

June 29, 2004

**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 Execution of a Purchase Agreement in Connection with the  
Acquisition of the Shinjuku Square Tower**

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire the Shinjuku Square Tower, as detailed in brief below:

The scheduled purchase date is July 2, 2004.

**Details**

**1. Reason for Acquisition**

The acquisition of the Shinjuku Square Tower is in accordance with JPR's fundamental investment policies to acquire new office buildings in Tokyo Central Business Districts in an effort to enhance and stabilize its investment portfolio.

**2. Acquisition Details (Planned)**

1. Type of Acquisition	Beneficiary interest
2. Asset Custodian	The Sumitomo Trust & Banking Co., Ltd.
3. Term of Trust	From February 28, 2001 to July 1, 2014
4. Property Name	Shinjuku Square Tower
5. Acquisition Price	¥10,000 million (excluding acquisition costs and consumption tax)
6. Contract Date	June 29, 2004
7. Planned Acquisition Date	July 2, 2004
8. Seller	Shinjuku Square Tower TMK
9. Funding	Debt funding

### 3. Planned Property Details

Location	Registered	Land	6-21-1, 6-12-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	
		Bldg.	6-21-1-19, Nishi-Shinjuku, Shinjuku-ku, Tokyo	
	Residential	6-22-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo		
Access		Eight minutes on foot from Nishi-Shinjuku Station, Tokyo Metro Marunouchi Subway Line		
Use		Office space		
Type of Ownership		<p>Land: Co-ownership (29.29501% of the total site) Two parcels of unit ownership to be acquired are subject to pledge. Accordingly, this section is in common ownership with other unit owners.</p> <p>Bldg.: Unit ownership (floors 19 - 29) Percentage ownership of the commercial tower totals 38.3076%.</p>		
Site Area		Land	Total redevelopment site area	8,409.52m <sup>2</sup>
			Net area to be acquired by JPR	2,463.57m <sup>2</sup>
		Bldg.	Total redevelopment floor space	78,796.00m <sup>2</sup>
			Floor space to be acquired by JPR	10,765.74m <sup>2</sup>
Type of Structure		S, RC, SRC B4/30F		
Completion Date		October 31, 1994		
Architecture and Design		K.K. Shintoshai Kaihatsu Kikou, INA Inc.		
Construction		Fujita Corporation		
Appraisal	Appraiser	Nippon Tochi-Tatemono Co., Ltd.		
	Appraisal Value	¥9,670,000,000		
	Appraisal Date	June 1, 2004		
Probable Maximum Loss		<p>6.2% 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 occurred 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 beneficiary interest to be acquired by JPR is subject to a general security agreement in accordance with Article 112 of the Law Concerning Asset Liquidation. The general security agreement will be released on acquisition by JPR of beneficiary interest. JPR does not intend to provide collateral over the beneficiary interest to be acquired.		
Number of Tenants		1		
Major Tenants		Shinjuku Square Tower Management Co., Ltd.		
Forecast Rental Revenue (including common charges)		¥866,607,000		
Total Leasable Floor Space		27,659.37m <sup>2</sup>	Total commercial tower floor space	
Total Leased Floor Space		27,659.37m <sup>2</sup>	Total commercial tower floor space (Reference) 4. Property Redevelopment Proposal Details, (2) Tenant Details	
Occupancy Rate on Planned Acquisition Date		100.0% (Reference) 4. Property Redevelopment Proposal Details, (2) Tenant Details		
Notes		The property scheduled for acquisition is an office building jointly developed as part of a statutory priority urban redevelopment project. For details refer to section 4. Property Redevelopment Proposal Details.		
<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. 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 July 2, 2004.</p>				

#### **4. Property Redevelopment Proposal Details**

##### **(1) Redevelopment Overview**

The Shinjuku Square Tower is a part of the statutory priority redevelopment project “I Town—6-3 Nishi-Shinjuku.” The project comprises commercial and residential towers, DHC and other facilities. Construction was completed in October 1994. JPR plans to acquire a portion of the beneficiary interest in the commercial tower, Shinjuku Square Tower, a 30-storey large-scale intelligent building. Each floor of the Shinjuku Square Tower offers a floor space of 290 *tsubo*.

##### **(2) Tenant Details**

The Shinjuku Square Tower has a single tenant, Shinjuku Square Tower Management Co., Ltd.

JPR, together with other unit owners, however, lease their exclusive areas of ownership to Shinjuku Square Tower Management Co., Ltd. through the Asset Custodian Shinjuku Square Tower Management Co., Ltd. subleases the total area to other parties. Brief details of sub-lessees are as follows:

- i.) Total number of sub-lessees: 18
- ii.) Total leasable floor space: 27,659.37 m<sup>2</sup>
- iii.) Total leased floor space: 25,939.41 m<sup>2</sup>
- iv.) Occupancy rate: 93.8%

(Data is as of July 2, 2004)

##### **(3) Property Lease Agreement Details**

A memorandum of agreement has been executed among unit owners of the property and the management company to collectively manage the property with the aim of securing stable income and to improve property value. Subject to the memorandum of agreement, all income and expenses related to the lease and management of the property are distributed among unit owners on a pro rata basis in accordance with percentage of ownership.

