



Japan Prime Realty Investment Corporation
Third Fiscal Period Results
(January 1, 2003 – June 30, 2003)

August 20, 2003

This document contains a translation of selected information described in the Financial Report (*Kessan Tanshin*) dated August 20, 2003 prepared under the timely disclosure requirements of the Tokyo Stock Exchange, as well as the Financial Statements and Performance Information Report prepared pursuant to the Investment Trust Law of Japan, for the period from January 1, 2003 to June 30, 2003 of Japan Prime Realty Investment Corporation (“JPR”). This English language document was prepared solely for the convenience of and reference by non-Japanese investors and is not intended to constitute a disclosure document. The Japanese language Financial Report, Financial Statements and Performance Information Report for the aforementioned period should be referred to as the originals of this document.

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The financial statements of JPR have been prepared in accordance with generally accepted accounting principles in Japan (Japanese GAAP), which may materially differ in certain respects from generally accepted accounting principles in other jurisdictions.

Many provisions of this document contain information that constitutes forward-looking statements. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors.

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Japan Prime Realty Investment Corporation is listed on the First Section of the Tokyo Stock Exchange with the securities code number 8955. (URL http://www.jpr-reit.co.jp/jpr_e/index.html)

Board of Directors Meeting: August 19, 2003

Payment of dividends: September 1, 2003 (planned)

PERFORMANCE (January 1, 2003 – June 30, 2003)

(1) Business Results

(Amounts less than a million yen discarded)
(Millions of yen, except per share information)

	Operating Revenues	% Change	Net Operating Profits	% Change	Recurring Profits	% Change	Net Income	% Change
Jun. 30, 2003	¥5,264	5.9%	¥2,246	(1.8%)	¥1,991	(0.6%)	¥1,990	(0.6%)
Dec. 31, 2002	4,972	11.3%	2,288	17.4%	2,002	171.2%	2,001	171.6%

(Yen)

	EPS	Net Income/NAV	<Reference> (Annualized)	Recurring Profits/Total Assets	<Reference> (Annualized)	Recurring Profits/Operating Revenues
Jun. 30, 2003	¥6,872	3.4%	6.8%	1.6%	3.2%	37.8%
Dec. 31, 2002	6,912	3.4%	6.8%	1.9%	3.8%	40.3%

Notes: 1. EPS is calculated based on the average number of investment units during the term, as follows

Fiscal period ended Jun. 30, 2003: 289,600 units

Fiscal period ended Dec. 31, 2002: 289,600 units

2. Changes in accounting standards: No

3. Percentages for operating revenues, net operating profits, recurring profits and net income show changes from the previous fiscal period, are rounded to the nearest first decimal place

4. Net income/NAV and recurring profits/total assets are calculated based on the average of unitholders' equity (NAV) and total assets as of the beginning and end of the period

5. Annualized result =

For the period ended December 31, 2002: Actual result/Actual investment days (184 days) x 365 days

For the period ended June 30, 2003: Actual result/Actual investment days (181 days) x 365 days

(2) Cash Distributions

(Millions of yen, except DPS and exceeding profit distribution per unit)

	DPS	Distribution Amount	Exceeding Profit Distribution Per Unit	Exceeding Profit Distribution Amount	Dividend Payout Ratio	Distribution/NAV
Jun. 30, 2003	¥6,873	¥1,990	—	—	100.0%	3.4%
Dec. 31, 2002	6,912	2,001	-	—	99.9%	3.4%

Note: Dividend payout ratio is rounded to the nearest first decimal place.

(3) Financial Position

(Millions of yen)

	Total Assets	NAV	NAV Ratio	NAV Per Unit
Jun. 30, 2003	¥144,989	¥58,972	40.7%	¥203,634
Dec. 31, 2002	106,578	58,983	55.3	203,673

Note: 1. Number of units outstanding at the end of the period

Fiscal period ended Jun. 30, 2003: 289,600 units

Fiscal period ended Dec. 31, 2002: 289,600 units

THIRD FISCAL PERIOD HIGHLIGHTS

Market Environment

Office Building Leasing

Amid a prolonged economic slump, overall demand was weak in Japan's market for leased office space during the third fiscal period ended June 30, 2003, owing to accelerated corporate restructuring and integration. The "Year 2003 Problem," which refers to expectations for a substantial increase in the supply of new large-scale office buildings, is surfacing in the relatively resilient Tokyo market for leased office space. The office building market is becoming polarized throughout Japan. Judging from recent lease market trends, tenants are moving into newer buildings, as vacancy rates are increasing noticeably at properties in less competitive areas with aging buildings, and prime properties are enjoying lower vacancy rates with adjustments to match demand.

