

November 28, 2023

For Immediate Release

Investment Corporation

Japan Real Estate Investment Corporation

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(TSE code: 8952)

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Announcement of Loan Prepayment and Debt Financing (Sustainability-Linked Loan) (2)

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

1. Prepayment of Short-Term Loans

Overview of loans to be repaid before the due date:

(1)	Prepayment date	November 30, 2023	December 7, 2023
(2)	Amount of loan to be prepaid	JPY 9,000 million	JPY 1,000 million
(3)	Amount of loan	JPY 9,000 million (Note1)	JPY 1,500 million (Note2)
(4)	Amount of loan outstanding after the prepayment	-	JPY 500 million
(5)	Lender	MUFG Bank, Ltd.	
(6)	Interest rate	0.09636% (from October 31, 2023 through November 29, 2023)	0.08818% (from November 7, 2023 through December 6, 2023)
(7)	Borrowing date	July 3, 2023	March 27, 2023
(8)	Method of borrowing	Loan based on overdraft agreement Unsecured/unguaranteed loan	
(9)	Interest payment date	The principal repayment date and the last day of every month in the period until the principal repayment date	The principal repayment date and the 7th of every month in the period until the principal repayment date
(10)	Method of principal repayment	Lump-sum repayment on the principal repayment date	
(11)	Principal repayment date	March 29, 2024	March 7, 2024

(12)	Disclosure date	June 29, 2023	March 23, 2023
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*There will be no early repayment fee due to this loan prepayment.

(Note1) 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” dated September 27, 2023.

(Note2) 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” dated June 5, 2023.

2. Debt Financing

(I) Reason for the borrowing

- ① To apply the following loan to the prepayment of the above mentioned loan
- ② To repay the existing long-term loan of JPY 10 billion executed on December 19, 2014

(II) Overview of the borrowing

«Long-term loan related to ①»

(1)	Amount of loan	JPY 10,000 million
(2)	Lender	MUFG Bank, Ltd.
(3)	Interest rate	0.61%(fixed) (Note3)
(4)	Borrowing date	November 30, 2023
(5)	Method of borrowing	Loan agreement dated November 28, 2023 Unsecured/unguaranteed loan
(6)	Interest payment date	The principal repayment date and the last day of every May and November 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	November 30, 2028

(Note3) 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 May 2024, May 2027, and May 2030, 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. For more details, please refer to the press release by JCR.

<https://www.jcr.co.jp/greenfinance/> (in Japanese)

(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.

«Long-term loan related to ②»

(1)	Amount of loan	JPY 10,000 million
(2)	Lender	MUFG Bank, Ltd.
(3)	Interest rate	0.71125%(fixed) (Note5)
(4)	Borrowing date	December 19, 2023
(5)	Method of borrowing	Loan agreement dated November 28, 2023 Unsecured/unguaranteed loan
(6)	Interest payment date	The principal repayment date and the 19th of every June and December in the period until the principal repayment date (Note6)
(7)	Method of principal repayment	Lump-sum repayment on the principal repayment date
(8)	Principal repayment date	December 19, 2029

(Note5) 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, and June 2030, 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. For more details, please refer to the press release by JCR.

<https://www.jcr.co.jp/greenfinance/> (in Japanese)

(Note6) 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 Loan Subject to Repayment

Lender	Amount of loan	Borrowing date	Principal repayment date	Disclosure date
MUFG Bank, Ltd.	JPY 10,000 million	December 19, 2014	December 19, 2023	December 17, 2014

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

(Units: millions of JPY)

	Before	After	Increase/Decrease
Short-term loans payable	43,000	33,000	-10,000
Long-term loans payable (Variable interest rate)	20,500	20,500	±0
Long-term loans payable (Fixed interest rate)	353,700	363,700	+10,000
Total loans	417,200	417,200	±0
Investment corporation bonds	32,993	32,993	±0
Total investment corporation bonds	32,993	32,993	±0
Total interest-bearing debt	450,193	450,193	±0

(Note7) The balance stated in the “Before” column shows the one in the “After” column of the said table stated in the press release titled “Announcement of Loan Prepayment and Debt Financing (Sustainability-Linked Loan)” announced today, which takes into account repaying JPY 9 billion short-term loan before the due date and borrowing JPY 9 billion long-term loan.

(Note8) The balance stated in the “After” shows the one after the above JPY 10 billion long-term loan from MUFG, Bank Ltd. will be executed on December 19, 2023.

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 November 28, 2023.

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