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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 Thirteenth Series of Unsecured Bonds
(5-year bonds with special pari passu conditions among specified JPR investment corporation bonds)
(hereinafter referred to as “13th Series of Unsecured Bonds”)

Japan Prime Realty Investment Corporation Fourteenth Series of Unsecured Bonds
(7-year bonds with special pari passu conditions among specified JPR investment corporation bonds)
(hereinafter referred to as “14th Series of Unsecured Bonds”)

The 13th Series of Unsecured Bonds and 14th Series of Unsecured Bonds shall hereinafter be referred to collectively as “Bonds.”

2) Total Issue Amount

13th Series of Unsecured Bonds ¥7 billion
14th Series of Unsecured Bonds ¥2 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

(For each of the 13th Series of Unsecured Bonds and 14th Series of Unsecured Bonds, common features are presented without reference to individual corporate bond issue.)

5) Redemption Value

¥100 per ¥100 of the investment corporation bonds

6) Interest Rate

13th Series of Unsecured Bonds 0.95% per annum

14th Series of Unsecured Bonds 1.34% per annum

7) Denomination

¥100 million

8) Offering method

Public offering

9) Subscription Date

October 18, 2011 (Tuesday)

10) Payment Date

October 25, 2011 (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

13th Series of Unsecured Bonds (5-year bonds)

The total amount of the Bonds will be redeemed on October 25, 2016.

14th Series of Unsecured Bonds (7-year bonds)

The total amount of the Bonds will be redeemed on October 25, 2018

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

April 25 and October 25 of each year

14) Financial Covenants

The Bonds contain negative pledge.

15) Ratings

AA- Rating and Investment Information, Inc.

A2 Moody's Japan K.K. (Moody's)

A Standard & Poor's Ratings Services (S&P)

- 16) Book-Entry Transfer Agent
Japan Securities Depository Center, Inc.
- 17) Fiscal Agent, Issue Agent and Payment Agent
Mizuho Corporate Bank, Ltd.
- 18) Underwriter
13th Series of Unsecured Bonds: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Mizuho Securities Co., Ltd.
Merrill Lynch Japan Securities Co., Ltd.
14th Series of Unsecured Bonds: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

2. Reason for Issue

Through the issue of Bonds, JPR plans to use 5 billion yen of the procured funds for the redemption of the Fifth Series of Unsecured Bonds (outstanding amount 5 billion yen), which will mature on November 4, 2011 and use the remaining amount of the procured funds for the repayment of borrowings.

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)
¥8,938 million
- 2) Detail Use and Expected Dates of Expenditure of Funds to be procured
- Detail use of funds: redemption of Fifth Series of Unsecured Bonds and early repayment of part of short-term borrowings.
 - Expected time of expenditure: November 2011

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)	16,800	12,400	(4,400)
Current Portion of Long-Term Borrowings	12,616	12,616	—
Long-Term Borrowings	86,847	86,847	—
Current Portion of Corporate Bonds	14,000	9,000	(5,000)
Corporate Bonds	33,500	42,500	9,000
Interest-Bearing Liabilities [long-term interest-bearing liabilities portion (Note 2)]	163,763 〔120,347〕	163,363 〔129,347〕	(400) 〔(9,000)〕

Notes:

- The figures assume that ¥4,400 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 the Issuance

	Before Issuance	After Issuance	Percentage Point Change
Interest-Bearing Liabilities Ratio	48.9%	48.8%	(0.1%)
Long-Term Interest-Bearing Liabilities Ratio	73.5%	79.2%	5.7%

Notes:

- The above interest-bearing liabilities ratios are calculated as a matter of convenience using 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 (%) = Long-term interest-bearing liabilities / Interest-bearing liabilities x 100
- 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 September 28, 2011.