



June 1, 2015

**For Translation Purposes 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 CEO  
Inquiries: Satoshi Eida, Director and CFO  
(TEL: +81-3-3516-1591)

## **Notice Concerning Issue of New Investment Units and Secondary Offering**

Japan Prime Realty Investment Corporation (JPR) announced that it has resolved at the Board of Directors Meeting held today to issue new investment units and conduct a secondary offering, as outlined below.

### Details

#### **1. Issue of New Investment Units via Offering (Primary Offering)**

(1) Total number of units to be offered  
45,700 units

(2) Issue price (offer price)  
To be determined  
(The price shall be determined by a resolution of the Board of Directors on a date (the “pricing date”) between June 9, 2015 (Tuesday) and June 12, 2015 (Friday). The issue price (offer price) shall be the price at which the Primary Offering is made.)

(3) Amount to be paid in (purchase price)  
To be determined  
(The price shall be determined by a resolution of the Board of Directors on the pricing date. The amount to be paid in (purchase price) shall be the proceeds per an investment unit (the “investment unit”) JPR receives from the underwriters mentioned under (5) below).

(4) Gross proceeds (total purchase price)  
To be determined

(5) Offering method  
The offering of investment units shall be via a primary offering, and underwritten in full by Mizuho Securities Co., Ltd. and SMBC Nikko Securities Inc. (collectively referred to as the “joint lead managers”) along with Nomura Securities Co., Ltd., Daiwa Securities Co. Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Tokai Tokyo Securities Co., Ltd. (collectively referred to

Note: This document is a press release for a public announcement regarding the issue and secondary offering of investment units and has not been prepared for the purpose of soliciting any investment. We request readers to undertake investment decisions at their own judgment after having read carefully the prospectus and notice of amendments (if issued) for the issuance of new investment units and secondary offering prepared by JPR.



together with the joint lead managers as the “underwriters”).

The issue price (offer price) for the Primary Offering will be determined by taking into consideration the market demand for the issue, provisionally calculated by applying the closing price for the Investment Corporation’s investment securities on the Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”) on the pricing date(if no closing price is available on that date, then the closing price for the most recent date prior to pricing date where a closing price is available), multiplied by 0.90 to 1.00 (resulting amounts less than 1 yen shall be disregarded).

(6) Underwriting agreement

No underwriting commission will be payable by JPR. The aggregate amount of the difference between the issue price (offer price) and the amount to be paid in (purchase price) of the Primary Offering shall be the proceeds for the underwriters.

(7) Book-building period

From June 5, 2015 (Friday) to the pricing date

(8) Subscription period

From June 10, 2015 (Wednesday) to June 11, 2015 (Thursday)

Considering demand and other factors, the subscription period may be brought backward. In that case, the latest subscription period shall be from June 15, 2015 (Monday) to June 16, 2015 (Tuesday).

(9) Payment date

June 16, 2015 (Tuesday)

Considering demand and other factors, the payment date may be brought backward. In that case, the latest payment date shall be June 19, 2015 (Friday).

(10) Delivery date

One business day after the payment date

(11) Subscription unit

One unit or more in multiples of one unit

(12) The issue price (offer price) and the amount to be paid in (purchase price) and other necessary items relating to the Primary Offering shall be approved at a future Board of Directors Meeting. However, any modifications or other adjustments before formal decision shall be determined at the discretion of the Executive Officer.

(13) The aforementioned items shall be subject to the effectiveness of the Securities Registration Statement in accordance with the Financial Instruments and Exchange Law in Japan.

Note: This document is a press release for a public announcement regarding the issue and secondary offering of investment units and has not been prepared for the purpose of soliciting any investment. We request readers to undertake investment decisions at their own judgment after having read carefully the prospectus and notice of amendments (if issued) for the issuance of new investment units and secondary offering prepared by JPR.

