

Japan Prime Realty Investment Corporation  
Yoshihiro Jozaki, Executive Officer  
(Security 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)

## **Supplementary Material on the Following Press Release Announced on December 21, 2022**

---

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

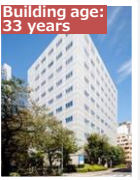
# Overview of Transactions

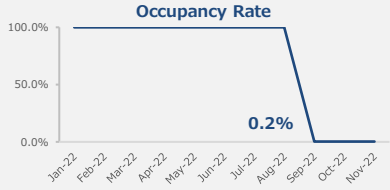
Sell an office building where the occupancy rate has declined significantly with tenants leaving and acquire three properties: a super high-rise building on the west side of Shinjuku station, an office building in the heart of Osaka, and a new retail building in Fukuoka Tenjin. Expand the asset size and increase NOI.

## Overview of Transactions

New Acquisition Assets			
	Shinjuku Center Bldg. (Additional Ownership)	Osaka Dojima Bldg.	FUNDES Tenjin Nishidori
			
Acquisition price	3.32 billion yen	2.46 billion yen	3.31 billion yen
Appraisal value	3.32 billion yen	2.70 billion yen	3.59 billion yen
NOI yield	3.3%	4.9%	3.8%
NOI yield after depreciation	2.7%	4.3%	3.3%
Seller	Tokyo Tatemono	Tokyo Tatemono	Tokyo Tatemono
Acquisition Date	December 22, 2022	January 11, 2023	January 11, 2023

### Exchange

Assets transferred	
	Gotanda First Bldg.
	
Sale price	4.27 billion yen
Planned Book Value	2.92 billion yen
Difference from exchange of properties	950 million yen
Buyer	Tokyo Tatemono
Sale Date	December 22, 2022



**Occupancy Rate**

■ In August 2022, the tenant left the building.(1,280 tsubo) And occupancy rate is 0.2%.

■ JPR received an amount equivalent to rent to the end of November 2022.

■ JPR decided to sell this building because it will take a certain period of time before earnings recover.

■ The difference from exchange of properties (950 million yen), the acquisition price minus the sale price, will be received.

## Effect of the Asset Replacement

### Expand the asset size and increase NOI

	Acquisition			Sale	Effect
	Shinjuku Center Bldg. (Additional Ownership)	Osaka Dojima Bldg.	FUNDES Tenjin Nishidori	Gotanda First Bldg.	
<b>Asset size</b>	3.32 billion yen	2.46 billion yen	3.31 billion yen	2.92 billion yen	<b>+6.17 billion yen</b>
<b>NOI</b>	110 million yen	120 million yen	125 million yen	172 million yen	<b>+184 million yen</b>
<b>NOI after depreciation</b>	90 million yen	106 million yen	109 million yen	116 million yen	<b>+190 million yen</b>

## Exchange Transaction and Compressed Entry

### Make a compressed entry (Article 50 of the Corporation Tax Act) to reduce the book value of the land of Shinjuku Center Bldg., using a gain on the sale of land of Gotanda First Bldg.



	Existing part	Additional Ownership	Total
<b>Book Value</b>	22,236 million yen	1,782 million yen	24,019 million yen
<b>NOI yield</b>	3.2%	6.2%	3.4%
<b>NOI yield after depreciation</b>	2.5%	5.1%	2.7%

※ 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.

# Shinjuku Center Bldg. (Additional Ownership)

Central Tokyo

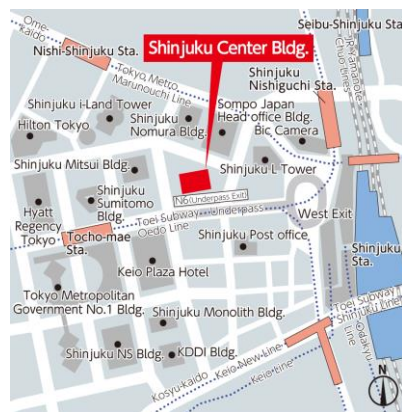
Office

Sponsors

Additional acquisition of a highly competitive office building in the area having a concentration of high-rise buildings on the west side of Shinjuku station from Tokyo Tatemono, the main sponsor



Acquisition date	December 22, 2022
Acquisition price	3,320 million yen
Appraisal value	3,320 million yen
Total rentable area /floors	1,551.45m <sup>2</sup> /54F
Type of Ownership	Ownership of a part of the site and sectional ownership (21.5% of the entire building) (co-ownership interest of 7.0%)
building age	43years
NOI yield	3.3%
After-depreciation yield	2.7%
Occupancy rate (as of acquisition date)	94.8%
Seller	Tokyo Tatemono Co., Ltd.



