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For Immediate Release

Investment Corporation

Japan Real Estate Investment Corporation  
Jo Kato, Executive Director

(TSE code: 8952)

Asset Management Company

Japan Real Estate Asset Management Co., Ltd.  
Shojiro Kojima, President & CEO  
Contact: Masaru Motooka

Executive Officer & General Manager  
Strategic Planning Department

Phone: +81-3-3211-7951

## Announcement of Loan Prepayment and Debt Financing

Japan Real Estate Investment Corporation hereby announces its decision today to repay an existing short-term loan before the due date and procure funds as follows:

### 1. Prepayment of Short-Term Loan

(I) Prepayment date: March 27, 2023

(II) Overview of loan to be repaid before the due date:

(1)	Amount of loan	JPY 29,000 million
(2)	Lender	MUFG Bank, Ltd.
(3)	Interest rate	0.09182% (from February 27, 2023 through March 26, 2023)
(4)	Borrowing date	February 27, 2023
(5)	Method of borrowing	Loan based on overdraft agreement Unsecured/unguaranteed loan
(6)	Interest payment date	The principal repayment date and the 27th of every month in the period until the principal repayment date
(7)	Method of principal repayment	Lump-sum repayment on the principal repayment date
(8)	Principal repayment date	February 27, 2024
(9)	Disclosure date	February 22, 2023

\*There will be no early repayment fee due to this loan prepayment.

### 2. Debt Financing

(I) Reason for the borrowing

- ① To repay before the due date the above short-term loan of JPY 29 billion
- ② To repay the existing long-term loans of JPY 3.5 billion executed on March 25, 2015 and JPY 2 billion executed on March 26, 2018

## (II) Overview of the borrowing

## «Short-term loan related to ①»

(1)	Amount of loan	JPY 29,000 million
(2)	Lender	MUFG Bank, Ltd.
(3)	Interest rate	Base rate (1-month JPY TIBOR published by Japanese Bankers Association (hereinafter "JBA")) + 0.040% (Note1)
(4)	Borrowing date	March 27, 2023
(5)	Method of borrowing	Loan based on overdraft agreement Unsecured/unguaranteed loan
(6)	Interest payment date	The principal repayment date and the 7th of every month in the period until the principal repayment date (Note2)
(7)	Method of principal repayment	Lump-sum repayment on the principal repayment date
(8)	Principal repayment date	March 7, 2024

- (Note1) • The base rate to calculate the interest to be paid on interest payment dates is JBA 1-month JPY TIBOR as of the second preceding business day of the borrowing date for the first interest payment date and as of the second preceding business day of the most recent interest payment date for the subsequent interest payment dates. (JBA 1-month JPY TIBOR as of March 23, 2023 is 0.06273%.)
- The interest calculation period for the first interest payment date is 11 days, from March 27, 2023 through April 6, 2023.
  - For the JBA Japanese Yen TIBOR, please refer to JBA TIBOR administration's website (<https://www.jbatibor.or.jp/english/rate/>).

- (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.

## «Short-term loan related to ②»

(1)	Amount of loan	JPY 3,500 million	JPY 2,000 million
(2)	Lender	The Norinchukin Bank	The Chugoku Bank, Limited
(3)	Interest rate	0.73375%(fixed) (Note1)	0.68375%(fixed)
(4)	Borrowing date	March 27, 2023	
(5)	Method of borrowing	Loan agreement dated March 23, 2023 Unsecured/unguaranteed loan	
(6)	Interest payment date	The principal repayment date and the 27th of every March and September in the period until the principal repayment date (Note2)	
(7)	Method of principal repayment	Lump-sum repayment on the principal repayment date	
(8)	Principal repayment date	March 28, 2033	March 25, 2033

- (Note1) This borrowing will be procured through a sustainability-linked loan ("SLL"), whose loan terms are aligned with JRE's achievement status of the following sustainability performance targets ("SPTs") set beforehand.

- SPT 1: Reduce CO2 emissions by 80% by fiscal 2030 (Base year: Fiscal 2019 / Absolute basis)
- SPT 2: Own five ZEBs (Net zero Energy buildings) by fiscal 2030

The applicable interest rate will be lowered by 0.01% on the condition that either one of the above targets set as SPTs is achieved for the respective performance levels set for September 2023, September 2026, September 2029, and September 2031, 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.

Moreover, in concluding the agreement for the SLL, JRE has obtained a second-party opinion from Japan Credit Rating Agency, Ltd. (JCR) with regard to conformity with the Sustainability Linked Loan Principles and the rationality of the established SPTs. For more details, please refer to the press release by JCR. <https://www.jcr.co.jp/greenfinance/> (in Japanese)

As for details of the SLL, please refer to the joint release by the Norinchukin Bank and JRE, "Conclusion of Sustainability Linked Loan Agreement between The Norinchukin Bank and Japan Real Estate Investment Corporation" announced today.

(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.

**<Reference> Overview of Existing Loans Subject to Repayment**

Lender	Amount of loan	Borrowing date	Principal repayment date	Disclosure date
The Norinchukin Bank	JPY 3,500 million	March 25, 2015	March 27, 2023	March 18, 2015
The Chugoku Bank, Limited	JPY 2,000 million	March 26, 2018	March 27, 2023	March 22, 2018

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

(Units: millions of JPY)

	Before	After	Increase/Decrease
Short-term loans payable	47,000	47,000	±0
Long-term loans payable (Variable interest rate)	22,000	22,000	±0
Long-term loans payable (Fixed interest rate)	337,200	337,200	±0
<b>Total loans</b>	<b>406,200</b>	<b>406,200</b>	<b>±0</b>
Investment corporation bonds	42,993	42,993	±0
<b>Total investment corporation bonds</b>	<b>42,993</b>	<b>42,993</b>	<b>±0</b>
<b>Total interest-bearing debt</b>	<b>449,193</b>	<b>449,193</b>	<b>±0</b>

**4. Others**

Regarding risks pertaining to these loan repayments, there is no material change to the descriptions of "Investment risks" in the latest securities report submitted on December 26, 2022.

This is the English translation of the announcement in Japanese dated March 23, 2023.

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