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**For Translation Purpose Only**
**For Immediate Release**

Japan Prime Realty Investment Corporation
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# Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds)

Japan Prime Realty Investment Corporation (JPR) today announced its decision to issue investment corporation bonds (Green Bonds), as outlined below.

## Details

### 1. Overview of Investment Corporation Bonds

| | | |
|---|---|---|
| (1) | Name | Japan Prime Realty Investment Corporation 24th Series of Unsecured Investment Corporation Bonds (with special pari passu conditions among specified investment corporation bonds) (Green Bonds) (hereinafter referred to as the "Green Bonds"; also known as "JPR Green Bonds") |
| (2) | Total Issue Amount | ¥5,000 million |
| (3) | Form of Bond Certificate | Pursuant to the Law Concerning Book-Entry Transfer of Company Bonds, Shares, Etc. which is applicable to the Green Bonds, certificates for the Green Bonds will not be issued. |
| (4) | Amount to be Paid in (issue price) | ¥100 per ¥100 of the investment corporation bonds |
| (5) | Redemption Price | ¥100 per ¥100 of the investment corporation bonds |
| (6) | Interest Rate | 0.570% per annum |
| (7) | Denomination | ¥100 million |
| (8) | Offering Method | Public offering |
| (9) | Subscription Period | July 25, 2019 |
| (10) | Payment Date | July 31, 2019 |
| (11) | Collateral | The Green Bonds will be issued on an unsecured, unguaranteed basis and without the backing of specific assets. |
| (12) | Redemption Date and Method | The total amount of the Green Bonds will be redeemed on July 31, 2029. Note: The Green 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 | July 31 and January 31 of each year |
| (14) | Ratings | AA- Rating and Investment Information, Inc.<br>A S&P Global Ratings Japan Inc. |
| (15) | Financial Covenants | The Bonds contain negative pledge. |
| (16) | Fiscal Agent, Issue Agent and Payment Agent | Mizuho Bank, Ltd. |
| (17) | Underwriter | Mizuho Securities Co., Ltd.<br>SMBC Nikko Securities Inc. |

**2. Reason and Purpose for Issue**

Positioning sustainability initiatives as important management issues, JPR has decided to issue the Green Bonds based on its belief that such will contribute to the expansion of JPR's investor base and the enhancement of stable fundraising methods for J-REITs while further promoting ESG initiatives.

JPR obtained Green 1 (F) rating, the highest possible, in a "Green Finance Framework Evaluation" by Japan Credit Rating Agency, Ltd. (JCR), which is a third-party evaluation organization, regarding the eligibility of its Green Finance Framework (Note 1), and the Green Bonds will be issued based on the applicable framework.

In connection with the third-party evaluation obtained by JPR, JCR, which is the issuance supporter, received a grant notification from the Green Finance Organization stating that JCR is eligible for a subsidy under the Ministry of Environment's FY2018 Green Bond Issuance Promotion Platform.

(Note 1) For details of the Green Finance Framework, please refer to the press release titled "Notice Concerning Submission of Revised Shelf Registration Statement for the Issuance of Green Bonds" dated July 1, 2019 and JPR's website.
http://www.jpr-reit.co.jp/en/ir/news/uploads/190701-d291ab5d1b.pdf
http://www.jpr-reit.co.jp/en/about/sustainability/greenfinance/

**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)
¥4,960 million yen

2) Detail Use and Expected Dates of Expenditure of Funds to be Procured
The entire amount of proceeds from the issuance of the Green Bonds will be used for the repayment of loans needed to purchase Eligible Green Assets (Note 1) (Yakuin Business Garden and JPR Sendagaya Building) (including loans for subsequent refinancing). Specifically, JPR plans to use the funds to partially repay the long-term borrowing of ¥3,000 million due for repayment on August 8, 2019 and the short-term borrowing of ¥2,000 million due for repayment on July 3, 2020. JPR plans to conduct early repayment of the short-term borrowing on August 5, 2019. For details of the early repayment, please refer to the press release titled "Notice Concerning Early Repayment of Borrowing" dated today.

(Note 1) Eligible Green Assets will be selected from among assets which have received or will receive certification under either of the following standards
a) DBJ Green Building Certification (Note 2): 3 Stars, 4 Stars or 5 Stars
b) CASBEE (Note 3): B+ Rank, A Rank or S Rank

(Note 2) "DBJ Green Building Certification" is a five-star scale evaluation system launched by Development Bank of Japan Inc. ("DBJ"), giving certifications to properties with proper care to environment and society (Green Building), based on the comprehensive scoring model developed by DBJ.

(Note 3) "Certification for CASBEE (Comprehensive Assessment System for Built Environment Efficiency) for Real Estate" is an evaluation system (from Rank C to Rank S) for rating the overall environmental performance of buildings on energy-conservation, resource-saving, recyclability and other aspects for reducing environmental burdens, as well as landscape preservation.

**4. Investors Who Declared Investment in the Green Bonds**

Listed below are investors who declared investment in the Green Bonds and agreed to disclosure of their names as of today (companies are listed in Japanese syllabary order).

- ECHIZEN SHINKIN BANK
- CREDIT GUARANTEE CORPORATION OF OSAKA
- Kiryu Shinkin Bank
- GUNMAMIRAI Shinkumi Bank
- Sawayaka Shinkin Bank
- The TAKAMATSU SHINKIN BANK
- TAJIMA SHINKIN BANK
- Tokushima Shinkin Bank
- Hanno Shinkin Bank
- Hyogo Shinkin Bank

・Fujinomiya Shinkin Bank
・The MiyazakiTaiyo Bank, Ltd.

**5. Status of Borrowings after the Green Bond Issuance**

(Yen in millions)

| | Before Issuance | After Issuance (as of August 8, 2019) | Change |
|---|---|---|---|
| Short-Term Loans Payable | 3,000 | 1,000 | (2,000) |
| Long-Term Loans Payable | 158,520 | 155,520 | (3,000) |
| Investment Corporation Bonds | 23,500 | 28,500 | 5,000 |
| Interest-Bearing Debt | 185,020 | 185,020 | - |
| Ratio of Interest-Bearing Debt to Total Assets (Note 2) | 41.0% | 41.0% | - |

(Note 1) Long-term loans payable and investment corporation bonds each include the current portions.
(Note 2) Ratio of Interest-Bearing Debt to Total Assets mentioned above is calculated using the following formula and then rounded to the first decimal place.
Ratio of Interest-Bearing Debt to Total Assets (%) = Interest-Bearing Debt ÷ Total Assets x 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 December 31, 2018 to the total assets as of the end of the fiscal period ended December 31, 2018.
(Note 3) After Issuance in the table above reflects the repayment of the long-term borrowing of ¥3,000 million due for repayment on August 8, 2019 and the repayment of the short-term borrowing of ¥2,000 million subject to early repayment on August 5, 2019 as announced in "Notice Concerning Early Repayment of Borrowing" dated today.

**6. 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, 2019 with respect to the risks involved in repayment, etc. of the current borrowings.