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**For Translation Purpose Only**
**For Immediate Release**

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**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: 4.7% interest)
(2)	Asset Type	Real estate
(3)	Use	Office
(4)	Acquisition Price	786 million yen
(5)	Appraisal Value	921 million yen (as of October 1, 2015)
(6)	NOI Yield	4.4%
(7)	NOI Yield after depreciation	3.4%
(8)	Contract Date	October 20, 2015
(9)	Settlement Date	October 21, 2015
(10)	Seller	Fujita Corporation
(11)	Funding	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” indicates the co-owned proportional share in Shinjuku Square Tower (the “Property”) based on I-Town’s management by laws.

(Note 4) JPR already owns trust beneficiary interest (1) (initial acquisition during period ended December 2004) and trust beneficiary interest (2) (additional acquisitions during period ended December 2008 and period ended June 2015) with a portion of the Property as an asset in trust, and with regard to ownership (additional acquisition this time) of a portion of the Property, JPR plans to hold it as trust beneficiary interest by establishing an additional trust agreement with the trustee on October 21, 2015 and adding it to trust beneficiary interest (2) (additional

acquisitions during period ended December 2008 and period ended June 2015).

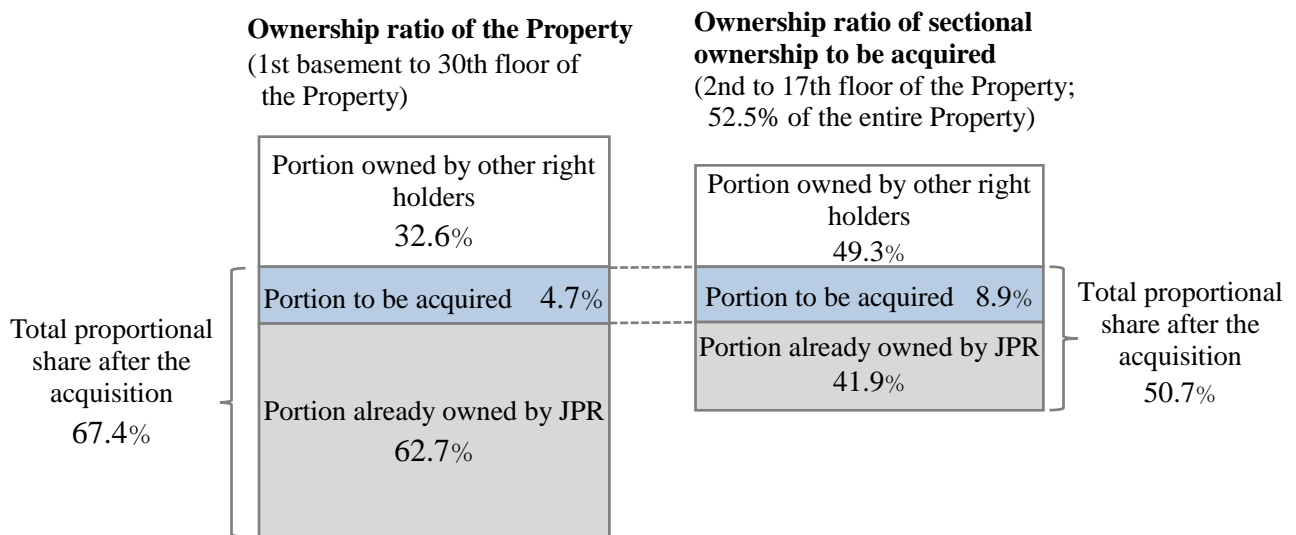
For an overview of trust beneficiary interest in this property (1) (initial acquisition during period ended December 2004) and trust beneficiary interest (2) (additional acquisitions during period ended December 2008 and period ended June 2015) which JPR already owns, please refer to “Notice Concerning Execution of a Purchase Agreement in Connection with the Acquisition of the Shinjuku Square Tower” dated June 29, 2004, “Notice Concerning Property Acquisition (Conclusion of Contract)” dated September 25, 2008 and “Notice Concerning Property Acquisition (Conclusion of Contract) ‘Shinjuku Square Tower (additional ownership)’” dated March 24, 2015.

