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

**Notice Concerning Property Acquisition (Conclusion of Contract)  
“Shinjuku Square Tower (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 Shinjuku Square Tower, as outlined below.

## Details

**1. Acquisition Details**

(1) Property Name	Shinjuku Square Tower (additional ownership: 23.7% interest)
(2) Asset Type	Beneficiary interest in real estate
(3) Use	Office, retail
(4) Acquisition Price	4,000 million yen
(5) Appraisal Value	4,580 million yen (as of March 1, 2015)
(6) NOI Yield	4.4%
(7) NOI Yield after depreciation	3.4%
(8) Contract Date	March 24, 2015
(9) Settlement Date	March 25, 2015
(10) Seller	Sumitomo Life Insurance Company
(11) Funding	Borrowings and cash in hand
(12) Payment Method	Lump-sum payment at the time of transfer

(Note 1) Acquisition price excludes acquisition costs, property taxes, urban planning taxes and consumption taxes.

(Note 2) Please refer to Reference 1 Estimated cash flow below for the formula used to calculate NOI yield and NOI yield after depreciation.

(Note 3) The proportional share displayed in “Property name” is indicated in the management bylaws of Shinjuku Square Tower, the property to be acquired.

(Note 4) For details of the borrowings of the funding, please refer to the press release “Notice Concerning Borrowings” dated March 20, 2015.

(Note 5) JPR already owns trust beneficiary interest as an asset in trust (initial acquisition during period ended December 2004) of a portion of the property and ownership (additional acquisition during period ended December 2008) of a portion of the property, and with regard to ownership (additional acquisition during period ended December 2008) of a portion of the property, an additional trust agreement has been established with the trustee on March 25, 2015, and through the addition of this asset in trust (additional acquisition this time), will be held as trust beneficiary interest. For an overview of trust beneficiary interest in this property (initial acquisition during period ended December 2004) and ownership (additional acquisition during period ended December 2008), please refer to “Notice Concerning Execution of a Purchase Agreement in Connection with the Acquisition of the Shinjuku Square Tower” dated June 29, 2004 and “Notice Concerning Property Acquisition (Conclusion of Contract)” dated September 25, 2008.

## 2. Reason for Acquisition

Based on operational and investment standards established in the operational guidelines of JPR, additional acquisitions are undertaken for the purpose of upgrading and expanding the portfolio in central Tokyo.

Shinjuku Square Tower is the office building within I-Town (multi-use development property). I-Town further consists of I-Town Repia (residential building) and I-Town Plaza (commercial building).

JPR already owns approximately 38.9% of Shinjuku Square Tower, and in this case has applied pre-emption rights with regard to the parties sharing sectional ownership to acquire an additional 23.7%, bringing its total proportional share to 62.6% and making it the majority owner. This is forecast to result in improvements in the asset price and liquidity as well as efficiency in management and operation.

The following points were evaluated upon the acquisition of this property.

- (1) Location
  - Located on west side of Nishi-Shinjuku office skyscraper street
  - Transportation access is excellent, with multiple train lines available, the closest being Nishi-Shinjuku Station on the Tokyo Metro Marunouchi Line.
- (2) Construction facilities
  - High-rise office tower standing 30 stories above ground with 290 tsubos per standard floor.
  - The exterior, characterized by the checkered glass curtain wall, conveys a dignified, sophisticated image, greatly enhancing its visibility
  - Relaxing space for office workers with a café in spacious entrance area and courtyard rich in greenery.

## 3. Details of Property for Acquisition

(1) Property Name • Location, etc.	
Property Name	Shinjuku Square Tower (additional ownership: 23.7% interest)
Location	6-22-1, Nishi-Shinjuku, Shijuku-ku, Tokyo
Asset Type	Trust beneficiary interest in real estate
Asset Custodian	Mitsubishi UFJ Trust and Banking Corporation
Term of Trust	From March 25, 2015 to March 31, 2025
(2) Land • Building	

