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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) **“ Nakano Central Park East ”**

Japan Prime Realty Investment Corporation (JPR) announced that Tokyo Realty Investment Management, Inc.(TRIM), 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	Nakano Central Park East (Ownership interest 53.0%)
② Asset Type	Beneficiary interest in real estate
③ Asset Class	Office
④ Acquisition Price	28,800 million yen
⑤ Appraisal Value	30,100 million yen
⑥ NOI Yield	3.2%
⑦ NOI Yield after Depreciation	2.8%
⑧ Contract Date	February 16, 2024
⑨ Planned Acquisition Date	March 1, 2024
⑩ Seller	Domestic specific purpose company
⑪ Funding	Own funds and loans
⑫ Payment Method	Lump-sum payment at the time of delivery
⑬ Brokerage	Yes

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

(Note 2) “NOI Yield” is NOI divided by the acquisition price and is rounded to the first decimal place. “NOI” is net operating income stated in the real estate appraisal report.

(Note 3) “NOI Yield after Depreciation” is NOI after depreciation divided by the acquisition price and is rounded to the first decimal place. “NOI after Depreciation” is NOI less forecast depreciation.

(Note 4) Details of the loans, which form part of the financing will be notified at a later date once determined.

2. Purpose of the acquisition

Offices are required to have more diverse and sophisticated functions and roles, and purchasers of office buildings have become more selective. In this environment, enhancing the portfolio's competitiveness over the medium to long term is increasingly important.

This property is a five-minute walk from the station, which gives it a location advantage, and has high specifications. Additionally, the office building's lush surroundings, including the adjacent park, significantly enhance well-being. JPR has decided to acquire the property to enhance the quality of its portfolio.

(1) Location, the surrounding environment

This property has convenient access to public transportation. It is a five-minute walk from Nakano Station, which is on the JR Chuo and Sobu Line and Tokyo Metro Tozai Line and offers easy access to central Tokyo. The property is located next to Nakano Shikinomori Park, and its public space is integrated with the park. The property and its surrounding area comprise a verdant space in a business district that is like no other in Japan.

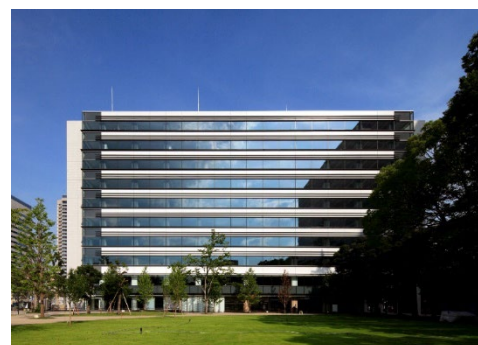
(2) Building

The building has impressive specifications. Tokyo Tatemono Co., Ltd., JPR's sponsor, developed the building and Nakano Central Park South in an integrated fashion. The standard floor area is 849 tsubo. The floor can be divided into small sections, which can be utilized for a variety of purposes. The building is equipped with high-performance equipment for business continuity planning, such as seismic isolation equipment. Tokyo Tatemono is involved in various activities including development and area management, as well as working to revitalize the entire area.



Development of an area that includes Nakano Central Park South

A lush green space with an office building



Left : Nakano Central Park East Right : Nakano Central Park South

(3) Redevelopment of the area around Nakano Station

The vicinity of Nakano Station is home to numerous office buildings. A large number of people who work in those buildings reside in the nearby areas. In recent years, there has been a rise in demand for office spaces in the region, leading to an increase in the head office functions of major companies, the back offices of financial institutions, and entertainment industry companies, such as video production houses.

Multiple major development projects are currently underway in the area, which is expected to become more competitive as an office district. In 2026, a new Nakano Station building will be completed. A new exit will be created, and a pedestrian deck will be built on the north side of the station. This will significantly enhance access to the property.

<Illustrative map of the redevelopment of the Nakano area>



Source : Prepared by TRIM based on publications of Nakano Ward

(4) Benefits of the acquisition

After the acquisition, JPR's assets will surpass 500 billion yen (based on acquisition prices). To boost income levels, JPR will appropriately procure funds, while monitoring financial markets and leveraging borrowings and cash on hand.