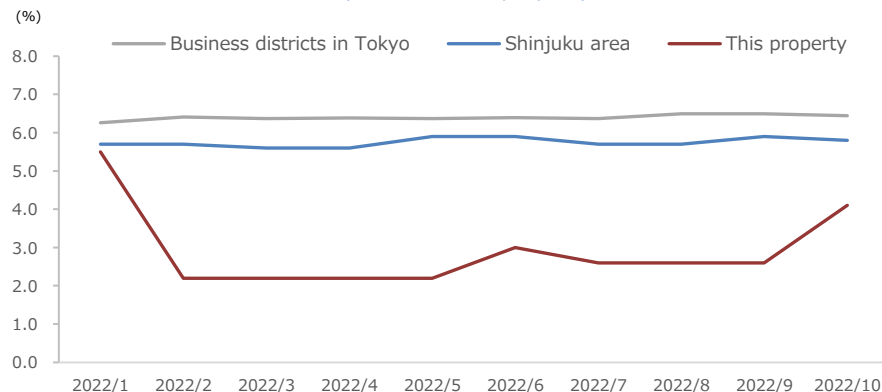
## Acquisition Highlights

- The property is conveniently located. It is directly connected by an underground passage to JR Shinjuku Station. It is two-minute walk from Toei Subway Oedo Line "Tocho-mae" Station
- 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.
- Appropriate maintenance and management such as equipment renewal and renewal of common areas, and reduction of environmental impact by adopting LED lighting in 2009, we carried out the world's first long-period earthquake motion countermeasure work on an existing skyscraper. Various long-life initiatives aimed at 100-year construction are highly evaluated.

## Market Environment in Shijuku Area

- The vacancy rate in the Shinjuku area has remained lower than that in the business districts in Tokyo.

Trends in vacancy rates in the Shinjuku area, in business districts in Tokyo, and at this property\*1



\*1. Prepared by TRIM based on materials published by Miki Shoji Co., Ltd.

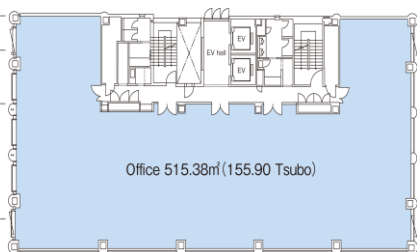
# Osaka Dojima Bldg.

- Other Cities
- Office
- Sponsors

Acquire an office building in a prime area, Dojima area in Osaka, from Tokyo Tatemono, the main sponsor.



Acquisition date	January 11, 2023
Acquisition price	2,460 million yen
Appraisal value	2,700 million yen
Total rentable area / floors	3,074.30m <sup>2</sup> /7F
Type of Ownership	Land: Ownership (co-ownership: co-ownership interest 95.4%) Building: Sectional ownership
building age	26years
NOI yield	4.9%
After-depreciation yield	4.3%
Occupancy rate (as of acquisition date)	83.6%
Seller	Tokyo Tatemono Co., Ltd.

