Japan Excellent, Inc.

October 30, 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 Trust Beneficiary Rights (Urawa SH Building)

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 assets (domestic real estate trust beneficiary rights) as described below.

## 1. Overview of Acquisition

| | |
|---|---|
| (a) Property Name | Urawa SH Building |
| (b) Property to Be Acquired | Trust beneficiary rights in real estate |
| (c) Planned Acquisition Price(Note 1) | ¥1,760 million |
| (d) Date of Execution of Purchase Agreement | October 30, 2025 |
| (e) Planned Acquisition Date | October 31, 2025 |
| (f) Seller | Not disclosed as consent from the seller has not been obtained(Note 2) |
| (g) Brokerage | Yes |
| (h) Funding for Acquisition | Funds on hand |
| (i) Payment Method | Lump-sum payment upon delivery |

(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 / (4) Overview of the Seller" later in this document.

## 2. Background of Acquisition

JEI has decided to make the acquisition of the Property in order to enhance its portfolio in accordance with the investment targets and policies of asset management stipulated in its Articles of Incorporation.

For aspects that JEI recognized upon determining the acquisition of the Property, please refer to "3. Details of the Property to Be Acquired / (1) Evaluation of the Property to Be Acquired" below.

## 3. Details of the Property to Be Acquired

(1) Evaluation of the Property to Be Acquired

A. Location

The Property offers high traffic convenience at a five-minute walk from Urawa Station, which serves three railway lines—the JR Keihin-Tohoku Line, Ueno-Tokyo Line, and Shonan-Shinjuku Line—and has an average of more than 90,000 passengers per day, while also having high visibility as a corner lot along the historic Nakasendo (Central Mountain Route). Core prefectural administrative bodies such as the Saitama Prefectural Government offices and Saitama Prefectural Assembly are concentrated nearby, and large-scale redevelopment continues around the station area, with multiple large-scale urban commercial facilities such as Isetan Urawa and Urawa PARCO also located there.

B. Building and Facilities

The Property houses offices from the first to fourth floors, with a standard floor area of approximately 170 tsubo. It can accommodate small lots ranging from 15 to 35 tsubo, and also has a mechanical parking facility for housing 16 vehicles and a bicycle parking area, which combined with the rarity of its location, enables it to respond to various tenant needs. Although the building is older, it is thought to have a certain level of competitiveness in the rental market due to factors such as undergoing equipment upgrades and being appropriately managed.

(2) Overview of the Property to Be Acquired

| | | |
|---|---|---|
| Property Name | | Urawa SH Building |
| Type of Specified Asset(Note 1) | | Trust beneficiary rights in real estate |
| Trustee | | Sumitomo Mitsui Trust Bank, Limited (planned) |
| Trust Establishment Date | | October 31, 2025 (planned) |
| Trust Expiry Date | | October 31, 2035 (planned) |
| Location | Lot Number(Note 2) | 4-92-3 Kishicho, Urawa-ku, Saitama-shi, Saitama |
| | Address | 4-26-15 Kishicho, Urawa-ku, Saitama-shi, Saitama |
| Use(Note 2) | | Office, garage |
| Area | Land(Note 3) | 1,492.83 $m^2$ |
| | Building(Note 4) | 4,401.93 $m^2$ |

| | | |
|---|---|---|
| Structure(Note 2) | | Reinforced concrete structure with flat roof B1/5F |
| Completion Date(Note 2) | | December 15, 1983 |
| Building Designer | | Tokyo Headquarters, Nikken Sekkei Ltd |
| Constructor | | Consortium of Kajima Corporation and Urawa Doken Kogyo Co., Ltd. |
| Building Certification Agency | | Urawa-shi |
| Type of Ownership(Note 5) | Land | Ownership |
| | Building | Ownership |
| Appraisal Value | | ¥1,800 million |
| Appraisal Date | | October 1, 2025 |
| Appraiser | | Japan Real Estate Institute |
| PML | | 6.9% (Based on the Building Survey Report on PML Assessment prepared by Sompo Risk Management Inc.) |
| Collateral | | None |
| Property Management Company(Note 6) | | Sekisui House, Ltd. |
| Master Lease Company(Note 7) | | Sekisui House, Ltd. |
| Other Relevant Information | | A portion of the land for the Property is within the designated area of an urban planning road that has received project approval. While the expropriation of a portion of the land for the Property (approximately 45.48 $m^2$) is anticipated, it is expected that the standards for statutory building coverage ratio and floor area ratio will not be exceeded.<br>Two structures (sleeve signs) for which building certification applications remain pending are installed on the Building, and these are scheduled for removal after acquisition by JEI. |

(Note 1) The type of the Property to Be Acquired.

