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For Translation Purpose Only

For Immediate Release

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Notice Concerning Property Acquisition (Conclusion of Contract) “Shibadaimon Center Building (additional ownership)”

Japan Prime Realty Investment Corporation (JPR) announced that Tokyo Realty Investment Management, Inc., the asset management company to which JPR entrusts management of its assets, today decided on the acquisition of additional ownership of the Shibadaimon Center Building, as outlined below. The scheduled acquisition date is July 30, 2014.

Details

1. Reason for Acquisition

The additional acquisition of the Shibadaimon Center Building 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 additional ownership of an office building in central Tokyo.

2. Acquisition Details

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|-----------------------|---|
| 1) Asset Type: | Real estate (Note) |
| 2) Property Name: | Shibadaimon Center Building |
| 3) Acquisition Price: | 800 million yen (excluding expenses related to acquisition, consumption tax and other expenses) |
| 4) Contract Date: | July 29, 2014 |
| 5) Settlement Date: | July 30, 2014 (planned) |
| 6) Seller: | Individual |
| 7) Funding: | Cash in hand |
| 8) Payment Method: | Lump-sum payment at the time of transfer |

(Note) JPR already owns beneficiary interest in part of the property. JPR plans to execute an additional trust agreement with the trustee as of July 30, 2014 for the portion to be additionally acquired and add the portion to the existing trust property, so that JPR will own trust beneficiary interest in the both portions.

3. Details of Property for Acquisition

Property Name		Shibadaimon Center Building	
Location	Registered	Land	1-703-3 Shibadaimon, Minato-ku, Tokyo and others
	Residential	Building	1-703-3 Shibadaimon, Minato-ku, Tokyo and others
Access		1-10-11 Shibadaimon, Minato-ku, Tokyo	
Use (registered)		Office	
Type of Ownership	Land	Ownership (partially co-ownership)	
	Building	Sectional ownership (portion to be acquired: part of 2nd floor, 4th floor)	
Site Area (registered)	Land	Total site area	1,915.50m ² (579.44 tsubos)
		Area of land to be acquired (total)	393.03m ² (118.89 tsubos)
		Of the above, area JPR will own (equivalent to JPR's equity interest)	275.78m ² (83.42 tsubos)
	Building	Total area owned by JPR after the additional acquisition (equivalent to JPR's equity interest)	1,228.39m ² (371.59 tsubos)
		Gross floor space of entire building	11,419.93m ² (3,454.53 tsubos)
		Area under the sectional ownership to be acquired	1,021.20m ² (308.91 tsubos)
		Total area under the sectional ownership JPR will own after the additional acquisition	5,285.89m ² (1,598.98 tsubos)
Type of Structure (registered)		S/ SRC, B1/10F	
Completion Date (registered)		July 2, 1993	
Architecture and Design		Shimizu Corporation	
Construction		Shimizu Corporation	
Building Construction Authorization Agency		Tokyo Metropolitan Government	
Agency to Prepare Building Situation Appraisal Report		Nikken Sekkei Construction Management, Inc.	
Building Specifications	Leasable Floor Space	848.81m ²	(256.76 tsubos)
	Ceiling Height	2,540mm	
	Air Conditioning System	Central air-conditioning system by floor	
	Type of Flooring	OA-compatible floor (60mm)	
Appraisal	Appraisal Method	Appraisal conducted by Japan Real Estate Institute.	
	Appraisal Value	846 million yen	
	Appraisal Date	July 1, 2014	
Probable Maximum Loss (PML)		7.0% (based on the earthquake risk assessment report prepared by the NKSJ Risk Management, Inc.) 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%.	
Collateral		None	
Number of Tenants		3	
Major Tenant		Prored Partners, Co., Ltd., DTS Corporation and Customer Communications, Ltd.	
Total Rental Revenue (annual) (*1)		57 million yen	
Lease and Guarantee Deposits (*1)		37 million yen	
Total Leasable Floor Space (*2)		1,041.87m ²	
Total Leased Floor Space (*2)		1,041.87m ²	
Occupancy Rate (*2)		100.0%	
Assumed NOI (NOI Return) (*3)		38 million yen (4.7%)	
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 deposit is the total amount of lease and guarantee deposits based on lease contracts as of the date of the contract. (Amounts related to parking fee, utility costs and other revenue are not included.)

- (*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 date 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 96%.
 - (2) Taxes and public dues have been tentatively calculated based on the taxable income of fiscal year 2014.

