

May 15, 2003

For Immediate Release

Japan Prime Realty Investment Corporation
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Notice Concerning Acquisition of Kuraray Nissay Building

Japan Prime Realty Investment Corporation (JPR) on May 14, 2003 announced its decision to acquire the Kuraray Nissay Building, as detailed in brief below:

1. Rationale

The acquisition of the Kuraray Nissay Building is in accordance with JPR's fundamental investment policies to acquire new commercial facilities in an effort to enhance and stabilize its investment portfolio.

2. Acquisition Details

- | | |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Type of Acquisition | Beneficiary interest |
| 2. Property Name | Kuraray Nissay Building |
| 3. Acquisition Price | ¥13.0 billion (excluding acquisition costs, property tax, city planning tax, and consumption tax) |
| 4. Sellers | Kuraray Fudosan Co., Ltd., T.H. PROPERTYS Co., Ltd., Nippon Life Insurance Company |
| 5. Contract Date | May 15, 2003 for portions of Kuraray Fudosan Co., Ltd. and T.H. PROPERTYS Co., Ltd.
May 22, 2003 (provisional) for a portion of Nippon Life Insurance Company |
| 6. Planned Acquisition Date | May 15, 2003 for portions of Kuraray Fudosan Co., Ltd. and T.H. PROPERTYS Co., Ltd. (¥8.0 billion in total)
Late July 2003 (provisional) for a portion of Nippon Life Insurance Company (¥5.0 billion) |
| 7. Funding | Debt funding |

3. Property Details

Location	Registered	Land	16-1 Chayamachi, Kita-ku, Osaka-shi, Osaka		
		Bldg.	16-1, 17-3, 18-2 Chayamachi, Kita-ku, Osaka-shi, Osaka		
	Residential	16-7 Chayamachi, Kita-ku, Osaka-shi, Osaka			
Access		JR Osaka Station, 5 minutes on foot, Hankyu Line, Umeda Station, 4 minutes on foot			
Use		Shops, cinemas, parking facilities			
Ownership	Owner	Kuraray Fudosan	T.H. PROPERTYS	Nippon Life Insurance	
	Land	co-ownership 3,133.05 sq.m. 6,580/10,000	ownership 385.63 sq.m.	co-ownership 3,133.05 sq.m. 3,420/10,000	
	Building	Co-ownership 4,468/10,000	Co-ownership 1,064/10,000	Co-ownership 4,468/10,000	
	Special Items	Kuraray Fudosan, as lessor, has contracted with Nippon Life Insurance, as lessee, over a portion of the 3,133.05 sq.m. of land co-owned by both parties, comprising approximately 509.06 sq.m. Leasehold property rights over this area will be extinguished on the date of property acquisition.			
Site Area		Land	Total Site Area	3,518.68 sq.m.	
		Bldg.	Total Floor Area	17,987.56 sq.m.	
Type of Structure		SRC, B1/8F			
Completion Date		April 17, 1990			
Architect		Nikken Sekkei Ltd.			
Construction		Obayashi Corporation, Fujiki Komuten Co., Ltd.			
Acquisition Price		Kuraray Fudosan	T.H. PROPERTYS	Nippon Life Insurance	
		¥6.8 billion	¥1.2 billion	¥5.0 billion	
Appraisal	Appraiser	Nippon Tochi-Tatemono Co., Ltd.			
	Appraisal Value	¥12.6 billion			
	Appraisal Date	May 1, 2003			
Probable Maximum Loss		<p>12.5% 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		None (however, a right of pledge is to be established over the beneficiary interest, and JPR has pledged a mortgage over the beneficiary interest after acquisition.			
Number of Tenants		1			
Major Tenants		The Loft, Co., Ltd.			
Total Leasable Floor Space		18,586.97 sq.m.			
Total Leased Floor Space		18,586.97 sq.m.			
Occupancy Rate on Acquisition Date		100%			
NOI (Forecast)		¥778 million (6.0% annualized)			
Special Items					
<p>Note: The number of tenants, total leasable floor space, total leased floor space, and occupancy rate on acquisition date are projections as of May 15, 2003.</p>					
<p>Note: NOI figure above is not a forecast for the current fiscal period. The figure is based on forecast income for a full year for the entire building, after eliminating special factors applicable to the period in which the acquisition is made, and the following assumptions:</p> <p>1) Occupancy rate of 100%.</p> <p>2) Property and other taxes applicable to the fiscal year ending December 31, 2003.</p>					

