Japan Excellent, Inc.

September 25, 2025

Japan Excellent, Inc. (TSE: 8987)
Kazuhiro Ono, Executive Director

Asset Management Company:
Japan Excellent Asset Management Co., Ltd
Representative:
Osamu Inagaki, President & CEO

Contact:
Motoharu Himeno
General Manager, Corporate Planning Dept.
TEL: +81-3-5412-7911

Notice Concerning Acquisition of Domestic Real Estate
(Additional Acquisition of Co-ownership Interest of BIZCORE JIMBOCHO)

Japan Excellent, Inc. (hereinafter "JEI") hereby announces that Japan Excellent Asset Management Co., Ltd. (hereinafter "JEAM"), to which JEI entrusts asset management, made a decision today regarding the acquisition of an asset, domestic real estate, as described below.

1. Summary of Acquisition

(1) Property Name	BIZCORE JIMBOCHO (hereinafter the "Property" or "Property to Be Acquired")
(2) Property to Be Acquired	Real estate (However, the property owned by JEI is made up of trust beneficiary rights in real estate.)
(3) Planned Acquisition Price (Note 1)	¥660 million
(4) Date of Execution of Purchase Agreement	September 29, 2025
(5) Date of Acquisition (Scheduled)	September 29, 2025
(6) Seller	Not disclosed as consent from the seller has not been obtained (Note 2)
(7) Brokerage	None
(8) Funding for Acquisition	Funds on hand
(9) Payment Method	Lump-sum payment upon delivery
(10) Method of Acquisition	JEI already holds trust beneficiary interest in part of the Property as a major trust asset, for which Mizuho Trust & Banking Co., Ltd. ("Mizuho Trust Bank") has been acting as the trustee. JEI plans to place the co-ownership interest in trust, adding it to the said trust asset, immediately after the additional acquisition.

(Note 1) "Planned Acquisition Price" does not include consumption tax, local consumption tax or fees required for the acquisition.
(Note 2) For details of the seller, please refer to "3. Details of the Property to Be Acquired / (3) Details of the Seller" later in this document.

2. Background of the Transaction

JEI has decided to make the acquisition in order to enhance its portfolio in accordance with the investment targets and policies of asset management stipulated in its Articles of Incorporation. The aspects that JEI recognized upon deciding on the acquisition are as follows.

(1) Location

The Property offers high traffic convenience, including easy access to Tokyo Station and Otemachi Station, being a four-minute walk from Jimbocho Station on the Tokyo Metro Hanzomon Line, Toei Mita Line, and Toei Shinjuku Line, Shin-ochanomizu Station on the Tokyo Metro Chiyoda Line, and Ogawamachi Station on the Toei Shinjuku Line, and accessible from several other lines and stations. In addition, the area surrounding the Property had been formed by an area of mainly relatively small-sized buildings, but has been growing in maturity as an office district, too, with progress in large-scale developments in recent years.

(2) Building and Facilities

Designed as a property constituting part of the BIZCORE series of medium-sized, high-grade office buildings that Nippon Steel Kowa Real Estate Co., Ltd. is developing, the Property is equipped with specifications equivalent to most advanced large-sized office buildings.

The Property is equipped with an advanced office environment combined with superb seismic and business continuity capacity, including rental spaces equipped with a ceiling height of 2,800 mm on standard floors (with OA floor of 100 mm), grid-type system ceiling, office floor area of approximately 270 tsubos, floor load capacity of 500 kg/m^2, power outlet capacity of 60 VA/m^2 (expandable to 75 VA/m^2), and individual air-conditioning system (interior: 18 zones; perimeter: 3 zones), as well as an emergency supply warehouse on each floor and a reliable power supply system (dual (main and backup) power lines, and emergency power supply for 72 hours). In addition, the Property is a green building, certified with A rank in Certification for CASBEE for Real Estate (Note) in March 2025.

(Note) CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a system for comprehensively assessing and ranking the environmental performance of buildings with regard to aspects such as the enhancement of environmental quality and performance including indoor comfort and consideration for the landscape, in addition to the aspect of environmental consideration such as energy-saving and the use of materials and equipment with a lower environmental burden.. CASBEE for Real Estate Certification is rated in four tiers consisting of rank S, rank A, rank B+, and rank B for buildings where one year or more has elapsed since completion.

