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For Translation Purposes Only

For Immediate Release

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(Securities Code: 8955)

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Notice Concerning Issue of New Investment Units and Secondary Offering

Japan Prime Realty Investment Corporation (JPR) announced that it has resolved at the Board of Directors Meeting held today to issue new investment units and conduct a secondary offering, as outlined below.

Details

1. Issue of New Investment Units via Public Offering (Primary Offering)

- (1) Total number of units to be offered
82,000 units
- (2) Issue price (offer price)
To be determined
- (3) Amount to be paid in (purchase price)
To be determined
(The price shall be determined by a resolution of the Board of Directors on a date (the pricing date) between February 1, 2010 (Monday) and February 3, 2010 (Wednesday). The amount to be paid in (purchase price) shall be the proceeds per an investment unit received from the underwriters mentioned under (5) below as payment of the new investment units to be issued.)
- (4) Gross proceeds (total purchase price)
To be determined
- (5) Offering method
The investment units shall be offered via a primary offering, and underwritten in full by Mizuho Securities Co., Ltd. and Merrill Lynch Japan Securities Co., Ltd. (collectively referred to as the “joint lead managers”) along with Nomura Securities Co., Ltd., Daiwa Securities Capital Markets Co., Ltd.,

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Nikko Cordial Securities Inc., Mitsubishi UFJ Securities Co., Ltd. and Tokai Tokyo Securities Co., Ltd. (collectively referred to together with the joint lead managers as the “underwriters”).

The issue price (offer price) of the Primary Offering shall provisionally be calculated by multiplying the Tokyo Stock Exchange (TSE) closing price of the investment unit on the pricing date (or the closing price on the day immediately preceding the pricing date in the event there is no closing price) by a factor of 0.90 to 1.00 (amounts less than ¥1 to be rounded down) and then be decided considering demand and other factors.

(6) Underwriting agreement

No underwriting commission will be payable by JPR, and the aggregate amount of the difference between the issue price and the amount to be paid in of the Primary Offering shall be the proceeds for the underwriters.

(7) Book-building period

From January 27, 2010 (Wednesday) to the pricing date

(8) Subscription period

From February 4, 2010 (Thursday) to February 5, 2010 (Friday)

Considering demand and other factors, the subscription period may be brought forward. In that case, the earliest subscription period shall be from February 2, 2010 (Tuesday) to February 3, 2010 (Wednesday).

(9) Payment date

February 10, 2010 (Wednesday)

Considering demand and other factors, the payment date may be brought forward. In that case, the earliest payment date shall be February 8, 2010 (Monday).

(10) Subscription unit

One unit or more in multiples of one unit

(11) The amount to be paid in (purchase price) and other necessary items relating to the Primary Offering shall be approved at a future Board of Directors Meeting. However, any modifications or other adjustments before formal decision shall be determined at the discretion of the discretion of the Executive Officer.

(12) The aforementioned items shall be subject to the effectiveness of the Securities Registration Statement in accordance with the Financial Instruments and Exchange Law in Japan.

2. Secondary Offering (Over-allotment)

(1) Seller and the number of units to be offered

Mizuho Securities Co., Ltd. 8,000 units

The Secondary Offering (over-allotment) is conducted by Mizuho Securities Co., Ltd. aside from and in connection with the Primary Offering considering demand and other factors of the Primary Offering. The abovementioned number of units indicates the maximum number of units to be offered via the Secondary Offering. Depending on demand and other factors, there may be cases where this number of units is reduced or the Secondary Offering (over-allotment) itself is not conducted.

(2) Offer price

To be determined

(It will be decided on the pricing date, and shall be the same as the issue price (offer price))

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(3) Offering method

Depending on the demand and other factors of the Primary Offering, Mizuho Securities Co., Ltd. shall offer the investment units by borrowing a maximum of 8,000 units from Tokyo Tatemono Co., Ltd., an unitholder of JPR.

(4) Subscription period

It shall be the same as the Primary Offering.

(5) Settlement date

One business day after the payment date of the Primary Offering.

(6) Subscription unit

One unit or more in multiples of one unit

(7) The offer price and other necessary items relating to the Secondary Offering shall be approved at a future Board of Directors Meeting. However, any modifications or other adjustments before formal decision shall be determined at the discretion of the discretion of the Executive Officer.

(8) The aforementioned items shall be subject to the effectiveness of the Securities Registration Statement in accordance with the Financial Instruments and Exchange Law in Japan.

3. Third-party Allotment

(1) Total number of units to be offered

8,000 units

(2) Third party and number of units to be issued to the third party

Mizuho Securities Co., Ltd. 8,000 units

(3) Amount to be paid in (purchase price)

To be determined

(It shall be the same as the amount to be paid in (purchase price) of the Primary Offering.)

