

July 11, 2012

**For Translation Purpose Only**  
**For Immediate Release**

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## Notice Concerning Borrowing

Japan Prime Realty Investment Corporation (JPR) today announced its decision to undertake a borrowing (the “**Borrowing**”) as described below.

### Details

#### 1. Details of the Borrowing

1. Lender	Aozora Bank, Ltd.
2. Amount	¥5,000 million
3. Interest Rate (Note 1) (Note 2)	Base interest rate (1-month JBA Japanese Yen TIBOR) + 0.5%
4. Loan Type	Floating rate of interest No collateral. No guarantee.
5. Drawdown Date	July 19, 2012
6. Repayment Method	Principal repayment in full on maturity
7. Repayment Date	July 4, 2013

(Notes)

- 1: The first interest payment date shall be August 5, 2012 with subsequent payment dates on the 5th of every month thereafter and on the repayment date (if each such date is not a business day, the preceding business day).
- 2: Base interest rate to be applied for interest calculation period concerning each interest payment date shall be the 1-month JBA Japanese Yen TIBOR as of the date two business days prior to the drawdown date and the

immediately preceding interest payment date. Please refer to the Japanese Bankers Association's website (<http://www.zenginkyo.or.jp/en/tibor/>) for the JBA Japanese Yen TIBOR.

## 2. Use of Proceeds

JPR will undertake the short-term borrowing to redeem our existing unsecured corporate bonds as detailed in 3. below.

The balance (4 billion yen) between the redemption amount of 9 billion yen and the borrowing amount of 5 billion yen is to be provided from cash on hand.

## 3. Itemization of Use of the Proceeds

JPR will use the proceeds to redeem the following corporate bonds.

1. Name of the Bond	Japan Prime Realty Investment Corporation's Eighth Series of Unsecured Bonds
2. Amount	¥9,000 million
3. Interest Rate	1.85%
4. Repayment Date	July 23, 2012

## 4. Situation of Borrowings after the Borrowing

### 1) Total Borrowings and Corporate Bonds Balance After the Borrowing

(Yen in millions)

	Borrowings Balance prior to the Borrowing	Borrowings Balance after the Borrowing	Change
Short-Term Borrowings	20,600	25,600	5,000
Current Portion of Long-Term Borrowings	17,643	17,643	—
Long-Term Borrowings	105,338	105,338	—
Current Portion of Corporate Bonds(Note 3)	9,000	—	(9,000)
Corporate Bonds	42,500	42,500	—
Interest-Bearing Liabilities [Long-term interest-bearing liabilities portion (Note 1)]	195,081 [147,838]	191,081 [147,838]	(4,000) [—]

(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 are rounded to the nearest million yen.
3. Current portion of Corporate Bonds indicate figures after redemption of 9 billion yen of the corporate bonds, which will become due on July 23, 2012.

## 2) Interest-Bearing Liabilities Ratio after the Borrowing

	Before the Borrowing	After the Borrowing	Percentage Point Change
Interest-Bearing Liabilities Ratio	53.2 %	52.7 %	(0.5%)
Long-Term Interest-Bearing Liabilities Ratio	75.8 %	77.4 %	1.6%

(Notes)

- The above interest-bearing liabilities ratios are calculated for the purpose of convenience by the following formulas:  

$$\text{Interest-bearing liabilities ratio (\%)} = \frac{\text{Interest-bearing liabilities}}{\text{Interest-bearing liabilities} + \text{Unitholders' capital}} \times 100$$
 Unitholders' capital: ¥171,340 million  
 (Unitholders' capital is rounded to the nearest million)
- Long-term interest-bearing liabilities ratio (%) =  $\frac{\text{Long-term interest-bearing liabilities}}{\text{Interest-bearing liabilities}} \times 100$
- Percentage figures are rounded to the nearest first decimal place.

## 5. Other Matters Required for Investors to Appropriately Understand and Evaluate the Above Information

There will be no changes the content of the investment risk indicated in the Securities Report filed on March 26, 2012 with respect to the risks involved in the redemption etc. due to the borrowing.