## 2. Secondary Offering (Over-Allotment)

(1) Seller and the number of units to be offered

Mizuho Securities Co., Ltd.: 2,300 units

The Secondary Offering (over-allotment) will be conducted by Mizuho Securities Co., Ltd. aside from and in connection with the Primary Offering considering demand and other factors. The abovementioned number of investment units indicates the maximum number of investment units to be offered via the Secondary Offering. Depending on demand and other factors, there may be cases where this number of investment units is reduced or the Secondary Offering (over-allotment) itself is not conducted. The number of units to be offered will be determined by a resolution of the Board of Directors on the pricing date after considering demand and other factors for the Primary Offering.

(2) Offer price

To be determined

(It will be decided by resolution of the Board of Directors Meeting held on the pricing date, and shall be the same as the issue price (offer price) of the Primary Offering.)

(3) Total offer price

To be determined

(4) Offering method

Depending on the demand and other factors of the Primary Offering, Mizuho Securities Co., Ltd. shall offer the investment units (the “borrowed investment units”) borrowed from Tokyo Tatemono Co., Ltd., a unitholder of JPR, the maximum amount of which is 2,300 units.

(5) Subscription period

It shall be the same period as that of the Primary Offering.

(6) Settlement date

It shall be the same day as the delivery date of the Primary Offering.

(7) Advances on subscription

It shall be the same amount as the offer price.

(8) Subscription unit

One unit or more in multiples of one unit

(9) The number of investment units to be offered and the offer price and other necessary items relating to the Secondary Offering shall be approved at a future Board of Directors Meeting. However, any modifications or other adjustments before formal decision shall be determined at the discretion of the Executive Officer.

(10) The aforementioned items shall be subject to the effectiveness of the Securities Registration Statement in accordance with the Financial Instruments and Exchange Law in Japan.

Note: This document is a press release for a public announcement regarding the issue and secondary offering of investment units and has not been prepared for the purpose of soliciting any investment. We request readers to undertake investment decisions at their own judgment after having read carefully the prospectus and notice of amendments (if issued) for the issuance of new investment units and secondary offering prepared by JPR.



### 3. Third-Party Allotment

- (1) Total number of investment units to be offered  
2,300 units
- (2) Third party and number of investment units to be issued to the third party  
Mizuho Securities Co., Ltd.: 2,300 units
- (3) Amount to be paid in (purchase price)  
To be determined  
(It shall be the same price as Amount to be paid in (purchase price) for the Primary Offering which shall be determined by a resolution of the Board of Directors on the pricing date.)
- (4) Gross proceeds (total purchase price)  
To be determined
- (5) Subscription date  
June 23, 2015 (Tuesday)
- (6) Payment date  
June 24, 2015 (Wednesday)
- (7) Subscription unit  
One unit or more in multiples of one unit
- (8) Investment units for which no application for subscription has been made during the subscription period shall not be issued.
- (9) The amount to be paid in (purchase price) and other necessary items relating to the third-party allotment shall be approved at a future Board of Directors Meeting. However, any modifications or other adjustments before formal decision shall be determined at the discretion of the Executive Officer.
- (10) The issue of new investment units through third-party allotment shall not be conducted if the Primary Offering is suspended.
- (11) The aforementioned items shall be subject to the effectiveness of the Securities Registration Statement in accordance with the Financial Instruments and Exchange Law in Japan.

Note: This document is a press release for a public announcement regarding the issue and secondary offering of investment units and has not been prepared for the purpose of soliciting any investment. We request readers to undertake investment decisions at their own judgment after having read carefully the prospectus and notice of amendments (if issued) for the issuance of new investment units and secondary offering prepared by JPR.



< For Reference >

## 1. Details of the Secondary Offering (Over-allotment)

- (1) Depending on the demand and other factors of the Primary Offering, Mizuho Securities Co., Ltd. may offer the investment units borrowed from our investor Tokyo Tatemono Co., Ltd. the maximum amount of which is 2,300 units (“secondary offering through over-allotment”).

The number of investment units to be offered through the secondary offering through over-allotment is the upper limit and may be reduced, or the secondary offering through over-allotment itself may be suspended, depending on demand and other factors.