## 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.

The Property 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 62.7% equivalent of the Property, and the total proportional share after the current additional acquisition of 4.7% equivalent through exercise of preferential purchasing rights among co-owners will be 67.4%. Since the co-owned proportional share of the sectional ownership to be acquired this time (2nd to 17th floors of the Property) will be 50.7%, making JPR the majority owner, improvements in asset value of the Property and management/operation efficiency can be expected.



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: 4.7% interest)
Location	6-22-1, Nishi-Shinjuku, Shijuku-ku, Tokyo
Asset Type	Real estate
(2) Land • Building	
Use	Office, retail
Type of Structure	S, RC, SRC B4/30F
Type of Ownership	Land: Co-ownership Building: Sectional ownership (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. Shintoshai 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 Nippon Koa Risk Management Inc.)
(3) Price, etc.	
Acquisition price	¥786 million
Appraisal Value (Appraisal Date)	¥921 million (as of October 1, 2015)
Appraiser	Japan Valuers, Co., Ltd.
Collateral	None
(4) Status of Leasing	
Number of Tenants (Main Tenant)	1 (Tokyo Tatemono, Co., Ltd.)
Rent Fee (Annual)	¥47 million (excluding common service fee, etc.)
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	100.0%
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 the Property is 6,431.02m<sup>2</sup>, and the registered area for ownership interest to be acquired by JPR is 299.50m<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 the Property as indicated on the completion drawing is 29,053.16 m<sup>2</sup>, and the area of registered exclusive area for ownership interest to be acquired by JPR is 1,353.04 m<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 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 Fee (annual)” is the amount of rent to be paid by Tokyo Tatemono, Co., Ltd., the lessee, and is calculated by subtracting a certain percentage of rent and full amount of common service fee from the monthly rent and common service fee which the company receives from a sublessee based on the sublease agreement to take effect on the planned acquisition date, and annualizing the amount. 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	Fujita Corporation
Head Office Address	4-32-22, Nishi-Shinjuku, Shijuku-ku, Tokyo
Representative	Yoji Okumura, President and CEO
Capital	¥14.0 billion (as of October 9, 2015)
Principal Activities	General construction business
Establishment	October 1, 2002
Major Shareholder and Shareholding Ratio	Daiwa House Industry Co., Ltd.(100%)
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 28th fiscal period ending December 2015 and the 29th fiscal period ending June 2016 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	921,000,000	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	October 1, 2015	-
Revenue price	921,000,000	Calculated through association of value based on direct capitalization and DCF methods
Price calculated by the direct capitalization approach	941,000,000	-
(1) Total income (effective total income)	53,380,100	-
Rental income	53,215,732	Valued through comparison of current rent, rents of similar properties
Other income, etc.	164,368	Valued based on present situation, market standards in surrounding area
(2) Operating expenses	12,353,713	-
Maintenance expenses (maintenance expenses, management expenses, repair expenses, etc.)	0	Not displayed as it falls under the jurisdiction of the management association
PM fee	0	Based on documents presented
Other expenses	90,444	Other expenses displayed
Tax and public dues	11,824,183	Valued based on actual current fees
Insurance premium	439,086	Valued based on actual and estimated fees
(3) Net rental income	41,026,387	(1) - (2)
(4) Profit through management of temporary deposits, etc.	1,002,994	Valued taking into consideration estimated occupancy rate
(5) Long-term repair expenses	2,507,007	Maintenance fee displayed
(6) Net cash flow (NCF(3)+(4)+(5))	39,522,374	-
(7) Capitalization rate	4.20%	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	901,000,000	-
Discount rate	4.00%	Valued taking into account regional characteristics and individuality of target property, and yield at specified use
Terminal capitalization rate	4.40%	Valued taking into account uncertainty with regard to capitalization rate noted above
Cost method value	1,340,000,000	
Land price	963,000,000	
Building price	377,000,000	
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	¥49 million
(2) Operating expenses (excluding depreciation)	¥14 million
(3) NOI ((1)-(2))	¥34 million
(4) NOI Yield ((3)/ acquisition price)	4.4%
(5) Depreciation	¥7million
(6) Profits ((3)-(5))	¥27million
(7) NOI Yield after depreciation ((6) / acquisition price)	3.4%
(8) Occupancy rate	96.3%

(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 FY2015.

