

April 19, 2018

For Immediate Release

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 Japan Real Estate Investment Corporation
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Announcement of Pre-payment of Loan and Debt Financing

Announcement is hereby made that on April 19, 2018, Japan Real Estate Investment Corporation decided to make the pre-payment of the existing loan prior to the principal repayment date and to procure funds as follows:

1. Pre-payment of loan

- (a) Pre-payment date: April 24, 2018
 (b) Total amount of pre-payment: ¥1,000 million
 (c) Details of loan to be pre-paid before the due date:

- (1) Amount of loan: ¥1,000 million
 (2) Lender, amount of loan, start of loan period, principal repayment date and interest rate:
- | | |
|--------------------------|---|
| Lender | Shinkin Central Bank |
| Amount of loan | ¥1,000 million |
| Start of loan period | September 1, 2017 |
| Principal repayment date | September 3, 2018 |
| Interest rate | 0.0954%
(From April 2, 2018 to April 30, 2018) |
- (3) Borrowing method: Loan based on overdraft agreement with the lender
 Unsecured/unguaranteed loan
 (4) Repayment of principal: Payment in full on principal repayment date

*There will be approx. ¥10,000 of settlement amount added due to the pre-payment of loan.

2. Debt Financing

(I) Reason for the borrowing

Repayment of the existing long-term loan of ¥5,000 million executed on April 24, 2013 and allocation of the funds for early repayment of the above mentioned short-term loan of ¥1,000 million.

(II) Details of the borrowing

- (1) Amount of loan: ¥6,000 million
- (2) Lender: Shinkin Central Bank
- (3) Interest rate: To be determined (Note 1)
- (4) Start of loan period: April 24, 2018
- (5) Borrowing method: Loan agreement on April 19, 2018
Unsecured/unguaranteed loan
- (6) Interest payment date: 24th of every April and October until the principal repayment date (Note 2)
- (7) Repayment of principal: Payment in full on the principal repayment date
- (8) Principal repayment date: April 26, 2027 (pre-payment possible)

(Note 1) We will inform you of the interest rates of the loan once they have been decided.

(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. Balance of interest-bearing debts after the debt financing

(Units: millions of yen)

	Before	After	Increase/Decrease
Short-term loans	19,000	18,000	− 1,000
Long-term loans (Variable interest)	22,000	22,000	±0
Long-term loans (Fixed interest)	317,000	318,000	+ 1,000
Total loans	358,000	358,000	±0
Investment corporation bonds	32,993	32,993	±0
Total investment corporation bonds	32,993	32,993	±0
Total interest-bearing debts	390,993	390,993	±0

4. Others

Regarding the loan repayment risks, there is no important change to the “Investment risks” description in the latest securities report submitted on December 26, 2017.

This is the English translation of the announcement in Japanese dated April 19, 2018.

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