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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 (Sustainability-Linked Loan)

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

1. Prepayment of Short-Term Loans

(I) Prepayment date: December 29, 2023

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

(1)	Amount of loan to be prepaid	JPY 1,500 million
(2)	Amount of loan	JPY 6,500 million (Note)
(3)	Amount of loan outstanding after the prepayment	JPY 5,000 million
(4)	Lender	Mizuho Bank, Ltd.
(5)	Interest rate	0.0881% (from November 30, 2023 through December 28, 2023)
(6)	Borrowing date	August 31, 2023
(7)	Method of borrowing	Loan based on overdraft agreement Unsecured/unguaranteed loan
(8)	Interest payment date	The principal repayment date and the last day of every month in the period until the principal repayment date
(9)	Method of principal repayment	Lump-sum repayment on the principal repayment date
(10)	Principal repayment date	August 30, 2024
(11)	Disclosure date	August 29, 2023

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

(Note) The number stated in the "(2) Amount of loan" refers to the loan amount outstanding after the loan prepayment as

described in the press release titled “Announcement of Loan Prepayment and Debt Financing (Sustainability-Linked Loan)” dated November 28, 2023.

2. Debt Financing

(I) Reason for the borrowing

To apply the following loan to the prepayment of the above-mentioned loan

(II) Overview of the borrowing

(1)	Amount of loan	JPY 1,500 million (Note1)
(2)	Lender	The Bank of Fukuoka, Ltd.
(3)	Interest rate	Base rate (3-month JPY TIBOR published by Japanese Bankers Association (hereinafter “JBA”)) + 0.110% (Note2) (Note3)
(4)	Borrowing date	December 22, 2023
(5)	Method of borrowing	Loan agreement dated December 20, 2023 Unsecured/unguaranteed loan
(6)	Interest payment date	The principal repayment date and the 22nd day of every March, June, September, and December in the period until the principal repayment date (Note4)
(7)	Method of principal repayment	Lump-sum repayment on the principal repayment date
(8)	Principal repayment date	December 22, 2033

(Note1) This loan will be applied to prepayment of the above-mentioned loan from Mizuho Bank, Ltd., and the funds will be deposited with financial institutions until the time of the prepayment.

(Note2) 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 target (“SPT”) set beforehand.

• SPT : Reduce CO₂ emissions by 80% by fiscal 2030 (Base year: Fiscal 2019 / Absolute basis)

The applicable interest rate will be lower by 0.01% on the condition that the above target set as SPT is achieved for the respective performance levels set for June 2024, June 2027, June 2030, and June 2032, for the period until the performance level is next confirmed (for the time of final confirmation, 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 established “Sustainability-Linked Loan Framework” and 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 SPT.

(Note3) The base rate to calculate the interest to be paid on interest payment dates is JBA 3-month JPY TIBOR as of two business days before the borrowing date for the first interest payment date and as of two business days before the most recent interest payment date for the subsequent interest payment dates. (JBA 3-month JPY TIBOR as of December 20, 2023 is 0.08%.)

For the JBA Japanese Yen TIBOR, please refer to JBA TIBOR administration’s website (<https://www.jbatibor.or.jp/english/rate/>).

(Note4) 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.

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

(Units: millions of JPY)

	Before	After	Increase/Decrease
Short-term loans payable	35,000	33,500	-1,500
Long-term loans payable (Variable interest rate)	20,500	22,000	+1,500
Long-term loans payable (Fixed interest rate)	363,700	363,700	±0
Total loans	419,200	419,200	±0
Investment corporation bonds	32,993	32,993	±0
Total investment corporation bonds	32,993	32,993	±0
Total interest-bearing debt	452,193	452,193	±0

4. Others

Regarding risks pertaining to this loan repayment, there is no material change to the descriptions of “Investment risks” in the latest securities report submitted on June 26, 2023.

This is the English translation of the announcement in Japanese dated December 20, 2023.

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