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**For Translation Purposes Only****For Immediate Release**

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**Notice Concerning Early Repayment of Borrowing**

Japan Prime Realty Investment Corporation (JPR) today announced its decision to repay early the borrowing as outlined below.

**Details****1. Date of Repayment and Details of Borrowing Repaid**

Date of Early Repayment: January 24, 2017 (planned)

1. Lender	Mizuho Bank, Ltd.
2. Amount before Repayment	¥7,000 million
3. Amount of Repayment	¥7,000 million
4. Amount after Repayment	—
5. Drawdown Date	October 24, 2016
6. Prescribed Repayment Date	July 5, 2017

**2. Funds for Repayment**

In the repayment of the borrowing, 2 billion yen will be funded by the proceeds to be received from the issue of new investment units via public offering (“Offering”), in which payment for the investment units by the purchasers is scheduled to be completed on January 24, 2017. Moreover, 5 billion yen of cash on hand will be used temporarily while proceeds raised through the sale of JPR’s owned assets which are scheduled to be sold (Fukuoka Bldg. and JPR Hakata-chuo Building) will be used substantially for the repayment. For details of the sale of Fukuoka Bldg. and JPR Hakata-chuo Building, please refer to the “Notice Concerning Acquisition and Sale of Properties (Conclusion of Contracts) Acquisition of “GINZA GATES” and “FUNDES Suidobashi” and Sale of “Fukuoka Bldg.” and “JPR Hakata-chuo Building”” announced on December 14, 2016. For details of issue of new investment units via the offering, please refer to the “Notice Concerning Issue of New Investment Units and Secondary Offering” announced on January 6, 2017 and “Notice Concerning Determination of Price, etc. for the Issue of New Investment Units and Secondary Offering” separately announced today.

Note: This document is a press release for a public announcement regarding early repayment of borrowing and has not been prepared for the purpose of soliciting any investment. We request readers to undertake investment decisions at their own judgment after having read carefully the prospectus and notice of amendments for the issuance of new investment units and secondary offering prepared by JPR.

### 3. Situation of Debts after the Repayment

(Yen in millions)

	Balance before the Repayment	Balance after the Repayment	Change
Short-Term Loans Payable	7,000	0	(7,000)
Long-Term Loans Payable (Note 1)	147,460	147,460	—
Investment Corporation Bonds (Note 1)	34,500	34,500	—
Interest-Bearing Debt	188,960	181,960	(7,000)
Ratio of Interest-Bearing Debt to Total Assets (Note 2)	43.8%	40.8%	(3.0%pt)

(Note 1) Long-Term Loans Payable and Investment Corporation Bonds include the current portion of long-term loans payable and investment corporation bonds.

(Note 2) Ratio of Interest-Bearing Debt to Total Assets mentioned above is calculated as a matter of convenience using the following formula and then rounded to the nearest first decimal place:

$$\text{Ratio of Interest-Bearing Debt to Total Assets (\%)} = \text{Interest-Bearing Debt} \div \text{Total Assets} \times 100$$

Total Assets is calculated by adding or subtracting the increase or decrease in Interest-Bearing Debt after the end of the fiscal period ended June 30, 2016 and unitholders' capital (including the total purchase price of 20.2billion yen for the new investment units issued via the Offering, and the total purchase price (maximum) of 1.0billion yen for the new investment units issued by way of third-party allotment ("Third-Party Allotment"), in which payment for the investment units by the allottee is scheduled to be completed on February 14, 2017.) to the total assets as of the end of the fiscal period ended June 30, 2016.

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. Therefore, the total purchase price for the new investment units issued by way of the Third-Party Allotment may differ from the figure mentioned above, resulting in Total Assets and Ratio of Interest-Bearing Debt to Total Assets after the Repayment to differ from the figures mentioned above as well.

### 4. Future Outlook

The impact of the early repayment of borrowing on the operating results of JPR is minimal, and JPR will not change its operating forecasts for the 30th fiscal period ended December 31, 2016, the 31st fiscal period ending June 30, 2017 and the 32nd fiscal period ending December 31, 2017.

### 5. Other Matters Required for Investors to Appropriately Understand and Evaluate the Above Information

Concerning the risks associated with the repayment of the borrowing, etc., there is no change from what is described in the content of "Investment Risks" of the securities registration statement submitted on January 6, 2017 (having been amended by the amendment to the securities registration statement submitted today).

\*JPR website: <http://www.jpr-reit.co.jp/en/>

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