Commercial Facility Leasing

According to commercial facility leasing statistics from the Ministry of Economy, Trade and Industry, large-scale retail store sales totaled approximately ¥22 trillion in fiscal year 2002, a decline of 0.8% from the previous fiscal year (down 2.0% on a same-store basis), a narrowing from the 1.7% year-on-year decline in fiscal year 2001 (down 2.9% on a same-store basis). At supermarket and department stores, conditions are stable relative to the decline in sales, as fixed rents are adopted more often than sales-based leasing.

Real Estate

In the real estate market, on the supply side, companies need to improve their balance sheets by disposing of real estate to resolve non-performing assets and by introducing impairment accounting, which in turn had led to an increasing quantity of prime real estate, including office buildings and commercial facilities, in the market. On the demand side, investors are becoming more stringent in the selection of properties, except for some prime real estate in central Tokyo.

Acquisitions

To create a stable revenue stream from its portfolio, JPR strove to improve the balance of its portfolio and to diversify its asset holdings by geographical location and type of use. To this end, the Company worked to expand its asset base by targeting investment in large-scale office buildings and commercial facilities in central Tokyo locations, which are expected to generate stable cash flow. In expanding its asset base, the Company makes every effort to acquire prime properties from the real estate market based on its efficient project execution capabilities and a firm grasp of seller needs through the information gathering activities of its highly experienced staff of professional fund

managers.

As a result, during the fiscal period ended June 30, 2003, JPR acquired the MS Shibaura Building (unit ownership, investment of ¥11.2 billion) on March 28 as a property that will stably contribute to earnings. In addition, JPR acquired the beneficial interest held by Kuraray Fudosan Co., Ltd. and T.H. PROPERTYS Co., Ltd. (co-ownership 55.3%, investment of ¥8.0 billion) in the Kuraray Nissay Building, a commercial facility located in central Osaka with The Loft Co., Ltd. as a key tenant, on May 15, 2003. The Company also acquired the Jinnan 1-chome Building (investment of ¥12.0 billion) on June 30, 2003, as a commercial facility located in central Tokyo with Tower Records Japan, Inc. as a major tenant.

These additional acquisitions totaled ¥31.2 billion on an acquisition price basis, bringing the total number of assets held to 30 properties, total acquisition price to ¥125.7 billion, total leasable floor space to 201,808.72 square meter, and the total number of tenants to 324. JPR believes that these acquisitions helped to improve the balance and quality of its portfolio.

Note: The major tenant of the Jinnan 1-chome Building was The Seibu Department Stores, Ltd. on the acquisition date (June 30, 2003), and changed to Tower Records Japan, Inc. on the following day (July 1).

MS Shibaura Building

Location	4-13-23 Shibaura, Minato-ku, Tokyo
Acquisition Date	March 28, 2003
Acquisition Price	¥11.2 billion (excluding acquisition costs, property tax, and city planning tax)
Type of Ownership	Land: Leasehold (36.0%) Bldg.: Unit ownership (2F ~ 8F/1 F (Partial)) / Co-ownership (Underground parking facility)
Total Site Area	8,992.18 m ²
Total floor area	31,020.21 m ²
Total Leasable Floor Space	14,429.08 m ²
Type of Structure	SRC・RC・S B2/13F
Completion Date	February 26, 1988

