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Notice Concerning Acquisition and Sale of Properties (Conclusion of Contracts)
(Sale of the Gotanda First Bldg. and Acquisition (Additional Ownership) of Shinjuku Center Bldg. in an Exchange Transaction and Acquisition of Osaka Dojima Bldg. and FUNDES Tenjin Nishidori)

Japan Prime Realty Investment Corporation (“JPR”) announced that Tokyo Realty Investment Management, Inc. (“TRIM”), the asset management company to which JPR entrusts the management of its assets, today decided to sell a property to and acquire properties from Tokyo Tatemono Co., Ltd., the main sponsor, as described below. (Hereinafter the sale of Gotanda First Bldg. and the acquisition (additional ownership) of Shinjuku Center Bldg. in an exchange transaction and the acquisition of Osaka Dojima Bldg. and FUNDES Tenjin Nishidori are the “Asset Replacement.”)

Details

I. Purpose of the Asset Replacement and Overview of Transactions
1. Purpose of the Asset Replacement

The Asset Replacement will be undertaken based on the operational and investment standards established in the Asset Management Guidelines of JPR.

JPR decided to sell an office building in Tokyo which it feared would see declining revenue and acquire a super high-rise building on the west side of Shinjuku station, a prime office building in the heart of Osaka and a new compact urban retail facility in Tenjin, Fukuoka, which has the largest concentration of retail facilities in Kyushu, using the sponsors pipeline to enhance the quality of its portfolio and profitability.

The effects of the Asset Replacement are as shown in the table below. JPR will continue to work to build a strong portfolio through property acquisition and strategic asset replacement using the pipeline of its sponsors.

Effect of the Asset Replacement

Asset Replacement		Acquisition Price (book value after compression)	NOI ※for annual basis	NOI Yield (after compression)	NOI after Depreciation ※ for annual basis
Exchange	Gotanda First Bldg. [Sale]	2,920 million yen	172 million yen	4.1%	116 million yen
	Shinjuku Center Bldg. [additional acquisition]	3,320 million yen (1,782 million yen)	110 million yen	3.3% (6.2%)	90 million yen
Acquisition	Osaka Dojima Bldg.	2,460 million yen	120 million yen	4.9%	106 million yen
	FUNDES Tenjin Nishidori	3,310 million yen	125 million yen	3.8%	109 million yen
Change		+6,170 million yen	+184 million yen	-	+190 million yen

- (Note 1) “NOI” is net operating income stated in the real estate appraisal report. NOI yield is NOI divided by the acquisition price of each property acquired or the sale price of the property sold. The NOI yield is rounded to the first decimal place. The same applies hereinafter.
- (Note 2) “NOI after depreciation” is NOI minus depreciation (expected depreciation for each property acquired or actual depreciation for the property sold).
- (Note 3) “Book value after compression” is estimated amount. For an explanation of the compressed entry for (the additional acquisition of) the land of Shinjuku Center Bldg., please see II.3. Other (ii) Compressed entry.

2. Sale of Gotanda First Bldg.

This property is an office building a two-minute walk from JR Gotanda station. In August 2022, the tenant that leased almost all of the gross leasable area left the building. TRIM has examined its investment policy and concluded that it will take a certain period of time before earnings recover in light of the current market environment and the age of the building and that replacing this property with the three properties below will contribute to improving the quality and profitability of the portfolio. TRIM has thus decided to sell this property.

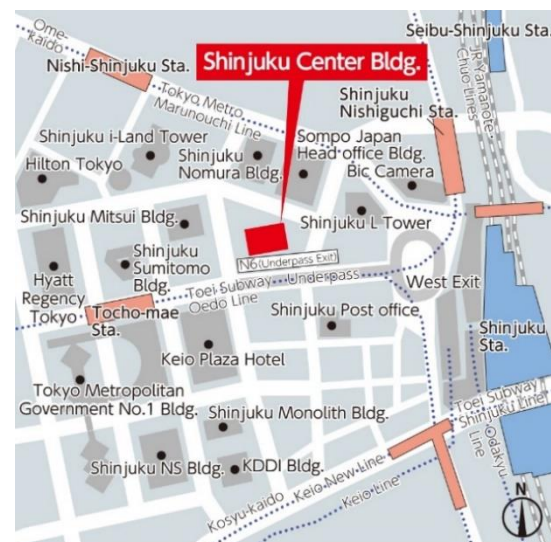
3. Acquisition of Shinjuku Center Bldg. (additional ownership)

This building is a highly visible building with 54 floors above ground. The property is in an area with a concentration of high-rise buildings on the west side of Shinjuku Station. The property is conveniently located. It is directly connected by an underground passage to JR Shinjuku Station, which is the station used by the largest number of passengers in Japan. The property is at a particularly prime site in an area featuring a concentration of high-rise buildings on the west side of Shinjuku Station. As such, it is very competitive.

The building was built 43 years ago, but has been properly maintained. Facilities have been replaced, and common-use areas have been renovated. Moreover, steps have been taken to reduce the environmental impact, including the installation of LED lighting, and the world's first long-period ground motion countermeasure work at an existing super high-rise building has been performed in 2009. Those initiatives aiming for a long-life, 100-year-old building are acclaimed. And this building received the BELCA award.

JPR owns a part of the site and has a 40.0% co-ownership interest in the portion of the building it co-owns (21.5% of the entire building). After the additional acquisition, JPR will own a part of the site and have a 47.0% co-ownership interest in the portion of the building it co-owns.

