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For Translation Purposes Only

For Immediate Release

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**Notice Concerning Cancellation of Property Acquisition
(Preferred Equity of 12% and 25% in Meieki Nichome Kaihatsu
Special Purpose Company Preferred Securities)**

Japan Prime Realty Investment Corporation (JPR) today announced its decision to cancel the acquisition of property with regard to the planned acquisition of preferred equity interest in “Meieki Nichome Kaihatsu Special Purpose Company Preferred Securities” in the amounts of 12% from Shimizu Corporation and 25% from Marubeni Corporation (hereafter, the “sellers”) as outlined below. The acquisition of the “Meieki Nichome Kaihatsu Special Purpose Company Preferred Securities” was announced in the “Notice Concerning Acquisition of Property and Conclusion of Agreement on the Acquisition” dated November 9, 2007 and the “Notice Concerning Matters with Respect to Forward Commitments, etc.” dated March 18, 2009. The decision on the cancellation is based on the “Notice Concerning Series of Measures Including Asset Replacements” announced today.

Details

1. Background and Reasons for Cancellation of Acquisition

(1) Reasons for Initially Deciding on the Acquisition of the Preferred Securities

The “Nagoya Prime Central Project (Office Building) (*1),” which supports the preferred securities, is a large-scale office building project located close to Nagoya Station with 23 floors above ground and a total floor area of approximately 50,000m². In November 2007 when the acquisition was decided, the Nagoya District’s office building market was firm, and the project was assessed as a highly competitive and blue-chip office building. In addition, we had minimized the risks on the preferred securities in terms of the building completion and delays in the schedule, etc., such as by setting the timing of the acquisition on the day after the completion of construction.

(*1) The name of the property was changed to “Nagoya Prime Central Tower” after the completion.

(2) Reasons for the Cancellation of the Acquisition of the Preferred Securities

In November 2007 when the acquisition was decided, the financial market, real estate market and J-REIT market were steadily growing, but due to the credit crunch in the global financial market triggered by the U.S. subprime issue, major disruptions also occurred in the Japanese real estate market. In addition, there have been drastic changes in the Nagoya area's office building market, which had been favorable.

As for the preferred securities, we had been reviewing the matter on the premise of acquiring them, but as announced today in the "Notice Concerning Series of Measures Including Asset Replacements," JPR determined that it was best to replace properties in regional areas with properties in Tokyo in pursuit of the future growth of JPR, and decided to cancel the acquisition of the preferred securities.

2. Penalty in Relation to Cancellation of Acquisition and Impact on Cash Distributions

In accordance with the cancellation of the acquisition of the preferred securities, JPR has concluded agreements for the cancellation with the respective sellers, has paid certain penalty charges, and has completed the cancellation of the agreements. We will not disclose the contents of the agreements since we have not obtained consent from the sellers with respect to disclosure.

Both of the sellers are third parties with no special interest relationship with JPR.

3. Outlook

For the revision of operating forecasts for the fifteenth fiscal period (fiscal period ending June 30, 2009) in correlation with cancellation of the property acquisition, please refer to the press release "Notice Concerning Revisions to Operating Forecasts for the Fiscal Period Ending June 30, 2009" dated June 25, 2009.