

September 26, 2022

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

Asset Management Company:
Japan Excellent Asset Management Co., Ltd.

Representative:
Shuichiro Kayama, President

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

Notice Concerning Debt Financing (Sustainability Loan)

Japan Excellent, Inc. (hereinafter “JEI”) announces the decision made today concerning new debt financing through a sustainability loan (hereinafter the “debt financing”) based on the Sustainability Finance Framework as follows.

1. Details of the Debt Financing

(1) About the Sustainability Finance Framework

Upon establishing a Sustainability Finance Framework in alignment with the guidelines established by the International Capital Market Association (ICMA), with the aim of procuring funds for the acquisition of assets that are not only proficient in environmental performance but also conducive to the solving of social issues, JEI became the first J-REIT to conduct debt financing as a sustainability loan to procure part of the funds for the acquisition of AKASAKA INTERCITY AIR in September 2020.

The debt financing will be used to refinance said sustainability loan.

(*) For details, see the webpage “Sustainability Finance, Green Finance” on JEI’s website available at the following link: <https://www.excellent-reit.co.jp/en/esg/green-bond.html>

(2) Overview of the debt financing

Lender	Loan Amount	Interest Rate (Note 1)		Borrowing Period	Drawdown Date	Principal Repayment Date (Note 2)	Borrowing Method, Repayment Method, Collateral
Mizuho Bank, Ltd.	¥2.0 billion	Floating	Base interest rate (JBA three-month Yen-TIBOR) +0.200%	2.5 years	September 30, 2022	March 31, 2025	Term loan agreement To be repaid in full on the repayment date (early repayment permitted) Unsecured / Non-guaranteed

(Note 1) 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 drawdown date and the immediately preceding interest payment date. The current JBA Yen-TIBOR can be referenced on the website of the JBA TIBOR Administration: <https://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 shall be the interest payment/principal repayment date.

(3) Purpose of debt financing

JEI intends to allocate the proceeds to the repayment of the sustainability loan of ¥2.0 billion (Note 3), which is due on September 30, 2022.

(Note 3) For details, please see “Notice Concerning the Formulation of a Sustainability Finance Framework and Debt Financing (Sustainability Loan)” announced August 20, 2020.

(4) Total amount to be borrowed, use of proceeds and scheduled expenditure date

(i) Total amount to be borrowed

¥2.0 billion

(ii) Detailed use of proceeds and scheduled expenditure date

Detailed use of proceeds : To be allocated to the repayment of the sustainability loan of ¥2.0 billion which will become due on September 30, 2022

Scheduled expenditure date : September 30, 2022

2. Status of Borrowings Before and After the Debt Financing

(millions of yen)

	Before the Debt Financing	After the Debt Financing	Increase/Decrease
Short-term borrowings	3,000	3,000	-
Long-term borrowings	87,600	87,600	-
Total borrowings	90,600	90,600	-
Investment corporation bonds	38,000	38,000	-
Total interest-bearing debt	128,600	128,600	-

(Note) Long-term borrowings include those due within one year.

3. 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 32nd Fiscal Period (ended June 30, 2022) submitted on September 16, 2022, with respect to the risks of the debt financing.

(End)

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