

December 18, 2025

**Japan Excellent, Inc. (TSE: 8987)**

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**Notice Concerning Transfer of Domestic Real Estate (Senshin 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 transfer of an asset, domestic real estate (hereinafter the “Transfer”), as described below.

**1. Summary of the Transfer**

(a) Name of the Property to Be Transferred	Senshin Building
(b) Property to Be Transferred	Real estate
(c) Planned Transfer Value <sup>(Note 1)</sup>	¥1,711 million
(d) Book Value <sup>(Note 2)(Note 3)</sup>	¥1,711 million
(e) Difference Between Planned Transfer Value and Book Value (c) - (d) <sup>(Note 2)(Note 4)</sup>	-¥0 million
(f) Party Receiving Transfer	Not disclosed <sup>(Note 5)</sup>
(g) Brokerage	Yes
(h) Date of Execution of Acquisition Agreement (planned)	December 19, 2025
(i) Transfer Date (planned)	December 19, 2025
(j) Date of Receipt of Proceeds (planned)	December 19, 2025

(Note 1) Does not include fees related to the transfer, the JEI share of the real estate tax and city planning tax, the consumption tax or the local consumption tax.

(Note 2) Figures under one million yen are rounded down.

(Note 3) “Book value” indicates the book value as of June 30, 2025.

(Note 4) This is a reference figure calculated as the difference between planned transfer value and the book value as of June 30, 2025 and differs from the gain/loss on sale in accounting.

(Note 5) An overview of the party receiving transfer is as stated in “4. Overview of the Party Receiving Transfer” below.

## 2. Background of the Transfer

JEI considers it an important strategy to manage its portfolio from a medium- to long-term perspective. This may necessitate the sale or replacement of properties if there is a concern over deterioration in their future competitiveness or earnings power. The transfer of the Property to Be Transferred was determined based on the above strategy due to the slump in yield caused by the low occupancy rate and the lengthening of leasing activities, in addition to factors such as continued unrealized losses and the aging of the building at 41 years since construction although the planned transfer value is slightly lower than the book value.

## 3. Details of the Property to Be Transferred

Property Name		Senshin Building (Property Number: IV-9)				
Type of Specified Asset		Real estate				
Type of Ownership	Land	Ownership				
	Building	Ownership				
Location (Address)		1-6-27, Chuo, Aoba-ku, Sendai-shi, Miyagi				
Use <sup>(Note 1)</sup>		Office, stores, and parking				
Appraisal Value		¥1,570 million				
Appraisal Date		June 30, 2025				
Appraiser		The Tanizawa Sogo Appraisal Co., Ltd.				
Details of Leasing						
	Leasable Floor Space <sup>(Note 2)</sup>	2,203.69 m <sup>2</sup>				
	Leased Floor Space <sup>(Note 3)</sup>	1,565.10 m <sup>2</sup>				
	Number of Tenants	17				
	Monthly Rent <sup>(Note 4)</sup>	¥5,035,000				
	Security Deposits and Guarantees <sup>(Note 5)</sup>	¥45,847,000				
	Occupancy Rate	End of Dec. 2023	End of Jun. 2024	End of Dec. 2024	End of Jun. 2025	End of Oct. 2025
		88.0%	88.0%	87.4%	69.0%	71.0%

(Note 1) “Use” is indicated as presented in the registration record.

(Note 2) “Leasable Floor Space” indicates leasable room area as of October 31, 2025.

(Note 3) “Leased Floor Space” is the leased floor space indicated in the lease agreement with the end-tenants as of October 31, 2025.

(Note 4) “Monthly Rent” is the total of the monthly rents (excluding consumption taxes, etc.) indicated in the lease agreements with the end tenants as of October 31, 2025 (including common service charges but excluding usage fees for car parking), rounded down to the nearest thousand yen.

(Note 5) “Security Deposits and Guarantees” is the total amount of the balance of the security deposits and guarantees of lessees (excluding those for car parking; after deducting the amount of any portion that does not need to be returned) based on lease agreements executed with end tenants as of October 31, 2025, rounded down to the nearest thousand yen.

## 4. Overview of the Party Receiving Transfer

The party receiving transfer of the Property to Be Transferred is a domestic ordinary industrial company, but the overview of the transferee is not shown because consent for disclosure has not been obtained. There are no noteworthy capital, personnel or business relationships between the JEI or JEAM and the party receiving transfer. Furthermore, the party receiving transfer and its related parties and affiliates are not related parties of JEI or JEAM.

