



Japan Excellent, Inc.

**For Immediate Release
For Translation Purposes Only**

February 19, 2024

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 Determination of the Acquisition of Own Investment Units
(Acquisition of own investment units pursuant to Article 80-5 of the Act on Investment Trusts
and Investment Corporations of Japan)**

Japan Excellent, Inc. (hereinafter “JEI”) announces that it has resolved the acquisition of its own investment units at its meeting of the Board of Directors, which was held today, based on Article 80-2 of the Act on Investment Trusts and Investment Corporations of Japan (the “Investment Trusts Act”) applied pursuant to Article 80-5, Paragraph 2 of the Investment Trusts Act. JEI plans to cancel all the acquired investment units in the fiscal period ending June 30, 2024 (36th fiscal period).

1. Reason for acquiring own investment units

JEI works to maximize investor value mainly by the qualitative improvement of our portfolio through acquiring properties from core sponsors, and by selling properties considering its years since built, areas, and profitability.

However, despite putting in place this series of policies, JEI’s investment unit price levels currently fall below our net asset value (NAV)^(Note) per-unit.

Amid these conditions, aiming to increase NAV per-unit and dividends per-unit by acquiring and cancelling own investment units using funds on hand, we believe that increasing capital efficiency and investor returns will increase investor value in the medium to long term. Therefore, we will execute the acquisition of own investment units.

(Note): Net asset value (NAV) per-unit is calculated by dividing net asset value on the balance sheet reflecting unrealized gains or losses, which are the difference between book value and appraisal value of real estate and other assets held, by the total number of outstanding investment units.

2. Details of acquisition of own investment units

(1) Total number of own investment units to be acquired	18,000 units (maximum) (1.35% of the total number of outstanding investment units (excluding the number of own investment units))
(2) Total amount of acquisition price	2,000,000,000 yen (maximum)
(3) Acquisition period	From February 20, 2024 to May 10, 2024



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JEI will terminate the acquisition of its own investment units when either the total number of own investment units acquired or the total amount of the acquisition price reaches the maximum amount, or when the acquisition period ends. The total acquisition price was determined in light of the current and future situation of cash in hand, the LTV level following the acquisition of own investment units, etc.

(Note) Depending on the price levels and liquidity of JEI's investment units and market trends, there are cases where we will not reach the maximum amount of own investment units to be acquired or the maximum total acquisition price, or, that no investment units will be acquired whatsoever.

3. Method of acquisition of own investment units

JEI plans to enter into a discretionary transaction contract with a securities company and entrust the market purchase of its own investment units on the Tokyo Stock Exchange.

After the completion of acquiring its own investment units, JEI plans to cancel all acquired own investment units in the fiscal period ending June 30, 2024 (36th fiscal period) upon the resolution of its Board of Directors.

(Reference)

The number of own investment units acquired as of February 19, 2024

Total number of outstanding investment units	1,337,598 units
The number of own investment units	0 units

(End)

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