



Japan Excellent, Inc.

**For Immediate Release
For Translation Purposes Only**

December 22, 2016

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 | : | Sompo Japan Nipponkoa Insurance Inc.
Tokio Marine & Nichido Fire Insurance Co., Ltd. |
| (2) Loan Amount | : | ¥3.0 billion |
| (3) Interest Rate | : | 0.35% (fixed rate) |
| (4) Scheduled Drawdown Date | : | January 31, 2017 |
| (5) Method of Borrowing | : | A borrowing under a loan agreement to be concluded on December 28, 2016 with the lenders specified in (1) above, as a term-loan agreement based on the basic 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 July 31, 2017, and (ii) subsequent interest payments will be made at the last day of every January and July of each year (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 | : | January 31, 2022 (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 |

2. Purpose of Debt Financing

JEI intends to apply the proceeds of the loan to repayment of the long-term borrowings of ¥3.0 billion (described in 1-(3) of “Notice Concerning Debt Financing” announced on June 29, 2012) scheduled to fall due and payable on January 31, 2017.

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

(1) Total Amount to be Borrowed

¥3.0 billion (JPY 3,000,000,000)

(2) Detailed Use of Proceeds and Scheduled Expenditure Date

- (i) Detailed Use of Proceeds : To be used for the repayment of long-term borrowings of ¥3.0 billion scheduled to fall due and payable on January 31, 2017
- (ii) Scheduled Expenditure Date : January 31, 2017

4. Status of Interest-bearing Debt after Financing

(millions of yen)

	Before Drawdown (As of January 30, 2017)	After Drawdown (*) (As of January 31, 2017)	Increase/ Decrease
Short-term borrowings	1,000	1,000	-
Long-term borrowings	107,900	107,900	-
(repayment due within one year)	(24,000)	(12,000)	-12,000
Total borrowings	110,900	110,900	-
Investment corporation bonds	29,000	29,000	-
(maturing within one year)	(-)	(-)	-
Sum of borrowings and investment corporation bonds	137,900	137,900	-
Other interest-bearing debt	-	-	-
Total interest-bearing debt	137,900	137,900	-

(*) The above figures are estimates in case long-term borrowings of ¥9,000 million which repayment dates are due on January 31, 2017 are refinanced to long-term borrowings, in addition to this debt financing. The refinancing policy will be announced separately once it is determined.

5. Other Matters Required for Investors to Appropriately Understand and Evaluate the above Information

There is no change to the content of “Risks in Investment” set forth in the JEI's Securities Report (yuka shoken houkoku-sho) for the Twentieth Fiscal Period (ended on June 30, 2016) submitted on September 21, 2016 with respect to the risks of this debt financing and its repayment, etc.

(End)

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