

**For Immediate Release
For Translation Purposes Only**

June 22, 2015

Japan Excellent, Inc. (TSE: 8987)
Hidehiko Ogawa, Executive Director

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Notice Concerning Debt Financing

Japan Excellent, Inc. (hereinafter “JEI”) announces the decision made today concerning new debt financing as follows.

1. Details of Debt Financing

- | | | |
|--------------------------------|---|---|
| (1) Lender | : | Mizuho Bank, Ltd. |
| (2) Loan Amount | : | ¥5.0 billion |
| (3) Interest Rate | : | Base interest rate (Japanese Bankers Association (JBA) one-month Yen-TIBOR) +0.25% (Note) |
| (4) Scheduled Drawdown Date | : | June 25, 2015 |
| (5) Method of Borrowing | : | A borrowing under the individual loan agreement concluded on June 22, 2015 with the lender specified in (1) above, based on the Revolving Credit Facility Agreement entered into June 27, 2006 (including subsequent revisions and adding of new lenders). |
| (6) Interest Payment Date | : | The interest payment date will be the same day as the principal repayment date. (where an interest payment date falls on a non-business day, the interest payment date will be the following business day; provided, however, if this subsequent business day is in the following month, the business day immediately preceding the interest payment date will be the interest payment date). |
| (7) Principal Repayment Date | : | September 25, 2015 (where a principal repayment date falls on a non-business day, the principal repayment date will be the following business day; provided, however, if this subsequent business day is in the following month, the business day immediately preceding the principal repayment date will be the principal repayment date). |
| (8) Principal Repayment Method | : | To be repaid in full on the principal repayment date (early repayment permitted) |
| (9) Collateral | : | Unsecured / Non-guaranteed |
- (Note) The base interest rate (JBA three-month Yen-TIBOR) to be applied to the calculation period pertaining to the interest paid on each interest payment date is determined two business days before the drawdown date. (For reference, JBA three-month Yen-TIBOR as of June 22, 2015 is 0.17091%.) The current JBA three-month Yen-TIBOR can be referenced on the website of the JBA TIBOR Administration: <http://www.jbatibor.or.jp/english/rate/>

2. Purpose of Debt Financing

JEI intends to apply the proceeds of the loan to the redemption of the 2nd Series Unsecured Investment Corporation Bonds which will mature on June 26, 2015 and the repayment of related debts and fees.

3. Total Amount to be Borrowed, Use of Proceeds and Scheduled Expenditure Date

(1) Total Amount to be Borrowed

¥5.0 billion (JPY 5,000,000,000)

(2) Detailed Use of Proceeds and Scheduled Expenditure Date

(i) Detailed Use of Proceeds : To be used for the redemption of the 2nd Series Investment Corporation Bonds of ¥5.0 billion (redemption date: June 26, 2015) and the repayment of related debts and fees

(ii) Scheduled Expenditure Date : June 26, 2015

4. Status of Interest-bearing Debt after Financing

	(million yen)		
	Before Drawdown (as of May 31, 2015)	After Drawdown (as of June 26, 2015)	Increase/ (Decrease)
Short-term borrowings	24,500	29,500	5,000
Long-term borrowings	103,900	103,900	-
(repayment due within one year)	(15,540)	(15,540)	-
Total borrowings	103,900	128,400	5,000
Investment corporate bonds	30,000	25,000	-5,000
(maturing within one year)	(5,000)	(-)	(-5,000)
Sum of borrowings and investment corporation bonds	158,400	158,400	-
Other interest-bearing debt	—	—	-
Total interest-bearing debt	158,400	158,400	-

5. Other Matters Necessary for Investors to Appropriately Understand and Evaluate the Provided Information

There is no change to the content of “Risks related to fund procurement of investment corporation” in “Risks in Investment” set forth in the JEI’s Securities Report (*yuka shoken houkoku-sho*) for the Seventeenth Fiscal Period (ended on December 31, 2014) submitted on March 25, 2015 with respect to the risks of this debt financing and its repayment, etc.

(End)

Japan Excellent, Inc. Website: www.excellent-reit.co.jp/eng/