

August 29, 2017

For Immediate Release

<Investment Corporation>
Japan Real Estate Investment Corporation
Hiroshi Nakajima, Executive Director
(TSE code: 8952)

<Asset Management Company>
Japan Real Estate Asset Management Co., Ltd.
Naoki Umeda, President & CEO
Contact: Ryuta Yoshida
Director, Senior Executive Officer &
General Manager, Planning Department
Phone: +81-3-3211-7951

Announcement of Debt Financing

Japan Real Estate Investment Corporation hereby announces its decision on August 29, 2017 to procure funds as follows:

1. Reason for the borrowing

A part of the funds for the repayment of the existing long-term loan of ¥2 billion executed on August 31, 2011 and the existing long-term loan of ¥1 billion executed on August 31, 2012 (Note 1).

2. Details of the borrowing

- | | |
|-------------------------------|------------------------------------------------------------------------------|
| (1) Amount of loan: | ¥1,500 million |
| (2) Lender: | The Bank of Fukuoka, Ltd. |
| (3) Interest rate: | 0.1325% (fixed interest) |
| (4) Start of loan period: | August 31, 2017 |
| (5) Borrowing method: | Loan agreement on August 29, 2017
Unsecured/unguaranteed loan |
| (6) Interest payment date: | End 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: | August 31, 2021 (pre-payment possible) |

(Note 1) ¥1.5 billion out of the total amount for scheduled repayment of the existing long-term loans of ¥3 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

(1) As of August 31, 2017

(Units: millions of yen)

	Before	After	Increase/Decrease
Short-term loans	36,500	36,500	±0
Current portion of long-term loans	39,000	36,000	-3,000
Long-term loans (except for current portion)	263,500	265,000	+1,500
Total loans	339,000	337,500	-1,500
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	367,500	-1,500

(2) As of September 1, 2017

(Units: millions of yen)

	As of August 31, 2017 (Note 3)	As of September 1, 2017 (Note 4)	Increase/Decrease
Short-term loans	36,500	34,500	-2,000
Current portion of long-term loans	36,000	36,000	±0
Long-term loans (except for current portion)	265,000	265,000	±0
Total loans	337,500	335,500	-2,000
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	367,500	365,500	-2,000

(Note 3) This is the balance as of August 31, 2017 described in 3.(1) above.

(Note 4) This is the balance after the borrowing announced in the release “Announcement of Debt Financing” dated August 28, 2017.

4. Others

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

This is the English translation of the announcement in Japanese dated August 29, 2017.

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