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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 Seventeenth Series of Unsecured Bonds
(5-year bonds with special pari passu conditions among specified investment corporation bonds)
(hereinafter referred to as “17th Series of Unsecured Bonds”)

Japan Prime Realty Investment Corporation Eighteenth Series of Unsecured Bonds
(10-year bonds with special pari passu conditions among specified investment corporation bonds)
(hereinafter referred to as “18th Series of Unsecured Bonds”)

The 17th Series of Unsecured Bonds and 18th Series of Unsecured Bonds shall hereinafter be referred to collectively as “Bonds.”

2) Total Issue Amount

17th Series of Unsecured Bonds ¥5 billion
18th 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) Amount to be Paid in (purchase price)

¥100 per ¥100 of the investment corporation bonds

(For each of the 17th Series of Unsecured Bonds and 18th 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

17th Series of Unsecured Bonds 0.65% per annum

18th Series of Unsecured Bonds 1.46% per annum

7) Denomination

¥100 million

8) Offering method

Public offering

9) Subscription Date

May 17, 2013 (Friday)

10) Payment Date

May 31, 2013 (Friday)

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

17th Series of Unsecured Bonds (5-year bonds)

The total amount of the bonds will be redeemed on May 31, 2018.

18th Series of Unsecured bonds (10-year bonds)

The total amount of the Bonds will be redeemed on May 31, 2023.

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

May 31 and November 30 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. (S&P)

A3 Moody's Japan K.K. (Moody's)

- 16) Book-Entry Transfer Agent
Japan Securities Depository Center, Inc.
- 17) Fiscal Agent, Issue Agent and Payment Agent
Mizuho Corporate Bank, Ltd.
- 18) Underwriter
Mizuho Securities Co., Ltd.
SMBC Nikko Securities Inc.
Mitsubishi UFJ Morgan Stanley 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 repayment of the short-term borrowings which will become due for repayment on July 5, 2013. The details of the early repayment of the short-term borrowings will be disclosed when determined.

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)
¥6,946 million yen
- 2) Detail Use and Expected Dates of Expenditure of Funds to be Procured
- Detail use of funds: early repayment of short-term borrowings which will become due for repayment on July 5, 2013.
 - Expected time of expenditure: May 2013 (planned)

4. Status of Borrowings after the Bond Issuance

- 1) Balance of Borrowings and Investment Corporation Bonds after the Issuance

	(millions of yen)		
	Before Issuance	After Issuance	Change
Short-Term Borrowings	7,000	—	(7,000)
Current Portion of Long-Term Borrowings	23,618	23,618	—
Long-Term Borrowings	107,439	107,439	—
Current Portion of Investment Corporation Bonds	5,000	5,000	—
Investment Corporation Bonds	44,500	51,500	7,000
Interest-Bearing Liabilities [long-term interest-bearing liabilities portion (Note 1)]	187,557 [151,939]	187,557 [158,939]	— [7,000]

Notes:

- Long-term interest-bearing liabilities do not include the current portion of long-term borrowings and the current portion of investment corporation bonds.
- Interest-Bearing Liabilities are rounded to the nearest million.
- After Issuance in the table above reflects the early repayment of short-term borrowing of 7 billion yen which will become due for repayment on July 5, 2013.

2) Interest-Bearing Liabilities Ratio after the Issuance

	Before Issuance	After Issuance	Percentage Point Change
Interest-Bearing Liabilities Ratio	49.4%	49.4%	—
Long-Term Interest-Bearing Liabilities Ratio	81.0%	84.7%	3.7%

Notes:

1. 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: ¥192,044 million
(Unitholders' capital is rounded to the nearest million.)
2.
$$\text{Long-term interest-bearing liabilities ratio (\%)} = \frac{\text{Long-term interest-bearing liabilities}}{\text{Interest-bearing liabilities}} \times 100$$
3. Percentage figures are rounded to the nearest first decimal place.
4. After Issuance in the table above reflects the early repayment of short-term borrowing of 7 billion yen which will become due for repayment on July 5, 2013.

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 March 26, 2013.