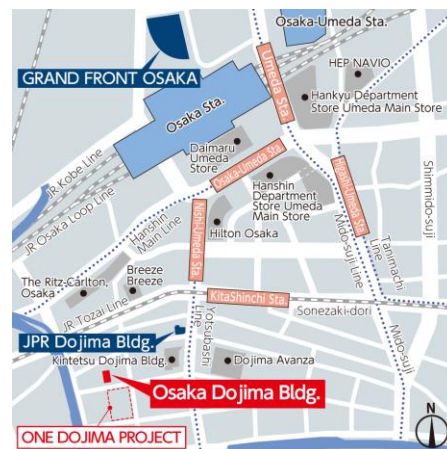


## Acquisition Highlights

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

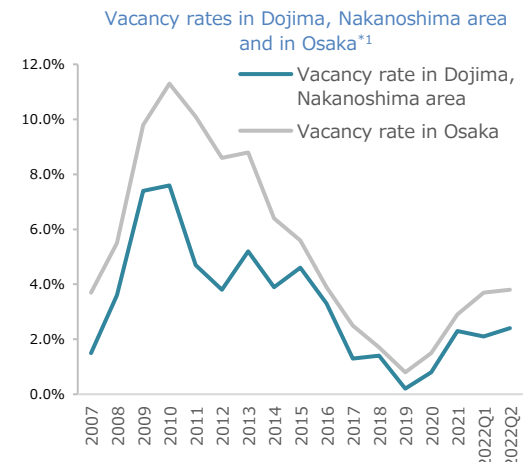
## Map of Surrounding Area

- The surrounding area is expected to develop further due to ONE DOJIMA PROJECT, a large redevelopment project of Tokyo Tatemono.



## Market Environment in Dojima Area

- The office market in the Dojima area has been remaining stable.



\*1. Prepared by TRIM based on materials published by CBRE K.K.

# FUNDES Tenjin Nishidori

Other Cities

Retail

Sponsors

Acquire a new urban compact retail facility that Tokyo Tatemono, the main sponsor, has developed.

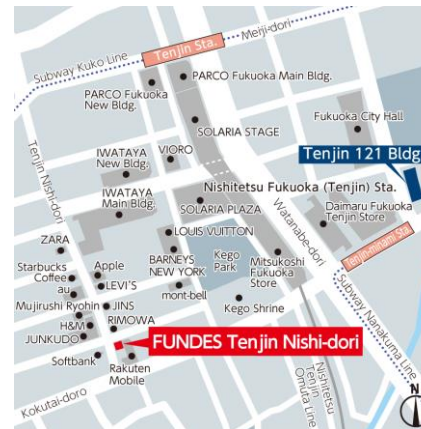


## Acquisition Highlights

- 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.
- 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.

## Map of Surrounding Area

- Tenjin Nishidori is a prime area that has a concentration of popular retail facilities.



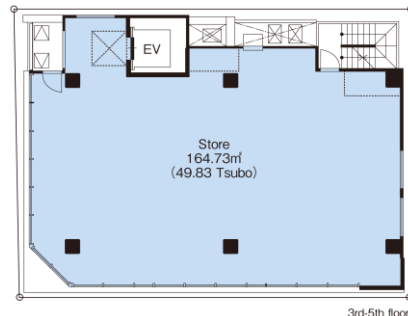
## Market Environment in Fukuoka Tenjin Area

- Commercial needs are expected to increase in the Fukuoka Tenjin area as the Tenjin Big Bang project is being implemented.

Numerical targets in Tenjin Big Bang project

- ✓ Aiming to rebuild **30 buildings in ten years** leading up to 2024 to create new space and jobs
- ✓ Gross floor area: approximately **1.7-fold**
- ✓ Number of employees: approx. **2.4-fold**
- ✓ Economic effect: **850.0 billion yen per year**

Acquisition date	January 11, 2023
Acquisition price	3,310 million yen
Appraisal value	3,590 million yen
Total rentable area /floors	1,054.30m <sup>2</sup> /8F
Type of Ownership	Land: Ownership Building: Ownership
building age	newly built
NOI yield	3.8%
After-depreciation yield	3.3%
Occupancy rate (as of acquisition date)	68.8%
Seller	Tokyo Tatemono Co., Ltd.



- This material contains information that constitutes forward-looking statements. Such forward-looking statements are made by Japan Prime Realty Investment Corporation (JPR) and Tokyo Realty Investment Management, Inc. (TRIM) based on information currently available, and are therefore not guarantees of future performance. Actual results may differ materially from those in the forward-looking statements as a result of various factors including known or unknown risks and uncertainties.
- This material is solely for the purpose of providing information, and is not intended for the purpose of offering or soliciting investment, or as a means of marketing activities. Please refer any inquiries for possible purchase of investment units or investment corporation bonds of JPR to your securities companies.
- Although JPR takes all possible measures to ensure the accuracy of the content provided in this material (including references to legislation and taxation), it makes no guarantee as to the accuracy or reliability of the content. Furthermore, the content may be subject to change without prior notice.