Japan Excellent, Inc.

For Immediate Release
For Translation Purposes Only

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

No.	Lenders	Loan Amount	Interest Rate		Borrowing Period	Drawdown Date	Principal Repayment Date (Note 2)	Borrowing Method, Repayment Method, Collateral
1	Mizuho Bank, Ltd. MUFG Bank, Ltd. Mizuho Trust & Banking Co., Ltd. The Norinchukin Bank	¥3.75 billion	Floating	Base interest rate (JBA six-month Yen-TIBOR) +0.395% (Note 1)	7.0 years	November 1, 2018	November 1, 2025	Term loan agreement To be repaid in full on the repayment date Unsecured/ Non-guaranteed
2	Mizuho Bank, Ltd.	¥2.0 billion	Floating	Base interest rate (JBA six-month Yen-TIBOR) +0.200%	0.9 years	November 2, 2018	October 8, 2019	
Total		¥5.75 billion	-	-	-	-	-	-

(Note 1) As for Borrowings No. 1, JEI plans to effectively fix the interest rate by executing an interest rate swap agreement. The details of the interest rate swap agreement will be announced separately when determined. The current JBA six-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.

(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.

2. Purpose of Debt Financing

As for Borrowings No. 1 (¥3.75 billion), JEI intends to allocate the proceeds to the repayment of borrowings of ¥3.75 billion scheduled to fall due and be payable on November 1, 2018.
As for Borrowings No. 2 (¥2.0 billion), JEI intends to allocate the proceeds to the redemption of ¥2.0 billion, excluding ¥4.0 billion procured through the issuance of investment corporation bonds this April and ¥1.0 billion scheduled to be covered by cash on hand from a total of ¥7.0 billion of investment corporation bonds which will mature on November 2, 2018.

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

(1) Total Amount to be Borrowed

Borrowings No. 1 ¥3.75 billion

Borrowings No. 2 ¥2.0 billion

(2) Detailed Use of Proceeds and Scheduled Expenditure Date

Borrowings No. 1

(i) Detailed Use of Proceeds : To be allocated to repayment of borrowings of ¥3.75 billion (Note 1) scheduled to fall due and be payable on November 1, 2018

(ii) Scheduled Expenditure Date : November 1, 2018

Borrowings No. 2

(i) Detailed Use of Proceeds : To be allocated to a part of redemption of investment corporation bonds (JPY 7 billion in total) described below which will mature on November 2, 2018
4th Series Unsecured Investment Corporation Bonds (7-Year Investment Corporation Bonds) ¥2.0 billion (Note 2)
5th Series Unsecured Investment Corporation Bonds (4.9-Year Investment Corporation Bonds) ¥5.0 billion (Note 3)

(ii) Scheduled Expenditure Date : November 2, 2018

(Note 1) For details, please refer to 1. (1) in "Notice Concerning Debt Financing" dated February 28, 2014.

(Note 2) For details, please refer to "Notice Concerning Issue of Investment Corporation Bonds" dated October 21, 2011.

(Note 3) For details, please refer to "Notice Concerning Issuance of Investment Corporation Bonds" dated November 19, 2013.

4. Status of Interest-bearing Debt before and after Debt Financing, Repayment of Borrowings and Redemption of Investment Corporation Bonds

The status of interest-bearing debt before and after debt financing, repayment of borrowings on November 1, 2018 and redemption of investment corporation bonds on November 2, 2018 is as follows.

(millions of yen)

	Before (as of October 31, 2018)	After (as of November 2, 2018)	Increase/ Decrease
Short-term borrowings	0	2,000	2,000
Long-term borrowings	87,600	87,600	-
Total borrowings	87,600	89,600	2,000
Investment corporation bonds	44,000	37,000	-7,000
Total interest-bearing debt	131,600	126,600	-5,000

*Long-term borrowings include those due within one year.

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 JEI's Securities Report (yuka shoken houkoku-sho) for the 24th Fiscal Period (ended June 30, 2018) submitted on September 21, 2018 with respect to the risks of this debt financing and its repayment, etc.

(End)

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