

October 25, 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.

At the same time, JPR announced its intention to repay debt funding as outlined in Section II on October 27, 2004.

Details

I. Debt Funding

1. Use of Funds

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

2. Details of Debt Funding

| | |
|---------------------|--|
| 1. Lender | Mizuho Corporate Bank, Ltd. |
| 2. Amount | ¥19,200 million |
| 3. Interest Rate | 0.46% (From October 26, 2004 to November 4, 2004) |
| 4. Loan Type | Floating rate of interest. No collateral, no guarantee |
| 5. Drawdown Date | October 26, 2004 |
| 6. Repayment Method | Principal repayment in full on maturity |
| 7. Repayment Date | November 5, 2004 |

II. Repayment of Debt Funding (Planned)

1. Details of Debt Funding Repaid

| | | |
|-----------------------|--|------------------------|
| 1. Lender | The Bank of Fukuoka, Ltd. | The Chugoku Bank, Ltd. |
| 2. Borrowings Balance | ¥2,000 million | ¥4,000 million |
| 3. Interest Rate | 0.69% | 0.59% |
| 4. Loan Type | Floating rate of interest. No collateral, no guarantee | |
| 5. Drawdown Date | January 23, 2004 | February 13, 2004 |
| 6. Repayment Method | Principal repayment in full on maturity | |
| 7. Maturity Date | January 23, 2005 | February 10, 2005 |

| | | |
|-----------------------|--|--|
| 1. Lender | The Norinchukin Bank | The Mitsubishi Trust and Banking Corp. |
| 2. Borrowings Balance | ¥3,500 million | ¥3,500 million |
| 3. Interest Rate | 0.69% | 0.54% |
| 4. Loan Type | Floating rate of interest. No collateral, no guarantee | |
| 5. Drawdown Date | February 13, 2004 | May 27, 2004 |
| 6. Repayment Method | Principal repayment in full on maturity | |
| 7. Maturity Date | February 10, 2005 | January 27, 2005 |

| | | |
|-----------------------|--|------------------|
| 1. Lender | Aozora Bank, Ltd. | |
| 2. Borrowings Balance | ¥3,000 million | ¥1,000 million |
| 3. Interest Rate | 0.54% | 0.54% |
| 4. Loan Type | Floating rate of interest. No collateral, no guarantee | |
| 5. Drawdown Date | May 27, 2004 | June 10, 2004 |
| 6. Repayment Method | Principal repayment in full on maturity | |
| 7. Maturity Date | January 27, 2005 | January 27, 2005 |

| | | |
|-----------------------|--|-------------------|
| 1. Lender | The Iyo Bank, Ltd. | Resona Bank, Ltd. |
| 2. Borrowings Balance | ¥1,000 million | ¥1,200 million |
| 3. Interest Rate | 0.64% | 0.54% |
| 4. Loan Type | Floating rate of interest. No collateral, no guarantee | |
| 5. Drawdown Date | May 27, 2004 | June 10, 2004 |
| 6. Repayment Method | Principal repayment in full on maturity | |
| 7. Maturity Date | January 27, 2005 | January 27, 2005 |

2. Repayment Date (Planned)

October 27, 2004

[For Reference]

1. Debt Funding and Corporate Bonds Balance after Additional Debt Funding (Part I) and Repayment of Debt Funding (Planned) (Part II)

(Yen in millions)

| | Borrowings Balance prior to Additional Debt Funding | Borrowings Balance after Additional Debt Funding | Change |
|---|--|---|------------|
| Short-Term Borrowings | 37,800 | 37,800 | - |
| Long –Term Borrowings | 29,966 | 29,966 | - |
| Corporate Bonds | 22,000 | 22,000 | - |
| Interest-Bearing Liabilities (of which is long-term interest-bearing liabilities) | 89,766 (51,966) | 89,766 (51,966) | - (-) |

2. Interest-Bearing Liabilities Ratio after Additional Debt Funding

| | Before Additional Debt Funding | After Additional Debt Funding | Percentage Point Change |
|--|-----------------------------------|----------------------------------|----------------------------|
| Interest-Bearing Liabilities Ratio | 50.2% | 50.2% | - |
| Long-Term Interest-Bearing Liabilities Ratio | 57.9% | 57.9% | - |

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 ÷ Interest-bearing liabilities x 100
3. Percentage figures are rounded to the nearest first decimal place.