In order to cause Mizuho Securities Co., Ltd. to acquire the investment units necessary to repay the borrowed investment units by Mizuho Securities Co., Ltd. upon the secondary offering by over-allotment, JPR resolved, at the Board of Directors held on June 1, 2015 (Monday), that 2,300 units be issued and allocated to Mizuho Securities Co., Ltd. (the “third-party allotment”) with payment date on June 24, 2015 (Wednesday).

The third-party allotment is an option granted to Mizuho Securities Co., Ltd. by JPR (the “greenshoe option”) and the greenshoe option shall be exercised by June 19, 2015 (Friday).

- (2) In order to apply to return of the borrowed investment units, there may be cases where Mizuho Securities Co., Ltd. may also purchase the investment units up to the number of investment units for the Secondary Offering (over-allotment) in the Tokyo Stock Exchange (the “syndicated cover transaction”) during the period from the day following the close of the subscription period for the Primary Offering and the Secondary Offering (over-allotment) until June 19, 2015 (Friday) (the “syndicated cover transaction period.”) All of the investment units purchased by Mizuho Securities Co., Ltd. through the syndicated cover transaction shall be used to return the borrowed investment units. Furthermore, there may be cases where Mizuho Securities Co., Ltd. does not conduct the syndicated cover transaction at all or completes the syndicated cover transaction with the number of investment units that are smaller than the number of investment units offered through the Secondary Offering (over-allotment), at its own judgment.
- (3) Moreover, Mizuho Securities Co., Ltd. may engage in stabilizing transactions related to the Primary Offering and the Secondary Offering (over-allotment). The investment units purchased through such stabilizing transactions may possibly be used, in whole or in part, in the return of the borrowed investment units.
- (4) For the number of investment units as a result of reducing the number of investment units purchased through the syndicated cover transaction and stabilizing transactions and used to return the borrowed investment units from the number of investment units for the Secondary Offering (over-allotment), Mizuho Securities Co., Ltd. intends to exercise the greenshoe option to accept the allotment of the third-party allotment and acquire the investment units. Consequently, there may be cases where there will be no subscription to the investment units offered in the third-party allotment in whole or in part,

Note: This document is a press release for a public announcement regarding the issue and secondary offering of investment units and has not been prepared for the purpose of soliciting any investment. We request readers to undertake investment decisions at their own judgment after having read carefully the prospectus and notice of amendments (if issued) for the issuance of new investment units and secondary offering prepared by JPR.



and accordingly the final number of investment units placed by the third-party allotment decrease to that extent due to forfeiture, or such allotment itself will not take place at all.

Whether the secondary offering through over-allotment is exercised and the number of units to be subscribed when the secondary offering through over-allotment is exercised will be determined on the pricing date. In case the secondary offering through over-allotment is not exercised, Mizuho Securities Co., Ltd. will not borrow the investment units from the aforementioned JPR's unitholder. Consequently, the greenshoe option will not be granted to Mizuho Securities Co., Ltd., and the company will not respond or apply for the third-party allotment and the subscription right will be forfeited and the issuance of new units by third-party allotment will not take place at all. Similarly, the syndicate cover transaction on the Tokyo Stock Exchange will not be exercised.

- (5) The transactions described in the above (1) to (4) will be conducted upon consultation between Mizuho Securities Co., Ltd. and SMBC Nikko Securities Co., Ltd.

## 2. Total Number of Issued Investment Units after New Issue

Total number of issued investment units	825,000 units
Number of new investment units to be issued in the Primary Offering	45,700 units
Total number of issued investment units after the Primary Offering	870,700 units
Increase in number of investment units by way of third-party allotment	2,300 units (Note)
Total number of issued investment units after third-party allotment	873,000 units (Note)

(Note) These figures are based on the assumption that the new units to be issued by the third-party allotment are all applied by Mizuho Securities Co., Ltd. and issued.

## 3. Reason for and Purpose of Issue

JPR has decided to issue new investment units in order to expand its property acquisition capability through debt financing, further reinforce its financial base, and improve its potential of long-term stable growth by lowering the loan to value ratio (LTV) through repayment of borrowings in the maximum amount of 19.0 billion yen (plan) by the end of October 2015. JPR believes that the mid-term target for distribution per unit is expected to be achieved and the issuance of new investment units will provide JPR with certain prospects of realizing stable growth going forward, even after taking into consideration the impact of dilution through the issuance of new investment units. JPR will strive to make vigorously selective investments in prime properties by utilizing the expanded acquisition capability through debt financing.

