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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 refinance an existing short-term loan with a long-term loan before the due date as follows:

1. Prepayment of Short-Term Loan

(I) Prepayment date: March 15, 2023

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

(1)	Amount of loan	JPY 2,500 million
(2)	Lender	SBI Shinsei Bank, Limited
(3)	Interest rate	0.0918% (from February 15, 2023 through March 14, 2023)
(4)	Borrowing date	June 15, 2022
(5)	Method of borrowing	Loan based on overdraft agreement Unsecured/unguaranteed loan
(6)	Interest payment date	The principal repayment date and the 15th of every month in the period until the principal repayment date
(7)	Method of principal repayment	Lump-sum repayment on the principal repayment date
(8)	Principal repayment date	June 15, 2023
(9)	Disclosure date	June 9, 2022

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

2. Debt Financing

(I) Reason for the borrowing

To apply the following loan to the prepayment of the above mentioned loan of JPY 2.5 billion

(II) Overview of the borrowing

(1)	Amount of loan	JPY 2,500 million
(2)	Lender	SBI Shinsei Bank, Limited
(3)	Interest rate	0.81875% (Note1)

(4)	Borrowing date	March 15, 2023
(5)	Method of borrowing	Loan agreement dated March 13, 2023 Unsecured/unguaranteed loan
(6)	Interest payment date	The principal repayment date and the 15th of every March and September in the period until the principal repayment date (Note2)
(7)	Method of principal repayment	Lump-sum repayment on the principal repayment date
(8)	Principal repayment date	March 15, 2033

(Note1) 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 targets (“SPTs”) set beforehand.

- SPT 1: Reduce CO2 emissions by 80% by fiscal 2030 (Base year: Fiscal 2019 / Absolute basis)
- SPT 2: Own five ZEBs (Net zero Energy buildings) by fiscal 2030

The applicable interest rate will be lower by 0.01% on the condition that either one of the above targets set as SPTs is achieved for the respective performance levels set for September 2023, September 2026, September 2029, and September 2031, 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.

(Note2) 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	46,500	44,000	-2,500
Long-term loans payable (Variable interest rate)	22,000	22,000	±0
Long-term loans payable (Fixed interest rate)	337,700	340,200	+2,500
Total loans	406,200	406,200	±0
Investment corporation bonds	42,993	42,993	±0
Total investment corporation bonds	42,993	42,993	±0
Total interest-bearing debt	449,193	449,193	±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 December 26, 2022.

This is the English translation of the announcement in Japanese dated March 13, 2023.

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