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For Translation Purpose Only**For Immediate Release**

Japan Prime Realty Investment Corporation
Yoshihiro Jozaki, Executive Officer
(Securities Code: 8955)
Asset Management Company:
Tokyo Realty Investment Management, Inc.
Yoshihiro Jozaki, President and CEO
Inquiries: Yoshinaga Nomura, Director and CFO
(TEL: +81-3-3516-1591)

**Notice Concerning Property Acquisition (Conclusion of Contract)
“Rise Arena Bldg.(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 to implement acquisition of a property, as described below.

Details

1. Acquisition Details

(1) Property Name	Rise Arena Bldg. (additional ownership interest: 19.0%)
(2) Asset Type	Beneficiary interest in real estate
(3) Asset Class	Office
(4) Acquisition Price	7,300 million yen
(5) Appraisal Value	7,660 million yen
(6) NOI Yield	3.7%
(7) NOI Yield after Depreciation	3.1%
(8) Contract Date	October 26, 2021
(9) Planned Acquisition Date	October 28, 2021
(10) Seller	Higashi-ikebukuro LLC
(11) Funding	Own funds and loans
(12) Payment Method	Lump-sum payment at the time of delivery

(Note 1) The holding ratio described under “Property Name” indicates the ratio of exclusive floor area to the entire floor area of Rise Arena Bldg. based on the management bylaws. Holding ratio in the office space is 28.8%.

(Note 2) “Acquisition Price” excludes acquisition costs, property taxes, city planning taxes and consumption taxes.

(Note 3) For the formula used to calculate “NOI Yield” and “NOI Yield after Depreciation,” please refer to “9. Estimated Cash Flows” below.



2. Reason and Purpose for Acquisition

The subject acquisition will be an additional acquisition using preferential negotiating rights for the enhancement and growth of JPR's portfolio in Greater Tokyo.

The Property is directly connected to Higashi-ikebukuro Station on the Tokyo Metro Yurakucho Line and is within walking distance of Ikebukuro Station, a terminal station. It has excellent traffic convenience with access not only to major areas in Tokyo but to suburban Tokyo and Saitama. Moreover, given a large-scale redevelopment project that has been in progress in recent years, the area surrounding Ikebukuro and Higashi-ikebukuro is expected to be developed further as business hubs in the future.

The property has excellent layout efficiency and is exceptionally spacious, with 530 tsubo per floor. It is evaluated as having a strong competitive edge based on its location, size and building grade. Toshima City Central Library, OWLSPOT Theatre (Toshima Ward public theater) and other cultural exchange facilities are also built within the premises.

JPR has held sectional interests in the office space since 2007, and its share of the office space will be a 67.0% majority with the scheduled additional acquisition. JPR will aim to further raise asset value by planning flexible leasing strategies, promoting efficient management and operation, and taking other measures.

3. Details of Property for Acquisition

① Property Name/Location,etc.	
Property Name	Rise Arena Bldg. (additional ownership interest: 19.0%)
Location	4-5-2, Higashi-Ikebukuro
Asset Type	Beneficiary interest in real estate
② Land/Buildings	
Asset Class	Office
Type of Structure	RC, SRC, Steel construction flat roofed, B3/42F
Type of Ownership	Land: Ownership (co-ownership) Building: Sectional Ownership(Part of 1F, 9F (including part of the co-ownership section) and 13-14F)
Site Area	Land: Total Site Area 9,377.28 m ² (entire area) Building: Gross Floor Area 91,280.94m ² (entire building)
Completion Date	January 31, 2007 (14 years since completion)
Architecture and Design / Construction	Nihon Sekkei,Inc. / Joint construction project comprising Taisei Corporation and Fujita Corporation
Probable Maximum Loss (PML)	1.3% (Sompo Risk Management Inc.)
③ Price,etc.	
Acquisition Price	¥7,300 million
Appraisal Value (Appraisal Date)	¥7,660 million (as of September 30, 2021)
Appraiser	CBRE K.K.
Collateral	None
④ Status of Leasing	
Number of Tenants	4
Rent Revenue, common charges (Annual)	¥231 million



Lease and Guarantee Deposits	¥231 million
Total Leasable Floor Space/ Total Leased Floor Space	4,540.79 m ² / 2,392.25 m ²
Occupancy Rate	52.7%* Occupancy rate, including contracted space with no occupants, is 63.8%
Remarks	Sectional owner has preferential negotiating rights over third parties when another sectional owner plans to sell its interests.