(4) Gross proceeds (total purchase price)

To be determined

(5) Subscription date

March 11, 2010 (Thursday)

(6) Payment date

March 12, 2010 (Friday)

(7) Subscription unit

One unit or more in multiples of one unit

(8) Investment units for which no application for subscription has been made during the subscription period shall not be issued.

(9) The amount to be paid in (purchase price) and other necessary items relating to the third-party allotment shall be approved at a future Board of Directors Meeting. However, any modifications or other adjustments before formal decision shall be determined at the discretion of the discretion of the Executive Officer.

(10) The issue of new investment units through third-party allotment shall not be conducted if the Primary Offering is suspended.

(11) The aforementioned items shall be subject to the effectiveness of the Securities Registration Statement in accordance with the Financial Instruments and Exchange Law in Japan.

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< For Reference >

1. Details of the Secondary Offering (Over-allotment)

- (1) Depending on the demand and other factors of the Primary Offering, Mizuho Securities Co., Ltd. may offer the investment units (the “borrowed investment units”) by borrowing a maximum of 8,000 units from Tokyo Tatemono Co., Ltd. (Secondary Offering though over-allotment). In order to apply to return of the borrowed investment units, JPR grants Mizuho Securities Co., Ltd. an option to purchase new investment units by way of the third-party allotment mentioned under 3. above up to a maximum 8,000 units (the “greenshoe option”). The greenshoe option may be exercised by March 5, 2010 (Friday).
- (2) In order to apply to return of the borrowed investment units, there may be cases where Mizuho Securities Co., Ltd. may also purchase the investment units up to the number of units for the Secondary Offering (over-allotment) in the Tokyo Stock Exchange (the “syndicated cover transaction”) during the period from the day following the close of the subscription period for the Primary Offering and the Secondary Offering (over-allotment) until March 5, 2010 (Friday) (the “syndicated cover transaction period.”) All of the investment units purchased by Mizuho Securities Co., Ltd. through the syndicated cover transaction shall be used to return the borrowed investment units. Furthermore, there may be cases where Mizuho Securities Co., Ltd. may not conduct the syndicated cover transaction at all or may complete the syndicated cover transaction with the number of units that are smaller than the number of units offered through the Secondary Offering (over-allotment), at its own judgment.
- (3) Moreover, Mizuho Securities Co., Ltd. may engage in stabilizing transactions related to the Primary Offering and the Secondary Offering (over-allotment). The investment units purchased through such stabilizing transactions may possibly be used, in whole or to part, in return the borrowed investment units.
- (4) For the number of investment units as a result of reducing the number of investment units purchased through the syndicated cover transaction and stabilizing transactions and used to return the borrowed investment units from the number of investment units for the Secondary Offering (over-allotment), Mizuho Securities Co., Ltd. intends to exercise the greenshoe option to accept the allotment of the third-party allotment and acquire the investment units. Consequently, there may be cases where there will be no subscription to the investment units offered in the third-party allotment in whole or in part, and accordingly the final number of investment units placed by the third-party allotment decrease to that extent due to forfeiture, or such allotment itself will not take place at all.
- (5) The transaction described in the above (1) to (4) will be conducted upon consultation between Mizuho Securities Co., Ltd. and Merrill Lynch Japan Securities Co., Ltd.

2. Total Number of Issued Investment Units after New Issue

Total number of issued investment units (as of January 21, 2010) 625,000

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Number of new investment units to be issued in Primary Offering	82,000
Total number of issued investment units after Primary Offering	707,000
Increase in number of investment units from third-party allotment	8,000 (Note)
Total number of issued investment units after third-party allotment	715,000 (Note)

(Note) In the case that all new investment units are issued in the third-party allotment

3. Reason for and Purpose of Issue

JPR has decided to issue new investment units in order to realize external growth through acquisition of new specified assets and gain greater leverage for fund procurement by lowering the loan to value ratio (LTV) through partial repayment of borrowings, after examining the market trends, distribution levels and other factors.

4. Amount of Funds to be Procured, Use and Schedule

(1) Amount of funds to be procured (approximate net amount JPR will obtain)

15.1 billion yen (maximum)

(Note 1) The amount is the sum of the estimated 13.8 billion yen as proceeds JPR receives through the Primary Offering and the maximum estimated amount of 1.3 billion yen as proceeds JPR receives through the third-party allotment.

(Note 2) The above figure is an estimated amount calculated on the basis of the market price as of January 21, 2010.

(2) Particulars of Use of the Funds to be Procured and Schedule

JPR will use the proceeds to acquire the specified assets (same meaning as defined in Article 2-1 of the Law Concerning Investment Trusts and Investment Corporations) as described below. The remaining proceeds will be used to repay short-term borrowings and may be applied as funds to redeem the Second Series of Corporate Bonds. Details of the property to be acquired are described in the “Notice Concerning Property Acquisition (Conclusion of Contract) “Tokyo Tatemono Kyobashi Bldg.”” separately announced today.

