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**For Translation Purposes Only**

For Immediate Release

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## **Notice Concerning Property Acquisition “Otemachi 1-6 Plan (tentative name) (land with land leasehold)”**

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire Otemachi 1-6 Plan (tentative name) as outlined below. Following the decision making process of the seller, etc. the contract will be concluded on March 12, 2012 and the acquisition is scheduled for the same day.

Details

### **1. Reason for Acquisition**

The acquisition of the Otemachi 1-6 Plan is in accordance with JPR's fundamental investment policies and investment stance to acquire beneficial interests in land with land leasehold (land with surface rights ("the Surface Rights") ("the Land")) of a new high-rise office complex (completion in entirety scheduled for the end of April 2014) in central Tokyo ("the Beneficial Interests") in an effort to enhance and stabilize its investment portfolio.

### **2. Acquisition Details**

1) Asset Type	Beneficiary interest in real estate
2) Asset Custodian	Mizuho Trust & Banking Co., Ltd.
3) Term of Trust	From March 12, 2012 to March 11, 2022 (planned)
4) Property Name	Otemachi 1-6 Plan (tentative name) (land with land leasehold)
5) Acquisition Price	36,000 million yen (excluding expenses related to acquisition and other expenses)
6) Contract Date	March 12, 2012 (planned)

7) Settlement Date	March 12, 2012 (planned)
8) Seller	Tokyo Prime Stage Y.K.
9) Funding	Borrowings
10) Payment Method	Lump-sum payment at the time of transfer

### 3. Details of Property for Acquisition

Property Name		Otemachi 1-6 Plan (tentative name) (ownership of land with land leasehold)
Location	Registered	6-6, Otemachi 1-chome, Chiyoda-ku, Tokyo, etc.
	Residential	To be determined
Access		Close to Otemachi Station on Tokyo Metro Tozai, Chiyoda, Hanzomon and Marunouchi lines and the Toei Subway Mita Line
Type of Ownership		Ownership
Site Area (registered)		11,034.78m <sup>2</sup>
Appraisal	Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
	Appraisal Value	36,900 million yen
	Appraisal Date	January 31, 2012
Collateral		None
Overview of Surface Rights (*1)	Surface Right Holder	Mizuho Trust & Banking Co., Ltd. (Beneficiary: Tokyo Prime Stage Y.K.)
	Contract Type	Agreement on creation of surface rights
	Contract Period	70 years (until March 11, 2082)
	Contract Area	11,034.78m <sup>2</sup>
	Annual Rent	2,695 million yen
	Rent Review	Every three years (automatic review through property and other taxes, rate of change of consumer price index, etc.)
	Cancellation Prior to Lease Termination Date	No cancellation in principal
	Lease Deposit (*2)	Undisclosed
	Renewal Charges	None
	Charges for Approval of Rebuilding Proposals	None
	Charges for Approval of Sales Proposals	None
Other	As the Surface Rights fall under the definition of leasehold in the Land and Building Lease Law, in the case where the surface rights setter rejects a request for renewal by the surface rights holder, it is required that there be just cause as set forth in article 6 of the Land and Building Lease Law.	
Occupancy Rate (*3)		100.0% (Surface right setting area / Site area)
Assumed NOI (NOI yield) (*4)		1,304 million yen (3.62%)
Remarks		<p>1. With regard to the agreement on creation of surface rights, in cases where the surface rights setter tries to transfer or move the concerned land as well as where the surface rights holder transfers or moves the Surface Rights, etc., it is planned to be required that each party grant preferential negotiating rights and rights of first refusal among other things.</p> <p>2. With regard to the agreement between beneficiaries (hereinafter referred to as "Beneficiaries (surface rights)") owning beneficiary interest (hereinafter referred to as "Beneficiary Interest (surface rights)") with the Surface Rights as the main trust asset, in cases where JPR tries to transfer or move the beneficiary interest as well as where the Beneficiaries (surface rights) transfers or moves the Beneficiary Interest (surface rights), it is planned to be required that each party grant preferential negotiating rights and rights of first refusal among other things.</p>

