

NEWS RELEASE

September 26, 2024

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: Masaaki Fujino

Senior 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 repay the existing loan before the due date and to procure funds as follows:

1. Prepayment of Short-Term Loan

(I) Prepayment date: September 30, 2024

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

(1)	Amount of loan to be prepaid	JPY 1,000 million
(2)	Amount of loan	JPY 2,000 million
(3)	Amount of loan outstanding after the prepayment	JPY 1,000 million
(4)	Lender	MUFG Bank, Ltd.
(5)	Interest rate	0. 37636% (from August 30, 2024 through September 29, 2024)
(6)	Borrowing date	December 1, 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	November 29, 2024
(11)	Disclosure date	November 29, 2023

*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

(II) Overview of the borrowing

(1)	Amount of loan	JPY 1,000 million
(2)	Lender	The Gunma Bank, Ltd.
(3)	Interest rate	Base rate (3-month JPY TIBOR published by Japanese Bankers Association (hereinafter "JBA")) + 0.080% (Note1) (Note2)
(4)	Borrowing date	September 30, 2024
(5)	Method of borrowing	Loan agreement dated September 26, 2024 Unsecured/unguaranteed loan
(6)	Interest payment date	The principal repayment date and the last day of every March, June, September, and December in the period until the principal repayment date (Note3)
(7)	Method of principal repayment	Lump-sum repayment on the principal repayment date
(8)	Principal repayment date	September 30, 2031

(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 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 March 2025, March 2028, and March 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.

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.

(Note2)

- The base rate to calculate the interest to be paid on interest payment dates is JBA 3-month JPY TIBOR as of the second preceding business day of the borrowing date for the first interest payment date and as of the second preceding business day of the most recent interest payment date for the subsequent interest payment dates. (JBA 3-month JPY TIBOR as of September 26, 2024 is 0.42727%.)
- For the JBA Japanese Yen TIBOR, please refer to JBA TIBOR administration's website (<https://www.jbatibor.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.

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

(Units: millions of JPY)

	Before	After	Increase/Decrease
Short-term loans payable	51,000	50,000	-1,000
Long-term loans payable (Variable interest rate)	19,500	20,500	+1,000
Long-term loans payable (Fixed interest rate)	354,400	354,400	±0
Total loans	424,900	424,900	±0
Investment corporation bonds	32,993	32,993	±0
Total investment corporation bonds	32,993	32,993	±0
Total interest-bearing debt	457,893	457,893	±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 25, 2024.

This is the English translation of the announcement in Japanese dated September 26, 2024.

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