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

(Note 2) "Location" indicates the residential address.

(Note 3) The information in "use," "structure" and "construction completion date" is as stated in the registry. The property is registered as integral with the residential building, and the office building is 15 stories high with 2 basement floors.

(Note 4) The "area" indicates the area of the entire property as stated in the registry. The area stated in the registry, which is equivalent to JPR's holding ratio after the acquisition, is 1,118.78m².

(Note 5) The "total floor area" indicates the area of the entire property recorded in the registry. The total floor area recorded in the registry for the sections JPR plans to acquire is 4,499.23 m².

(Note 6) With respect to the property, each sectional owner's exclusively owned section (only the office space in the office building) is leased all together to Taisei-Yuraku Real Estate Co., Ltd., and Taisei-Yuraku Real Estate Co., Ltd. is subleasing the sections to sublessees. Moreover, rental revenue and rental expenses regarding the exclusively owned sections will be allocated and borne based on the ratio of each exclusively owned section to the entire area in accordance with an agreement on collective management. Accordingly, the number of tenants indicates the number of sublessees in the subject sections based on the agreement.

(Note 7) Amounts and area shown under "rent revenue and common charges (annual)," "lease and guarantee deposits" and "total leasable floor area and total leased floor area" are calculated by JPR, based on the sectional area to be acquired by JPR multiplied by the corresponding ratios of the exclusively owned area, in accordance with the lease agreement with Taisei-Yuraku Real Estate Co., Ltd. and the agreement on collective management. "Total leasable floor area and total leased floor area" are rounded to the second decimal place.

(Note 8) The "occupancy rate" indicates the ratio of total leased area to total leasable area. "(iv) Leasing status" indicates the operating status as of the contract date, and Taisei-Yuraku Real Estate Co., Ltd., the lessee, concluded a lease agreement, that stipulates December 1, 2021 as the date of the commencement of lease, with a new tenant as of October 25, 2021. The occupancy rate, which reflects said new lease agreement, is 63.8%.

4. Seller Profile

Company Name	Higashi-ikebukuro LLC
Head Office Address	In Silsphere Accounting Firm, 1-6-15 Hirakawacho, Chiyoda-ku, Tokyo
Representative	Representative Partner: Takafumi Inaba, Functional Manager, Toshi Saikaihatsu Holdings
Paid-in Capital	100,000 yen (as of June 25, 2021)
Principal Activities	1. Acquisition, holding and disposal of real estate trust beneficial interest 2. Acquisition, development, holding, disposal, leasing and management of real estate 3. Acquisition, holding and disposal of shares, investment holdings, specific equity, etc. of companies whose purpose is to conduct the business listed in the preceding items 4. All other work incidental to the above items
Establishment	February 17, 2009
Consolidated Net Assets	Undisclosed as the consent of the seller was not obtained.
Consolidated Total Assets	Undisclosed as the consent of the seller was not obtained.
Major Shareholders and Shareholding Ratios	Undisclosed as the consent of the seller was not obtained.
Relationship with JPR and the Asset Management Company	
Capital Relationship	JPR and/or TRIM have no capital relationships to be indicated with the concerned party.



Personal Relationship	JPR and/or TRIM have no personal relationships to be indicated with the concerned party.
Business Relationship	Other than the subject transactions, no transaction concerning the acquisition or transfer of assets has been conducted between JPR / TRIM and said company in the fiscal period ending December 31, 2021. In addition, TRIM outsources tax-related services to Silsphere Accounting Firm, whose representative is the representative of said company as of the fiscal period ended June 30, 2021.
Related Party or Not	The concerned company does not fall within the definition of a related party of JPR.
Other	Taisei Corporation, which is a shareholder of TRIM, holds a stake in Sun Arrows Investment Co., Ltd., which is the asset manager of said company. As Sun Arrows Investment Co., Ltd. falls under an interested party as prescribed in the rules of JPR's Board of Directors, JPR acquired prior approval of its Board of Directors regarding the conclusion of agreement with said company.

