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For Immediate Release

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Notice Concerning Debt Funding

Further to the Company's decision on February 12, 2004 to undertake debt funding as outlined in section I. below, Japan Prime Realty Investment Corporation (JPR) today announced drawdown, brief details as follows.

In addition, JPR today announced repayment of debt funding as outlined in section II.

Details

I. Debt Funding

1. Rationale

Acquisition of a certain asset (beneficial interest in the Kawaguchi Center Building)

2. Details of Debt Funding

1. Lender	The Chugoku Bank, Ltd.	The Norinchukin Bank
2. Amount	¥4,000 million	¥3,500 million
3. Interest Rate	0.58917% (From February 14, 2004 to April 27, 2004)	0.68917% (From February 14, 2004 to April 27, 2004)
4. Loan Type	Floating rate of interest. No collateral, no guarantee.	
5. Drawdown Date	February 13, 2004	
6. Repayment Method	Principal repayment in full on maturity	
7. Repayment Date	February 10, 2005	

Note: Interest rates applicable to the period commencing April 28, 2004 will be disclosed as and when determined.

3. Use of Funds

Acquisition of a certain asset (beneficial interest in the Kawaguchi Center Building)

II. Repayment of Debt Funding

1. Details of Debt Funding Repaid

	Short-Term Borrowings	
1. Lender	Aozora Bank, Ltd.	Resona Bank, Ltd.
2. Borrowings Balance	¥3,770 million	¥3,000 million
3. Repayment Amount	¥3,770 million	¥3,000 million
4. Interest Rate	0.92833% floating rate of interest	0.92833% floating rate of interest
5. Drawdown Date	March 28, 2003	March 28, 2003
6. Repayment Method	Principal repayment in full on maturity	Principal repayment in full on maturity
7. Maturity Date	March 27, 2004	March 27, 2004
8. Repayment Source	Issue of corporate bonds	Issue of corporate bonds
9. Collateral (Note)	MS Shibaura Building	

	Short-Term Borrowings	
1. Lender	Aozora Bank, Ltd.	Resona Bank, Limited
2. Borrowings Balance	¥2,400 million	¥1,930 million
3. Repayment Amount	¥2,400 million	¥1,930 million
4. Interest Rate	0.82667% floating rate of interest	0.82833% floating rate of interest
5. Drawdown Date	September 1, 2003	September 25, 2003, 2003
6. Repayment Method	Principal repayment in full on maturity	Principal repayment in full on maturity
7. Maturity Date	February 27, 2004	March 27, 2004
8. Repayment Source	Issue of corporate bonds	Issue of corporate bonds
9. Collateral (Note)	Gotanda First Building, SK Hiroshima Building	Sompo Japan Sendai Building

	Short-Term Borrowings
1. Lender	Aozora Bank, Ltd.
2. Borrowings Balance	¥1,800 million
3. Repayment Amount	¥1,800 million
4. Interest Rate	0.82833% floating rate of interest
5. Drawdown Date	October 15, 2003
6. Repayment Method	Principal repayment in full on maturity
7. Maturity Date	March 27, 2004
8. Repayment Source	Issue of corporate bonds
9. Collateral (Note)	Shinyokohama 2nd Center Building, Fukuoka Building

Long-Term Borrowings		
1. Lender	The Chuo Mitsui Trust and Banking Company, Limited	Sumitomo Life Insurance Company
2. Borrowings Balance	¥10,000 million	¥10,000 million
3. Repayment Amount	¥3,500 million	¥3,500 million
4. Interest Rate	1.234% fixed rate of interest	1.234% fixed rate of interest
5. Drawdown Date	December 27, 2001	December 27, 2001
6. Repayment Method	Principal repayment in full on maturity	Principal repayment in full on maturity
7. Maturity Date	December 27, 2006	December 27, 2006
8. Repayment Source	Issue of corporate bonds	Issue of corporate bonds
9. Collateral (Note)	Kanematsu Building, Kanematsu Building Annex, JPR Ningyo-cho Building, Shin-Kojimachi Building, Arca East, JPR Chiba Building, Niigata Ekinan Center Building, Asahi-Life Yokohama Nihon Odori Building, Tokyo Tatemono Honmachi Building, Asahi-Life Takamatsu 2nd Building, JPR Takamatsu Building, JPR Hakata Building, Asahi-Life Fukuoka 3rd and 4th Building, JPR Naha Building	

Long-Term Borrowings	
1. Lender	Meiji Yasuda Life Insurance Company
2. Borrowings Balance	¥5,000 million
3. Repayment Amount	¥600 million
4. Interest Rate	1.750% fixed rate of interest
5. Drawdown Date	March 28, 2003
6. Repayment Method	Principal repayment in full on maturity
7. Maturity Date	March 28, 2013
8. Repayment Source	Issue of corporate bonds
9. Collateral (Note)	Crest Yasuda Building, Park East Sapporo, Sompo Japan Wakayama Building

Note: JPR has acquired beneficial interests in all buildings excluding the Shinyokohama 2nd Center Building, which was acquired as a property purchase.

Repayment total: Short-Term Borrowings ¥12,900 million
Long-Term Borrowings ¥ 7,600 million
Total ¥20,500 million

2. Details of Discharge of Security as a Result of Debt Funding Repayment

(1) Security over beneficial interests and property will be discharged in the following properties:

MS Shibaura Building, Gotanda First Building, SK Hiroshima Building, Sompo Japan Sendai Building, Fukuoka Building, Shinyokohama 2nd Center Building, Shin-Kojimachi Building, JPR Chiba Building, Niigata Ekinan Center Building, JPR Takamatsu Building, JPR Naha Building.

(2) Type of security to be discharged

- Pledge over trust beneficial interests
- Undertaking to provide mortgage over property trusts
- Mortgage over the Shinyokohama 2nd Center Building

[For Reference]

1. Debt Funding and Corporate Bonds Balance after Additional Debt Funding

(Yen in millions)

	Balance prior to Additional Debt Funding	Balance after Additional Debt Funding	Change
Short-Term Borrowings	14,900	9,500	-5,400
Long-Term Borrowings	39,566	31,966	-7,600
Corporate Bonds	22,000	22,000	—
Interest-Bearing Liabilities (of which is long-term interest-bearing liabilities)	76,466 (61,566)	63,466 (53,966)	-13,000 (-7,600)

2. Interest-Bearing Liabilities Ratios after Additional Debt Funding

	Before Additional Debt Funding	After Additional Debt Funding	Percentage Point Change
Interest-Bearing Liabilities Ratio	46.2%	41.6%	-4.6
Long-Term Interest-Bearing Liabilities Ratio	80.5%	85.0%	4.5

Notes:

1. 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,
2. Long-term interest-bearing liabilities ratio (%) = Long-term interest-bearing liabilities (Long-term borrowings + Corporate bonds) ÷ Interest-bearing liabilities x 100
3. Percentage figures are rounded to the nearest first decimal place.