## 4. Amount of Funds to be Procured, Use and Schedule

- (1) Amount of funds to be procured (approximate net amount JPR will obtain)

19.0 billion yen (maximum)

(Note 1) The amount is the sum of the estimated 18.1 billion yen as proceeds JPR received through the Primary Offering and the maximum estimated amount of 0.9 billion yen as proceeds JPR receives through the third-party allotment.

Note: This document is a press release for a public announcement regarding the issue and secondary offering of investment units and has not been prepared for the purpose of soliciting any investment. We request readers to undertake investment decisions at their own judgment after having read carefully the prospectus and notice of amendments (if issued) for the issuance of new investment units and secondary offering prepared by JPR.



(Note 2) The above figure is an estimated amount calculated on the basis of the closing price for investment units on the Tokyo Stock Exchange on May 20, 2015 (Wednesday) (rounded down to the nearest 100 million yen).

(2) Particulars of Use of the Funds to be Procured and Schedule

JPR will use the proceeds of 18.1 billion yen from the Primary Offering to repay borrowings of 18.0 billion yen. The remaining proceeds and the maximum proceeds of 0.9 billion yen from the third-party allotment are scheduled to be used to repay borrowings of 1.0 billion yen (Note 1) (Note 2). Therefore, JPR plans to repay borrowings of a maximum total of 19.0 billion yen using the proceeds from the Primary Offering and the third-party allotment by the end of October 2015.

The remaining amount will be cash on hand and will be used for future acquisition of specified assets (same meaning as defined in Article 2-1 of the Law Concerning Investment Trusts and Investment Corporations. Hereinafter the same.) or repayment of borrowings.

(Note 1) In case the total of the remaining proceeds from the Primary Offering and the proceeds from the third-party allotment is less than 1.0 billion yen, it will be cash on hand and will be used for future acquisition of specified assets or repayment of borrowings.

(Note 2) JPR will deposit the procured funds in a financial institution until the time of expenditure.

## 5. Designated Destination of Distribution

None

## 6. Outlook

As described in the “Notice Concerning Revisions to Operating Forecasts for the Fiscal Period Ending June 30, 2015 and Operating Forecasts for the Fiscal Periods Ending December 31, 2015 and June 30, 2016” announced today.

(Reference)

### Operating Forecasts for the Fiscal Period Ending June 2015, December 2015 and June 2016

	Operating Revenues (millions of yen)	Operating Income (millions of yen)	Ordinary Income (millions of yen)	Net Income (millions of yen)	Distribution per Unit (excluding exceeding profit distribution per unit) (yen)	Exceeding Profit Distribution per Unit (yen)
Forecasts for Fiscal Period Ending June 30, 2015	14,244	6,658	5,524	5,561	6,370	—
Forecasts for Fiscal Period Ending December 31, 2015	14,000	6,761	5,672	5,675	6,500	—

Note: This document is a press release for a public announcement regarding the issue and secondary offering of investment units and has not been prepared for the purpose of soliciting any investment. We request readers to undertake investment decisions at their own judgment after having read carefully the prospectus and notice of amendments (if issued) for the issuance of new investment units and secondary offering prepared by JPR.



Forecasts for Fiscal Period Ending June 30, 2016	14,035	6,698	5,718	5,718	6,550	
--	--------	-------	-------	-------	-------	--

## 7. Operating Results of Past Three Fiscal Periods and Status of Equity Financing

### (1) Operating results of past three fiscal periods

	Fiscal Period Ended December 31, 2013	Fiscal Period Ended June 30, 2014	Fiscal Period Ended December 31, 2014
Net Income per Unit	6,004 yen	6,149 yen	6,349 yen
Distribution per Unit	6,006 yen	6,150 yen	6,351 yen
Actual payout ratio	100.0%	100.0%	100.0%
Net Assets per Unit	238,903 yen	239,046 yen	239,246 yen

