

June 30, 2008

For Translation Purposes Only

For Immediate Release

Japan Prime Realty Investment Corporation
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Notice Concerning Property Acquisition (Conclusion of Contract)

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire Yurakucho Ekimae Building (Yurakucho Itocia), as outlined below. The scheduled acquisition date is August 27, 2007.

Details

1. Reason for Acquisition

JPR will acquire a retail property in Tokyo CBD in accordance with its fundamental investment policy to enhance and stabilize its investment portfolio.

2. Acquisition Details

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|------------------------|--|
| 1) Type of Acquisition | Real Estate |
| 2) Property Name | Yurakucho Ekimae Building (Yurakucho Itocia) |
| 3) Acquisition Price | ¥3,400 million (excluding expenses related to acquisition costs, consumption tax and other expenses) |
| 4) Contract Date | June 30, 2008 |
| 5) Acquisition Date | August 27, 2008 (planned) |
| 6) Seller | Taisei Corporation |
| 7) Funding | To be determined |
| 8) Payment Method | Lump-sum payment at the time of transfer |

3. Details of Property for Acquisition

Property Name		Yurakucho Ekimae Building (Yurakucho Itocia)	
Location	Registered	Land	21, Yurakucho 2-chome, Chiyoda-ku, Tokyo
		Bldg.	21-1, Yurakucho 2-chome, Chiyoda-ku, Tokyo
	Residential	7-1, Yurakucho 2-chome, Chiyoda-ku, Tokyo	
Access		Close to the Yurakucho Station on the JR Yamanote Line, Keihin Tohoku Line and Tokyo Metro Yurakucho Subway Line	
Use		Retail	
Type of Ownership		Land: Co-ownership (Ownership portion: 1.9%) Building: Co-ownership of unit ownership (co-ownership: 4.3%, other co-owners: Marui Co. and four others)	
Site Area (registered)	Land	Total site area (registered)(*1)	6,808.12m ²
		Gross floor area of the entire building	71,957.65m ²
	Bldg.	Proprietary floor area	25,387.30m ²
		Proprietary floor area to be acquired by JPR(*2)	1,087.63m ²
Type of Structure (registered)		S/SRC with flat roof, B4/20F	
Completion Date (registered)		October 7, 2007	
Architecture and Design		Mitsubishi Jisho Sekkei Inc.	
Construction		Taisei Corporation and others	
Building Construction Authorization Agency		The Building Center of Japan	
Agency to Prepare Building Situation Appraisal Report		Nikken Sekkei Construction Management, Inc.	
Appraisal	Appraiser	Japan Real Estate Institute	
	Appraisal Value	¥3,400 million	
	Appraisal Date	June 1, 2008	
Probable Maximum Loss		6.0% (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 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.	
Collateral		None	
Number of Tenants		1	
Main Tenant		Marui Co., Ltd.	
Total Leasable Floor Space (*2) (*3)		1,101.92m ²	
Total Leased Floor Space (*2) (*3)		1,101.92m ²	
Occupancy Rate		100.0%	
Assumed NOI (NOI Return)(*4)		¥115 million yen (3.4%)	
Remarks		None	

(*1) The total site area indicates the figure including portions owned by other owners.

(*2) The figure is calculated based on JPR's ownership portion in co-ownership

(*3) The figure is based on the leasing contract and differs from figures of proprietary floor area registered.

(*4) 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).The occupancy rate is 100%.

4. Aim of Property Acquisition

1) Superior Location

The asset was developed through the urban redevelopment project of the Yurakucho Ekimae district and is a retail complex that was opened in October 2007 and known as “Yurakucho Itocia.”

Located within walking distance of a 500 meter radius are five train lines and seven stations, where rail transfers are possible, including the Tokyo Metro Yurakucho, Ginza and Hibiya Stations. JR Yurakucho Station, which is on the west side of the asset, has produced a new flow of pedestrians towards Marronnier-dori street and the commercial potential of the Yurakucho Ekimae district has been rapidly heightening.

2) Contribution to Expansion of Fundamental Portfolio

In addition to investing in superior office buildings, JPR conducts investment in carefully selected superior retail properties located in bustling areas such as in front of major train stations. The asset precisely corresponds to JPR’s basic concept and is evaluated to be an extremely rare property.

3) Collaboration with a Firm Investing in JPR’s Asset Management Company

The asset is part of an urban redevelopment project that Taisei Corporation, a sponsor of JPR’s asset management company (hereafter, the “Sponsor”), developed and took part in planning.

JPR considers its investment style, where collaboration with the Sponsor enables the post-construction acquisition of superior development properties, to be a hallmark.

5. Seller Profile

Company Name	Taisei Corporation
Head Office Address	1-25-1 Nishi Shinjuku, Shinjuku-ku, Tokyo
Representative	Takashi Yamauchi, President and Chief Executive Officer
Capital	¥112,448 million (as of March 31, 2008)
Major Shareholders	Japan Trustee Services Bank, Ltd. and others (as of September 30, 2007)
Principal Activities	General construction firm
Relationship with JPR	Taisei Corporation 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 by JPR's Board of Directors. JPR has provided its authorization to TRIM for this acquisition in advance. Interested parties differ from related parties as defined in the Enforcement Order for the Investment Trusts and Investment Corporations Law.

6. Details of Appraisal Value

Appraiser	Japan Real Estate Institute
Appraisal Value (Appraisal Date)	¥3,400 million (June 1, 2008)
(Reference)	
Capitalized Value through Direct Capitalization Method	¥3,440 million
Net Cash Flow (NCF)	¥116,859 thousand
Cap Rate	3.4%
Capitalized Value through Discounted Cash Flow (DCF) Method	¥3,350 million
Discount Rate	3.0%
Terminal Cap Rate	3.6%

7. Profile of Previous Owners

Company Name	Taisei Corporation
Head Office Address	1-25-1 Nishi Shinjuku, Shinjuku-ku, Tokyo
Representative	Takashi Yamauchi, President and Chief Executive Officer
Capital	¥112,448 million (as of March 31, 2008)
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8. Sales Agent Profile

The asset is a direct transaction with the seller, and there is no sales agent.

9. Outlook

Regarding the operating forecast after acquisition of the asset, at the time operating results were announced for JPR's 13th fiscal period (the six months ending June 30, 2008), the operating forecast for JPR's 14th fiscal period (the six months ending December 31, 2008) were included in this announcement.

【Attachments】

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

Attachment 1

Portfolio after property acquisition

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	5.3%
	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	1.1%
	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	6.8%
	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)	4.9%
	Retail	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	3.9%
	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%
Retail	Yurakucho Ekimae Building (Yurakucho Itocia)	Chiyoda-ku, Tokyo	Aug. 2008 (planned)	3,400	1.1%	
Subtotal					138,521	45.2%
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	2.6%
	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	1.0%
	Office	Rise Arena Bldg.	Toshima-ku, Tokyo	Mar. 2007	5,831	1.9%
	Office	Yume-oka Office Tower	Yokohama, Kanagawa	Jul. 2007	6,510	2.1%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	3.3%
	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	4.9%
	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	0.9%
	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	0.5%
	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	1.3%
	Office	Meieki Nichome Kaihatsu Tokutei Mokuteki Kaisha Preferred Securities (Note6) (Note7)	Nagoya, Aichi	Nov. 2007 Apr. 2009(planned) May. 2010(planned)	1,983 (Note8)	0.6%
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	4.2%
	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	3.0%
Subtotal					90,210	29.4%
Total					306,662	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 subject property



Attachment 3

Schematic drawing of the subject property (building only)