(3) Enhancement of Asset Management Efficiency and Asset Value

The subdivision to be acquired is a subdivision under centralized management with existing holdings, and the acquisition will eliminate the need for such centralized management, and the improved cash flow for the existing holdings is expected to enhance asset management efficiency and increase asset value.

The increase in value due to the acquisition is calculated to be 153 million yen on the appraisal report, and the amount combined with the fair market value of the Property to Be Acquired is 760 million yen, exceeding the planned acquisition price.

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3. Details of the Property to Be Acquired

(1) Overview of the Property to Be Acquired

Property Name		BIZCORE JIMBOCHO
Type of Specified Asset (Note 1)		Real estate
Location	Lot Number (Note 2)	3-9-2 Kanda-ogawamachi, Chiyoda-ku, Tokyo
	Address	3-9-2 Kanda-ogawamachi, Chiyoda-ku, Tokyo
Use (Note 3)		Office and parking
Site Area	Land (Note 4)	1,328.70 m^2
	Building (Note5)	8,217.64 m^2
Structure (Note 2)		S with flat roof, 8F
Completion Date (Note2)		November 15, 2017
Building Designer		Konoike Construction Co., Ltd. Tokyo Main Office First-Class Architect Office
Constructor		Konoike-Kuboco Construction Work Joint Venture
Building Certification Agency		The Building Center of Japan
Type of Ownership (Note 6)	Land	Ownership (co-ownership)
	Building	Compartmentalized ownership
Appraisal Value		¥617,000,000
Appraisal Date		September 1, 2025
Appraiser		The Tanizawa Sogo Appraisal Co., Ltd.
PML		7.0% (based on the Building Survey Report on PML Assessment prepared by Sompo Risk Management Inc.)
Collateral		None
Property Management Company		Nippon Steel Kowa Real Estate Co., Ltd.
Master Lease Company		Nippon Steel Kowa Real Estate Co., Ltd.
Other Relevant Information		Not applicable

(Note 1) Indicated here is the type of the Property to Be Acquired by JEI. As stated above, JEI will immediately place the co-ownership interest in an additional trust with Mizuho Trust Bank after the acquisition.

(Note 2) The descriptions of "Lot Number," "Structure," and "Completion Date" are based on information in the land registry.

(Note 3) The descriptions of "Use" are for the one entire building based on information in the land registry.

(Note 4) Indicated here is the site area of the entire site of the Property written in the land registry. The ownership of the land has a right of site registered for each exclusively owned space of the Property. The portion of the right of site pertaining to the exclusively owned space (co-ownership interest in ownership) to be acquired by JEI is 33,065/638,445. Combined with the 531,220/638,445 portion of the right of site pertaining to the exclusively owned space (co-ownership interest in ownership) of the Property in trust for the trust beneficiary rights already owned, JEI has an ownership interest of 564,285/638,445.

(Note 5) Indicated here is the total floor area of the one entire building written in the land registry. The exclusively owned space to be acquired by JEI is part of the 7F office portion (total floor area: 330.65 m^2).

(Note 6) The "Type of Ownership" indicates the type of ownership for the Property to Be Acquired. Furthermore, "compartmentalized ownership" means ownership of exclusively-owned spaces of a compartmentalized ownership building.

(2) Tenant Summary

Leasable Floor Space (Note1)	330.65 m^2			
Leased Floor Space (Note1)	330.65 m^2			
Number of Tenants (Note2)	1 (8)			
Monthly Rent (Note3)	¥2,399 thousand			
Leaseholds and Security Deposits (Note4)	¥24,205 thousand			
Occupancy Rate	End of December 2023	End of June 2024	End of December 2024	End of June 2025
	100.0%	100.0%	100.0%	100.0%

(Note 1) "Leasable Floor Space" and "Leased Floor Space" are calculated excluding warehouses and other annexed constructions and accompanying facilities.

(Note 2) A master lease agreement has been executed with the master lease company with the said master lease company as the tenant. Therefore, the number of tenants is indicated as one with the total number of end tenants with which a lease agreement has been executed with the master lease company as of the date of this writing indicated in brackets.