(Note) The BELCA (Building and Equipment Long-life Cycle Association) Award is given to outstanding existing buildings that have undergone appropriate maintenance or excellent renovation, (designer, contractor, maintenance manager) in two categories, long life and best renovation, and was established for the purpose of contributing to the formation of good building stock. It is an award system.



4. Acquisition of Osaka Dojima Bldg.

This property has good access to public transportation. It is a five-minute walk from Nishiameda station on the Osaka Metro Yotsubashi Line and a nine-minute walk from the JR Osaka station.

At a site close to the property, Tokyo Tatemono, the main sponsor, is taking the lead in a large redevelopment project, the ONE DOJIMA PROJECT, to construct a building consisting of Brillia Tower Dojima and a world-class luxury hotel. The area is expected to develop further.

The standard floor has a regular shape and an area of approximately 155 tsubo. Tenants can use the space efficiently and design layouts flexibly. The property has drive-in parking in the basement. The building has a high-grade appearance. JPR rates the property as one from which it can expect stable revenue over the medium to long term.



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5. Acquisition of FUNDES Tenjin Nishidori

This property is a compact urban retail facility that Tokyo Tatemono, the main sponsor, developed. It was completed in March 2022. It faces Tenjin Nishidori street in Fukuoka Tenjin, which has the largest concentration of retail facilities in Kyushu, and is conveniently located in terms of public transportation. It is a five-minute walk from Nishitetsu Fukuoka (Tenjin) station on the Nishitetsu Tenjin-Omuta Line and an eight-minute walk from Tenjin station on the Fukuoka City Subway Airport Line.

Tenjin Nishidori street is a prime area where visitors, such as office workers working nearby and shoppers, across a wide age range are expected on weekdays and weekends. The property has high visibility, located on a corner lot. The area has only a small number of relatively new retail facilities. Thus, the property is highly competitive.

On the first floor is an Aesop store. Aesop is a cosmetics brand that attract people of a wide range of ages. On the second floor and above are clinics and tenants that provide services that are less susceptible to the impact of the COVID-19 pandemic. For these reasons, JPR rates the property as one from which it can expect stable revenue over the medium to long term.



II. Overview of the Exchange (the sale of Gotanda First Bldg. and the acquisition (additional ownership) of Shinjuku Center Bldg.)

1. Overview of the Sale in an Exchange

Property to Be Sold in the Exchange Transaction

(1)	Property Name	Gotanda First Bldg.
(2)	Asset Type	Beneficiary interest in real estate
(3)	Asset Class	Office
(4)	Sale Price	4,270 million yen
(5)	Appraisal Value	4,270 million yen
(6)	Planned Book Value	2,921 million yen

(7)	Planned Gain on Sale	1,326 million yen (Breakdown: land 1,905 million yen (Note 5), building -579 million yen)
(8)	Contract Date	December 21, 2022
(9)	Planned Sale Date	December 22, 2022
(10)	Buyer	Tokyo Tatemono Co., Ltd.
(11)	Brokerage	None

(Note 1)“Sale Price” excludes property taxes, city planning taxes, and consumption taxes.

(Note 2)For “Appraisal Value,” the appraisal date is November 1, 2022.

(Note 3)“Planned Book Value” indicates the assumed book value as of the planned sale date.

(Note 4)“Planned Gain on Sale” indicates the amount obtained by subtracting each planned book value and estimated sale expenses from each Sale Price.

(Note 5)A compressed entry will be made for the property to be acquired stated in 2. below using part of the Planned Gain on Sale. For details, please refer to 3. Others (ii) Compressed entry.

2. Overview of the Acquisition in an Exchange

Property to Be Acquired in the Exchange Transaction

(1)	Property Name	Shinjuku Center Bldg. (additional ownership)
(2)	Asset Type	Real estate
(3)	Asset Class	Office
(4)	Acquisition Price	3,320 million yen
(5)	Appraisal Value	3,320 million yen
(6)	NOI Yield	3.3%(after compression : 6.2%)
(7)	NOI Yield after Depreciation	2.7%(after compression : 5.1%)
(8)	Contract Date	December 21, 2022
(9)	Planned Acquisition Date	December 22, 2022
(10)	Seller	Tokyo Tatemono Co., Ltd.
(11)	Brokerage	None

(Note1)“Acquisition Price” excludes acquisition costs, property taxes, city planning taxes and consumption taxes.

(Note2)For “Appraisal Value,” the appraisal date is November 1, 2022.

(Note3)The NOI yield after depreciation is calculated by dividing the NOI after depreciation by the acquisition price (the leasing income and acquisition price are stated in I. 1. Effects of Asset Replacement). The NOI yield after depreciation is rounded to the first decimal place. The same applies hereinafter.

(Note4) For the details of the compressed entry, please see 3. Others (ii) Compressed entry.

3. Others

① Difference from exchange of properties

The difference from exchange of properties (950 million yen), the acquisition price minus the sale price, will be received from Tokyo Tatemono, with which the properties are exchanged, on the delivery date.

② Compressed entry

In the exchange transaction, a compressed entry will be made for the land of the property to be acquired. Of the gain on sale of the land of the property to be sold (Gotanda First Bldg.), an estimated maximum compression amount, 1,537 million yen, will be deducted from the acquisition price of the property to be acquired, or the price of the additional acquisition of Shinjuku Center Bldg. Due to the compressed entry, the

book value of the property to be acquired before expenses for the acquisition are reflected is estimated to be 1,782 million yen. The NOI yield and the NOI yield after depreciation based on the book value after compression are as stated in (vi) and (vii) above. A loss from exchange of properties of approximately 210 million yen (a loss from the sale of the building of the property to be sold of approximately 579 million yen partly offset by a gain from the sale of the land of the property to be sold after the deduction of the maximum compression amount of approximately 368 million yen) will be posted as an operating expense in the fiscal period ending December 31, 2022.

