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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 undertake long-term borrowings to refinance existing corporate bond as detailed in 3. below.

2. Details of Borrowings

1. Lender	Mizuho Corporate Bank, Ltd	Daido Life Insurance Company
2. Amount	¥5,000 million	¥1,000 million
3. Interest Rate (p.a.)	1.181%	1.666%
4. Loan Type	Fixed rate of interest. No collateral. No guarantee.	Fixed rate of interest. No collateral. No guarantee.
5. Drawdown Date	February 5, 2008	February 5, 2008
6. Repayment Method	Principal repayment in full on maturity	Principal repayment in full on maturity
7. Repayment Date	February 4, 2011	February 5, 2015

3. Itemization of Fund Use

JPR will use the funds to repay the following corporate bond.

1. Name	First Series of Corporate Bonds
2. Amount	¥10,000 million
3. Interest Rate	0.84%
4. Maturity Date	February 12, 2008

[For Reference]

1. Total Borrowings and Corporate Bonds Balance after Refinancing

(millions of yen)

	Borrowings Balance prior to Refinancing	Borrowings Balance after Refinancing	Change
Short-Term Borrowings	4,000	4,000	—
Current Portion of Long-Term Borrowings	—	—	—
Long-Term Borrowings	38,183	44,183	6,000
Current Portion of Corporate Bonds	10,000	— (Note1)	(10,000)
Corporate Bonds	51,500	51,500	—
Interest-Bearing Liabilities [Long-term interest-bearing liabilities portion] (Note2)	103,683 [89,683]	99,683 [95,683]	(4,000) [6,000]

(Note1) The figure reflects upcoming repayment of the First Series Corporate bond on February 12, 2008.

(Note2) Long-term interest-bearing liabilities do not include current portion of long-term borrowings and current portion of corporate bonds.

2. Interest-Bearing Liabilities Ratio after Refinancing

	Before Refinancing	After Refinancing	Percentage Point Change
Interest-Bearing Liabilities Ratio	39.8%	38.9%	(0.9)
Long-Term Interest-Bearing Liabilities Ratio	86.5%	96.0%	9.5

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) × 100
Unitholders' capital: ¥156,725 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 × 100
3. Percentage figures are rounded to the nearest first decimal place.