Remarks	<p>3. In the underground section of the concerned land there remains an undismantled area from the previous building (hereinafter referred to as the "Undismantled Area"). Though a section of the Undismantled Area is scheduled to be dismantled under the responsibility and burden of the seller of the land alongside the construction of the new building planned to be constructed on the concerned land (hereinafter referred to as the "New Building"), there is also a section of the Undismantled Area that is scheduled to remain undismantled even after the completion of the New Building. With regard to a section of the Undismantled Area, in accordance to the lending contract for use where the beneficiary is a party of concern, it is used as an underground connecting passageway.</p> <p>4. Though there is a possibility that there is asbestos in parts of the Undismantled Area as such was used in the gunning material, etc. for the previous building, because no asbestos was recognized in the sighting survey, the possibility of dispersal for when the area is used as a passageway is small.</p>
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- (\*1) The agreement on creation of surface rights is scheduled to be concluded on March 12, 2012.
- (\*2) Undisclosed, as permission to do so was not granted by the surface rights holder.
- (\*3) Figure is as of the scheduled contract date.
- (\*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 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 100%.
  - (2) Taxes and public dues have been tentatively calculated based on the taxable income of fiscal year 2011.

#### 4. Aim of Property Acquisition

Otemachi 1-6 Plan (tentative name) is a development project for a high-rise office complex scheduled for completion in its entirety at the end of April 2014. The project's location is in Otemachi, one of the leading office areas in Japan which boasts superiority and high-value in aspects such as name recognition and brand strength as an office location.

The Beneficiary Interest is the beneficiary interest in the underlying trust assets of land with land leasehold (land with surface rights attached) to the development plan. Because a contract to set surface rights for 70 years is scheduled to be concluded at the asset custodian, it is projected to secure stable revenue over the long term. In addition, as there will be no depreciation burden because we will not own the building, the property contributes highly to dividends.

JPR will continue to pursue the construction of a portfolio that places particular emphasis on office buildings in the Tokyo area.

#### [Reference: Profile of Otemachi 1-6 Plan (tentative name)]

Location	6-6, Otemachi 1-chome, Chiyoda-ku, Tokyo, etc
District	Retail zone, fire prevention zone, Otemachi, Marunouchi and Yurakucho District Redevelopment Project, Tokyo City Planning Special Urban Renaissance Districts
Site area	11,034.78m <sup>2</sup>
Gross floor space	approx. 198,000m <sup>2</sup>
Floor area ratio	approx. 1,600%
Floors	B6/F38, 3 floors rooftop
Type of structure	Below ground: RC, partial SRC Above ground: S

Ceiling height	2,900mm (OA floors 100mm) (standard office floors)
Use	Office, hotel, retail, parking lots, etc.
Architecture and Design	Taisei Design Planners Architects & Engineers
Construction	Taisei Corporation
Construction period	Construction start: November 2009; Completion: April 2014

#### 4. Seller Profile

Company Name	Tokyo Prime Stage Y.K.
Head Office Address	1-11 Jimbocho, Kanda, Chiyoda-ku, Tokyo (within Sakura & Co. office)
Representative	Tomoyoshi Horikawa, Director
Capital	3 million yen (as of February 7, 2012)
Principal Activities	1. Ownership and sale of beneficiary interest in real estate 2. Real estate development business 3. All associated with each of the above items
Establishment	December 18, 2003
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 personnel relationships to be indicated.
Business Relationship	JPR and/or the asset management company had no transactions to be indicated in the fiscal period ended December 2011.
Related Party or Not	The concerned company does not fall within the definition of a related party of JPR. Furthermore, Tokyo Tatemono Co., Ltd. and Taisei Corporation, shareholders of JPR's asset management company have made a Tokumei Kumiai (anonymous association) investment for the concerned company, and Tokyo Tatemono Investment Advisors Co., Ltd., a consolidated subsidiary of Tokyo Tatemono Co., Ltd., has been consigned the asset management of the concerned company.
Other	The concerned company falls within the scope of interested parties as defined in the rules of JPR's Board of Directors. Accordingly, JPR's Board of Directors has provided its authorization to TRIM before entering into an agreement with the concerned company. Interested parties differ from related parties as defined in the Enforcement Order for the Investment Trusts and Investment Corporations Law and the concerned company does not fall within the definition of a related party.