III. Overview of the acquisition of Osaka Dojima Bldg. and FUNDES Tenjin Nishidori

(1)	Property Name	Osaka Dojima Bldg.	FUNDES Tenjin Nishidori
(2)	Asset Type	Real estate	
(3)	Asset Class	Office	Retail
(4)	Acquisition Price	2,460 million yen	3,310 million yen
(5)	Appraisal Value	2,700 million yen	3,590 million yen
(6)	NOI Yield	4.9%	3.8%
(7)	NOI Yield after Depreciation	4.3%	3.3%
(8)	Contract Date	December 21, 2022	
(9)	Planned Acquisition Date	January 11, 2023	
(10)	Seller	Tokyo Tatemono Co., Ltd.	
(11)	Funding	Own funds	
(12)	Payment Method	Lump-sum payment at the time of delivery	
(13)	Brokerage	None	

(Note 1)“Acquisition Price” excludes acquisition costs, property taxes, city planning taxes and consumption taxes.

(Note 2)For “Appraisal Value,” the appraisal date is November 1, 2022.

IV. Details of the Property (Gotanda First Bldg.)

1. Details of Property for Sale

1) Property Name/Location, Etc.	
Property Name	Gotanda First Bldg.
Location	8-1 Nishigotanda 2-chome, Shinagawa-ku, Tokyo
Asset Type	Beneficiary interest in real estate
Trustee	Mitsubishi UFJ Trust and Banking Corporation
Trust Period	March 27, 2001 ~ March 31, 2031
2) Land/Buildings	
Asset Class	Office · Dining · Warehouse
Type of Structure	SRC, RC flat roofed, B2/11F
Type of Ownership	Land: Ownership of a part of the site (co-ownership: co-ownership interest 61.8%) Building: Sectional ownership (1st basement level, part of the 1st floor, from the 6th floor to the 11th floor) *This trust property is the exclusively-owned areas of the building, which are divided into portions owned by different owners, and a co-ownership interest in a part of the site.

Site Area	Land : Total Site Area 1,551.19 m ² (entire area) Building: Gross Floor Area 10,553.34 m ² (entire area)
Completion Date	July, 1989
3) Price, Etc.	
Sale Price	4,270 million yen
Appraisal Value (Appraisal Date)	4,270 million yen (as of November 1, 2022)
Appraiser	Japan Real Estate Institute
4) Status of Leasing	
Number of Tenants	1
Rent Revenue, common charges (Annual)	0 million yen
Lease and Guarantee Deposits	0 million yen
Total Leasable Floor Space/ Total Leased Floor Space	4,241.22 m ² /6.93 m ²
Occupancy Rate	0.2%
Remarks	The building is owned by sectional owners. The trustee is subject to the bylaws, etc. for the building. The bylaws stipulate that a sectional owner may not dispose of any ownership of part of the site or co-ownership interests without the approval of the other sectional owners, that they may not dispose of any co-ownership interests in common areas separately from sectional ownership, and that sectional owners have preferential purchase rights if any exclusively-owned areas are planned to be sold.

(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 on "Asset Class," "Type of Structure," "Site Area," and "Completion Date" is as stated in the registry.

(Note 4) "Number of Tenants," "Rent Revenue, Common Charges (annual)," "Lease and Guarantee Deposits," "Total Leasable Floor Space/Total Leased Floor Space" and "Occupancy Rate," indicate the figures based on the lease agreement as of the date of contract.

2. Overview of Appraisal Report

Property Name	Gotanda First Bldg.
Appraisal Value	4,270 million yen
Real Estate Appraiser	Japan Real Estate Institute
Appraisal Date	November 1, 2022
Types of Value	Fair value

Item	Amount (thousand yen)	General Outline
Appraisal Value by Capitalization Method	4,270,000	Adjusted using the values of the direct capitalization and DCF methods.
Appraisal Value by Direct Capitalization Method	4,280,000	Appraised by capitalizing net cash flow using the capitalization rate.
(1) Operating Revenue	257,992	Valued by deducting loss from vacancies from potential gross cash flow.
Potential Gross Cash Flow	271,304	Valued a stable revenue amount based on the terms and conditions of the current contracts and actual amounts of past fiscal years, etc. and taking into account new rent levels and future trends.
Loss from Vacancies	13,312	Recorded loss from vacancies by estimating the occupancy rate level that will be stable over the medium to long term, based on the state of occupancy of similar properties, supply and demand trends, the past state of occupancy, and future trends of the target

