

March 13, 2018

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 Pre-payment of Loan and Debt Financing

Announcement is hereby made that on March 13, 2018, Japan Real Estate Investment Corporation (“JRE”) decided to make the pre-payment of the existing loan prior to the principal repayment date and to procure funds as follows:

1. Pre-payment of short-term loan

- (a) Pre-payment date: March 26, 2018
- (b) Details of loan to be pre-paid before the due date:
 - (1) Amount of loan: ¥5,000 million
 - (2) Lender: Mitsubishi UFJ Trust and Banking Corporation
 - (3) Interest rate: 0.0954% (From February 26, 2018 to March 25, 2018)
 - (4) Start of loan period: December 26, 2017
 - (5) Borrowing method: Loan based on overdraft agreement with the lender
Unsecured/unguaranteed loan
 - (6) Interest payment date: 26th of every month until the principal repayment date
 - (7) Repayment of principal: Payment in full on the principal repayment date
 - (8) Principal repayment date: December 26, 2018

*There will be no penalty payment upon this pre-payment.

2. Debt Financing

(I) Reason for the borrowing

Early repayment of the above mentioned short-term loan of ¥5,000 million.

(II) Details of the borrowing

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|-------------------------------|---|
| (1) Amount of loan: | ¥5,000 million |
| (2) Lender: | Mitsubishi UFJ Trust and Banking Corporation |
| (3) Interest rate: | Base rate (3-month JPY LIBOR by IBA (ICE Benchmark Administration)) + 0.09% (Note 1) |
| (4) Start of loan period: | March 26, 2018 |
| (5) Borrowing method: | Loan agreement on March 13, 2018
Unsecured/unguaranteed loan |
| (6) Interest payment date: | 26th of every March, June, September and December until the principal repayment date (Note 2) |
| (7) Repayment of principal: | Payment in full on the principal repayment date |
| (8) Principal repayment date: | March 26, 2024 (pre-payment possible) |

(Note 1) • Base rate to calculate the interest to pay on the interest payment date is 3-month JPY LIBOR released two bank business days in London before the latest interest payment date at 11:00 am (GMT) by IBA (3-month JPY LIBOR released by IBA on March 12, 2018 is -0.05467%).

• Please refer to “Loans and Bonds” under Financial Summary of JRE’s website (<http://www.j-re.co.jp/en/cms/finance/debt.html>) for interest rate of the new loan.

(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 debts after the pre-payment of the loan and the debt financing

(Units: millions of yen)

	Before	After	Increase/Decrease
Short-term loans	23,500	18,500	-5,000
Long-term loans (Variable interest)	17,000	22,000	+5,000
Long-term loans (Fixed interest)	307,500	307,500	±0
Total loans	348,000	348,000	±0
Investment corporation bonds	32,993	32,993	±0
Total investment corporation bonds	32,993	32,993	±0
Total interest-bearing debts	380,993	380,993	±0

4. Others

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

This is the English translation of the announcement in Japanese dated March 13, 2018.

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