

December 5, 2013

**For Translation Purpose Only**

**For Immediate Release**

Japan Prime Realty Investment Corporation  
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(Securities Code: 8955)

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## **Notice Concerning Property Acquisition (Conclusion of Contract) “Science Plaza·Yonbancho Plaza”**

Japan Prime Realty Investment Corporation (JPR) today announced its decision to acquire the Science Plaza·Yonbancho Plaza, as outlined below. The scheduled acquisition date is December 6, 2013.

### Details

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

The acquisition of the Science Plaza·Yonbancho Plaza 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 central Tokyo.

#### **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 24, 2005 to December 31, 2023 (planned)  |
| 4) Property Name:     | Science Plaza·Yonbancho Plaza   |
| 5) Acquisition Price: | 2,660 million yen (excluding expenses related to acquisition, consumption tax and other expenses) |
| 6) Contract Date:     | December 5, 2013  |
| 7) Settlement Date:   | December 6, 2013 (planned)  |
| 8) Seller:            | Cotone Capital YK   |
| 9) Funding:           | Borrowings (Note) and cash on hand  |
| 10) Payment Method:   | Lump-sum payment at the time of transfer  |

(Note) For details of the borrowings, please refer to the press release “Notice Concerning Borrowings” dated December 3, 2013.

### 3. Details of Property for Acquisition

Property Name		Science Plaza·Yonbancho Plaza			
Location	Registered	Land	9-6 Yonbancho, Chiyoda-ku, Tokyo and others		
		Building	9-6 Yonbancho, Chiyoda-ku, Tokyo and others		
	Residential	The region has not implemented residential address indication			
Access		5-minute walk from Kojimachi Station on Tokyo Metro Yurakucho Line, 6-minute walk from Ichigaya Station on the JR Sobu Line, 8-minute walk from Hanzomon Station on the Tokyo Metro Hanzomon Line			
Use (registered)		Office, residence and storage			
Type of Ownership		Land	Ownership		
		Building	Sectional ownership (partially co-ownership)		
Site Area (registered)		Land	Total site area	5,289.01 m <sup>2</sup> (1,599.93 tsubos)	
			Area of acquired land (total)		1,174.32 m <sup>2</sup> (355.23 tsubos)
		Building	Gross floor space of entire building		24,560.36 m <sup>2</sup> (7,429.51 tsubos)
			Area of acquired sectional ownership (total)		3,309.19 m <sup>2</sup> (1,001.03 tsubos)
			Of the above, area JPR will own (interest equivalent)		3,213.95 m <sup>2</sup> (972.22 tsubos)
Type of Structure (registered)		S/SRC/RC, B2/12F			
Completion Date (registered)		February 2, 1995			
Architecture and Design		Kume Sekkei Co., Ltd.			
Construction		Shimizu, Takenaka, Aska, Nishimatsu, Fujita, Nissan, Toa Construction Joint Venture Group			
Building Construction Authorization Agency		Tokyo Metropolitan Government			
Agency to Prepare Building Situation Appraisal Report		Nikken Sekkei Construction Management, Inc.			
Building Specifications	Leasable Floor Space	1,007.57 m <sup>2</sup>	(304.79 tsubos)		
	Ceiling Height	2,560mm			
	Air Conditioning System	Central air-conditioning system by floor			
	Type of Flooring	OA-compatible floor (40mm)			
Appraisal	Appraisal Method	Appraisal conducted by Japan Real Estate Institute.			
	Appraisal Value	2,720 million yen			
	Appraisal Date	November 1, 2013			
Probable Maximum Loss (PML)		4.6% (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		3 (Office: 2, Residence (*1): 1)			
Major Tenant		Japan Science and Technology Agency, RNAi, Inc.			
Total Rental Revenue (annual) (*1)		208 million yen			
Lease and Guarantee Deposits (*1)		84 million yen			
Total Leasable Floor Space (*2)		3,325.27 m <sup>2</sup> (Office : 1,690.67 m <sup>2</sup> , Residence : 1,634.60 m <sup>2</sup> (24 units))			
Total Leased Floor Space (*2)		3,054.82 m <sup>2</sup> (Office : 1,561.38 m <sup>2</sup> , Residence : 1,493.44 m <sup>2</sup> (22 units))			
Occupancy Rate (*2)		91.9% (Office : 92.4% , Residence : 91.4%)			
Assumed NOI (NOI Return) (*3)		139 million yen (5.2%)			
Remarks		None			

(\*1) As the trustee has concluded a master lease contract with the master lessee, the figure is indicated as one.

(\*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. (Amounts related to parking fee, utility costs and other revenue are not included.)

(\*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 96% (office: 96%, residence: 95%).

(2) Taxes and public dues have been tentatively calculated based on the taxable income of fiscal year 2013.

#### 4. Aim of Property Acquisition

The Bancho area where the property is located is favored by foreign firms which prefer a quiet environment for offices and has attracted a number of specialized companies such as law firms and government-related organizations as well. The property provides quiet surroundings as it is situated off the main road in addition to convenience while having excellent building specs, a typical floor plate above a certain level, versatile rental space types, etc. For these and other reasons, JPR highly evaluates the property as a very competitive building.

Cotone Capital YK, the seller of this property, entrusts its asset management operations to Yasuda Real Estate Asset Management Co., Ltd. fully financed by Yasuda Real Estate Co., Ltd., which is a sponsor. Acquisition of this property is realized by utilizing the support of the Yasuda Real Estate group and JPR will continue to acquire quality properties utilizing the sponsor's support.

