

August 15, 2019

For Immediate Release

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Notice Concerning Borrowing of Funds

Takara Leben Real Estate Investment Corporation (the “Investment Corporation”) hereby announces that today the Investment Corporation decided on the borrowing of funds (“Borrowings”) as detailed below.

1. Details of the Borrowings

Category ¹	Lender	Expected Loan Amount (millions of yen) ³	Interest Rate ⁶	Expected Drawdown Date	Borrowing Method	Repayment Date ⁷	Repayment Method	Notes
Long-term loans	Loan syndicate with Sumitomo Mitsui Banking Corporation as arranger ²	500	Base interest ⁴ + 0.500%	September 3, 2019	Borrowing based on individual loan agreements to be executed on August 30, 2019	August 31, 2023	Lump-sum repayment at maturity	Unsecured/ unguaranteed
		12,900	Base interest ⁵ + 0.500% (Fixed Interest Rate)			August 31, 2023		
			Base interest ⁵ + 0.600% (Fixed Interest Rate)			August 30, 2024		
Total		13,400	—	—	—	—	—	—

- “Long-term” means loans due after one year from the drawdown date. The same applies hereafter.
- “Loan syndicate” consists of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Shinsei Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, Aozora Bank, Limited, THE NISHI-NIPPON CITY BANK,LTD, Resona Bank, Limited, The Hiroshima Bank, Ltd, The Iyo Bank, Ltd. and The Kiyo Bank, Ltd.
- A loan amount expected as of today. The final loan amount is subject to change prior to the drawdown date taking into account the amount of proceeds by the issuance of new investment units as stated in the “Notice Concerning the Issuance of New Investment Units and Secondary Distribution of Investment Units” announced today.
- The base interest rate is the 3-month Japanese Yen TIBOR published by the JBA TIBOR Administration. However, when there is no interest rate published corresponding to the period, the base interest rate will be calculated using the method

Note: This press release is a document for making a public announcement concerning the borrowing of funds by the Investment Corporation, and has not been prepared for the purpose of soliciting investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (hereinafter referred to as the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be offered or sold, publicly or otherwise, in the United States.

stipulated in each loan agreement. In addition, the base rate corresponding to the calculation period of each interest payment date is determined two business days prior to the borrowing date for the first time, and then two business days before the interest payment date immediately before the interest calculation period. Details on the JBA Japanese Yen TIBOR can be confirmed via the administration's website (<http://www.jbatibor.or.jp/>).

5. The base interest rate is the swap rate (offered rate) corresponding to each borrowing period displayed on Page 9154 of the REUTERS Screen plus the rate (offered rate) displayed as T/L spread corresponding to the same term on the same page multiplied by 365 and divided by 360 (rounded up to 5 decimal places). However, when there is no corresponding rate displayed, the base interest rate will be calculated using the method stipulated in each loan agreement. Interest rate of each borrowing is described as the scheduled rate as of today and is subject to change prior to the drawdown date finally determined.
6. The first interest payment date shall be the end of November 2019, and subsequent interest payment dates shall be the end of February, May, August and November of each year thereafter, and the principal repayment dates. However, if the dates do not fall on a business day, payment will be made on the immediately following business day. If the immediately following business day falls in the next calendar month, payment will be made on the preceding business day.
7. We can make an early repayment of all or part of our borrowings, subject to certain conditions, upon a prior written notice to the relevant financial institutions by the repayment date. However, if the repayment dates do not fall on a business day, payment will be made on the immediately following business day. If the immediately following business day falls in the next calendar month of the repayment date, payment will be made on the preceding business day.

2. Reason for the Borrowings

The borrowing is for use as part of the funds for acquisition of 6 properties of assets to be acquired announced in the "Notice Concerning Acquisition and Leasing of Trust Beneficiary Interests in Domestic Real Estate" as of today and payment of expenses incidental thereto.

(Note) For an overview of the assets to be acquired, please refer to the "Notice Concerning Acquisition and Leasing of Trust Beneficiary Interests in Domestic Real Estate" announced as of today.

3. Amount, Use and Scheduled Disbursement Date of Funds to be Procured

- (1) Amount of funds to be procured
13,400 million yen
- (2) Specific use of funds to be procured
To fund the acquisition of the assets to be acquired mentioned above and to cover incidental expenses
- (3) Scheduled disbursement date
September 3, 2019

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4. Status of Loans, etc. after the Borrowing

(Millions of yen)

	Before drawdown	After drawdown	Increase (decrease)
Short-term loans	5,980	5,980	—
Long-term loans	30,000	43,400	13,400
Total loans	35,980	49,380	13,400
Investment corporation bonds	—	—	—
Total loans and investment corporation bonds	35,980	49,380	13,400

5. Other

Concerning the risks associated with the Borrowing, etc., there is no significant change from the content of “Part 2. Reference Information; Section 2. Supplementary Information on Reference Materials; 6. Investment Risks” in the securities registration statement submitted today.

The Investment Corporation’s website : <https://takara-reit.co.jp>

This notice is the English translation of the Japanese announcement on August 15 2019. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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