## 5. Details of Brokerage

There are no noteworthy capital, personnel or business relationships between the JEI or JEAM and the broker. The broker and its related parties and affiliates are not related parties of JEI or JEAM.

## 6. Conflicts of Interest of JEAM with regard to the Property to Be Transferred

The party receiving transfer does not fall under the category of “related party” as defined in the Investment Trusts Act, or “sponsor company” under the “Regulations for Transactions with Sponsor Companies,” which are voluntary internal regulations formulated by JEAM.

## 7. Payment Method

Payment in full on the transfer date

## 8. Outlook

The impact of the Transfer 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.

## 9. Appraisal Report Summary of the Property to Be Transferred

Property Name	Senshin Building
Appraisal Value	¥1,570million
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal Date	June 30, 2025

(Thousands of yen<sup>(Note 1)</sup>)

Appraisal Item	Appraisal Value	Remarks, etc.
Income Approach Value	1,570,000	
Direct Capitalization Price	1,670,000	
Operating Revenue	112,391	
Gross Potential Revenue	118,306	Recorded by assessing potential rent and other stable medium- and long- term revenue
Vacancy Loss, etc.	5,915	Recorded by assessing the occupancy rate level that is stable over the medium- to long-term
Operating Expenses	35,586	
Maintenance and Management Fees Property Management Fees <sup>(Note 2)</sup>	10,377	Maintenance and Management Fees are assessed based on the contract Property Management Fees are assessed based on revenue examples and the contract
Utility Costs	10,592	Assessed based on the actual results
Repair Costs	3,160	Assessed based on the figures in the Engineering Report, similar examples, etc.
Advertisement for Leasing, etc.	939	Recorded as the annual average of the costs required for brokerage services, advertising, etc. assessed based on the presumed turnover period of the lessee
Taxes and Public Dues	9,975	Actual amount recorded based on materials related to public tax and public dues



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	Insurance	205	Actual amount recorded based on insurance documents
	Other Expenses	337	Recorded as lease payments, residents' association membership fees, etc.
	Net Operating Income	76,804	
	Interest Income	627	Assessed interest income with the yield on investment at 1.0%
	Capital Expenditures	7,110	Assessed based on the figures in the Engineering Report, similar examples, etc.
	Net Cash Flow	70,321	
	Cap Rate	4.2%	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	1,530,000	
	Discount Rate	4.3%	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	4.4%	Assessed based on the cap rate, while factoring for future uncertainties
	Cost Approach Value	1,480,000	
	Ratio of Land Value	84.6%	
	Ratio of Building Value	15.4%	
Other matters noted by the appraiser in conducting appraisal		None	

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

(Note 2) Maintenance and management fees and property management fees are indicated as a combined figure because individually reporting maintenance and management fee and property management fee levels would impact other transactions involving the companies entrusted with building management and property management, impede efficient performance of duties by JEI, and/or negatively impact the interests of investors.



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[Attachments]

Appendix: Portfolio Overview (Planned) as of January 31, 2026

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

Appendix: Portfolio Overview (Planned) as of January 31, 2026

Classification	Property Number	Name	Date of Acquisition	Acquisition Price (Millions of yen) (Note 1)	Investment ratio (%) (Note 2)	Investment Ratio by Area (%) (Note 2)
<b>Area I:</b> 6 central wards of Tokyo (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	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	
<b>Area II:</b> 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	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	
<b>Area III:</b> Tokyo other than Area I, and its vicinity (Kanagawa, Saitama, and Chiba prefectures)	III-1	Musashikosugi Tower Place	June 27, 2006	13,890	4.9	19.8
	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	Shinyokohama Arena dori Building	March 31, 2023	2,077	0.7	
	III-15	Urawa SH Building	October 31, 2025	1,760	0.6	
<b>Area IV:</b> 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	8.1
	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-10	Sapporo Otemachi Building	December 1, 2021	4,069	1.4	
Total				285,941	100.0	100.0

(Note 1) "Acquisition Price" is the purchase price stated on the purchase agreement of each property (excluding consumption taxes), rounded down to the nearest million yen.



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(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.