Kuraray Nissay Building

Location	16-7 Chayamachi, Kita-ku, Osaka, Osaka
Acquisition Date	May 15, 2003 for portions of Kuraray Fudosan Co., Ltd. and T.H. PROPERTYS Co., Ltd.
Acquisition Price	¥8.0 billion (excluding acquisition costs, property tax, city planning tax, and consumption tax)
Type of Ownership	Land: 2 parcels co-ownership 3,133.05 m ² (65.8%) (Kuraray Fudosan Co., Ltd.) 2 parcels 385.63 m ² (T.H. PROPERTYS Co., Ltd.) Bldg.: Co-ownership (55.3%)
Total Site Area	3,518.68 m ²
Total floor area	17,897.56 m ²
Total Leasable Floor Space	10,282.31 m ²
Type of Structure	SRC B1/8F
Completion Date	April 17, 1990

Jinnan 1-chome Building

Location	1-22-14 Jinnan, Shibuya-ku, Tokyo
Acquisition Date	June 30, 2003
Acquisition Price	¥12.0 billion (excluding acquisition costs, property tax, and city planning tax)
Type of Ownership	Land: Ownership Bldg.: Ownership
Total Site Area	1,010.47 m ²
Total floor area	8,449.56 m ²
Total Leasable Floor Space	8,076.85 m ²
Type of Structure	SRC•S B3/8F
Completion Date	February 10, 1992

Notes:

1. Total site area and total floor area include areas held by other owners and joint owners
2. Total leasable floor space is the area owned by JPR, including floor space under co-ownership, at buildings and facilities that is leasable for offices, stores and warehouses on a contractual basis.
3. Type of structure uses the following abbreviations. S = steel structure, RC = reinforced concrete, SRC = steel reinforced concrete
4. JPR acquired the remaining beneficial interest in the Kuraray Nissay Building from the Nippon Life Insurance Company on July 16, 2003, thus JPR acquired all ownership rights to land and buildings. Refer to Subsequent Events at the end of this report for details on the additional acquisition.

Debt Financing

JPR procures capital to steadily expand assets in line with its conservative financial strategy. The balance of total outstanding debt as of June 30, 2003 was ¥69.5 billion, compared with ¥38.9 billion as of December 31, 2002. Of this amount, 57.6% is medium to long-term interest-bearing debt with a maturity of more than one year to reduce exposure to the risk of potential increases in interest rates. The average maturity is 5.1 years (see note 1). The average interest rate during the fiscal period ended June 30, 2003 was 1.2% (see note 2). The interest-bearing debt ratio was 54.9% (see note 3) and the interest-bearing debt to total assets ratio was 47.9% (see note 4).

Notes:

1. Medium to long-term interest-bearing debt is interest-bearing debt with terms of more than one year. The average maturity of medium to long-term interest-bearing debt is calculated using the weighted average of each debt over the number of years to repayment starting at the end of the fiscal period ended June 30, 2003. The balance of outstanding medium to long-term interest-bearing debt stood at ¥40.0 billion as of June 30, 2003.
2. Average interest rate is the weighted average interest rate of outstanding debt as of June 30, 2003.
3. Interest-bearing debt ratio (%) = Interest-bearing debt / (Interest-bearing debt + Total unitholders' equity) x 100
Total unitholders' equity was ¥56,982 million.
4. Interest-bearing debt to total assets ratio (%) = Interest-bearing debt / Term-end total assets x 100
Total assets as of June 30, 2003 was ¥144,989 million.

FORECASTS FOR FOURTH FISCAL PERIOD ENDING DECEMBER 31, 2003

(Millions of yen, except DPS and exceeding profit distribution per unit)

	Operating Revenues	Net Operating Profits	Recurring Profits	Net Income	DPS (excluding exceeding profit distribution per unit)	Exceeding Profit Distribution Per Unit
Fourth Fiscal Period Ending December 31, 2003	¥6,128	¥2,738	¥2,251	¥2,408	¥5,600	—

Reference: Estimated EPS for the fiscal period: ¥5,600

The above-mentioned forecasts are based on "Assumptions for the Fourth Fiscal Period Forecast (from July 1, 2003 to December 31, 2003)" in the Financial Report as described below. Actual results will be subject to market conditions, and the forecasts do not guarantee any cash distribution amounts

Assumptions for Fourth Fiscal Period Forecast
(from July 1, 2003 to December 31, 2003)