Use	Office, retail
Type of Structure	S, RC, SRC B4/30F
Type of Ownership	Land: Co-ownership Building: Sectional ownership (partially co-ownership)
Site Area	Land : Total site area 8,409.52m <sup>2</sup> (Total site area) Building: Gloss floor area 78,796.00m <sup>2</sup> (entire building)
Complete Date	October 31, 1994
Architecture and Design/ Construction	K. K. Shintoshu Kaihatsu Kikou, INA (Institute of New Architecture) Inc. / Fujita Corporation
Probable Maximum Loss (PML)	1.3% (based on the earthquake risk assessment report prepared by the Sompo Japan NipponKoa Risk Management Inc.)
(3) Price, etc.	
Acquisition price	¥4,000 million
Appraisal Value (Appraisal Date)	¥4,580 million (as of March 1, 2015)
Appraiser	Japan Valuers, Co., Ltd.
Collateral	None
(4) Status of Leasing	
Number of Tenants (Main Tenant)	1 (Tokyo Tatemono, Co., Ltd.)
Rent and Common Service Fee (Annual)	¥235 million
Lease and Guarantee Deposit	¥0 million
Total Leasable Floor Space/ Total Leased Floor Space	Total Leasable Floor Space : 6,954.24m <sup>2</sup> / Total Leased Floor Space : 6,954.24m <sup>2</sup>
Occupancy Rate	100%
Remarks	In the event parties sharing sectional ownership dissolve their co-ownership interest, they shall discuss with co-owners ahead of third parties – all co-owners have preferential purchasing rights with regard to the portions owned by other co-owners.

(Note 1) All amounts less than one million yen have been disregarded, and all rates have been rounded to the first decimal place.

(Note 2) “Location” indicates the displayed address.

(Note 3) The information in “Use,” “Type of Structure” and “Construction period” are as indicated in the registry.

(Note 4) “Site Area” displays the overall area of I-Town as indicated in the registry. The total registered area of land for all of Shinjuku Square Tower is 6,431.02m<sup>2</sup>, and the registered area for ownership interest to be acquired by JPR is 1,524.71m<sup>2</sup>.

(Note 5) “Gloss floor area” displays the overall floor space of I-Town as indicated in the registry. The exclusive area of all of Shinjuku Square Tower as indicated on the completion drawing is 29,053.16m<sup>2</sup>, and the area of registered exclusive area for ownership interest to be acquired by JPR is 6,692.44m<sup>2</sup>.

(Note 6) “Number of Tenants” displays the total number of lease contracts for offices and retail space in the building. Sectional owners including the trustee will lease all exclusive areas under ownership to Tokyo Tatemono Co., Ltd., and Tokyo Tatemono Co., Ltd. will sublet to a sublessee.

(Note 7) “Rent and Common Service Fee (annual),” “Lease and Guarantee Deposit” and “Total Leasable Floor Space/ Total Leased Floor Space” display amounts and area commensurate with the proportional share scheduled for acquisition by JPR.

(Note 8) “Rent and Common Service Fee (annual)” is calculated based on the annual total of monthly rent and monthly common service fees indicated in the lease agreement to take effect on the planned acquisition date. Parking revenue, signage and advertising fees, additional usage fees and other revenue are not included.

(Note 9) “Total Leased Floor Area” displays the total leased area based on the lease agreement to take effect on the planned acquisition date.

(Note 10) “Occupancy rate” displays the rate as of the planned acquisition date. The occupancy rate of end tenants as of the planned acquisition date is 99.9%.

(Note 11) A memorandum of agreement has been executed among unit owners of the property and the agreement company

to collectively manage the property with the aim of securing stable income and to improve property value. Subject to the memorandum of agreement, all income and expenses related to the lease and management of the property are distributed among unit owners on a pro rata basis in accordance with the percentage of ownership.

#### 4. Seller Profile

Company Name	Sumitomo Life Insurance Company
Head Office Address	1-4-35 Shiromi, Chuo-ku, Osaka-shi, Osaka
Representative	Masahiro Hashimoto, President and CEO
Capital	¥639.0 billion (as of March 31, 2014)
Principal Activities	Life insurance business
Establishment	May 11, 1907
Relationship with JPR and the Asset Management Company	
Capital Relationship	JPR and/or the asset management company have no capital relationship to be indicated.
Personal Relationship	JPR and/or the asset management company have no personal relationship to be indicated.
Business Relationship	JPR and/or the asset management company have no business relationship to be indicated.
Related Party or Not	The concerned company does not fall within the definition of a related party.
Other	The concerned company does not fall within the scope of interested parties as defined in the rules of JPR's Board of Directors as well as related parties as defined in the Order for the Act on Investment Trusts and Investment Corporations.

