

For Translation Purpose 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 20th Series of Unsecured Investment Corporation Bonds
(5-year bonds with special pari passu conditions among specified investment corporation bonds)
(hereinafter referred to as “20th Series of Unsecured Bonds”)

Japan Prime Realty Investment Corporation 21st Series of Unsecured Investment Corporation Bonds
(12-year bonds with special pari passu conditions among specified investment corporation bonds)
(hereinafter referred to as “21st Series of Unsecured Bonds”)

The 20th Series of Unsecured Bonds and 21st Series of Unsecured Bonds shall hereinafter be referred to collectively as “Bonds.”

2) Total Issue Amount

20th Series of Unsecured Bonds ¥2 billion
21st Series of Unsecured Bonds ¥4 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) Amount to be Paid in (purchase price)

¥100 per ¥100 of the investment corporation bonds
(For each of the 20th Series of Unsecured Bonds and 21st Series of Unsecured Bonds, common features are presented without reference to individual investment corporation bond issue.)

5) Redemption Value

¥100 per ¥100 of the investment corporation bonds

6) Interest Rate

20th Series of Unsecured Bonds 0.303% per annum
21st Series of Unsecured Bonds 1.278% per annum

7) Denomination

¥100 million



- 8) Offering method
Public offering
- 9) Subscription Date
July 11, 2014 (Friday)
- 10) Payment Date
July 22, 2014 (Tuesday)
- 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
20th Series of Unsecured Bonds (5-year bonds)
The total amount of the bonds will be redeemed on July 22, 2019.
21st Series of Unsecured bonds (12-year bonds)
The total amount of the Bonds will be redeemed on July 22, 2026.
- Note: The Bonds may be repurchased and cancelled at the option of JPR at any time on and after the day after the payment date, unless otherwise determined by the book-entry transfer agent.
- 13) Interest Payment Date
January 22 and July 22 of each year
- 14) Financial Covenants
The Bonds contain negative pledge.
- 15) Ratings
AA- Rating and Investment Information, Inc.
A Standard & Poor's Ratings Japan K.K.
- 16) Book-Entry Transfer Agent
Japan Securities Depository Center, Inc.
- 17) Fiscal Agent, Issue Agent and Payment Agent
Mizuho Bank, Ltd.
- 18) Underwriter
20th Series of Unsecured Bonds: SMBC Nikko Securities Inc.
Mizuho Securities Co., Ltd.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
21st Series of Unsecured Bonds: SMBC Nikko Securities Inc.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Mizuho Securities Co., Ltd.

2. Reason for Issue

JPR plans to use the approximate net amount JPR will obtain, which is the amount arrived at by deducting the approximate amount of miscellaneous expenses for issuance from the amount to be paid in, for the part of repayment of the 9th series of unsecured investment corporation bonds (outstanding amount: ¥6,000 million yen) which will be redeemed on July 23, 2014.



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)
¥5,952 million yen
- 2) Detail Use and Expected Dates of Expenditure of Funds to be Procured
Repayment of the part of the 9th series of unsecured investment corporation bonds (outstanding amount: ¥6,000 million yen) which will be redeemed on July 23, 2014

4. Status of Borrowings after the Bond Issuance

(Yen in millions)

	Before Issuance	After Issuance	Change
Short-Term Loans Payable	2,000	2,000	—
Long-Term Loans Payable	132,690	132,690	—
Investment Corporation Bonds	56,500	56,500	—
Interest-Bearing Debt	191,190	191,190	—
Interest-Bearing Debt Ratio	49.9%	49.9%	—

(Note)

- 1: Long-term loans payable includes the current portion of long-term loans payable.
- 2: After Issuance in the table above reflects the repayment of the 9th series of unsecured investment corporation bonds (outstanding amount: ¥6,000 million yen) which will be redeemed on July 23, 2014.
- 3: Interest-bearing debt ratios are calculated as a matter of convenience using the following formula and then rounded to the nearest first decimal place:
$$\text{Interest-bearing debt ratio (\%)} = \text{Interest-bearing debt} \div (\text{Interest-bearing debt} + \text{Unitholders' capital}) \times 100$$

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, 2014 with respect to the risks involved in repayment, etc. of the current issuance.

