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For Immediate Release

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Notice Concerning Acquisition of the Semba Fukuoka Building and Debt Funding

Japan Prime Realty Investment Corporation (JPR) has today decided to acquire the Semba Fukuoka Building. In accordance with this decision, JPR has undertaken additional debt funding.

Details

1. Reason for Acquisition

The acquisition of the Semba Fukuoka 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 major cities located in regional areas.

2. Acquisition Details (Planned)

1. Type of Acquisition	Beneficiary interest
2. Asset Custodian	Mizuho Trust & Banking Co., Ltd
3. Term of Trust	From November 29, 2002 to June 10, 2014
4. Property Name	Semba Fukuoka Building
5. Acquisition Price	¥1,920 million (excluding acquisition costs and consumption tax)
6. Planned Contract Date	June 11, 2004
7. Planned Acquisition Date	June 11, 2004
8. Seller	Yugen Kaisha BKT Realty One
9. Funding	Debt funding

3. Planned Acquisition Property Details

Location	Registered	Land	2-157, 171, Hakataekimae, Hakata-ku, Fukuoka-shi, Fukuoka
		Bldg.	2-157, 171, Hakataekimae, Hakata-ku, Fukuoka-shi, Fukuoka
	Residential	2-6-12, Hakataekimae, Hakata-ku, Fukuoka-shi, Fukuoka	
Access		Five minutes on foot from Hakata Station, JR Line and Fukuoka City Subway Line	
Use		Office space	
Type of Ownership		Land: Full ownership Bldg.: Full ownership	
Site Area	Land	Total site area	680.63m ²
	Bldg.	Gross floor area	3,874.81m ²
Type of Structure		SRC 8F	
Completion Date		June 4, 1993	
Architecture and Design		Shimizu Corporation	
Construction		Shimizu Corporation	
Appraisal	Appraiser	Japan Real Estate Institute	
	Appraisal Value	¥1,950 million	
	Appraisal Date	May 1, 2004	
Probable Maximum Loss		<p>6.7% 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 pledged. This pledge 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		6	
Major Tenants		The Nishi-Nippon Bank, Ltd., Semba Co., Ltd.	
Forecast Rental Revenue (including common charges)		¥174,394,000	
Total Leasable Floor Space		3,349.57m ²	
Total Leased Floor Space		3,349.57m ²	
Occupancy Rate on Planned Acquisition Date		100%	
Special Considerations		none	
<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 100%. 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 June 11, 2004.</p>			

4. Seller Profile

Company Name	Yugen Kaisha BKT Realty One
Head Office Address	3-2-3, Marunouchi Chiyoda-ku, Tokyo
Representative	Ryutaro Uchiyama, President & Representative Director
Principal Activities	Real estate leasing
Relationship with JPR	None

5. Details of Debt Funding

1. Lender	Resona Bank, Ltd.	Aozora Bank, Ltd.
2. Amount	¥1,200 million	¥1,000 million
3. Interest Rate	0.52% (From June 11, 2004 to July 27, 2004) Note	0.52% (From June 11, 2004 to July 27, 2004) Note
4. Loan Type	Floating rate of interest. No collateral. No guarantee.	
5. Drawdown Date	June 10, 2004	
6. Repayment Method	Principal repayment in full on maturity	
7. Repayment Date	January 27, 2005	

Note: The interest rate applicable after July 28, 2004 will be announced as and when decided.

6. Outlook

The impact on business results following the acquisition of the Semba Fukuoka Building will be minimal. Operating forecasts for the Company's fifth fiscal period, the six months ending June 30, 2004, are unchanged.

[Attachments]

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

Attachment 1

Projected cash flow

(Millions of Yen)

Projected Cash Flow	
Operating revenues	186
Rental revenues and common charges	174
Other operating revenues	12
Operating expenses (excluding depreciation)	48
Property management fees	14
Utility charges	10
Property and other taxes	16
Other operating expenses	9
NOI(= -)	138

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 100%.
- 2) Property and other taxes are the same as for fiscal 2003.