#### 5. 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.

#### 6. Sales Agent

No agent is involved in the acquisition of this property.

#### 7. Outlook

The impact of the additional acquisition on the operating results of JPR for the 27th fiscal period ending June 2015 will be minimal, and JPR will not change its operating forecasts for the period.

#### 8. Overview of Appraisal Report

		(yen)	
		Amount or percentage	Grounds
Appraiser		Japan Valuers, Co., Ltd.	-
Appraisal value		4,580,000,000	Revenue price indicated
	Types of prices	Fair value	This price (fair value) has been determined to not significantly differ from the market price deemed reasonable based on prevailing societal and market conditions.

Appraisal date	March 1, 2015	-
Revenue price	4,580,000,000	Calculated through association of value based on direct capitalization and DCF methods
Price calculated by the direct capitalization approach	4,680,000,000	-
(1) Total income (effective total income)	271,394,469	-
Rental income	270,508,696	Valued through comparison of current rent, rents of similar properties
Other income, etc.	885,773	Valued based on present situation, market standards in surrounding area
(2) Operating expenses	62,511,984	-
Maintenance expenses (maintenance expenses, management expenses, repair expenses, etc.)	0	Not displayed as it falls under the jurisdiction of the management association
PM fee	600,000	Estimated figure displayed
Other expenses	415,065	Other expenses displayed
Tax and public dues	59,268,181	Valued based on actual current fees
Insurance premium	2,228,738	Valued based on actual and estimated fees
(3) Net rental income	208,882,485	(1) - (2)
(4) Profit through management of temporary deposits, etc.	5,098,469	Valued taking into consideration estimated occupancy rate
(5) Long-term repair expenses	12,743,993	Maintenance fee displayed
(6) Net cash flow (NCF(3)+(4)+(5))	201,236,961	-
(7) Capitalization rate	4.30%	Valued taking into account regional characteristics and individuality of target property, and yield at specified use
Value of earnings calculated by discounted cash flow (DCF) method	4,480,000,000	-
Discount rate	4.10%	Valued taking into account regional characteristics and individuality of target property, and yield at specified use
Terminal capitalization rate	4.50%	Valued taking into account uncertainty with regard to capitalization rate noted above
Cost method value	6,851,000,000	
Land price	4,864,000,000	
Building price	1,987,000,000	
Other items considered by real estate appraisal agent upon appraisal	None	

**[Attachments]**

- Reference 1     Estimated cash flow
- Reference 2     Photograph, map, standard floor plan view and sectional view of Shinjuku Square Tower
- Reference 3     Real estate portfolio after the acquisition of this property

## Reference 1

### Estimated cash flow

(1) Operating revenues	¥251 million
(2) Operating expenses (excluding depreciation)	¥77 million
(3) NOI ((1)-(2))	¥174 million
(4) NOI Yield ((3)/ acquisition price)	4.4%
(5) Depreciation	¥38million
(6) Profits ((3)-(5))	¥136million
(7) NOI Yield after depreciation ((6) / acquisition price)	3.4%
(8) Occupancy rate	96.0%

(Note 1) Excluding special factors during the fiscal year the property was acquired, the above figures represent the average annual figures for the 10-year period following acquisition.

(Note 2) “Operating revenues” is calculated based on the “Occupancy rate” which takes into account changes in the rental situation following acquisition.

(Note 3) Tax and public dues included in “Operating expenses” are valued based on standard taxable values for FY2014.

(Note 4) “Depreciation” is an approximate calculation based on present conditions.

(Note 5) “Occupancy rate” is the figures for end tenants.

**Reference 2**

Photograph, map, standard floor plan view and sectional view of Shinjuku Square Tower