Item	Assumption
Calculation period	From July 1, 2003 to December 31, 2003 (184 days).
Properties owned	As of June 30, 2003 the Company owned 30 properties. The Company purchased the beneficiary interest to the Kuraray Nissay Building on July 16, 2003, and acquired the Gotanda First Building on July 23, 2003. The Company plans to purchase the Nagoya Kowa Building on September 1, 2003. (The Kuraray Nissay Building is treated as one property, including the beneficiary interest portion acquired on May 15, 2003.) Forecasts take into account profit gains on the planned sale of the Yasuda-Life Tenroku Building on September 3, 2003, and the resulting decline in revenues thereafter. Actual numbers may change due to the acquisition or sale of properties.
Investment unit issued	Calculations assume 430,000 investment units issued and outstanding as of December 31, 2003, reflecting the 289,600 investment units outstanding as of June 30, 2003, and the additional issuance of 140,400 investment units in July and August 2003.
Interest-bearing debt ratio	As of June 30, 2003, interest-bearing debt was approximately 54.9% (unitholders' equity of ¥56.982 billion, short-term debt of ¥29.5 billion, long-term debt of ¥40.0 billion). A portion of the funds raised from the issuance of new investment units in July and August 2003, however, was used for the acquisition of additional beneficiary interest in the Kuraray Nissay Building, the acquisition of the Gotanda First Building and the repayment of short-term debt (¥20.8 billion). Moreover, the Company plans to acquire the Nagoya Kowa Building with funds on hand and short-term debt (¥2.4 billion). We anticipate an interest-bearing debt ratio of 36.4% after these transactions. The following formula is used for the interest-bearing debt ratio found in the table: $\text{Interest-bearing debt ratio} = \frac{\text{Interest-bearing debt}}{(\text{Interest-bearing debt} + \text{Unitholders' equity})} \times 100$
Operating costs and expenses	Fixed asset tax and urban planning tax incurred on property purchased after January 1, 2003, (MS Shibaura Building, Kuraray Nissay Building, Jinnan 1-chome Building, Gotanda First Building and Nagoya Kowa Building) are included in the acquisition price, and not charged as operating expenses. (However, fixed asset tax and urban planning tax charged to the owner on January 1, 2004, are accounted for as operating expenses in the fiscal period ending June 30, 2004.)
Cash Distribution	Forecasts assume the distribution of an amount in excess of 90% of net income available for distribution, limited to the amount of profit. Forecasts also assume that there will be no distribution in excess of profit, in accordance with corporate policy.

Statement of Income and Retained Earnings (January 1, 2003 - June 30, 2003)

(JPY in Thousands)

Item	3 rd Period (Jan. 1, 2003 – Jun. 30 2003)	2 nd Period (Jul. 1, 2002 – Dec. 31, 2002)	%Change
Operating Revenues	5,264,525	4,972,930	5.9%
Rental revenues	4,898,820	4,568,144	
Non-rental revenues	365,705	404,786	
Operating Expenses	1,658,694	1,484,112	11.8%
Property management fees	125,111	104,500	
Utility expenses	379,307	444,611	
Property and other taxes	425,826	336,958	
Casualty insurance	34,194	34,261	
Repairs and maintenance	116,158	52,400	
Other rental expenses	578,098	511,382	
Property Net Operating Income (NOI)	3,605,831	3,488,818	3.4%
Depreciation	894,606	823,336	
Operating Profits	2,711,225	2,665,482	1.7%
Asset management fees	243,468	236,635	
Administrative service fees	51,077	65,519	
Other operating expenses	170,211	75,184	
Net Operating Profits	2,246,469	2,288,144	(1.8%)
Non-Operating Revenues	80,719	13,168	
Interest received	91	1,092	
Other non-operating revenues	80,628	12,076	
Non-Operating Expenses	335,842	298,463	
Interest expense	320,685	274,087	
Loan arrangement fees	15,147	19,393	
Other non-operating expenses	10	4,983	
Recurring Profits	1,991,346	2,002,849	(0.6%)
Income Before Income Taxes	1,991,346	2,002,849	
Income Taxes	969	1,051	
Net Income	1,990,377	2,001,798	(0.6%)
Retained Earnings Brought Forward	122	40	
Retained Earnings at End of Period	1,990,499	2,001,838	

Balance Sheets (as of June 30, 2003)**Assets**

(JPY in Thousands)