(Note 3) The office portion to be acquired by JEI is under centralized management with certain other exclusively owned space that are for office use. Therefore, the "Monthly Rent" amount (rounded down to the nearest thousand yen) is the sum (excluding consumption taxes) of the monthly rents (including common-area charges but excluding user fees for parking and other accompanying facilities) indicated on the lease agreements executed with the end tenants for the exclusively owned space under centralized management as of the date of this writing, which is the proportionate amount corresponding to the 33,065/559,240 portion to be acquired by JEI (the ratio of the floor area of the office portion to be acquired by JEI to the floor area of the entire exclusively owned space under centralized management).

(Note 4) The office portion to be acquired by JEI is under centralized management with certain other exclusively owned space that are for office use. Therefore, the "Leaseholds and Security Deposits" amount (rounded down to the nearest thousand yen) is the balance (after deducting any portions that are non-refundable) of the leaseholds and security deposits (excluding those for parking, warehouse and other accompanying facilities) to be paid by the end tenants in accordance with the lease agreements executed for the exclusively owned space under centralized management, which is the proportionate amount corresponding to the 33,065/559,240 portion to be acquired by JEI (the ratio of the floor area of the office portion to be acquired by JEI to the floor area of the entire exclusively owned space under centralized management).

(3) Details of the Seller

The seller is a general company in Japan. However, details of the seller are not disclosed as consent for disclosure has not been obtained. There is no capital relationship, personnel relationship or business relationship to describe between JEI, JEAM and the seller. The seller and its related parties/related companies are not related parties of JEI or JEAM.

(4) Status of Previous Owners

The acquisition of the Property to Be Acquired is not from a person with a special interest relationship with JEI/JEAM.

(5) Details of Brokerage

Not applicable

(6) Conflicts of Interest of JEAM with Regard to the Property to Be Acquired

Mizuho Trust Bank, as the trustee for the co-ownership interest, will succeed to the position of the seller under the master lease agreement and management agreement, continue to lease the property to Nippon Steel Kowa Real Estate Co., Ltd., and entrust the management of the Property to Nippon Steel Kowa Real Estate Co., Ltd. Nippon Steel Kowa Real Estate Co., Ltd. is a "related party" as defined by the Act on Investment Trusts and Investment Corporations and falls under the category of "sponsor company" under voluntary internal regulations for transactions with sponsor companies (the "Regulations for Transactions with Sponsor Companies") formulated by JEAM with the aim of eliminating potential conflicts of interest and thereby enabling it to perform appropriate asset management for JEI. In making the above decision, JEAM has obtained approval from the Compliance Committee, which includes external experts, and has deliberated and

resolved the matter in the Investment Committee, in accordance with the Regulations for Transactions with Sponsor Companies.

4. Outlook

The impact on the operating forecasts for the fiscal periods ending December 2025 (from July 1, 2025 to December 31, 2025) and ending June 2026 (from January 1, 2026 to June 30, 2026) is considered negligible and there is no change to the forecasts.

5. Appraisal Summary

Property name	BIZCORE JIMBOCHO
Appraisal Value	¥617 million
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal Date	September 1, 2025
Type of Value	Limited market value

(In thousands of yen (Note1))

Appraisal Item	Appraisal Value	Remarks, etc.
Fair Market Value of the Subject Property	607,000	
Income Approach Value	607,000	
Direct Capitalization Value	628,000	
Operating Revenue	29,525	
Gross potential revenue	31,079	Recorded by assessing potential rent and other stable medium- and long- term revenue
Vacancy Loss, etc.	1,553	Recorded by assessing the occupancy rate level that is stable over the medium- to long-term
Operating Expenses	8,013	
Partnership Administrative Expenses Property Management Fees (Note 2)	4,140	Partnership Administrative Expenses are recorded in the actual amount based on the current agreements, including property management fees and insurance premiums Property Management Fees are assessed based on the contract
Utilities	1,051	Assessed based on the actual results
Repair Costs	406	Assessed based on the figures in the Engineering Report, repair plans, etc.
Advertisement for Leasing, etc.	294	Assessed the costs required for brokerage services, advertising, and lease contract renewal and recontract services, etc. based on the presumed turnover period of the lessee
Tax and Public Dues	2,091	Assessed based on documents relating to taxes and public dues
Other Expenses	29	Assessed based on operating revenue
Net Operating Income	21,512	
Interest Income	239	Assessed interest income with the yield on investment at 1.0%
Capital Expenditures	1,015	Assessed based on the figures in the Engineering Report, repair plans, etc.
Net Cash Flow	20,737	
Cap Rate	3.3%	Assessed by comparison with several transaction yields in neighborhood areas, similar areas in the market area, etc., as well as by taking into account the projected fluctuations in future net cash flow, and by taking note of also the correlation with the discount rate
Discounted Cash Flow Value	598,000	
Discount Rate	3.4%	Assessed by deriving a base yield for office buildings using the build-up method based on the yields of financial instruments, etc., and by taking into account the risks specific to the property

