

February 13, 2004

**For Immediate Release**

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**Notice Concerning Execution of Purchase and Sales Agreement in Connection the Acquisition of the SEF Building**

Japan Prime Realty Investment Corporation (JPR) on February 12, 2004 announced its decision to acquire the SEF Building, as detailed in brief below.

The date of purchase is scheduled on March 1, 2004.

Details

**1. Reason for Acquisition**

The acquisition of the SEF Building is in accordance with JPR's fundamental investment policies to enhance and stabilize its investment portfolio through the acquisition of prime real estate in greater Tokyo.

**2. Acquisition Details (Planned)**

1. Type of Acquisition           Real estate
2. Property Name               SEF Building
3. Acquisition Price           ¥3,250 million (excluding acquisition costs, property tax, city planning tax, and consumption tax)
4. Contract Date               **February 13, 2004**
5. Planned Acquisition Date   **March 1, 2004**
6. Seller                       Akira Shimomura, Denyu Building Ltd.
7. Funding                     Debt funding

**3. Planned Property Details**

Location	Registered	Land	1-53, Matsugaya, Taito-ku, Tokyo
		Bldg.	1-53,54, Matsugaya, Taito-ku, Tokyo
	Residential	1-3-5, Matsugaya, Taito-ku, Tokyo	
Access		Four minutes on foot from Inaricho Station, Eidan Ginza Subway Line	
Use		Office space and shops, parking facilities	

Type of Ownership	Land: Full ownership Bldg.: Full ownership	
Site Area	Land	Total site area 1,242.97m <sup>2</sup>
	Bldg.	Gross floor area 8,490.44m <sup>2</sup>
Type of Structure	SRC B1/8F	
Completion Date	October 16, 1992	
Architecture and Design	SHIMIZU CORPORATION	
Construction	SHIMIZU CORPORATION	
Appraisal	Appraiser	Japan Real Estate Institute
	Appraisal Value	¥3,270,000,000
	Appraisal Date	December 1, 2003
Probable Maximum Loss	<p>14.2% 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	The property is currently mortgaged. This mortgage will be discharged prior to acquisition by the Company. JPR does not at this time intend to provide collateral over the subject property subsequent to its purchase.	
Number of Tenants	10	
Major Tenants	KUBOTA Environmental Service Co., Ltd. BANDAI VISUAL Co., Ltd.	
Forecast Rental Revenue (including common charges)	¥310,196,000	
Total Leasable Floor Space	6,512.44m <sup>2</sup>	
Total Leased Floor Space	6,397.17m <sup>2</sup>	
Occupancy Rate on Planned Acquisition Date	98%	
Notes	Akira Shimomura is the current owner of real estate located 53, Matsugaya, Taito-ku and Denyu Building Ltd. is the current owner of real estate located 54, Matsugaya, taito-ku. Akira Shimomura and Denyu Building Ltd. have common ownership over the subject building. JPR will acquire the entire property (land and building) from both parties.	
<p>Note: Forecast rental revenue 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 an assumed occupancy rate of 90%:In addition, the number of tenants, total leasable floor space, total leased floor space, and occupancy rate on planned acquisition date are projections as of March 1, 2004.</p>		

#### 4. Seller Profile

Company Name	Denyu Building Ltd.
Head Office Address	6-1-1, Higashi-ueno Taito-ku, Tokyo
Representative	Akira Shimomura, President & Representative Director
Capital	¥40 million
Principal Shareholder	Akira Shimomura
Principal Activities	Real estate leasing
Relationship with JPR	None

#### 5. Sales Agent Profile

1) Sales Agent: Yasuda Real Estate Co., Ltd.

Yasuda Real Estate Co., Ltd. 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. Yasuda Real Estate Co., Ltd. does not however fall within the scope of related-parties in accordance with the Investment Trust Law.

2) Brokerage fee: ¥97,500,000 (3% of the acquisition price excluding consumption tax)

#### 6. Funding Details

JPR intends to undertake 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.

#### 7. Outlook

JPR anticipates a slight impact on business results following the acquisition of the SEF Building. Operating forecasts for the fifth fiscal period ending June 30, 2004 following acquisition of subject property will be announced together with business results for the fourth fiscal period ended December 31, 2003.

In the event there are any changes in the details relating to the acquisition of subject property prior to the scheduled acquisition date, these changes will be disclosed as and when they occur.

#### [Attachments]

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

## Attachment 1

### Projected cash flow

(Millions of Yen)

Projected Cash Flow	
Operating revenues	350
Rental revenues and common charges	310
Other operating revenues	40
Operating expenses (excluding depreciation)	141
Property management fees	43
Utility charges	40
Property and other taxes	32
Other operating expenses	25
NOI( = - )	210

#### Notes:

The above projected cash flow is an estimate for the fiscal year in which property acquisition was 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 90%.
- 2) Property and other taxes are the same as for fiscal 2003.

## Attachment 2

### Real estate portfolio after property acquisition (as of March 1, 2004)

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	10.6%
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	1.9%
	Office	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	1.4%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001	1,670	1.1%
				Nov. 2002	550	0.4%
	Office	Crest Yasuda Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	2,220	1.4%
	Office	Crest Yasuda Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	2.6%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	7.3%
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	1.9%
Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003	1,800	1.2%	
Retail	Jinnan 1-chome Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	7.8%	
<b>Subtotal</b>					<b>55,390</b>	<b>36.2%</b>
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	3.8%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	1.5%
	Office	Asahi-Life Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	1.9%
	Office	JPR Ikebukuro Bldg.	Toshima-ku, Tokyo	Jun. 2002	2,040	1.3%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.6%
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	5.3%
	Office	SEF Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	2.1%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	6.7%
	Retail	Tsurumi fuga 1	Yokohama, Kanagawa	Nov. 2001	3,040	2.0%
<b>Subtotal</b>					<b>38,707</b>	<b>25.3%</b>
Other Cities	Office	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 2001	2,140	1.4%
	Office	Meiji Yasuda-Life Osaka Umeda Bldg.	Osaka, Osaka	Dec. 2001	8,300	5.4%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	2.7%
	Office	Asahi-Life Takamatsu 2nd Bldg.	Takamatsu, Kagawa	Nov. 2001	872	0.6%
	Office	JPR Takamatsu Bldg.	Takamatsu, Kagawa	Dec. 2001	2,130	1.4%
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	1.9%
	Office	Asahi-Life Fukuoka 3rd/4th Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,873	1.9%
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	1.0%
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	2.4%
	Office	Park East Sapporo	Sapporo, Hokkaido	Jun. 2002	2,150	1.4%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	2.1%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	1.1%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	1.8%
	Office	SK Hiroshima Bldg.	Hiroshima, Hiroshima	Oct. 2002	947	0.6%
	Office	Nagoya Kowa Bldg.	Nagoya, Aichi	Sep. 2003	4,550	3.0%
	Office	Doujima F Bldg.	Osaka, Osaka	Jan. 2004	2,140	1.4%
Retail	Kuraray Nissay Bldg.	Osaka, Osaka	May. 2003 Jul. 2003 (Provisional)	8,000 5,000 13,000	5.2% 3.3% 8.5%	
<b>Subtotal</b>					<b>59,042</b>	<b>38.6%</b>
<b>Total</b>					<b>153,139</b>	<b>100.0%</b>

Notes:

1. The "Acquisition Price" is the amount identified in the purchase and sale agreement and does not include related costs such as real estate purchase and sales commission.
2. Percentages and occupancy ratios are rounded to the nearest first decimal place.

**Attachment 3**

Photograph of the SEF Building

