

July 9, 2012

For Translation Purposes Only

For Immediate Release

Japan Prime Realty Investment Corporation
Hirohito Kaneko
Executive Officer
(Securities Code: 8955)

Asset Management Company:
Tokyo Realty Investment Management, Inc.
Satoshi Okubo
President and Chief Executive Officer
Inquiries: Satoshi Eida
Director and Chief Financial Officer
TEL: +81-3-3516-1591

Notice Concerning Issue of New Investment Units and Secondary Offering

Japan Prime Realty Investment Corporation (JPR) announced that it has resolved at the Board of Directors Meeting held today to issue new investment units and conduct a secondary offering, as outlined below.

Details

1. Issue of New Investment Units via Offering

(1) Total number of units to be offered

101,420 units

(The total number of units in (5) A. Domestic primary offering and (5) B. International offering is 101,420 units. Although the target for the domestic primary offering is 57,420 units and the target for the international offering is 44,000 units (42,580 units to be underwritten by the international underwriters (described below in (5) B. International offering) and 1,420 additional units of the JPR's investment units (the "investment units") for which the international underwriter is granted the right to purchase), the final allocation will be determined on the pricing date (described below in (2)) considering demand and other factors.)

(2) Issue price (offer price)

To be determined

(The price shall be determined by a resolution of the Board of Directors on a date (the "pricing date") between July 23, 2012 (Monday) and July 26, 2012 (Thursday). The issue price (offer price) shall be the price at which the below (5) A. Domestic primary offering and (5) B. International offering is made.)

Note: This document provides general information in connection with the issue and secondary offering of investment units and is not provided as an inducement or invitation for investment. We caution readers to refer to JPR's prospectus and notice of amendments thereto and to undertake investment decisions subject to individual determination.

Also, this document does not constitute an offer to sell or a solicitation of any offer to buy the investment units in the United States. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the "Securities Act"). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from JPR and that will contain detailed information about JPR and its management, as well as JPR's financial statements. However, no offering or sale of investment units is being made in the United States.

(3) Amount to be paid in (purchase price)

To be determined

(The price shall be determined by a resolution of the Board of Directors on the pricing date. The amount to be paid in (the “purchase price”) shall be the proceeds per an investment unit JPR receives.)

(4) Gross proceeds (total purchase price)

To be determined

(5) Offering method

A. Domestic primary offering

The offering of investment units in Japan (“Domestic Primary Offering”) shall be via a primary offering, and underwritten in full by Mizuho Securities Co., Ltd. and Merrill Lynch Japan Securities Co., Ltd. (collectively referred to as the “joint lead managers”) along with Daiwa Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Tokai Tokyo Securities Co., Ltd. (collectively referred to together with the joint lead managers as the “domestic underwriters”).

B. International offering

The offering of investment units international (“International Offering” and collectively referred to together with the Domestic Primary Offering as the “Offering”) shall be via offering to the international market centering on Europe and Asia (however, excluding the U.S. and Canada), and underwritten in full by international underwriters, namely Mizuho International Plc, Merrill Lynch International and Deutsche Bank AG, London Branch, as the joint lead managers as well as joint bookrunners (the “international underwriters”). In addition, JPR grants the international underwriters the right to acquire investment units to be additionally issued.

C. Joint global coordinator

The joint global coordinators of the Offering and the Secondary Offering (over-allotment) described below in 2. Secondary Offering (Over-Allotment) (“Secondary Offering (over-allotment)”) shall be Mizuho Securities Co., Ltd., Merrill Lynch Japan Securities Co., Ltd. and Deutsche Securities Inc.

D. The issue price (offer price) of the Offering shall provisionally be calculated by multiplying the Tokyo Stock Exchange (TSE) closing price of the investment unit on the pricing date (or the closing price on the day immediately preceding the pricing date in the event there is no closing price) by a factor of 0.90 to 1.00 (amounts less than ¥1 to be rounded down) and then be decided considering demand and other factors.

(6) Underwriting agreement

No underwriting commission will be payable by JPR. The aggregate amount of the difference between the issue price and the amount to be paid in of the Domestic Primary Offering shall be the proceeds for the domestic underwriters and the type of the difference between the issue price and the

Note: This document provides general information in connection with the issue and secondary offering of investment units and is not provided as an inducement or invitation for investment. We caution readers to refer to JPR’s prospectus and notice of amendments thereto and to undertake investment decisions subject to individual determination.

