

October 27, 2016

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.

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Notice concerning Pre-payment of Loan and New Loan

Announcement is hereby made that on October 27, 2016, 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

- ① Pre-payment date: October 31, 2016
- ② Details of loan to be pre-paid before the due date:
 - (1) Amount of loan: ¥3,000 million
 - (2) Lender: Mitsubishi UFJ Trust and Banking Corporation
 - (3) Interest rate: 0.07% (From October 4, 2016 to November 3, 2016)
 - (4) Start of loan period: April 4, 2016
 - (5) Borrowing method: Loan based on overdraft agreement concluded with the lender
Unsecured/unguaranteed loan
 - (6) Interest payment date: 4th of every month until principal repayment date
 - (7) Repayment of principal: Payment in full on principal repayment date
 - (8) Principal repayment date: April 4, 2017

There will be ¥6,904 of settlement amount upon pre-payment.

2. New Loan

- ① Reason for drawing down of loan
To allocate the funds for pre-payment of the above mentioned short-term loan of JPY 3,000 million.
- ② Details of the loan
 - (1) Amount of loan: ¥3,000 million
 - (2) Lender: Mitsubishi UFJ Trust and Banking Corporation
 - (3) Interest rate: 0.24%
 - (4) Start of loan period: October 31, 2016

- (5) Borrowing method: Loan agreement concluded on October 27, 2016
Unsecured/unguaranteed loan
- (6) Interest payment date: End of April and October of every year until the principal repayment date (Note)
- (7) Repayment of principal: Payment in full on principal repayment date
- (8) Principal repayment date: October 30, 2026
(pre-payment possible)

(Note) 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 pre-payment of the loan and the new loan

(Units: millions of yen)

	Before new loan/ pre-payment	After new loan/ pre-payment	Increase/Decrease
Short-term loans	45,700	42,700	-3,000
Current portion of long-term loans	42,850	42,850	±0
Long-term loans	247,800	250,800	+3,000
Total loans	336,350	336,350	±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	356,350	356,350	±0

4. Others

Regarding loan repayment related risks, there is no important change to the “Investment risks” description in the latest securities report submitted on June 24, 2016.

This notice is the English translation of the announcement in Japanese dated October 27, 2016.

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