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**For Immediate Release**

Japan Prime Realty Investment Corporation  
Hirohito Kaneko  
Executive Officer  
(Securities Code: 8955)

Inquiries:  
Tokyo Realty Investment Management, Inc.  
Takeshi Maki  
Director and Chief Financial Officer  
TEL: +81-3-3516-1591

**Notice Concerning Execution of a Purchase Agreement in Connection with the Acquisition of the Cupo·la Main Building (1-1 Kawaguchi Redevelopment Project)**

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire the Cupo·la Main Building (1-1 Kawaguchi Redevelopment Project), as detailed in brief below.

Details

**1. Reason for Acquisition**

The acquisition of the Cupo·la Main Building (1-1 Kawaguchi Redevelopment Project) is in accordance with JPR's fundamental investment policies to acquire new commercial facilities in an effort to enhance and stabilize its investment portfolio.

**2. Acquisition Details (Planned)**

- |                             |                                                                    |
|-----------------------------|--------------------------------------------------------------------|
| 1. Type of Acquisition      | Real estate                                                        |
| 2. Property Name            | The Cupo·la Main Building<br>(1-1 Kawaguchi Redevelopment Project) |
| 3. Acquisition Price        | ¥2,100 million (excluding acquisition costs and consumption tax)   |
| 4. Planned Contract Date    | November 25, 2004                                                  |
| 5. Planned Acquisition Date | March 31, 2006 (following construction completion)                 |
| 6. Seller                   | Taisei Corporation                                                 |
| 7. Funding                  | Not yet determined                                                 |

### 3. Details of Property for Planned Acquisition

Location	Registered	Land	1-700 (and other), Kawaguchi, Kawaguchi-shi, Saitama
		Bldg.	Yet to be determined
	Residential	Yet to be determined	
Access		One minute on foot from Kawaguchi Station, JR Keihin Tohoku Line	
Use		Shops, Public facility (Subject acquisition to be used as retail shops)	
Type of Ownership		Land: Co-ownership (JPR percentage share of the total site area is 7.3% including areas allocated as condominiums for sale) Bldg.: Unit ownership Remaining owners: Kawaguchi city government etc.	
Site Area	Land	Total redevelopment site area	15,008.28㎡
		Net area to be acquired by JPR	1,100.74㎡
	Bldg.	Gross floor space (only Cupo·la)	49,287.28㎡
		Proprietary floor area (only Cupo·la)	35,629.33㎡
		Net floor area to be acquired by JPR	5,963.00㎡
Type of Structure		S, B2/8F (Cupo·la Main Building)	
Completion Date		March 2006	
Architecture and Design		A&T Associates Co., Ltd.	
Construction		Joint construction project comprising Taisei Corporation, Sumitomo Mitsui Construction Co., Ltd., Saitama Kenko K.K. and K.K. Kawaguchi Doken	
Appraisal	Appraiser	Sanyu Appraisal Corporation	
	Appraisal Value	¥2,100 million	
	Appraisal Date	November 1, 2004	
Probable Maximum Loss		13.7% based on an earthquake risk assessment report prepared by the 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	
Forecast Net Operating Income		¥137 million	
Total Leasable Floor Space		5,963.00㎡	
Total Leased Floor Space		5,963.00㎡	
Occupancy Rate on Planned Acquisition Date		100%	
Special Considerations		None	
Notes: Forecast NOI is an annualized forecast after eliminating special factors applicable to the period in which the acquisition is made, and an assumed occupancy ratio of 100%. The building site area is the proposed area according to current plans and are subject to change. In addition, the probable maximum loss, total leasable floor space, total leased floor space, and occupancy ratio as of the planned acquisition date are projections as of the proposed acquisition date in March 2006.			

