

March 28, 2018

For Immediate Release

<Investment Corporation>

Japan Real Estate Investment Corporation

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(TSE code: 8952)

<Asset Management Company>

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Announcement of Debt Financing

Japan Real Estate Investment Corporation hereby announces its decision on March 28, 2018 to procure funds as follows:

1. Reason for the borrowing

- (a) A part of the funds (¥24 billion) for the payment of acquiring the trust beneficiary right of domestic property (Shinjuku Eastside Square) announced in the release “Announcement of Acquisition of Trust Beneficiary Rights of Domestic Properties” dated today.
- (b) A part of the funds (¥1 billion) for the repayment of the existing long-term loan of ¥2 billion executed on March 30, 2011, due on March 30, 2018 (note 1).

2. Details of the borrowing**< Short-term loan related to (a) >**

- (1) Start of loan period: March 30, 2018
- (2) Amount of loan: ¥16,000 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.	¥8,000 million	April 27, 2018
Mizuho Bank, Ltd.	¥5,000 million	
Sumitomo Mitsui Trust Bank, Limited	¥3,000 million	

- (4) Interest rate: 0.0754% (fixed interest)
- (5) Borrowing method: Loan based on overdraft agreement with each lender
Unsecured/unguaranteed loan
- (6) Interest payment date: April 27, 2018
- (7) Repayment of principal: Payment in full on the principal repayment date
(pre-payment possible)

< (1) Long-term loan related to (a) >

- | | |
|-------------------------------|---|
| (1) Amount of loan: | ¥4,000 million |
| (2) Lender: | Mizuho Bank, Ltd. |
| (3) Interest rate: | 0.3963% (fixed interest) |
| (4) Start of loan period: | March 30, 2018 |
| (5) Borrowing method: | Loan agreement on March 28, 2018
Unsecured/unguaranteed loan |
| (6) Interest payment date: | 30th of every March and September until the principal repayment date (Note 2) |
| (7) Repayment of principal: | Payment in full on the principal repayment date |
| (8) Principal repayment date: | March 30, 2028 (pre-payment possible) |

< (2) Long-term loan related to (a) >

- | | |
|-------------------------------|---|
| (1) Amount of loan: | ¥4,000 million |
| (2) Lender: | The Bank of Tokyo-Mitsubishi UFJ, Ltd. |
| (3) Interest rate: | 0.3963% (fixed interest) |
| (4) Start of loan period: | March 30, 2018 |
| (5) Borrowing method: | Loan agreement on March 28, 2018
Unsecured/unguaranteed loan |
| (6) Interest payment date: | 30th of every March and September until the principal repayment date (Note 2) |
| (7) Repayment of principal: | Payment in full on the principal repayment date |
| (8) Principal repayment date: | March 30, 2028 (pre-payment possible) |

< Long-term loan related to (b) >

- | | |
|-------------------------------|---|
| (1) Amount of loan: | ¥1,000 million |
| (2) Lender: | Taiyo Life Insurance Company |
| (3) Interest rate: | 0.3963% (fixed interest) |
| (4) Start of loan period: | March 30, 2018 |
| (5) Borrowing method: | Loan agreement on March 28, 2018
Unsecured/unguaranteed loan |
| (6) Interest payment date: | 30th of every March and September until the principal repayment date (Note 2) |
| (7) Repayment of principal: | Payment in full on the principal repayment date |
| (8) Principal repayment date: | March 30, 2028 (pre-payment possible) |

(Note 1) ¥1 billion out of the total amount for scheduled repayment of the existing long-term loans of ¥2 billion will be paid by own funds.

(Note 2) 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 debt after the debt financing

(Units: millions of yen)

	Before	After	Increase/Decrease
Short-term loans	16,000	32,000	+16,000
Long-term loans (Variable interest)	22,000	22,000	±0
Long-term loans (Fixed interest)	310,000	317,000	+7,000
Total loans	348,000	371,000	+23,000
Investment corporation bonds	32,993	32,993	±0
Total investment corporation bonds	32,993	32,993	±0
Total interest-bearing debts	380,993	403,993	+23,000

4. Others

Regarding loan repayment related risks, there is no important change to the “Investment risks” description in the latest securities report submitted on December 26, 2017.

This is the English translation of the announcement in Japanese dated March 28, 2018.

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