

December 11, 2014

To whom it may concern:

<Investment Corporation>

Japan Real Estate Investment Corporation

Noritada Terasawa, Executive Director

(TSE code: 8952)

<Asset Management Company>

Japan Real Estate Asset Management Co., Ltd.

Hiroshi Katayama, CEO & President

Contact: Ryuta Yoshida,

Executive officer, General Manager, Planning Department

Phone: +81-3-3211-7921

Notice concerning New Loan and Execution of Interest Rate Swap Agreement

Japan Real Estate Investment Corporation hereby announces its decision on December 11, 2014 to procure funds and enter into an interest rate swap agreement relating thereto as follows:

1. New Loan

(1) Reason for drawing down of the loan

To apply the funds to repay of the ¥2,000 million long-term loan executed on December 15, 2011.

(2) Details of the loan

<Long-term loan >

- | | |
|-------------------------------|---|
| (1) Amount of loan: | ¥2,000 million |
| (2) Lender: | The Yamanashi Chuo Bank, Ltd. |
| (3) Interest rate: | Base interest rate (ICE Benchmark Administration (“IBA”)
EUR/JPY LIBOR for 6 month (“IBA” 6-month yen LIBOR
hereafter))+ 0.05% (Note1) |
| (4) Start of the loan period: | December 15, 2014 |
| (5) Borrowing method: | Loan agreement concluded with the lender on December 11, 2014
Unsecured/non-guaranteed loan |
| (6) Interest payment date: | 15th of June and December of every year until the principal
repayment date (Note2) |
| (7) Repayment of principal: | Payment in full on the principal repayment date |
| (8) Principal repayment date: | December 16, 2019 (pre-payment possible) |

(Note1) The base interest rate for the applicable rate is calculated based on “IBA” 6-month yen LIBOR which IBA releases at 11:00 am (GMT) on the two bank business days in London before the interest payment date.
(The “IBA” 6-month yen LIBOR on December 10, 2014 is 0.14514%.)

(Note2) In the event that the interest payment date does not fall on a business day, the interest shall be paid on the following business day thereafter. If the following business day, however, falls in the following month, the payment shall be made on the business day immediately prior to the interest payment date.

2. Interest Rate Swap Agreement

(1) Reason for execution of interest rate swap agreement

To hedge against risks of interest rate fluctuations on the above loan executed on December 15, 2014.

(2) Details of the interest rate swap agreement

<Interest rate swap agreement for Long-term loan >

- (1) Counterparty: Mizuho Bank, Ltd.
- (2) Notional Amount : ¥2,000 million
- (3) Interest rate, etc: Fixed interest payment 0.266 %
Variable interest receipt ("IBA" 6-month yen LIBOR) + 0.05 %
- (4) Contract start date: December 15, 2014
- (5) Contract end date: December 16, 2019
- (6) Interest payment date: 15th of June and December of every year until the contract end date (Note3)

Interest rate of the long-term loan (2,000 million yen with 5-year maturity) will be fixed at 0.266% by executing the above interest rate swap agreement. Therefore, the ensuing fixing of the "IBA" 6-month yen LIBOR will not be announced going forward.

(Note3) In the event that the interest payment date does not fall on a business day, the interest shall be paid on the following business day thereafter. If the following business day, however, falls in the following month, the payment shall be made on the business day immediately prior to the interest payment date.

3. Balance of interest-bearing debt after the new loan agreement

(Units: millions of yen)

	Before new loan	After new loan	Increase/Decrease
Short-term loans	31,500	31,500	±0
Current portion of long-term loans	18,600	16,600	−2,000
Long-term loans (except for current portion)	253,450	255,450	+2,000
Total loans	303,550	303,550	±0
Current portion of investment corporation bonds	20,000	20,000	±0
Investment corporation bonds (except for current portion)	20,000	20,000	±0
Total investment corporation bonds	40,000	40,000	±0
Total interest-bearing debts	343,550	343,550	±0

4. Others

Regarding the loan repayment risk, there is no important change to the “Investment risks” description in the latest securities report submitted on June 25, 2014.

This notice is the English translation of the announcement in Japanese dated December 11 2014.
However, no assurance or warranties are given for the completeness or accuracy of this English translation.