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For Immediate Release

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Notice Concerning Increase in Ownership of the Shin-Kojimachi Building

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire additional ownership in the Shin-Kojimachi Building, as detailed in brief below.

Details

1. Reason for Acquisition

With its ability to increase its existing ownership in the Shin-Kojimachi Building (the Mizuho Trust & Banking Co., Ltd. retains partial compartmentalized ownership as a trust property, with JPR as beneficiary), the Company aims to improve its operational efficiency by acquiring additional compartmentalized ownership.

2. Acquisition Details (Planned)

1. Type of Acquisition	Beneficiary interest
2. Asset Custodian	The Mizuho Trust & Banking Co., Ltd.
3. Term of Trust	From November 12, 2004 to November 30, 2014
4. Property Name	Shin-Kojimachi Building
5. Acquisition Price	¥200 million (excluding acquisition costs and consumption tax)
6. Planned Contract Date	November 12, 2004
7. Planned Acquisition Date	November 12, 2004
8. Seller	Kuniko Shinozaki
9. Funding	Cash on hand

3. Details of Property for Planned Acquisition

Location	Registered	Land	4-3-3, Kojimachi, Chiyoda-ku, Tokyo
	Residential	Bldg.	4-3-3, Kojimachi, Chiyoda-ku, Tokyo
Access		4-3-3, Kojimachi, Chiyoda-ku, Tokyo	
Use		Three minutes on foot from Kojimachi Station, Tokyo Metro Yurakucho Subway Line	
Type of Ownership		Office space, residence, parking facilities (JPR will acquire an additional portion of space utilized as office space)	
Type of Ownership		Land: Co-ownership Intended acquisition: 31,253 of 430,052 Total ownership after acquisition: 331,937 of 430,052 Bldg.: Unit ownership Intended acquisition: 4th floor portion (306.58 m ²) Total ownership after acquisition: 1st to 7th floors (3,258.14 m ²)	
Site Area	Land	Total site area	657.80m ²
		Net area to be acquired by JPR	47.80m ²
		Total area to be under co-ownership	507.73m ²
	Bldg.	Gross floor area	5,152.98m ²
		Proprietary floor area	4,214.63m ²
		Net floor area to be acquired by JPR	306.58m ²
		Total area to be under unit ownership	3,258.14m ²
Type of Structure		SRC B1/9F	
Completion Date		October 25, 1984	
Architecture and Design		Meisei Kensetsu K.K.	
Construction		Joint construction project comprising Meisei Kensetsu K.K. and Tokyu Construction Co., Ltd.	
Building Specifications	Rentable floor space	462.46m ²	
	Ceiling height	2,590mm	
	Air Conditioning System	Central (partial individual control)	
	Type of flooring	Ducted flooring (partial OA flooring)	
Appraisal	Appraiser	Japan Real Estate Institute	
	Appraisal Value	¥208 million	
	Appraisal Date	November 1, 2004	
Probable Maximum Loss		13.2% based on earthquake risk assessment report prepared by the Shinozuka Research Institute. 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.	
Collateral		None	
Number of Tenants		Number of tenants in part held by JPR after acquisition: 11 Of which number of tenants in part to be acquired: 1	
Major Tenants		Gianni Versace Japan, Shinkawa Electric Co., Ltd., Japan Municipal Development Corporation (major tenants of leased floor space to be newly acquired by JPR)	
Forecast Rental Revenue (including common charges)		¥22 million	
Total Leasable Floor Space		Total leasable floor space owned by JPR after acquisition: 3,319.33 m ² Net area to be acquired by JPR: 312.53 m ²	
Total Leased Floor Space		Total leased floor space owned by JPR after acquisition: 3,319.33 m ² Net floor area to be acquired by JPR: 312.53 m ²	
Occupancy Ratio on Planned Acquisition Date		100.0%	
Special Considerations		None	
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 ratio of 100%. In addition, the number of tenants, total leasable floor space, total leased floor space, and occupancy ratio on planned acquisition date are projections as of November 12, 2004.			

