



**For Immediate Release  
For Translation Purposes Only**

December 7, 2015

**Japan Excellent, Inc. (TSE: 8987)**  
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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                     | : | Nippon Life Insurance Company  |
| (2) Loan Amount                | : | ¥1.0 billion   |
| (3) Interest Rate              | : | Base interest rate (Japanese Bankers Association (JBA) one-month Yen-TIBOR) +0.23% (Note)  |
| (4) Scheduled Drawdown Date    | : | December 10, 2015  |
| (5) Method of Borrowing        | : | A borrowing under the individual loan agreement to be concluded on December 7, 2015 with the lender specified in (1) above, based on the Term Loan Agreement entered into on June 27, 2006 (including subsequent revisions and adding of new lenders).   |
| (6) Interest Payment Date      | : | (i) The initial interest payment date will be January 10, 2016, (ii) subsequent interest payments will be made at the 10th of every month 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   | : | December 10, 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 December 7, 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/>

**2. Purpose of Debt Financing**

JEI intends to apply the proceeds of the loan to a portion of the cash on hand payment (including related expenses) for the acquisition of trust beneficiary interests in real estate. Furthermore, JEI intends to transfer an

amount equivalent to the acquisition price of the trust beneficiary interests in real estate to long-term funds at an appropriate time.

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

#### (1) Total Amount to be Borrowed

¥1.0 billion (JPY 1,000,000,000)

#### (2) Detailed Use of Proceeds and Scheduled Expenditure Date

(i) Detailed Use of Proceeds: To be used as a portion of the cash on hand payment (including related expenses) for the acquisition of Okinawa No.27 Daikyo Building <sup>(Note)</sup>

(ii) Scheduled Expenditure Date: December 10, 2015

(Note) For details of acquisition of trust beneficiary interests in real estate of Okinawa No. 27 Daikyo Building, please refer to “Notice Concerning the Acquisition of Investment Asset (Okinawa No. 27 Daikyo Building)” dated December 7, 2015.

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

	Before Drawdown (as of November 30, 2015)	After Drawdown (as of December 10, 2015)	(million yen) Increase/ Decrease-
Short-term borrowings	17,000	18,000	1,000
Long-term borrowings	100,900	100,900	-
(repayment due within one year)	(16,760)	(16,760)	-
Total borrowings	117,900	118,900	1,000
Investment corporate bonds	30,000	30,000	-
(maturing within one year)	(5,000)	(5,000)	-
Sum of borrowings and investment corporation bonds	147,900	148,900	1,000
Other interest-bearing debt	-	-	-
Total interest-bearing debt	147,900	148,900	1,000

### 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/)