(Note 2) The descriptions of "Lot Number," "Use," "Structure," and "Completion Date" are based on the indications on the registration record.

(Note 3) The total site area of land in the registration record is indicated.

(Note 4) The total floor area in the registration record is indicated.

(Note 5) "Type of Ownership" indicates the type of ownership by the Trustee.

(Note 6) The property management company to which JEI plans to entrust the property after the acquisition by JEI is indicated.

(Note 7) Indicated here is the master lease company to which a portion of the Building is to be leased to after acquisition by JEI. A pass-through type master lease agreement will be concluded. The portions not covered by the master lease will be leased directly to tenants.

(3) Tenant Summary

| | | | | | |
|---|---|---|---|---|---|
| Leasable Floor Space(Note 1) | 2,610.91 $m^2$ | | | | |
| Leased Floor Space(Note 1) | 2,610.91 $m^2$ | | | | |
| Number of Tenants(Note 2) | 2 (5) | | | | |
| Monthly Rent(Note 3) | ¥9,966 thousand | | | | |
| Security Deposits and Guarantees(Note 4) | ¥67,412 thousand | | | | |
| Occupancy Rate | End of Dec. 2023 | End of Jun. 2024 | End of Dec. 2024 | End of Jun. 2025 | End of Sep. 2025 |
| | 98.2% | 98.2% | 100.0% | 100.0% | 100.0% |

(Note 1) "Leasable Floor Space" and "Leased Floor Space" indicate the leasable area of the Building. The figures are rounded at the second decimal point. Moreover, these figures do not include parking facilities, warehouses, etc.

(Note 2) A master lease agreement is scheduled to be executed for a portion of the Building with the aforementioned master lease company, with the master lease company as the lessee. Therefore, the total number of tenants for the master-leased portion is recorded as 1, and the number in parentheses indicates the combined total of the number of end tenants for that portion and the number of tenants for the portion not subject to the master lease.

(Note 3) The figure listed for "Monthly Rent" is the total amount of the monthly rent listed in the lease agreement executed with end tenants for the master-leased portion and the lease agreement to be executed for the portion not subject to the master lease agreement after acquisition by JEI (includes common service fees but excludes usage fees for attached facilities such as parking facilities and warehouses) (not including consumption tax, etc.) rounded down to the nearest thousand yen.

(Note 4) The figure listed for "Leaseholds and Security Deposits" is the balance of leaseholds and security deposits received in trust from end tenants based on the lease agreements executed with end tenants, and the leaseholds to be deposited by tenants for the master-leased portion based on the lease agreements to be executed after the acquisition by JEI (both excluding those for parking, warehouse and other accompanying facilities; in cases where balance contains unreturnable portions, the balance after deduction of such portions), rounded down to the nearest thousand yen.

(4) Overview 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

(5) Status of Owners of Property

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

(6) Details of Brokerage

There is no capital relationship, personnel relationship or business relationship to describe between JEI, JEAM and the broker. The broker and its related parties/related companies are not related parties of JEI or JEAM.

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

The Seller does not fall under the category of "related party" as defined in the Investment Trusts Act or the category of "sponsor company" under the Regulations for Transactions with Sponsor Companies, which are internal regulations of JEAM.

(8) Schedule of Acquisition

| | |
|---|---|
| October 30, 2025 | Decision on acquisition |
| October 30, 2025 | Execution of purchase agreement |
| October 31, 2025 | Delivery |

**4. Outlook**

The impact of this transaction 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.

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## 5. Overview of Appraisal Report

| | |
|---|---|
| Property Name | Urawa SH Building |
| Appraisal Value | ¥1,800 million |
| Appraiser | Japan Real Estate Institute |
| Appraisal Date | October 1, 2025 |

(Thousands of yen[Note 1])

