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For Immediate Release

<Investment Corporation>
Japan Real Estate Investment Corporation
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Announcement of Issuance of Investment Corporation Bonds (Green Bonds)

Japan Real Estate Investment Corporation (“JRE”) hereby announces its decision made today to issue investment corporation bonds (green bonds) (hereafter referred to as “the bonds”).

Issuance of the bonds is based on the comprehensive resolution announced in the release “Announcement of Comprehensive Resolution concerning Issuance of Investment Corporation Bonds” dated May 15, 2018 and the details on the bonds have already been announced in the release “Announcement of Amendment to Shelf Registration Statement for Green Bond Issuance” dated September 28, 2018.

1. Summary of Investment Corporation Bonds

- (1) **Name of the bonds**
Japan Real Estate Investment Corporation 12th Unsecured Bond
(No finance-related special covenants, such as negative pledge)
- (2) **Total amount of the bonds to be issued**
¥10 billion
- (3) **Form of bond certificate**
The Bonds Transfer Act is applicable to the bonds, thus investment corporation bond certificates will not be issued.
- (4) **Issue amount**
¥100 per face value of ¥100
- (5) **Redemption price**
¥100 per face value of ¥100

- (6) **Interest rate**
0.23% per annum
- (7) **Denomination of each bond**
¥100 million
- (8) **Subscription method**
Public offering
- (9) **Offering period**
October 26, 2018
- (10) **Payment due date**
November 1st, 2018
- (11) **Collateral**
There is no secured mortgage or guarantee on the bonds. There are no assets reserved as security for the bonds.
- (12) **Redemption method and date**
(i) Final redemption date
November 1st, 2023
(ii) Redemption by purchase may be accomplished anytime from the date following the payment date unless otherwise specified by Japan Securities Depository Center, Inc.
- (13) **Interest payment dates**
May 1st and November 1st of every year ^(Note 1)
- (14) **Finance-related special covenants**
No finance-related special covenants are attached to the bonds.
- (15) **Ratings**
AA Rating and Investment Information, Inc.
- (16) **Fiscal agent/Issuing and payment agent**
MUFG Bank, Ltd.
- (17) **Underwriter**
Mizuho Securities Co., Ltd.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
SMBC Nikko Securities Inc.
Daiwa Securities Co. Ltd.
Nomura Securities Co., Ltd.

(Note 1) If such interest payment date falls on a day which is not a bank business day, the payment shall be brought forward to the immediately preceding bank business day.

2. Reason for the issuance of the bonds

To raise the ratio of long-term debt and investment corporation bonds to total interest-bearing debt through the issuance of the bonds.
Additionally, with an aim to further promote JRE's sustainability initiatives, the bonds will be issued as green bonds based on the "Green Bond Framework" for which a second-party opinion was obtained from Sustainalytics, an ESG rating agency.

By issuing the bonds as green bonds, JRE will promote energy conservation, improve customer satisfaction and encourage acquiring green building certifications, through various measures such as ESG investments which include refurbishment work etc. thereby realizes Positive Impact ^(Note 2).

For more detailed information on the “Green Bond Framework”, please refer to the release, “Announcement of Amendment to Shelf Registration Statement for Green Bond Issuance” dated September 28, 2018.

<https://www.j-re.co.jp/file/en-news-1696e1a97aacd757570c92fceacefda5aea50cf7.pdf>

(Note 2) “Positive Impact” is defined as “that which produces a positive impact on society or the environment and simultaneously ensures the market-level return”. It is advocated by the United Nations Environment Programme–Finance Initiative (UNEP FI).

3. Net proceeds, specific use of proceeds and scheduled timing of expenditure

(1) Net proceeds

Approx. ¥9,950 million

(2) Specific use of proceeds and scheduled timing of expenditure

¥9,950million, the approximate net proceeds (after deducting issuance related expenses of approx. ¥50 million from the issue amount of ¥10,000 million) will be allocated to the Eligible Green Projects ^(Note 3) as follows.

- ¥1,000 million will be allocated toward the funds for the refurbishments of Shiba 2Chome Daimon Building by the end of March, 2022.
- ¥6,000 million will be allocated toward the repayment of loan for acquiring Akasaka Park Building on November 15, 2018.
- Any remaining proceeds will be allocated toward the prepayment of loan for acquiring Shijo Karasuma Center Building on November 2, 2018.

JRE will manage the unallocated funds as cash or cash equivalents until they are allocated to the above Eligible Green Projects.

(Note 3) Rank under the DBJ Green Building Certification, which is one of the eligibility criteria is as follows.

Name of property	Acquired rank
Shiba 2Chome Daimon Building	3 stars
Akasaka Park Building	4 stars
Shijo Karasuma Center Building	3 stars

4. Investors who declared investment in the 12th bonds

Listed below are investors who declared investment in Japan Real Estate Investment Corporation 12th Unsecured Bonds (Japan Real Estate Investment Green Bonds) by today.

- Izawa Metal Co., Ltd.
- Mitsubishi UFJ Trust and Banking Corporation
- The Oita Bank, Ltd.
- Sumitomo Mitsui Trust Asset Management Co., Ltd.

(Note) In alphabetical order

5. Balance of interest-bearing debt after the issuance of the bonds ^(Note 4)

(Units: millions of yen)

	Before	After	Increase/Decrease
Short-term loans	21,500	18,500	-3,000
Long-term loans (Variable interest)	22,000	22,000	±0
Long-term loans (Fixed interest)	318,000	318,000	±0
Total loans	361,500	358,500	-3,000
Investment corporation bonds	22,993	32,993	+10,000
Total investment corporation bonds	22,993	32,993	+10,000
Total interest-bearing debts	384,493	391,493	+7,000

(Note 4) The balance is the amount after the pre-payment of loan announced in “Announcement of Pre-payment of Loan” dated today.

6. Others

Regarding risks related to redemption of investment corporation bonds, there is no material change to the “Investment risks” description in the latest securities report submitted on June 26, 2018.

This is the English translation of the announcement in Japanese dated October 26, 2018.

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