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For Immediate Release

Investment Corporation

Japan Real Estate Investment Corporation

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Announcement of Selection to “Model Cases in the Model Creation Projects on Sustainability-Linked Loans 2020” by the Ministry of the Environment

Japan Real Estate Investment Corporation (“JRE”) hereby announces that its borrowings from The Norinchukin Bank (sustainability-linked loans), publicized in “Announcement of Debt Financing (Sustainability-Linked Loans)” dated January 18, 2021, have been selected as a model case by the Ministry of the Environment of Japan, cited to serve as a model in terms of environmental awareness and represent a pioneering fund procurement method. Details are described below.

1. About the Model Creation Projects on Sustainability-Linked Loans

The Ministry of the Environment of Japan prepared and announced the Green Loan and Sustainability Linked Loan Guidelines 2020 (the “Guidelines”) in March 2020, aiming to further increase the domestic use of sustainability-linked loans which are an effective tool to introduce private funds towards companies’ business activities that contribute to countermeasures against global warming and prevention of natural capital deterioration.

The projects provide information, etc. on sustainability-linked loans that conform to the Guidelines and sustainability-linked bonds equivalent to those loans, both of which can serve as a model, especially in terms of environmental awareness, as well as information, etc. on pioneering cases of other fund procurement methods following the Guidelines, etc.

Website of the Ministry of the Environment: <https://www.env.go.jp/press/108001.html> (in Japanese)

2. Overview of the Borrowings selected as a Model Case

		Loan 1	Loan 2
(1)	Lender:	The Norinchukin Bank	
(2)	Loan amount:	JPY 5,000 million	JPY 5,000 million
(3)	Borrowing date:	January 29, 2021	January 29, 2021
(4)	Principal repayment date:	July 31, 2031	January 30, 2032
(5)	Interest rate	0.35625% (fixed)	0.37750% (fixed)
		<p>However, the applicable interest rate will be lower by 0.01% for each, on the condition that either one of the following targets set as SPTs are achieved for the performance levels set for the end of July 2021, July 2024 and July 2028 (as well as July 2031 for Loan 2 only), respectively, for the period until the performance level is next confirmed (for the time of final confirmation, the repayment date). The interest rate applicable after the performance level is confirmed will be announced each time.</p> <ul style="list-style-type: none"> • 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) (Note 1) by fiscal 2030 	

(Note 1) The ZEBs that is certified by BELS (Building-Housing Energy-efficiency Labeling System) shall include buildings that are Nearly ZEB, ZEB Ready and ZEB Oriented.

Furthermore, the framework of JRE's sustainability-linked loans selected as the model case has been confirmed to conform to the Guidelines by Ministry of the Environment and its contractors (Japan Credit Rating Agency, Ltd. and E&E Solutions Inc.).

Website of the Ministry of the Environment:
<http://www.env.go.jp/press/109054.html> (in Japanese)

Going forward, JRE will continue to take sustainability seriously in its asset management.

This is the English translation of the announcement in Japanese dated January 29, 2021.

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