

June 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 June 11, 2014 to procure funds and enter into an interest rate swap agreement relating a loan as follows:

1. New Loans

(1) Reason for drawing down of the loans

To apply part of the funds toward the redemption of the 6th Investment Corporation Bond scheduled to be redeemed as of June 18, 2014.

(2) Details of the loans

<Short-term loans >

- (1) Start of the loans period: June 17, 2014
- (2) Total amount of loans: ¥10,000 million
- (3) Lender, amount of loan, and principal repayment date:

Lender	Amount of loan	Principal repayment date (pre-payment possible)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥4,000 million	March 17, 2015
Mizuho Bank, Ltd.	¥4,000 million	
The Gunma Bank, Ltd.	¥1,000 million	
The Daishi Bank, Ltd.	¥1,000 million	

- (4) Interest rate: Base interest rate (Japanese Banker's Association ("JBA") JPY TIBOR for 1 month) + 0.07% (Note1)

- (5) Borrowing method: Loan based on overdraft agreement concluded with each lenders
Unsecured/non-guaranteed loan
- (6) Interest payment date: 17th of every month until the principal repayment date (Note2)
- (7) Repayment of principal: Payment in full on the principal repayment date

(Note1) • Base interest rate for applicable rate is calculated based on Japanese Yen TIBOR for one month which JBA releases two business days before the interest payment date. (As of June 11, 2014, Japanese Yen TIBOR for one month is 0.14636 %)

• With regard to Japanese Yen TIBOR of JBA, please refer to the website of JBA TIBOR Administration.
(<http://www.jbatibor.or.jp/english/rate/>)

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

<Long-term loan >

- (1) Amount of loan: ¥3,000 million
- (2) Lender: The Norinchukin Bank
- (3) Interest rate: Base interest rate (ICE Benchmark Administration (“IBA”)
EUR/JPY LIBOR for 6 month (“IBA” 6-month yen LIBOR
hereafter)) + 0.107% (Note3)
- (4) Start of the loan period: June 17, 2014
- (5) Borrowing method: Loan agreement concluded with the lender on June 11, 2014
Unsecured / non-guaranteed loan
- (6) Interest payment date: 17th of June and December of every year until the principal
repayment date (Note4)
- (7) Repayment of principal: Payment in full on the principal repayment date
- (8) Principal repayment date: June 17, 2022 (pre-payment possible)

(Note3) 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 June 10, 2014 is 0.18179%.)

(Note4) 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 loans executed on June 17, 2014.

(2) Details of the interest rate swap agreement

<Interest rate swap agreement for Long-term loan >

- (1) Counterparty: The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- (2) Notional Amount : ¥3,000 million
- (3) Interest rate, etc: Fixed interest payment 0.6785%
Variable interest receipt (“IBA” 6-month yen LIBOR)
+ 0.107 %
- (4) Contract start date: June 17, 2014
- (5) Contract end date: June 17, 2022
- (6) Interest payment date: 17th of June and December of every year until the contract end date (Note5)

Interest rate of the long-term loan (3,000 million yen with 8-year maturity) will be fixed at 0.6785% by executing the above interest rate swap agreement. Therefore, the ensuring fixing of the “IBA” 6-month yen LIBOR will not be announced going forward.

(Note5) 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	24,900	34,900	+10,000
Current portion of long-term loans	17,600	17,600	±0
Long-term loans (except for current portion)	229,500	232,500	+3,000
Total loans	272,000	285,000	+13,000
Current portion of investment corporation bonds	15,000	0	−15,000
Investment corporation bonds (except for current portion)	40,000	40,000	±0
Total investment corporation bonds	55,000	40,000	−15,000
Total interest-bearing debts	327,000	325,000	−2,000

(Note6) To apply part of the funds toward the redemption of the 6th Investment Corporation Bond, another loans totaling ¥2,000 million will be procured. We will notify you as soon as a decision is made regarding the loans.

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 June 11, 2014.

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