5. Profile of Previous Owners

Owner	Previous Owner	Former Owner	Owner Prior to Former Owner
Company Name	Higashi-ikebukuro LLC	Yuraku Real Estate Co., Ltd. Shinjuku Asset Management 1	—
Relationship with Parties Having Special Interest Relationship	Refer to “4. Seller Profile” above	Said company falls under interested party as prescribed in the rules of JPR's Board of Directors.	—
Background and Reason of Acquisition	Acquisition for the purpose of investment and management	Acquisition for the purpose of development	—
Acquisition Price	Omitted as the property has been owned for more than a year	Omitted as the property has been owned for more than a year	—
Acquisition Date	March,2009	February,2007	—

(Note 1) Yuraku Real Estate Co., Ltd. merged with Taisei Service Co., Ltd. in April 2012 and changed the trade name to Taisei-Yuraku Real Estate Co., Ltd.

(Note 2) Shinjuku Asset Management 1 was liquidated as of January 5, 2011.

6. Sales Agent

No agent is involved in the acquisition and sale of the relevant properties.

7. Property Management Company: Taisei-Yuraku Real Estate Co., Ltd.

Company Name	Taisei-Yuraku Real Estate Co., Ltd.
Head Office Address	13-1, Kyobashi 3 chome, Chuo-ku, Tokyo
Representative	Hiroyuki Hamanaka, President and Chief Executive Officer
Paid-in Capital	10,000 million yen (as of March 31, 2021)
Principal Activities	Real estate business
Establishment	October 1, 1971



Consolidated Net Assets	85,487 million yen (as of March 31, 2021)
Consolidated Total Assets	160,146 million yen (as of March 31, 2021)
Major Shareholders and Shareholding Ratios	Taisei Corporation, Ltd.: 100%
Relationship with JPR and the Asset Management Company	
Capital Relationship	JPR and/or TRIM have no capital relationships to be indicated with the concerned party.
Personal Relationship	JPR and/or TRIM have no personal relationships to be indicated with the concerned party.
Business Relationship	No transaction concerning the acquisition or transfer of assets has been conducted between JPR / TRIM and said company in the fiscal period ending December 31, 2021. In addition, JPR outsourced services to be provided by a property management company to said company with respect to two properties (including the subject property) held by JPR as of the fiscal period ended June 30, 2021.
Related Party or Not	The concerned company does not fall within the definition of a related party of JPR. Taisei Corporation, Ltd., a shareholder of TRIM, has a stake in the concerned company and the concerned company falls within the definition of a related party of TRIM.
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 before entering into an agreement with the concerned company.

8. Outlook

The impact of the Acquisition and the Sale of the relevant properties on the operating results of JPR is minimal, and JPR will not change its operating forecasts for the fiscal period ending December 31, 2021 and the fiscal period ending June 30, 2022.

9. Estimated Cash Flows

(1) Operating Revenues	¥384million
(2) Operating Expenses (excluding depreciation)	¥112 million
(3) NOI ((1)-(2))	¥271 million
(4) NOI Yield ((3)/acquisition price)	3.7%
(5) Depreciation	¥45 million
(6) Profits ((3)-(5))	¥225 million
(7) NOI Yield after Depreciation ((6)/acquisition price)	3.1%
(8) Occupancy Rate	96.0%

(Note 1) The above figures represent the average annual figures for the 10-year period following acquisition.

(Note 2) "Operating Revenues" is calculated based on the expected "Occupancy Rate".

(Note 3) Tax and public dues included in "Operating Expenses" are valued based on standard taxable values for Fiscal 2021.

