

May 26, 2004

**For Immediate Release**

Japan Prime Realty Investment Corporation  
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Notice Concerning Debt Funding

Japan Prime Realty Investment Corporation (JPR) today announced that it has decided to undertake debt funding as described below.

Details

1. Use of Funds

Acquisition of beneficiary interests in real estate properties (the Kenwa Building and Oval Court Ohsaki Mark West)

2. Details of Debt Funding

1. Lender	The Mitsubishi Trust and Banking Corp.	Aozora Bank, Ltd.
2. Amount	¥3,500 million	¥3,000 million
3. Interest Rate	0.52% (From May 28, 2004 to July 27, 2004) Note	0.52% (From May 28, 2004 to July 27, 2004) Note
4. Loan Type	Floating rate of interest. No collateral. No guarantee.	
5. Drawdown Date	May 27, 2004	
6. Repayment Method	Principal repayment in full on maturity	
7. Repayment Date	January 27, 2005	

1. Lender	The Chugoku Bank, Ltd.	The Iyo Bank, Ltd.
2. Amount	¥1,000 million	¥1,000 million
3. Interest Rate	0.52% (From May 28, 2004 to July 27, 2004) Note	0.62% (From May 28, 2004 to July 27, 2004) Note
4. Loan Type	Floating rate of interest. No collateral. No guarantee.	
5. Drawdown Date	May 27, 2004	
6. Repayment Method	Principal repayment in full on maturity	

7. Repayment Date	May 27, 2005	January 27, 2005
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Note: The interest rate applicable after July 28, 2004 will be announced as and when decided.

**[For Reference]**

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

(Yen in millions)

	Borrowings Balance prior to Additional Debt Funding	Borrowings Balance after Additional Debt Funding	Change
Short-Term Borrowings	14,500	23,000	8,500
Long -Term Borrowings	29,966	29,966	-
Corporate Bonds	22,000	22,000	-
Interest-Bearing Liabilities (of which is long-term interest-bearing liabilities)	66,466 (51,966)	74,966 (51,966)	8,500 ( - )

2. Interest-Bearing Liabilities Ratio after Additional Debt Funding

	Before Additional Debt Funding	After Additional Debt Funding	Percentage Point Change
Interest-Bearing Liabilities Ratio	42.7%	45.7%	3.0
Long-Term Interest-Bearing Liabilities Ratio	78.2%	69.3%	(8.9)

Notes:

- The above interest-bearing liabilities ratios are calculated as a matter of convenience using the following formulas:  

$$\text{Interest-bearing liabilities ratio (\%)} = \frac{\text{Interest-bearing liabilities}}{\text{Interest-bearing liabilities} + \text{Unitholders' equity}} \times 100$$
Unitholders' equity: ¥89,114 million  
(Unitholders' equity is rounded to the nearest million.)
- Long-term interest-bearing liabilities ratio (%) = Long-term interest-bearing liabilities ÷ Interest-bearing liabilities x 100
- Percentage figures are rounded to the nearest first decimal place.