		property.
(2) Operating Expenses	85,027	Total of the following 7 items.
Maintenance Expenses and Property Management Fee	33,071	Valued based on the maintenance expense levels and compensation rates, etc. of similar properties, with reference to the compensation rates, etc. based on the actual amounts and terms and conditions of the contracts of past fiscal years.
Utilities Expenses	16,690	Valued based on actual amounts, etc.
Repairs and Maintenance	7,020	Valued based on actual amounts of past fiscal years as well as the future operation plans, expense levels of similar properties and engineering reports, etc.
Tenant Solicitation Expenses	2,012	Recorded the annual average amount estimated on the basis of the assumed rollover period of tenants.
Tax and Public Dues	25,878	Recorded based on the materials related to tax and public dues.
Insurance Premium	356	Valued with reference to the insurance premium and the insurance premium rates, etc. of similar properties.
Other Expenses	0	None
(3) Net Operating Income	172,965	Calculated by deducting operating expenses from operating revenue.
Profit through Management of Temporary Deposits, Etc.	2,428	Valued by multiplying the amount, which is obtained by taking into account the number of months for temporary deposits in the terms and conditions of the current contracts and new leases and the state of occupancy, by the management yield (1.0%).
Capital Expenditure	16,870	Valued by taking into account the building age, annual average amount of replacement expenses in engineering reports.
(4) Net Cash Flow	158,523	Valued by adding and subtracting profit through management of temporary deposits and capital expenditures to and from net operating income.
(5) Capitalization Rate	3.7%	Valued by taking into account the location, building, and terms and conditions of the contracts, etc.
Appraisal Value through the Discount Cash Flow (DCF) Method	4,250,000	-
Discount Rate	3.2%	Valued by comprehensively taking into account the individuality, etc. of the target property, with reference to the investment returns in transactions of similar properties.
Terminal Capitalization Rate	3.6%	Valued by taking into account the deterioration of building from aging, uncertainty in the lasting market trends, and a decrease in liquidity, etc.
Appraisal Value by Cost Method	3,370,000	-
Land Ratio	88.6%	Indicates the ratio to the total price of land and building by percentage, rounded to the first decimal place.
Building Ratio	11.4%	Indicates the ratio to the total price of land and building by percentage, rounded to the first decimal place.
Other Items Considered upon Appraisal		None in particular

V. Details of the Property (additional ownership of Shinjuku Center Bldg.)

1. Details of Property for Acquisition

1) Property Name/Location, Etc.	
Property Name	Shinjuku Center Bldg. (additional ownership)
Location	25-1 Nishishinjuku 1-chome, Shinjuku-ku, Tokyo
Asset Type	Real estate
2) Land/Buildings	

Asset Class	Office ・ Clinic ・ Warehouse ・ Dining ・ Retail
Type of Structure	SRC, RC, Steel construction flat roofed, B5/54F
Type of Ownership	<p>Land: Ownership of a part of the site (co-ownership: co-ownership interest of 7.0%)</p> <p>Building: Sectional ownership (a part of the 4th basement level, parts of the 2nd to 13th floors, parts of the 15th to 26th floors, parts of the 28th to 39th floors, parts of the 41st to 43rd floors, and part of the 51st floor (co-ownership: co-ownership interest of 7.0%))</p> <p>*The site of the property consists of seven parcels, and JPR has a co-ownership interest in six parcels.</p> <p>*JPR has effectively acquired a co-ownership interest of 1.5% in the entire building it has acquired. It now has a co-ownership interest of 10.1% in the building, including a co-ownership interest of 8.6% that it had owned.</p>
Site Area	<p>Land: Total Site Area 14,917.11 m² (entire area)</p> <p>Building: Gross Floor Area 176,607.89 m² (entire building)</p>
Completion Date	October, 1979
Architecture and Design / Construction	Taisei Corporation / Taisei Corporation
Probable Maximum Loss (PML)	4.9%(Sompo Risk Management Inc.)
3) Price, Etc.	
Acquisition Price	3,320 million yen
Appraisal Value (Appraisal Date)	3,320 million yen(as of November 1, 2022)
Appraiser	Japan Real Estate Institute
Collateral	None
4) Status of Leasing	
Number of Tenants	26
Rent Revenue, Common Charges (Annual)	174 million yen
Lease and Guarantee Deposits	144 million yen
Total Leasable Floor Space/ Total Leased Floor Space	1,551.45 m ² /1,470.80 m ²
Occupancy Rate	94.8%
Remarks	<ol style="list-style-type: none"> 1. Sectional owner has preferential negotiating rights over third parties when another sectional owner plans to sell its interests. 2. At this property, sectional ownership is shared. The co-owners have concluded an agreement between them. The agreement stipulates that no division of the property may be requested and that if any co-owner plans to sell their ownership, the other co-owners shall have preferential rights to negotiate purchase with the co-owner before any third party. 3. In addition to the land and building stated above, JPR will have a co-ownership interest of 47 thousandths (after the additional acquisition) in a common underground passage (No. 5 Street).

(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 on "Asset Class," "Type of Structure," "Site Area," and "Completion Date" is as stated in the registry.

(Note 4) "Number of Tenants" indicates the number of sublessees, to which Tokyo Tatemono Co., Ltd., the lessee, subleases (pass-through type master lease).

(Note 5) “Rent Revenue, Common Charges (Annual)”, “Lease and Guarantee Deposits”, “Total Leasable Floor Space/Total Leased Floor Space” and “Occupancy Rate” are based on the ownership interest that JPR plans to have at the time of the conclusion of the contract.

2. Profile of Previous Owners

Previous Owner	Owner before Previous Owner	Former Owner	Owner Prior to Former Owner
Company Name	Tokyo Tatemono Co., Ltd.	Shinjuku Center Bldg. Specific Purpose Company	Other than parties with which special interest relationship exists
Relationship with Parties Having Special Interest	Refer to “VIII. Overview of the Other Party in the Asset Replacement ” below	A consolidated subsidiary (the liquidation of which was completed on November 24, 2016) of Tokyo Tatemono Co., Ltd., the parent company of TRIM	—
Background and Reason of Acquisition	Acquisition for the purpose of investment and management	Acquisition for the purpose of investment and management	—
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 2016	March 2008	—

2. Overview of Appraisal Report

Property Name	Shinjuku Center Bldg. (additional ownership)
Appraisal Value	3,320 million yen
Real Estate Appraiser	Japan Real Estate Institute
Appraisal Date	November 1, 2022
Types of Value	Fair value

