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For Translation purpose only

For Immediate Release

Japan Prime Realty Investment Corporation
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Notice Concerning Additional Issue of New Investment Units and Secondary Offering

Japan Prime Realty Investment Corporation (JPR) today announced that it has resolved at a Board of Directors Meeting to issue additional new investment units and conduct a secondary offering. Brief details of the resolution are outlined below.

1 Primary Offering for the Additional Issue of New Investment Units

- (1) Total number of units to be issued
95,000
- (2) Purchase price
To be determined
(The purchase price for new investment units shall be determined by a resolution of the Board of Directors on a date (the pricing date) between January 24, 2005 (Monday) and January 26, 2005 (Wednesday). The purchase price shall be the proceeds per unit received from the underwriter upon payment of the new investment units to be issued.
- (3) Gross proceeds
To be determined
- (4) Offering method
Underwritten in full by Mizuho Securities Co., Ltd. and Merrill Lynch Japan Securities Co., Ltd., (“joint lead managers”) in addition to Nomura Securities Co., Ltd., Nikko Citigroup Limited, Daiwa Securities SMBC Co.,

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Ltd., Tokai Tokyo Securities Co., Ltd., Mitsubishi Securities Co., Ltd., and UFJ Tsubasa Securities Co., Ltd. (together as the “underwriters”).

The offer price shall provisionally be calculated by multiplying the Tokyo Stock Exchange closing price on the pricing date (the closing price on the day immediately preceding the pricing date in the event there is no closing price) by a factor of 0.90 to 1.00 (amounts less than ¥1 to be omitted) and subject to demand.

(5) Underwriting agreement

No selling concession, management concession or underwriting commission will be payable by JPR. Underwriting fees applicable to the issue shall be the difference between the offer price and the purchase price.

(6) Subscription period

January 27, 2005 (Thursday) to January 31, 2005 (Monday)

Subject to demand, the subscription period may be brought forward. The earliest subscription period shall be January 25, 2005 (Tuesday) to January 27, 2005 (Thursday).

(7) Payment date

February 3, 2005 (Thursday)

Subject to demand, the payment date may be brought forward. The earliest payment date applicable shall be February 1, 2005 (Tuesday).

(8) Starting date of computation for cash distribution

January 1, 2005 (Saturday)

(9) Subscription unit

One unit or more in multiples of one unit.

(10) Other

The purchase price and other items relating to the Primary Offering shall be approved at a future Board of Directors Meeting

(11) Notification

The aforementioned items shall be subject to the effectiveness of the Securities Registration Statement in accordance with the Securities Exchange Law in Japan.

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2 Secondary Offering (Over-allotment option)

(1) Seller and the number of units to be offered

Mizuho Securities Co., Ltd. 5,000

The Secondary Offering (over-allotment option) conducted by Mizuho Securities Co., Ltd. is subject to Primary Offering demand. The number of units to be offered is 5,000 units maximum, and may be reduced depending on demand. The Secondary Offering (over-allotment option) may not occur. In connection with the over-allotment option, JPR's investment unitholder Tokyo Tatemono Co., Ltd. has agreed to lend Mizuho Securities Co., Ltd. a maximum of 5,000 units.

(2) Offer price

To be determined. It shall be the same as the offer price of the Primary Offering.

(3) Subscription period

It shall be the same as the Primary Offering.

(4) Settlement date

One business day after the payment date of the Primary Offering.

(5) Subscription unit

One unit or more in multiples of one unit

(6) Other

The offer price and other items relating to the Secondary Offering shall be approved at a future Board of Directors Meeting.

(7) Notification

The aforementioned items shall be subject to the effectiveness of the Securities Registration Statement in accordance with the Securities Exchange Law in Japan.

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3 Third-party Allotment

- (1) Total number of units to be issued
5,000
- (2) Third party and number of units to be issued to the third party
Mizuho Securities Co., Ltd. 5,000
- (3) Purchase price
To be determined. It shall be the same as the purchase price of the Primary Offering.
- (4) Gross proceeds
To be determined
- (5) Subscription date
March 4, 2005 (Friday)
Subject to demand for the Primary Offering, the subscription date may be brought forward. The earliest subscription date applicable shall be March 1, 2005 (Tuesday).
- (6) Payment date
March 4, 2005 (Friday)
Subject to demand, the closing date may be brought forward. The earliest payment date applicable shall be March 1, 2005 (Tuesday).
- (7) Starting date of computation for cash distribution
January 1, 2005 (Saturday)
- (8) Subscription unit
One unit or more in multiples of one unit.
- (9) Investment units shall not be issued in the case no application has been made by the third party during the subscription period.
- (10) Other
The purchase price and other items relating to the third-party allotment shall be approved at the next Board of Directors Meeting.
- (11) Notification
The aforementioned items shall be subject to the effectiveness of the

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Securities Registration Statement in accordance with the Securities Exchange Law in Japan.