| Appraisal Item | Appraisal Value | Remarks, etc. |
|---|---|---|
| Income Approach Value[Note 2] | 1,800,000 | |
| Direct Capitalization Price | 1,800,000 | |
| Operating Revenue | 131,303 | |
| Gross Potential Revenue | 137,171 | Recorded by assessing potential rent and other stable medium- and long- term revenue |
| Vacancy Loss, etc. | 5,868 | Recorded by assessing the occupancy rate level that is stable over the medium- to long-term |
| Operating Expenses | 51,273 | |
| Maintenance and Management Fees Property Management Fees[Note 2] | 19,300 | Maintenance and management fees are recorded based on past results and the individual characteristics of the property in question referencing the maintenance and management fees of similar properties. Property management fees are recorded by considering factors such as fee levels and the individual characteristics of similar properties while referencing expected terms of the contract. |
| Utility costs | 15,280 | Recorded taking into account the occupancy rate for rental office space and other factors based on past results. |
| Repair costs | 4,352 | Recorded by considering the future management and operation plans, the level of repair costs of similar properties, the annual average amount of repair and update costs stated in the Engineering Report, among other factors, by referring to past results. |
| Advertisement for Leasing, etc. | 1,114 | Recorded the annual average amount of costs needed for brokerage services, advertising, etc., based on the estimated turnover period of lessees. |
| Taxes and Public Dues | 10,823 | Recorded, giving considering documents relating to taxes and public dues, the details of measures to adjust payments and the age-related depreciation adjustment rate, etc. |
| Insurance | 404 | Recorded taking into account insurance premiums based on insurance policies and insurance premium rates, etc. for similar buildings. |
| Other Expenses | 0 | |
| Net Operating Income | 80,030 | |
| Interest Income | 710 | Assessed interest income with the yield on investment at 1.0%. |
| Capital Expenditures | 10,460 | Assessed by referring to the level of capital expenditures of comparable properties, the property age, and the amount of repair and update costs stated in the Engineering Report, based on the assumption that an equal amount of provision is set aside each term for the projected future expenditures. |
| Net Cash Flow | 70,280 | |
| Cap Rate | 3.9% | Assessed by adjusting the spread based on the property's site, building or other conditions, while considering future uncertainties and transaction yields of similar properties. |
| Discounted Cash Flow Value | 1,800,000 | |
| Discount Rate | 3.8% | Assessed in reference to the base yield for the district, the conditions of the property, future uncertainties and transaction yields in similar properties. |
| Terminal Cap Rate | 4.1% | Assessed by referring to transaction yields in similar properties and comprehensively considering the future trend of investment yield, risk of the property in question as an investment target, general forecasts of future economic growth rate, trends of real estate prices and rents, and other factors. |

| | | | |
|---|---|---|---|
| Cost Approach Value | | 1,860,000 | |
| | Ratio of Land Value | 90.1% | |
| | Ratio of Building Value | 9.9% | |

| | |
|---|---|
| Other matters noted by the appraiser in conducting appraisal | None |

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

(Note 2) The amounts of property management expenses and property management fees of the Property to Be Acquired are disclosed in aggregate because there is a risk that disclosing the amounts of each fee individually could affect the other transactions of the contractors for building management operations and property management operations, thereby hindering the efficient operations of JEI and harming the interests of unitholders.

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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 | ¥81 million |
| NOI yield | 4.6% |
| NOI yield after depreciation | 4.0% |

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 Number | Name | Date of Acquisition | (Planned) Acquisition Price (Millions of yen) (Note 1) | Investment ratio (%) (Note 2) | Investment Ratio by Area (%) (Note 2) |
|---|---|---|---|---|---|---|
| **Area I:** 6 central wards of Tokyo (Note 3) | I-1 | Omori Bellport D | June 29, 2006 | 22,552 | 7.8 | 63.8 |
| | 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 | 6.6 | |
| | 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 | 3.5 | |
| | | | September 29, 2025 | 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 City Central Nagoya City Central Fukuoka City (Note 4) | II-1 | NHK Nagoya Housou-Center Building | June 27, 2006 | 4,300 | 1.5 | 7.9 |
| | | | 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 other than Area I, and its vicinity (Kanagawa, Saitama, and Chiba prefectures) | III-1 | Musashikosugi Tower Place | June 27, 2006 | 13,890 | 4.8 | 19.7 |
| | 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 | 1.6 | |
| | 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 | 8.5 | |
| | III-13 | Yokohama Bentendori Dai-ichi Seimei Building | June 15, 2018 | 640 | 0.2 | |
| | III-14 | Shinyokohama Arena dori Building | March 31, 2023 | 2,077 | 0.7 | |
| | III-15 | Urawa SH Building | October 31, 2025 (planned) | 1,760 | 0.6 | |
| **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 | 0.5 | |
| | IV-10 | Sapporo Otemachi Building | December 1, 2021 | 4,069 | 1.4 | |
| Total | | | | 287,521 | 100.0 | 100.0 |

(Note 1) "(Planned) Acquisition Price" is the purchase price stated on the purchase agreement of each property (excluding consumption taxes). 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, etc., "Central Nagoya" refers to the Meieki, Fushimi, and Sakae districts, etc., and "Central Fukuoka" refers to the Tenjin and Hakata Terminal Peripheral districts, etc.

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