Item	Amount (thousand yen)	General Outline
Appraisal Value by Capitalization Method (Note 1)	47,900,000	Adjusted using the values of the direct capitalization and DCF methods.
Appraisal Value by Direct Capitalization Method	48,000,000	Appraised by capitalizing net cash flow using the capitalization rate.
(1) Operating Revenue	2,445,170	Valued by deducting loss from vacancies from potential gross cash flow.
Potential Gross Cash Flow	2,597,462	Valued a stable revenue amount based on the terms and conditions of the current contracts and actual amounts of past fiscal years, etc. and taking into account new rent levels and future trends.
Loss from Vacancies	152,292	Recorded loss from vacancies by estimating the occupancy rate level that will be stable over the medium to long term, based on the state of occupancy of similar properties, supply and demand trends, the past state of occupancy, and future trends of the target property.

(2) Operating Expenses	860,268	Total of the following 7 items.
Maintenance Expenses and Property Management Fee	301,413	Valued based on the maintenance expense levels and compensation rates, etc. of similar properties, with reference to the compensation rates, etc. based on the actual amounts and terms and conditions of the contracts of past fiscal years.
Utilities Expenses	130,000	Valued based on actual amounts, etc.
Repairs and Maintenance	60,229	Valued based on actual amounts of past fiscal years as well as the future operation plans, expense levels of similar properties and engineering reports, etc.
Tenant Solicitation Expenses	18,930	Recorded the annual average amount estimated on the basis of the assumed rollover period of tenants.
Tax and Public Dues	346,720	Recorded based on the materials related to tax and public dues.
Insurance Premium	2,976	Valued with reference to the insurance premium and the insurance premium rates, etc. of similar properties.
Other Expenses	0	None
(3) Net Operating Income	1,584,902	Calculated by deducting operating expenses from operating revenue.
Profit through Management of Temporary Deposits, Etc.	43	Valued by multiplying the amount, which is obtained by taking into account the number of months for temporary deposits in the terms and conditions of the current contracts and new leases and the state of occupancy, by the management yield (1.0%).
Capital Expenditure	144,750	Valued by taking into account the building age, annual average amount of replacement expenses in engineering reports.
(4) Net Cash Flow	1,440,195	Valued by adding and subtracting profit through management of temporary deposits and capital expenditures to and from net operating income.
(5) Capitalization Rate	3.0%	Valued by taking into account the location, building, and terms and conditions of the contracts, etc.
Appraisal Value through the Discount Cash Flow (DCF) Method	47,700,000	-
Discount Rate	2.7%	Valued by comprehensively taking into account the individuality, etc. of the target property, with reference to the investment returns in transactions of similar properties.
Terminal Capitalization Rate	3.1%	Valued by taking into account the deterioration of building from aging, uncertainty in the lasting market trends, and a decrease in liquidity, etc.
Appraisal Value by Cost Method (Note 1)	45,200,000	-
Land Ratio	91.9%	Indicates the ratio to the total price of land and building by percentage, rounded to the first decimal place.
Building Ratio	8.1%	Indicates the ratio to the total price of land and building by percentage, rounded to the first decimal place.
Ownership Interest	7%	-
Shared Depreciation	99%	-
Other Items Considered upon Appraisal		None in particular

(Note 1) Appraisal Value by Capitalization Method (including related items, such as the appraisal value by the direct capitalization method) and Appraisal Value by Cost Method represents the price of the portion of the building and entire area to be acquired.

VI. Details of the Property (Osaka Dojima Bldg.)

1. Details of Property for Acquisition

1) Property Name/Location, Etc.	
Property Name	Osaka Dojima Bldg.
Location	3-5 Dojima 2-chome, Kita-ku, Osaka City, Osaka Prefecture
Asset Type	Real estate
2) Land/Buildings	
Asset Class	Office
Type of Structure	Steel construction, RC flat roofed, B1/7F
Type of Ownership	Land: Ownership (co-ownership: co-ownership interest 95.4%) Building: Sectional ownership [a portion of 1F, and 2F-7F]
Site Area	Land : Total Site Area 938.01 m ² (entire area) Building: Gross Floor Area 4,977.52 m ² (entire area)
Completion Date	July 1996
Architecture and Design / Construction	Takenaka Corp./Takenaka Corp.
Probable Maximum Loss (PML)	4.6%(Sompo Risk Management Inc.)
3) Price, Etc.	
Acquisition Price	2,460 million yen
Appraisal Value (Appraisal Date)	2,700 million yen(as of November 1, 2022)
Appraiser	Japan Valuers Co., Ltd.
Collateral	None
4) Status of Leasing	
Number of Tenants	8
Rent Revenue, Common Charges (Annual)	137 million yen
Lease and Guarantee Deposits	132 million yen
Total Leasable Floor Space/ Total Leased Floor Space	3,074.30 m ² /2,571.56 m ²
Occupancy Rate	83.6%
Remarks	Sectional owners have preferential negotiating rights over third parties when another sectional owner plans to sell its interest and shall be consulted beforehand.

(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 on “Asset Class,” “Type of Structure,” “Site Area,” and “Completion Date” is as stated in the registry.

(Note 4) “Number of Tenants,” “Rent Revenue, Common Charges (annual),” “Lease and Guarantee Deposits,” “Total Leasable Floor Space/Total Leased Floor Space” and “Occupancy Rate,” indicate the figures at the time of the conclusion of the contract.

