

November 11, 2021

For Immediate Release

Investment Corporation

Japan Real Estate Investment Corporation  
Yutaka Yanagisawa, Executive Director

(TSE code: 8952)

Asset Management Company

Japan Real Estate Asset Management Co., Ltd.  
Naoki Umeda, President & CEO

Contact: Masaru Motooka

Executive Officer &amp; General Manager

Planning Department

Phone: +81-3-3211-7951

**Announcement of Debt Financing**

Japan Real Estate Investment Corporation (“JRE”) hereby announces its decision today to procure funds as follows:

**1. Overview of the borrowing**

Lender	Loan amount	Interest rate	Borrowing date	Borrowing method	Interest payment date (Note3)	Principal repayment method	Principal repayment date
The Norinchukin Bank	JPY 5,000 million	0.405% (Fixed) (Note1)	Nov. 15, 2021	Loan agreement dated Nov. 11, 2021	The principal repayment date and the 15th of every May and Nov. in the period until the principal repayment date	Lump-sum repayment on the principal repayment date	Nov. 17, 2031
Shinkin Central Bank	JPY 5,000 million	0.405% (Fixed)					
The Daishi Hokuetsu Bank, Ltd.	JPY 3,200 million	0.395% (Fixed)					
The Chugoku Bank, Limited	JPY 1,000 million	0.405% (Fixed)					
The 77 Bank, Ltd.	JPY 1,000 million	0.395% (Fixed)					
The Hachijuni Bank, Ltd.	JPY 1,000 million	Base rate + 0.100% (Note2)					
				Unsecured unguaranteed	The principal repayment date and the 15th of every Feb., May, Aug., and Nov. in the period until the principal repayment date		
Total amount	JPY 16,200 million						

(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 35% by fiscal 2030 (Base year: Fiscal 2013 / Carbon intensity basis)
- SPT 2: Own five ZEBs (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 are achieved for the performance levels set for May 2022, May 2025 and May 2029, respectively, 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 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 SPTs. For more details, please refer to the press release by JCR. <https://www.jcr.co.jp/greenfinance/> (in Japanese)

- Joint release by the Norinchukin Bank and JRE

<https://www.j-re.co.jp/file/en-news-75ef06be64364743c8adcbd936f781e5159e99b1.pdf>

(Note2) • The base rate to calculate the interest to be paid on an interest payment date is 3-month JPY TIBOR published by Japanese Bankers Association (“JBA”) as of the second preceding business day of the most recent interest payment date. (JBA 3-month JPY TIBOR as of November 11, 2021 is 0.05727%.)

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

(Note3) 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.

## 2. Reason for the borrowing

To repay the existing long-term loan of JPY 13 billion executed on November 14, 2014 and allocate the remainder as cash on hand

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

(Units: millions of JPY)

	Before	After	Increase/Decrease
Short-term loans payable	18,000	18,000	±0
Long-term loans payable (Variable interest rate)	20,000	21,000	+1,000
Long-term loans payable (Fixed interest rate)	337,500	339,700	+2,200
<b>Total loans</b>	<b>375,500</b>	<b>378,700</b>	<b>+3,200</b>
Investment corporation bonds	42,993	42,993	±0
<b>Total investment corporation bonds</b>	<b>42,993</b>	<b>42,993</b>	<b>±0</b>
<b>Total interest-bearing debt</b>	<b>418,493</b>	<b>421,693</b>	<b>+3,200</b>

## 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 25, 2021.

This is the English translation of the announcement in Japanese dated November 11, 2021.

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