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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: Katsuhito Ozawa
Director and Chief Financial Officer
TEL: +81-3-3516-1591

Notice Concerning Property Acquisition (Conclusion of Contract) “TK Horidome Building”

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire the TK Horidome Building, as outlined below. The scheduled acquisition date is March 31, 2010.

Details

1. Reason for Acquisition

The acquisition of the TK Horidome Building is in accordance with JPR’s fundamental investment policies and investment stance to acquire new office buildings in central Tokyo in an effort to enhance and stabilize its investment portfolio.

2. Acquisition Details

1) Asset Type	Beneficiary interest in real estate
2) Asset Custodian	The Chuo Mitsui Trust and Banking Company, Limited
3) Term of Trust	From September 24, 2003 to March 31, 2020 (planned)
4) Property Name	TK Horidome Building
5) Acquisition Price	5,100 million yen (excluding expenses related to acquisition, consumption tax and other expenses)
6) Contract Date	March 29, 2010
7) Settlement Date	March 31, 2010 (planned)
8) Seller	A domestic Special Purpose Company
9) Funding	Borrowings and cash on hand
10) Payment Method	Lump-sum payment at the time of transfer

3. Details of Property for Acquisition

Property Name		TK Horidome Building	
Location	Registered	Land	11-1, 11-2 and 11-20, Horidome-cho 1-chome, Nihonbashi, Chuo-ku, Tokyo
		Bldg.	11-2, Horidome-cho 1-chome, Nihonbashi, Chuo-ku, Tokyo
	Residential	11-12, Horidome-cho 1-chome, Nihonbashi, Chuo-ku, Tokyo	
Access		A three-minute walk from Kodemmacho Station on the Tokyo Metro Hibiya Line	
Use (registered)		Office, parking lot	
Type of Ownership		Land: Ownership Building: Ownership	
Site Area (registered)	Land	Total site area	937.59m ²
	Building	Gross floor space of entire building	7,190.82m ²
Type of Structure (registered)		SRC B1/9F	
Completion Date		June 2002	
Architecture and Design		Kumagai Gumi Co., Ltd.	
Construction		Kumagai Gumi Co., Ltd.	
Building Construction Authorization Agency		Chuo Ward, Tokyo	
Agency to Prepare Building Situation Appraisal Report		Shimizu Corporation	
Building Specifications	Leasable Floor Space	629.06m ²	
	Ceiling Height	2,600mm	
	Air Conditioning System	Individual systems	
	Type of Flooring	OA-compatible floor	
Appraisal	Appraisal Method	Appraisal conducted by HIRO & REAS network, Inc.	
	Appraisal Value	6,080 million yen	
	Appraisal Date	March 1, 2010	
Probable Maximum Loss		<p>4.7% (based on the earthquake risk assessment report prepared by the Sompo Japan Risk Management, Inc.)</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 a percentage, not exceeding 90%, of expected damages caused if a maximum-level earthquake happens during an assumed period for the economic life of a building to the procurement cost for restoring those expected damages. The expected period for the 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 a 10% probability. This means that this level of earthquake statistically happens once every 475 years.</p>	
Collateral		None	
Number of Tenants (*1)		7	
Major Tenant		Fukken Engineering Co., Ltd.	
Total Rental Revenue (annual) (*1)		420 million yen	
Lease and Guarantee Deposit (*1)		345 million yen	
Total Leasable Floor Space		5,299.67m ²	
Total Leased Floor Space (*1)		5,299.67m ²	
Occupancy Rate (*2)		100%	
Assumed NOI (NOI Return) (*3)		299 million yen (5.9%)	
Remarks		None	

(*1) Current condition including tenant on the 4th floor for which contract termination is scheduled on March 31, 2010 is indicated.

(*2) Including tenant on the 4th floor for which contract termination is scheduled on March 31, 2010. After the contract termination of the concerned tenant, the occupancy rate is assumed to be 88.1%.

(*3) The assumed NOI is an estimate for the 12 months in which the property acquisition was made and is exclusive of extraordinary factors (the assumed NOI is not for the current fiscal period), and is made under the following assumptions:

(1) The occupancy rate is 94%.

(2) Taxes and public dues have been tentatively calculated based on the taxable income of fiscal year 2009.

4. Aim of Property Acquisition

The Horidome area, where the TK Horidome Building is located, is an area with good access to central Tokyo and has a concentration of medium-sized office buildings. Thus, widespread demand can be expected from tenants ranging from the textiles, clothing to dry goods industries and the chemical-related companies concentrated in the adjacent area. The property not only has excellent visibility and impressive quality design appearance due to its glass curtain walls, but it also boasts suitable building specifications. From these and other reasons, JPR evaluates the property as a building that has strong competitiveness.

JPR considers that this transaction secures a high return in the medium to long term since the acquisition has been secured in relatively favorable terms, and further increases in revenue can be expected in the recovery phase of market conditions.

JPR will continue to pursue the construction of a portfolio that places a particular emphasis on office buildings in the Tokyo area.

