

May 7, 2018

For Immediate Release

<Investment Corporation>
 Japan Real Estate Investment Corporation
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Announcement of Pre-payment of Loan

Japan Real Estate Investment Corporation (“JRE”) hereby announces its decision on May 7, 2018 to make the pre-payment of the following existing loans prior to the principal repayment date:

1. Pre-payment of loan

- (a) Pre-payment date: May 9, 2018
- (b) Total amount of pre-payment: ¥3,000 million
- (c) Details of loan to be pre-paid before the due date:

- (1) Amount of loan: ¥3,000 million
- (2) Lender, amount of loan, start of loan period, principal repayment date and interest rate:

Lender	Sumitomo Mitsui Trust Bank, Limited
Amount of loan	¥3,000 million
Start of loan period	April 27, 2018
Principal repayment date	May 28, 2018
Interest rate	0.0736% (From April 27, 2018 to May 27, 2018)

- (3) Borrowing method: Loan based on overdraft agreement concluded with the lender
Unsecured/unguaranteed loan
- (4) Repayment of principal: Payment in full on principal repayment date

*There will be approx. ¥40,000 of settlement amount added due to the pre-payment of loans.

2. Funds for pre-payment

Proceeds from the issuance of new investment units to be received on May 9, 2018 (scheduled).

*Please refer to “Announcement of Issuance of New Investment Units and Secondary Offering of Investment Units” dated March 28, 2018, “Announcement of the Pricing for the Issuance of New Investment Units and Secondary Offering of Investment Units” dated April 9, 2018 and “Announcement of Determination of Number of Units for Issuance of New Investment Units by Third-party Allocation” dated May 2, 2018 regarding the proceeds from the issuance of new investment units.

3. Balance of interest-bearing debts after the pre-payment of the loan

(Units: millions of yen)

	Before pre-payment	After pre-payment	Increase/Decrease
Short-term loans	18,000	15,000	-3,000
Long-term loans (Variable interest)	22,000	22,000	±0
Long-term loans (Fixed interest)	318,000	318,000	±0
Total loans	358,000	355,000	-3,000
Investment corporation bonds	32,993	32,993	±0
Total investment corporation bonds	32,993	32,993	±0
Total interest-bearing debts	390,993	387,993	-3,000

4. Others

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

This is an English translation of the announcement in Japanese dated May 7, 2018.

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