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For Translation Purpose Only

For Immediate Release

Japan Prime Realty Investment Corporation
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Notice Concerning Borrowings

Japan Prime Realty Investment Corporation (JPR) today announced its decision to undertake borrowings as described below.

Details

1. Details of Borrowings

1. Lender	Aozora Bank, Ltd.
2. Amount	¥2 billion
3. Interest Rate (per annum)	1.146 %
4. Type of Borrowing	Fixed rate, unsecured, non-guaranteed
5. Drawdown Date	August 30, 2012
6. Repayment Method	Principal repayment in full on maturity.
7. Repayment Date	August 30, 2018

2. Use of Funds

JPR will undertake borrowings for the early repayment of short-term borrowings as detailed in 3 below. The balance between the early repayment of short-term borrowings of 4.5 billion yen and the new borrowing amount of 2 billion yen is to be provided from a portion of proceeds (approximately 0.6 billion yen) raised through an additional issue of new investment units which payments for the purchase of new investment units were completed on July 30, 2012, and proceeds (approximately 1.6 billion yen) raised through an additional issue of new investment units which payments for the purchase of new investment units are to be completed on August 29, 2012, and cash on hand (approximately 0.3 billion yen). For details of the early repayment of the short-term borrowings, please refer to the press release titled "Notice Concerning Repayment of Borrowings" separately announced today.

3. Itemization of Fund Use

JPR will use the funds to repay the following borrowings.

1. Lender	Aozora Bank, Ltd.
2. Amount of Repayment	¥4.5 billion
3. Drawdown Date	July 19, 2012
4. Repayment Date	July 4, 2013

4. Situation of Debts after Additional Borrowings

1) Total Borrowings and Investment Corporation Bonds Balance after Additional Borrowings (Yen in millions)

	Balance before Additional Borrowings	Balance after Additional Borrowings	Change
Short-Term Loans Payable	12,100	7,600	(4,500)
Current Portion of Long-Term Loans Payable	17,643	17,643	—
Long-Term Loans Payable	111,338	113,338	2,000
Current Portion of Investment Corporation Bonds	—	—	—
Investment Corporation Bonds	42,500	42,500	—
Interest-Bearing Debt [Long-term interest-bearing debt portion (Note1)]	183,581 [153,838]	181,081 [155,838]	(2,500) [2,000]

(Notes)

1. Long-term interest-bearing debt does not include current portion of long-term loans payable and current portion of investment corporation bonds.
2. Interest-bearing debt is rounded to the nearest million yen.
3. Balance after additional borrowings in the table above indicate figures after repayment of ¥4.5 billion in existing borrowings as announced in the press released titled “Notice Concerning Repayment of Borrowings” separately announced today.

2) Interest-Bearing Debt Ratio after the Borrowings

	Before Borrowings	After Borrowings	Percentage Point Change
Interest-Bearing Debt Ratio	48.9%	48.5%	(0.4%)
Long-Term Interest-Bearing Debt Ratio	83.8%	86.1%	2.3%

(Notes)

1. The above interest-bearing debt ratios are calculated as a matter of convenience using the following formulas:

$$\text{Interest-bearing debt ratio (\%)} = \frac{\text{Interest-bearing debt}}{\text{Interest-bearing debt} + \text{Unitholders' capital}} \times 100$$
Unitholders' capital: ¥192,044 million

Unitholders' capital includes ¥1,615 million of the total amount of the issue price of the units to be additionally issued and paid on August 29, 2012.

The numbers described above are rounded to the nearest million.

2. Long-term interest-bearing debt ratio (%) = Long-term interest-bearing debt
÷ Interest-bearing debt × 100
3. 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 made to the content of the investment risk indicated in the Securities Report filed on March 26, 2012 with respect to the risks involved in repayment, etc. of the current borrowings.