

March 21, 2013

For Translation Purpose Only

For Immediate Release

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

Asset Management Company:
Tokyo Realty Investment Management, Inc.
Satoshi Okubo
President and Chief Executive Officer
Inquiries: Satoshi Eida
Director and Chief Financial Officer
TEL: +81-3-3516-1591

Notice Concerning Property Acquisition (Conclusion of Contract)
“Omiya Prime East”

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire the Omiya Prime East, as outlined below. The scheduled acquisition date is March 22, 2013.

Details

1. Reason for Acquisition

The acquisition of the Omiya Prime East is in accordance with JPR’s fundamental investment policies and investment stance set forth in its Articles of Incorporation, in an effort to enhance and stabilize its investment portfolio by acquiring beneficiary interests in real estate of a new office building in Greater Tokyo.

2. Acquisition Details

- | | |
|-----------------------|---|
| 1) Asset type: | Beneficiary interest in real estate |
| 2) Asset Custodian: | Sumitomo Mitsui Trust Bank, Limited |
| 3) Term of Trust: | From January 30, 2009 to March 20, 2023 (planned) |
| 4) Property Name: | Omiya Prime East |
| 5) Acquisition Price: | 6,090 million yen (excluding expenses related to acquisition, consumption tax and other expenses) |
| 6) Contract Date: | March 21, 2013 |
| 7) Settlement Date: | March 22, 2013 (planned) |
| 8) Seller: | Domestic operating company |
| 9) Funding: | Borrowings (Note) |
| 10) Payment Method: | Lump-sum payment at the time of transfer |

(Note) For details of the borrowings, please refer to the press release titled “Notice Concerning Borrowings” announced on March 13, 2013.

3. Details of Property for Acquisition

Property Name		Omiya Prime East	
Location	Registered	Land	1-1 Shimocho 2-chome, Omiya-ku, Saitama-shi, Saitama and others
		Building	1-1 Shimocho 2-chome, Omiya-ku, Saitama-shi, Saitama
	Residential	The region has not implemented residential address indication	
Access		6-minute walk from Omiya Station on JR Keihin Tohoku Line, Takasaki Line, Utsunomiya Line and Tohoku/Joetsu Shinkansen Lines , etc.	
Use (registered)		Office	
Type of Ownership		Land	Ownership
		Building	Ownership
Site Area (registered)		Land	Total site area 2,268.09m ² (686.09 tsubos)
		Building	Gross floor space of entire building 9,203.98m ² (2,784.20 tsubos)
Type of Structure (registered)		S, 9F	
Completion Date (registered)		February 12, 2009	
Architecture and Design		Kajima Corporation	
Construction		Kajima Corporation	
Building Construction Authorization Agency		City of Saitama	
Agency to Prepare Building Situation Appraisal Report		Nikken Sekkei Construction Management, Inc.	
Building Specifications	Leasable Floor Space	801.01m ² (242.30 tsubos)	
	Ceiling Height	2,800mm	
	Air Conditioning System	Individual air conditioning system	
	Type of Flooring	OA-compatible floor (100mm)	
Appraisal	Appraisal Method	Appraisal conducted by Japan Real Estate Institute	
	Appraisal Value	6,270 million yen	
	Appraisal Date	March 1, 2013	
Probable Maximum Loss (PML)		<p>4.4% (based on the earthquake risk assessment report prepared by the NKSJ Risk Management, Inc.)</p> <p>PML (Probable Maximum Loss) 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		4	
Major Tenant		Kajima Corporation, The Gunma Bank, Ltd., Asahi Breweries, Ltd.	
Total Rental Revenue (annual) (*1)		509 million yen	
Lease and Guarantee Deposits (*1)		418 million yen	
Total Leasable Floor Space (*2)		6,871.45m ² (2,078.61 tsubos)	
Total Leased Floor Space (*2)		6,871.45m ² (2,078.61 tsubos)	
Occupancy Rate (*2)		100%	
Assumed NOI (NOI Return) (*3)		373 million yen (6.1%)	
Remarks		None	