Item	End of 3 rd Period (as of Jun. 30, 2003)	End of 2 nd Period (as of Dec. 31, 2002)	% Change
Current Assets			
Cash and bank deposits	1,420,448	2,146,711	
Entrusted cash and deposits	17,683,380	10,011,150	
Rental receivables	63,774	60,094	
Consumption tax refundable	127,735	-	
Prepaid expenses	105,631	98,843	
Deferred tax assets	18	22	
Other current assets	54,416	2,692	
Total Current Assets	19,455,402	12,319,512	57.9%
Fixed Assets			
Property and equipment			
Buildings	658,985	629,685	
Entrusted buildings	52,723,526	45,057,409	
Entrusted structures	7,197	2,715	
Machinery and equipment	11,227	11,227	
Entrusted machinery and equipment	1,003,985	969,280	
Tools, furniture and fixtures	290	-	
Entrusted tools, furniture and fixtures	8,295	873	
Land	331,677	325,393	
Entrusted land	73,271,619	48,849,915	
Entrusted construction in progress	16,882	11,928	
Less accumulated depreciation	(2,518,883)	(1,624,277)	
Total Property and Equipment	125,514,800	94,234,148	33.2%
Investments and Other Assets			
Deposits	10,100	10,100	
Long-term prepaid expenses	9,177	14,702	
Total Investments and Other Assets	19,277	24,802	(22.3%)
Total Fixed Assets	125,534,077	94,258,950	33.2%
Total Assets	144,989,479	106,578,462	36.0%

Balance Sheets (as of June 30, 2003)**Liabilities**

(JPY in Thousands)

Item	End of 3 rd Period (as of Jun. 30, 2003)	End of 2 nd Period (as of Dec. 31, 2002)	% Change
Current Liabilities			
Trade accounts payable	772,249	434,007	
Accounts payable	330,772	264,850	
Short-term debt	29,500,000	3,930,000	
Accrued expenses	32,363	7,296	
Accrued income taxes	948	822	
Rents received in advance	531,244	339,236	
Other current liabilities	-	79,959	
Total Current Liabilities	31,167,576	5,056,170	516.4%
Long-Term Liabilities			
Long-term debt	40,000,000	35,000,000	
Deposits received from tenants	122,115	128,196	
Entrusted deposits received from tenants	14,727,289	7,410,258	
Total Long-Term Liabilities	54,849,404	42,538,454	28.9%
Total Liabilities	86,016,980	47,594,624	80.7%
Unitholders' Equity			
Unitholders' capital, 5,000,000 units authorized, and 289,600 units issued	56,982,000	56,982,000	
Retained earnings	1,990,499	2,001,838	
Total Unitholders' Equity	58,972,499	58,983,838	(0.0%)
Total Liabilities and Unitholders' Equity	144,989,479	106,578,462	36.0%

Statement of Cash Flows (January 1, 2003 - June 30, 2003)

Item	(JPY in Thousands)	
	3 rd Period (Jan. 1, 2003 – Jun. 30 2003)	2 nd Period (Jul. 1, 2002 – Dec. 31, 2002)
Cash Flows from Operating Activities		
Income before income taxes	1,991,346	2,002,849
Depreciation	894,606	823,336
Interest income	(91)	(1,093)
Interest expense	320,685	274,087
Increase in Rent receivables	(3,681)	(21,636)
Decrease (Increase) in consumption tax refundable	(127,735)	596,493
Increase in prepaid expenses	(6,788)	(24,463)
Increase (Decrease) in trade accounts payables	338,243	(274,196)
Increase (Decrease) in accounts payable	86,155	(207,369)
Increase (Decrease) in Accrued taxes	(41,770)	(5,632)
Increase in rents received in advance	192,008	2,693
Increase (Decrease) in deposits received from tenants	(38,189)	(287,182)
Change in other current assets/liabilities	(46,198)	5,112
Subtotal	3,558,591	2,882,999
Interest received	91	1,093
Interest paid	(295,619)	(274,424)
Income taxes paid	(840)	(1,600)
Net cash provided by operating activities	3,262,223	2,608,068
Cash Flows from Investing Activities		
Purchases of property and equipment	(35,874)	(966,304)
Purchases of entrusted property and equipment	(32,139,384)	(1,719,557)
Payment of leasehold and security deposits received	(21,338)	(7,674)
Proceeds from leasehold and security deposits received	15,256	135,870
Payment of entrusted leasehold and security deposits received	(369,597)	(234,488)
Proceeds from entrusted leasehold and security deposits received	7,686,629	271,352
Payment of leasehold and security deposits	-	(100)
Net cash used in investing activities	(24,864,308)	(2,520,901)
Cash Flows from Financing Activities		
Proceeds from short-term borrowings	27,570,000	1,930,000
Repayment of short-term borrowings	(2,000,000)	-
Proceeds from long-term borrowings	5,000,000	-
Distributions to unitholders	(2,021,948)	(701,784)
Net cash provided by financing activities	28,548,052	1,228,216
Net Increase in Cash and Cash Equivalents	6,945,967	1,315,383
Cash and Cash Equivalents at beginning of Period	12,157,861	10,842,478
Cash and Cash Equivalents at end of Period	19,103,828	12,157,861

