

June 10, 2015

To whom it may concern:

<Investment Corporation>

Japan Real Estate Investment Corporation

Hiroshi Nakajima, 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 10, 2015, to procure funds and enter into interest rate swap agreement on the new loan as follows:

1. Reason for drawing down of the loan

To apply the funds toward repayment of existing long-term loan (a long-term loan of ¥3,000 million executed on June 15, 2010).

2. Details of the loan

<Long-term loan >

- | | |
|-------------------------------|--|
| (1) Amount of loan: | ¥3,000 million |
| (2) Lender: | The Chugoku Bank, Ltd. |
| (3) Interest rate: | Base interest rate (ICE Benchmark Administration (IBA) 6-month EUR/JPY LIBOR) + 0.08% (Note 1) |
| (4) Start of the loan period: | June 15, 2015 |
| (5) Borrowing method: | Loan agreement concluded with the lender on June 10, 2015
Unsecured/non-guaranteed loan |
| (6) Interest payment date: | 15th of June and December of every year until the principal repayment date (Note 2) |
| (7) Repayment of principal: | Payment in full on the principal repayment date |
| (8) Principal repayment date: | June 15, 2023 (pre-payment possible) |

(Note1) Base rate to calculate the interest to pay on an interest payment day is 6-month EUR/JPY LIBOR released two bank business days in London before the interest payment date at 11:00 am (GMT) by ICE Benchmark Administration (IBA). (6-month EUR/JPY LIBOR by IBA released on June 9, 2015 is 0.135 %)

(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. 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 loan executed on June 15, 2015 (scheduled)

(2) Details of the interest rate swap agreement

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

- | | |
|----------------------------|---|
| (1) Counterparty: | Mitsubishi UFJ Trust and Banking Corp. |
| (2) Notional Amount : | ¥3,000 million |
| (3) Interest rate, etc: | Fixed interest payment 0.61175 %
Variable interest receipt
(ICE Benchmark Administration (IBA) 6-month EUR/JPY LIBOR)
+ 0.08 % |
| (4) Contract start date: | June 15, 2015 |
| (5) Contract end date: | June 15, 2023 |
| (6) Interest payment date: | 15th of June and December of every year until the contract end date (Note3) |

Interest rate for the long-term loan (3,000 million yen with 8-year maturity) will be fixed at 0.61175% by executing the above interest rate swap agreement. Therefore, the ensuring fixing of the ICE Benchmark Administration (IBA) 6-month EUR/JPY 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. 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 agreement

(Units: millions of yen)

	Before new loan	After new loan	Increase/Decrease
Short-term loans	37,500	37,500	±0
Current portion of long-term loans	16,100	13,100	-3,000
Long-term loans (except for current portion)	272,400	275,400	+3,000
Total loans	326,000	326,000	±0
Current portion of investment corporation bonds	10,000	10,000	±0
Investment corporation bonds (except for current portion)	20,000	20,000	±0
Total investment corporation bonds	30,000	30,000	±0
Total interest-bearing debts	356,000	356,000	±0

5. Others

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

This notice is the English translation of the announcement in Japanese dated June 10, 2015.

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