Japan Prime Realty Investment Corporation
JPR

November 18, 2025

For Translation Purpose Only
For Immediate Release

Japan Prime Realty Investment Corporation
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Notice Concerning Property Sale (Conclusion of Contracts) "Housing Design Center Kobe"

Japan Prime Realty Investment Corporation ("JPR") announced today that Tokyo Tatemono Realty Investment Management, Inc. ("TRIM"), the asset management company to which JPR entrusts the management of its assets, decided to implement the sale of a property (hereinafter the "Sale"), as described below.

Details

Ⅰ. Overview of the Sale

Property Name	Asset Class	Sale Price (million yen)	Appraisal Value (million yen)	Planned Book Value (million yen)	Planned Gain on Sale (million yen)
Housing Design Center Kobe	Retail	7,240	6,810	6,145	785

(1) Contract Date : November 18, 2025
(2) Planned Sale Date : November 28, 2025
(3) Buyer : Domestic specific purpose company
(4) Settlement Method : Lump-sum payment at the time of delivery
(5) Brokerage : Yes

(Note 1) All amounts less than one million yen have been rounded down.
(Note 2) "Sale Price" excludes the settlement amount equivalent to property taxes and city planning taxes, and consumption taxes etc.
(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 the planned book value and estimated sale expenses from the sale price. A portion of the planned gain on sales will be retained internally as a reserve for deferred income tax by taking advantage of special taxation measures.

Ⅱ. Reason of the Sale

JPR decided to sell the property as part of its strategic asset replacement for the purpose of improving portfolio quality and profitability.

Although the property is a single-tenant commercial property located in front of JR Kobe Station and has long made stable contributions to earnings, a comprehensive consideration of building age, future upside potential in profitability and other factors has led to the conclusion that selling the property would contribute to the interests of unitholders given the recent favorable real estate transaction market. The proceeds from the sale of the property are intended to be used for future property acquisitions and other matters, while utilizing the gain on sale for DPU growth.

Ⅲ. Details of property for sale

Property Name	Housing Design Center Kobe
Location	2-2 Higashikawasakicho 1-chome, Chuo-ku, Kobe, Hyogo
Asset Type	Real Estate
Asset Class	Showroom, Retail, Office and Parking
Type of Structure	SRC・S B2/11F
Type of Ownership	Land : Ownership Building: Ownership
Site Area	Land : Total Site Area 3,994.47 m^2 Building: Gross Floor Area 33,886.90 m^2
Completion Date	June 1994
Sale Price	7,240 million yen
Appraisal Value (Appraisal Date)	6,810 million yen (as of June 30, 2025)
Appraiser	CBRE K.K.
Status of Leasing	
Number of Tenants	1
Rent Revenue, common charges (Annual)	Not disclosed
Lease and Guarantee Deposits	Not disclosed
Total Leasable Floor Space	35,444.13 m^2
Total Leased Floor Space	35,444.13 m^2
Occupancy Rate	100%
Remarks	None in particular

(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 system.

(Note 3) As of the date of this document, this property has not been converted to trust beneficiary interests, but JPR plans to execute with the trustee a trust agreement for real estate management and disposal for this property as the primary trust asset as of the delivery date, in order to transfer the trust beneficiary interest to the transferee based on the said trust agreement for real estate management and disposal.

(Note 4) The information on "Asset Class," "Type of Structure," "Site Area," and "Completion Date" is as stated in the registry.

(Note 5) The information on "Status of Leasing" is as of the time of conclusion of relevant sales and purchase agreements.

(Note 6) "Rent Revenue, Common Charges (Annual)" and "Lease and Guarantee Deposits" are not disclosed, as no consent for disclosure has been obtained from the tenant.

Ⅳ. Overview of Appraisal Report

Property Name	Housing Design Center Kobe
Appraisal Value	6,810 million yen
Real Estate Appraiser	CBRE K.K.
Appraisal Date	June 30, 2025
Types of Value	Fair Value

Item	Amount (thousand yen)	General Outline
Appraisal Value by Capitalization Method	6,810,000	Appraisal value by the DCF method is employed
Appraisal Value by Direct Capitalization Method	6,690,000	
Operating Revenue	-	Not disclosed (Note)
Potential Gross Cash Flow	-	
Loss from Vacancies	-	
Operating Expenses	-	
Maintenance Expenses and Property Management Fee	-	
Utilities Expenses	-	
Repairs and Maintenance	-	
Tenant Solicitation Expenses	-	
Tax and Public Dues	-	
Insurance Premium	-	
Other Expenses	-	
Net Operating Income	414,363	
Profit through Management of Temporary Deposits, etc.	-	Not disclosed (Note)
Capital Expenditure	-	
Net Cash Flow	341,403	
Capitalization Rate	5.1%	Assessed based on investor surveys, transaction yield, etc.
Appraisal Value through the Discount Cash Flow (DCF) Method	6,810,000	
Discount Rate	4.9%	Assessed based on investor surveys, transaction yield, etc.
Terminal Capitalization Rate	5.2%	Assessed based on the capitalization rate and by taking into consideration factors such as risks from the 10th year onwards
Appraisal Value by Cost Method	6,030,000	
Land Ratio	81.9%	
Building Ratio	18.1%	

Other Items Considered upon Appraisal	None in particular

(Note) "Operating Revenue", "Operating Expenses", "Profit through Management of Temporary Deposits, etc." and "Capital Expenditure" are not disclosed, as no consent for disclosure has been obtained from the tenant.

V. Buyer Profile

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

VI. Sales Agent

Company Name		Tokyo Tatemono Real Estate Sales Co., Ltd.
Head Office Address		5-20 Yaesu 1-chome, Chuo-ku, Tokyo
Representative		Kenji Sugaya, President and CEO and Executive Officer
Paid-in Capital		4,321 million yen (as of December 31, 2024)
Principal Activities		Real estate business
Establishment		January 25, 1954
Relationship with JPR and TRIM		
	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 business 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		72.4 million yen (excluding consumption tax, etc.)

VII. Outlook

A portion of the planned gain on sales will be retained internally as a reserve for deferred income tax by taking advantage of special taxation measures. The impact of the Sale of the relevant property on the operating results of JPR is minimal, and JPR will not revise its operating forecasts for the fiscal period ending December 31, 2025 and the fiscal period ending June 30, 2026.

[Attachment]

[Reference] Real Estate Portfolio after the Sale

Area	Asset Class	Property No.	Property Name	Acquisition Price (million yen)	Investment Ratio	Investment Ratio by Area
Central Tokyo	Office	A-1	Kanematsu Bldg.	16,276	3.1%	48.6%
		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-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%	37.5%
		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-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	5.9%	
		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	52,907	10.0%	
	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%	13.9%
		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-20	Yakuin Business Garden	10,996	2.1%	
		C-21	JPR Shinsaibashi Bldg.	5,430	1.0%	
		C-22	JPR Shinsaibashi West	3,776	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-5	JPR Chayamachi Bldg.	6,000	1.1%	
		C-6	FUNDES Tenjin Nishi Dori	3,310	0.6%	
		C-7	The Royal Park Canvas Nagoya	6,500	1.2%	
			Total	526,821	100.0%	

(Note 1) “Acquisition Price” does not include acquisition costs.
(Note 2) “Acquisition Price” is rounded down to the nearest million yen and percentages are rounded to the first decimal place.