Japan Excellent, Inc.

For Immediate Release
For Translation Purposes Only

June 28, 2021

Japan Excellent, Inc. (TSE: 8987)
Shuichiro Kayama, Executive Director

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Japan Excellent Asset Management Co., Ltd.

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Notice Concerning Partial Amendment to the Internal Rules (Asset Management Guidelines) at Asset Management Company

Japan Excellent, Inc. (hereinafter "JEI") announces that its asset management company Japan Excellent Asset Management Co., Ltd. (hereinafter "JEAM") decided at its board of directors' meeting held today to partially amend its asset management guidelines as follows.

1. Reason and Main Details of the Amendment of Asset Management Guidelines

JEI has conducted management aiming for the maximization of unitholder value by investing in prime properties and pursuing the stability of revenues and steady growth of assets under management while utilizing the comprehensive strengths of its sponsor companies that have strengths in real estate and finance.

Under such policy, JEI, while continuing to conduct management aiming for the maximization of unitholder value, recognizes the acquisition of own investment units as a method that, depending on the trends of the market environment and investment unit price, contributes to the improvement of unitholder value over the medium to long term. Therefore, JEI decided to add a provision regarding the acquisition of own investment units to the asset management guidelines of JEAM based on Article 5, Paragraph 2 of its Articles of Incorporation. Moreover, the addition of the said provision indicates that partial amendment will be made to the part related to equity finance in the financial policy upon the management of JEI's assets by JEAM, and does not mean that specific decisions on the acquisition of own investment units have been made at JEI.

In addition, until now, JEI had determined the usage of properties based solely on the ratio of leasable area for each usage, but it has decided to determine usage by also taking into consideration "ratio of rental revenue, etc. for each usage," which is directly linked to unitholder value, while, in principle, determining usage based on the ratio of leasable area.

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2. Date of Amendment of Asset Management Guidelines

June 28, 2021

3. Outlook

The amendment will have no impact on the performance of JEI.

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

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[Attachment]

Comparison Table of Prior and Amended Guidelines (Asset Management Guidelines)

(Underline indicates the amended parts)

<table>
<tr><th>Before the amendment</th><th>After the amendment</th></tr>
<tr><td>(1) Investment policy
1. Basic policy
(ii) Portfolio management in pursuit of the stability and expansion of revenue centering on office buildings in major metropolitan areas
A. Usage
<Investment ratio by usage>
<table><tr><td>Usage (Note 1)</td><td>Investment ratio in portfolio (Note 2)</td></tr><tr><td>Office buildings</td><td>90% or more</td></tr><tr><td>Other (retail facilities, residences, etc.)</td><td>10% or less</td></tr></table>(Note 1) Usage is determined based on the majority share of leasable floor area for each real estate and the entire real estate securities. The total acquisition price of the concerned real estate and real estate securities is incorporated into the acquisition price by said usage.</td><td>(1) Investment policy
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<tr><td>(ix) Financial policy
C. Equity finance
The additional issuance of investment units will be implemented flexibly by accurately understanding the financial environment as well as taking into consideration the dilution of investment units (decrease in net assets or distribution per unit due to the additional issuance of new investment units), acquisition period of real estate, etc., to be newly acquired and the ratio of interest-bearing debt to total assets (loan-to-value ratio, hereinafter “LTV”).</td><td>(ix) Financial policy
C. Equity finance
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<u>・Acquisition and retirement of own investment units</u>
<u>JEI considers the acquisition and retirement of own investment units as part of its financial and capital policies in order to improve capital efficiency and</u></td></tr>
</table>

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Before the amendment	After the amendment
	realize unitholder return. In such case, JEI determines whether it will conduct acquisition or retirement after comprehensively taking into account factors such as the level of investment unit price, status of cash on hand, financial status and market environment from the viewpoint of the improvement of unitholder value over the medium to long term.

*Slight amendments have been made in addition to the above.