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For Immediate Release

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Notice Concerning Acquisition of Gotanda First Building

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire the Gotanda First Building, as detailed in brief below.

The date of purchase is scheduled for the end of July 2003.

1. Rationale

The acquisition of the Gotanda First Building is in accordance with JPR's fundamental investment policy to enhance and stabilize its investment portfolio through the acquisition of prime real estate located in Tokyo's Central Business Districts (CBDs).

2. Acquisition Details

1.	Type of Acquisition	Beneficiary interest
2.	Property Name	Gotanda First Building
3.	Acquisition Price	¥2.92 billion (excluding acquisition costs, property tax, city planning tax, and consumption tax)
4.	Seller	Next Stage Co., Ltd.
5.	Planned Acquisition Date	End of July 2003
6.	Funding	Cash on hand

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3. Property Details

Location	Registered	Land	2-8-1 Nishigotanda, Shinagawa-ku, Tokyo	
		Bldg	2-8-2, 2-8-1 Nishigotanda, Shinagawa-ku, Tokyo	
	Residential	2-8-1 Nishigotanda, Shingawa-ku, Tokyo		
Access		Two minutes on foot from Gotanda Station, serviced by the JR Yamate Line, Tokyu Ikegami Line, and the subway Toei Asakusa Line		
Use		Office building		
Type of Ownership		<p>Land: Co-ownership (61.8%)</p> <p>2-8-2: 61.8% co-ownership held by The Dai-Ichi Mutual Life Insurance Company and one individual. 2-8-1: ownership held by The Dai-Ichi Mutual Life Insurance Company</p> <p>Bldg: Unit ownership (B1, 1F(Partial), 6F ~ 11F)</p> <p>Other owners: The Dai-Ichi Mutual Life Insurance Company and one individual</p>		
Site Area		Land	Toal site area	1,551.19m ²
			site area to be acquired by JPR	890.65m ²
		Bldg	Gross total floor area	10,553.34m ²
			Net total floor area	6,786.05m ²
			Net floor area to be acquired by JPR	4,035.15m ²
Type of Structure		SRC • RC B2/11F		
Completion Date		July 1989		
Architect		Nikken Sekkei Co., Ltd.		
Construction		Nihon Kensetsu Co., Ltd., Chizaki Kogyo Co., Ltd., Taiho Corporation		
Appraisal	Appraiser	Japan Real Estate Institute		
	Appraisal Value	JPY2.92 billion		
	Appraisal Date	May 1, 2003		
Probabale Maximum Loss (PML)		<p>13.9% based on earthquake risk assessment report prepared by the Shinozuka Research Institute</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 the percentage of expected damages caused by a maximum-level earthquake that happened during an assumed period for the economic life of a building, to procurement cost for restoring the expected damages. The expected period for 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 10% probability. This means that this level of an earthquake statistically happens once every 475 years.</p>		
Collateral		Right of pledge over the beneficiary interest, pledge to provide mortgage over real estate in trust. Existing collateral will be discharged on acquisition of beneficiary interest by JPR. JPR has no plans to provide collateral over the subject property after acquisition.		
Number of Tenants		5		
Major Tenants		CMIC Co., Ltd., NEC Lighting, Ltd.		
Total Leasable Floor Space		4,240.98m ²		
Total Leased Floor Space		4,240.98m ²		
Occuancy Rate on Scheduled Acquisition Date		100%		
Note: The number of tenants, total leasable floor space, total leased floor space, and occupancy rate on scheduled acquisition date are projections as of July 2003.				

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4. Seller Profile

Company Name	Next-Stage Co., Ltd.
Relationship with JPR	Next-Stage Co., Ltd. is a wholly owned subsidiary of a special-purpose company domiciled in the Cayman Islands under instruction from Tokyo Tatemono Co., Ltd. The company acquired a portion of the co-ownership of land and unit ownership of beneficiary interest held in trust of the Gotanda First Building from Pilot Corporation in June 2001. Proceeds for the acquisition were procured from Tokyo Tatemono's investment in an anonymous association and through debt funding.

