

August 7, 2003

For Immediate Release

Japan Prime Realty Investment Corporation
Hirohito Kaneko
Executive Officer
(Securities Code: 8955)

Inquiries:
Tokyo Realty Investment Management, Inc.
Takeshi Maki
Director and Chief Financial Officer
TEL: +81-3-3516-1591

Notice Concerning Acquisition of the Nagoya Kowa Building

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

The date of purchase is scheduled on September 1, 2003.

1. Rationale

The acquisition of the Nagoya Kowa Building is in accordance with JPR's fundamental investment policy to enhance and stabilize its investment portfolio through the acquisition of prime real estate in major cities located in regional areas.

2. Acquisition Details

1	Type of Acquisition	Real estate
2	Property Name	The Nagoya Kowa Building
3	Acquisition Price	¥4,550 million (excluding acquisition costs, property tax, city planning tax, and consumption tax)
4	Contract Date	August 8, 2003
5	Planned Acquisition Date	September 1, 2003
6	Seller	Kowa Kogyo Co., Ltd. and Kowa Estate Co., Ltd.
7	Contract Date	August 8, 2003
8	Planned Acquisition Date	September 1, 2003
9	Funding	Cash on hand and debt funding
10	Sales Agent	Taisei Corporation

3. Property Details

Location	Registered	Property 1	Land	3-2413 Nishiki, Naka-ku, Nagoya Aichi Prefecture
			Building	3-2413 Nishiki, Naka-ku, Nagoya Aichi Prefecture
		Property 2	Land	3-2418 Nishiki, Naka-ku, Nagoya Aichi Prefecture
			Building	3-2418 Nishiki, Naka-ku, Nagoya Aichi Prefecture
	Residential	Property 1	3-24-24 Nishiki, Naka-ku, Nagoya	
		Property 2	3-24-27 Nishiki, Naka-ku, Nagoya	
Access		In proximity to Sakae Station on the Higashiyama and Meijo subway lines		
Use		Property 1	Office space and shops	
		Property 2	Parking	
Ownership		Ownership		
Site Area		Property 1	Land	761.84m ²
			Building	7,174.31m ²
		Property 2	Land	230.47m ²
			Building	86.34m ²
Type of Structure		Property 1	S B1/11F	
		Property 2	S 1F	
Completion Date		Property 1	January 31, 2003	
		Property 2	December 25, 1986	
Architect		Property 1	Taisei Corporation	
		Property 2	Takenaka Corporation	
Construction		Property 1	Taisei Corporation	
		Property 2	Takenaka Corporation	
Appraisal	Appraiser	Tanizawa Sogo Appraisal Co., Ltd.		
	Appraisal Value	¥4,600 million		
	Appraisal Date	August 1, 2003		
Probable Maximum Loss (PML)		<p>9.6%, based on earthquake risk assessment reports prepared by the Shinozuka Research Institute</p> <p>PML (Probable Maximum Loss) is a ratio of expected maximum loss due to earthquakes. There is PML for individual buildings, and PML for property portfolios. Although there is no precise, comprehensive definition of PML, the PML for this building is the ratio of expected damage caused by a major earthquake during the economic lifetime of the building to the cost of repairing the damage incurred. The expected lifetime of the building is assumed to be 50 years, and the probability major earthquakes during this period, which occur once every 475 years, is 10%.</p>		
Collateral		None		
Number of Tenants		16		
Major Tenants		Giorgio Armani Japan, Novarese Inc.		
Total Leasable Floor Space		5,461.90m ²		
Total Leased Floor Space		4,572.63m ²		
Occupancy Rate on Acquisition Date		84%		
Remarks		Property 2 is the parking facility for property 1.		
Note: The number of tenants, total leasable floor space, total leased floor space and occupancy rate on acquisition date are projections as of September 1, 2003.				