JPR plans to acquire unit ownership of floors 19 to 29, which under the memorandum of agreement represents 39.70457% of the total.

In accordance with the memorandum of agreement, the property is subject to a 20-year lease agreement with Shinjuku Square Tower Management Co., Ltd., which commenced on November 1, 1994 and is scheduled to expire on October 31, 2014. The remaining period of the contract is 10 years and 4 months. Under the lease agreement, unit owners will receive rental income equivalent to the rental income received by Shinjuku Square Tower Management Co., Ltd. from the sub-lessees, less a fixed amount. While, in general, security deposits paid by each sub-lessee and received by Shinjuku Square Tower Management Co., Ltd. are transferred to the unit owner of the relevant property, JPR will not receive security deposits applicable to those areas it plans to acquire. JPR will however receive any investment income which accrues to the security deposit on an annual basis.

## 5. Seller Profile

Company Name	Shinjuku Square Tower TMK
Head Office Address	2-5-2, Marunouchi, Chiyoda-ku, Tokyo
Relationship with JPR	None

## 6. Outlook

There will be no impact on JPR's results for the fifth fiscal period ending June 30, 2004 following acquisition of Shinjuku Square Tower.

The impact on JPR's results for the sixth fiscal period ending December 31, 2004 will be disclosed together with the announcement of the Company's fifth fiscal period results.

### [Attachments]

1. Projected cash flow
2. Real estate portfolio after property acquisition
3. Photograph of the Shinjuku Square Tower
4. Plan of property facilities and ownership details

## Attachment 1

### Projected cash flow

(Millions of Yen)

Projected Cash Flow*	
Operating revenues	867
Rental revenues and common charges	867
Other operating revenues	0
Operating expenses (excluding depreciation)	442
Property Management Fees	235
Property and other taxes	109
Other operating expenses	98
NOI( = - )	425
(Reference)	
Corporate Body reserve brought forward**	95
NOI on an investment value basis**	520

#### Notes:

The above projected cash flow is an estimate for the fiscal year in which the 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 93.0%.
- 2) Property and other taxes are the same as for fiscal 2003.

\* All revenues including those derived from common area parking, and common airconditioning and other facilities will be deposited with the corporate body. Regarding cash flows, all management, renovations, repairs and maintenance expenses will be deducted from deposited income.

\*\* The aforementioned corporate body reserves brought forward are projected amounts. Details regarding appropriation are determined at a corporate body meeting held for each fiscal period. In addition, NOI is calculated inclusive of corporate body reserves brought forward.

## Attachment 2

### Real estate portfolio after property acquisition

As of July 2, 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	9.4%
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	1.7%
	Office	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	1.2%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002	1,670 550	1.0% 0.3%
					2,220	1.3%
	Office	Crest Yasuda Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	2.3%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	6.4%
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	1.7%
	Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003	1,800	1.0%
	Office	Kenwa Bldg.	Chiyoda-ku, Tokyo	May. 2004	5,100	2.9%
	Office	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 2004	3,500	2.0%
	Office	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2004	10,000	5.8%
Retail	Jinnan 1-chome Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	6.9%	
<b>Subtotal</b>					<b>73,990</b>	<b>42.6%</b>
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	3.4%
	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	1.7%
	Office	JPR Ikebukuro Bldg.	Toshima-ku, Tokyo	Jun. 2002	2,040	1.2%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.5%
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	4.7%
	Office	SEF Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	1.9%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	5.9%
	Retail	Tsurumi fuga 1	Yokohama, Kanagawa	Nov. 2001	3,040	1.8%
<b>Subtotal</b>					<b>38,707</b>	<b>22.3%</b>

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	1.2%	
	Office	Meiji Yasuda-Life Osaka Umeda Bldg.	Osaka, Osaka	Dec. 2001	8,300	4.8%	
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	2.4%	
	Office	Asahi-Life Takamatsu 2nd Bldg.	Takamatsu, Kagawa	Nov. 2001	872	0.5%	
	Office	JPR Takamatsu Bldg.	Takamatsu, Kagawa	Dec. 2001	2,130	1.2%	
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	1.7%	
	Office	Asahi-Life Fukuoka 3rd/4th Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,873	1.7%	
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	0.9%	
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	2.1%	
	Office	Park East Sapporo	Sapporo, Hokkaido	Jun. 2002	2,150	1.2%	
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	1.8%	
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	1.0%	
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	1.6%	
	Office	SK Hiroshima Bldg.	Hiroshima, Hiroshima	Oct. 2002	947	0.5%	
	Office	Nagoya Kowa Bldg.	Nagoya, Aichi	Sep. 2003	4,550	2.6%	
	Office	Doujima F Bldg.	Osaka, Osaka	Jan. 2004	2,140	1.2%	
	Office	Semba Fukuoka Bldg.	Fukuoka, Fukuoka	Jun. 2004	1,920	1.1%	
	Retail	Kuraray Nissay Bldg.	Osaka, Osaka	May. 2003 Jul. 2003 (Provisional)	8,000 5,000 13,000	4.6% 2.9% 7.5%	
	<b>Subtotal</b>					<b>60,962</b>	<b>35.1%</b>
	<b>Total</b>					<b>173,659</b>	<b>100.0%</b>