Subsequent Events

Additional Issue of New Investment Units

JPR decided in a Board of Directors meeting held on June 17, 2003, to issue new investment units as follows. The issuance payments were completed on July 14 and August 8, 2003 under the conditions stated below. As a result, unitholders' equity totaled ¥89,113,803,600 and the number of issued and outstanding investment units were 430,000 units as of August 9, 2003.

Primary Offering for the Additional Issue of New Investment Units

- (1) Total number of units to be issued 134,400
- (2) Offer price ¥237,160 per unit
- (3) Total amount of offer price ¥31,874,304,000
- (4) Purchase price ¥228,859 per unit
- (5) Gross proceeds ¥30,758,649,600
- (6) Closing date July 14, 2003
- (7) Starting date of computation for cash distribution of the 4th fiscal period July 1, 2003

Third-party Allotment (Greenshoe option)

- (1) Total number of units to be issued 6,000
- (2) Purchase price ¥228,859 per unit
- (3) Gross proceeds ¥1,373,154,000
- (4) Third party Mizuho Securities Co., Ltd.
- (6) Closing date August 8, 2003
- (7) Starting date of computation for cash distribution of the 4th fiscal period July 1, 2003

Reference

1. Asset Acquisitions and Divestitures

(1) JPR has acquired the following properties. Details as of the acquisition date are as follows.

Kuraray Nissay Building

Location	16-7 Chayamachi, Kita-ku, Osaka, Osaka
Acquisition Date	July 16, 2003 for a portion of Nippon Life Insurance Company
Acquisition Price	¥5.0 billion (excluding acquisition costs, property tax, city planning tax, and consumption tax)
Type of Ownership	Land: 2 parcels co-ownership 3,133.05 m ² (34.2%) Bldg.: Co-ownership (44.7%) JPR acquired the remaining beneficial interest in the Kuraray Nissay Building from the Nippon Life Insurance Company on July 16, 2003, thus JPR acquired all ownership rights to land and buildings.
Total Site Area	3,518.68 m ²
Total floor area	17,897.56 m ²
Total Leasable Floor Space	8,304.66 m ²
Type of Structure	SRC B1/8F/
Completion Date	April 17, 1990

Gotanda First Building

Location	2-8-1 Nishigotanda, Shinagawa-ku, Tokyo
Acquisition Date	July 23, 2003
Acquisition Price	¥2.92 billion (excluding acquisition costs, property tax, and city planning tax)
Type of Ownership	Land: Co-ownership (61.8%) Bldg.: Unit ownership (B1, 1F(Partial), 6F ~ 11F)
Total Site Area	1,551.19 m ²
Total floor area	10,553.34 m ²
Total Leasable Floor Space	4,240.98 m ²
Type of Structure	SRC•RC B2/11F
Completion Date	July 28, 1989

(2) JPR has agreed to purchase the following property. Details as of the contract signing date are as follows.

