

January 24, 2014

To whom it may concern:

<Investment Corporation>

Japan Real Estate Investment Corporation

Noritada Terasawa, 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 January 24, 2014, to procure funds and enter into interest rate swap agreements relating thereto as follows:

1. New Loans

(1) Reason for drawing down of the loans

To apply part of the funds toward the purchase of the trust beneficiary right in trust of domestic real estate (Queen's Tower A) announced on January 10, 2014. (A part of total amount of loans ¥17,000 million (scheduled))

(2) Details of the loans

<Long-term loan (i) >

- | | |
|-------------------------------|--|
| (1) Amount of loan: | ¥3,500 million |
| (2) Lender: | The Norinchukin Bank |
| (3) Interest rate: | Base interest rate (British Banker's Association ("BBA") EUR/JPY LIBOR for 6 month ("BBA" 6-month yen LIBOR hereafter))+ 0.115% (Note1) |
| (4) Start of the loan period: | January 31, 2014 |
| (5) Borrowing method: | Loan agreement concluded with the lender on January 24, 2014
Unsecured/non-guaranteed loan |
| (6) Interest payment date: | End of January and July 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: | January 31, 2022 (pre-payment possible) |

<Long-term loan (ii) >

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|-------------------------------|---|
| (1) Amount of loan: | ¥2,500 million |
| (2) Lender: | The Bank of Fukuoka, Ltd. |
| (3) Interest rate: | Base interest rate ("BBA" 6-month yen LIBOR) + 0.10% (Note1) |
| (4) Start of the loan period: | January 31, 2014 |
| (5) Borrowing method: | Loan agreement concluded with the lender on January 24, 2014
Unsecured/non-guaranteed loan |
| (6) Interest payment date: | End of January and July 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: | January 29, 2021 (pre-payment possible) |

(Note1) The base interest rate for the applicable rate is calculated based on "BBA" 6-month yen LIBOR which BBA releases at 11:00 am (GMT) on the two bank business days in London before the interest payment date. (The "BBA" 6-month yen LIBOR on January 23, 2014 is 0.20286%.)

(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 Agreements

(1) Reason for execution of interest rate swap agreements

To hedge against risks of interest rate fluctuations on the above loans executed on January 31, 2014.

(2) Details of the interest rate swap agreements

<Interest rate swap agreement for Long-term loan (i) >

- | | |
|----------------------------|--|
| (1) Counterparty: | The Bank of Tokyo-Mitsubishi UFJ, Ltd. |
| (2) Notional Amount : | ¥3,500 million |
| (3) Interest rate, etc: | Fixed interest payment 0.757%
Variable interest receipt ("BBA" 6-month yen LIBOR) + 0.115 % |
| (4) Contract start date: | January 31, 2014 |
| (5) Contract end date: | January 31, 2022 |
| (6) Interest payment date: | End of January and July of every year until the contract end date
(Note3) |

Interest rate of the long-term loan (i) (3,500 million yen with 8-year maturity) will be fixed at 0.757% by executing the above interest rate swap agreement (i). Therefore, the ensuring fixing of the "BBA" 6-month yen LIBOR will not be announced going forward.

<Interest rate swap agreement for Long-term loan (ii) >

- (1) Counterparty : Sumitomo Mitsui Trust Bank, Limited
- (2) Notional Amount : ¥2,500 million
- (3) Interest rate, etc: Fixed interest payment 0.63849 %
Variable interest receipt (“BBA” 6-month yen LIBOR) + 0.10 %
- (4) Contract start date: January 31, 2014
- (5) Contract end date: January 29, 2021
- (6) Interest payment date: End of January and July of every year until the contract end date
(Note3)

Interest rate of the long-term loan (ii) (2,500 million yen with 7-year maturity) will be fixed at 0.63849% by executing the above interest rate swap agreement (ii). Therefore, the ensuring fixing of the “BBA” 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	25,000	25,000	±0
Current portion of long-term loans	16,100	16,100	±0
Long-term loans (except for current portion)	224,050	230,050	+6,000
Total loans	265,150	271,150	+6,000
Current portion of investment corporation bonds	15,000	15,000	±0
Investment corporation bonds (except for current portion)	40,000	40,000	±0
Total investment corporation bonds	55,000	55,000	±0
Total interest-bearing debts	320,150	326,150	+6,000

4. Others

Regarding the loan repayment risk, there is no important change to the “Investment risks” description in the latest securities report submitted on December 25, 2013.

This notice is the English translation of the announcement in Japanese dated January 24, 2014. However, no assurance or warranties are given for the completeness or accuracy of this English translation.