#### 4. About the Acquisition of the Property

##### a. Development Risk Management Measures

The Cupo-la Main Building is currently under construction and scheduled for completion in March 2006. Contracts have been exchanged with the seller, which provide for settlement on construction completion. JPR has adopted appropriate measures in an effort to minimize risks such as construction completion, construction delays and other development risks. The Company has also exchanged a number of lease agreements thereby reducing occupancy risks and clarifying lease terms and conditions. In the future, JPR will consider the purchase of development properties similar to the Cupo-la Main Building as one method for acquiring high-potential prime properties.

##### b. Collaboration with Asset Management Company Shareholders

Taisei Corporation maintains an equity interest in the Company's asset management company and is also a participant in the urban redevelopment project, which includes the Cupo-la Main Building. JPR plans to purchase a portion of Taisei Corporation's acquisition rights in this project.

#### 5. Property Lease Agreement Details

Tenant Name	The Maruetsu Inc.
Total Leased Floor Space	5,963.00 m <sup>2</sup>
Lease Term	20 years from the date of initial occupancy scheduled in 2006
Lease Type	Fixed term commercial building lease agreement
Rent Review	Fixed rent for years 1 through 10. Initial rent review in year 11 with the option for further review every three years thereafter
Cancellation Prior to Lease Termination Date	In principle not allowed

#### 6. Seller Profile

Company Name	Taisei Corporation
Head Office Address	1-25-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	Kanji Hayama, President & Chief Executive Officer
Capital	¥94,348 million (as of March 31, 2004)
Principal Shareholder	Japan Trustee Service Bank, Ltd. etc. (as of March 31, 2004)
Principal Activities	Major general contractors
Relationship with JPR	Taisei Corporation maintains a 20% shareholding in Tokyo Realty Investment Management, Inc., the asset management company of JPR and falls within the scope of related parties as defined by JPR's Board of Directors. JPR has provided its acknowledgement for this transaction. Taisei Corporation does not however fall within the scope of related parties in accordance with the Investment Trust Law.

## **7. Outlook**

Operating forecasts for the Company's sixth fiscal period, the six months ending December 31, 2004, are unchanged.

### **[Attachments]**

1. Real estate portfolio after property acquisition
2. Image of the Cupo-la Main Building (1-1 Kawaguchi Redevelopment Project)
3. Plan of property facilities and cross-section drawing

## 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	9.0%
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	1.6%
	Office	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	1.2%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002 Nov. 2004	2,420	1.3%
	Office	Crest Yasuda Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	2.2%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	6.2%
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	1.6%
	Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003	1,800	1.0%
	Office	Kenwa Bldg.	Chiyoda-ku, Tokyo	May 2004	5,100	2.8%
	Office	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 2004	3,500	1.9%
	Office	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2004	10,000	5.5%
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004	2,900	1.6%
	Retail	Jinnan 1-chome Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	6.6%
	Retail	SS Daikanyama	Shibuya-ku, Tokyo	Oct. 2004	2,160	1.2%
<b>Subtotal</b>					<b>79,250</b>	<b>43.8%</b>
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	3.2%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	1.3%
	Office	Asahi-Life Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	1.6%
	Office	JPR Ikebukuro Bldg.	Toshima-ku, Tokyo	Jun. 2002	2,040	1.1%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.5%
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	4.5%
	Office	SEF Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	1.8%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	5.6%
	Retail	Tsurumi fuga 1	Yokohama, Kanagawa	Nov. 2001	3,040	1.7%
	Retail	The Cupo-la Main Building (1-1 Kawaguchi Redevelopment Project)	Kawaguchi, Saitama	Mar. 2006 (Planned)	2,100	1.2%
<b>Subtotal</b>					<b>40,807</b>	<b>22.5%</b>

