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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 publically offered corporate bonds pursuant to the Law Concerning Book-Entry Transfer of Corporate Bonds, Etc., based on a comprehensive resolution concerning the issuance of publically offered corporate bonds at the Board of Directors Meeting held on December 26, 2007, as outlined below.

**1. Name of the Bond**

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

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

**2. Total Issue Amount**

¥3 billion

**3. Application of Law Concerning Book-Entry Transfer of Corporate Bonds, Etc.**

All of JPR's corporate bonds will apply the Law Concerning Book-Entry Transfer of Corporate Bonds, Etc. and corporate bond certificates will not be issued.

**4. Issue Price**

¥100 with a par value of ¥100

**5. Redemption Value**

¥100 with a par value of ¥100

**6. Interest Rate**

1.71% annually

**7. Denomination**

¥100 million

**8. Subscription and Sales**

Public placement

**9. Subscription Date**

May 16, 2008

**10. Payment Date**

May 30, 2008

**11. Collateral**

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

**12. Redemption Method and Maturity Date**

The total amount of the principals of the Unsecured Bonds will be redeemed on May 30, 2011.

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.

**13. Interest Payment Date**

May 30 and November 30 each year

**14. Financial Covenants**

Restrictions on collateral provision are included.

**15. Ratings**

AA- Rating and Investment Information, Inc. (R&I)

A2 Moody's Investors Service Inc. (Moody's)

A Standard and Poor's (S&P)

**16. Book-entry Transfer Agent**

Japan Securities Depository Center, Inc.

**17. Fiscal Agent, Issue Agent and Payment Agent**

Mizuho Corporate Bank, Ltd.

**18. Underwriter**

Mizuho Securities Co., Ltd.

## 19. Reason for Issuance

JPR will issue corporate bonds for the repayment of borrowings.

## 20. Use of Proceeds

- 1) Detailed use of proceeds: Repayment of short-term borrowings
- 2) Planned repayment day: June 2008 (planned)

## 21. Situation of Borrowings after the Issuance

### ① Total Borrowings and Corporate Bonds Balance after the Issuance

(Millions of yen)

	Borrowings Balance prior to Issuance	Borrowings Balance after Issuance	Change
Short-Term Borrowings	20,800	20,800	—
Current Portion of Long -Term Borrowings	—	—	—
Long -Term Borrowings	51,183	51,183	—
Current Portion of Corporate Bonds	—	—	—
Corporate Bonds	51,500	54,500	3,000
Interest-Bearing Liabilities [Long-term interest-bearing liabilities portion (Note 1)]	123,483 [102,683]	126,483 [105,683]	3,000 [3,000]

Note1: 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 the Issuance

	Before Issuance	After Issuance	Percentage Point Change
Interest-Bearing Liabilities Ratio	44.1%	44.7%	0.6%
Long-Term Interest-Bearing Liabilities Ratio	83.2%	83.6%	0.4%

Notes:

1. The above interest-bearing liabilities ratios are calculated as a matter of convenience using the following formulas:  
$$\text{Interest-bearing liabilities ratio (\%)} = \frac{\text{Interest-bearing liabilities}}{\text{Interest-bearing liabilities} + \text{Unitholders' capital}} \times 100$$
  
Unitholders' capital: ¥156,725 million  
(Unitholders' capital is rounded to the nearest million.)
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.

## **[Reference]**

An overview of the comprehensive resolution concerning issuance of corporate bonds made on December 26, 2007 is as follows.

- (1) Type of Corporate Bonds: Domestic unsecured corporate bonds
- (2) Maximum Grand Total Issue Amount: ¥100 billion
- (3) Scheduled Issue Period: From January 1, 2008 to December 31, 2008
- (4) Overview of Items related to Issue Price including Minimum Denomination:  
The issue price for each corporate bond shall be ¥99 or more per ¥100, and the denomination shall be ¥100 million or more
- (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, repay debt, redeem corporate bonds (including short-term corporate bonds), redeem deposits and other guarantees, pay for property renovations, etc.
- (7) Others: All of the corporate bonds based on the comprehensive resolution will apply the regulations of the Law Concerning Book-Entry Transfer of Corporate Bonds, Etc.