Photograph

Exterior



Courtyard



Entrance



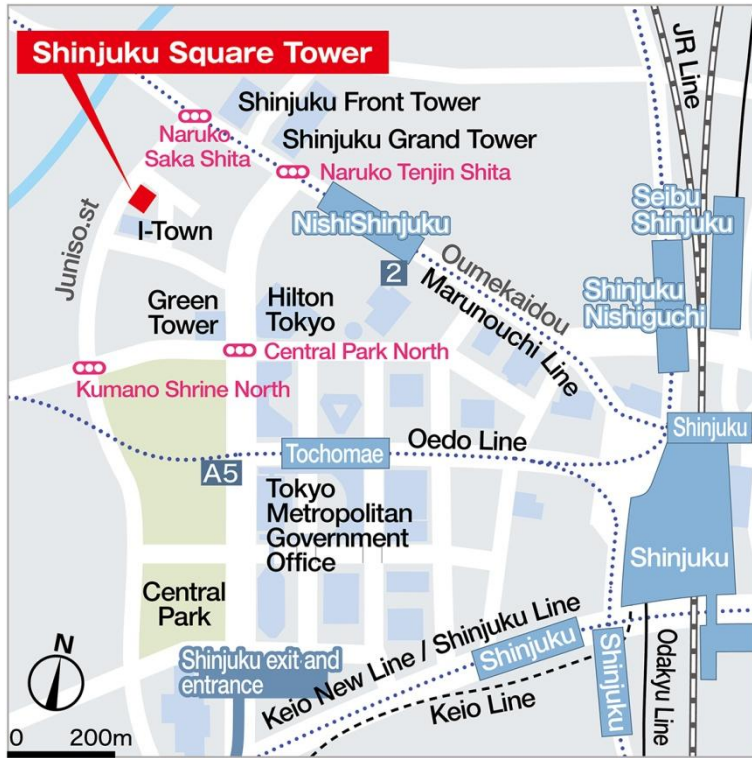
Elevator hall



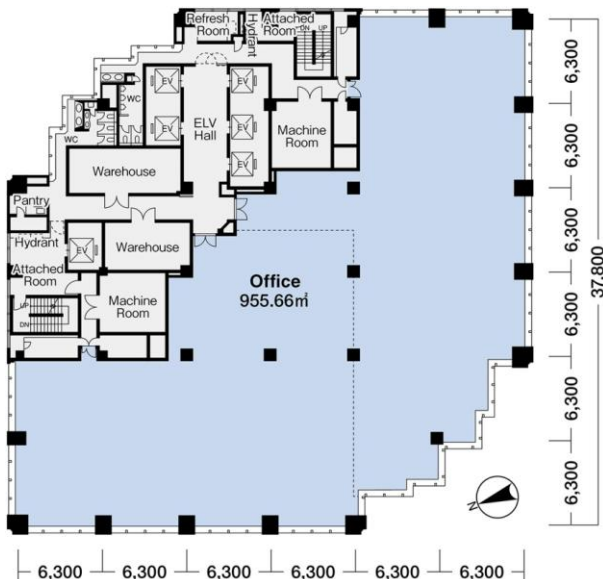
Floor for rent



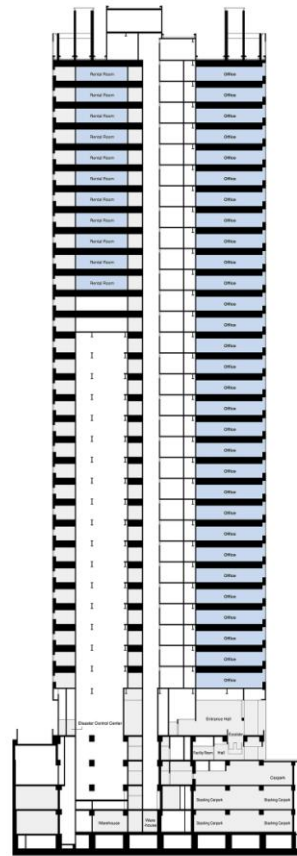
Map



Floor plan



Sectional view



(Note) This is a sectional view of the office building only (including below-ground floors).