Nagoya Kowa Building

Location	Property 1: 3-24-24 Nishiki, Naka-ku, Nagoya Property 2: 3-24-27 Nishiki, Naka-ku, Nagoya	
Contract Date	August 8, 2003	
Planned Acquisition Date	September 1, 2003	
Acquisition Price	¥4.55 billion (excluding acquisition costs, property tax, and city planning tax)	
Type of Ownership	Land: ownership Bldg.: ownership	
Total Site Area	Property 1: 761.84 m ²	Property 2: 230.47 m ²
Total floor area	Property 1: 7,174.31 m ²	Property 2: 86.34 m ²
Total Leasable Floor Space	5,461.90 m ²	
Type of Structure	Property 1: S B1/11F	Property 2: S 1F
Completion Date	Property 1: January 31, 2003	Property 2: December 25, 1986

2. Sale of Properties

JPR has signed an agreement to sell the following property. Details are current as of the contract signing date.

Yasuda-Life Tenroku Building

Location	12-24, Naniwa-cho, Kita-ku, Osaka, Osaka	
Contract Date	August 8, 2003	
Planned Sale Date	September 3, 2003	
Sale Price	¥600 million (excluding acquisition costs, property tax, and city planning tax)	
Type of Ownership	Land: Ownership Bldg.: Ownership	
Total Site Area	642.06 m ²	
Total floor area	3,851.23 m ²	
Total Leasable Floor Space	2,395.12 m ²	
Type of Structure	SRC B1/8F	
Completion Date	June 26, 1991	

Notes:

1. Total site area and total floor area include areas held by other owners and joint owners.
2. Total leasable floor space is the area owned by JPR, including floor space under co-ownership, at buildings and facilities that is leasable for offices, stores and warehouses on a contractual basis.
3. Type of structure uses the following abbreviations. S = steel structure, RC = reinforced concrete, SRC = steel reinforced concrete
4. For the Nagoya Kowa Building, property 2 is the parking facility for property 1.

Real estate portfolio after property acquisition (as of June 30, 2003)							
Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions)	% of Total	Appraisal Value as of Jun. 30, 2003 (Yen in millions)
Tokyo CBDs	Office	Kanematsu Bldg.	Chuo-ku, Tokyo	Dec. 2001	16,276	12.9%	15,600
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	2.3%	2,570
	Office	Yasuda-Life Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	1.7%	1,920
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002	1,670	1.3%	2,250
					550	0.4%	
	Office	Crest Yasuda Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	3.2%	3,640
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	8.9%	12,000
Retail	Jinnan 1-chome Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	9.5%	12,000	
Subtotal					50,670	40.3%	49,980
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	4.7%	6,090
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	1.9%	2,220
	Office	Asahi-Life Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	2.3%	2,831
	Office	Yasuda-Life Ikebukuro Bldg.	Toshima-ku, Tokyo	Jun. 2002	2,040	1.6%	2,040
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.7%	1,080
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	8.1%	10,860
	Retail	Tsurumi fuga 1	Yokohama, Kanagawa	Nov. 2001	3,040	2.4%	3,187
Subtotal					27,357	21.7%	28,308
Other Cities	Office	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 2001	2,140	1.7%	2,150
	Office	Yasuda-Life Osaka Bldg.	Osaka, Osaka	Dec. 2001	8,300	6.6%	8,600
	Office	Yasuda-Life Tenroku Bldg.	Osaka, Osaka	Nov. 2001	418	0.3%	554
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	3.3%	4,170
	Office	Asahi-Life Takamatsu 2nd Bldg.	Takamatsu, Kagawa	Nov. 2001	872	0.7%	800
	Office	JPR Takamatsu Bldg.	Takamatsu, Kagawa	Dec. 2001	2,130	1.7%	1,510
	Office	Yasuda-Life Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	2.3%	2,740
	Office	Asahi-Life Fukuoka 3rd/4th Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,873	2.3%	2,799
	Office	Yasuda-Life Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	1.2%	1,610
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	2.9%	3,370
	Office	Park East Sapporo	Sapporo, Hokkaido	Jun. 2002	2,150	1.7%	2,230
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	2.5%	3,230
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	1.3%	1,670
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	2.2%	2,670
	Office	SK Hiroshima Bldg.	Hiroshima, Hiroshima	Oct. 2002	947	0.8%	986
Retail	Kuraray Nissay Bldg.	Osaka, Osaka	May. 2003	8,000	6.4%	7,830	
Subtotal					47,770	38.0%	46,919
Total					125,797	100.0%	125,207

