

December 20, 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 December 20, 2017 to procure funds as follows:

1. Reason for the borrowing

Repayment of the existing short-term loan of ¥11.3 billion executed on December 26, 2016.

2. Details of the borrowing

- (1) Start of loan period: December 26, 2017
 (2) Amount of loan: ¥11,300 million
 (3) Lender, amount of loan and principal repayment date

| Lender | Amount of loan | Principal repayment date (pre-payment possible) |
|--|----------------|--|
| Mitsubishi UFJ Trust and Banking Corporation | ¥5,000 million | December 26, 2018 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | ¥5,000 million | |
| Sumitomo Mitsui Trust Bank, Limited | ¥1,300 million | |

- (4) Interest rate: Base rate (1-month JPY TIBOR by “JBA” (Japanese Bankers Association)) + 0.04% (Note 1)
 (5) Borrowing method: Loan based on overdraft agreement with each lender
 Unsecured/unguaranteed loan
 (6) Interest payment date: 26th of every month until the principal repayment date (Note 2)
 (7) Repayment of principal: Payment in full on the principal repayment date
 (pre-payment possible)

(Note 1) • 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 December 20, 2017 is 0.04545%).

- Please refer to JBA TIBOR administration's website (<http://www.jbatibor.or.jp/english/rate/>) for more information regarding Japanese Yen TIBOR of JBA.
- (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

(Units: millions of yen)

| | Before | After | Increase/Decrease |
|---|----------------|----------------|-------------------|
| Short-term loans | 31,000 | 31,000 | ±0 |
| Long-term loans (Variable interest) | 17,000 | 17,000 | ±0 |
| Long-term loans (Fixed interest) | 294,000 | 294,000 | ±0 |
| Total loans | 342,000 | 342,000 | ±0 |
| Investment corporation bonds | 32,993 | 32,993 | ±0 |
| Total investment corporation bonds | 32,993 | 32,993 | ±0 |
| Total interest-bearing debts | 374,993 | 374,993 | ±0 |

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 December 20, 2017.

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