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For Translation Purposes Only

For Immediate Release

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Notice Concerning Issue of Unsecured Corporate Bonds

Japan Prime Realty Investment Corporation (JPR) today announced its decision to issue corporate bonds, pursuant to a comprehensive resolution concerning the issuance of publicly offered corporate bonds by its Board of Directors on December 20, 2005 and the Law Concerning Book-Entry Transfer of Corporate Bonds, Etc., as outlined below.

1. Name of the Bond

Japan Prime Realty Investment Corporation's Seventh Series of Unsecured Bonds (hereinafter "Unsecured Bonds")

The Unsecured Bonds rank pari passu at least equally in right of payment with certain unsecured indebtedness.

2. Total Issue Amount

¥4.5 billion

3. Issue Price

¥100 with a par value of ¥100

4. Redemption Value

¥100 with a par value of ¥100

5. Interest

2.9% annually

6. Denomination

¥100 million

7. Subscription and Sales
Public placement

8. Subscription Date
December 4, 2006

9. Payment Date
December 14, 2006

10. Collateral
The Unsecured Bonds will be issued on an unsecured unguaranteed basis and without the backing of specific assets.

11. Redemption Method and Maturity Date
The total amount of the principals of the unsecured Bonds will be redeemed on December 14, 2026.

The Unsecured Bonds may be redeemed at the option of JPR at any time from the day immediately following the payment date unless otherwise determined by the book-entry transfer agent.

12. Interest Payment Date
June 14 and December 14 each year

13. Financial Covenants
Restrictions on collateral provision are included.

14. Rating
A2 by Moody's Investors Service Inc.

15. Book-entry Transfer Agent
Japan Securities Depository Center, Inc.

16. Fiscal Agent, Issue Agent and Payment Agent
Mizuho Corporate Bank, Ltd.

17. Underwriter
Merrill Lynch Japan Securities Co., Ltd.

18. Use of Proceeds
JPR will use proceeds from the issue of corporate bonds to repay debt.

[Reference]

An overview of the comprehensive resolution concerning issuance of corporate bonds made on December 20, 2005 is as follows.

- (1) Type of Corporate Bonds: Domestic unsecured corporate bonds
- (2) Total Issue Amount: Within ¥100 billion
(Divided issuance is possible within the scope of the total issue amount.)
- (3) Scheduled Issue Period: Until December 31, 2006
- (4) Denomination: ¥100 million or more. No division or absorption will be made.
- (5) Collateral and Guarantee: Unsecured unguaranteed basis and without the backing of specific assets
- (6) Use of Proceeds: Proceeds from the issuance will be used to acquire specified assets (as defined in the Article 2-1 of the Law Concerning Investment Trusts and Investment Corporations), repay debt, redeem corporate bonds, redeem deposits and other guarantees, pay for property renovations, etc.