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For Translation Purpose Only

For Immediate Release

Japan Prime Realty Investment Corporation
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(Securities Code: 8955)
Asset Management Company:
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Notice Concerning Asset Management Company's Establishment of Real Estate Investment Corporation Investing Mainly in Logistics Properties

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, decided to establish a new J-REIT ("New Investment Corporation") investing mainly in logistics properties and to make preparations for its establishment as described below.

Details

1. Summary

Tokyo Tatemono Group ("Tokyo Tatemono Group"), which includes Tokyo Tatemono Co., Ltd., the sponsor of JPR and TRIM, included "expand property sales to investors" and "strengthen fund business" as key strategies in its Long-term Vision, Medium-term Business Plan (FY2020-FY2024), and the establishment of the New Investment Corporation is in accordance with initiatives to expand Tokyo Tatemono Group's earning opportunities.

Tokyo Tatemono Group positions the logistics properties development business as a growth driver in the Medium-term Business Plan, and is actively expanding its business focusing on the "T-LOGI" brand of eco-friendly advanced logistics facilities. TRIM believes it can offer investors attractive investment opportunities by establishing the New Investment Corporation, which will have an extensive pipeline of such high added value logistics properties. TRIM aims to make an investment corporation which can enjoy stable earnings and achieve sustainable growth through full support of Tokyo Tatemono Co., Ltd., which will sponsor the New Investment Corporation in the same way as it sponsors JPR.

Although JPR and the New Investment Corporation will have different main investment targets, TRIM will clearly separate the divisions in charge of managing the assets of each investment corporation from the viewpoint of preventing conflicts of interest arising as a result of more than one investment corporation competing for investment opportunities (please refer to "TRIM's Organizational Chart" in the Appendix). TRIM will make necessary amendments to its internal regulations concerning the handling of real estate information as explained later in this release and will apply these amended regulations to asset management operations from date of establishment of the New Investment Corporation .

(Note) The establishment and listing of the New Investment Corporation is conditional upon authorizations and approvals of the relevant authorities and the Tokyo Stock Exchange.

2. Overview of the New Investment Corporation

Company name	Tokyo Tatemono Logistics Reit Investment Corporation (planned)
Address	4-16 Yaesu 1-chome, Chuo-ku, Tokyo (planned)
Executive Officer	Yoshirou Goto (planned)
Promoter	Tokyo Realty Investment Management, Inc. (TRIM)

3. Schedule for the Establishment of the New Investment Corporation

Notification of establishment	August 10, 2023
Date of establishment	August 18, 2023 (planned)
Application for registration	Late August ~ Early September 2023 (planned)
Completion of registration	Late September 2023 (planned)

(Note) The above schedule is TRIM's plan as of today and the actual establishment schedule may change in the future according to the progress of TRIM's internal procedures and procedures for obtaining authorizations and approvals from the relevant authorities.

4. System for Preventing Conflicts of Interest

Since the New Investment Corporation will invest mainly in logistics properties and industrial properties, and JPR positions office properties, urban retail properties and, etc. as its main investment targets, it does not, in principle, expect investment opportunities to substantially compete with each other.

However, from the viewpoint of preventing conflicts of interest arising due to competing investment opportunities for both investment corporations, TRIM has decided to adopt "Rules on the Handling of Information Concerning Property Acquisitions (Rotation Rule)" stipulating an order for considering the acquisition of properties, to prevent the arbitrary distribution of property information obtained by TRIM.

The main contents of this rule are as follows.

- (1) When officers or employees of TRIM obtains information about sales of properties, they shall immediately forward all such information to the Investment Strategy Department and such information shall managed centrally by Investment Strategy Department .
- (2) Regardless of whether the property subject to the property sales information ("Subject Property") is single-use or mixed-use, if the use of the Subject Property falls under the main investment target uses ("Main Investment Target Uses") listed in Appendix 1 below of either one of the investment corporations, only the division of TRIM which manages the assets of such investment corporation shall consider acquisition based on such property sale information.
- (3) If the Subject Property is a mixed-use property and its use falls under the Main Investment Target Uses of both investment corporations , the division of TRIM that manages the assets of the investment corporation whose Main Investment Target Uses include the main use of the Subject Property ("Prioritized Division") shall be given priority over the division of TRIM that manages the assets of the other investment corporation ("Subordinated Division") and may consider acquisition based on such property sale information. If the Prioritized Division decides not to acquire the property, the Subordinated Division may consider acquisition. Please refer to Appendix 2 for further details. In this context, the main use of the Subject Property means the use with the biggest floor area out of the total floor area of such property (judged based on the floor area stated in the property data included in the property sales information, in principle).

(i) Appendix 1: Main Investment Target Uses of each Investment Corporation

Main Investment Target Uses of JPR	Main Investment Target Uses of the New Investment Corporation
<ul style="list-style-type: none">• Office properties (urban business properties), retail facilities (urban retail properties) and hotels (urban accommodation properties) located in thriving commercial areas• Urban mixed-use properties (mixed use properties whose main use is prime office space (urban business properties) and mixed use properties serving mainly as urban retail properties located in thriving commercial areas)	<ul style="list-style-type: none">• Logistics properties• Industrial properties<ul style="list-style-type: none">✓ Data centers✓ Telecommunication facilities✓ Research facilities✓ Plants✓ Supply and treatment facilities✓ Renewable energy-related facilities

(Note) The use of land with a leasehold interest is determined based on the use of the building on the land with a leasehold interest, and the use of vacant land is determined based on the use of the building which either investment corporation or a third party plans to build on the land. Even if the existing building on land with a leasehold interest falls under the Main Investment Target Uses of one of the investment corporations only, if the building which might be built on such land with a leasehold interest as a result of redevelopment will also fall under the Main Investment Target Uses of the other investment corporation, then acquisition shall be considered on the assumption that such land with a leasehold interest is mixed use. In this case, the division of TRIM which manages the assets of the investment corporation whose Main Investment Target Uses include the existing building shall be the Prioritized Division.