2. Profile of Previous Owners

Previous Owner	Owner before Previous Owner	Former Owner
Company Name	Tokyo Tatemono Co., Ltd.	Other than parties with which special interest relationship exists

Relationship with Parties Having Special Interest	Refer to “VIII. Overview of the Other Party in the Asset Replacement” below	—
Background and Reason of Acquisition	Acquisition for the purpose of investment and management	—
Acquisition Price	Omitted as the property has been owned for more than a year	—
Acquisition Date	December 2017	—

3. Overview of Appraisal Report

Property Name	Osaka Dojima Bldg.
Appraisal Value	2,700 million yen
Real Estate Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	November 1, 2022
Types of Value	Fair value

Item	Amount (thousand yen)	General Outline
Appraisal Value by Capitalization Method	2,700,000	Valued using the DCF and direct capitalization methods
Appraisal Value by Direct Capitalization Method	2,720,000	-
(1) Operating Revenue	180,848	-
Potential Gross Cash Flow	188,755	Appraised in consideration of current rents and comparison with similar cases
Loss from Vacancies	7,906	The present occupancy rate and the market's vacancy rate were considered.
(2) Operating Expenses	60,213	-
Maintenance Expenses and Property Management Fee	21,329	Appraised in consideration of actual expenses, planned rates and comparison with similar cases
Utilities Expenses	11,160	Assessed based on actual amounts
Repairs and Maintenance	6,908	Assessed based on an engineering report
Tenant Solicitation Expenses	1,375	Monthly rent (excluding common charges) for new tenants (in consideration of occupancy rate and tenant turnover)
Tax and Public Dues	16,875	Assessed based on the actual amount in FY2022
Insurance Premium	333	Expected amount
Other Expenses	2,234	Assessed considering results
(3) Net Operating Income	120,635	Operating revenue minus operating expenses
Profit through Management of Temporary Deposits, Etc.	1,603	Assessed based on present deposits
Capital Expenditure	16,119	Assessed based on an engineering report
(4) Net Cash Flow	106,120	Net operating income + profit through management of temporary deposits - capital expenditure
(5) Capitalization Rate	3.9%	Assessed considering the location and individuality of the property and referencing market-derived capitalization rates for the same purpose
Appraisal Value through the Discount Cash Flow (DCF) Method	2,680,000	-
Discount Rate	3.6%	Valued by taking into account the regionality and individuality of the target property, with reference to the investment returns in transactions of properties of the same asset class.
Terminal Capitalization Rate	4.0%	Valued by taking into account the above capitalization rate and uncertainty.

Appraisal Value by Cost Method	1,950,000	-
Land Ratio	88.1%	-
Building Ratio	11.9%	-
Other Items Considered upon Appraisal	None in particular	

VII. Details of the Property (FUNDES Tenjin Nishidori)

1. Details of Property for Acquisition

1) Property Name/Location, Etc.		
Property Name	FUNDES Tenjin Nishidori	
Location	3-21 Tenjin 2-chome, Chuo-ku, Fukuoka City, Fukuoka Prefecture	
Asset Type	Real estate	
2) Land/Buildings		
Asset Class	Retail, Clinic	
Type of Structure	Steel construction flat roofed, 8F	
Type of Ownership	Land: Ownership Building: Ownership	
Site Area	Land : Total Site Area 219.26 m ² (entire area) Building: Gross Floor Area 1,135.67 m ² (entire area)	
Completion Date	March 2022	
Architecture and Design / Construction	Konoike Construction Co., Ltd. / Konoike Construction Co., Ltd	
Probable Maximum Loss (PML)	0.1%(Sompo Risk Management Inc.)	
3) Price, Etc.		
Acquisition Price	3,310 million yen	
Appraisal Value (Appraisal Date)	3,590 million yen(as of November 1, 2022)	
Appraiser	Japan Real Estate Institute	
Collateral	None	
4) Status of Leasing		
Number of Tenants	5	
Rent Revenue, Common Charges (Annual)	118 million yen	
Lease and Guarantee Deposits	100 million yen	
Total Leasable Floor Space/ Total Leased Floor Space	1,054.30 m ² /724.84 m ²	
Occupancy Rate	68.8%	
Remarks	None	

(Note1) All amounts less than one million yen have been rounded down, and all rates have been rounded to the first decimal place.

(Note2) "Location" indicates the residential address.

(Note3) The information on "Asset Class," "Type of Structure," "Site Area," and "Completion Date" is as stated in the registry.

(Note4) "Number of Tenants," "Rent Revenue, Common Charges (annual)," "Lease and Guarantee Deposits," "Total Leasable Floor Space/Total Leased Floor Space" and "Occupancy Rate," indicate the figures at the time of the conclusion of the contract.

2. Profile of Previous Owners

Previous Owner	Owner before Previous Owner	Former Owner
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Company Name	Tokyo Tatemono Co., Ltd.	Land : Other than parties with which special interest relationship exists Building : None
Relationship with Parties Having Special Interest	Refer to “VIII. Overview of the Other Party in the Asset Replacement” below	—
Background and Reason of Acquisition	Acquired for the purpose of development	—
Acquisition Price	Omitted as the holding period was longer than one year for land, and the building was developed by the previous owner	—
Acquisition Date	Land : July 2019 Building: April 2022 (newly-built)	—

2. Overview of Appraisal Report

Property Name	FUNDES Tenjin Nishidori
Appraisal Value	3,590 million yen
Real Estate Appraiser	Japan Real Estate Institute
Appraisal Date	November 1, 2022
Types of Value	Fair value

