Japan Excellent, Inc.

For Immediate Release
For Translation Purposes Only

November 24, 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] Debt Financing (period: 5 years)

(1) Lender	:	Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited
(2) Loan Amount	:	¥3.76 billion
(3) Interest Rate	:	Base interest rate (Japanese Bankers Association (JBA) three-month Yen-TIBOR) +0.35% (Note)
(4) Scheduled Drawdown Date	:	November 29, 2016
(5) Method of Borrowing	:	A borrowing under the individual loan agreement concluded on November 24, 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 February 28, 2017, (ii) subsequent interest payments will be made at the last day of every February, May, August and November 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	:	November 29, 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 draw down date and the immediately preceding interest payment date. The current JBA three-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.

[2] Debt Financing (period: 1.5 years)

(1) Lender	:	Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Banking Corporation
(2) Loan Amount	:	¥6.0 billion
(3) Interest Rate	:	Base interest rate (Japanese Bankers Association (JBA) one-month Yen-TIBOR) +0.20% (Note)
(4) Scheduled Drawdown Date	:	November 29, 2016
(5) Method of Borrowing	:	A borrowing under the individual loan agreement concluded on November 24, 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 December 31, 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	:	May 29, 2018 (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.

2. Purpose of Debt Financing

JEI intends to apply the proceeds of the loans to the repayment of the following borrowings scheduled to fall due and payable on November 29, 2016.

(1) Long-term borrowings of ¥3.76 billion described in 1, (1) of "Notice Concerning Debt Financing" announced on November 25, 2011.

(2) Short-term borrowings of ¥6 billion, the amount after conducting early repayment for part of short-term borrowings of ¥11.5 billion described in 1 of "Notice Concerning Debt Financing" announced June 22, 2016.

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

(1) Total Amount to be Borrowed

¥9.76 billion (JPY 9,760,000,000)

(2) Detailed Use of Proceeds and Scheduled Expenditure Date

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(i) Detailed Use of Proceeds	:	To be used for the repayment of borrowings of ¥9.76 billion scheduled to fall due and payable on November 29, 2016.
(ii) Scheduled Expenditure Date	:	November 29, 2016

4. Status of Interest-bearing Debt after Financing

(millions of yen)

	Before Drawdown (As of November 28, 2016)	After Drawdown (Note) (As of November 29, 2016)	Increase/ Decrease
Short-term borrowings	10,000	4,000	-6,000
Long-term borrowings	100,900	106,900	6,000
(repayment due within one year)	(15,760)	(12,000)	-3,760
Total borrowings	110,900	110,900	-
Investment corporate bonds	27,000	27,000	-
(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	—

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/