Terminal Cap Rate	3.5%	Assessed based on the cap rate, while factoring for future uncertainties
Cost Approach Value	712,000	
Land Value	80.1%	
Building Value	19.9%	
Allocation of Increase in Value		
(1) Fair Market Value of the Property after Combination	10,600,000	
(2) Fair Market Value of the Combined Property	9,840,000	
(3) Fair Market Value of the Property to Be Acquired	607,000	
(4) Value of Increase in Value Due to Combination	153,000	(1)-(2)-(3)
(5) Allocation Amount	10,000	
Appraisal Value (Limited Market Value)	617,000	(3)+(5)

Other matters noted by the appraiser in conducting appraisal	Dur to the increase in value due to the combination being obtained, the Appraisal Value (Limited Market Value) was determined by assessing the amount allocated according to the degree of contribution to the increase in value for each allocation. When allocating the increase in value, both the total amount ratio method and the purchase limit amount method were adopted based on the characteristics of the Property.

(Note 1) Amounts are rounded down to the nearest thousand yen.

(Note 2) Through the individual reporting of partnership administrative expenses and property management fee standards, other transactions involving the companies entrusted with building management and property management may be impacted, efficient performance of duties by JEI may be impeded, or investor profits may be negatively impacted. Therefore, partnership administrative expenses and property management fees are indicated as a combined figure.

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[Attachments]

Appendix 1: Income and Expense Outlook for the Property to Be Acquired

Appendix 2: Portfolio After Acquisition of the Property to Be Acquired

Appendix 3: Exterior View, Etc. of the Property to Be Acquired

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

[Appendix 1] Income and Expense Outlook for the Property to Be Acquired

NOI	¥21 million
NOI yield	3.3%
NOI yield after depreciation	2.7%

Assumptions for Income and Expense Outlook:

The above figure for "NOI" is the annual average of JEI's estimated figures for the first five years after acquisition of the Property to Be Acquired by JEI, excluding special factors that may arise during the first fiscal year of the acquisition of the Property to Be Acquired (i.e., not forecast for the current fiscal period).

NOI yield is the figure calculated with the following formula:

NOI yield = NOI / planned acquisition price

NOI yield after depreciation is the figure calculated with the following formula:

NOI yield after depreciation = (NOI - depreciation) / planned acquisition price

Furthermore, depreciation is calculated with the straight-line method for the useful life of the Property to Be Acquired, which is in the same manner applied to the other properties already owned by JEI, after considering various information including the Engineering Report.

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[Appendix 2] Portfolio Overview (Planned) as of January 31, 2026

