

**For Immediate Release  
For Translation Purposes Only**

November 20, 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) Borrowing (8.00-year maturity)

- |                                |   |  |
|--------------------------------|---|--|
| (1) Lender                     | : | Mizuho Bank, Ltd.; Mitsubishi UFJ Trust and Banking Corporation; Sumitomo Mitsui Banking Corporation; Mizuho Trust & Banking Co., Ltd.; The Norinchukin Bank, Resona Bank, Ltd.; Aozora Bank, Ltd.; The Bank of Fukuoka  |
| (2) Loan Amount                | : | ¥5.27 billion  |
| (3) Interest Rate              | : | Base interest rate (Japanese Bankers Association (JBA) three-month Yen-TIBOR) +0.450% (Note)   |
| (4) Scheduled Drawdown Date    | : | November 30, 2015  |
| (5) Method of Borrowing        | : | A borrowing under the individual loan agreement scheduled to be concluded on November 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 February, 2016, (ii) subsequent interest payments will be made at the end of February, May, August, and November 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   | : | November 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 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 immediately preceding interest payment date. (For reference, JBA three-month Yen-TIBOR as of November 20, 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) Borrowing (9.00-year maturity)

- (1) Lender : Mizuho Bank, Ltd.; Mitsubishi UFJ Trust and Banking Corporation; Sumitomo Mitsui Banking Corporation; Mizuho Trust & Banking Co., Ltd.; Resona Bank, Ltd.; Aozora Bank, Ltd.; The Bank of Fukuoka
- (2) Loan Amount : ¥5.27 billion
- (3) Interest Rate : Base interest rate (Japanese Bankers Association (JBA) three-month Yen-TIBOR) +0.500% (Note)
- (4) Scheduled Drawdown Date : November 30, 2015
- (5) Method of Borrowing : A borrowing under the individual loan agreement scheduled to be concluded on November 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 February, 2016, (ii) subsequent interest payments will be made at the end of February, May, August, and November 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 : November 30, 2024 (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 immediately preceding interest payment date. (For reference, JBA three-month Yen-TIBOR as of November 20, 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 loans to the repayment of a long-term borrowings (¥3.24 billion described in 1. (2) and ¥1.3 billion described in 1. (3) in the press release “Notice Concerning Debt Financing” announced on November 25, 2011; ¥2.0 billion described in 1. (2) in the press release “Notice Concerning Debt Financing” announced on January 26, 2012; ¥4.0 billion described in 1. (4) in the press release “Notice Concerning Debt Financing” announced on June 29, 2012) scheduled to fall due and payable on November 30, 2015.

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

(1) Total Amount to be Borrowed

¥10.54 billion (JPY 10,540,000,000)

(2) Detailed Use of Proceeds and Scheduled Expenditure Date

- (i) Detailed Use of Proceeds: To be used for the repayment of a borrowing of ¥10.54 billion that will fall due and payable on November 30, 2015
- (ii) Scheduled Expenditure Date: November 30, 2015

#### 4. Status of Interest-bearing Debt after Financing

(million yen)

	Before Drawdown (as of October 31, 2015)	After Drawdown (as of November 30, 2015)	Increase/ Decrease-
Short-term borrowings	17,000	17,000	-
Long-term borrowings	100,900	100,900	-
(repayment due within one year)	(23,540)	(16,760)	(-6,780)
Total borrowings	117,900	117,900	-
Investment corporate bonds	30,000	30,000	-
(maturing within one year)	-	(5,000)	(5,000)
Sum of borrowings and investment corporate bonds	147,900	147,900	-
Other interest-bearing debt	-	-	-
Total interest-bearing debt	147,900	147,900	-

#### 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 Eighteenth Fiscal Period (ended on June 30, 2015) submitted on September 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/](http://www.excellent-reit.co.jp/eng/)