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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)

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

(I) Prepayment date: November 30, 2023

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

(1)	Amount of loan to be prepaid	JPY 7,000 million	JPY 2,000 million
(2)	Amount of loan	JPY 8,000 million (Note1)	JPY 8,500 million
(3)	Amount of loan outstanding after the prepayment	JPY 1,000 million	JPY 6,500 million
(4)	Lender	MUFG Bank, Ltd.	Mizuho Bank, Ltd.
(5)	Interest rate	0.09636% (from October 31, 2023 through November 29, 2023)	0.0963% (from October 31, 2023 through November 29, 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.

(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 October 27, 2023.

2. Debt Financing

(I) Reason for the borrowing

To apply the following loans to the prepayment of the above mentioned loans

(II) Overview of the borrowing

		Loan 1	Loan 2	Loan 3
(1)	Amount of loan	JPY 5,000 million	JPY 2,000 million	JPY 2,000 million
(2)	Lender	Saitama Resona Bank, Limited	The Chugoku Bank, Ltd.	North Pacific Bank, Ltd.
(3)	Interest rate	1.0875% (fixed) (Note2)	0.935% (fixed) (Note2)	Base rate (3-month JPY TIBOR published by Japanese Bankers Association (hereinafter “JBA”)) + 0.080% (Note2) (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)		The principal repayment date and the last day of every February, May, August, 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, 2033	November 28, 2031	November 29, 2030

(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 SPTs is achieved for the respective performance levels set for May 2024, May 2027, May 2030, and May 2032, the last one of which is only for Loan 1, 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)

(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 November 28, 2023 is 0.07000%.)

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	52,000	43,000	-9,000
Long-term loans payable (Variable interest rate)	18,500	20,500	+2,000
Long-term loans payable (Fixed interest rate)	346,700	353,700	+7,000
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

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.