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For Translation Purposes Only

For Immediate Release

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Notice Concerning Property Acquisition (Conclusion of Contract) “Ginza Sanwa Building”

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire the Ginza Sanwa Building, as outlined below. The scheduled acquisition date is August 29, 2011.

Details

1. Reason for Acquisition

The acquisition of the Ginza Sanwa Building 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	Ginza Sanwa Building
3) Acquisition Price	3,400 million yen (excluding expenses related to acquisition, consumption tax and other expenses)
4) Contract Date	August 22, 2011
5) Settlement Date	August 29, 2011 (planned)
6) Seller	Matsuya Co., Ltd.
7) Funding	Borrowings
8) Payment Method	Lump-sum payment at the time of transfer

3. Details of Property for Acquisition

Property Name		Ginza Sanwa Building		
Location	Registered	Land	1-20, Ginza 4-chome, Chuo-ku, Tokyo	
		Bldg.	1-1-6, Ginza 4-chome, Chuo-ku, Tokyo	
	Residential	6-1, Ginza 4-chome, Chuo-ku, Tokyo		
Access		Close to Ginza Station on the Tokyo Metro Ginza Line and Hibiya Line		
Use		Office / Retail		
Type of Ownership (*1) (*2)		Land	Ownership (shared, ownership ratio of acquired land is 64.72%)	
		Bldg.	Sectional ownership (shared, ownership ratio of acquired sectional ownership is 35.40%)	
Site Area (registered)		Land	Total site area	1,119.27 m ²
			Area of acquired land (total)	364.85 m ²
			Of the above, area JPR will own (interest equivalent)	236.13 m ²
		Bldg.	Gross floor space of entire building	8,851.00 m ²
			Area of acquired sectional ownership (total)	5,770.65 m ²
			Of the above, area JPR will own (interest equivalent)	2,042.81 m ²
Type of Structure (registered)		SRC, B2/9F		
Completion Date		October 1, 1982		
Architecture and Design		Kyoritsu Associates Architects & Engineers		
Construction		Taisei Corporation, Zenitaka Corporation Design Consortium		
Building Construction Authorization Agency		Tokyo Metropolitan Government		
Agency to Prepare Building Situation Appraisal Report		Shimizu Corporation		
Building Specifications	Leasable Floor Space	810.20 m ²		
	Ceiling Height	2,500 mm		
	Air Conditioning System	Central air-conditioning system by floor		
	Type of Flooring	Partial OA-compatible floor		
Appraisal	Appraisal Method	Appraisal conducted by Japan Valuers Co., Ltd.		
	Appraisal Value	3,420 million yen		
	Appraisal Date	July 31, 2011		
Probable Maximum Loss (PML)		<p>8.2% (based on the earthquake risk assessment report prepared by the NKSJ Risk Management, Inc.)</p> <p>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 with an annual exceeding probability of 0.211%.</p>		
Collateral		None		
Number of Tenants		8		
Major Tenant		Sanko-Estate Co., Ltd.		
Total Rental Revenue (annual) (*3)		197 million yen		
Lease and Guarantee Deposits (*3)		282 million yen		
Total Leasable Floor Space (*4)		1,899.27 m ²		
Total Leased Floor Space (*4)		1,868.32 m ²		
Occupancy Rate (*4)		98.4%		
Assumed NOI (NOI Return) (*5)		138 million yen (4.1%)		
Remarks		None		

(*1) The premises of the property is divided into 4 sections. One of these sections is to be owned by JPR (64.72%, the other owner is Matsuya Co., Ltd., owning 35.28%). The other 3 sections are owned by Matsuya Co., Ltd. and Japan Real Estate Investment Corporation. JPR will own land use rights for 18.35% of the entire premises.

- (*2) The building is divided into 2 sectional ownership rights. One of these sectional ownership rights is to be owned by JPR (35.40%, other owners are Japan Real Estate Investment Corporation (45.31%) and Matsuya Co., Ltd. (19.29%)). The remaining sectional ownership right is co-owned by Matsuya Co., Ltd. and Japan Real Estate Investment Corporation.
JPR will own 18.35% of the shared area of the building.
- (*3) 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 lease contract as of the date of the contract (equivalent to interest of entire acquisition sectional ownership).
- (*4) The figures as of the date of the contract have been entered. Furthermore, regarding total leasable floor space and total leased floor space, the sum of the areas based on the leasing contract as of the contract date have been recorded (equivalent to interest of entire acquisition sectional ownership).
- (*5) 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 (equivalent to interest of entire acquisition sectional ownership).
(1) The occupancy rate is 98%.
(2) Taxed and public dues have been tentatively calculated based on the taxable income of fiscal year 2011.

4. Aim of Property Acquisition

The property is situated near the Ginza 4-chome intersection. Adjacent to both Matsuya and Mitsukoshi department stores, it is a very rare property boasting a very good location as a commercial area in Japan. Furthermore, the property has a good amount of space for the area, is connected to three streets including Chuo-dori and Matsuya-dori giving it excellent visibility. In addition, though the 800% specified floor area ratio is almost all utilized, compared to the mitigated floor area ratio of 1,100% for updated features advanced use district that is given to the area, the building has about 300% of floor area ratio to yet utilize, and we believe that the property has high potential and that increased value can be expected in the future. JPR will continue to pursue the construction of a portfolio that places a particular emphasis on office buildings in the Tokyo area.