(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

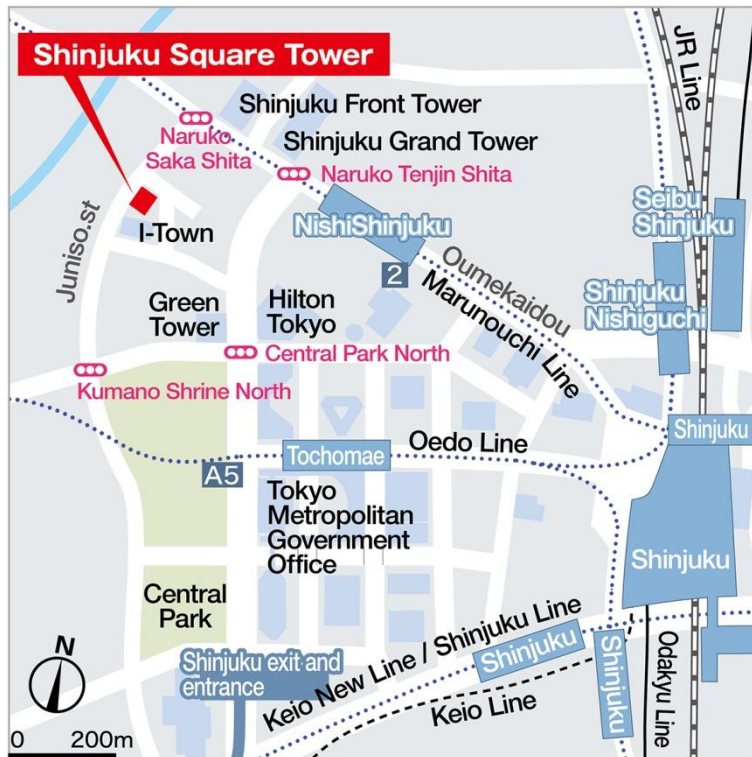


Floor for rent

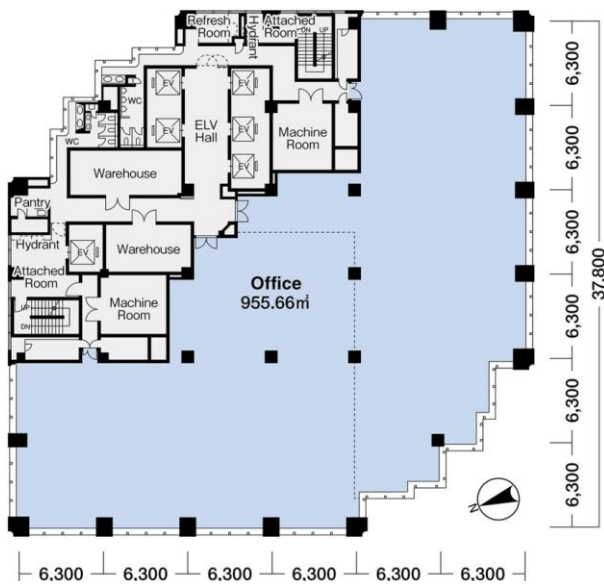




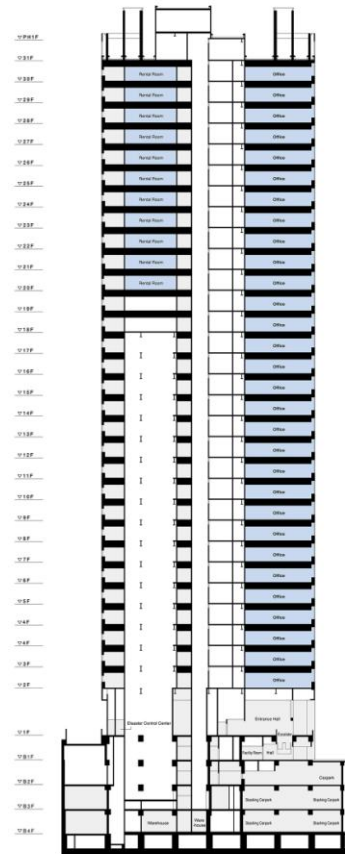
Map



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%	53.2%
		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	14,966	3.6%	
		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	2.0%	
		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 Sanchome 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%	
	Other Cities	Office	B-5	Musashiurawa Shopping Square	4,335	
B-6			Kawasaki Dice Bldg.	15,080	3.7%	
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			410,306	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.