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



10. Overview of Appraisal Report

Property Name	Rise Arena Bldg. (additional ownership interest)
Appraisal Value	¥7,660 million
Appraiser	CBRE K.K.
Appraisal Date	September 30, 2021
Types of Value	Limited value

Item	Amount (thousand yen)	General Outline
Appraisal Value by Capitalization Method	7,440,000	The value by the DCF method is used.
Appraisal Value by Direct Capitalization Method	7,610,000	
Operating Revenue	410,192	
Potential Gross Cash Flow	427,134	
Loss from Vacancies	16,943	Estimated by taking into account current vacancy rate and the level of market price.
Operating Expenses	101,973	
Maintenance Expenses and Property Management Fee	6,704	Estimated based on most recent actual amounts
Utilities Expenses	10,098	Estimated based on most recent actual amounts
Repairs and Maintenance	9,833	Posted the amount equivalent to 30% of the aggregate amount of average annual value in the engineering reports of the past 15 years and estimated amount of reserve for repairs for exclusively owned sections.
Tenant Solicitation Expenses	4,108	Estimated by taking into account the standard period for changes of tenants, etc.
Tax and Public Dues	18,972	Estimated based on most recent actual amounts
Insurance Premium	855	Estimated by referring to cost levels of similar real estate.
Other Expenses	51,404	Estimated based on most recent actual amounts
Net Operating Income	308,218	
Profit through Management of Temporary Deposits, Etc.	3,944	Estimated based on an investment yield of 1%.
Capital Expenditure	22,943	Posted the amount equivalent to 70% of the aggregate amount of average annual value in the engineering reports of the past 15 years and the estimated amount of reserve for repairs for exclusively owned sections.
Net Cash Flow	289,219	
Capitalization Rate	3.8%	Estimated based on in investor surveys, transaction yields, etc.
Appraisal Value through Discounted Cash Flow (DCF) Method	7,440,000	
Discount Rate	3.5%	Estimated based on in investor surveys, transaction yields, etc.
Terminal Capitalization Rate	3.9%	Estimated mainly by taking into account risks after 10 years based on the capitalization rate.
Appraisal Value by Cost Method	7,020,000	



Land Ratio	83.0%	
Building Ratio	17.0%	
Market Value of Subject Property	7,440,000	The income approach value is used.
Market Value of JPR's Owned Portions	9,760,000	The income approach value (based on the DCF method) is used.
Market Value of Assemblage Portion	17,700,000	The income approach value (based on the DCF method) is used.
Increased Value	500,000	
Allocation rate of Increased Value	43.4%	Estimated by correlating the ratio to aggregate value and the ratio to purchase ceiling.
Allocation of Increased Value of Property	217,000	

Other Items Considered upon Appraisal	None in particular
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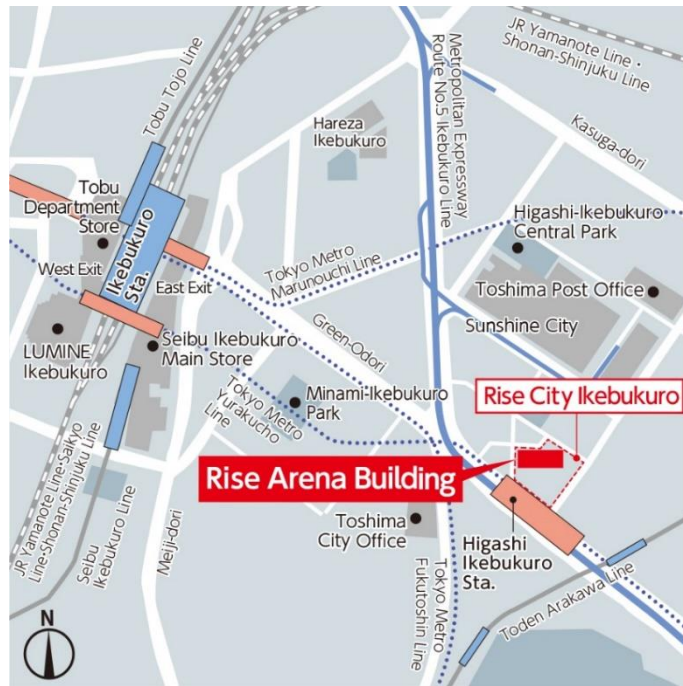
[Attachment]

