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For Translation purpose only

For Immediate Release

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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 property (Chayamachi Grande Building)

2. Details of Debt Funding

1. Lender	Mitsubishi UFJ Trust and Banking Corporation
2. Amount	¥6,000 million
3. Interest Rate (p.a.)	1.73375%
4. Loan Type	Fixed rate of interest. No collateral. No guarantee.
5. Drawdown Date	August 29, 2006
6. Repayment Method	Principal repayment in full on maturity
7. Repayment Date	August 29, 2011

[For Reference]

1. Total Borrowings and Corporate Bonds Balance after Additional Borrowings

(Yen in millions)

	Borrowings Balance prior to Additional Borrowings	Borrowings Balance after Additional Borrowings	Change
Short-Term Borrowings	14,000	14,000	—
Current Portion of Long-Term Borrowings	22,500	22,500	—
Long-Term Borrowings	18,966	24,966	6,000
Corporate Bonds	42,000	42,000	—
Interest-Bearing Liabilities (Long-term interest-bearing liabilities portion)	97,466 (60,966)	103,466 (66,966)	6,000 (6,000)

(Note) Long-term interest-bearing liabilities does not include current portion of long-term borrowings.

2. Interest-Bearing Liabilities Ratio after Additional Borrowings

	Before Additional Borrowings	After Additional Borrowings	Percentage Point Change
Interest-Bearing Liabilities Ratio	45.8%	47.3%	1.5%
Long-Term Interest-Bearing Liabilities Ratio	62.6%	64.7%	2.1%

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' capital) × 100
Unitholders' capital: ¥115,432 million
(Unitholders' capital is rounded to the nearest million yen)
- Long-term interest-bearing liabilities ratio (%) = Long-term interest-bearing liabilities ÷ Interest-bearing liabilities × 100
- Percentage figures are rounded to the nearest first decimal place.