### (2) Recent status of investment unit price

#### 1) Status in the last three fiscal periods

	Fiscal Period Ended December 31, 2013	Fiscal Period Ended June 30, 2014	Fiscal Period Ended December 31, 2014
Opening Price	303,500 yen	338,000 yen	364,500 yen
High	351,000 yen	375,000 yen	453,000 yen
Low	262,200 yen	327,000 yen	352,500 yen
Closing Price	337,000 yen	363,500 yen	418,000 yen

#### 2) Status in the last six months

	December 2014	January 2015	February	March	April	May
Opening Price	430,500 yen	418,000 yen	409,000 yen	429,500 yen	406,500 yen	425,000 yen
High	445,000 yen	436,000 yen	443,500 yen	444,500 yen	445,000 yen	436,500 yen
Low	414,000 yen	408,000 yen	394,000 yen	399,500 yen	401,500 yen	409,500 yen
Closing Price	418,000 yen	412,000 yen	429,500 yen	413,500 yen	430,500 yen	409,500 yen

#### 3) Investment unit price on the business day preceding the resolution day of the issuance

	May 29, 2015
Opening Price	434,500 yen
High	434,500 yen
Low	409,500 yen
Closing Price	409,500 yen

### (3) Status of Equity Financing in the past three fiscal periods

None

Note: This document is a press release for a public announcement regarding the issue and secondary offering of investment units and has not been prepared for the purpose of soliciting any investment. We request readers to undertake investment decisions at their own judgment after having read carefully the prospectus and notice of amendments (if issued) for the issuance of new investment units and secondary offering prepared by JPR.





## 8. Other

### (1) Lock-up agreement with issuer

Upon the Offering, JPR and Tokyo Realty Investment Management, Inc. have agreed with the joint lead managers that JPR will not additionally issue investment units (except for an additional issue in the case of the Offering, third-party allotment, both as described herein, split of investment units, etc.) for a period of six months after the delivery date of the Offering, from June 1, 2015 (Monday). In addition, in the event of the above, joint lead managers terminate this condition in part or in whole, or the period limitation may be shortened upon agreement of JPR and Tokyo Realty Investment Management, Inc. at their discretion.

### (2) Lock-up agreement with Tokyo Tatemono and major unitholders

Upon the Offering, Tokyo Tatemono Co., Ltd. has agreed with the joint lead managers not to sell, transfer, pledge as collateral, lend or otherwise dispose of the 29,300 investment units it owns as of June 1, 2015, (Monday), except for lending them to Mizuho Securities Co., Ltd. for the Secondary Offering (over-allotment), for a period of six months after the delivery date of the Offering, from June 1, 2015 (Monday), except for the case where the joint lead managers give prior written consent.

Upon the Offering, the unitholders of JPR (listed below) have agreed with the joint lead managers not to sell, transfer, pledge as collateral, lend or otherwise dispose of investment units of JPR they own as of June 1, 2015 (Monday) for a period of six months after the delivery date of the Offering in the case of Tokyo Realty Investment Management, Inc., or three months after the delivery date in the case of Meiji Yasuda Life Insurance Company, Yasuda Real Estate Co., Ltd. and Taisei Corporation, from June 1, 2015 (Monday), except for the case where the joint lead managers give their prior written consents.

The number of investment units held by each unitholder as of June 1, 2015 (Monday) is listed as follows.

(As of June 1, 2015)

Unitholders	Number of investment units Held
Meiji Yasuda Life Insurance Company	24,000 units
Yasuda Real Estate Co., Ltd.	5,000 units
Taisei Corporation	1,500 units
Tokyo Realty Investment Management, Inc.	100 units
Total	30,600 units

Note: This document is a press release for a public announcement regarding the issue and secondary offering of investment units and has not been prepared for the purpose of soliciting any investment. We request readers to undertake investment decisions at their own judgment after having read carefully the prospectus and notice of amendments (if issued) for the issuance of new investment units and secondary offering prepared by JPR.