<Benefits of the acquisition>

Assets (million yen / period)	+28,800
NOI (million yen / period)	+460
Income after depreciation (million yen / period)	+400
NAV per unit (yen)	+1,303

3. Details of property for acquisition

Property Name	Nakano Central Park East
Location	10-1, Nakano 4-chome, Nakano-ku, Tokyo
Asset Type	Beneficiary interest in real estate
Trustee	Sumitomo Mitsui Trust Bank, Limited
Trust Period	March 27, 2014 to March 31, 2024
Asset Class	Office, retail and parking
Type of Structure	Steel construction, RC flat roofed, B2/10F
Type of Ownership	Land: Ownership (quasi-co-ownership interest of 53.0%) Building: Ownership (quasi-co-ownership interest of 53.0%)
Completion Date	Land : Total site area 6,045.05 m ² (entire area) Building: Gross floor area 37,870.65 m ² (entire building)
Completion Date	March, 2012
Architecture and Design / Construction	Toda Corporation /Toda Corporation
Probable Maximum Loss (PML)	0.3%(Sompo Risk Management Inc.)
Acquisition Price	28,800 million yen
Appraisal Value (Appraisal Date)	30,100 million yen (as of December 31, 2023)
Appraiser	JLL Morii Valuation & Advisory K.K.
Collateral	None
Status of Leasing	
Number of Tenants	14
Rent Revenue, common charges (Annual)	1,087 million yen
Lease and Guarantee Deposits	853 million yen
Total Leased Floor Space	12,555.41 m ²
Total Leasable Floor Space	13,523.68 m ²
Occupancy Rate	92.8%
Remarks	The quasi-co-owners, including JPR, will enter into an agreement on the pre-emption right and other matters below on the scheduled acquisition date of this property. Summary of the pre-emption right: In the event that a quasi-co-owner intends to transfer its quasi-co-ownership interest, it shall be required first to notify the other quasi-co-owners of its intention to transfer the quasi-co-ownership interest before notifying any third party. If the other quasi-co-owners do not reach an agreement on purchasing the quasi-co-ownership interest within thirty days of receiving the notice, a transfer to a third party shall be allowed.

(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.

(Note 4) Since a pass-through type master lease contract has been concluded between the trust beneficiaries and Tokyo Tatemono Co., Ltd. (master lessee), "Number of Tenants" is the number of subtenants to which the master lessee had sublet the property at the time the sale and purchase agreement was concluded.

(Note 5) Rent revenue, common charges (annual), lease and guarantee deposits, total leased floor space, and total leasable floor space are figures for the portion of the area which the master lessee sublets to subtenants corresponding to the ownership interest that JPR plans to have at the time of the conclusion of the sale and purchase agreement.

4. Seller Profile

The seller is a domestic specific purpose company. JPR has not disclosed detailed information about the seller because it has not obtained its consent. Neither JPR nor TRIM has any capital, personal, or business relations to be stated with the seller. The seller is not a related party of JPR or TRIM.

5. Profile of Previous Owners

JPR does not reveal the acquirer's identity because it does not have any special interest in JPR or TRIM.

6. Sales Agent

Company Name	Tokyo Tatemono Real Estate Sales Co., Ltd.
Head Office Address	5-20 Yaesu 1-chome, Chuo-ku, Tokyo
Representative	Kengo Fukui, President and CEO and Executive Officer
Paid-in Capital	4,321 million yen (as of December 31, 2022)
Principal Activities	Real estate business
Establishment	January 25, 1954
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 and/or TRIM have no personal relationships to be indicated with the concerned party.
Related Party or Not	The concerned company does not fall within the definition of a related party of JPR. Tokyo Tatemono, a shareholder of TRIM, has a stake in the concerned company and it falls within the definition of a related party of TRIM.
Other	Tokyo Tatemono, a shareholder of TRIM, has a stake in the concerned company and it 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.
Brokerage fee	10.6 million yen (excluding consumption tax, etc.)

7. Profile of Property Management Company

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 December 31, 2023)
Principal Activities	Real estate business
Establishment	October 1, 1896
Consolidated Net Assets	508,035 million yen (as of December 31, 2023)
Consolidated Total Assets	1,905,309 million yen (as of December 31, 2023)
Major Shareholders and Shareholding Ratios (as of June 30, 2023)	The Master Trust Bank of Japan, Ltd. (Trust Account): 18.50% Custody Bank of Japan, Ltd. (Trust Account): 9.95% JP Morgan Securities Japan Co., Ltd. : 2.91% JP MORGAN CHASE BANK 385632: 2.41%
Relationship with JPR and the Asset Management Company	
Capital Relationship	As of the fiscal period ended December 31, 2023, 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 100% of the shares issued and outstanding in TRIM.
Personal Relationship	As of the fiscal period ended December 31, 2023, ten 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, 2023.
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.

