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For Immediate Release

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 Japan Real Estate Investment Corporation  
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<Asset Management Company>  
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## Announcement of Pre-payment of Loan

Announcement is hereby made that on October 19, 2017, Japan Real Estate Investment Corporation decided to make the pre-payment of the following existing loan prior to the principal repayment date:

### 1. Pre-payment of loan

- (a) Pre-payment date: October 26, 2017  
 (b) Total amount of pre-payment: ¥3,500 million  
 (c) Details of loan to be pre-paid before the due date:

< Short-term loan from the Bank of Tokyo-Mitsubishi UFJ, Ltd.>

- (1) Amount of loan: ¥3,500 million  
 (2) Lender, amount of loan, amount of pre-payment, balance after pre-payment of loan, start of loan period and principal repayment date:

|                          |                                        |
|--------------------------|----------------------------------------|
| Lender                   | The Bank of Tokyo-Mitsubishi UFJ, Ltd. |
| Amount of loan           | ¥3,500 million                         |
| Amount of pre-payment    | ¥3,500 million                         |
| Balance                  | ¥ 0 million                            |
| Start of loan period     | April 3, 2017                          |
| Principal repayment date | April 3, 2018                          |

- (3) Interest rate: 0.0745% (From October 3, 2017 to October 25, 2017)  
 (4) Borrowing method: Loan based on overdraft agreement concluded with the lender  
 Unsecured/unguaranteed loan  
 (5) Interest payment date: 3rd of every month until principal repayment date  
 (6) Repayment of principal: Payment in full on principal repayment date

\*There will be approx. ¥40,000 of settlement amount added due to the pre-payment of loan.

## 2. Funds for pre-payment

Proceeds received from investment corporation bonds issued on October 26, 2017 and own funds will be applied. Please refer to the release, “Announcement of Issuance of U.S. dollar-denominated Investment Corporation Bonds and Execution of Currency Swap Agreement” dated today as for the issuance of investment corporation bonds.

## 3. Balance of interest-bearing debts after the pre-payment of the loan

(Units: millions of yen)

|                                                              | Before pre-payment | After pre-payment<br>(Note1) | Increase/Decrease |
|--------------------------------------------------------------|--------------------|------------------------------|-------------------|
| Short-term loans                                             | 34,500             | 31,000                       | -3,500            |
| Current portion of long-term loans                           | 36,000             | 36,000                       | ±0                |
| Long-term loans<br>(except for current portion)              | 275,000            | 275,000                      | ±0                |
| <b>Total loans</b>                                           | <b>345,500</b>     | <b>342,000</b>               | <b>-3,500</b>     |
| Current portion of investment corporation bonds              | 10,000             | 10,000                       | ±0                |
| Investment corporation bonds<br>(except for current portion) | 20,000             | 22,993                       | +2,993            |
| <b>Total investment corporation bonds</b>                    | <b>30,000</b>      | <b>32,993</b>                | <b>+2,993</b>     |
| <b>Total interest-bearing debts</b>                          | <b>375,500</b>     | <b>374,993</b>               | <b>-506</b>       |

(Note1) This is the balance after the issuance of investment corporation bonds announced in the release, “Announcement of Issuance of U.S. dollar-denominated Investment Corporation Bonds and Execution of Currency Swap Agreement” dated today.

## 4. Others

Regarding the loan repayment 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 October 19, 2017.

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