Also, this document does not constitute an offer to sell or a solicitation of any offer to buy the investment units in the United States. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the “Securities Act”). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from JPR and that will contain detailed information about JPR and its management, as well as JPR’s financial statements. However, no offering or sale of investment units is being made in the United States.

amount to be paid in of the International Offering shall be the proceeds for the international underwriters.

(7) Book-building period

From July 17, 2012 (Tuesday) to the pricing date

(8) Subscription period of Domestic Primary Offering

From July 27, 2012 (Friday) to July 30, 2012 (Monday)

Considering demand and other factors, the subscription period may be brought forward. In that case, the earliest subscription period shall be from July 24, 2012 (Tuesday) to July 25, 2012 (Wednesday).

(9) Payment date

August 2, 2012 (Thursday)

Considering demand and other factors, the payment date may be brought forward. In that case, the earliest payment date shall be July 30, 2012 (Monday).

(10) Delivery date

One business day after the payment date

(11) Subscription unit

One unit or more in multiples of one unit

(12) Issue price (Offer price) and the purchase price and other necessary items relating to the Offering shall be approved at a future Board of Directors Meeting. However, any modifications or other adjustments before formal decision shall be determined at the discretion of the Executive Officer.

(13) The Domestic Primary Offering shall be subject to the effectiveness of the Securities Registration Statement in accordance with the Financial Instruments and Exchange Law in Japan.

2. Secondary Offering (Over-Allotment)

(1) Seller and the number of investment units to be offered

Mizuho Securities Co., Ltd. 8,580 units

The Secondary Offering (over-allotment) will be conducted by Mizuho Securities Co., Ltd. aside from and in connection with the Domestic Primary Offering considering demand and other factors. The abovementioned number of investment units indicates the maximum number of investment units to be offered via the Secondary Offering. Depending on demand and other factors, there may be cases where this number of investment units is reduced or the Secondary Offering (over-allotment) itself is not conducted.

Note: This document provides general information in connection with the issue and secondary offering of investment units and is not provided as an inducement or invitation for investment. We caution readers to refer to JPR's prospectus and notice of amendments thereto and to undertake investment decisions subject to individual determination.

Also, this document does not constitute an offer to sell or a solicitation of any offer to buy the investment units in the United States. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the "Securities Act"). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from JPR and that will contain detailed information about JPR and its management, as well as JPR's financial statements. However, no offering or sale of investment units is being made in the United States.

- (2) Offer price
To be determined
(It will be decided on the pricing date, and shall be the same as the issue price (offer price) of the Domestic Primary Offering.)
- (3) Total offer price
To be determined
- (4) Offering method
Depending on the demand and other factors of the Domestic Primary Offering, Mizuho Securities Co., Ltd. shall offer the investment units borrowed from Tokyo Tatemono Co., Ltd., a unitholder of JPR, the maximum amount of which is 8,580 units.
- (5) Subscription period
It shall be the same period as that of the Domestic Primary Offering.
- (6) Settlement date
It shall be the same day as the delivery date of the Domestic Primary Offering.
- (7) Advances on subscription
It shall be the same amount as the offer price.
- (8) Subscription unit
One unit or more in multiples of one unit
- (9) The offer price and other necessary items relating to the Secondary Offering shall be approved at a future Board of Directors Meeting. However, any modifications or other adjustments before formal decision shall be determined at the discretion of the Executive Officer.
- (10) The aforementioned items shall be subject to the effectiveness of the Securities Registration Statement in accordance with the Financial Instruments and Exchange Law in Japan.

3. Third-Party Allotment

- (1) Total number of investment units to be offered
8,580 units
- (2) Third party and number of investment units to be issued to the third party
Mizuho Securities Co., Ltd. 8,580 units

Note: This document provides general information in connection with the issue and secondary offering of investment units and is not provided as an inducement or invitation for investment. We caution readers to refer to JPR's prospectus and notice of amendments thereto and to undertake investment decisions subject to individual determination.

Also, this document does not constitute an offer to sell or a solicitation of any offer to buy the investment units in the United States. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the "Securities Act"). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from JPR and that will contain detailed information about JPR and its management, as well as JPR's financial statements. However, no offering or sale of investment units is being made in the United States.