5. Seller Profile

The seller has not been disclosed at the request of the seller. Furthermore, the seller neither falls within the definition of a related party as identified in the Investment Trusts and Investment Corporations Law Enforcement Order, nor within the definition of an interested party as stipulated in the rules and regulations prescribed by JPR's Board of Directors.

6. Profile of Previous Owners

The previous owners have been omitted as they do not have a special interest relationship with either JPR or its asset management company.

7. Sales Agent

(1) Sales agent: Mizuho Trust & Banking Co., Ltd.

The sales agent neither falls within the definition of a related party as identified in the Investment Trusts and Investment Corporations Law Enforcement Order, nor within the definition of an interested party as stipulated in the rules and regulations prescribed by JPR's Board of Directors.

(2) Brokerage fee

The brokerage fee paid to the above-indicated sales agent concerning the acquisition of the subject property has not been disclosed at the request of the sales agent.

8. Outlook

Operating forecast for JPR's 17th fiscal period (the six months ending June 30, 2010) remain unchanged.

[Attachments]

- Reference 1 Real estate portfolio after the acquisition of this property
- Reference 2 Photograph of the TK Horidome Building

Reference 1

Real estate portfolio after concluding the acquisition of this 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	4.9%
	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	0.6%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002 Nov. 2004	2,420	0.7%
	Office	JPR Crest Takebashi Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	1.2%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	3.4%
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	0.9%
	Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003 Apr. 2005	2,920	0.9%
	Office	JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	May 2004	5,100	1.5%
	Office	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 2004	3,500	1.1%
	Office	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2004 Sep. 2008	10,180	3.1%
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004 Apr. 2005	11,821	3.6%
	Office	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 2004	710	0.2%
	Office	Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Mar. 2008	21,000	6.3%
	Office	Minami Azabu Bldg.	Minato-ku, Tokyo	Jul. 2008	3,760	1.1%
	Office	Shinagawa Canal Bldg.	Minato-ku, Tokyo	Dec. 2008	1,870	0.6%
	Office	Rokubancho Bldg.	Chiyoda-ku, Tokyo	Dec. 2009	2,800	0.8%
	Office	Ryoshin Harajuku Bldg.	Shibuya-ku, Tokyo	Dec. 2009	8,400	2.5%
	Office	Tokyo Tatemono Kyobashi Bldg.	Chuo-ku, Tokyo	Feb. 2010	5,250	1.6%
	Office	TK Horidome Bldg.	Chuo-ku, Tokyo	Mar. 2010(planned)	5,100	1.5%
	Office	JPR Sendagaya Bldg.	Shibuya-ku, Tokyo	May 2010 (planned)	15,050 (Note3)	4.5%
	Retail	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	3.6%
	Retail	JPR Daikanyama	Shibuya-ku, Tokyo	Oct. 2004	2,160	0.7%
	Retail	JPR Jingumae 432	Shibuya-ku, Tokyo	Mar. 2006	4,460 (Note4)	1.3%
Retail	Shinjuku Sanhome East Bldg.	Shinjuku-ku, Tokyo	Mar. 2007 Apr. 2008	2,740	0.8%	
Retail	Yurakucho Ekimae Building (Yurakucho Itocia)	Chiyoda-ku, Tokyo	Aug. 2008	3,400	1.0%	
Subtotal					164,011	49.5%
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	1.8%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	0.7%
	Office	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	0.9%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.3%
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	2.4%
	Office	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	1.0%
	Office	Tachikawa Business Center Bldg.	Tachikawa, Tokyo	Sep. 2005 Feb. 2007	3,188	1.0%
	Office	Rise Arena Bldg.	Toshima-ku, Tokyo	Mar. 2007	5,831	1.8%

Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions) (Note1)	% of Total (Note2)
Greater Tokyo	Office	Yume-ooka Office Tower	Yokohama, Kanagawa	Jul. 2007	6,510	2.0%
	Office	Olinas Tower	Sumida-ku, Tokyo	Jun. 2009	31,300	9.4%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	3.1%
	Retail	The Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 2006	2,100	0.6%
	Retail	JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Sep. 2006	7,260	2.2%
	Retail	Musashiurawa Shopping Square	Saitama, Saitama	Mar. 2007	4,335	1.3%
	Retail	Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 2007	15,080	4.5%
Subtotal					109,231	33.0%
Other Cities	Office	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 2001	2,140	0.6%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	1.3%
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	0.9%
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	0.5%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	1.0%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	0.5%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	0.8%
	Office	JPR Dojima Bldg.	Osaka, Osaka	Jan. 2004	2,140	0.6%
	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	1.2%
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	3.9%
	Retail	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May 2005	5,430	1.6%
	Retail	Housing Design Center Kobe	Kobe, Hyogo	Sep. 2005	7,220	2.2%
	Retail	JPR Chayamachi Bldg.	Osaka, Osaka	Aug. 2006	6,000	1.8%
Subtotal					58,227	17.6%
Total					331,469	100.0%

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

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

(Note 3) The acquisition price of JPR Sendagaya Bldg. 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 4) A portion of land of JPR Jingumae 432 is scheduled to be transferred for 301,650 thousand yen until March 31, 2010.

Reference 2

Photograph of the TK Horidome Building

