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For Immediate Release

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Notice Concerning Debt Funding

Japan Prime Realty Investment Corporation (JPR) today announces its decision to undertake debt funding, details of which are provided in Part I below. JPR also announces its intention to make a lump-sum repayment of outstanding debt on September 25, 2003, details of which are provided in Part II below.

I. Debt Funding

1. Use of Funds

Additional debt funding has been undertaken for the repayment of existing short-term debt as detailed in Part II below.

2. Details

1.	Lender	Resona Bank, Ltd.
2.	Amount	¥1,930 million
3.	Interest Rate	0.85% from September 26, 2003 to December 26, 2003 (Note)
4.	Loan Type	Floating rate of interest. First registered mortgage over the beneficiary interest in the Sampo Japan Sendai Building.
5.	Drawdown Date	September 25, 2003
6.	Repayment Method	Principal repayment in full on maturity
7.	Repayment Date	March 27, 2004

Note:

The interest rate applicable from December 27, 2003 will be announced as and when decided.

II. Repayment of a Portion of Borrowings

1. Details of Borrowings to be Repaid

1.	Lender	Aozora Bank, Ltd.
2.	Amount and Date of Borrowing	① ¥950 million (September 25, 2002) ② ¥980 million (September 30, 2002)
3.	Interest Rate	0.57917%
4.	Loan Type	Floating rate of interest Secured, unguaranteed, non-subordinated
5.	Drawdown Date	① September 25, 2002 ② September 30, 2002
6.	Repayment Method	Principal repayment in full on maturity
7.	Maturity	① September 25, 2003 ② September 25, 2003

[For Reference]

1. Borrowings Balance after Additional Debt Funding (Part I) and Repayment of Borrowings (Part II)

(Yen in millions)

	Borrowings Balance prior to Additional Debt Funding and Repayment of Borrowings	Borrowings Balance after Additional Debt Funding and Repayment of Borrowings	Change
Short-Term Borrowings	11,100	11,100	—
Medium-Term Borrowings	25,000	25,000	—
Long-Term Borrowings	14,566	14,566	—
Total Borrowings	50,666	50,666	—

2. Interest-Bearing Liabilities Ratio after Additional Debt Funding (Part I) and Repayment of Borrowings (Part II)

	Before Additional Debt Funding and Repayment of Borrowings	After Additional Debt Funding and Repayment of Borrowings	Percentage Point Change
Interest-Bearing Liabilities Ratio	36.2%	36.2%	—
Medium- to Long-Term Interest-Bearing Liabilities Ratio	78.1%	78.1%	—

Notes:

- The above interest-bearing liabilities ratios are calculated as a matter of convenience using the following formulas:
Interest-bearing liabilities ratio (%) = Interest-bearing liabilities ÷ (Interest-bearing liabilities + Unitholders' equity) x 100
Unitholders' equity: ¥89,114 million
(Unitholders' equity is rounded to the nearest million.)
- Medium- to long-term interest-bearing liabilities ratio (%) = Medium- to long-term interest-bearing liabilities ÷ Interest-bearing liabilities x 100
- Percentage figures are rounded to the nearest decimal place.