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(Reference)

1 Details of the Secondary Offering (over-allotment option)

- (1) In order to effect return of the investments units to be borrowed by Mizuho Securities from Tokyo Tatemono for the over-allotment (the “borrowed investment units”), JPR shall approve the granting of an option (the “greenshoe option”) by way of a third-party allotment, to a maximum of 5,000 units to Mizuho Securities (the “third-party allotment”). The greenshoe option may be exercised by the 30th day (the immediately preceding business day if such date is not a business day) from the day following the close of the subscription period for the Primary Offering and the Secondary Offering.
- (2) In order to effect return of the investment units borrowed, Mizuho Securities may also purchase investment units up to the number of units for the over-allotment option in the Tokyo Stock Exchange (the “syndicated cover transaction”) during the period from the day following the close of the subscription period for the Primary Offering and the Secondary Offering until the 30th day (the immediately preceding business day if such date is not a business day) from the day following the close of the subscription period (the “syndicated cover transaction period”).
- (3) Moreover, Mizuho Securities may engage in stabilizing transactions related to the Primary Offering and the Secondary Offering. The investment units purchased through such stabilizing transactions may be used, in whole or in part, in return of the investment units borrowed.
- (4) For the number of investment units offered as the over-allotment minus the number of investment units returned as a result of a purchase through the syndicated cover transaction and stabilizing transactions, Mizuho Securities will exercise the greenshoe option to acquire the investment units through the third-party allotment. Therefore, there may be no subscription to the investment units offered in the third-party allotment in whole or in part, the final number of investment units placed by the third-party allotment may decrease to that extent due to forfeiture, or such allotment itself may not take place at all.
- (5) The transaction described in the above (1) to (4) will be performed upon consultation between Mizuho Securities and Merrill Lynch Japan Securities Co., Ltd.

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2 Total Number of Investment Units after New Issue

Number of investment units outstanding (as of January 13, 2005)	430,000
Number of new issue (Primary Offering)	95,000
Subtotal	525,000
Number of new issue (third-party allotment) (projected)	5,000
Total (projected)	530,000

3 Use of Proceeds

Proceeds from the Primary Offering and the third-party allotment are earmarked for the repayment of short-term debt and the acquisition of a property.

4 Distribution to Unitholders

(1) Distribution policy

Distribution policy is determined in line with JPR's internal rules and regulations.

(2) Distribution for the previous three fiscal periods

	3 rd Fiscal Period January 1, 2003 to June 30, 2003	4 th Fiscal Period July 1, 2003 to December 31, 2003	5 th Fiscal Period January 1, 2004 to June 30, 2004
Distribution per Investment Unit	¥6,873	¥5,738	¥6,081

5 Other

(1) Specified purchaser

No specified purchaser

(2) Stabilizing transactions

Mizuho Securities may engage in stabilizing transactions related to the Primary Offering and the Secondary Offering.

(3) Lock-up agreement with issuer

JPR has agreed with joint lead managers Mizuho Securities and Merrill Lynch Japan Securities that it will not issue additional investment units for a period of three months after the listing date (excluding the third-party allotment as outlined in item 3). In addition, in the event of the above, this condition may be deleted in part or in whole at the mutual discretion of the

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joint lead managers, and the period limitation reduced.

(4) Lock-up agreements with major unitholders

Shareholders of Tokyo Realty Investment Management, Inc., the asset management company of JPR, (listed below) have agreed with the joint lead managers not to sell, transfer, pledge as collateral, lend or dispose of investment units of JPR, in any other manner, their respective shareholdings as of December 27, 2004 for a period of three months after the listing date. This excludes the agreement with Mizuho Securities relating to the lending of investment units related to the Secondary Offering (over-allotment option). However, each of the aforementioned conditions may be circumvented subject to written approval from the joint lead managers in advance.

The number of investment units held by each unitholder as of December 27, 2004 (Monday) and listed as follows.

(As of December 27, 2004)

Unitholders	Number of Investment Units Held
Tokyo Tatemono Co., Ltd.	29,300
Meiji Yasuda Life Insurance Company	24,000
Yasuda Real Estate Co., Ltd.	5,000
Taisei Corporation	1,500
Tokyo Realty Investment Management, Inc.	100
Total	59,900

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(5) Past Equity finance

i. Equity finance

(Millions of yen)

Date	Total Issue Amount	Total Unitholders' Capital after Issue	
September 14, 2001	120	120	Private placement
November 16, 2001	31,000	31,120	Private placement
June 14, 2002	25,862	56,982	Public offering
July 15, 2003	30,758	87,740	Public offering
August 9, 2003	1,373	89,113	Third-party allotment

ii. Recent trends in investment unit price during the past three fiscal periods

(Yen)

	4 th Fiscal Period July 1, 2003 to December 31, 2003	5 th Fiscal Period January 1, 2004 to June 30, 2004	6 th Fiscal Period July 1, 2004 to December 31, 2004	7 th Fiscal Period January 1, 2005 to June 30, 2005
Opening	239,000	265,000	283,000	294,000
High	270,000	305,000	311,000	298,000
Low	234,000	257,000	274,000	291,000
Closing	265,000	284,000	294,000	296,000

Note: The 7th fiscal period shows the unit price for the period from January 1, 2005 to January 12, 2005.

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