- (*1) The figure for total rental revenue is an annualized amount of the sum of rents and other revenues based on lease contracts as of the date of the contract. The figure for the lease and guarantee deposits is the total amount of lease and guarantee deposits based on lease contracts as of the date of the contract.
- (*2) The figures as of the date of the contract have been entered. Furthermore, total leasable floor space and total leased floor space represent the sum of the areas based on the lease contracts as of the contract.
- (*3) 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 a forecast for the current fiscal period), 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 year 2012.

4. Aim of Property Acquisition

The Omiya area where the property is located is the gateway to the Tokyo metropolitan area, with Shinkansen (bullet train) lines bound for the Tohoku and Joshinetsu regions, and features a concentration of various urban functions. The area is also highly positioned in corporate strategies for operational bases, offering steady demand for office spaces and resulting in lower vacancies than Central Tokyo. The property is a six-minute walk from the east exit of Omiya Station, a large-scale terminal station, and situated in the office district in the east exit area where banks and companies hold their branches and other functions in a concentrated manner.

Completed in 2009, the property is relatively new, has comfortable office spaces with approximately 240 tsubos of leasable space on a standard floor and a ceiling height of 2.8m, and is equipped with many parking spaces that are essential in business areas in Omiya. JPR highly evaluates the property which, as an office building having a strong ability to attract replacing tenants and high competitiveness, allows expectations for relatively high returns and stable earnings it generates.

5. Seller Profile

The seller is not disclosed as JPR has not obtained consent from the seller to disclose. Furthermore, the seller does not fall within the scope of either the related parties as defined in the Enforcement Order for the Act on Investment Trusts and Investment Corporations or the interested parties as defined in the rules of JPR's Board of Directors.

6. Profile of Previous Owners

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

7. Sales Agent

1) Sales agent: Tokyo Tatemono Co., Ltd.

Company Name	Tokyo Tatemono Co., Ltd.
Head Office Address	9-9, Yaesu 1-chome, Chuo-ku, Tokyo
Representative	Hajime Sakuma, President and Representative Director
Capital	92,451 million yen (as of December 31, 2012)
Principal Activities	Real estate business
Establishment	October 1, 1896
Relationship with JPR and the Asset Management Company	

Capital Relationship	As of the end of December 2012, Tokyo Tatemono Co., Ltd owns JPR's investment units equivalent to 3.55% of the investment units issued and outstanding. In addition, the concerned company owns 40% of the shares issued and outstanding of JPR's asset management company, Tokyo Realty Investment Management, Inc. (TRIM).
Personal Relationship	As of the end of December 2012, eleven of the officers and employees of TRIM (excluding part-time directors) are those seconded from the concerned company.
Business Relationship	In terms of entrustment of sales agent operations, JPR and TRIM had a transaction with the concerned company regarding the acquisition of Yakuin Business Garden in the fiscal period ended December 2012. Additionally, in the concerned fiscal period, there have been no transactions of property acquisitions or property sales between the concerned company and JPR and/or TRIM.
Related Party or Not	The concerned company does not fall within the definition of a related party of JPR. The concerned company is another interested party of TRIM and falls within the definition of a related party of TRIM.
Other	The concerned company is a shareholder of TRIM, and falls within the scope of an interested party as defined in the rules of JPR's Board of Directors. Accordingly, JPR's Board of Directors has provided its authorization before entering into an agreement with the concerned company. Interested parties differ from related parties as defined in the Enforcement Order for the Act on Investment Trusts and Investment Corporations and the concerned company does not fall within the definition of a related party.