4. Aim of Property Acquisition

As JPR already has 52.8% ownership of the property, the additional acquisition (equivalent to 12.6% ownership) of the property is expected to enhance the asset value and liquidity as well as a more efficient management and operation of the property. For the overview of the property for which JPR already has ownership, please refer to JPR's website ("Notice Concerning Property Acquisition (Conclusion of Contract) "Shibadaimon Center Building" dated December 5, 2013.)

5. Seller Profile

The seller is an individual but is not disclosed as JPR has not obtained consent from the seller for disclosure. 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: Yasuda Real Estate Co., Ltd.

Company Name	Yasuda Real Estate Co., Ltd.
Head Office Address	2-11, Kanda Nishiki-cho, Chiyoda-ku, Tokyo
Representative	Kazumi Yanagihara, President and Representative Director
Capital	270 million yen (as of June 30, 2014)
Principal Activities	Real estate business
Establishment	September 1, 1950
Relationship with JPR and the Asset Management Company	
Capital Relationship	As of the end of June 2014, Yasuda Real Estate Co., Ltd. owns JPR's investment units equivalent to 0.6% of the investment units issued and outstanding. In addition, the concerned company owns 20% of the shares issued and outstanding of JPR's asset management company.
Personal Relationship	As of the end of June 2014, one of the officers (part-time directors) of the asset management company has been seconded from the concerned company.
Business Relationship	As of the end of June 2014, there has been no transaction related to consigned brokerage between the concerned company and JPR and/or the asset management company.
Related Party or Not	The concerned company does not fall within the definition of a related party of JPR.

	Other	The concerned company falls within the scope of interested parties as defined in the rules of JPR's Board of Directors as well as of related parties as defined in the Enforcement Order for the Act on Investment Trusts and Investment Corporations. Accordingly, JPR's Board of Directors has provided its authorization before entering into an agreement with the concerned company.
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2) Brokerage fee

The brokerage fee to be paid to the above-indicated sales agent is scheduled to be 10 million yen (excluding consumption tax, etc.) in total.

8. Outlook

The impact of the additional acquisition on the operating results of JPR for the 26th fiscal period ending December 2014 will be minimal, and JPR will not change its operating forecasts for the period.

[Attachments]

- Reference 1 Real estate portfolio after the acquisition of this property
- Reference 2 Photograph of Shibadaimon Center Building

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	4.0%
	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	2.5%
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004 Apr. 2005 Jul. 2010	15,121	3.7%
	Office	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 2004	710	0.2%
	Office	Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Mar. 2008	21,000	5.2%
	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	3.7%
	Office	Ginza Sanwa Bldg.	Chuo-ku, Tokyo	Aug. 2011	3,400	0.8%
	Office	The Otemachi Tower (land with leasehold interest)	Chiyoda-ku, Tokyo	Mar. 2012	36,000	8.9%
	Office	Science Plaza·Yonbancho Plaza	Chiyoda-ku, Tokyo	Dec. 2013	2,660	0.7%
	Office	Shibadaimon Center Building	Minato-ku, Tokyo	Dec. 2013 Jul. 2014(planned)	3,420 800	0.8% 0.2%
	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	1.1%
	Retail	Shinjuku Sanchome 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	0.8%
Subtotal					213,406	52.6%

Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions) (Note1)	% of Total (Note2)
Greater Tokyo	Office	Arca East	Sumida-ku, Tokyo	Nov. 2001	5,880	1.4%
	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%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002 Mar. 2013	920 570	0.2% 0.1%
	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	1.4%
	Office	Yume-ooka Office Tower	Yokohama, Kanagawa	Jul. 2007	6,510	1.6%
	Office	Olinas Tower	Sumida-ku, Tokyo	Jun. 2009	31,300	7.7%
	Office	Tokyo Tatemono Yokohama Bldg.	Yokohama, Kanagawa	Dec. 2010	7,000	1.7%
	Office	Omiya Prime East	Omiya, Saitama	Mar. 2013	6,090	1.5%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	2.5%
	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	Musashiurawa Shopping Square	Saitama, Saitama	Mar. 2007	4,335	1.1%
	Retail	Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 2007	15,080	3.7%
	Subtotal					122,891
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	2.7%
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	3.2%
	Retail	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May 2005	5,430	1.3%
	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	17.1%
Total					405,520	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 Shibadaimon Center Building

