

March 24, 2004

For Immediate Release

Japan Prime Realty Investment Corporation
Hirohito Kaneko
Executive Officer
(Securities Code: 8955)

Inquiries:
Tokyo Realty Investment Management, Inc.
Takeshi Maki
Director and Chief Financial Officer
TEL: +81-3-3516-1591

Notice Concerning Debt Funding

Japan Prime Realty Investment Corporation (JPR) today announced its decision to undertake debt funding as outlined in section I and to establish a commitment line of credit as outlined in section II.

At the same time, JPR announced its intention to repay debt funding as outlined in section III on March 26, 2004.

Details

I. Debt Funding

1. Rationale

In undertaking additional debt funding JPR is seeking to stagger the maturity dates of outstanding debt with the aim of reducing refinance risk.

2. Details of Debt Funding

1. Lender	UFJ Bank Limited	Sompo Japan Insurance Inc.
2. Amount	¥2,000 million	¥1,000 million
3. Interest Rate	0.57% (From March 26, 2004 to April 27, 2004) (Note)	0.8725%
4. Loan Type	Floating rate of interest. No collateral, no guarantee.	Fixed rate of interest. No collateral, no guarantee.
5. Drawdown Date	March 25, 2004	
6. Repayment Method	Principal repayment in full on maturity	
7. Repayment Date	March 25, 2005	March 23, 2007

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

3. Use of Funds

Repayment of existing debt

II. Establishment of Commitment Line of Credit

1. Rationale

Through the establishment of a commitment line of credit, JPR is seeking to address refinance risks in connection its existing debt thereby reinforcing stability of its financial position.

2. Details of Commitment Line of Credit (Planned)

- (1) Limit: ¥4,000 million
- (2) Contract Date (Planned): March 30, 2004
- (3) Maturity Date: March 29, 2005
- (4) Lender: Mizuho Corporate Bank, Ltd.
- (5) Collateral: Registered first right of pledge over beneficiary interests in the Doujima F Building, undertaking to provide registered first mortgage over the Nagoya Kowa Building

III. Repayment of Debt Funding (Planned)

1. Details of Debt Funding Repaid

	Long-Term Borrowings	
1. Lender	Aozora Bank, Ltd.	Resona Bank, Ltd.
2. Borrowings Balance	¥3,000 million	¥2,000 million
3. Repayment Amount	¥2,000 million	¥1,000 million
4. Interest Rate	1.295% fixed rate of interest	1.295% fixed rate of interest
5. Drawdown Date	June 19, 2002	June 19, 2002
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	Debt	Debt
9. Collateral (beneficiary interests)	Kanematsu Building, Kanematsu Building Annex, JPR Ningyo-cho Building, Arca East, Asahi-Life Yokohama Nihon Odori Building, Tokyo Tatemono Honmachi Building, Asahi-Life Takamatsu 2nd Building, JPR Hakata Building, Asahi-Life Fukuoka 3rd and 4th Building	

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

- (1) Collateral over beneficiary interests will be discharged in the following properties:

JPR Ningyo-cho Building, Asahi-Life Yokohama Nihon Odori Building, Asahi-Life Takamatsu 2nd Building.

- (2) Type of security to be discharged (planned)

- Pledge over beneficiary interests
- Undertaking to provide mortgage over properties

[For Reference]**1. Debt Funding and Corporate Bonds Balance after Additional Debt Funding (Part I) and Repayment of Debt Funding (Planned) (Part III)**

(Yen in millions)

	Balance prior to Additional Debt Funding and Repayment of Debt Funding	Balance after Additional Debt Funding and Repayment of Debt Funding	Change
Short-Term Borrowings	12,500	14,500	2,000
Long-Term Borrowings	31,966	29,966	-2,000
Corporate Bonds	22,000	22,000	—
Interest-Bearing Liabilities (of which are long-term interest-bearing liabilities)	66,466 (53,966)	66,466 (51,966)	— (-2,000)

2. Interest-Bearing Liabilities Ratios after Additional Debt Funding

	Before Additional Debt Funding and Repayment of Debt Funding	After Additional Debt Funding and Repayment of Debt Funding	Percentage Point Change
Interest-Bearing Liabilities Ratio	42.7%	42.7%	—
Long-Term Interest-Bearing Liabilities Ratio	81.2%	78.2%	-3.0

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