

December 21, 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 New Loans

Japan Real Estate Investment Corporation hereby announces its decision on December 21, 2016 to procure funds as follows:

1. Reason for drawing down of loans

To allocate a part of the funds for repayment of the existing short-term loans of ¥20 billion executed on June 23, 2016.

2. Details of the loans

<Long-term loan ①>

- | | |
|-------------------------------|--|
| (1) Amount of loan: | ¥5,000 million |
| (2) Lender: | Mizuho Bank, Ltd. |
| (3) Interest rate: | 0.3625% (fixed interest) |
| (4) Start of loan period: | December 26, 2016 |
| (5) Borrowing method: | Loan agreement concluded on December 21, 2016
Unsecured/unguaranteed loan |
| (6) Interest payment date: | 26th of every June and December until the principal repayment date (Note 1) |
| (7) Repayment of principal: | Payment in full on the principal repayment date |
| (8) Principal repayment date: | December 26, 2025 (pre-payment possible) |

<Long-term loan ②>

- (1) Amount of loan: ¥3,700 million
- (2) Lender: Sumitomo Mitsui Trust Bank, Limited
- (3) Interest rate: 0.1913% (fixed interest)
- (4) Start of loan period: December 26, 2016
- (5) Borrowing method: Loan agreement concluded on December 21, 2016
Unsecured/unguaranteed loan
- (6) Interest payment date: 26th of every June and December until the principal repayment date (Note 1)
- (7) Repayment of principal: Payment in full on the principal repayment date
- (8) Principal repayment date: June 28, 2021 (pre-payment possible)

(Note1) 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.

(Note2) Please refer to “Notice concerning New Loans” released on December 19, 2016 regarding the funds for repayment of the other portion of the existing short-term loans of ¥20 billion executed on June 23, 2016 (¥11.3 billion).

3. Balance of interest-bearing debt after the new loans

(Units: millions of yen)

	Before new loans (Note 3)	After new loans	Increase/Decrease
Short-term loans	42,700	34,000	-8,700
Current portion of long-term loans	36,850	36,850	±0
Long-term loans (except for current portion)	255,800	264,500	+8,700
Total loans	335,350	335,350	±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	355,350	355,350	±0

(Note 3) This is the balance after the loans announced in the release “Notice concerning New Loans” dated December 19, 2016.

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 December 21, 2016.

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