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For Translation Purpose Only

For Immediate Release

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Notice Concerning Property Acquisition (Conclusion of Contract)
“Shinyokohama 2nd Center Building (additional ownership)”

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire additional ownership of Shinyokohama 2nd Building, as outlined below. The scheduled acquisition date is March 28, 2013.

Details

1. Reason for Acquisition

The acquisition of additional ownership of Shinyokohama 2nd 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 trust beneficiary interest in an office building in greater Tokyo.

2. Acquisition Details

- | | |
|-----------------------|---|
| 1) Asset Type: | Beneficiary interest in real estate (Note 1) |
| 2) Asset Custodian: | Mizuho Trust & Banking Co., Ltd. |
| 3) Term of Trust: | From March 28, 2000 to March 31, 2023 (planned) |
| 4) Property Name: | Shinyokohama 2nd Center Building |
| 5) Acquisition Price: | 570 million yen (excluding expenses related to acquisition, consumption tax and other expenses) |
| 6) Contract Date: | March 27, 2013 |
| 7) Settlement Date: | March 28, 2013 (planned) |
| 8) Seller: | Domestic SPE (special purpose entity) |

- 9) Funding: Borrowings (Note 2)
 10) Payment Method: Lump-sum payment at the time of transfer

(Note 1) JPR plans to acquire beneficiary interest in the 50% co-ownership of the property. Furthermore, JPR plans to execute an additional trust agreement with the asset custodian, dated March 28, 2013, for the other 50% co-ownership of the property already owned by JPR and to own trust beneficiary interest in the entire property.

(Note 2) For details of the borrowings, please refer to the press release “Notice Concerning Borrowings” dated March 13, 2013.

3. Details of Property for Acquisition

Property Name		Shinyokohama 2nd Center Building	
Location	Registered	Land	19-5 Shinyokohama 3-chome, Kohoku-ku, Yokohama-shi, Kanagawa and others
		Building	19-5 Shinyokohama 3-chome, Kohoku-ku, Yokohama-shi, Kanagawa and others
	Residential	The region has not implemented residential address indication	
Access		5-minute walk from Shinyokohama Station on the JR Yokohama Line and the Tokaido Shinkansen Line, an approximately 3-minute walk from Shinyokohama Station on the Yokohama Municipal Subway	
Use (registered)		Office, retail and parking	
Type of Ownership		Land	Ownership (co-ownership: 100% ownership after acquiring 50% co-ownership to be newly acquired)
		Building	Ownership (co-ownership: 100% ownership after acquiring 50% co-ownership to be newly acquired)
Site Area (registered)		Land	Total site area 841.71m ² (254.62 tsubos)
		Building	Gross floor space of entire building 7,781.93m ² (2,354.03 tsubos)
Type of Structure (registered)		S/S·SRC, B2/12F	
Completion Date (registered)		August 19, 1991	
Architecture and Design		Nikken Sekkei Ltd.	
Construction		Consortium of Konoikegumi - Suruga Construction	
Building Construction Authorization Agency		City of Yokohama	
Agency to Prepare Building Situation Appraisal Report		Shimizu Corporation	
Building Specifications	Leasable Floor Space	473.38m ² (143.19 tsubos)	
	Ceiling Height	2,600mm	
	Air Conditioning System	Individual air conditioning system by floor	
	Type of Flooring	Partial OA-compatible floor (40mm)	
Appraisal	Appraisal Method	Appraisal conducted by Japan Real Estate Institute.	
	Appraisal Value (*1)	Specific value (Limited value): 870 million yen (reference) Fair value: 855 million yen	
	Appraisal Date	February 1, 2013	
Probable Maximum Loss (PML)		6.4% (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		14	
Major Tenant		TUFRheinland Japan, Astellas Pharma Inc.	
Total Rental Revenue (annual) (*2)		86 million yen (entire building 173 million yen)	
Lease and Guarantee Deposits (*2)		55 million yen (entire building 110 million yen)	
Total Leasable Floor Space (*3)		2,642.37m ² (799.31 tsubos) (entire building 5,284.75m ² (1,598.63 tsubos))	
Total Leased Floor Space (*3)		2,177.81m ² (658.78 tsubos) (entire building 4,355.61m ² (1,317.57 tsubos))	
Occupancy Rate (*3)		82.4%	
Assumed NOI (NOI Return) (*4)		45 million yen (7.9%) (entire building 90 million yen(6.0%))	
Remarks		None	

- (*1) The specific value (limited value) is the figure that takes into account the incremental value generated in accordance with the shift to JPR's full ownership of the property through the additional acquisition. The fair value is the figure appraising the additional acquisition alone without considering the incremental value.
- (*2) 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.
- (*3) 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.
- (*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 a forecast for the current fiscal period), and is made under the following assumptions.
 - (1) The occupancy rate is 85%.
 - (2) Taxes and public dues have been tentatively calculated based on the taxable income of fiscal year 2012.

4. Aim of Property Acquisition

As JPR already has 50% co-ownership of the property, the additional acquisition of the other 50% co-ownership of trust beneficiary interest in the property is expected to enhance asset value and liquidity as well as more efficient management and operation of the property. For the overview of the 50% co-ownership JPR already owns in the property, please see JPR's website ("Notice Concerning Property Acquisition (Shinyokohama 2nd Center Building)" dated September 11, 2002.)

5. Seller Profile

The seller is not disclosed at the request of the seller. 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

No sales agent is involved in the transaction.

8. Outlook

The impact of the additional acquisition on the operating results of JPR for the 23rd fiscal period ending June 2013 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 Shinyokohama 2nd 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	4.1%
	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 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	0.9%	
Subtotal					206,526	51.8%
Greater Tokyo	Office	Arca 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 Mar. 2013 (planned)	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	1.5%
	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	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					122,891	30.8%
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					398,640	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 Shinyokohama 2nd Center Building

