Japan Excellent, Inc.

For Immediate Release
For Translation Purposes Only

October 21, 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	:	Mizuho Bank, Ltd.
(2) Loan Amount	:	¥3.0 billion
(3) Interest Rate	:	Base interest rate (Japanese Bankers Association (JBA) one-month Yen-TIBOR) +0.20% (Note)
(4) Scheduled Drawdown Date	:	November 2, 2016
(5) Method of Borrowing	:	A borrowing under the individual loan agreement concluded on October 28, 2006 with the lender 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 November 30, 2016, (ii) subsequent interest payments will be made at the last day of every month of each year, and (iii) the final interest payment date will be the same day as the principal repayment date (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	:	September 29, 2017 (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 draw down date and the immediately preceding interest payment date. 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/. The latest information on debt financing can also be found on JEI's website.

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2. Purpose of Debt Financing

JEI intends to apply the proceeds of the loan to a portion of the redemption of the 3rd Series Unsecured Investment Corporation Bonds which will mature on November 4, 2016.

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 portion of redemption of the 3rd Series Investment Corporation Bonds of ¥5,000 million maturing on November 4, 2016, along with the approximate net proceeds of ¥1,983 million from the 9th Series Investment Corporation Bonds (Note) to be newly issued and cash on hand.

(Note) For the details of the 9th Series Investment Corporation Bonds, please refer to "Notice Concerning Issuance of Investment Corporation Bonds" announced today.

(ii) Scheduled Expenditure Date : November 4, 2016

4. Status of Interest-bearing Debt after Financing

(millions of yen)

	Before Drawdown (As of September 30, 2016)	After Drawdown (Note) (As of November 4, 2016)	Increase/ Decrease
Short-term borrowings	7,000	10,000	3,000
Long-term borrowings	100,900	100,900	—
(repayment due within one year)	15,760	15,760	—
Total borrowings	107,900	110,900	3,000
Investment corporate bonds	30,000	27,000	(3,000)
(maturing within one year)	5,000	—	(5,000)
Sum of borrowings and investment corporation bonds	137,900	137,900	—
Other interest-bearing debt	—	—	—
Total interest-bearing debt	137,900	137,900	—

(Note) Although the drawdown date of the debt financing is November 2, 2016, the above indicate the status after the execution of the debt financing, the issuance of the 9th Series Investment Corporation Bonds and the redemption of the 3rd Series Investment Corporation Bonds of ¥5,000 million maturing on November 4, 2016.

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