

May 14, 2010

For Translation Purposes Only

For Immediate Release

Japan Prime Realty Investment Corporation
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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 Twelfth 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
¥7 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
1.27% per annum
- 7) Denomination
¥100 million

- 8) Offering method
Public offering
- 9) Subscription Date
May 14, 2010 (Friday)
- 10) Payment Date
May 21, 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 May 21, 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
May 21 and November 21 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 Ratings Services (S&P)
- 16) Fiscal Agent, Issue Agent and Payment Agent
Mizuho Corporate Bank, Ltd.
- 17) Underwriter
Mizuho Securities Co., Ltd

2. Reason for Issue

Through the issue of the Bonds, JPR aims to procure funds to acquire a specified asset (JPR Sendagaya Building). Details of the specified asset (JPR Sendagaya Building) are described in the "Notice Concerning Property Acquisition (Conclusion of Contract)" announced on June 30, 2008 and "Notice Concerning Property Acquisition (Decision of Property Name)" announced on March 9, 2009.

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)
¥6,953,000,000
- 2) Detail Use and Expected Dates of Expenditure of Funds to be procured
 - a. Detail use of funds: acquisition of specified assets (JPR Sendagaya Building)
 - b. Expected time of expenditure: May 2010

4. Status of Borrowings After the Bond Issuance

- 1) Interest-Bearing Liabilities Balance after Issuance

(millions of yen)

| | Before Issuance | After Issuance | Change |
|--|----------------------|----------------------|------------------|
| Short-Term Borrowings | 5,000 | 5,000 | – |
| Current Portion of Long-Term Borrowings | 16,716 | 16,716 | – |
| Long-Term Borrowings | 81,404 | 81,404 | – |
| Current Portion of Corporate Bonds | – | – | – |
| Corporate Bonds | 43,500 | 50,500 | 7,000 |
| Interest-Bearing Liabilities [long-term interest-bearing liabilities portion (Note 1)] | 146,620 (124,904) | 153,620 (131,904) | 7,000 (7,000) |

Notes:

1. Long-term interest-bearing liabilities do not include the current portion of long-term borrowings and the current portion of corporate bonds.
2. Interest-Bearing Liabilities Ratio after Issuance

| | Before Issuance | After Issuance | Percentage Point Change |
|--|-----------------|----------------|-------------------------|
| Interest-Bearing Liabilities Ratio | 46.1% | 47.3% | 1.2% |
| Long-Term Interest-Bearing Liabilities Ratio | 85.2% | 85.9% | 0.7% |

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: ¥171,340 million
(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 March 25, 2010.