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For Translation Purpose Only
For Immediate Release

Japan Prime Realty Investment Corporation
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Notice Concerning Issuance of Investment Corporation Bonds (Sustainability Bonds)

Japan Prime Realty Investment Corporation (JPR) today announced its decision to issue investment corporation bonds (Sustainability Bonds) as outlined below.

Details**1. Overview of Investment Corporation Bonds**

(1)	Name	Japan Prime Realty Investment Corporation 27th Series of Unsecured Investment Corporation Bonds (with special pari passu conditions among specified investment corporation bonds) (Sustainability Bonds) (hereinafter referred to as the “Sustainability Bonds”; also known as “JPR Sustainability Bonds”)
(2)	Total Issue Amount	¥1,400 million
(3)	Form of Bond Certificate	Pursuant to the Law Concerning Book-Entry Transfer of Company Bonds, Shares, Etc. which is applicable to the Sustainability Bonds, certificates for the Sustainability Bonds will not be issued.
(4)	Amount to be Paid in (issue price)	¥100 per ¥100 of the investment corporation bonds
(5)	Redemption Price	¥100 per ¥100 of the investment corporation bonds
(6)	Interest Rate	0.420% per annum
(7)	Denomination	¥100 million
(8)	Offering Method	Public offering
(9)	Subscription Period	November 26, 2021
(10)	Payment Date	December 7, 2021
(11)	Collateral	The Sustainability Bonds will be issued on an unsecured, unguaranteed basis and without the backing of specific assets.
(12)	Redemption Date and Method	The total amount of the Sustainability Bonds will be redeemed on December 5, 2031. Note: The Sustainability Bonds may be repurchased and cancelled at the option of JPR at any time on and after the day after the payment date, unless otherwise determined by the book-entry transfer agent.
(13)	Interest Payment Date	June 7 and December 7 of each year
(14)	Ratings	AA Japan Credit Rating Agency, Ltd. AA- Rating and Investment Information, Inc.
(15)	Financial Covenants	The Bonds contain negative pledge.
(16)	Fiscal Agent, Issue Agent and Payment Agent	Mizuho Bank, Ltd.
(17)	Underwriter (Sustainability Bond Structuring Agent (Note))	Mizuho Securities Co., Ltd. SMBC Nikko Securities Inc.

(Note) “Sustainability Bond Structuring Agent” refers to a party who supports the issuance of sustainability bonds through the preparation of a Sustainability



Finance Framework, the advice in acquiring a second-party opinion, and so forth, upon issuance of the Sustainability Bonds.

2. Reason and Purpose for Issue

Positioning sustainability initiatives as important management issues, JPR has decided to issue the Sustainability Bonds to seek further promotion of ESG initiatives and boost demand among investors who are interested in ESG investment. With such, JPR intends to strengthen the financial base by expanding JPR's investor base and diversifying fundraising methods.

The Sustainability Bonds will be issued based on the structure of the issuance of sustainability bonds, etc. (Sustainability Finance Framework) described in "Notice Concerning Submission of Revised Shelf Registration Statement for the Issuance of Sustainability Bonds" dated November 8, 2021.

Concerning the Eligible Assets for which the Proceeds will be used, the Director and Chief Financial Officer will evaluate and select them after discussions on conformity to the eligibility criteria by the Sustainability Group of the Financial Division at Tokyo Realty Investment Management, Inc. and confirmation by the Sustainability Committee for which the CEO serves as the chairperson.

3. Amount, Detailed Use and Expected Dates of Expenditure of Funds to Be Procured

1) Amount of Funds to be Procured (approximate net amount JPR will obtain)

¥1,380 million yen

2) Detailed Use and Expected Dates of Expenditure of Funds to Be Procured

JPR plans to use all the proceeds from the Sustainability Bonds to make partial early repayment of loans procured to acquire Otemachi Financial City North Tower, which is a specified asset that meets the criteria of Eligible Sustainability Assets (Note 1), by December 7, 2021. For details of the early repayment, please refer to "Notice Concerning Early Repayment of Borrowing" announced today.

(Note 1) "Eligible Sustainability Assets" are assets that meet both of "A. Green buildings" of the green eligibility criteria and social eligibility criteria described below.

Green eligibility criteria

A. Green buildings

Assets which have received or will receive certification under any of the following standards.

