

February 19, 2018

For Immediate Release

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 Japan Real Estate Investment Corporation
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Announcement of Pre-payment of Loan and Debt Financing

Announcement is hereby made that on February 19, 2018, 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

- (a) Pre-payment date: February 26, 2018
 (b) Total amount of pre-payment: ¥6,500 million
 (c) Details of loan to be pre-paid before the due date:

- (1) Amount of loan: ¥6,500 million
 (2) Lender, amount of loan, start of loan period, principal repayment date and interest rate:

Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
Amount of loan	¥1,500 million	¥5,000 million
Start of loan period	March 2, 2017	December 26, 2017
Principal repayment date	March 2, 2018	December 26, 2018
Interest rate	0.0954% (From February 2, 2018 to March 1, 2018)	0.0954% (From January 26, 2018 to February 25, 2018)

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

*There will be approx. ¥10,000 of settlement amount added due to the pre-payment of loan.

2. Debt Financing

(I) Reason for the borrowing

Allocation of the funds for early repayment of the above mentioned short-term loan of ¥6,500 million.

(II) Details of the borrowing

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|-------------------------------|--|
| (1) Amount of loan: | ¥6,500 million |
| (2) Lender: | The Bank of Tokyo-Mitsubishi UFJ, Ltd. |
| (3) Interest rate: | To be determined (Note 1) |
| (4) Start of loan period: | February 26, 2018 |
| (5) Borrowing method: | Loan agreement on February 19, 2018
Unsecured/unguaranteed loan |
| (6) Interest payment date: | 26th of every February and August until the principal
repayment date (Note 2) |
| (7) Repayment of principal: | Payment in full on the principal repayment date |
| (8) Principal repayment date: | February 26, 2026 (pre-payment possible) |

(Note 1) We will inform you of the interest rates of the loan once they have been decided.

(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 debts after the debt financing

(Units: millions of yen)

	Before	After	Increase/Decrease
Short-term loans	30,000	23,500	-6,500
Long-term loans (Variable interest)	17,000	17,000	±0
Long-term loans (Fixed interest)	303,000	309,500	+6,500
Total loans	350,000	350,000	±0
Investment corporation bonds	32,993	32,993	±0
Total investment corporation bonds	32,993	32,993	±0
Total interest-bearing debts	382,993	382,993	±0

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 the English translation of the announcement in Japanese dated February 19, 2018.

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