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For Translation Purposes Only

For Immediate Release

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Notice Concerning Borrowings

Japan Prime Realty Investment Corporation (JPR) today announced its decision to undertake borrowings as outlined below.

Details

1. Use of Funds

JPR will borrow funds under current loans receivable for short-term borrowings to repay existing short-term borrowings as detailed in 3. below.

2. Details of Borrowings

1. Lender	Shinsei Bank, Ltd	The Hachijuni Bank, Ltd.
2. Amount	¥3,000 million	¥1,000 million
3. Interest Rate (p.a.)	1.356%	1.356%
4. Loan Type	Fixed rate of interest. No collateral. No guarantee.	Fixed rate of interest. No collateral. No guarantee.
5. Drawdown Date	September 26, 2006	September 26, 2006
6. Repayment Method	Principal repayment in full on maturity	Principal repayment in full on maturity
7. Repayment Date	September 24, 2010	September 24, 2010

1. Lender	The Chugoku Bank, Ltd	The Bank of Fukuoka, Ltd.
2. Amount	¥1,000 million	¥1,000 million
3. Interest Rate (p.a.)	1.356%	1.356%
4. Loan Type	Fixed rate of interest. No collateral. No guarantee.	Fixed rate of interest. No collateral. No guarantee.
5. Drawdown Date	September 26, 2006	September 26, 2006
6. Repayment Method	Principal repayment in full on maturity	Principal repayment in full on maturity
7. Repayment Date	September 24, 2010	September 24, 2010

3. Itemization of Fund Use

JPR will use the funds to repay the following borrowings.

1. Lender	Mitsubishi UFJ Trust and Banking Corporation	The Hachijuni Bank, Ltd
2. Amount	¥5,000 million	¥1,000 million
3. Interest Rate	0.59636%	0.60636%
4. Drawdown Date	September 27, 2005	September 27, 2005
5. Repayment Date	September 27, 2006	September 27, 2006

[For Reference]

1. Total Borrowings and Corporate Bonds Balance after Refinancing

(Yen in millions)

	Borrowings Balance prior to Refinancing	Borrowings Balance after Refinancing	Change
Short-Term Borrowings	20,500	14,500	(6,000)
Current Portion of Long-Term Borrowings	22,500	22,500	—
Long-Term Borrowings	24,966	30,966	6,000
Corporate Bonds	42,000	42,000	—
Interest-Bearing Liabilities [Long-term interest-bearing liabilities portion]	109,966 [66,966]	109,966 [72,966]	— [6,000]

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

2. Interest-Bearing Liabilities Ratio after Refinancing

	Before Refinancing	After Refinancing	Percentage Point Change
Interest-Bearing Liabilities Ratio	48.8%	48.8%	—
Long-Term Interest-Bearing Liabilities Ratio	60.9%	66.4%	5.5

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.