

December 22, 2006

**For Translation Purposes Only**

**For Immediate Release**

Japan Prime Realty Investment Corporation  
Hirohito Kaneko  
Executive Officer  
(Securities Code: 8955)

Asset Management Company:  
Tokyo Realty Investment Management, Inc.  
Toshihiro Hagiwara  
President and Chief Executive Officer  
Inquiries: Yasuo Furuya  
Director and Chief Financial Officer  
TEL: +81-3-3516-1591

**Notice Concerning Borrowings**

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

Details

**1. Use of Funds**

JPR will undertake borrowings to repay existing borrowings described in 3. below.

**2. Details of Borrowings**

(1) Long-term borrowings

1. Lender	Sumitomo Life Insurance Company	Taiyo Life Insurance Company
2. Amount	¥2,000 million	¥1,000 million
3. Interest Rate (p.a.)	1.858%	1.858%
4. Loan Type	Fixed rate of interest. No collateral. No guarantee.	Fixed rate of interest. No collateral. No guarantee.
5. Drawdown Date	December 27, 2006	December 26, 2006
6. Repayment Method	Principal repayment in full on maturity	Principal repayment in full on maturity
7. Repayment Date	December 27, 2013	December 27, 2013

1. Lender	Daido Life Insurance Company	The Hachijuni Bank, Ltd.
2. Amount	¥1,000 million	¥1,000 million
3. Interest Rate (p.a.)	1.858%	1.642%

4. Loan Type	Fixed rate of interest. No collateral. No guarantee.	Fixed rate of interest. No collateral. No guarantee.
5. Drawdown Date	December 26, 2006	December 26, 2006
6. Repayment Method	Principal repayment in full on maturity	Principal repayment in full on maturity
7. Repayment Date	December 27, 2013	April 11, 2012

## (2) Short-term borrowings

1. Lender	Mizuho Corporate Bank, Ltd.	Sumitomo Mitsui Banking Corporation
2. Amount	¥8,000 million	¥2,000 million
3. Interest Rate (p.a.)	0.72% (From December 27, 2006 to February 16, 2007)	0.72% (From December 27, 2006 to February 16, 2007)
4. Loan Type	Floating rate of interest. No collateral. No guarantee.	Floating rate of interest. No collateral. No guarantee.
5. Drawdown Date	December 26, 1006	December 26, 2006
6. Repayment Method	Principal repayment in full on maturity	Principal repayment in full on maturity
7. Repayment Date	March 16, 2007	March 16, 2007

(Note) The interest rates applicable to the borrowings on February 17, 2007 and after will be disclosed as and when determined.

## 3. Itemization of Fund Use

JPR will use the funds to repay the following borrowings.

1. Lender	Sumitomo Life Insurance Company	The Chuo Mitsui Trust and Banking Company, Limited
2. Amount	¥6,500 million	¥6,500 million
3. Interest Rate	1.234%	1.234%
4. Drawdown Date	December 27, 2001	December 27, 2001
5. Loan Type	Fixed rate of interest. No collateral. No guarantee.	Fixed rate of interest. No collateral. No guarantee.
6. Repayment Date	December 27, 2006	December 27, 2006

1. Lender	Aozora Bank, Ltd.	Resona Bank, Limited
2. Amount	¥1,000 million	¥1,000 million
3. Interest Rate	1.295%	1.295%
4. Drawdown Date	June 19, 2002	June 19, 2002
5. Loan Type	Fixed rate of interest. No collateral. No guarantee.	Fixed rate of interest. No collateral. No guarantee.
6. Repayment Date	December 27, 2006	December 27, 2006

## 4. Details of Discharge of Security as a Result of Repaying Borrowings Described in 3. Above

(1) Date of security discharge

December 27, 2006

(2) Security over trust beneficial interests in real estate will be discharged in the following real estate in trust:

Kanematsu Bldg., Kanematsu Bldg. Annex, Fukuoka Bldg., Arca East, Tokyo Tatemono Honmachi Bldg., JPR Hakata Bldg., JPR Hakata-chuo Bldg.

(3) Type of discharged security

- Pledge over trust beneficial interests in real estate for the above real estate in trust
- Undertaking to provide mortgage over the above real estate in trust

## 5. Details of Other Security Discharges

JPR also announced that it agreed today with lenders concerning partial discharge of security over the Type A Secured Borrowings described below.

(1) Date of security discharge

December 22, 2006

(2) Security over trust beneficial interests in real estate will be discharged in the following real estate in trust:

Tsurumi fuga 1

(3) Type of discharged security

- Pledge over trust beneficial interests in real estate for the above real estate in trust
- Undertaking to provide mortgage over the above real estate in trust

Furthermore, JPR has the following secured borrowings after the above discharges.

Type A Secured Borrowings

1. Lender	Meiji Yasuda Life Insurance Company	
2. Amount	¥4,783 million	¥4,783 million
3. Interest Rate	1.700%	2.050%
4. Drawdown Date	December 27, 2001	June 21, 2002
5. Loan Type	Fixed rate of interest. No collateral. No guarantee.	Fixed rate of interest. No collateral. No guarantee.
6. Repayment Date	December 26, 2008	June 21, 2011
7. Collateral	Tanashi ASTA, Tenjin 121 Bldg., JPR Yokohama Nihon Odori Bldg.	

## Type B Secured Borrowings

1. Lender	Meiji Yasuda Life Insurance Company
2. Amount	¥4,400 million
3. Interest Rate	1.750%
4. Drawdown Date	March 28, 2003
5. Loan Type	Fixed rate of interest. No collateral. No guarantee.
6. Repayment Date	March 28, 2013
7. Collateral	JPR Ichigaya Bldg., Niigata Ekinan Center Bldg.

(Note) The type of collateral on the above properties is a pledge over trust beneficial interests in real estate for each collateralized property (real estate in trust). In addition, an unregistered mortgage over each real estate in trust has been provided.

**[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	9,500	19,500	10,000
Current Portion of Long -Term Borrowings	22,500	7,500	-15,000
Long -Term Borrowings	30,966	35,966	5,000
Corporate Bonds	46,500	46,500	—
Interest-Bearing Liabilities [Long-term interest-bearing liabilities portion]	109,466 [77,466]	109,466 [82,466]	— [5,000]

(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	48.7%	48.7%	—
Long-Term Interest-Bearing Liabilities Ratio	70.8%	75.3%	4.5

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' capital) x 100  
Unitholders' capital: ¥115,432 million  
(Unitholders' capital is rounded to the nearest million yen)
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.