- 【Reference 1】 Photograph of Rise Arena Bldg.
- 【Reference 2】 Location map
- 【Reference 3】 Floor Plan of the Property
- 【Reference 4】 Real estate portfolio after the acquisition of the property

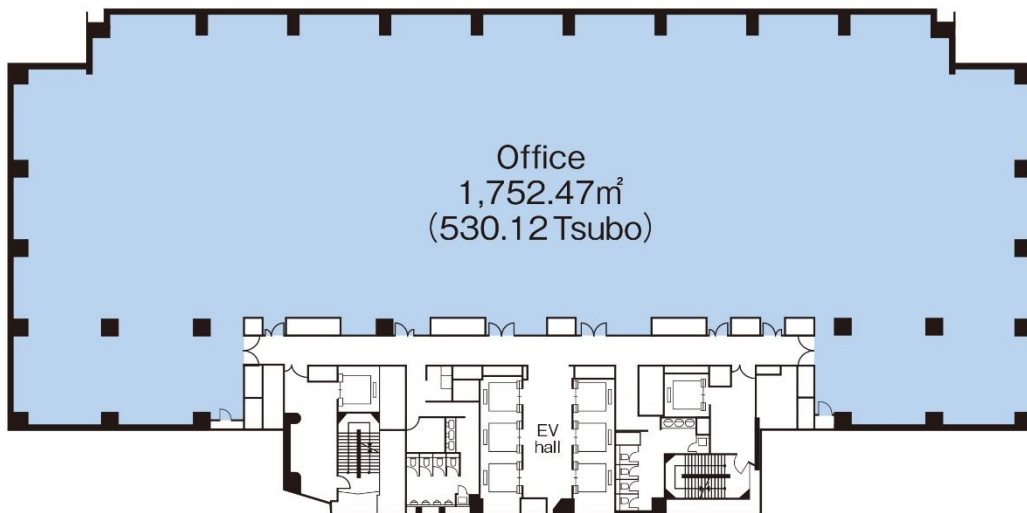
【Reference 1】 Photograph of Rise Arena Bldg.



