Japan Excellent, Inc.

For Immediate Release
For Translation Purposes Only

December 19, 2014

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) Borrowing (7.00-year maturity)

(1) Lenders	:	Mizuho Bank, Ltd.; Mitsubishi UFJ Trust and Banking Corporation; Mizuho Trust & Banking Co., Ltd.; Resona Bank, Limited
(2) Loan Amount	:	¥5.75 billion (JPY 5,750,000,000)
(3) Interest Rate	:	Base interest rate (Japanese Bankers Association (JBA) three-month Yen-TIBOR) ＋0.450% (Notes)
(4) Scheduled Drawdown Date	:	December 29, 2014
(5) Method of Borrowing	:	Borrowing under the loan agreement concluded on December 24, 2014 with the lenders specified in (1) above, as the term-loan agreement based on the Basic Agreement entered into on June 27, 2006 (including subsequent revisions and addition of new lenders).
(6) Interest Payment Date	:	(i) The initial interest payment date will be the end of March, 2015, (ii) subsequent interest payments will be made at the end of March, June, September, 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	:	December 30, 2021 (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 December 19, 2014 is 0.18091%.)

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The current JBA three-month Yen-TIBOR can be referenced on the website of the Japanese Bankers Association: http://www.zenginkyo.or.jp/en/tibor/

(2) Borrowing (8.00-year maturity)

(1) Lenders	:	Mizuho Bank, Ltd.; Mitsubishi UFJ Trust and Banking Corporation; Mizuho Trust & Banking Co., Ltd.; Resona Bank, Limited
(2) Loan Amount	:	¥5.75 billion (JPY 5,750,000,000)
(3) Interest Rate	:	Base interest rate (Japanese Bankers Association (JBA) three-month Yen-TIBOR) ＋0.450% (Notes)
(4) Scheduled Drawdown Date	:	March 11, 2014
(5) Method of Borrowing	:	Borrowing under the loan agreement concluded on December 24, 2014 with the lenders specified in (1) above, as the term-loan agreement based on the Basic Agreement entered into on June 27, 2006 (including subsequent revisions and addition of new lenders).
(6) Interest Payment Date	:	(i) The initial interest payment date will be the end of March, 2015, (ii) subsequent interest payments will be made at the end of March, June, September, 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	:	December 30, 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

(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 December 19, 2014 is 0.18091%.)

The current JBA three-month Yen-TIBOR can be referenced on the website of the Japanese Bankers Association: http://www.zenginkyo.or.jp/en/tibor/

2. Purpose of Debt Financing

JEI intends to apply the proceeds of the loans to the portion of repayment of a borrowing (¥11.5 billion of the borrowing announced in the press release "Notice Concerning Debt Financing" dated May 30, 2011) scheduled to fall due and payable on December 29, 2014.

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

(1) Total Amount to be Borrowed

¥11.5 billion (JPY 11,500,000,000)

(2) Detailed Use of Proceeds and Scheduled Expenditure Date

(i) Detailed Use of Proceeds	:	To be used for the repayment of a borrowing of ¥11.5 billion that will fall due and payable on December 29, 2014.
(ii) Scheduled Expenditure Date	:	December 29, 2014

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4. Status of Interest-bearing Debt after Financing

(million yen)

	Before Drawdown (as of November 30, 2014)	After Drawdown (as of March 11, 2014)	Increase/ (Decrease)
Short-term borrowings	—	—	—
Long-term borrowings	103,900	103,900	—
[repayment due within one year]	(27,040)	(15,540)	(-11,500)
Total borrowings	105,400	103,900	△1,500
Investment corporate bonds (Note)	30,000	30,000	—
(maturing within one year)	(5,000)	(5,000)	—
Sum of borrowings and investment corporation bonds	133,900	133,900	—
Other interest-bearing debt	—	—	—
Total interest-bearing debt	133,900	133,900	—

5. Other Matters Necessary for Investors to Appropriately Understand and Evaluate the Provided 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 16th Fiscal Period (ended on June 30, 2014) submitted on September 26, 2014 with respect to the risks of this debt financing.

(End)

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