### Reference 3

#### Real estate portfolio after the acquisition of this property

Asset	Type	Property No.	Property Name	Acquisition Price (yen in millions)	% Investment Ratio	Investment Ratio by Area
Tokyo CBDs	Office	A-1	Kanematsu Bldg.	16,276	4.0%	53.1%
		A-2	Kanematsu Bldg. Annex	2,874	0.7%	
		A-3	JPR Ningyo-cho Bldg.	2,100	0.5%	
		A-4	Shin-Kojimachi Bldg.	2,420	0.6%	
		A-5	JPR Crest Takebashi Bldg.	4,000	1.0%	
		A-6	MS Shibaura Bldg.	11,200	2.7%	
		A-7	Gotanda First Bldg.	2,920	0.7%	
		A-8	Fukuoka Bldg.	2,920	0.7%	
		A-9	JPR Ichigaya Bldg.	5,100	1.2%	
		A-10	Oval Court Ohsaki Mark West	3,500	0.9%	
		A-11	Shinjuku Square Tower	14,180	3.5%	
		A-12	BYGS Shinjuku Bldg.	15,121	3.7%	
		A-13	Across Shinkawa Bldg. Annex	710	0.2%	
		A-14	Shinjuku Center Bldg.	21,000	5.1%	
		A-15	Minami Azabu Bldg.	3,760	0.9%	
		A-16	Shinagawa Canal Bldg.	1,870	0.5%	
		A-17	Rokubancho Bldg.	2,800	0.7%	
		A-18	JPR Harajuku Bldg.	8,400	2.1%	
		A-19	Tokyo Tatemono Kyobashi Bldg.	5,250	1.3%	
		A-20	JPR Nihonbashi Horidome Bldg.	5,100	1.2%	
		A-21	JPR Sendagaya Bldg.	15,050	3.7%	
		A-22	Ginza Sanwa Bldg.	3,400	0.8%	
		A-23	The Otemachi Tower (land with leasehold interest)	36,000	8.8%	
		A-24	Science Plaza* Yonbancho Plaza	2,660	0.6%	
		A-25	Shibadaimon Center Building	4,220	1.0%	
Retail	A-1	JPR Shibuya Tower Records Bldg.	12,000	2.9%		
	A-2	JPR Daikanyama	2,160	0.5%		
	A-3	JPR Jingumae 432	4,275	1.0%		
	A-4	Shinjuku Sanchoe East Bldg.	2,740	0.7%		
	A-5	Yurakucho Ekimae Building (Yurakucho Itocia)	3,400	0.8%		
Greater Tokyo	Office	B-1	Arca East	5,880	1.4%	30.0%
		B-2	JPR Chiba Bldg.	2,350	0.6%	
		B-3	JPR Yokohama Nihon Odori Bldg.	2,927	0.7%	
		B-5	Shinyokohama 2nd Center Bldg.	1,490	0.4%	
		B-6	Kawaguchi Center Bldg.	8,100	2.0%	
		B-7	JPR Ueno East Bldg.	3,250	0.8%	
		B-8	Tachikawa Business Center Bldg.	3,188	0.8%	
		B-9	Rise Arena Bldg.	5,831	1.4%	
		B-10	Yume-ooka Office Tower	6,510	1.6%	
		B-11	Olinas Tower	31,300	7.6%	
		B-12	Tokyo Tatemono Yokohama Bldg.	7,000	1.7%	
		B-13	Omiya Prime East	6,090	1.5%	
		Retail	B-1	Tanashi ASTA	10,200	
B-3	The Cupo-la Main Bldg.		2,100	0.5%		
B-4	JPR Musashikosugi Bldg.		7,260	1.8%		
B-5	Musashiurawa Shopping Square		4,335	1.1%		
B-6	Kawasaki Dice Bldg.		15,080	3.7%		
Other Cities	Office		C-1	Niigata Ekinan Center Bldg.	2,140	0.5%
		C-4	Tokyo Tatemono Honmachi Bldg.	4,150	1.0%	
		C-7	JPR Hakata Bldg.	2,900	0.7%	
		C-9	JPR Naha Bldg.	1,560	0.4%	
		C-12	Sompo Japan Sendai Bldg.	3,150	0.8%	
		C-13	Sompo Japan Wakayama Bldg.	1,670	0.4%	
		C-14	Tenjin 121 Bldg.	2,810	0.7%	
		C-17	JPR Dojima Bldg.	2,140	0.5%	
		C-18	JPR Hakata Chuo Bldg.	1,920	0.5%	
		C-19	JPR Nagoya Fushimi Bldg.	4,137	1.0%	
	C-20	Yakuin Business Garden	10,996	2.7%		
	Retail	C-1	JPR Umeda Loft Bldg.	13,000	3.2%	
		C-3	Benetton Shinsaibashi Bldg.	5,430	1.3%	
		C-4	Housing Design Center Kobe	7,220	1.8%	
C-5		JPR Chayamachi Bldg.	6,000	1.5%		
Total				409,520	100.0%	

(Note 1) The "Acquisition Price" does not include acquisition costs.

(Note 2) The "Acquisition Price" is rounded down to the million and percentages are rounded to the first decimal place.