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For Translation Purposes Only

For Immediate Release

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Notice Concerning Issuance of Investment Corporation Bonds

Japan Prime Realty Investment Corporation (JPR) today announced its decision to issue investment corporation bonds, as outlined below.

1. Overview of Investment Corporation Bonds

- 1) Name of the Bonds
Japan Prime Realty Investment Corporation Eleventh Series of Unsecured Investment Corporation Bonds (with special pari passu conditions among specified JPR investment corporation bonds) (hereinafter referred to as “Bonds”)
- 2) Total Issue Amount
¥6 billion
- 3) Form of Bond Certificate
Pursuant to the Law Concerning Book-Entry Transfer of Company Bonds, Shares, Etc. which is applicable to the Bonds, certificates for the Bonds will not be issued.
- 4) Issue Price
¥100 per ¥100 of the investment corporation bonds
- 5) Redemption Value
¥100 per ¥100 of the investment corporation bonds
- 6) Interest Rate
1.68% per annum
- 7) Denomination
¥100 million

- 8) Offering method
Public offering
- 9) Subscription Date
March 5, 2010 (Friday)
- 10) Payment Date
March 12, 2010 (Friday)
- 11) Collateral
The Bonds will be issued on an unsecured, unguaranteed basis and without the backing of specific assets.
- 12) Redemption Method and Redemption Date
The total amount of the Bonds will be redeemed on March 12, 2015.
Note:
The Bonds may be repurchased and cancelled at the option of JPR at any time from the day on and after the payment date, unless otherwise determined by the book-entry transfer agent.
- 13) Interest Payment Date
March 12 and September 12 of each year
- 14) Financial Covenants
The Bonds contain negative pledge.
- 15) Ratings
AA- Rating and Investment Information, Inc.
A2 Moody's Investors Service, Inc. (Moody's)
A Standard & Poor's (S&P)
- 16) Fiscal Agent, Issue Agent and Payment Agent
Mizuho Corporate Bank, Ltd.
- 17) Underwriter
Goldman Sachs Japan Co., Ltd.
Shinkin Securities Co., Ltd.

2. Reason for Issue

Through the issue of the Bonds, JPR aims to increase the ratio of long-term liabilities to the interest-bearing liabilities, and to alleviate risks pertaining to potential interest rate hikes and refinancing.

3. Amount, Detail Use and Expected Dates of Expenditure of Funds to be Procured

- 1) Amount of Funds to be Procured (approximate net amount JPR will obtain)

¥5,957,000,000

- 2) Detail Use and Expected Dates of Expenditure of Funds to be procured

- a. Detail use of funds: repayment of short-term borrowings

Furthermore, JPR plans to repay a part of short-term borrowings through these funds, as well as through a portion of the proceeds from the issuance of new investment units through the public offering that was approved at the Board of Directors meetings of JPR held on January 21, 2010 and February 1, 2010, and the proceeds from the issuance of new investment units through the third-party allotment approved at the Board of Directors meetings of JPR held on January 21, 2010 and February 1, 2010.

- b. Expected time of expenditure: March 2010

4. Status of Borrowings After the Bond Issuance and Repayment of Short-Term Borrowings

(Hereinafter, “Before Issuance” and “After Issuance” pertain to both the Bond issuance and the repayment of short-term borrowings.)

- 1) Interest-Bearing Liabilities Balance after Issuance

(millions of yen)

	Before Issuance	After Issuance	Change
Short-Term Borrowings (Note 1)	8,551	1,004	-7,547
Current Portion of Long-Term Borrowings	11,716	11,716	–
Long-Term Borrowings	85,404	85,404	–
Current Portion of Corporate Bonds	–	–	–
Corporate Bonds	37,500	43,500	6,000
Interest-Bearing Liabilities [long-term interest-bearing liabilities portion (Note 2)]	143,171 (122,904)	141,624 (128,904)	-1,547 (6,000)

Notes:

- The figures assume that ¥7,547 million in short-term borrowings has been repaid.
- Long-term interest-bearing liabilities do not include the current portion of long-term borrowings and the current portion of corporate bonds.
- Interest-bearing liabilities are rounded to the nearest million.

- 2) Interest-Bearing Liabilities Ratio after Issuance

	Before Issuance	After Issuance	Percentage Point Change
Interest-Bearing Liabilities Ratio	45.5%	45.3%	-0.2%
Long-Term Interest-Bearing Liabilities Ratio	85.8%	91.0%	5.2%

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) x 100

Unitholders' capital: ¥171,340 million

(Furthermore, regarding the issuance of new investment units through the third-party allotment that was approved at the Board Meetings of JPR held on January 21, 2010 and February 1, 2010, as of today, there has been no payment. However, for the sake of convenience, the amount of unitholders' capital used includes investment amounts from new investment units through the third-party allotment, assuming that all investment units planned to be offered through the issuance have been applied for and paid in full. Unitholders' capital is rounded to the nearest million.)

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.

5. Other Items on Pertinent Information Required for the Adequate Understanding and Judgment of Investors

Concerning risks related to repayments, etc. through this issuance, there is no change to the content of the Investment Risks section described in the securities report submitted on June 29, 2009.