8. Outlook

For details of the operating forecasts for the fiscal period ending June 30, 2024 and the fiscal period ending December 31, 2024, which reflect the impact of the Acquisition, please refer to Outlook for Management Status in the Financial Report for the 44th Fiscal Period Results (July 1, 2023– December 31, 2023) released today.

9. Overview of Appraisal Report

Property Name	Nakano Central Park East
Appraisal Value	30,100 million yen
Real Estate Appraiser	JLL Morii Valuation & Advisory K.K.

Appraisal Date	December 31, 2023
Types of Value	Fair value

Item	Amount (thousand yen)	General Outline
Appraisal Value by Capitalization Method	56,800,000	Appraisal value is determined with emphasis on appraisal value by the DCF method, with appraisal value by the direct capitalization method used as verification.
Appraisal Value by Direct Capitalization Method	58,800,000	Appraised by capitalizing net cash flow using the capitalization rate.
Operating Revenue	2,358,987	Calculated by deducting loss from vacancies from potential gross cash flow.
Potential Gross Cash Flow	2,460,688	Estimated a stable revenue amount, taking into account new rent levels and future trends estimated based on the current contract terms and actual past figures, etc.
Loss from Vacancies	101,701	A loss from vacancies, etc. is recorded based on expected stable occupancy rates over the medium to long term. The occupancy rates are assessed based on occupancy and demand for similar properties, and past occupancy rates and expected trends for this property.
Operating Expenses	621,231	
Maintenance Expenses and Property Management Fee	221,045	Assessed based chiefly on actual figures. Recorded property management and building management fees.
Utilities Expenses	129,630	Assessed based on actual figures.
Repairs and Maintenance	22,003	Assessed based on engineering reports and similar examples.
Tenant Solicitation Expenses	23,070	Recorded an average annual amount assessed based on the estimated length of tenancy.
Tax and Public Dues	199,494	Assessed based on actual figures in FY2023 and projections of future trends.
Insurance Premium	3,990	Assessed based on actual figures for similar properties.
Other Expenses	22,000	Assessed based on actual figures in previous years and projections. Actual figures for similar properties are used as a reference.
Net Operating Income	1,737,756	Operating revenue minus operating expenses
Profit through Management of Temporary Deposits, Etc.	18,559	Assessed based on the current lease terms and market practices.
Capital Expenditure	50,654	Assessed based on engineering reports and similar examples.
Net Cash Flow	1,705,661	
Capitalization Rate	2.9%	Assessed by applying method that uses a comparison with cases involving transactions of comparable real estate to gain an understanding of actual market conditions.
Appraisal Value through the Discount Cash Flow (DCF) Method	56,800,000	
Discount Rate	2.7%	Assessed by using the method of determining the yield of financial assets by taking into consideration the individuality of the real estate, the method of calculating from the discount rate related to borrowings and own funds, and the method of calculating in relation to the capitalization rate.
Terminal Capitalization Rate	3.0%	Assessed based on the capitalization rate by comprehensively considering factors such as period risk (forecast fluctuation in the region, depreciation of building) and forecast fluctuation in NCF after expiry of holding period.
Appraisal Value by Cost Method	64,400,000	
Land Ratio	86.2%	Indicates the ratio to the total price of land and building by percentage, rounded to the first decimal place.

Building Ratio	13.8%	Indicates the ratio to the total price of land and building by percentage, rounded to the first decimal place.
Ownership interest	53.0%	
Other Items Considered upon Appraisal	None in particular	

(Note 1) The Appraisal Value (including related data such as the Appraisal Value by Direct Capitalization Method) and the Appraisal Value by Cost Method are total values for the building and the site to be acquired.

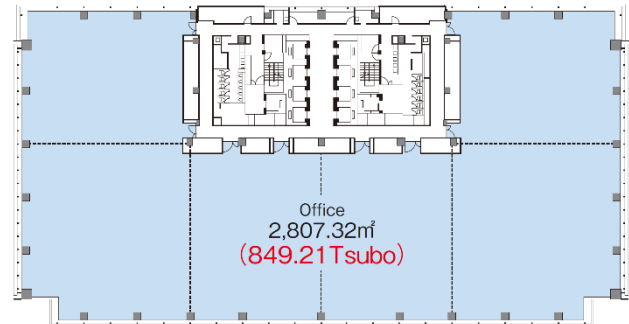
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- 【Reference 1】 Location map
- 【Reference 2】 Floor plan of the Property
- 【Reference 3】 Real Estate Portfolio after the Asset Replacement