#### 6. Profile of Previous Owners

Previous Owner	Owner before Previous Owner
<p>1) Name Tokyo Prime Stage Y.K. (*1)</p> <p>2) Relationship with JPR and its Asset Management Company The concerned company does not fall within the definition of a related party of JPR. Furthermore, Tokyo Tatemono Co., Ltd. and Taisei Corporation, shareholders of JPR's asset management company have made a Tokumei Kumiai (anonymous association) investment for the concerned company, and Tokyo Tatemono Investment Advisors Co., Ltd., a consolidated subsidiary of Tokyo Tatemono Co., Ltd., has been consigned the asset management of the concerned company.</p> <p>3) Acquisition Background, Reason, etc. The property is a development property in which Tokyo Prime Stage Y.K. participates as operator. As such, the acquisition price (and other expenses) and acquisition date have been omitted.</p>	-

(\*1) For the profile of Tokyo Prime Stage Y.K. please refer to 5. Seller Profile.

## 7. Sales Agent

### (1) Sales agent: Tokyo Tatemono Co., Ltd. (planned)

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, 2011)
Principal Activities	Real estate business
Establishment	October 1, 1896
<b>Relationship with JPR and the Asset Management Company</b>	
Capital Relationship	As of the end of December 2011, Tokyo Tatemono Co., Ltd. owns JPR's investment units equivalent to 4.09% 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.
Personnel Relationship	As of the end of December 2011, nine of the officers and employees of JPR's asset management company (excluding part-time directors) are those seconded from the concerned company.
Business Relationship	JPR and/or the asset management company have conducted a transaction to acquire Ginza Sanwa Building, in terms of transactions concerning the entrustment of sales agent operations, with the concerned company in the fiscal period ended December 2011. Additionally, in the period of concern, there have been no transactions of property acquisitions or property sales 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. The concerned company is an other interested party of the asset management company and falls within the definition of a related party of the asset management company.
Other	The concerned company is a shareholder of JPR's asset management company, Tokyo Realty Investment Management, Inc. (TRIM), and falls within the scope of interested parties as defined in the rules of JPR's Board of Directors. Accordingly, JPR's Board of Directors has provided its authorization to TRIM before entering into an agreement with the concerned company. Interested parties differ from related parties as defined in the Enforcement Order for the Investment Trusts and Investment Corporations Law and the concerned company does not fall within the definition of a related party.

### (2) Brokerage fee

The brokerage fee to be paid to the above-indicated sales agent is scheduled to be 1,080 million yen (excluding tax, etc.) in total.

## 8. Outlook

For operating forecast for JPR's 21st fiscal period (fiscal period ending June 30, 2012), please refer to 20th Fiscal Period Results (Jul. 1, 2011 - Dec. 31, 2011) dated today.