5. Seller Profile

Company Name	Matsuya Co., Ltd.	
Head Office Address	6-1, Ginza 3-chome, Chuo-ku, Tokyo	
Representative	Masanori Akita, Executive President and Representative Director	
Capital	7,132 million yen (as of February 28, 2011)	
Principal Activities	Department store business	
Establishment	March 1, 1919	
Total Assets	43,017 million yen (as of February 28, 2011)	
Net Assets	7,107 million yen (as of February 28, 2011)	
Major Shareholders and Ratio of Shareholding (as of February 28, 2011)	Shareholders	Ratio of Shareholding
	Matsuya Partner Holding Company	5.57%
	Onward Holdings Co., Ltd.	5.24%
	Mizuho Bank, Ltd. (standing proxy: Trust & Custody Services Bank, Ltd.)	4.66%
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4.66%
	Tobu Railway Co., Ltd.	4.52%

Relationship with JPR and the Asset Management Company	
Capital Relationship	JPR and/or the asset management company have no capital relationships to be indicated.
Personnel Relationship	JPR and/or the asset management company have no personal relationships to be indicated.
Business Relationship	JPR and/or the asset management company had no transactions to be indicated in the fiscal period ended June 2011.
Related Party of Not	The concerned company does not fall within the definition of a related party.
Other	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 Owners

The profile of the 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: Tokyo Tatemono Co., Ltd., Tokyo Tatemono Real Estate Sales Co, Ltd.

The sales agents (Tokyo Tatemono Co., Ltd. and Tokyo Tatemono Real Estate Sales Co, Ltd.) fall within the definition of an interested party as stipulated in the rules and regulations prescribed by JPR's Board of Directors. Therefore, prior approval was obtained from JPR's Board of Direct regarding the entrustment of sales agent operations.

- 2) Brokerage fee

The brokerage fee to be paid to the above-indicated sales agent will be 50 million yen (excluding tax, etc.) in total.

8. Outlook

The operating forecast for JPR's 20th fiscal period (fiscal period ending December 31, 2011) remains unchanged.

[Attachments]

- Reference 1 Real estate portfolio after the acquisition of this property
Reference 2 Photograph of the Ginza Sanwa Building

Reference 1

Real estate portfolio after the acquisition of this property

(yen in millions)

Area	Type	Property Name	Location	Acquired	Acquisition Price (Note 1)	% of Total (Note 2)
Tokyo CBDs	Office	Kanematsu Bldg.	Chuo-ku, Tokyo	Dec. 2001	16,276	4.7
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	0.8
	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	3.2
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	0.8
	Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003 Apr. 2005	2,920	0.8
	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	No. 2004 Apr. 2005 Jul. 2010	15,121	4.4
	Office	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 2004	710	0.2
	Office	Shinjuku Center Building	Shinjuku-ku, Tokyo	Mar. 2008	21,000	6.1
	Office	Minami Azabu Building	Minato-ku, Tokyo	Jul. 2008	3,760	1.1
	Office	Shinagawa Canal Building	Minato-ku, Tokyo	Dec. 2008	1,870	0.5
	Office	Rokubancho Building	Chiyoda-ku, Tokyo	Dec. 2009	2,800	0.8
	Office	JPR Harajuku Building	Shibuya-ku, Tokyo	Dec. 2009	8,400	2.4
	Office	Tokyo Tatemono Kyobashi Building	Chuo-ku, Tokyo	Feb. 2010	5,250	1.5
	Office	JPR Nihonbashi-horidome Building	Chuo-ku, Tokyo	Mar. 2010	5,100	1.5
	Office	JPR Sendagaya Building	Shibuya-ku, Tokyo	May 2010	15,050	4.4
	Office	Ginza Sanwa Building	Chuo-ku, Tokyo	Aug. 29, 2011 (planned)	3,400	1.0
	Retail	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	3.5
	Retail	JPR Daikanyama	Shibuya-ku, Tokyo	Oct. 2004	2,160	0.6
	Retail	JPR Jingumae 432	Shibuya-ku, Tokyo	Mar. 2006	4,275	1.2
	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	
Subtotal					170,526	49.4

Area	Type	Property Name	Location	Acquired	Acquisition Price (Note 1)	% of Total (Note 2)
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	1.7
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	0.7
	Office	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	0.8
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.3
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	2.3
	Office	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	0.9
	Office	Tachikawa Business Center Bldg.	Tachikawa, Tokyo	Sep. 2005 Feb. 2007	3,188	0.9
	Office	Rise Arena Bldg.	Toshima-ku, Toyo	Mar. 2007	5,831	1.7
	Office	Yume-ooka Office Tower	Yokohama, Kanagawa	Jul. 2007	6,510	1.9
	Office	Olinas Tower	Sumida-ku, Tokyo	Jun. 2009	31,300	9.1
	Office	Tokyo Tatemono Yokohama Building	Yokohama, Kanagawa	Dec. 2010	7,000	2.0
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	3.0
	Retail	Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 2006	2,100	0.6
	Retail	JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Sep. 2006	7,260	2.1
	Retail	Musashiurawa Shopping Square	Saitama, Saitama	Mar. 2007	4,335	1.3
	Retail	Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 2007	15,080	4.4
Subtotal					116,231	33.7
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	0.8
	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	JPR Nagoya Fushimi Bldg.	Nagoya, Aichi	Mar. 2005	4,137	1.2
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	3.8
	Retail	Benetton Shinsuibashi Bldg.	Osaka, Osaka	May 2005	5,430	1.6
	Retail	Housing Design Center Kobe	Kobe, Hyogo	Sep. 2005	7,220	2.1
	Retail	JPR Chayamachi Bldg.	Osaka, Osaka	Aug. 2006	6,000	1.7
Subtotal					58,227	16.9
Total					344,984	100.0

(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.

Reference 2

Photograph of the Ginza Sanwa Building