Item	Amount (thousand yen)	General Outline
Appraisal Value by Capitalization Method	3,590,000	Adjusted using the values of the direct capitalization and DCF methods.
Appraisal Value by Direct Capitalization Method	3,590,000	Appraised by capitalizing net cash flow using the capitalization rate.
(1) Operating Revenue	151,932	Valued by deducting loss from vacancies from potential gross cash flow.
Potential Gross Cash Flow	156,545	Valued a stable revenue in the medium to long term based on the rent level of the current contract, in case of new leases and status of tenant occupied at present, etc.
Loss from Vacancies	4,613	Recorded loss from vacancies by estimating the occupancy rate level that will be stable over the medium to long term, based on the state of occupancy of similar properties, supply and demand trends, the past state of occupancy, and future trends of the target property.
(2) Operating Expenses	26,226	Total of the following 7 items.
Maintenance Expenses and Property Management Fee	6,802	Valued based on the maintenance expense levels and compensation rates, etc. of similar properties, with reference to the compensation rates, etc. based on the actual amounts and planned terms and conditions of the contracts of past fiscal years.
Utilities Expenses	5,280	Valued based on actual amounts, the expenses of similar properties and taking into account the status of occupancy etc.
Repairs and Maintenance	459	Valued based on actual amounts of past fiscal years as well as the future operation plans, expense levels of similar properties and engineering reports, etc.
Tenant Solicitation Expenses	1,198	Recorded the annual average amount estimated on the basis of the assumed rollover period of tenants.
Tax and Public Dues	12,292	Recorded based on the materials related to tax and public dues.
Insurance Premium	69	Valued with reference to the insurance premium and the insurance premium rates, etc. of similar

			properties.
	Other Expenses	126	None
	(3) Net Operating Income	125,706	Calculated by deducting operating expenses from operating revenue.
	Profit through Management of Temporary Deposits, Etc.	1,213	Valued by multiplying the amount, which is obtained by taking into account the number of months for temporary deposits in the terms and conditions of the current contracts and new leases and the state of occupancy, by the management yield (1.0%).
	Capital Expenditure	1,100	Valued by taking into account the building age, annual average amount of replacement expenses in engineering reports.
	(4) Net Cash Flow	125,819	Valued by adding and subtracting profit through management of temporary deposits and capital expenditures to and from net operating income.
	(5) Capitalization Rate	3.5%	Valued by taking into account the location, building, and terms and conditions of the contracts, etc.
	Appraisal Value through the Discount Cash Flow (DCF) Method	3,590,000	-
	Discount Rate	3.2%	Valued by comprehensively taking into account the individuality, etc. of the target property, with reference to the investment returns in transactions of similar properties.
	Terminal Capitalization Rate	3.5%	Valued by taking into account the deterioration of building from aging, uncertainty in the lasing market trends, and a decrease in liquidity, etc.
	Appraisal Value by Cost Method	2,770,000	-
	Land Ratio	82.2%	Indicates the ratio to the total price of land and building by percentage, rounded to the first decimal place.
	Building Ratio	17.8%	Indicates the ratio to the total price of land and building by percentage, rounded to the first decimal place.
	Other Items Considered upon Appraisal		None in particular

VIII. Overview of the Other Party in the Asset Replacement

Company Name	Tokyo Tatemono Co., Ltd.
Head Office Address	9-9 Yaesu 1-chome, Chuo-ku, Tokyo
Representative	Hitoshi Nomura, President and CEO and Executive Officer
Paid-in Capital	92,451 million yen (as of June 30, 2022)
Principal Activities	Real estate business
Establishment	October 1, 1896
Consolidated Net Assets	459,260 million yen (as of June 30, 2022)
Consolidated Total Assets	1,666,864 million yen (as of June 30, 2022)
Major Shareholders and Shareholding Ratios (as of June 30, 2022)	The Master Trust Bank of Japan, Ltd. (Trust Account): 17.96% Custody Bank of Japan, Ltd. (Trust Account): 9.04% JP Morgan Securities Japan Co., Ltd. : 3.05% JP MORGAN CHASE BANK 385632: 2.78%
Relationship with JPR and the Asset Management Company	
Capital Relationship	As of the fiscal period ended June 30, 2022, Tokyo Tatemono Co., Ltd. owned investment units of JPR equivalent to 2.9% of the investment units issued and outstanding. In addition, the concerned company owned 75% of the shares issued and outstanding in TRIM.
Personal Relationship	As of the fiscal period ended June 30, 2022, eight of the officers and employees of TRIM (excluding part-time directors) were those seconded

	from the concerned company.
Business Relationship	Other than the subject transactions, there is no transaction regarding asset acquisition or sale between the concerned company and JPR and/or TRIM in the fiscal period ending December 31, 2022.
Related Party or Not	The concerned company does not fall within the definition of a related party of JPR. The concerned company is another interested party of TRIM and falls within the definition of a related party of TRIM.
Other	The concerned company is a shareholder of TRIM and falls within the scope of interested parties as defined in the rules of JPR's Board of Directors as well as within the scope of related parties as defined in the Enforcement Order for the Act on Investment Trusts and Investment Corporations. Accordingly, JPR's Board of Directors has provided its authorization before entering into an agreement with the concerned company.