Classification	Property #	Property Name	Date of Acquisition	(Planned) Acquisition Price (mn yen) (Note 1)	Investment ratio (%) (Note 2)	Investment Ratio by Area (%) (Note 2)
Area I Tokyo's 6 central wards (Note 3)	I-1	Omori Bellport D	June 29, 2006	22,552	7.9	64.2
	I-2	Shiba 2-Chome Building	June 29, 2006	9,450	3.3	
	I-8	AKASAKA INTERCITY	October 26, 2007	17,857	6.2	
			February 5, 2013	10,289	3.6	
			Total	28,146	9.8	
	I-10	Daiba Garden City Building	February 4, 2011	11,000	3.8	
	I-12	HAMARIKYU INTERCITY	December 20, 2011	7,080	2.5	
			February 4, 2014	12,000	4.2	
			Total	19,080	6.7	
	I-14	Kowa Nishi-Shimbashi Building	March 28, 2013	3,931	1.4	
			August 1, 2017	7,500	2.6	
			Total	11,431	4.0	
	I-15	Mansard Daikanyama	July 1, 2016	11,420	4.0	
	I-16	AKASAKA INTERCITY AIR	July 2, 2018	6,590	2.3	
	I-17	BIZCORE AKASAKA-MITSUKE	October 1, 2019	6,200	2.2	
	I-18	BIZCORE JIMBOCHO	June 25, 2021	10,200	3.6	
			September 29, 2025 (scheduled)	660	0.2	
			Total	10,860	3.8	
	I-19	BIZCORE SHIBUYA	August 1, 2022	6,640	2.3	
	I-20	BIZCORE TSUKIJI	July 4, 2023	9,800	3.4	
	I-21	OSAKI BRIGHT TOWER / OSAKI BRIGHT PLAZA	April 26, 2024	13,100	4.6	
	I-22	ARK Hills FRONT TOWER	April 15, 2025	17,250	6.0	
Area II Central Osaka, Central Nagoya, and Central Fukuoka (Note 4)	II-1	NHK Nagoya Housou-Center Building	June 27, 2006	4,300	1.5	8.0
			March 24, 2014	1,310	0.5	
			Total	5,610	2.0	
	II-4	GRAND FRONT OSAKA(South Building/ Umekita Plaza)	February 3, 2020	4,868	1.7	
			December 8, 2023	4,650	1.6	
			Total	9,518	3.3	
	II-5	GRAND FRONT OSAKA (North Building)	February 3, 2020	3,982	1.4	
			December 8, 2023	3,650	1.3	
			Total	7,632	2.7	
Area III Tokyo (excl. Area I) and areas surrounding Tokyo (Kanagawa, Saitama and Chiba prefectures)	III-1	Musashikosugi Tower Place	June 27, 2006	13,890	4.9	19.2
	III-5	Kawasaki Nisshincho Building	June 27, 2006	3,775	1.3	
			November 30, 2006	130	0.0	
			October 17, 2008	300	0.1	
			April 17, 2013	520	0.2	
			Total	4,725	1.7	
	III-7	JEI Ryogoku Building	June 27, 2006	2,550	0.9	
	III-11	Core City Tachikawa	February 5, 2013	6,500	2.3	
	III-12	Nisseki Yokohama Building	April 1, 2015	24,500	8.6	
	III-13	Yokohama Bentendori Dai-ichi Seimei Building	June 15, 2018	640	0.2	
	III-14	Shin-Yokohama Arena-dori Building	March 31, 2023	2,077	0.7	
Area IV Osaka, Nagoya and Fukuoka (excl. Area II), other government-decreed cities, etc.	IV-3	JEI Hiroshima Hacchobori Building	May 22, 2012	2,760	1.0	8.6
	IV-4	SE Sapporo Building	March 1, 2013	5,500	1.9	
	IV-5	Aoba-dori Plaza	February 4, 2014	2,120	0.7	
	IV-6	Daiwa Minami-morimachi Building	February 4, 2014	4,410	1.5	
	IV-7	JEI Naha Building	December 7, 2015	1,380	0.5	
	IV-8	Hiroshima Dai-ichi Seimei OS Building	June 15, 2018	2,780	1.0	
	IV-9	Senshin Building	November 13, 2019	1,580	0.6	
	IV-10	Sapporo Otemachi Building	December 1, 2021	4,069	1.4	
Total				285,761	100.0	100.0

(Note1) "(Planned) Acquisition Price" is the acquisition value on the purchase agreement, excluding consumption tax, etc. Amounts are rounded down to the nearest specified unit.

(Note 2) "Investment Ratio" and "Investment Ratio by Area" are rounded to the first decimal place.

(Note 3) "Tokyo's 6 Central Wards" are Chiyoda, Chuo, Minato, Shinjuku, Shinagawa, and Shibuya wards.

(Note 4) "Central Osaka" refers to the Umeda, Dojima, Nakanoshima, Yodoyabashi, and Honmachi districts. "Central Nagoya" refers to the Meieki, Fushimi, and Sakae districts, and "Central Fukuoka" refers to the Tenjin and Hakata Terminal Peripheral districts.

[Appendix 3] Exterior View, Etc. of the Property to Be Acquired