- (3) Amount to be paid in (purchase price)
To be determined
(It shall be the same as the amount to be paid in (purchase price) of the Domestic Primary Offering.)
- (4) Gross proceeds (total purchase price)
To be determined
- (5) Subscription date
August 28, 2012 (Tuesday)
- (6) Payment date
August 29, 2012 (Wednesday)
- (7) Subscription unit
One unit or more in multiples of one unit
- (8) Investment units for which no application for subscription has been made during the subscription period shall not be issued.
- (9) The amount to be paid in (purchase price) and other necessary items relating to the third-party allotment shall be approved at a future Board of Directors Meeting. However, any modifications or other adjustments before formal decision shall be determined at the discretion of the Executive Officer.
- (10) The issue of new investment units through third-party allotment shall not be conducted if the Domestic Primary Offering is suspended.
- (11) The aforementioned items shall be subject to the effectiveness of the Securities Registration Statement in accordance with the Financial Instruments and Exchange Law in Japan.

Note: This document provides general information in connection with the issue and secondary offering of investment units and is not provided as an inducement or invitation for investment. We caution readers to refer to JPR's prospectus and notice of amendments thereto and to undertake investment decisions subject to individual determination.

Also, this document does not constitute an offer to sell or a solicitation of any offer to buy the investment units in the United States. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the "Securities Act"). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from JPR and that will contain detailed information about JPR and its management, as well as JPR's financial statements. However, no offering or sale of investment units is being made in the United States.

< For Reference >

1. Details of the Secondary Offering (Over-allotment)

- (1) Depending on the demand and other factors of the Domestic Primary Offering, Mizuho Securities Co., Ltd. may offer the investment units borrowed from Tokyo Tatemono Co., Ltd. (the “borrowed investment units”), the maximum amount of which is 8,580 units (secondary offering though over-allotment). In order to apply to return of the borrowed investment units, JPR grants Mizuho Securities Co., Ltd. an option to purchase new investment units by way of the third-party allotment, mentioned under 3. above, up to a maximum 8,580 units (the “greenshoe option”). The greenshoe option shall be exercised by August 24, 2012 (Friday).
- (2) In order to apply to return of the borrowed investment units, there may be cases where Mizuho Securities Co., Ltd. may also purchase the investment units up to the number of investment units for the Secondary Offering (over-allotment) in the Tokyo Stock Exchange (the “syndicated cover transaction”) during the period from the day following the close of the subscription period for the Domestic Primary Offering and the Secondary Offering (over-allotment) until August 24, 2012 (Friday) (the “syndicated cover transaction period.”) All of the investment units purchased by Mizuho Securities Co., Ltd. through the syndicated cover transaction shall be used to return the borrowed investment units. Furthermore, there may be cases where Mizuho Securities Co., Ltd. does not conduct the syndicated cover transaction at all or completes the syndicated cover transaction with the number of investment units that are smaller than the number of investment units offered through the Secondary Offering (over-allotment), at its own judgment.
- (3) Moreover, Mizuho Securities Co., Ltd. may engage in stabilizing transactions related to the Domestic Primary Offering and the Secondary Offering (over-allotment). The investment units purchased through such stabilizing transactions may possibly be used, in whole or to part, in return the borrowed investment units. There may be cases where all or part of the investment units purchased through stabilizing transactions are transferred to international underwriters to be used for the payment of the international offering.
- (4) For the number of investment units as a result of reducing the number of investment units purchased through the syndicated cover transaction and stabilizing transactions and used to return the borrowed investment units from the number of investment units for the Secondary Offering (over-allotment), Mizuho Securities Co., Ltd. intends to exercise the greenshoe option to accept the allotment of the third-party allotment and acquire the investment units. Consequently, there may be cases where there will be no subscription to the investment units offered in the third-party allotment in whole or in part, and accordingly the final number of investment units placed by the third-party allotment decrease to that extent due to forfeiture, or such allotment itself will not take place at all.

Note: This document provides general information in connection with the issue and secondary offering of investment units and is not provided as an inducement or invitation for investment. We caution readers to refer to JPR’s prospectus and notice of amendments thereto and to undertake investment decisions subject to individual determination.

Also, this document does not constitute an offer to sell or a solicitation of any offer to buy the investment units in the United States. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the “Securities Act”). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from JPR and that will contain detailed information about JPR and its management, as well as JPR’s financial statements. However, no offering or sale of investment units is being made in the United States.

- (5) The transactions described in the above (1) to (4) will be conducted upon consultation between Mizuho Securities Co., Ltd. and Merrill Lynch Japan Securities Co., Ltd. Stabilizing transactions will be conducted upon consultation between Mizuho Securities Co., Ltd., Merrill Lynch Japan Securities Co., Ltd. and Deutsche Securities Inc.