4. Sales Agent Profile

1) Sales Agent: Tokyo Tatemono Co., Ltd.

Tokyo Tatemono Co., Ltd. maintains a 26% shareholding in Tokyo Realty Investment Management, Inc., the asset management company of JPR, 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. Tokyo Tatemono Co., Ltd. does not however fall within the scope of related parties in accordance with the Investment Trust Law.

2) Brokerage fee: ¥6,000,000 (3% of the acquisition price, excluding consumption tax)

5. Outlook

The impact on business results following the acquisition of additional ownership in the Shin-Kojimachi Building will be minimal. Operating forecasts for the Company's sixth fiscal period, the six months ending December 31, 2004, are unchanged.

6. Others

1) Lease agreement

The additional leased floor space to be acquired under this purchase is currently leased from the seller by Yaei Ltd. and subleased under a Master Lease Agreement to Tokyo Tatemono Co., Ltd. Tokyo Tatemono Co., Ltd. in turn sub-leases to other tenants. On settlement, and by mutual agreement, these lease agreements will be terminated and replaced by direct leasing agreements between the tenants and the trust asset custodian, Mizuho Trust & Banking Co., Ltd.

2) Background to the property acquisition

	Acquired November 16, 2001	Acquired November 21, 2002	Subject of planned acquisition
Purchase price (Cumulative total)	1,670 million (1,670 million)	550 million (2,220 million)	200 million (2,420 million)
Proprietary floor area to be acquired by JPR (Cumulative total)	2,067.34㎡ (2,067.34㎡)	884.22㎡ (2,951.56㎡)	306.58㎡ (3,258.14㎡)
Cumulative ratio of total proprietary floor area	49.1%	70.0%	77.3%

Floor	Use	Parts Held by JPR	
9F	Residence		
8F	Office		
7F	Office	Acquired on November 16, 2001	
6F	Office	Acquired on November 16, 2001	
5F	Office	Acquired on November 16, 2001	
4F	Office	Acquired on November 16, 2001	Subject of acquisition
3F	Office	Acquired on November 16, 2001	
2F	Office	Acquired on November 21, 2002	
1F	Office	Acquired on November 21, 2002	
B1F	Car Parking		

[Attachments]

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

Attachment 1

Projected cash flow

(Millions of yen)

Projected Cash Flow	
Operating revenues	23
Rental revenues and common charges	22
Other operating revenues	1
Operating expenses (excluding depreciation)	9
Property management fees	4
Utility charges	1
Property and other taxes	1
Other operating expenses	2
NOI (= -)	14

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 and 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 those for fiscal 2004.

Attachment 2

Real estate portfolio after property acquisition

As of November 12, 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	9.1%
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	1.6%
	Office	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	1.2%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001	1,670	0.9%
				Nov. 2002	550	0.3%
				Nov. 2004	200	0.1%
					2,420	1.4%
	Office	Crest Yasuda Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	2.2%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	6.3%
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	1.6%
	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	5.6%
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004	2,900	1.6%
Retail	Jinnan 1-chome Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	6.7%	
Retail	SS Daikanyama	Shibuya-ku, Tokyo	Oct. 2004	2,160	1.2%	
Subtotal					79,250	44.3%
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	3.3%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	1.3%
	Office	Asahi-Life Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	1.6%
	Office	JPR Ikebukuro Bldg.	Toshima-ku, Tokyo	Jun. 2002	2,040	1.1%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.5%
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	4.5%
	Office	SEF Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	1.8%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	5.7%
	Retail	Tsurumi fuga 1	Yokohama, Kanagawa	Nov. 2001	3,040	1.7%
Subtotal					38,707	21.6%

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	4.6%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	2.3%
	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	1.6%
	Office	Asahi-Life Fukuoka 3rd/4th Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,873	1.6%
	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	0.9%
	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	2.5%
	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	8,000 5,000 13,000	4.5% 2.8% 7.3%
	Subtotal					60,982
Total					178,919	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 commissions.
2. Percentages and occupancy ratios are rounded to the nearest first decimal place.

Attachment 3

Photograph of the Shin-Kojimachi Building