【Reference 1】 Location map



【Reference 2】 Floor plan of the Property



【Reference 3】 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
Central Tokyo	Office	A-1	Kanematsu Bldg.	16,276	3.1%	51.6%
		A-2	Kanematsu Bldg. Annex	2,874	0.5%	
		A-3	JPR Ningyocho Bldg.	2,100	0.4%	
		A-4	Shin-Kojimachi Bldg.	2,420	0.5%	
		A-6	MS Shibaura Bldg.	11,200	2.1%	
		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	2.8%	
		A-12	BYGS Shinjuku Bldg.	15,121	2.9%	
		A-13	Across Shinkawa Bldg. Annex	710	0.1%	
		A-14	Shinjuku Center Bldg.	24,320	4.6%	
		A-15	Minami Azabu Bldg.	3,760	0.7%	
		A-16	Shinagawa Canal Bldg.	2,041	0.4%	



		A-17	Rokubancho Bldg.	2,800	0.5%			
		A-18	JPR Harajuku Bldg.	8,400	1.6%			
		A-20	JPR Nihonbashi-horidome Bldg.	5,100	1.0%			
		A-21	JPR Sendagaya Bldg.	15,050	2.9%			
		A-22	Ginza Sanwa Bldg.	3,400	0.6%			
		A-23	The Otemachi Tower (land with Leasehold Interest)	36,000	6.8%			
		A-24	Science Plaza - Yonbancho Plaza	2,660	0.5%			
		A-25	Shibadaimon Center Bldg.	4,213	0.8%			
		A-26	Tokyo Square Garden	18,400	3.5%			
		A-27	JPR Kojimachi Bldg.	5,750	1.1%			
		A-28	Otemachi Financial City North Tower	11,400	2.2%			
		A-29	Tokyo Tatemono Higashi-Shibuya Bldg.	11,300	2.1%			
		A-30	Ochanomizu Sola City	6,490	1.2%			
		Retail	A-1	JPR Shibuya Tower Records Bldg.	12,000		2.3%	
			A-3	JPR Jingumae 432	4,275		0.8%	
	A-4		Shinjuku Sanchome East Bldg.	2,740	0.5%			
	A-5		Yurakucho Ekimae Bldg. (Yurakucho Itocia)	3,400	0.6%			
	A-6		JPR Ginza Namiki-dori Building	10,100	1.9%			
	A-7		FUNDES Suidobashi	3,250	0.6%			
	Greater Tokyo		Office	B-1	Arca East Bldg.		5,880	1.1%
		B-2		JPR Chiba Bldg.	2,350		0.4%	
		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		1.5%	
		B-7		JPR Ueno East Bldg.	3,250		0.6%	
		B-8		Tachikawa Business Center Bldg.	3,188		0.6%	
		B-9		Rise Arena Bldg.	13,131		2.5%	
		B-10		Yume-ooka Office Tower	6,510		1.2%	
		B-11		Olinas Tower	31,300		6.0%	
		B-12		JPR Yokohama Bldg.	7,000		1.3%	
B-13		JPR Omiya Bldg.		6,090	1.2%			
B-14		Sencity Bldg.		13,870	2.6%			
B-15		Nakano Central Park East		28,800	5.5%			
Retail		B-1		Tanashi ASTA	10,200	1.9%		
		B-3	Cupo-la Main Bldg.	2,100	0.4%			
		B-4	JPR Musashikosugi Bldg.	7,254	1.4%			
		B-5	Musashiurawa Shopping Square	4,335	0.8%			
		B-6	Kawasaki DICE Bldg.	15,080	2.9%			
		B-7	FUNDES Ueno	3,800	0.7%			
		Other Cities	Office	C-1	Niigata Ekinan Center Bldg.	2,140	0.4%	14.8%
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	0.5%		
C-17				JPR Dojima Bldg.	2,140	0.4%		
C-19	JPR Nagoya Fushimi Bldg.			4,137	0.8%			
C-20	Yakuin Business Garden			10,996	2.1%			
C-21	JPR Shinsaibashi Bldg.			5,430	1.0%			
C-22	JPR Shinsaibashi West			3,750	0.7%			
C-23	GRAND FRONT OSAKA (Umekita Plaza and South Building)			11,800	2.2%			
C-24	GRAND FRONT OSAKA (North Building)			9,500	1.8%			
C-25	JPR Dojima West			2,460	0.5%			
Retail	C-4			Housing Design Center Kobe	7,220	1.4%		
	C-5		JPR Chayamachi Bldg.	6,000	1.1%			
	C-6		FUNDES Tenjin Nishi Dori	3,310	0.6%			
	Total			525,844	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.