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	1.2%
	Office	Meiji Yasuda-Life Osaka Umeda Bldg.	Osaka, Osaka	Dec. 2001	8,300	4.6%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	2.3%
	Office	Asahi-Life Takamatsu 2nd Bldg.	Takamatsu, Kagawa	Nov. 2001	872	0.5%
	Office	JPR Takamatsu Bldg.	Takamatsu, Kagawa	Dec. 2001	2,130	1.2%
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	1.6%
	Office	Asahi-Life Fukuoka 3rd/4th Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,873	1.6%
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	0.9%
	Office	North 33 Bldg.	Sapporo, Hokkaido	Jun. 2002	3,700	2.0%
	Office	Park East Sapporo	Sapporo, Hokkaido	Jun. 2002	2,150	1.2%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	1.7%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	0.9%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	1.6%
	Office	SK Hiroshima Bldg.	Hiroshima, Hiroshima	Oct. 2002	947	0.5%
	Office	Nagoya Kowa Bldg.	Nagoya, Aichi	Sep. 2003	4,550	2.5%
	Office	Doujima F Bldg.	Osaka, Osaka	Jan. 2004	2,140	1.2%
	Office	Semba Fukuoka Bldg.	Fukuoka, Fukuoka	Jun. 2004	1,920	1.1%
	Retail	Kuraray Nissay Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	7.2%
	<b>Subtotal</b>					<b>60,962</b>
<b>Total</b>					<b>181,019</b>	<b>100.0%</b>

Notes:

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

## **Attachment 2**

Image of the Cupo·la Main Building (1-1 Kawaguchi Redevelopment Project)



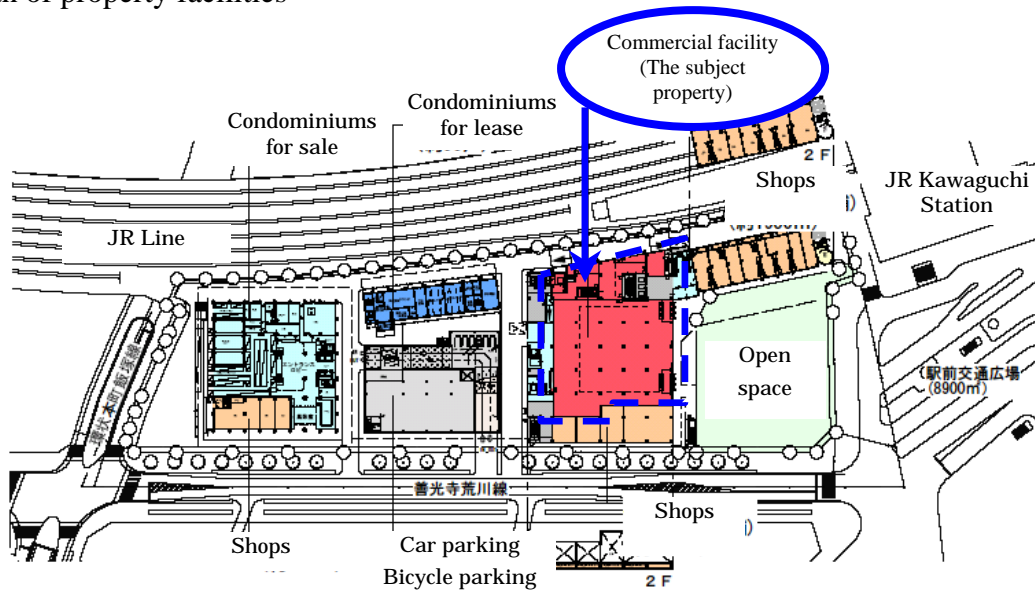
### **[Overview]**

As part of the third stage of the Kawaguchi Redevelopment Proposal, the Urban Redevelopment Initiative, and a 21st-century vision for the city of Kawaguchi, construction work is in progress in the areas surrounding JR Kawaguchi Station, including the Cupo·la Main Building. A redevelopment proposal (1-1 Kawaguchi Redevelopment Project) was first formulated in December 1991 and has been reviewed in April 1997 and March 2002 in line with changing economic conditions.

The redevelopment project encompasses commercial facilities, including anchor stores and landowner and leaseholder stores, public facilities, and ultra-high-rise and high-rise urban-type residential complexes. JPR plans to acquire a commercial facility, which includes anchor stores, adjacent to JR Kawaguchi Station.

### Attachment 3

#### Plan of property facilities



#### Cross-section drawing