2. Total Number of Issued Investment Units after New Issue

Total number of issued investment units (as of July 9, 2012)	715,000 units
Number of new investment units to be issued in the Offering	101,420 units
Total number of issued investment units after the Offering	816,420 units
Increase in number of investment units by way of third-party allotment	8,580 units (Note)
Total number of issued investment units after third-party allotment	825,000 units (Note)

(Note) On the assumption the case that all the rights to purchase the investment units additionally issued which are granted to international underwriters are exercised and all the new investment units are issued in the third-party allotment

3. Reason for and Purpose of Issue

JPR has decided to issue new investment units in order to realize external growth through acquisition of new specified assets and gain greater leverage for fund procurement by lowering the loan to value ratio (LTV) through partial repayment of borrowings, after examining the market trends, distribution levels and other factors.

4. Amount of Funds to be Procured, Use and Schedule

- (1) Amount of funds to be procured (approximate net amount JPR will obtain)

22.0 billion yen (maximum)

(Note 1) The amount is the sum of the maximum estimated 20.2 billion yen as proceeds JPR receives through the Offering and the maximum estimated amount of 1.7 billion yen as proceeds JPR receives through the third-party allotment.

(Note 2) The above figure is an estimated amount calculated on the basis of the market price as of July 9, 2012 (rounded down to the nearest 100 million yen).

- (2) Particulars of Use of the Funds to be Procured and Schedule

JPR will use the proceeds as part of the acquisition costs (7 billion yen; including acquisition costs) of the specified assets (same meaning as defined in Article 2-1 of the Law Concerning Investment Trusts and Investment Corporations) as described below. The remaining proceeds will be used to repay borrowings by the end of September 2012. Details of the property to be acquired are described in the “Notice Concerning Property Acquisition (Conclusion of Contract) “Yakuin Business Garden”” separately announced today.

Note: This document provides general information in connection with the issue and secondary offering of investment units and is not provided as an inducement or invitation for investment. We caution readers to refer to JPR’s prospectus and notice of amendments thereto and to undertake investment decisions subject to individual determination.

Also, this document does not constitute an offer to sell or a solicitation of any offer to buy the investment units in the United States. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the “Securities Act”). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from JPR and that will contain detailed information about JPR and its management, as well as JPR’s financial statements. However, no offering or sale of investment units is being made in the United States.

Property Number	Property to be Acquired	Acquisition Price (planned) (Millions of yen)	Settlement Date (planned)
Office C-20	Yakuin Business Garden	10,996	August 2012

5. Designated Destination of Distribution

None

6. Outlook

As described in the “Notice Concerning Operating Forecasts for the Fiscal Period Ending December 2012” announced today.

(Reference)

Operating Forecasts for the Fiscal Period Ending December 31, 2012 (as announced on July 9, 2012) and Operating Forecasts for the Fiscal Period Ended June 30, 2012 (as announced on June 25, 2012)

	Operating Revenues (Millions of yen)	Net Operating Profits (Millions of yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of yen)	Dividend per Unit (excluding distributions in excess of earnings per unit) (Yen)	Distributions in Excess of Earnings per Unit (Yen)
Forecasts for Fiscal Period Ending December 31, 2012	12,855	6,659	4,951	4,950	6,000	—
Forecasts for Fiscal Period Ended June 30, 2012	12,331	6,386	4,577	4,576	6,400	—

7. Operating Results of Past Three Fiscal Periods and Status of Equity Financing

(1) Operating results of past three fiscal periods

	Fiscal Period Ended December 31, 2010	Fiscal Period Ended June 30, 2011	Fiscal Period Ended December 31, 2011
Net Income per Unit	5,649 yen	5,609 yen	5,874 yen
Dividend per Unit	5,680 yen	5,611 yen	5,876 yen
Actual payout ratio	100.5%	100.0%	100.0%
Net Assets per Unit	245,458 yen	245,387 yen	245,651 yen

Note: This document provides general information in connection with the issue and secondary offering of investment units and is not provided as an inducement or invitation for investment. We caution readers to refer to JPR’s prospectus and notice of amendments thereto and to undertake investment decisions subject to individual determination.

Also, this document does not constitute an offer to sell or a solicitation of any offer to buy the investment units in the United States. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the “Securities Act”). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from JPR and that will contain detailed information about JPR and its management, as well as JPR’s financial statements. However, no offering or sale of investment units is being made in the United States.