Attachment 2

Real estate portfolio after property acquisition (as of June 11, 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	9.9%
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	1.8%
	Office	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	1.3%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002	1,670	1.0%
					550	0.3%
					2,220	1.4%
	Office	Crest Yasuda Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	2.4%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	6.8%
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	1.8%
	Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003	1,800	1.1%
	Office	Kenwa Bldg.	Chiyoda-ku, Tokyo	May. 2004	5,100	3.1%
	Office	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 2004	3,500	2.1%
Retail	Jinnan 1-chome Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	7.3%	
Subtotal					63,990	39.1%
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	3.6%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	1.4%
	Office	Asahi-Life Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	1.8%
	Office	JPR Ikebukuro Bldg.	Toshima-ku, Tokyo	Jun. 2002	2,040	1.2%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.6%
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	4.9%
	Office	SEF Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	2.0%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	6.2%
	Retail	Tsurumi fuga 1	Yokohama, Kanagawa	Nov. 2001	3,040	1.9%
Subtotal					38,707	23.7%

Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions)	% of Total
Other Cities	Office	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 2001	2,140	1.3%
	Office	Meiji Yasuda-Life Osaka Umeda Bldg.	Osaka, Osaka	Dec. 2001	8,300	5.1%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	2.5%
	Office	Asahi-Life Takamatsu 2nd Bldg.	Takamatsu, Kagawa	Nov. 2001	872	0.5%
	Office	JPR Takamatsu Bldg.	Takamatsu, Kagawa	Dec. 2001	2,130	1.3%
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	1.8%
	Office	Asahi-Life Fukuoka 3rd/4th Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,873	1.8%
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	1.0%
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	2.3%
	Office	Park East Sapporo	Sapporo, Hokkaido	Jun. 2002	2,150	1.3%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	1.9%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	1.0%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	1.7%
	Office	SK Hiroshima Bldg.	Hiroshima, Hiroshima	Oct. 2002	947	0.6%
	Office	Nagoya Kowa Bldg.	Nagoya, Aichi	Sep. 2003	4,550	2.8%
	Office	Doujima F Bldg.	Osaka, Osaka	Jan. 2004	2,140	1.3%
	Office	Semba Fukuoka Bldg.	Fukuoka, Fukuoka	Jun. 2004	1,920	1.2%
	Retail	Kuraray Nissay Bldg.	Osaka, Osaka	May. 2003 Jul. 2003 (Provisional)	8,000 5,000 13,000	4.9% 3.1% 7.9%
	Subtotal					60,962
Total					163,659	100.0%

Notes:

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

Attachment 3

Photograph of the Semba Fukuoka Building



[For Reference]

1. Total Borrowings and Corporate Bonds Balance after Additional Debt Funding
(Yen in millions)

	Borrowings Balance prior to Additional Debt Funding	Borrowings Balance after Additional Debt Funding	Change
Short-Term Borrowings	23,000	25,200	2,200
Long -Term Borrowings	29,966	29,966	-
Corporate Bonds	22,000	22,000	-
Interest-Bearing Liabilities (of which is long-term interest-bearing liabilities)	74,966 (51,966)	77,166 (51,966)	2,200 (-)

2. Interest-Bearing Liabilities Ratio after Additional Debt Funding

	Before Additional Debt Funding	After Additional Debt Funding	Percentage Point Change
Interest-Bearing Liabilities Ratio	45.7%	46.4%	0.7
Long-Term Interest-Bearing Liabilities Ratio	69.3%	67.3%	(2.0)

Notes:

1. The above interest-bearing liabilities ratios are calculated as a matter of convenience using the following formulas:
Interest-bearing liabilities ratio (%) = Interest-bearing liabilities ÷ (Interest-bearing liabilities + Unitholders' equity) x 100
Unitholders' equity: ¥89,114 million
(Unitholders' equity is rounded to the nearest million.)
2. Long-term interest-bearing liabilities ratio (%) = Long-term interest-bearing liabilities ÷ Interest-bearing liabilities x 100
3. Percentage figures are rounded to the nearest first decimal place.