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For Immediate Release

Investment Corporation

Japan Real Estate Investment Corporation
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(TSE code: 8952)

Asset Management Company

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Announcement of Loan Prepayment and Debt Financing (Sustainability-Linked Loan)

Japan Real Estate Investment Corporation hereby announces its decision today to repay the existing loans before the due date and to procure funds as follows:

1. Prepayment of Short-Term Loans

(I) Prepayment date: January 31, 2024

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

		Loan 1	Loan 2	Loan 3	Loan 4
(1)	Amount of loan to be prepaid	JPY 5,000 million	JPY 1,000 million	JPY 4,500 million	JPY 4,000 million
(2)	Amount of loan	JPY 5,000 million (Note1)	JPY 1,000 million (Note2)	JPY 6,000 million	JPY 4,000 million
(3)	Amount of loan outstanding after the prepayment	-	-	JPY 1,500 million	-
(4)	Lender	Mizuho Bank, Ltd.	MUFG Bank, Ltd.	Mizuho Bank, Ltd.	MUFG Bank, Ltd.
(5)	Interest rate	0.1054%	0.10545%	0.1054%	0.10545%
		(from December 29, 2023 through January 30, 2024)			
(6)	Borrowing date	August 31, 2023		October 31, 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	August 30, 2024	October 31, 2024
(11)	Disclosure date	August 29, 2023	October 27, 2023

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

(Note1) The number stated in the “(2) Amount of loan” refers to the loan amount outstanding after the loan prepayment as described in the press release titled “Announcement of Loan Prepayment and Debt Financing (Sustainability-Linked Loan)” dated December 20, 2023.

(Note2) The number stated in the “(2) Amount of loan” refers to the loan amount outstanding after the loan prepayment as described in the press release titled “Announcement of Loan Prepayment and Debt Financing (Sustainability-Linked Loan)” dated November 28, 2023.

2. Funds for Prepayment

The above-mentioned loans will be prepaid by the proceeds from the third transfer of Harumi Front on January 12, 2024, and the long-term loans described in item 3 below. For details on the disposition of Harumi Front, please refer to "Announcement of Disposition of Domestic Real Estate" dated November 15, 2022.

3. Debt Financing

(I) Reason for the borrowing

To apply the following loans to the prepayment of the above-mentioned loans

(II) Overview of the borrowing

		Loan 1	Loan 2
(1)	Amount of loan	JPY 1,000 million	JPY 1,000 million
(2)	Lender	The Gunma Bank, Ltd.	The Keiyo Bank, Ltd.
(3)	Interest rate	0.77125% (fixed) (Note1)	
(4)	Borrowing date	January 31, 2024	
(5)	Method of borrowing	Loan agreement dated January 29, 2024 Unsecured/unguaranteed loan	
(6)	Interest payment date	The principal repayment date and the last day of every January and July 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	January 31, 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 July 2024, July 2027, and July 2030 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) 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.

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

(Units: millions of JPY)

	Before	After	Increase/Decrease
Short-term loans payable	33,000	18,500	-14,500
Long-term loans payable (Variable interest rate)	22,000	22,000	±0
Long-term loans payable (Fixed interest rate)	363,700	365,700	+2,000
Total loans	418,700	406,200	-12,500
Investment corporation bonds	32,993	32,993	±0
Total investment corporation bonds	32,993	32,993	±0
Total interest-bearing debt	451,693	439,193	-12,500

5. Others

Regarding risks pertaining to these loan repayments, there is no material change to the descriptions of “Investment risks” in the latest securities report submitted on December 25, 2023.

This is the English translation of the announcement in Japanese dated January 29, 2024.

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