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For Immediate Release

Japan Prime Realty Investment Corporation
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Notice Concerning Debt Funding

Japan Prime Realty Investment Corporation (JPR) on May 14, 2003 announced its decision to increase debt funding.

1. Use of Funds

The acquisition of beneficiary interest of the Kuraray Nissay Building.

2. Details of Debt Funding

1.	Lender	Aozora Bank, Ltd.
2.	Amount	¥8.0 billion
3.	Interest Rate	0.92917% (From May 15, 2003 to July 31, 2003)
4.	Loan Type	Floating rate of interest. First registered mortgage over the beneficiary interest in the Kuraray Nissay Building, the North 33 Building, and the SK Hiroshima Building
5.	Drawdown Date	May 15, 2003
6.	Repayment Method	Principal repayment in full on maturity
7.	Repayment Date	May 15, 2004

Note: The interest rate applicable after August 1, 2003 is yet to be determined and will be advised at a later date.

[For Reference]

1. Borrowings Balance after Additional Debt Funding

(Yen in billions)

	Borrowings Balance prior to Additional Debt Funding	Borrowings Balance after Additional Debt Funding	Change
Short-Term Borrowings	10.7	18.7	8.0
Medium-Term Borrowings	25.0	25.0	—
Long-Term Borrowings	15.0	15.0	—
Total Borrowings	50.7	58.7	8.0

2. Interest-Bearing Liabilities Ratio after Additional Debt Funding

	Before Acquisition	After Acquisition	Percentage Point Change
Interest-Bearing Liabilities Ratio	47.1%	50.7%	3.6
Medium- to Long-Term Interest-Bearing Liabilities Ratio	78.9%	68.1%	(10.8)

Notes:

1. Interest-bearing liabilities ratio (%) = Interest-bearing liabilities ÷ (Interest-bearing liabilities + Unitholders' equity) x 100
(Unitholders' equity: ¥56,982 million)
2. Medium- to long-term interest-bearing liabilities ratio (%) = Medium- to long-term interest-bearing liabilities ÷ Interest-bearing liabilities x 100
3. Percentage figures are rounded to the nearest first decimal point.