Notes:

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

**Attachment 3**

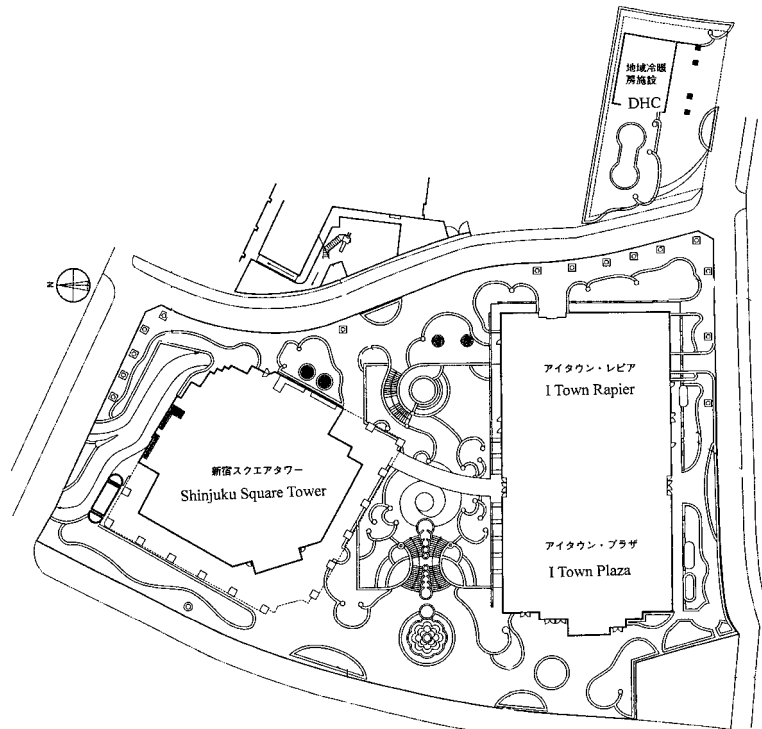
Photograph of the Shinjuku Square Tower



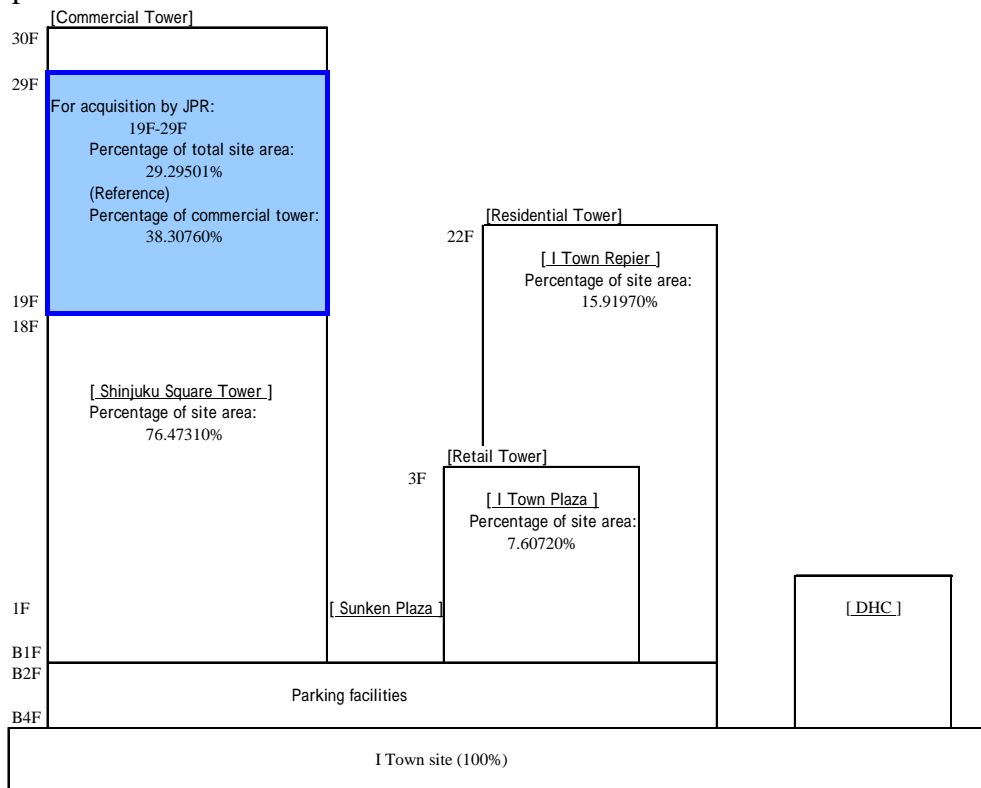


## Attachment 4

### Plan of property facilities



### Ownership details



Note: Sunken Plaza, parking facilities, DHC are subject to common ownership.