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For Translation purpose only

For Immediate Release

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Notice Concerning Acquisition of the Housing Design Center Kobe

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire the Housing Design Center Kobe (HDC Kobe), as detailed in brief below. The planned acquisition date is September 28, 2005.

Details

1. Reason for Acquisition

The acquisition of the HDC Kobe is in accordance with JPR's fundamental investment policies to acquire new retail properties in an effort to enhance and stabilize its investment portfolio.

2. Acquisition Details (Planned)

- | | |
|------------------------|---|
| 1. Type of Acquisition | Real Estate |
| 2. Property Name | The Housing Design Center Kobe |
| 3. Acquisition Price | ¥7,220 million
(excluding acquisition costs and consumption tax) |
| 4. Contract Date | September 28, 2005 |
| 5. Acquisition Date | September 28, 2005 |
| 6. Seller | The Mitsubishi Trust and Banking Corporation |
| 7. Funding | Debt funding and cash on hand (planned) |

3. Details of Property for Planned Acquisition

Location	Registered	Land	1-71, Higashikawasaki-cho, Chuo-ku, Kobe-shi, Hyogo	
		Bldg.	1-71, Higashikawasaki-cho, Chuo-ku, Kobe-shi, Hyogo	
	Residential	1-2-2, Higashikawasaki-cho, Chuo-ku, Kobe-shi, Hyogo		
Access		In front of JR Kobe Station, three minutes on foot from Kosoku Kobe Station, Kobe Kosoku Railway, Tozai Line		
Use		Exhibition hall, shops and office space		
Type of Ownership		Land: Proprietary ownership Bldg.: Proprietary ownership		
Site Area (Registered)	Land	Total site area	3,994.47 m ²	
	Bldg.	Gross Total floor area	33,877.71 m ²	
Type of Structure		SRC·S B2/11F		
Completion Date		June 30, 1994		
Architecture and Design		Izumisawa Kenchiku Sekkei Jimusho K.K. and Nissoken Architects/Engineers		
Construction		Joint construction project comprising Taisei Corp., Obayashi Corp. and Mitsubishi Construction Corp. (currently named P.S. Mitsubishi Construction Co., Ltd.)		
Appraisal	Appraiser	IKOMA CB Richard Ellis		
	Appraisal Value	¥7,380 million		
	Appraisal Date	September 30, 2005		
Probable Maximum Loss		9.2% based on earthquake risk assessment report prepared by 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		ABC Development Corporation (Note)		
Total Leasable Floor Space		35,444.13 m ²		
Total Leased Floor Space		35,444.13 m ²		
Occupancy Rate on Planned Acquisition Date		100%		
Forecast Net Operating Income (Yield)		¥412 million per annum (5.7%)		
Special Considerations		None		
Note : ABC Development Corporation subleases its leased space to third parties under sublease agreements.				

- The number of tenants, total leasable floor space, total leased floor space, and the occupancy rate on the scheduled date of acquisition are projections as of the scheduled acquisition date of September 28, 2005.

- NOI is based on forecast income for a full year after eliminating special factors applicable to the period in which the property was acquired. Accordingly, it is not a forecast for the current fiscal period. Assumptions that form the basis of calculations are as follows:

1) Occupancy rate of 100%

2) An annual amount for property and other taxes equivalent to the amount applicable to the taxable year ended December 31, 2005.

4. Location of Subject Property

The HDC Kobe is located in the Kobe Harborland district, an area currently under development in the economic and cultural hub of West Kobe. The property is situated in front of JR Kobe Station and offers convenient access. The HDC Kobe stands alone as a landmark building of the highest quality.

5. Lease Agreement Details

The entire property is leased to ABC Development Corporation (master lease). ABC Development Corporation subleases its leased space to third parties. The contents of the lease are briefly as follows:

Tenant Name	ABC Development Corporation
Total Leased Floor Space	35,444.13 m ²
Lease Term	To March 31, 2012
Rent Review	Fixed-term lease agreement until March 31, 2009. Review on March 31, 2009
Cancellation Prior to Lease Termination Date	Not permitted

6. Seller Profile

Company Name	The Mitsubishi Trust and Banking Corporation
Head Office Address	1-4-5, Marunouchi Chiyoda-ku, Tokyo
Representative	Haruya Uehara, President & Chief Executive Officer
Capital	¥324,279 million (as of March 31, 2005)
Principal Activities	Trust and Banking
Relationship with JPR	None

7. Outlook

JPR does not anticipate an impact on business results following the acquisition of the HDC Kobe. Accordingly, operating forecasts for the Company's eighth fiscal period, the six months ending December 31, 2005, remain unchanged.

[Attachments]

1. Real estate portfolio after property acquisition
2. Photograph of the HDC Kobe

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	7.9%
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	1.4%
	Office	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	1.0%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002 Nov. 2004	2,420	1.2%
	Office	JPR Crest Takebashi Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	1.9%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	5.4%
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	1.4%
	Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003 Apr. 2005	2,920	1.4%
	Office	JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	May 2004	5,100	2.5%
	Office	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 2004	3,500	1.7%
	Office	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2004	10,000	4.8%
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004 Apr. 2005	11,821	5.7%
	Office	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 2004	710	0.3%
	Retail	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	5.8%
	Retail	JPR Daikanyama	Shibuya-ku, Tokyo	Oct. 2004	2,160	1.0%
Subtotal					90,001	43.5%
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	2.8%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	1.1%
	Office	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	1.4%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.4%
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	3.9%
	Office	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	1.6%
	Office	Tachikawa Business Center Bldg.	Tachikawa, Tokyo	Sep. 2005 (Planned)	888	0.4%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	4.9%
	Retail	Tsurumi fuga 1	Yokohama, Kanagawa	Nov. 2001	3,040	1.5%
	Retail	The Cupo-la Main Building (1-1 Kawaguchi Redevelopment Project)	Kawaguchi, Saitama	Mar. 2006 (Planned)	2,100	1.0%
Subtotal					39,655	19.2%

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	1.0%
	Office	Meiji Yasuda Life Osaka Umeda Bldg.	Osaka, Osaka	Dec. 2001	8,300	4.0%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	2.0%
	Office	JPR Takamatsu Bldg.	Takamatsu, Kagawa	Dec. 2001	2,130	1.0%
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	1.4%
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	0.8%
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	1.8%
	Office	Park East Sapporo	Sapporo, Hokkaido	Jun. 2002	2,150	1.0%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	1.5%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	0.8%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	1.4%
	Office	JPR Nagoya Sakae Bldg.	Nagoya, Aichi	Sep. 2003	4,550	2.2%
	Office	Dojima F Bldg.	Osaka, Osaka	Jan. 2004	2,140	1.0%
	Office	Semba Fukuoka Bldg.	Fukuoka, Fukuoka	Jun. 2004	1,920	0.9%
	Office	UFJ Central Leasing Head Office Bldg.	Nagoya, Aichi	Mar. 2005	4,137	2.0%
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	6.3%
	Retail	Strasse Ichibancho	Sendai, Miyagi	Feb. 2005	4,200	2.0%
	Retail	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May. 2005	5,430	2.6%
	Retail	Housing Design Center Kobe	Kobe, Hyogo	Sep. 2005 (Planned)	7,220	3.5%
	Subtotal					77,257
Total					206,913	100.0%

Notes:

1. The "Acquisition Price" is the amount identified in the purchase agreement and does not include acquisition costs and consumption tax.
2. Percentages 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 HDC Kobe