- ① DBJ Green Building Certification (Note 2): 3 Stars, 4 Stars or 5 Stars
- ② Certification for CASBEE for Real Estate (Note 3): B+ Rank, A Rank or S Rank
- ③ BELS Certification (Note 4): 3 Stars, 4 Stars or 5 Stars
- ④ LEED Certification (Note 5): Silver, Gold or Platinum

B. Renovation work

Renovation work that meets any of the following standards and was completed within three years prior to the execution date of Sustainability Finance, etc. or is to be completed in the future.

- ① Reduction of CO₂ emissions or energy consumption by over 30%
- ② Reduction of water consumption by over 30%
- ③ New acquisition of any of the certifications specified in "A. Green buildings" above or improvement by one grade or more of such acquired certification

Social eligibility criteria

Among the functions that contribute to solving any of the following social issues, assets with functions that satisfy a certain level or higher in two or more issues.

- ① Community disaster prevention
- ② Medical services
- ③ Child care support
- ④ Facilities to support startups
- ⑤ Barrier-free facilities

(Note 2) "DBJ Green Building Certification" is a five-star scale evaluation system launched by Development Bank of Japan Inc. ("DBJ") that grants certification for properties giving proper care to the environment and society (Green Building) based on a comprehensive scoring model developed by DBJ.

(Note 3) "CASBEE (Comprehensive Assessment System for Built Environment Efficiency)" is a system for comprehensively assessing and ranking buildings based on their environmental performance with regard to aspects such as the



enhancement of environmental quality and performance including indoor comfort and consideration for the landscape, on top of the aspect of environmental consideration such as energy saving and the use of materials and equipment with a lower environmental burden.

(Note 4) “BELS (Building-Housing Energy-efficiency Labeling System)” is a public evaluation system of which evaluation criteria have been set by the Ministry of Land, Infrastructure, Transport and Tourism. It evaluates and ranks energy-saving performance of buildings based on their primary energy consumption on a five-star scale.

(Note 5) “LEED (Leadership in Energy and Environmental Design)” is a certification system developed and operated by U.S. Green Building Council (USGBC) to evaluate environmental performance of buildings and cities. Based on the number of points achieved, a project earns one of four LEED rating levels: Certified, Silver, Gold or Platinum.

4. Investors Who Declared Investment in the Sustainability Bonds

Listed below are investors who declared investment in the Sustainability Bonds and agreed to disclosure of their names as of today (companies are listed in Japanese syllabary order).

- THE KOSAN SHINKIN BANK
- The Sawayaka Shinkin Bank
- Suwa Shinkin Bank
- The Dai-ichi Frontier Life Insurance Co., Ltd.
- Nishihyogo Shinkin Bank

5. Status of Borrowings after the Sustainability Bond Issuance

(Yen in millions)

	Before Issuance	After Issuance (as of December 7, 2021) (Note 3)	Change
Short-Term Loans Payable	4,000	1,600	(2,400)
Long-Term Loans Payable (Note 1)	159,000	159,000	-
Investment Corporation Bonds (Note 1)	35,500	37,900	2,400
Interest-Bearing Debt	198,500	198,500	-
Ratio of Interest-Bearing Debt to Total Assets (Note 2)	40.8%	40.8%	-

(Note 1) Long-Term Loans Payable and Investment Corporation Bonds each include the current portions.

(Note 2) Ratio of Interest-Bearing Debt to Total Assets mentioned above is calculated using the following formula and then rounded to the first decimal place.

$$\text{Ratio of Interest-Bearing Debt to Total Assets (\%)} = \text{Interest-Bearing Debt} \div \text{Total Assets} \times 100$$

Total Assets is calculated by adding or subtracting the increase or decrease in Interest-Bearing Debt after the end of the fiscal period ended June 30, 2021 to the total assets as of the end of the fiscal period ended June 30, 2021.

(Note 3) After Issuance in the table above reflects the issuance of investment corporation bonds of 1 billion yen announced in “Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds)” dated today and the repayment of short-term borrowing of 2.4 billion yen scheduled for early repayment on December 7, 2021, announced in “Notice Concerning Early Repayment of Borrowing” dated today.

6. Other Matters Required for Investors to Appropriately Understand and Evaluate the Above Information

There will be no changes made to the content of the investment risk indicated in the Securities Report filed on September 27, 2021, with respect to the risks involved in repayment, etc. of the current borrowings.