

February 13, 2004

For Immediate Release

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Notice Concerning Acquisition of the Kawaguchi Center Building

Japan Prime Realty Investment Corporation (JPR) today confirmed completion of its acquisition of the Kawaguchi Center Building. The confirmation followed JPR's announcement on February 12, 2004 concerning its decision to purchase the property.

Details

1. Reason for Acquisition

The acquisition of the Kawaguchi Center Building is in accordance with JPR's fundamental investment policies to enhance and stabilize its investment portfolio through the acquisition of prime real estate in greater Tokyo.

2. Acquisition Details

1. Type of Acquisition	Beneficiary interest
2. Asset Custodian	Mizuho Trust & Banking Co., Ltd.
3. Term of Trust	From July 14, 2000 to February 28, 2014
4. Property Name	Kawaguchi Center Building
5. Acquisition Price	¥8,100 million (excluding acquisition costs, property tax, city planning tax, and consumption tax)
6. Contract Date	February 13, 2004
7. Acquisition Date	February 13, 2004
8. Seller	Kudangawa Special Purpose Company
9. Funding	Debt funding and issue of corporate bonds

3. Property Details

Location	Registered	Land	4-16-8 (and other), Honcho, Kawaguchi-shi, Saitama Prefecture
		Bldg.	4-21-1, 4-16-8, Honcho, Kawaguchi-shi, Saitama Prefecture
	Residential		4-1-8, Honcho, Kawaguchi-shi, Saitama Prefecture
Access		Three minutes on foot from Kawaguchi Station, JR Keihin Tohoku Line	
Use		Office space and parking facilities	
Type of Ownership		<p>Land: Proprietary and co-ownership</p> <p>* Site comprises three parcels. Two parcels (16-8: 1,115.04 square meters and 21-1: 3,330.24 square meters) are co-owned with another unit owner (JPR ownership 86.5% with a floor space of 3,845.35 square meters). One parcel (25-11: 79.33 square meters) is owned solely by JPR</p> <p>Bldg.: Unit ownership</p> <p>* Other unit owner: Japan Science and Technology Agency</p>	
Site Area (Registered)	Land	Total site area	4,524.61m ²
		Net floor area acquired by JPR	3,924.68m ²
	Bldg.	Gross floor area of one annex	28,420.85m ²
		Gross proprietary floor area of one annex	18,150.70m ²
		Net floor area acquired by JPR	15,701.10m ²
Type of Structure		S, SRC B2/15F	
Completion Date		February 9, 1994	
Architecture and Design		NIHONSEKKEI, INC.	
Construction		Joint construction project comprising Toda Corporation, Saitama and Mitsui Construction	
Appraisal	Appraiser	NIPPON TOCHI-TATEMONO CO., LTD.	
	Appraisal Value	¥8,240,000,000	
	Appraisal Date	February 1, 2004	
Probable Maximum Loss		<p>13.1% based on earthquake risk assessment report prepared by the Shinozuka Research Institute.</p> <p>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.</p>	
Collateral		None	
Number of Tenants		38	
Major Tenants		Media Communications Co., Ltd., Japan Science and Technology Agency	
Forecast Rental Revenue (including common charges)		¥852,413,000	
Total Leasable Floor Space		15,478.43m ²	
Total Leased Floor Space		15,276.11m ²	
Occupancy Rate on Planned Acquisition Date		98.7%	
Notes		None	
<p>Note: Forecast rental revenue figure above is not a forecast for the current fiscal period. The figure is based on forecast income for a full year for the entire building, after eliminating special factors applicable to the period in which the acquisition is made, and an assumed occupancy rate of 90%. In addition, the number of tenants, total leasable floor space, total leased floor space, and occupancy rate are as of the acquisition date, February 13, 2004.</p>			

4. Seller Profile

Company Name	Kudangawa Special Purpose Company
Head Office Address	4-3-20, Toranomom, Minato-ku, Tokyo
Relationship with JPR	None

5. Outlook

JPR anticipates a slight impact on business results following the acquisition of the Kawaguchi Center Building. Operating forecasts for the fifth fiscal period ending June 30, 2004 following acquisition of subject property will be announced together with business results for the fourth fiscal period ended December 31, 2003.

[Attachments]

1. Projected cash flow
2. Real estate portfolio after property acquisition
3. Photograph of the Kawaguchi Center Building

Attachment 1

Projected cash flow

(Millions of Yen)

Projected Cash Flow	
Operating revenues	852
Rental revenues and common charges	852
Other operating revenues	0
Operating expenses (excluding depreciation)	277
Property management fees	114
Utility charges	30
Property and other taxes	74
Other operating expenses	60
NOI(= -)	575

Notes:

The projected cash flow above is not a forecast for the current fiscal period. The figure is based on forecast income for a full year for the entire building, after eliminating special factors applicable to the period in which the acquisition is made. The projected cash flow has also been prepared based on the following assumptions.

- 1) Revenues are based on an estimated occupancy ratio of 90%.
- 2) Property and other taxes are the same as for fiscal 2003.

Attachment 2

Real estate portfolio after property acquisition

As of March 1, 2004

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	10.6%
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	1.9%
	Office	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	1.4%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002	1,670 550	1.1% 0.4%
	Office	Crest Yasuda Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	2.6%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	7.3%
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	1.9%
	Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003	1,800	1.2%
	Retail	Jinnan 1-chome Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	7.8%
	Subtotal					55,390
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	3.8%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	1.5%
	Office	Asahi-Life Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	1.9%
	Office	JPR Ikebukuro Bldg.	Toshima-ku, Tokyo	Jun. 2002	2,040	1.3%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.6%
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	5.3%
	Office	SEF Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	2.1%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	6.7%
	Retail	Tsurumi fuga 1	Yokohama, Kanagawa	Nov. 2001	3,040	2.0%
Subtotal					38,707	25.3%
Other Cities	Office	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 2001	2,140	1.4%
	Office	Meiji Yasuda-Life Osaka Umeda Bldg.	Osaka, Osaka	Dec. 2001	8,300	5.4%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	2.7%
	Office	Asahi-Life Takamatsu 2nd Bldg.	Takamatsu, Kagawa	Nov. 2001	872	0.6%
	Office	JPR Takamatsu Bldg.	Takamatsu, Kagawa	Dec. 2001	2,130	1.4%
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	1.9%
	Office	Asahi-Life Fukuoka 3rd/4th Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,873	1.9%
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	1.0%
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	2.4%
	Office	Park East Sapporo	Sapporo, Hokkaido	Jun. 2002	2,150	1.4%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	2.1%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	1.1%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	1.8%
	Office	SK Hiroshima Bldg.	Hiroshima, Hiroshima	Oct. 2002	947	0.6%
	Office	Nagoya Kowa Bldg.	Nagoya, Aichi	Sep. 2003	4,550	3.0%
	Office	Doujima F Bldg.	Osaka, Osaka	Jan. 2004	2,140	1.4%
	Retail	Kuraray Nissay Bldg.	Osaka, Osaka	May. 2003 Jul. 2003 (Provisional)	8,000 5,000 13,000	5.2% 3.3% 8.5%
Subtotal					59,042	38.6%
Total					153,139	100.0%

Notes:

1. The “Acquisition Price” is the amount identified in the purchase and sale agreement and does not include related costs such as real estate purchase and sales commissions.
2. Percentages and occupancy ratios are rounded to the nearest first decimal place.

Attachment 3

Photograph of the Kawaguchi Center Building