2) Sales agent: Sumitomo Mitsui Trust Bank, Limited

Company Name	Sumitomo Mitsui Trust Bank, Limited
Head Office Address	4-1, Marunouchi 1chome, Chiyoda-ku, Tokyo
Representative	Hitoshi Tsunekage, President
Capital	342,037million yen (as of April 1, 2012)
Principal Activities	Finance business
Establishment	July 28, 1925
Relationship with JPR and the Asset Management Company	
Capital Relationship	JPR and/or TRIM have no capital relationships to be indicated with the concerned company.
Personal Relationship	JPR and/or TRIM have no personal relationships to be indicated with the concerned company.
Business Relationship	JPR and/or TRIM had no transactions to be indicated with the concerned company in the fiscal period ended December 2012.
Related Party or Not	The concerned company does not fall within the definition of a related party of JPR and/or TRIM.
Other	The concerned company does not fall within the scope of either the related parties as defined in the Enforcement Order for the Act on Investment Trusts and Investment Corporations or an interested party as defined in the rules of JPR's Board of Directors.

2) Brokerage fee

The brokerage fee to be paid to the above-indicated sales agents are scheduled to be 182.7 million yen (excluding consumption tax, etc.) in total.

8. Outlook

The impact of the acquisition of the property on the operating results of JPR for the 23rd fiscal period ending June 2013 will be minimal, not causing JPR to make any change to its operating forecasts for the period.

[Attachments]

- Reference 1 Real estate portfolio after the acquisition of this property
- Reference 2 Photograph of the Omiya Prime East

Reference 1

Real estate portfolio after 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	4.1%
	Office	Kanematsu Bldg. Annex	Chuo-ku, Tokyo	Dec. 2001	2,874	0.7%
	Office	JPR Ningyo-cho Bldg.	Chuo-ku, Tokyo	Nov. 2001	2,100	0.5%
	Office	Shin-Kojimachi Bldg.	Chiyoda-ku, Tokyo	Nov. 2001 Nov. 2002 Nov. 2004	2,420	0.6%
	Office	JPR Crest Takebashi Bldg.	Chiyoda-ku, Tokyo	Jun. 2002	4,000	1.0%
	Office	MS Shibaura Bldg.	Minato-ku, Tokyo	Mar. 2003	11,200	2.8%
	Office	Gotanda First Bldg.	Shinagawa-ku, Tokyo	Jul. 2003	2,920	0.7%
	Office	Fukuoka Bldg.	Chuo-ku, Tokyo	Oct. 2003 Apr. 2005	2,920	0.7%
	Office	JPR Ichigaya Bldg.	Chiyoda-ku, Tokyo	May 2004	5,100	1.3%
	Office	Oval Court Ohsaki Mark West	Shinagawa-ku, Tokyo	Jun. 2004	3,500	0.9%
	Office	Shinjuku Square Tower	Shinjuku-ku, Tokyo	Jul. 2004 Sep. 2008	10,180	2.6%
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004 Apr. 2005 Jul. 2010	15,121	3.8%
	Office	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 2004	710	0.2%
	Office	Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Mar. 2008	21,000	5.3%
	Office	Minami Azabu Bldg.	Minato-ku, Tokyo	Jul. 2008	3,760	0.9%
	Office	Shinagawa Canal Bldg.	Minato-ku, Tokyo	Dec. 2008	1,870	0.5%
	Office	Rokubancho Bldg.	Chiyoda-ku, Tokyo	Dec. 2009	2,800	0.7%
	Office	JPR Harajuku Bldg.	Shibuya-ku, Tokyo	Dec. 2009	8,400	2.1%
	Office	Tokyo Tatemono Kyobashi Bldg.	Chuo-ku, Tokyo	Feb. 2010	5,250	1.3%
	Office	JPR Nihonbashi Horidome Bldg.	Chuo-ku, Tokyo	Mar. 2010	5,100	1.3%
	Office	JPR Sendagaya Bldg.	Shibuya-ku, Tokyo	May 2010	15,050	3.8%
	Office	Ginza Sanwa Bldg.	Chuo-ku, Tokyo	Aug. 2011	3,400	0.9%
	Office	Otemachi 1-6 Plan (tentative name) (land with land leasehold)	Chiyoda-ku, Tokyo	Mar. 2012	36,000	9.0%
	Retail	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	3.0%
	Retail	JPR Daikanyama	Shibuya-ku, Tokyo	Oct. 2004	2,160	0.5%
	Retail	JPR Jingumae 432	Shibuya-ku, Tokyo	Mar. 2006	4,275 (Note3)	1.1%
	Retail	Shinjuku Sanchoe East Bldg.	Shinjuku-ku, Tokyo	Mar. 2007 Apr. 2008	2,740	0.7%
	Retail	Yurakucho Ekimae Building (Yurakucho Itocia)	Chiyoda-ku, Tokyo	Aug. 2008	3,400	0.9%
Subtotal					206,526	51.9%
Greater Tokyo	Office	Area East	Sumida-ku, Tokyo	Nov. 2001	5,880	1.5%
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	0.6%
	Office	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	0.7%

Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions) (Note1)	% of Total (Note2)
Greater Tokyo	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.2%
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	2.0%
	Office	JPR Ueno East Bldg.	Taito-ku, Tokyo	Mar. 2004	3,250	0.8%
	Office	Tachikawa Business Center Bldg.	Tachikawa, Tokyo	Sep. 2005 Feb. 2007	3,188	0.8%
	Office	Rise Arena Bldg.	Toshima-ku, Tokyo	Mar. 2007	5,831	1.5%
	Office	Yume-ooka Office Tower	Yokohama, Kanagawa	Jul. 2007	6,510	1.6%
	Office	Olinas Tower	Sumida-ku, Tokyo	Jun. 2009	31,300	7.9%
	Office	Tokyo Tatemono Yokohama Bldg.	Yokohama, Kanagawa	Dec. 2010	7,000	1.8%
	Office	Omiya Prime East	Omiya, Saitama	Mar. 2013 (planned)	6,090	1.5%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	2.6%
	Retail	The Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 2006	2,100	0.5%
	Retail	JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Sep. 2006	7,260	1.8%
	Retail	Musashirawa Shopping Square	Saitama, Saitama	Mar. 2007	4,335	1.1%
	Retail	Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 2007	15,080	3.8%
	Subtotal					122,321
Other Cities	Office	Niigata Ekinan Center Bldg.	Niigata, Niigata	Nov. 2001	2,140	0.5%
	Office	Tokyo Tatemono Honmachi Bldg.	Osaka, Osaka	Nov. 2001	4,150	1.0%
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	0.7%
	Office	JPR Naha Bldg.	Naha, Okinawa	Nov. 2001	1,560	0.4%
	Office	Sompo Japan Sendai Bldg.	Sendai, Miyagi	Jun. 2002	3,150	0.8%
	Office	Sompo Japan Wakayama Bldg.	Wakayama, Wakayama	Jun. 2002	1,670	0.4%
	Office	Tenjin 121 Bldg.	Fukuoka, Fukuoka	Jun. 2002	2,810	0.7%
	Office	JPR Dojima Bldg.	Osaka, Osaka	Jan. 2004	2,140	0.5%
	Office	JPR Hakata Chuo Bldg.	Fukuoka, Fukuoka	Jun. 2004	1,920	0.5%
	Office	JPR Nagoya Fushimi Bldg.	Nagoya, Aichi	Mar. 2005	4,137	1.0%
	Office	Yakuin Business Garden	Fukuoka, Fukuoka	Aug. 2012	10,996	2.8%
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	3.3%
	Retail	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May 2005	5,430	1.4%
	Retail	Housing Design Center Kobe	Kobe, Hyogo	Sep. 2005	7,220	1.8%
	Retail	JPR Chayamachi Bldg.	Osaka, Osaka	Aug. 2006	6,000	1.5%
Subtotal					69,223	17.4%
Total					398,070	100.0%

Reference 2
Photograph of the Omiya Prime East

