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**For Translation Purposes Only**

**For Immediate Release**

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## **Notice Concerning Property Acquisition “BYGS Shinjuku Bldg. (additional ownership)”**

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire additional ownership of BYGS Shinjuku Bldg. as outlined below.

### **1. Reason for Acquisition**

The acquisition of additional ownership of BYGS Shinjuku Bldg. is in accordance with JPR’s fundamental investment policies and investment stance to acquire new office buildings in central Tokyo in an effort to enhance and stabilize its investment portfolio.

### **2. Acquisition Details**

1) Asset Type	Real estate
2) Property Name	BYGS Shinjuku Bldg.
3) Acquisition Price	3,300 million yen (excluding expenses related to acquisition, consumption tax and other expenses)
4) Contract Date	July 13, 2010
5) Settlement Date	July 13, 2010
6) Seller	Central General Development Co., Ltd.
7) Funding	Borrowings and cash on hand

### 3. Details of Property for Acquisition

Property Name		BYGS Shinjuku Bldg.	
Location	Registered	Land	2-19-1, Shinjuku, Shinjuku-ku, Tokyo
		Bldg.	2-19-1, Shinjuku, Shinjuku-ku, Tokyo
	Residential	2-19-1, Shinjuku, Shinjuku-ku, Tokyo	
Access		Directly connected to Shinjuku-3chome Station, Toei Shinjuku Subway Line	
Use (registered)		Office and retail space	
Type of Ownership		Land: Ownership (Co-ownership: Co-ownership ratio being acquired this time is 25%. After the acquisition, JPR will hold the entire ownership.)	
		Bldg.: Ownership (Co-ownership: Co-Ownership ratio being acquired this time is 25%. After the acquisition, JPR will hold the entire ownership. )	
Site Area (registered)	Land	Total site area	3,522.46m <sup>2</sup>
	Bldg.	Gloss floor area	25,733.10m <sup>2</sup>
Type of Structure (registered)		SRC B2/14F	
Completion Date		April 15, 1985	
Architecture and Design		Nikken Sekkei Ltd.	
Construction		Penta-Ocean Construction Co., Ltd.	
Building Construction Authorization Agency		Shinjuku Ward, Tokyo	
Agency to Prepare Building Situation Appraisal Report		Kume Engineering-System Co., Ltd.	
Building Specifications	Leasable Floor Space	911.60m <sup>2</sup>	
	Ceiling Height	2,500mm	
	Air Conditioning System	Separate system on each floor	
	Type of Flooring	Ducted flooring (partial OA flooring)	
Appraisal	Appraisal Method	Appraisal conducted by Daiwa Real Estate Appraisal Co., Ltd.	
	Appraisal Value(*1)	Specific value (limited value): 3,400 million yen (Reference) Fair value: 3,310 million yen	
	Appraisal Date	June 1, 2010	
Probable Maximum Loss		3.7% (based on the earthquake risk assessment report prepared by the Sampo Japan Risk Management, Inc.)  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 a percentage, not exceeding 90%, of expected damages caused if a maximum-level earthquake happens during an assumed period for the economic life of a building to the procurement cost for restoring those expected damages. The expected period for the 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 a 10% probability. This means that this level of earthquake statistically happens once every 475 years.	
Collateral		None	
Number of Tenants		22	
Major Tenant		Actus co., Ltd. , Kimoto Co., Ltd.	
Total Rental Revenue (annual) (*2)		1,040 million yen	
Lease and Guarantee Deposit (*2)		884 million yen	
Total Leasable Floor Space (*3)		15,134.16m <sup>2</sup>	
Total Leased Floor Space (*3)		14,120.60m <sup>2</sup>	
Occupancy Rate (*3)		93%	
Assumed NOI (NOI Return) (*4)		173 million yen (5.2%)	
Remarks		As the site is partly used for subway facilities, surface rights are held by the Tokyo metropolitan government	