Real estate portfolio after property acquisition (as of June 30, 2003)							
Area	Type	Property Name	Leasable Area	# of Tenants	Occupancy	Rental Revenue (yen in thousands)	% of Total
Tokyo CBDs	Office	Kanematsu Bldg.	7,958.59m ²	10	87.4%	480,094	9.1%
	Office	Kanematsu Bldg. Annex	2,291.13m ²	1	100.0%	105,471	2.0%
	Office	Yasuda-Life Ningyo-cho Bldg.	2,784.78m ²	4	100.0%	106,390	2.0%
	Office	Shin-Kojimachi Bldg.	2,105.44m ²	7	91.7%	79,976	1.5%
			901.36m ²	3	100.0%	31,716	0.6%
			3,006.80m ²	10	94.2%	111,692	2.1%
	Office	Crest Yasuda Bldg.	3,265.34m ²	6	63.5%	113,200	2.2%
Office	MS Shibaura Bldg.	14,429.08m ²	6	100.0%	316,769	6.0%	
Retail	Jinnan 1-chome Bldg.	8,076.85m ²	1	100.0%	-	-	
Subtotal			41,812.57m²	38	94.3%	1,233,616	23.4%
Greater Tokyo	Office	Arca East	7,050.10m ²	4	100.0%	348,877	6.6%
	Office	JPR Chiba Bldg.	5,557.05m ²	25	83.7%	154,995	3.0%
	Office	Asahi-Life Yokohama Nihon Odori Bldg.	6,066.56m ²	8	88.0%	132,901	2.5%
	Office	Yasuda-Life Ikebukuro Bldg.	4,535.03m ²	6	61.5%	86,011	1.6%
	Office	Shinyokohama 2nd Center Bldg.	2,641.43m ²	10	96.0%	71,913	1.4%
	Retail	Tanashi ASTA	31,121.71m ²	1	100.0%	672,182	12.8%
	Retail	Tsurumi fuga 1	9,578.60m ²	1	100.0%	153,279	2.9%
Subtotal			66,550.48m²	55	94.8%	1,620,158	30.8%
Other Cities	Office	Niigata Ekinan Center Bldg.	5,206.82m ²	16	100.0%	133,123	2.5%
	Office	Yasuda-Life Osaka Bldg.	9,588.17m ²	20	100.0%	378,719	7.2%
	Office	Yasuda-Life Tenroku Bldg.	2,395.12m ²	6	100.0%	58,051	1.1%
	Office	Tokyo Tatemono Honmachi Bldg.	7,210.25m ²	10	98.6%	262,239	5.0%
	Office	Asahi-Life Takamatsu 2nd Bldg.	2,518.31m ²	18	74.5%	52,638	1.0%
	Office	JPR Takamatsu Bldg.	5,036.78m ²	20	76.7%	98,551	1.9%
	Office	Yasuda-Life Hakata Bldg.	6,568.80m ²	26	86.4%	157,285	3.0%
	Office	Asahi-Life Fukuoka 3rd/4th Bldg.	8,439.77m ²	15	92.2%	207,809	3.9%
	Office	Yasuda-Life Naha Bldg.	3,947.07m ²	14	97.3%	114,893	2.2%
	Office	North 33 Bldg.	6,642.76m ²	16	83.0%	198,872	3.8%
	Office	Park East Sapporo	7,646.59m ²	19	82.1%	168,582	3.2%
	Office	Sompo Japan Sendai Bldg.	7,046.44m ²	10	100.0%	207,222	3.9%
	Office	Sompo Japan Wakayama Bldg.	4,892.17m ²	16	96.8%	124,837	2.4%
	Office	Tenjin 121 Bldg.	3,292.02m ²	10	91.5%	118,553	2.2%
	Office	SK Hiroshima Bldg.	2,732.29m ²	14	72.0%	62,205	1.2%
Retail	Kuraray Nissay Bldg.	10,282.31m ²	1	100.0%	67,172	1.3%	
Subtotal			93,445.67m²	231	92.2%	2,410,751	45.8%
Total			201,808.72m²	324	93.5%	5,264,525	100.0%