(ii) Attachment 2: Order of Priority for Consideration of Acquisition

Main use of Subject Property	Prioritized Division	Subordinated Division
If Main use of Subject Property falls under Main Investment Target Uses of JPR	Investment Management Division 1	Investment Management Division 2
If Main use of Subject Property falls under Main Investment Target Uses of the New Investment Corporation	Investment Management Division 2	Investment Management Division 1

(Note 1) Investment Management Division 1 means the division of TRIM which is in charge of managing the assets of JPR, and Investment Management Division 2 means the division of TRIM which is in charge of managing the assets of the New Investment Corporation.

(Note 2) Regardless of the foregoing, under the following circumstances, only the division managing the assets of the investment corporation in question shall be entitled to consider acquisition of the Subject Property, in principle.

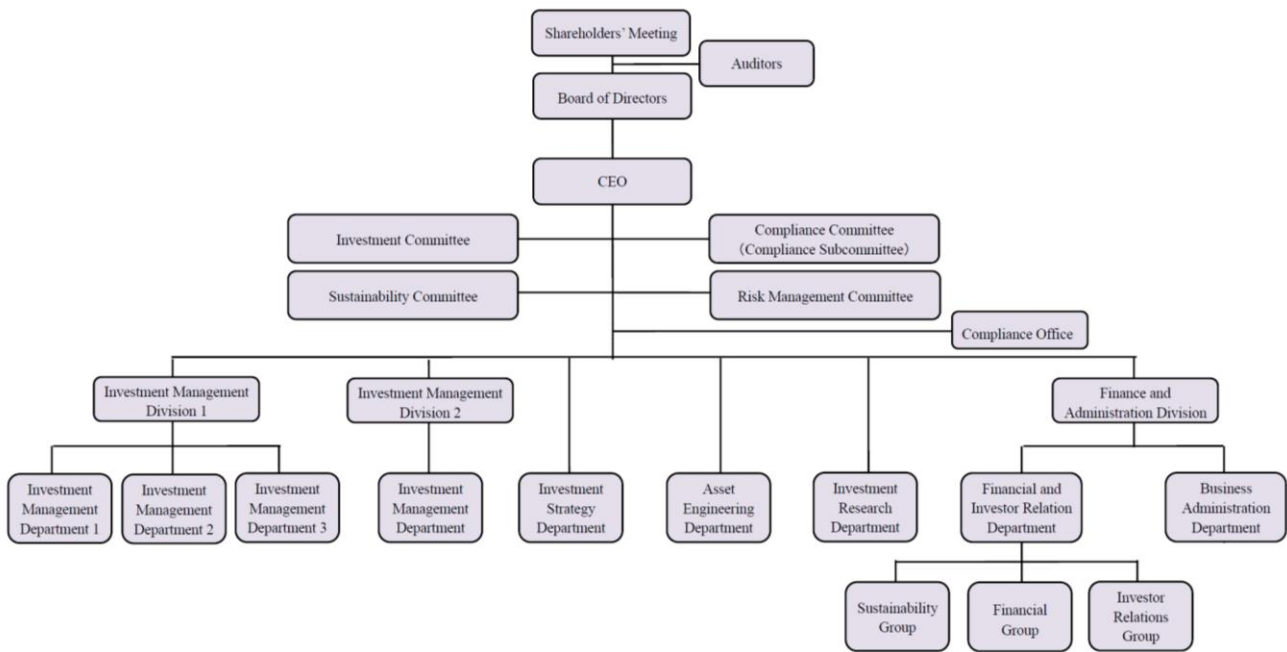
- If the seller of the Subject Property designates the investment corporation in question as a candidate for acquiring the Subject Property in advance.
- If the investment corporation in question has the right of first refusal or right of pre-emption under a contract.
- If the investment corporation in question already has rights relating to a part of the Subject Property as a result of co-ownership, sectional ownership, quasi-co-ownership of beneficiary rights or other reasons.
- If there are other special circumstances, for example, the investment corporation in question already owns a property adjacent to the Subject Property or the other investment corporation's acquisition of the Subject Property would be in breach of an existing contract.

5. Outlook

The impact of establishment of the New Investment Corporation on JPR's performance will be insignificant, and there are no changes to the Forecasts for the 43rd Fiscal Period Ending June 30, 2023 (January 1, 2023 – June 30, 2023) and the 44th Fiscal Period Ending December 31, 2023 (July 1, 2023 – December 31, 2023) included in Japan Prime Realty Investment Corporation Financial Report for the 42nd Fiscal Period Results (July 1, 2022 – December 31, 2022) announced on February 17, 2023.

(Appendix)

■ TRIM's Organizational Chart



(Note 1) Investment Management Division 1 will be responsible for managing the assets of JPR.

(Note 2) Investment Management Division 2 will be responsible for managing the assets of the New Investment Corporation.