



Japan Excellent, Inc.

**For Immediate Release  
For Translation Purposes Only**

January 30, 2023

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

**Asset Management Company:**  
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, with the intention of continuing management aiming for the maximization of unitholder value, decided to specify in JEAM’s asset management guidelines that the risk of natural disasters, such as flooding and landslides, and the acquisition status of green building certification (CASBEE, DBJ Green Building, etc.) are considered in the selection of properties for investment and that on undeveloped land (Note 1), investments are made only in properties that have acquired or have the potential to acquire CASBEE for New Construction (Note 2) or other green building certifications, with the awareness that development activities can have an impact on the natural environment and ecosystems.

The details of the amendment are as described in the Attachment “Comparison Table of Prior and Amended Guidelines (Asset Management Guidelines).”

(Note 1) “Undeveloped land” means land that is devoid of human intervention, such as untapped forestland or grassland.

(Note 2) “CASBEE for New Construction” is a certification system in which buildings are evaluated based on their design at the time of new construction.



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## **2. Date of Amendment of Asset Management Guidelines**

January 30, 2023

## **3. Outlook**

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

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

[Attachment]

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

(Underline indicates the amended parts)

Before the amendment		After the amendment	
(1) Investment policy 1. Basic policy (iii) Specific criteria for investment  <Omitted>  A. Attributes Individual properties to be managed are selected in accordance with the items listed in the table below.  <Omitted>		(1) Investment policy 1. Basic policy (iii) Specific criteria for investment  <Omitted>  A. Attributes Individual properties to be managed are selected in accordance with the items listed in the table below.  <Omitted>	
Item	Selection criteria	Item	Selection criteria
Environmental	The following aspects are considered before decisions are made: <ul style="list-style-type: none"> <li>• Presence or absence of asbestos, chlorofluorocarbons, PCBs, and other hazardous materials, as well as the status of their management</li> <li>• Geological conditions, land use history, soil contamination, etc.</li> </ul> In principle, sprayed asbestos will be removed. Survey results will be disclosed as necessary.	Environmental	The following aspects are considered before decisions are made: <ul style="list-style-type: none"> <li>• Presence or absence of asbestos, chlorofluorocarbons, PCBs, and other hazardous materials, as well as the status of their management</li> <li>• Geological conditions, land use history, soil contamination, etc.</li> <li>• Risk of natural disasters, such as flooding and <u>landslides</u></li> <li>• Acquisition status of green building <u>certification (CASBEE, DBJ Green Building, etc.)</u> <u>On undeveloped land, investments are made only in properties that have acquired or have the potential to acquire CASBEE for New Construction or other green building certifications, with the awareness that development activities can have an impact on the natural environment and ecosystems.</u></li> </ul> In principle, sprayed asbestos will be removed. Survey results will be disclosed as necessary.



Before the amendment			After the amendment		
(vi) Property survey (due diligence) standards			(vi) Property survey (due diligence) standards		
<Omitted>			<Omitted>		
Survey type	Analyzed items (overview)	Major references	Survey type	Analyzed items (overview)	Major references
Physical survey	<ol style="list-style-type: none"> <li>1. Shape of the land, existence of boundary encroachments, and boundary confirmation status</li> <li>2. Survey and inspection of the current status of the building and facilities (e.g., check of repair records and degradation)</li> <li>3. Cost of repair and facility upgrades estimated from the current building condition (review of annual and medium- to long-term repair plans)</li> <li>4. Inspection of the credibility and other aspects of the designer, contractor, owner, and building confirmation agency</li> <li>5. Building earthquake-resistance survey (seismic performance, PML, etc.) (Note)</li> <li>6. Confirmation of the building's structure, size, and age, and building specifications (confirmation of the standard-floor leasable area, floor shape, ceiling height, as well as facility specifications of the air conditioning system, power capacity, raised floor, etc.)</li> <li>7. Environmental survey, survey of hazardous materials (asbestos, PCBs, etc.), and soil contamination survey</li> </ol>	<ul style="list-style-type: none"> <li>• Documents disclosed by the seller</li> <li>• Building condition survey reports (PML calculation reports may be included.)</li> <li>• On-site survey</li> <li>• Reports from third-party expert organizations</li> </ul>	Physical survey	<ol style="list-style-type: none"> <li>1. Shape of the land, existence of boundary encroachments, and boundary confirmation status</li> <li>2. Survey and inspection of the current status of the building and facilities (e.g., check of repair records and degradation)</li> <li>3. Cost of repair and facility upgrades estimated from the current building condition (review of annual and medium- to long-term repair plans)</li> <li>4. Inspection of the credibility and other aspects of the designer, contractor, owner, and building confirmation agency</li> <li>5. Building earthquake-resistance survey (seismic performance, PML, etc.) (Note)</li> <li>6. Confirmation of the building's structure, size, and age, and building specifications (confirmation of the standard-floor leasable area, floor shape, ceiling height, as well as facility specifications of the air conditioning system, power capacity, raised floor, etc.)</li> <li>7. Environmental survey (<u>acquisition status of green building certification, etc.</u>), survey of hazardous materials (asbestos, PCBs, etc.), and soil contamination survey</li> <li>8. <u>Disaster risk survey (check of hazard maps, etc.)</u></li> </ol>	<ul style="list-style-type: none"> <li>• Documents disclosed by the seller</li> <li>• Building condition survey reports (PML calculation reports may be included.)</li> <li>• On-site survey</li> <li>• Reports from third-party expert organizations</li> </ul>