【Reference 2】 Location map



【Reference 3】 Floor Plan of the Property





【Reference 4】 Real estate portfolio after the acquisition of the property

Area	Type	Property No.	Property Name	(Planned) Acquisition Price (yen in millions)	% Investment Ratio	Investment Ratio by Area			
Tokyo CBDs	Office	A-1	Kanematsu Bldg.	16,276	3.4%	54.3%			
		A-2	Kanematsu Bldg. Annex	2,874	0.6%				
		A-3	JPR Ningyo-cho Bldg.	2,100	0.4%				
		A-4	Shin-Kojimachi Bldg.	2,420	0.5%				
		A-5	JPR Crest Takebashi Bldg.	4,000	0.8%				
		A-6	MS Shibaura Bldg.	11,200	2.4%				
		A-7	Gotanda First Bldg.	2,920	0.6%				
		A-9	JPR Ichigaya Bldg.	5,100	1.1%				
		A-10	Oval Court Ohsaki Mark West	3,500	0.7%				
		A-11	Shinjuku Square Tower	14,966	3.2%				
		A-12	BYGS Shinjuku Bldg.	15,121	3.2%				
		A-13	Across Shinkawa Bldg. Annex	710	0.2%				
		A-14	Shinjuku Center Bldg.	21,000	4.4%				
		A-15	Minami Azabu Bldg.	3,760	0.8%				
		A-16	Shinagawa Canal Bldg.	2,041	0.4%				
		A-17	Rokubancho Bldg.	2,800	0.6%				
		A-18	JPR Harajuku Bldg.	8,400	1.8%				
		A-20	JPR Nihonbashi Horidome Bldg.	5,100	1.1%				
		A-21	JPR Sendagaya Bldg.	15,050	3.2%				
		A-22	GINZA Sanwa Bldg.	3,400	0.7%				
		A-23	The Otemachi Tower (land with leasehold interest)	36,000	7.6%				
		A-24	Science Plaza / Yonbancho Plaza	2,660	0.6%				
		A-25	Shibadaimon Center Building	4,213	0.9%				
		A-26	Tokyo Square Garden	18,400	3.9%				
		A-27	JPR Kojimachi Bldg.	5,750	1.2%				
		A-28	Otemachi Financial City North Tower	11,400	2.4%				
		Tokyo CBDs	Retail	A-1	JPR Shibuya Tower Records Bldg.		12,000	2.5%	54.3%
				A-3	JPR Jingumae 432		4,275	0.9%	
A-4	Shinjuku Sanhome East Bldg.			2,740	0.6%				
A-5	Yurakucho Ekimae Building (Yurakucho Itocia)			3,400	0.7%				
A-6	JPR Ginza Namiki-dori Building			10,100	2.1%				
A-7	FUNDES Suidobashi			3,250	0.7%				
Greater Tokyo	Office			B-1	Arca East	5,880	1.2%	31.3%	
		B-2	JPR Chiba Bldg.	2,350	0.5%				
		B-3	JPR Yokohama Nihon Odori Bldg.	2,927	0.6%				
		B-5	Shinyokohama 2nd Center Bldg.	1,490	0.3%				
		B-6	Kawaguchi Center Bldg.	8,100	1.7%				
		B-7	JPR Ueno East Bldg.	3,250	0.7%				
		B-8	Tachikawa Business Center Bldg.	3,188	0.7%				
		B-9	Rise Arena Bldg.	13,131	2.8%				
		B-10	Yume-ooka Office Tower	6,510	1.4%				
		B-11	Olinas Tower	31,300	6.6%				
		B-12	JPR Yokohama Bldg.	7,000	1.5%				
		B-13	Omiya Prime East	6,090	1.3%				
		B-14	Sencity Bldg.	13,870	2.9%				
		Greater Tokyo	Retail	B-1	Tanashi ASTA	10,200	2.2%		31.3%
				B-3	The Cupo-la Main Bldg.	2,100	0.4%		
				B-4	JPR Musashikosugi Bldg.	7,254	1.5%		
				B-5	Musashiurawa Shopping Square	4,335	0.9%		
B-6	Kawasaki Dice Bldg.			15,080	3.2%				
B-7	FUNDES Ueno			3,800	0.8%				
Other Cities	Office			C-1	Niigata Ekinan Center Bldg.	2,140	0.5%	14.4%	
		C-4	Tokyo Tatemono Honmachi Bldg.	4,150	0.9%				
		C-9	JPR Naha Bldg.	1,560	0.3%				
		C-12	Sompo Japan Sendai Bldg.	3,150	0.7%				
		C-13	Sompo Japan Wakayama Bldg.	1,670	0.4%				
		C-14	Tenjin 121 Bldg.	2,810	0.6%				
		C-17	JPR Dojima Bldg.	2,140	0.5%				
		C-19	JPR Nagoya Fushimi Bldg.	4,137	0.9%				
		C-20	Yakuin Business Garden	10,996	2.3%				
		C-21	JPR Shinsaibashi Bldg.	5,430	1.1%				
		C-22	JPR Shinsaibashi West	3,750	0.8%				
		Other Cities	Retail	C-1	JPR Umeda Loft Bldg.	13,000	2.7%		14.4%
				C-4	Housing Design Center Kobe	7,220	1.5%		
C-5	JPR Chayamachi Bldg.			6,000	1.3%				
Total				472,934	100.0%				

(Note 1) The “(Planned) Acquisition Price” does not include acquisition costs.

(Note 2) The “(Planned) Acquisition Price” is rounded down to the nearest million yen and percentages are rounded to the first decimal place.

(Note 3) The (planned) acquisition price regarding Rise Arena Bldg. indicates the total of the value of the existing holding and the value of the planned acquisition.