

**For Immediate Release
For Translation Purposes Only**

June 24, 2015

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

Asset Management Company:
Japan Excellent Asset Management Co., Ltd.

Representative:
Hidehiko Ogawa, President

Contact:
Kazue Horikawa
Corporate Planning Dept.
TEL: +81-3-5412-7911

Notice Concerning Debt Financing

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

I. Short-term borrowings

1. Details of Debt Financing

(1) Borrowing (9.00-month maturity)

- | | | |
|--------------------------------|---|--|
| (1) Lender | : | Mizuho Bank, Ltd. |
| (2) Loan Amount | : | ¥17.0 billion |
| (3) Interest Rate | : | Base interest rate (Japanese Bankers Association (JBA) one-month Yen-TIBOR) +0.25% (Note) |
| (4) Scheduled Drawdown Date | : | June 30, 2015 |
| (5) Method of Borrowing | : | A borrowing under the individual loan agreement concluded on June 25, 2015 with the lender specified in (1) above, based on the Term Loan Agreement entered into June 27, 2006 (including subsequent revisions and adding of new lenders). |
| (6) Interest Payment Date | : | (i) The initial interest payment date will be the end of July, 2015, (ii) subsequent interest payments will be made at the end of each months of each year, and (iii) the final interest payment date will be the same day as the principal repayment date (in each case, 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 | : | March 31, 2016 (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 one-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 immediately preceding interest payment date. (For reference, JBA one-month Yen-TIBOR as of June 24, 2015 is 0.13000%.) The current JBA one-month Yen-TIBOR can be referenced on the website of the JBA TIBOR Administration: <http://www.jbatibor.or.jp/english/rate/>

Note: This document is prepared as a press release for public announcement concerning the acquisition of assets by JEI and not intended for investment solicitation. In making an investment, investors are advised to make their own investment decisions at their own judgment and responsibility after reading carefully the registration prospectus for the issuance of new investment units and the secondary offering of investment units prepared by JEI and any amendments thereto.

(2) Borrowing (3.00-week maturity)

- (1) Lender : Mizuho Bank, Ltd.
- (2) Loan Amount : ¥7.5 billion
- (3) Interest Rate : Base interest rate (Japanese Bankers Association (JBA) one-week Yen-TIBOR) +0.25% (Note)
- (4) Scheduled Drawdown Date : June 30, 2015
- (5) Method of Borrowing : A borrowing under the individual loan agreement concluded on June 25, 2015 with the lender specified in (1) above, based on the Term Loan Agreement entered into June 27, 2006 (including subsequent revisions and adding of new lenders).
- (6) Interest Payment Date : The interest payment date will be July 7, 2015, July 14, 2015 and the same day as the principal repayment date (in each case, 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 : July 21, 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 one-week 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 immediately preceding interest payment date. (For reference, JBA one-week Yen-TIBOR as of June 24, 2015 is 0.10818%.) The current JBA one-week 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 loans to the portion of repayment of a short-term borrowing (¥24.5 billion of the borrowing announced in the press release “Notice Concerning Debt Financing” dated March 27, 2015) scheduled to fall due and payable on June 30, 2015.

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

- (1) Total Amount to be Borrowed
¥24.5 billion (JPY 24,500,000,000)
- (2) Detailed Use of Proceeds and Scheduled Expenditure Date
 - (i) Detailed Use of Proceeds : To be used for the repayment (including related expenses) of a borrowing of ¥24.5 billion that will fall due and payable on June 30, 2015.
 - (ii) Scheduled Expenditure Date : June 30, 2015

II. Long-term borrowings

1. Details of Debt Financing

- (1) Borrowing (8.00-year maturity)
 - (1) Lender : Development Bank of Japan Inc.
 - (2) Loan Amount : ¥2.0 billion
 - (3) Interest Rate : To be determined (Fixed rate) (Notes)
 - (4) Scheduled Drawdown Date : June 30, 2015

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- (5) Method of Borrowing : A borrowing under the individual loan agreement concluded on June 25, 2015 with the lender specified in (1) above, based on the Term Loan Agreement entered into June 27, 2006 (including subsequent revisions and adding of new lenders).
- (6) Interest Payment Date : (i) The initial interest payment date will be the end of December, 2015, (ii) subsequent interest payments will be made at the end of June and December of each year, and (iii) the final interest payment date will be the same day as the principal repayment date (in each case, 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 : June 30, 2023 (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 interest rate for the borrowing will be announced when it is determined. The latest information on loans can check in JEI website.

2. Purpose of Debt Financing

JEI intends to apply the proceeds of the loans to the portion of repayment of a long-term borrowing (¥2.0 billion out of the ¥5.0 billion of the borrowing announced in the press release “Notice Concerning Debt Financing” dated October 21, 2008) scheduled to fall due and payable on June 30, 2015.

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

- (1) Total Amount to be Borrowed
¥2.0 billion (JPY 2,000,000,000)
- (2) Detailed Use of Proceeds and Scheduled Expenditure Date
- (i) Detailed Use of Proceeds : To be used for the repayment of a borrowing of ¥2.0 billion out of the ¥5.0 billion that will fall due and payable on June 30, 2015. The remaining ¥3.0 billion will be repaid in cash on hand.
- (ii) Scheduled Expenditure Date : June 30, 2015

III. Status of Interest-bearing Debt after Financing

	(million yen)		
	Before Drawdown (as of June 29, 2015)	After Drawdown (as of June 30, 2015)	Increase/ Decrease-
Short-term borrowings	29,500	29,500	-
Long-term borrowings	103,900	100,900	-3,000
(repayment due within one year)	(28,540)	(23,540)	(-5,000)
Total borrowings	133,400	130,400	-3,000
Investment corporate bonds	25,000	25,000	—
(maturing within one year)	(—)	(—)	(—)
Sum of borrowings and investment corporation bonds	158,400	155,400	-3,000
Other interest-bearing debt	—	—	—
Total interest-bearing debt	158,400	155,400	-3,000

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IV. 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/

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