

August 27, 2015

To whom it may concern:

<Investment Corporation>

Japan Real Estate Investment Corporation

Hiroshi Nakajima, Executive Director

(TSE code: 8952)

<Asset Management Company>

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Notice concerning New Loan and Execution of Interest Rate Swap Agreement

Japan Real Estate Investment Corporation hereby announces its decision on August 27, 2015, to procure funds and enter into interest rate swap agreement on the new loan relating thereto as follows:

1. Reason for drawing down of the loan

To apply the funds toward a repayment of the existing short-term loan of ¥3,800 million executed on September 2, 2014.

2. Details of the loan

<Long-term loan >

- | | |
|-----------------------------|--|
| (1) Total amount of loan: | ¥3,800 million |
| (2) Lender: | Sumitomo Mitsui Trust Bank, Ltd. |
| (3) Interest rate: | Base rate (3-month EUR/JPY LIBOR by IBA (ICE Benchmark Administration)) + 0.09% (Note 1) |
| (4) Start of loan period: | September 2, 2015 |
| (5) Borrowing method: | Loan agreement concluded with lender on August 27, 2015
Unsecured/unguaranteed loan |
| (6) Interest payment day: | 2nd of March, June, September and December of every year until the principal repayment date (Note 2) |
| (7) Repayment of principal: | Payment in full on the principal repayment day |
| (8) Principal payment day: | September 2, 2024 (pre-payment possible) |

(Note 1) Base rate to calculate the interest to pay on an interest payment day is 3-month EUR/JPY LIBOR released two bank business days in London before the interest payment date at 11:00 am (GMT) by IBA. (3-month EUR/JPY LIBOR by IBA released on August 26, 2015 is 0.08714%)

(Note 2) 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. If the following business day, however, falls in the following month, the payment shall be made on the preceding business day of the interest payment date.

3. Interest Rate Swap Agreement

(1) Reason for execution of interest rate swap agreement

To hedge against risks of interest rate fluctuations on the above long-term loan that will start from September 2, 2015.

(2) Details of the interest rate swap agreement

<Interest rate swap agreement for the long-term loan >

- | | |
|----------------------------|---|
| (1) Counterparty: | The Bank of Tokyo-Mitsubishi UFJ, Ltd. |
| (2) Notional amount: | ¥3,800 million |
| (3) Interest rate, etc.: | Fixed interest payment:
0.536%
Variable interest receipt:
(3-month EUR/JPY LIBOR by IBA) + 0.09% |
| (4) Contract start date: | September 2, 2015 |
| (5) Contract end date: | September 2, 2024 |
| (6) Interest payment date: | 2nd of March, June, September and December of every year
until the contract end date (Note 3) |

Interest rate for the long-term loan (3,800 million yen with 9-year maturity) will be fixed at 0.536% by executing the above interest rate swap agreement. Therefore, the ensuring fixing of the 3-month EUR/JPY LIBOR by IBA will not be announced going forward.

(Note 3) 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. If the following business day, however, falls in the following month, the payment shall be made on the preceding business day of the interest payment date.

4. Balance of interest-bearing debt after the new loan

(Units: millions of yen)

	Before new loan (Note 4)	After new loan	Increase/Decrease
Short-term loans	40,500	36,700	−3,800
Current portion of long-term loans	34,100	34,100	±0
Long-term loans (except for current portion)	260,900	264,700	+3,800
Total loans	335,500	335,500	±0
Current portion of investment corporation bonds	0	0	±0
Investment corporation bonds (except for current portion)	20,000	20,000	±0
Total investment corporation bonds	20,000	20,000	±0
Total interest-bearing debts	355,500	355,500	±0

(Note 4) This is the balance after the loans announced in the release “Notice concerning New Loans” dated August 26, 2015.

5. Others

Regarding loan repayment related risks, there is no important change to the “Investment risks” description in the latest securities report submitted on June 25, 2015.

This notice is the English translation of the announcement in Japanese dated August 27, 2015.

However, no assurance or warranties are given for the completeness or accuracy of this English translation.