Property Number	Property to be Acquired	Acquisition Price (planned) (Millions of yen)	Settlement Date (planned)
Office A-19	Tokyo Tatemono Kyobashi Building	5,250	February 2010

5. Designated Destination of Distribution

None

6. Outlook

As described in the “Notice Concerning Operating Forecasts for the Fiscal Period Ending June 2010”

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announced today.

(Reference)

Operating Forecasts for the Fiscal Period Ending June 2010 (as announced on January 21, 2010) and Operating Forecasts for the Fiscal Period Ended December 2009 (as announced on November 30, 2009)

	Operating Revenues (Millions of yen)	Net Operating Profits (Millions of yen)	Recurring Profits (Millions of Yen)	Net Income (Millions of yen)	Dividend per Unit (excluding distributions in excess of earnings per unit) (Yen)	Distributions in Excess of Earnings per Unit (Yen)
Forecasts for Fiscal Period Ending June 2010	12,114	6,238	4,720	4,719	6,600	—
Forecasts for Fiscal Period Ended December 2009	11,478	5,764	4,219	4,218	6,750	—

7. Operating Results of Past Three Fiscal Periods and Status of Equity Financing

(1) Operating results of past three fiscal periods

	Fiscal Period Ended June 2008	Fiscal Period Ended December 2008	Fiscal Period Ended June 2009
Net Income per Unit	7,121 yen	7,092 yen	3,731 yen
Dividend per Unit	7,122 yen	7,092 yen	3,731 yen
Actual payout ratio	100.0%	100.0%	100.0%
Net Assets per Unit	257,883 yen	257,853 yen	254,492 yen

(2) Recent status of investment unit price

1) Status in the last three fiscal periods

	Fiscal Period Ended December 2008	Fiscal Period Ended June 2009	Fiscal Period Ended December 2009
Opening Price	319,000 yen	222,000 yen	210,200 yen
High	319,000 yen	258,000 yen	229,800 yen
Low	130,300 yen	143,000 yen	168,200 yen
Closing Price	210,200 yen	209,000 yen	192,600 yen

2) Status in the last six months

	August 2009	September	October	November	December	January 2010
Opening Price	207,700 yen	218,500yen	215,000yen	198,500yen	193,200yen	191,600yen
High	225,000 yen	229,800yen	216,000yen	207,000yen	213,500yen	194,600yen
Low	202,200 yen	207,000yen	186,600yen	168,200yen	178,100yen	177,800yen

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Closing Price	222,500 yen	218,200yen	199,900yen	196,200yen	192,600yen	183,200yen
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(Note) The investment unit price for January 2010 is the figure as of January 20, 2010.

3) Investment unit price on the business day preceding the resolution day of the issuance

	January 20, 2010
Opening Price	181,500 yen
High	183,400 yen
Low	181,500 yen
Closing Price	183,200 yen

(3) Status of Equity Financing in the past three fiscal periods

None

8. Other

(1) Stabilizing transactions

Mizuho Securities Co., Ltd. may possibly engage in stabilizing transactions related to the Primary Offering and the Secondary Offering (over-allotment).

(2) Lock-up agreement with issuer

Upon the Primary Offering, JPR and Tokyo Realty Investment Management, Inc. have agreed with the joint lead managers that JPR will not additionally issue investment units (except for an additional issue in the case of Primary Offering, the Third-party Allotment, both as described herein, split of investment units, etc.) for a period of six months after the listing date of the investment units concerning the Primary Offering (additional listing date). In addition, in the event of the above, this condition may be terminated in part or in whole, or the period limitation may be shortened upon agreement of the joint lead managers at their discretions.

(3) Lock-up agreement with Tokyo Tatemono and major unitholders

Upon the Primary Offering, Tokyo Tatemono Co., Ltd. has agreed with the joint lead managers not to sell, transfer, pledge as collateral, lend or otherwise dispose of the 29,300 investment units it owns as of January 14, 2010 (Thursday), except for lending them to Mizuho Securities Co., Ltd. for the Secondary Offering (over-allotment), for a period of six months after the additional listing date, except for the case where the joint lead managers give prior written consent.

Upon the Primary Offering, the unitholders of JPR (listed below) have agreed with the joint lead managers not to sell, transfer, pledge as collateral, lend or otherwise dispose of investment units of JPR they own as of January 14, 2010 (Thursday) for a period of six months after the additional listing date in the case of Tokyo Realty Investment Management, Inc., or three months after the additional listing date in the case of Meiji Yasuda Life Insurance Company, Yasuda Real Estate Co., Ltd. and Taisei Corporation, except for the case where the joint lead managers give their prior written consents.

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The number of investment units held by each unitholder as of January 14, 2010 (Thursday) is listed as follows.

(As of January 14, 2010)

Unitholders	Number of Investment Units Held
Meiji Yasuda Life Insurance Company	24,000
Yasuda Real Estate Co., Ltd.	5,000
Taisei Corporation	1,500
Tokyo Realty Investment Management, Inc.	100
Total	30,600

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