(2) Recent status of investment unit price

1) Status in the last three fiscal periods

	Fiscal Period Ended June 30, 2011	Fiscal Period Ended December 31, 2011	Fiscal Period Ended June 30, 2012
Opening Price	252,800 yen	212,200 yen	181,300 yen
High	260,000 yen	218,400 yen	247,000 yen
Low	160,000 yen	172,900 yen	170,100 yen
Closing Price	213,000 yen	181,300 yen	224,200 yen

2) Status in the last six months

	February 2012	March	April	May	June	July
Opening Price	181,800 yen	218,000 yen	238,000 yen	233,900 yen	220,300 yen	229,200 yen
High	217,600 yen	239,000 yen	247,000 yen	235,500 yen	234,400 yen	230,400 yen
Low	178,200 yen	214,200 yen	225,000 yen	216,700 yen	214,800 yen	218,900 yen
Closing Price	215,200 yen	237,900 yen	229,900 yen	223,800 yen	224,200 yen	220,300 yen

(Note) The investment unit price for July 2012 is the figure as of July 6, 2012.

3) Investment unit price on the business day preceding the resolution day of the issuance

	July 6, 2012
Opening Price	223,000 yen
High	223,900 yen
Low	218,900 yen
Closing Price	220,300 yen

(3) Status of Equity Financing in the past three fiscal periods

None

8. Other

(1) Stabilizing transactions

Mizuho Securities Co., Ltd. may engage in stabilizing transactions related to the Offering and the Secondary Offering (over-allotment).

(2) Lock-up agreement with issuer

Upon the Offering, JPR and Tokyo Realty Investment Management, Inc. have agreed with the joint global coordinators that JPR will not additionally issue investment units (except for an additional issue in the case of the Offering, third-party allotment, both as described herein, split of investment units, etc.) for a period of six months after the delivery date of the Offering, from July 9, 2012. In

Note: This document provides general information in connection with the issue and secondary offering of investment units and is not provided as an inducement or invitation for investment. We caution readers to refer to JPR's prospectus and notice of amendments thereto and to undertake investment decisions subject to individual determination.

Also, this document does not constitute an offer to sell or a solicitation of any offer to buy the investment units in the United States. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the "Securities Act"). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from JPR and that will contain detailed information about JPR and its management, as well as JPR's financial statements. However, no offering or sale of investment units is being made in the United States.

addition, in the event of the above, joint global coordinators terminate this condition in part or in whole, or the period limitation may be shortened upon agreement of JPR and Tokyo Realty Investment Management at their discretion.

(3) Lock-up agreement with Tokyo Tatemono and major unitholders

Upon the Offering, Tokyo Tatemono Co., Ltd. has agreed with the joint global coordinators not to sell, transfer, pledge as collateral, lend or otherwise dispose of the 29,300 investment units it owns as of July 2, 2012, (Monday), except for lending them to Mizuho Securities Co., Ltd. for the Secondary Offering (over-allotment), for a period of six months after the delivery date of the Offering, from July 2, 2012 (Monday), except for the case where the joint global coordinators give prior written consent.

Upon the Offering, the unitholders of JPR (listed below) have agreed with the joint global coordinators not to sell, transfer, pledge as collateral, lend or otherwise dispose of investment units of JPR they own as of July 2, 2012 (Monday) for a period of six months after the delivery date of the Offering in the case of Tokyo Realty Investment Management, Inc., or three months after the delivery date in the case of Meiji Yasuda Life Insurance Company, Yasuda Real Estate Co., Ltd. and Taisei Corporation, from July 2, 2012 (Monday), except for the case where the joint global coordinators give their prior written consents.

The number of investment units held by each unitholder as of July 2, 2012 (Monday) is listed as follows.

(As of July 2, 2012)

Unitholders	Number of investment units Held
Meiji Yasuda Life Insurance Company	24,000
Yasuda Real Estate Co., Ltd.	5,000
Taisei Corporation	1,500
Tokyo Realty Investment Management, Inc.	100
Total	30,600

Note: This document provides general information in connection with the issue and secondary offering of investment units and is not provided as an inducement or invitation for investment. We caution readers to refer to JPR's prospectus and notice of amendments thereto and to undertake investment decisions subject to individual determination.

Also, this document does not constitute an offer to sell or a solicitation of any offer to buy the investment units in the United States. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the "Securities Act"). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from JPR and that will contain detailed information about JPR and its management, as well as JPR's financial statements. However, no offering or sale of investment units is being made in the United States.