[Attachments]

1. Projected cash flow
2. Real estate portfolio after property acquisition
3. Photograph of the Gotanda First Building

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Attachment 1. Projected Cash Flow

(Millions of yen)

Projected Cash Flow	
Operating revenues	280
Rental revenues and common charges	267
Other operating revenues	12
Operating expenses (excluding depreciation)	94
Property management fees	33
Utility charges	21
Property and other taxes	24
Other operating expenses	16
NOI(= -)	186

Notes:

The above projected cash flow is an estimate for the fiscal year in which the property acquisition is made and is exclusive of extraordinary factors. The projected cash flow is not for the current period under review. The projected cash flow has also been prepared based on the following assumptions.

- 1) Revenues are based on an estimated occupancy ratio of 95%.
- 2) Property and other taxes are the same as for fiscal 2003.

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Attachment 2. Real estate portfolio after acquisition

Real estate portfolio after property acquisition (as of July 31, 2003)

Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions)	% of Total
Tokyo CBDs	Office	Kanematsu Bldg.	Chuo-ku, Tokyo	Dec. 2001	16,276	12.2%
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	2.1%
	Office	Yasuda-Life Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	1.6%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002	1,670	1.2%
					550	0.4%
	Office	Crest Yasuda Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	3.0%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	8.4%
	Retail	Jinnan 1-chome Bldg.	Shibuya-ku, Tokyo	Jun. 2003 (Provisional)	12,000	9.0%
Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003 (Provisional)	2,920	2.2%	
Subtotal					53,590	40.1%
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	4.4%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	1.8%
	Office	Asahi-Life Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	2.2%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	7.6%
	Retail	Tsurumi fuga 1	Yokohama, Kanagawa	Nov. 2001	3,040	2.3%
	Office	Yasuda-Life Ikebukuro Bldg.	Toshima-ku, Tokyo	Jun. 2002	2,040	1.5%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.7%
Subtotal					27,357	20.5%
Other Cities	Office	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 2001	2,140	1.6%
	Office	Yasuda-Life Osaka Bldg.	Osaka, Osaka	Dec. 2001	8,300	6.2%
	Office	Yasuda-Life Tenroku Bldg.	Osaka, Osaka	Nov. 2001	418	0.3%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	3.1%
	Office	Asahi-Life Takamatsu 2nd Bldg.	Takamatsu, Kagawa	Nov. 2001	872	0.7%
	Office	JPR Takamatsu Bldg.	Takamatsu, Kagawa	Dec. 2001	2,130	1.6%
	Office	Yasuda-Life Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	2.2%
	Office	Asahi-Life Fukuoka 3rd/4th Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,873	2.1%
	Office	Yasuda-Life Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	1.2%
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	2.8%
	Office	Park East Sapporo	Sapporo, Hokkaido	Jun. 2002	2,150	1.6%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	2.4%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	1.2%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	2.1%
	Office	SK Hiroshima Bldg.	Hiroshima, Hiroshima	Oct. 2002	947	0.7%
	Retail	Kuraray Nissay Bldg.	Osaka, Osaka	May. 2003 Jul. 2003 (Provisional)	8,000	6.0%
5,000					3.7%	
Subtotal					13,000	9.7%
Total					133,717	100.0%

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Note 1

The “Acquisition Price,” does not include related costs such as real estate purchase and sales commission.

Note 2.

Percentages and occupancy ratios are rounded to the nearest decimal place.

Note 3.

The following is a list of three properties included in Attachment 2 that JPR has contracted to acquire on or before July 31, 2003:

	Planned acquisition date
Jinnan 1-chome Building	June 30, 2003
Gotanda First Building	End of July 2003
Kuraray Nissay Building (a portion held by Nippon Life Insurance Company)	End of July 2003

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Attachment 3. Photograph of the Gotanda First Building

Photograph External façade of the building



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