IX. Profile of Property Management Company

1. Shinjuku Center Bldg. (additional ownership) and Osaka Dojima Bldg. : Tokyo Tatemono Co., Ltd.

For an overview of Tokyo Tatemono, please see VIII. Overview of the Other Party in the Asset Replacement

2. FUNDES Tenjin Nishidori : Daio Co., Ltd.

Company Name	Daio Co., Ltd.
Head Office Address	Fukuoka, Fukuoka 6-11 Daimyo 2-Chome, Chuo-ku
Representative	President and CEO Kyoko Matsuoka
Paid-in Capital	60 million yen
Principal Activities	Real estate business
Establishment	November 13, 1972
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	JPR/TRIM is not outsourcing any property management to the concerned company as of June 30, 2022.
Related Party or Not	The concerned company does not fall within the definition of a related party of JPR and/or TRIM.
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 within the scope of related parties as defined in the Enforcement Order for the Act on Investment Trusts and Investment Corporations.

X. 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, 2022 and the fiscal period ending June 30, 2023.

[Attachment]

【Reference】 Real Estate Portfolio after the Asset Replacement

Area	Asset Class	Property No.	Property Name	Acquisition Price (yen in millions)	Investment Ratio	Investment Ratio by Area	
Tokyo CBDs	Office	A-1	Kanematsu Bldg.	16,276	3.3%	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	2.3%		
		A-9	JPR Ichigaya Bldg.	5,100	1.0%		
		A-10	Oval Court Ohsaki Mark West	3,500	0.7%		
		A-11	Shinjuku Square Tower	14,966	3.0%		
		A-12	BYGS Shinjuku Bldg.	15,121	3.1%		
		A-13	Across Shinkawa Bldg. Annex	710	0.1%		
		A-14	Shinjuku Center Bldg.	24,320	4.9%		
		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	1.7%		
		A-20	JPR Nihonbashi Horidome Bldg.	5,100	1.0%		
		A-21	JPR Sendagaya Bldg.	15,050	3.0%		
		A-22	Ginza Sanwa Bldg.	3,400	0.7%		
		A-23	The Otemachi Tower (land with leasehold interest)	36,000	7.3%		
		A-24	Science Plaza / Yonbancho Plaza	2,660	0.5%		
		A-25	Shibadaimon Center Building	4,213	0.9%		
		A-26	Tokyo Square Garden	18,400	3.7%		
		A-27	JPR Kojimachi Bldg.	5,750	1.2%		
		A-28	Otemachi Financial City North Tower	11,400	2.3%		
		A-29	Tokyo Tatemono Higashi Shibuya Bldg.	11,300	2.3%		
		A-1	JPR Shibuya Tower Records Bldg.	12,000	2.4%		
		Retail	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	2.0%			
A-7	FUNDES Suidobashi		3,250	0.7%			
Greater Tokyo	Office		B-1	Arca East	5,880	1.2%	29.9%
			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	1.6%		
		B-7	JPR Ueno East Bldg.	3,250	0.7%		
		B-8	Tachikawa Business Center Bldg.	3,188	0.6%		
		B-9	Rise Arena Bldg.	13,131	2.7%		
		B-10	Yume-ooka Office Tower	6,510	1.3%		
		B-11	Olinas Tower	31,300	6.3%		
		B-12	JPR Yokohama Bldg.	7,000	1.4%		
		B-13	JPR Omiya Bldg.	6,090	1.2%		
		B-14	Sencity Bldg.	13,870	2.8%		
		Retail	B-1	Tanashi ASTA	10,200	2.1%	
	B-3		The Cupo-la Main Bldg.	2,100	0.4%		
	B-4		JPR Musashikosugi Bldg.	7,254	1.5%		
	Other Cities	Office	B-5	Musashiurawa Shopping Square	4,335	0.9%	
B-6			Kawasaki Dice Bldg.	15,080	3.0%		
B-7			FUNDES Ueno	3,800	0.8%		
C-1			Niigata Ekinan Center Bldg.	2,140	0.4%		
C-9			JPR Naha Bldg.	1,560	0.3%		
C-12			Sompo Japan Sendai Bldg.	3,150	0.6%		
C-13			Sompo Japan Wakayama Bldg.	1,670	0.3%		
C-14	Tenjin 121 Bldg.		2,810	0.6%			
C-17	JPR Dojima Bldg.		2,140	0.4%			
C-19	JPR Nagoya Fushimi Bldg.		4,137	0.8%			
Retail	C-20	Yakuin Business Garden	10,996	2.2%			
	C-21	JPR Shinsaibashi Bldg.	5,430	1.1%			
	C-22	JPR Shinsaibashi West.	3,750	0.8%			
	C-23	GRAND FRONT OSAKA (Umekita Plaza and South Building)	11,800	2.4%			
	C-24	GRAND FRONT OSAKA (North Building)	9,500	1.9%			
	C-25	Osaka Dojima Bldg.	2,460	0.5%			
Retail	C-4	Housing Design Center Kobe	7,220	1.5%			
	C-5	JPR Chayamachi Bldg.	6,000	1.2%			
	C-6	FUNDES Tenjin Nishidori	3,310	0.7%			
Total				494,544	100.0%		

(Note1) “Acquisition Price” does not include acquisition costs.

(Note2) “Acquisition Price” is rounded down to the nearest million yen and percentages are rounded to the first decimal place.

(Note3) All the properties in the portfolio are listed except for JPR Umeda Loft Bldg., which will be sold on December 23, 2022.

For the details of the sale of JPR Umeda Loft Bldg., please see the Notice Concerning Acquisition and Sale of Properties (Conclusion of Contracts) (Acquisition of “GRAND FRONT OSAKA” and “Tokyo Tatemono Higashi Shibuya Bldg.” and Sale of “Tokyo Tatemono Honmachi Bldg.” and “JPR Umeda Loft Bldg.”) dated December 23, 2021.