

March 28, 2023

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 today to procure funds as follows:

1. Reason for the borrowing

To allocate the loans below to the acquisition fund of properties (Shinjuku Eastside Square and CIRCLES Hirakawacho), which is stated in the press release titled “Announcement of Acquisition of Domestic Real Estate and Trust Beneficiary Interests in Domestic Real Estate” published today, the repayment of an existing short-term loan of JPY 3 billion, which was executed on March 24, 2023, and cash on hand.

2. Overview of the borrowings

		Loan 1	Loan 2	Loan 3
(1)	Amount of loan	JPY 8,300 million	JPY 3,000 million	JPY 3,000 million
(2)	Lender	Mizuho Bank, Ltd.	Sumitomo Mitsui Banking Corporation	
(3)	Interest rate	0.0173%(fixed)	0.7187%(fixed) (Note1)	0.2475%(fixed) (Note1)
(4)	Borrowing date	March 30, 2023		
(5)	Method of borrowing	Loan based on overdraft agreement Unsecured/ unguaranteed loan	Loan agreement dated March 28, 2023 Unsecured/unguaranteed loan	
(6)	Interest payment date	The principal repayment date	The principal repayment date and the 30th of every March and September in the period until the principal repayment date (Note2)	

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Disclaimer: This document is intended to serve as a press release to make available to the public the information on Debt Financing of Japan Real Estate Investment Corporation (“JRE”), and does not constitute and should not be construed as an offer to sell or solicitation of an offer to purchase any investment unit or other investment in JRE. Prospective investors are advised to read the JRE’s prospectus for issuance of new investment units and secondary offering (and its amendments thereto, if any) and make any investment decisions at their own risk and responsibility.

(7)	Method of principal repayment	Lump-sum repayment on the principal repayment date		
(8)	Principal repayment date	April 6, 2023 (Note3)	March 30, 2033	March 30, 2027

(Note1) These borrowings will be procured through sustainability-linked loans, whose loan terms are aligned with JRE's achievement status of the following sustainability performance target ("SPT") set beforehand.

- SPT: Reduce CO₂ emissions by 80% by fiscal 2030 (Base year: Fiscal 2019 / Absolute basis)

The applicable interest rate will be lowered by 0.01% on the condition that the above target set as SPT is achieved for the respective performance levels set for September 2023, September 2026, September 2029, and September 2031, the latter two of which are only for Loan 2, for the period until the performance level is next confirmed (for the time of final confirmation, until the repayment date). Please refer to "Loans and Bonds" under Financial Summary of JRE's website <https://www.j-re.co.jp/en/cms/finance/debt.html> for the interest rate applicable after the performance level is confirmed.

(Note2) When an interest payment date is not a business day, the interest shall be paid on the following business day or the immediately preceding business day if the following business day is in the following month.

(Note3) The loan will be repaid with cash on hand and the proceeds from the disposition of Harumi Front, which is the second of three separate transfers scheduled for April 3, 2023.

For details of the disposition, please refer to the press release titled "Announcement of Disposition of Domestic Real Estate" dated November 15, 2022.

<Reference> Overview of Existing Loan Subject to Repayment

Lender	Amount of loan	Borrowing date	Principal repayment date	Disclosure date
Mizuho Bank, Ltd.	JPY 3,000 million	March 24, 2023	March 31, 2023	March 22, 2023

3. Balance of interest-bearing debt after the debt financing

(Units: millions of JPY)

	Before	After	Increase/Decrease
Short-term loans payable	47,000	52,300	+5,300
Long-term loans payable (Variable interest rate)	22,000	22,000	±0
Long-term loans payable (Fixed interest rate)	337,200	343,200	+6,000
Total loans	406,200	417,500	+11,300
Investment corporation bonds	42,993	42,993	±0
Total investment corporation bonds	42,993	42,993	±0
Total interest-bearing debt	449,193	460,493	+11,300

(Note) The balance shows the one after the existing short-term loan of JPY 3 billion, which was executed on March 24, 2023, will be repaid on March 31, 2023.

4. Others

Regarding risks pertaining to these loan repayments, there is no material change to the descriptions of "Investment risks" in the securities registration statement submitted today.

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This is the English translation of the announcement in Japanese dated March 28, 2023.

No assurance or warranties are given for the completeness or accuracy of this English translation.

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