in which Sendagaya Kaihatsu Tokutei Mokuteki Kaisha participates as operator. As such, the acquisition price (including other expenses) and acquisition timing have been omitted.</p>	<p>Parties with which no special interest relationship exists</p>

(*1) For details of Sendagaya Kaihatsu Tokutei Mokuteki Kaisha, Ltd., please refer to "5. Seller Profile."

7. Sales Agent Profile

- 1) Sales Agent: Tokyo Tatemono Real Estate Sales Co., Ltd.
Tokyo Tatemono Real Estate Sales Co., Ltd. falls within the scope of "interested parties" as defined in the rules of JPR's Board of Directors. JPR has provided its authorization to TRIM for this transaction to act in its capacity as a sales agent.
- 2) Brokerage Fee
The brokerage fee for acquisition of the property to be paid to the abovementioned

sales agent will be 1.8% of the acquisition price (excluding acquisition costs and consumption tax).

8. Outlook

The acquisition of the property does not change the operating forecasts for JPR's thirteenth fiscal period, the six months ending June 30, 2008.

[Attachments]

1. Portfolio after conclusion of contract for the property
2. Appearance image of the property at completion

Attachment 1

Portfolio after conclusion of contract for the property

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	5.4%
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	0.9%
	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	1.3%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	3.7%
	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	1.7%
	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	3.3%
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004 Apr. 2005	11,821	3.9%
	Office	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 2004	710	0.2%
	Office	Shinjuku Center Bldg.	Shinagawa-ku, Tokyo	Mar. 2008	21,000	6.9%
	Office	Shinagawa Canal Bldg. (Note3)	Minato-ku, Tokyo	Dec. 2008 (planned)	1,870	0.6%
	Office	Sendagaya Yonchome Bldg. (tentative name) (Note4)	Shibuya-ku, Tokyo	May. 2010 (planned)	15,050 (Note5)	5.0%
	Retail	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	4.0%
	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%
	Retail	Shinjuku Sanchome East Bldg.	Shinjuku-ku, Tokyo	Mar. 2007 Apr. 2008	2,740	0.9%
Subtotal					135,121	44.6%
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	1.9%
	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	2.7%
	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	1.9%
	Office	Yume-ooka Office Tower	Yokohama, Kanagawa	Jul. 2007	6,510	2.1%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	3.4%
	Retail	The Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 2006	2,100	0.7%
	Retail	JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Sep. 2006	7,260	2.4%
	Retail	Musashiurawa Shopping Square	Saitama, Saitama	Mar. 2007	4,335	1.4%
	Retail	Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 2007	15,080	5.0%
	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	0.7%
	Office	Meiji Yasuda Life Osaka Umeda Bldg.	Osaka, Osaka	Dec. 2001	8,300	2.7%
	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	1.2%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	1.0%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	0.6%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	0.9%
	Office	JPR Nagoya Sakae Bldg.	Nagoya, Aichi	Sep. 2003	4,550	1.5%
	Office	JPR Dojima Bldg.	Osaka, Osaka	Jan. 2004	2,140	0.7%
	Office	JPR hakata Chuo Bldg.	Fukuoka, Fukuoka	Jun. 2004	1,920	0.6%
	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 (Note6) (Note7)	Nagoya, Aichi	Nov. 2007 Apr. 2009(planned) May. 2010(planned)	1,983 (Note8)	0.7%
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	4.3%
	Retail	Strasse Ichibancho	Sendai, Miyagi	Feb. 2005	4,200	1.4%
	Retail	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May 2005	5,430	1.8%
	Retail	Housing Design Center Kobe	Kobe, Hyogo	Sep. 2005	7,220	2.4%
	Retail	JPR Chayamachi Bldg.	Osaka, Osaka	Aug. 2006	6,000	2.0%
Retail	KM Fukugo Bldg. (tentative name) (Note9)	Osaka, Osaka	Mar. 2009 (planned)	9,250	3.1%	
Subtotal					90,210	29.7%
Total					303,262	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 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) JPR concluded a contract to purchase Sendagaya Yonchome Building on June 30, 2008. However, the acquisition date is scheduled to be in May 2010.

(Note 5) The acquisition price is subject to revision at the maximum of 16,500 million yen based on a predetermined formula in the event profitability improves as a result of efforts by the seller to attract tenants, etc.

(Note 6) 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 7) 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 8) 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 9) 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