- (\*1) Specific value (limited value) is value considering the increased value due to JPR entirely owning the property with the acquisition of additional ownership and the fair value does not consider the increased value and is just an appraisal of the portion acquired.
- (\*2) The figure for total rental revenue is an annualized amount of the sum of rents and other revenues based on lease contract as of the date of the contract. The figure for the lease and guarantee deposit is the total amount of lease and guarantee deposits based on the lease contract as of the date of the contract (amount for entire building including acquired additional ownership).
- (\*3) The figures as of the date of the contract have been entered. Furthermore, regarding total leasable space and total leased floor space, the sum of the areas based on the leasing contract as of the contract date have been recorded (amount for entire building including acquired additional ownership).
- (\*4) The assumed NOI is an estimate for the 12 months in which the property acquisition was made and is exclusive of extraordinary factors (the assumed NOI is not for the current fiscal period under review), and is made under the following assumptions.
- (1) The occupancy rate is 94%
  - (2) Taxes and public dues have been tentatively calculated based on the taxable income of fiscal 2010
  - (3) The acquisition is equivalent to 25% of co-ownership ratio of the property

#### 4. Aim of Property Acquisition

JPR owns 75% of the co-ownership of BYGS Shinjuku Bldg. and the acquisition of additional 25% co-ownership will bring JPR to hold the entire ownership. This is expected to enhance asset value and streamline management of the property.

JPR will continue to pursue the construction of a portfolio that places a particular emphasis on office buildings in the Tokyo area where further growth can be expected. In addition, with regards to the details of the 75% of the co-ownership of the property that JPR already owns, please refer to the press release “Notice Concerning Execution of a Purchase Agreement in Connection with the Acquisition of the BYGS Shinjuku Building” dated October 14, 2004 and “Notice Concerning Increase in Ownership of the BYGS Shinjuku Building” dated March 29, 2005.

#### 5. Details of Seller

Company Name	Central General Development Co., Ltd.
Head Office Address	1-12-5 Iidabashi Chiyoda-ku, Tokyo
Representative	Norikazu Fukumoto, President and Representative Director
Capital	1,008,344 thousand yen (as of June 24, 2010)
Principal Activities	Transaction, exchange, holding, management, leasing, brokerage and appraisal of real estate, etc.
Established	November 25, 1959
Relationship with JPR and its Asset Management Company	
Capital Relationship	JPR and/or the asset management company have no capital relationship to be indicated.
Personnel Relationship	JPR and/or the asset management company have no personnel relationship to be indicated.
Business Relationship	JPR and/or the asset management company had no transaction in terms of property acquisition or property sale in the fiscal period ended June 2010.
Related Party or Not	The concerned company does not fall within the definition of a related party.
Others	The concerned company neither falls within the definition of a related party as identified in the Investment Trusts and Investment Corporations Law Enforcement Order, nor within the definition of an interested party as stipulated in the rules and regulations prescribed by JPR’s Board of Directors.

#### 6. Profile of Previous Owner

Profile of previous owner is omitted as it does not have a special interest relationship with either JPR or its asset management company.

#### 7. Sales Agent

(1) Sales agent: Mizuho Trust & Banking Co., Ltd.

The sales agent neither falls within the definition of a related party as identified in the Investment

Trusts and Investment Corporations Law Enforcement Order, nor within the definition of an interested party as stipulated in the rules and regulations prescribed by JPR's Board of Directors.

(2) Brokerage fee

The brokerage fee paid to the above-indicated sales agent concerning the acquisition of the subject property has not been disclosed at the request of the sales agent.

## 8. Outlook

The operating forecasts in correlation with the acquisition of the subject property will be included in the operating forecasts for the 18th fiscal period (fiscal period ending December 2010) and disclosed at the time when the operating results for the 17th fiscal period (fiscal period ending June 2010) is announced.

### [Attachments]

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| Reference 1 | Real estate portfolio after the acquisition of this property |
| Reference 2 | Photograph of the BYGS Shinjuku Bldg.                        |