### [Attachments]

- Reference 1 Real estate portfolio after the acquisition of this property
- Reference 2 Image of the Otemachi 1-6 Plan (tentative name)

## 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	4.3
	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	0.6
	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	2.9
	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	1.3
	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	2.7
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	No. 2004 Apr. 2005 Jul. 2010	15,121	4.0
	Office	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 2004	710	0.2
	Office	Shinjuku Center Building	Shinjuku-ku, Tokyo	Mar. 2008	21,000	5.5
	Office	Minami Azabu Building	Minato-ku, Tokyo	Jul. 2008	3,760	1.0
	Office	Shinagawa Canal Building	Minato-ku, Tokyo	Dec. 2008	1,870	0.5
	Office	Rokubancho Building	Chiyoda-ku, Tokyo	Dec. 2009	2,800	0.7
	Office	JPR Harajuku Building	Shibuya-ku, Tokyo	Dec. 2009	8,400	2.2
	Office	Tokyo Tatemono Kyobashi Building	Chuo-ku, Tokyo	Feb. 2010	5,250	1.4
	Office	JPR Nihonbashi-horidome Building	Chuo-ku, Tokyo	Mar. 2010	5,100	1.3
	Office	JPR Sendagaya Building	Shibuya-ku, Tokyo	May 2010	15,050	4.0
	Office	Ginza Sanwa Building	Chuo-ku, Tokyo	Aug. 2011	3,400	0.9
	Office	Otemachi 1-6 Plan (tentative name)	Chiyoda-ku, Tokyo	Mar. 12, 2012 (planned)	36,000	9.4
	Retail	JPR Shibuya Tower Records Bldg.	Shibuya-ku, Tokyo	Jun. 2003	12,000	3.1
	Retail	JPR Daikanyama	Shibuya-ku, Tokyo	Oct. 2004	2,160	0.6
	Retail	JPR Jingumae 432	Shibuya-ku, Tokyo	Mar. 2006	4,275	1.1
Retail	Shinjuku Sanhome 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	
<b>Subtotal</b>					<b>206,526</b>	<b>54.2</b>

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	1.5
	Office	JPR Chiba Bldg.	Chiba, Chiba	Dec. 2001	2,350	0.6
	Office	JPR Yokohama Nihon Odori Bldg.	Yokohama, Kanagawa	Nov. 2001	2,927	0.8
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002	920	0.2
	Office	Kawaguchi Center Bldg.	Kawaguchi, Saitama	Feb. 2004	8,100	2.1
	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	0.8
	Office	Rise Arena Bldg.	Toshima-ku, Toyo	Mar. 2007	5,831	1.5
	Office	Yume-ooka Office Tower	Yokohama, Kanagawa	Jul. 2007	6,510	1.7
	Office	Olinas Tower	Sumida-ku, Tokyo	Jun. 2009	31,300	8.2
	Office	Tokyo Tatemono Yokohama Building	Yokohama, Kanagawa	Dec. 2010	7,000	1.8
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	2.7
	Retail	Cupo-la Main Bldg.	Kawaguchi, Saitama	Mar. 2006	2,100	0.6
	Retail	JPR Musashikosugi Bldg.	Kawasaki, Kanagawa	Sep. 2006	7,260	1.9
	Retail	Musashiurawa Shopping Square	Saitama, Saitama	Mar. 2007	4,335	1.1
	Retail	Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 2007	15,080	4.0
<b>Subtotal</b>					<b>116,231</b>	<b>30.5</b>
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	1.1
	Office	JPR Hakata Bldg.	Fukuoka, Fukuoka	Nov. 2001	2,900	0.8
	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 Hakata-chuo Bldg.	Fukuoka, Fukuoka	Jun. 2004	1,920	0.5
	Office	JPR Dojima Bldg.	Osaka, Osaka	Jan. 2004	2,140	0.6
	Office	JPR Nagoya Fushimi Bldg.	Nagoya, Aichi	Mar. 2005	4,137	1.1
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	3.4
	Retail	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May 2005	5,430	1.4
	Retail	Housing Design Center Kobe	Kobe, Hyogo	Sep. 2005	7,220	1.9
	Retail	JPR Chayamachi Bldg.	Osaka, Osaka	Aug. 2006	6,000	1.6
<b>Subtotal</b>					<b>58,227</b>	<b>15.3</b>
<b>Total</b>					<b>380,984</b>	<b>100.0</b>

(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**

Image of the Otemachi 1-6 Plan (tentative name)

