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For Immediate Release

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**Notice Concerning Execution of a Purchase Agreement in Connection with the
Acquisition of the Strasse Ichibancho**

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire the Strasse Ichibancho, as detailed in brief below. The scheduled purchase date is February 4, 2005.

Details

1. Reason for Acquisition

The acquisition of the Strasse Ichibancho 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

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| 1. Type of Acquisition | Beneficiary interest |
| 2. Asset Custodian | The Chuo Mitsui Trust and Banking Company Limited |
| 3. Term of Trust | From October 31, 2002 to October 31, 2012 |
| 4. Property Name | Strasse Ichibancho |
| 5. Acquisition Price | ¥4,200 million (excluding acquisition costs and consumption tax) |
| 6. Contract Date | December 20, 2004 |
| 7. Planned Acquisition Date | February 4, 2005 |
| 8. Seller | Milky Way Properties Y.K. |
| 9. Funding | Debt funding and cash on hand (Planned) |

3. Details of Property for Planned Acquisition

Location	Registered	Land	3-9-6, Ichibancho, Aoba-ku, Sendai-shi, Miyagi	
		Bldg.	3-9-6, Ichibancho, Aoba-ku, Sendai-shi, Miyagi	
	Residential	3-9-18, Ichibancho, Aoba-ku, Sendai-shi, Miyagi		
Access		Twelve minutes on foot from JR Sendai Station, Four minutes on foot from Hirose-Dori Station, Sendai City Subway		
Use		Shops		
Type of Ownership		Land: Full ownership Bldg.: Full ownership		
Site Area	Land	Total site area	648.81 m ²	
	Bldg.	Gross floor area	3,445.80 m ²	
Type of Structure		RC·S B1/8F		
Completion Date		October 24, 2002		
Architecture and Design		Sumitomo Mitsui Construction Co., Ltd.		
Construction		Sumitomo Mitsui Construction Co., Ltd.		
Appraisal	Appraiser	Nippon Tochi-Tatemono Co., Ltd.		
	Appraisal Value	¥3,820 million		
	Appraisal Date	December 1, 2004		
Probable Maximum Loss		9.4% 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		1		
Major Tenants		Mitsui Fudosan Co., Ltd.		
Forecast Net Operating Income (Yield)		¥222 million (5.3%)		
Total Leasable Floor Space		2,861.91 m ²		
Total Leased Floor Space		2,861.91 m ²		
Occupancy Rate on Planned Acquisition Date		100%		
Special Considerations		None		
<p>Notes: 1) The number of tenants, total leasable floor space, total leased floor space, and occupancy rate on scheduled acquisition date are projections as of the scheduled acquisition date of February 4, 2005. 2) The figure for NOI above is based on forecast income for a full year after eliminating special factors applicable to the period in which the property was acquired, and so is not a forecast for the current fiscal period. The following assumptions are made:</p> <ul style="list-style-type: none"> - Occupancy rate of 100% - The amount of property and other taxes will be the same as that in the fiscal year ending December 31, 2004. <p>3) Mitsui Fudosan Co., Ltd., the tenant, subleases all its leased space to Five Foxes Co., Ltd.</p>				

4. Location of Subject Property

The subject property fronts VLANDOME Ichibancho Ichibangai. VLANDOME Ichibancho Ichibangai is the most fashionable shopping promenade in Sendai linking Fujisaki department store and Sendai FORUS. The area boasts a large number of popular foreign and major domestic brand stores.

Approximately 40,000 consumers on each weekday and 57,000 on each Saturday, Sunday and public holiday pass in front of the subject property, more than any other shopping promenade in Sendai. The property is characterized for its unrivalled ability to attract customers, as a fashion center and high potential.

5. Lease agreement

The property lessee, Mitsui Fudosan Co., Ltd., subleases all its leased space to Five Foxes Co., Ltd. (master lease). The contents of the sublease contract are as follows:

Tenant Name	Five Foxes Co., Ltd.
Total Leased Floor Space	2,861.91 m ²
Lease Term	10 years from October 31, 2002
Lease Type	Fixed-term lease contract
Rent Review	Every 3 years from commencement of lease term
Cancellation Prior to Lease Termination Date	Not possible within first 4 years, thereafter termination possible with one year's prior notice
Others	The lease contract between the asset custodian and Mitsui Fudosan Co., Ltd., the lessee, stipulates that the lessee will pay a rental equivalent to the rental paid by the sublessee

6. Seller Profile

Company Name	Milky Way Properties Y.K.
Head Office Address	3-1-20, Nihonbashi-muromachi, Chuo-ku, Tokyo
Relationship with JPR	None

7. Outlook

There will be no impact on business results from the acquisition of the Strasse Ichibancho. Operating forecasts for the Company's sixth fiscal period, the six months ending December 31, 2004, are unchanged.

The impact on JPR's results for the seventh fiscal period ending June 30, 2005 will be disclosed together with the announcement of the Company's sixth fiscal period results.

[Attachments]

1. Real estate portfolio after property acquisition
2. Photograph of the Strasse Ichibancho

Attachment 1

Real estate portfolio after property acquisition

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	8.8%
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	1.5%
	Office	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	1.1%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002 Nov. 2004	2,420	1.3%
	Office	Crest Yasuda Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	2.2%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	6.0%
	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	2.7%
	Office	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 2004	3,500	1.9%
	Office	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2004	10,000	5.4%
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004	2,900	1.6%
	Office	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 2004	710	0.4%
	Retail	Jinnan 1-chome Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	6.5%
	Retail	SS Daikanyama	Shibuya-ku, Tokyo	Oct. 2004	2,160	1.2%
	Subtotal					79,960
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	3.2%
	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	4.4%
	Office	SEF Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	1.7%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	5.5%
	Retail	Tsurumi fuga 1	Yokohama, Kanagawa	Nov. 2001	3,040	1.6%
	Retail	The Cupo-la Main Building (1-1 Kawaguchi Redevelopment Project)	Kawaguchi, Saitama	Mar. 2006 (Planned)	2,100	1.1%
Subtotal					40,807	21.9%

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	4.5%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	2.2%
	Office	Asahi-Life Takamatsu 2nd Bldg.	Takamatsu, Kagawa	Nov. 2001	872	0.5%
	Office	JPR Takamatsu Bldg.	Takamatsu, Kagawa	Dec. 2001	2,130	1.1%
	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	1.5%
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	0.8%
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	2.0%
	Office	Park East Sapporo	Sapporo, Hokkaido	Jun. 2002	2,150	1.2%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	1.7%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	0.9%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	1.5%
	Office	SK Hiroshima Bldg.	Hiroshima, Hiroshima	Oct. 2002	947	0.5%
	Office	Nagoya Kowa Bldg.	Nagoya, Aichi	Sep. 2003	4,550	2.4%
	Office	Doujima F Bldg.	Osaka, Osaka	Jan. 2004	2,140	1.2%
	Office	Semba Fukuoka Bldg.	Fukuoka, Fukuoka	Jun. 2004	1,920	1.0%
	Retail	Kuraray Nissay Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	7.0%
	Retail	Strasse Ichibancho	Sendai, Miyagi	Feb 2005	4,200	2.3%
	Subtotal					65,162
Total					185,929	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.
3. JPR contracted to purchase a parcel of the Cupo-la Main Building (1-1 Kawaguchi Redevelopment Project) on November 25, 2004. The planned acquisition date, however, is in March 2006.

Attachment 2

Photograph of the Strasse Ichibancho

