

March 28, 2017

To whom it may concern:

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Japan Real Estate Investment Corporation
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<Asset Management Company>
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Notice concerning New Loans

Japan Real Estate Investment Corporation hereby announces its decision on March 28, 2017 to procure funds as follows:

1. Reason for drawing down of loans

- a) To allocate a part of the funds (¥5 billion) for payment of acquiring domestic property (Tamachi Front Building) announced on February 28, 2017.
- b) To allocate the funds for repayment of the existing long-term loan of ¥5 billion executed on March 30, 2009.
- c) To allocate the funds for repayment of the existing short-term loan of ¥1.7 billion executed on March 31, 2016.
- d) To allocate the funds for repayment of the existing short-term loan of ¥9 billion executed on April 1, 2016.

2. Details of the loans

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

- | | |
|-------------------------------|---|
| (1) Amount of loan: | ¥5,000 million |
| (2) Lender: | Shinkin Central Bank |
| (3) Interest rate: | 0.36% (fixed interest) |
| (4) Start of loan period: | March 30, 2017 |
| (5) Borrowing method: | Loan agreement concluded on March 28, 2017
Unsecured/unguaranteed loan |
| (6) Interest payment date: | 30th of every March and September until the principal repayment date (Note 1) |
| (7) Repayment of principal: | Payment in full on the principal repayment date |
| (8) Principal repayment date: | March 30, 2026 (pre-payment possible) |

< Long-term loan related to 1. b) >

- (1) Amount of loan: ¥5,000 million
- (2) Lender: Development Bank of Japan Inc.
- (3) Interest rate: 0.315% (fixed interest)
- (4) Start of loan period: March 30, 2017
- (5) Borrowing method: Loan agreement concluded on March 28, 2017
Unsecured/unguaranteed loan
- (6) Interest payment date: 30th of every March and September until the principal repayment date (Note 1)
- (7) Repayment of principal: Payment in full on the principal repayment date
- (8) Principal repayment date: March 31, 2025 (pre-payment possible)

< Short-term loan related to 1. c) >

- (1) Start of loan period: March 31, 2017
- (2) Amount of loan: ¥1,700 million
- (3) Lender, amount of loan, and principal repayment date:

Lender	Amount of loan	Principal repayment date (pre-payment possible)
Sumitomo Mitsui Trust Bank, Ltd.	¥1,700 million	March 30, 2018

- (4) Interest rate: Base rate (1-month JPY TIBOR by “JBA” (Japanese Bankers Association)) + 0.04% (Note 2)
- (5) Borrowing method: Loan based on overdraft agreement concluded with the lender
Unsecured/unguaranteed loan
- (6) Interest payment date: End of every month until the principal repayment date (Note 1)
- (7) Repayment of principal: Payment in full on the principal repayment date
(pre-payment possible)

< Short-term loan related to 1. d) >

- (1) Start of loan period: April 3, 2017
- (2) Amount of loan: ¥9,000 million
- (3) Lender, amount of loan, and principal repayment date:

Lender	Amount of loan	Principal repayment date (pre-payment possible)
Mizuho Bank, Ltd.	¥5,500 million	April 3, 2018
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥3,500 million	

- (4) Interest rate: Base rate (1-month JPY TIBOR by “JBA” (Japanese Bankers Association)) + 0.04% (Note 2)
- (5) Borrowing method: Loan based on overdraft agreements concluded with each lender
Unsecured/unguaranteed loan
- (6) Interest payment date: 3rd of every month until the principal repayment date (Note 1)
- (7) Repayment of principal: Payment in full on the principal repayment date
(pre-payment possible)

- (Note 1) ・ 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.
- (Note 2) ・ Base rate to calculate the interest to pay on the interest payment date is 1-month JPY TIBOR released by JBA two business days before the latest interest payment date (1-month JPY TIBOR by JBA on March 28, 2017 is 0.03%).
- ・ Please refer to JBA TIBOR administration's website (<http://www.jbatibor.or.jp/english/rate/>) for more information regarding Japanese Yen TIBOR of JBA.

3. Balance of interest-bearing debt after the new loans referred in 1. a) to 1. c)
(as of March 31, 2017)

(Units: millions of yen)

	Before new loans	After new loans (Note 3)	Increase/Decrease
Short-term loans	36,000	36,000	±0
Current portion of long-term loans	51,500	46,500	−5,000
Long-term loans (except for current portion)	246,500	256,500	+10,000
Total loans	334,000	339,000	+5,000
Current portion of investment corporation bonds	0	0	±0
Investment corporation bonds (except for current portion)	20,000	30,000	+10,000
Total investment corporation bonds	20,000	30,000	+10,000
Total interest-bearing debts	354,000	369,000	+15,000

(Note 3) This is the balance after the issuance of the investment corporation bonds in the release “Notice concerning Issuance of Investment Corporation Bonds” announced today.

4. Balance of interest-bearing debt after the new loan referred in 1. d)
(as of April 3, 2017)

(Units: millions of yen)

	Before new loan	After new loan	Increase/Decrease
Short-term loans	36,000	36,000	±0
Current portion of long-term loans	46,500	46,500	±0
Long-term loans (except for current portion)	256,500	256,500	±0
Total loans	339,000	339,000	±0
Current portion of investment corporation bonds	0	0	±0
Investment corporation bonds (except for current portion)	30,000	30,000	±0
Total investment corporation bonds	30,000	30,000	±0
Total interest-bearing debts	369,000	369,000	±0

5. 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, 2016.

This notice is the English translation of the announcement in Japanese dated March 28, 2017.

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