

March 31, 2020

For Immediate Release

Investment Corporation

ESCON JAPAN REIT Investment Corporation

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(Securities Code: 2971)

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Notice Concerning Early Repayment of Borrowings

ESCON JAPAN REIT Investment Corporation (“ESCON REIT”) announces that it today decided on partial early repayment of borrowings (hereinafter “the Early Repayment”), as described below.

1. Details of the Early Repayment

- (1) Repayment amount 251 million yen
- (2) Repayment date April 30, 2020
- (3) Repayment fund Net proceeds from the third-party allotment*

*Please refer to the press releases Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units dated January 10, 2020, Notice Concerning Determination of Prices and Other Conditions with regard to the Issuance of New Investment Units and Secondary Offering of Investment Units dated January 22, 2020 and Notice Concerning Determination of Number of New Investment Units to be Issued through Third-Party Allotment dated February 21, 2020 for details of net proceeds from the third-party allotment.

2. Summary of Borrowings for which the Early Repayment will be executed

Term	Lender	Borrowing amount (million yen)	Interest rate	Drawdown date	Method of borrowing	Repayment date	Repayment method	Remarks
Long-term Borrowing	Mizuho Bank, Ltd.	251	Base interest rate+0.35%	February 4, 2020	Borrowing under individual loan agreements concluded on January 31, 2020	January 31, 2024	Bullet repayment	Secured/ Unguaranteed

*Please refer to Notice Concerning Debt Financing (Determination of Lenders and Borrowing Amount) dated January 22, 2020, for details of the borrowings.

3. Status of Borrowings, etc. after the Early Repayment

(Unit: million yen)

	Before the Early Repayment (As of today)	After the Early Repayment (As of April 30, 2020)	Change
Short-term borrowings*	373	373	—
Long-term borrowings*	24,681	24,430	(251)
Total borrowings	25,054	24,803	(251)
Investment corporation bonds	—	—	—
Total borrowings and investment corporation bonds	25,054	24,803	(251)
Other interest-bearing debt	—	—	—
Total interest-bearing debt	25,054	24,803	(251)

*Short-term borrowings refers to borrowings that will mature in one year or less from the drawdown date, and Long-term borrowings refers to borrowings that will mature in more than one year from the drawdown date.

4. Future Outlook

Since the impact of the Early Repayment is minimal, there are no changes to the management status forecast for the fiscal period ending July 31, 2020 (February 1, 2020 to July 31, 2020) and fiscal period ending January 31, 2021 (August 1, 2020 to January 31, 2021) announced in Financial Report for the Fiscal Period Ended January 31, 2020 (REIT) dated March 16, 2020.

5. Other

Concerning the risks associated with the Early Repayment, there is no material change from the content of Investment Risks of the securities report submitted on January 10, 2020.

*Translation for reference purposes only. ESCON REIT has not published an English version of its Securities Registration Statement.

* URL of ESCON REIT: <https://www.escon-reit.en/>