4. Seller Profiles

<u>Kuraray Fudosan Co., Ltd.</u>	
Company Name	Kuraray Fudosan Co., Ltd.
Head Office Address	3-3 Doyama-cho, Kita-ku, Osaka-shi, Osaka
Representative	Mamoru Yamashita, Representative Director
Capital	¥382 million
Principal Shareholder	Kuraray Co., Ltd.
Principal Activities	Real estate, construction, and landscaping
Relationship with JPR	None
<u>T.H. PROPERTYS Co., Ltd.</u>	
Company Name	T.H. PROPERTYS Co., Ltd.
Head Office Address	5-6 Nanpeidai-cho, Shibuya-ku, Tokyo
Representative	Tokuhiko Inukai, Representative Director
Capital	¥50 million
Principal Shareholder	Tokyu Corporation
Principal Activities	Real estate leasing, purchase and sale; property management
Relationship with JPR	None
<u>Nippon Life Insurance Company</u>	
Company Name	Nippon Life Insurance Company
Head Office Address	3-5-12, Imabashi, Chuo-ku, Osaka
Representative	Ikuo Uno, Representative Director
Capital	---
Principal Shareholder	---
Principal Activities	Life insurance
Relationship with JPR	None

[Attachments]

1. Real estate portfolio after property acquisition
2. Photograph of the Kuraray Nissay Building

Attachment 1

Real estate portfolio after property acquisition (as of May 15, 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	14.3%
	Office	Kanematsu Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	2.5%
	Office	Yasuda-Life Ningyocho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	1.8%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002	1,670 550 2,220	1.5% 0.5% 2.0%
	Office	Crest Yasuda Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	3.5%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	9.8%
Subtotal					38,670	34.0%
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	5.2%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	2.1%
	Office	Asahi-Life Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	2.6%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	9.0%
	Retail	Tsurumi fuga 1	Yokohama, Kanagawa	Nov. 2001	3,040	2.7%
	Office	Yasuda-Life Ikebukuro Bldg.	Toshima-ku, Tokyo	Jun. 2002	2,040	1.8%
	Office	Shinyokohama 2 nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.8%
Subtotal					27,357	24.0%
Other Cities	Office	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 2001	2,140	1.9%
	Office	Yasuda-Life Osaka Bldg.	Osaka, Osaka	Dec. 2001	8,300	7.3%
	Office	Yasuda-Life Tenroku Bldg.	Osaka, Osaka	Nov. 2001	418	0.4%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	3.6%
	Office	Asahi-Life Takamatsu 2nd Bldg.	Takamatsu, Kagawa	Nov. 2001	872	0.8%
	Office	JPR Takamatsu Bldg.	Takamatsu, Kagawa	Dec. 2001	2,130	1.9%
	Office	Yasuda-Life Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	2.5%
	Office	Asahi-Life Fukuoka 3rd/4th Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,873	2.5%
	Office	Yasuda-Life Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	1.4%
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	3.3%
	Office	Park East Sapporo	Sapporo, Hokkaido	Jun. 2002	2,150	1.9%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	2.8%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	1.5%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	2.5%
	Office	SK Hiroshima Bldg.	Hiroshima, Hiroshima	Oct. 2002	947	0.8%
	Retail	Kuraray Nissay Bldg.	Osaka, Osaka	May. 2003	8,000	7.0%
Subtotal					47,770	42.0%
Total					113,797	100.0%

Attachment 2
Photograph of the Kuraray Nissay Building