4. Seller Profile

Property 1	Company Name	Kowa Kogyo Co., Ltd.
	Head Office Address	2-5-28 Kyutaro-machi, Chuo-ku, Osaka
	Representative	Isao Yamamoto
	Capital	¥270 million
	Principal Activities	Real estate leasing, purchase and sale and brokerage
	Relationship with JPR	None
Property 2	Company Name	Kowa Estate Co., Ltd.
	Head Office Address	2-5-28 Kyutaro-machi, Chuo-ku, Osaka
	Representative	Hideki Momohara
	Capital	¥80 million
	Principal Activities	Real estate purchase, parking facility management
	Relationship with JPR	None

5. Sales Agent Profile

1) Sales Agent: Taisei Corporation

Taisei Corporation maintains a 20% shareholding in Tokyo Realty Investment Management, Inc., the asset management company of Japan Prime Realty Investment Corporation and acting in its capacity of sales agent, falls within the scope of related-parties as defined by JPR's Board of Directors. JPR has provided its acknowledgement for this transaction. Taisei Corporation does not however fall within the scope of related-parties in accordance with the Investment Trust Law.

2) Brokerage fee: ¥136,500,000 (3% of the acquisition price excluding consumption tax)

6. Funding Details

JPR intends to raise ¥2,400 million in debt funding as part payment for the acquisition of subject property. Details of debt funding including lender, amount and interest rate will be advised as and when determined.

Changes to acquisition funding prior to the scheduled acquisition date will be advised as and when determined.

[Attachments]

1. Projected cash flow
2. JPR's real estate portfolio after subject property acquisition
3. Photograph of the Nagoya Kowa Building

Attachment 1.

Projected cash flow

(Millions of yen)

Projected Cash Flows	
Operating revenues	415
Rental revenues and common charges	368
Non-rental revenues	48
Operating expenses (excluding depreciation)	138
Property management fees	49
Utility charges	29
Tax and public dues	37
Other operating expenses	23
NOI (= -)	277

Assumptions relating to projected cash flows

Cash flow projections are annual figures for the fiscal year in which the acquisition was completed and excluding extraordinary items. The figures are not forecasts for the current fiscal year. Cash flow projections have been prepared based on the following assumptions.

1) Occupancy rate of 95%

2) Tax and public dues applicable to land are the same as those for fiscal 2003. Payments for tax and public dues applicable to the building are the same as those recorded in the appraisal report.

Attachment 2.

JPR's real estate portfolio after subject property acquisition (as of September 3, 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	11.8%
	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	1.5%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002	1,670	1.2%
					550	0.4%
					2,220	1.6%
	Office	Crest Yasuda Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	2.9%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	8.1%
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	2.1%
Retail	Jinnan 1-chome Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	8.7%	
Subtotal					53,590	38.9%
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	4.3%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	1.7%
	Office	Asahi-Life Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	2.1%
	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%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	7.4%
	Retail	Tsurumi fuga 1	Yokohama, Kanagawa	Nov. 2001	3,040	2.2%
Subtotal					27,357	19.8%
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	6.0%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	3.0%
	Office	Asahi-Life Takamatsu 2nd Bldg.	Takamatsu, Kagawa	Nov. 2001	872	0.6%
	Office	JPR Takamatsu Bldg.	Takamatsu, Kagawa	Dec. 2001	2,130	1.5%
	Office	Yasuda-Life Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	2.1%
	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	1.1%
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	2.7%
	Office	Park East Sapporo	Sapporo, Hokkaido	Jun. 2002	2,150	1.6%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	2.3%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	1.2%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	2.0%
	Office	SK Hiroshima Bldg.	Hiroshima, Hiroshima	Oct. 2002	947	0.7%
	Office	Nagoya Kowa Bldg.	Nagoya Aichi	Sep. 2003	4,550	3.3%
	Retail	Kuraray Nissay Bldg.	Osaka, Osaka	May. 2003	8,000	5.8%
Jul. 2003 (Provisional)				5,000	3.6%	
				13,000	9.4%	
Subtotal					56,902	41.3%
Total					137,849	100.0%

Notes:

1. The "Acquisition Price," does not include related costs such as real estate purchase and sales commission.
2. Percentages and occupancy rates are rounded to the nearest second decimal place.
3. This table does not include details of the Yasuda-Life Tenroku Building, which JPR intends to sell on September 3, 2003, but does include the acquisition of the Nagoya Kowa Building on September 1, 2003.

Attachment 3.

Photograph of the Nagoya Kowa Building