#### 5. Seller Profile

Company Name	Cotone Capital YK
Head Office Address	Asuna Accounting Office, 2-2-6 Uchikanda, Chiyoda-ku, Tokyo
Representative	Mitsuhiro Nakagaki, Director
Capital	3,000,000 yen (as of November 29, 2013)
Principal Activities	<ol style="list-style-type: none"> <li>1 Acquisition, retention and sale of trust beneficiary rights under trust agreement</li> <li>2 Acquisition, holding, transferring, leasing and management of real estate</li> <li>3 Acquisition, retention and disposition of securities and monetary claims</li> <li>4 Investing in silent partnership</li> <li>5 All other business incidental or relating to any business of the foregoing items</li> </ol>
Establishment	November 12, 2004
<b>Relationship with JPR and the Asset Management Company</b>	
Capital Relationship	JPR and/or the asset management company have no capital relationship to be indicated.
Personnel Relationship	JPR and/or the asset management company have no personnel relationship to be indicated.
Business Relationship	JPR and/or the asset management company had no transactions to be indicated in the fiscal period ended June 30, 2013.
Related Party or Not	The concerned company does not fall within the definition of a related party. The concerned company entrusts its asset management operations to Yasuda Real Estate Management Co., Ltd. fully financed by Yasuda Real Estate Co., Ltd. which is a sponsor.
Other	The concerned company falls within the scope of an interested party as defined in the rules of JPR's Board of Directors. Accordingly, JPR's Board of Directors has provided its authorization before entering into an agreement with the concerned company. The definition of interested parties as stipulated in the rules and regulations prescribed by JPR's Board of Directors differs from related parties as defined in the Enforcement Order for the Act on Investment Trusts and Investment Corporations, and the concerned company does not fall within the definition of a related party.

## 6. Profile of Previous Owners

Seller (Previous Owner)	Owners before Previous Owner
1) Company name Cotone Capital YK (Note) 2) Relationship with JPR and the asset management company The seller entrusts its asset management operations to Yasuda Real Estate Asset Management Co., Ltd., fully financed by Yasuda Real Estate Co., Ltd. which is a sponsor. 3) Background and Reason of Acquisition Acquired for the purpose of investment and management 4) Acquisition price (including related expenses) Omitted as the property has been owned for more than a year 5) Acquisition Date June 2005	Parties with which no special interest relationship exists

(Note) For the profile of the Cotone Capital YK, please refer to “5. Seller Profile”.

## 7. Sales Agent

The sales agent and brokerage fee have not been disclosed at the request of the sales agent. Furthermore, the seller neither falls within the definition of a related party as identified in the Act on Investment Trusts and Investment Corporations Enforcement Order, nor within the definition of an interested party as stipulated in the rules and regulations prescribed by JPR’s Board of Directors.

## 8. Outlook

The impact of the additional acquisition on the operating results of JPR for the 24th fiscal period ending December 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 Science Plaza・Yonbancho Plaza

## 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	4.0%
	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	2.5%
	Office	BYGS Shinjuku Bldg.	Shinjuku-ku, Tokyo	Nov. 2004 Apr. 2005 Jul. 2010	15,121	3.7%
	Office	Across Shinkawa Bldg. Annex	Chuo-ku, Tokyo	Nov. 2004	710	0.2%
	Office	Shinjuku Center Bldg.	Shinjuku-ku, Tokyo	Mar. 2008	21,000	5.2%
	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	3.7%
	Office	Ginza Sanwa Bldg.	Chuo-ku, Tokyo	Aug. 2011	3,400	0.8%
	Office	The Otemachi Tower (land with leasehold interest)	Chiyoda-ku, Tokyo	Mar. 2012	36,000	8.9%
	Office	Science Plaza・Yonbancho Plaza	Chiyoda-ku, Tokyo	Dec. 2013 (planned)	2,660	0.7%
	Office	Shibadaimon Center Building	Minato-ku, Tokyo	Dec. 2013 (planned)	3,420	0.8%
	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	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	0.8%
<b>Subtotal</b>					<b>212,606</b>	<b>52.5%</b>

Area	Type	Property Name	Location	Acquired	Acquisition Price (yen in millions) (Note1)	% of Total (Note2)
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%
	Office	Shinyokohama 2nd Center Bldg.	Yokohama, Kanagawa	Sep. 2002 Mar. 2013	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	1.4%
	Office	Yume-ooka Office Tower	Yokohama, Kanagawa	Jul. 2007	6,510	1.6%
	Office	Olinas Tower	Sumida-ku, Tokyo	Jun. 2009	31,300	7.7%
	Office	Tokyo Tatemono Yokohama Bldg.	Yokohama, Kanagawa	Dec. 2010	7,000	1.7%
	Office	Omiya Prime East	Omiya, Saitama	Mar. 2013	6,090	1.5%
	Retail	Tanashi ASTA	Nishitokyo, Tokyo	Nov. 2001	10,200	2.5%
	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	Musashiurawa Shopping Square	Saitama, Saitama	Mar. 2007	4,335	1.1%
	Retail	Kawasaki Dice Bldg.	Kawasaki, Kanagawa	Apr. 2007	15,080	3.7%
<b>Subtotal</b>					<b>122,891</b>	<b>30.4%</b>
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	2.7%
	Retail	JPR Umeda Loft Bldg.	Osaka, Osaka	May 2003 Jul. 2003	13,000	3.2%
	Retail	Benetton Shinsaibashi Bldg.	Osaka, Osaka	May 2005	5,430	1.3%
	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%
<b>Subtotal</b>					<b>69,223</b>	<b>17.1%</b>
<b>Total</b>					<b>404,720</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**

Photograph of Science Plaza・Yonbancho Plaza