## Reference 1

### Real estate portfolio after concluding the acquisition of this property

Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions) (Note1)	% of Total (Note2)
Tokyo CBDs	Office	Kanematsu Bldg.	Chuo-ku, Tokyo	Dec. 2001	16,276	4.9%
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	0.9%
	Office	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	0.6%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002 Nov. 2004	2,420	0.7%
	Office	JPR Crest Takebashi Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	1.2%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	3.3%
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	0.9%
	Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003 Apr. 2005	2,920	0.9%
	Office	JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	May 2004	5,100	1.5%
	Office	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 2004	3,500	1.0%
	Office	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2004 Sep. 2008	10,180	3.0%
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004 Apr. 2005 Jul. 2010	15,121	4.5%
	Office	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 2004	710	0.2%
	Office	Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Mar. 2008	21,000	6.3%
	Office	Minami Azabu Bldg.	Minato-ku, Tokyo	Jul. 2008	3,760	1.1%
	Office	Shinagawa Canal Bldg.	Minato-ku, Tokyo	Dec. 2008	1,870	0.6%
	Office	Rokubancho Bldg.	Chiyoda-ku, Tokyo	Dec. 2009	2,800	0.8%
	Office	Ryoshin Harajuku Bldg.	Shibuya-ku, Tokyo	Dec. 2009	8,400	2.5%
	Office	Tokyo Tatemono Kyobashi Bldg.	Chuo-ku, Tokyo	Feb. 2010	5,250	1.6%
	Office	TK Horidome Bldg.	Chuo-ku, Tokyo	Mar. 2010	5,100	1.5%
	Office	JPR Sendagaya Bldg.	Shibuya-ku, Tokyo	May. 2010	15,050	4.5%
	Retail	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	3.6%
	Retail	JPR Daikanyama	Shibuya-ku, Tokyo	Oct. 2004	2,160	0.6%
Retail	JPR Jingumae 432	Shibuya-ku, Tokyo	Mar. 2006	4,275 (Note3)	1.3%	
Retail	Shinjuku Sanchome East Bldg.	Shinjuku-ku, Tokyo	Mar. 2007 Apr. 2008	2,740	0.8%	
Retail	Yurakucho Ekimae Building (Yurakucho Itocia)	Chiyoda-ku, Tokyo	Aug. 2008	3,400	1.0%	
<b>Subtotal</b>					<b>167,126</b>	<b>50.0%</b>
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	1.8%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	0.7%
	Office	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	0.9%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.3%
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	2.4%
	Office	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	1.0%
	Office	Tachikawa Business Center Bldg.	Tachikawa, Tokyo	Sep. 2005 Feb. 2007	3,188	1.0%
	Office	Rise Arena Bldg.	Toshima-ku, Tokyo	Mar. 2007	5,831	1.7%

Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions) (Note1)	% of Total (Note2)
Greater Tokyo	Office	Yume-ooka Office Tower	Yokohama, Kanagawa	Jul. 2007	6,510	1.9%
	Office	Olinas Tower	Sumida-ku, Tokyo	Jun. 2009	31,300	9.4%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	3.0%
	Retail	The Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 2006	2,100	0.6%
	Retail	JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Sep. 2006	7,260	2.2%
	Retail	Musashiurawa Shopping Square	Saitama, Saitama	Mar. 2007	4,335	1.3%
	Retail	Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 2007	15,080	4.5%
<b>Subtotal</b>					<b>109,231</b>	<b>32.6%</b>
Other Cities	Office	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 2001	2,140	0.6%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	1.2%
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	0.9%
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	0.5%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	0.9%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	0.5%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	0.8%
	Office	JPR Dojima Bldg.	Osaka, Osaka	Jan. 2004	2,140	0.6%
	Office	JPR Hakata Chuo Bldg.	Fukuoka, Fukuoka	Jun. 2004	1,920	0.6%
	Office	Mitsubishi UFJ Lease & Finance Nagoya Head Office Bldg.	Nagoya, Aichi	Mar. 2005	4,137	1.2%
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	3.9%
	Retail	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May 2005	5,430	1.6%
	Retail	Housing Design Center Kobe	Kobe, Hyogo	Sep. 2005	7,220	2.2%
	Retail	JPR Chayamachi Bldg.	Osaka, Osaka	Aug. 2006	6,000	1.8%
<b>Subtotal</b>					<b>58,227</b>	<b>17.4%</b>
<b>Total</b>					<b>334,584</b>	<b>100.0%</b>

(Note 1) The "Acquisition Price" is the amount identified in the purchase agreement and does not include acquisition costs and consumption tax. The "Acquisition Price" is rounded down to the million.

(Note 2) Percentages are rounded to the first decimal point.

(Note 3) The acquisition price of JPR Jingumae 432 is excluding a portion of land which was sold on June 1, 2010.

**Reference 2**

Photograph of the BYGS Shinjuku Bldg.

