



MOODY'S ASSIGNS A3 RATING TO JAPAN PRIME REALTY INVESTMENT CORPORATION 'S STRAIGHT BONDS

JPY 20 Billion of Debt Securities Affected

Tokyo, October 21, 2004 -- Moody's Investors Service has assigned its A3 rating to Japan Prime Realty Investment Corporation's (JPR) proposed issue of Series 4 JPY 10 billion in unsecured straight bonds due 2009, Series 5 JPY 5 billion in unsecured straight bonds due 2011, and Series 6 JPY 5 billion in unsecured straight bonds due 2014. The rating outlook is stable.

The A3 rating reflects JPR's structural features as a J-REIT, including its limited business scope, reasonably conservative financial policy, high debt service coverage ratio (DSCR), cash flow stability deriving from its portfolio, and expected sourcing and management abilities.

These positive factors are partially offset by the uncertainty regarding its de-levering strategy during the fund's growth phase, the slightly high secured debt ratio, concentration of its rent income in a few tenants and the slightly high ratio exhibited by non-fee-simple assets within the portfolio. However, those concerns are mitigated by JPR's discipline over investment eligibility criteria, its integrated asset management policy and procedures, the supports by its sponsors in supplying professionals, and the increase in the fee-simple assets ratio within its portfolio through expected acquisitions in the near future. The medium-term targets for these acquisitions comprise 300 billion yen by 2006.

Japan Prime Realty Investment Corporation is a listed Japanese Real Estate Investment Trust (June 2002), which focuses on investing and managing office buildings and retail properties. Tokyo Realty Investment Management, Inc. (TRIM) is the asset management company, specially established for JPR, and sponsored by Tokyo Tatemono Co. Ltd., Meiji Yasuda Life Insurance Company (Baa2), Taisei Corporation (Baa2), Yasuda Real Estate Co., Ltd. and Sampo Japan Insurance Inc.(Aa3). Each sponsor holds 26%, 24%, 20%, 20% and 10% of TRIM respectively.

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