

September 26, 2017

**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) Loan (Term: 8.5 years)

(1) Lenders	Mizuho Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation Sumitomo Mitsui Banking Corporation The Norinchukin Bank Aozora Bank, Ltd.
(2) Loan Amount	¥6.4 billion
(3) Interest Rate	Base interest rate (calculated based on the interest rate obtained by adding the L/T spread to the 8- or 9-year yen-yen swap rate) <sup>(Note 1)</sup> + 0.46% (fixed interest rate)
(4) Scheduled Drawdown Date	September 29, 2017
(5) Method of Borrowing	A borrowing under a loan agreement to be concluded on September 26, 2017 with the lenders specified in (1), (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 <sup>(Note 2)</sup>	The initial interest payment date will be March 31, 2018 and subsequent interest payments will be made on the last day of March and September of each year (The final payment date shall be the principal repayment date.)
(7) Principal Repayment Date <sup>(Note 2)</sup>	March 31, 2026
(8) Principal Repayment Method	To be repaid in full on the principal repayment date (early repayment permitted)
(9) Collateral	Unsecured / Non-guaranteed

(Note 1) The base interest rate is determined two business days prior to the drawdown date with details as provided below.

“Interest rate obtained by interpolating based on (a) the interest rate obtained by: [the 8-year yen-yen swap rate (offered rate) posted on page 9154 or its following page on the REUTERS screen] + [the interest rate obtained by multiplying the interest rate (offered rate) indicated as L/T spread posted on the same page for the same period of time by 365 and dividing it by 360] and (b) the interest rate obtained using the above formula for a period of 9 years.

The latest information on debt financing can also be found on JEI’s website.

(Note 2) However, if the concerned date is not a business day, the subsequent business day; and if this day falls into the following month, the business day immediately preceding the concerned date shall be the interest payment/principal repayment date.

(2) Loan (Term: 9 years)

(1) Lender	Development Bank of Japan Inc.
(2) Loan Amount	¥1.3 billion
(3) Interest Rate	Base interest rate (interest rate obtained by adding the L/T spread to the 9-year yen-yen swap rate) <sup>(Note 1)</sup> + 0.44% (fixed interest rate)
(4) Scheduled Drawdown Date	September 29, 2017
(5) Method of Borrowing	A borrowing under a loan agreement to be concluded on September 26, 2017 with the lender specified in (2), (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 <sup>(Note 2)</sup>	The initial interest payment date will be March 31, 2018 and subsequent interest payments will be made on the last day of March and September of each year (The final payment date shall be the principal repayment date.)
(7) Principal Repayment Date <sup>(Note 2)</sup>	September 30, 2026
(8) Principal Repayment Method	To be repaid in full on the principal repayment date (early repayment permitted)
(9) Collateral	Unsecured / Non-guaranteed

(Note 1) The base interest rate is determined two business days prior to the drawdown date with details as provided below.

“The interest rate obtained by: [the 9-year yen-yen swap rate (offered rate) posted on page 9154 or its following page on the REUTERS screen] + [the interest rate obtained by multiplying the interest rate (offered rate) indicated as L/T spread posted on the same page for the same period of time by 365 and dividing it by 360]

The latest information on debt financing can also be found on JEI’s website.

(Note 2) However, if the concerned date is not a business day, the subsequent business day; and if this day falls into the following month, the business day immediately preceding the concerned date shall be the interest payment/principal repayment date.

## 2. Purpose of Debt Financing

JEI intends to allocate the proceeds of the loan to repayment of the long-term borrowings of ¥7.7 billion taken out on August 1, 2017 as acquisition funds for adding ownership interest, etc. in Kowa Nishi-Shimbashi Building, and to refinance them to long-term borrowings as initially planned.

(Note) For details of the additional acquisition of ownership interest, etc. of Kowa Nishi-Shimbashi Building, please refer to “Notice Concerning Acquisition of Investment Asset (Additional Acquisition of Ownership Interest, etc. of Kowa Nishi-Shimbashi Building)” announced on July 26, 2017. For details of the short-term borrowings to be repaid, please refer to “Notice Concerning Debt Financing” announced on July 26, 2019.

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

(1) Total Amount to be Borrowed

¥7.7 billion (JPY 7,700,000,000)

(2) Detailed Use of Proceeds and Scheduled Expenditure Date

(i) Detailed Use of Proceeds : To be allocated for the repayment of short-term borrowings of ¥7.7 billion scheduled to fall due and payable on September 29, 2017.

(ii) Scheduled Expenditure Date : September 29, 2017

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

(millions of yen)

	Before Drawdown	After Drawdown	Increase/ Decrease
Short-term borrowings	8,600	900	(7,700)
Long-term borrowings	101,900	109,600	7,700
(repayment due within one year)	(35,000)	(35,000)	(-)
Total borrowings	110,500	110,500	-
Investment corporation bonds	36,000	36,000	-
(maturing within one year)	(-)	(-)	-
Sum of borrowings and investment corporation bonds	146,500	146,500	-
Other interest-bearing debt	-	-	-
Total interest-bearing debt	146,500	146,500	-



**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 22nd Fiscal Period (ended on June 30, 2017) submitted on September 22, 2017 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/)