

Disclaimers

This document has been prepared solely for the purpose of providing U.K. and Dutch investors with certain information under Article 23 of the European Alternative Investment Fund Managers Directive (European Directive 2011/61/EU) (the “AIFMD”) as implemented in their respective jurisdictions. Accordingly, you should not use this document for any other purpose.

Netherlands

The units of Japan Excellent, Inc. (“JEI” or the “AIF”) are being marketed in the Netherlands under Section 1:13b of the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*, or the “Wft”). In accordance with this provision, Japan Excellent Asset Management Co., Ltd. (the “AIFM”) has notified the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, the “AFM”) of its intention to offer these units in the Netherlands. The units of JEI will not, directly or indirectly, be offered, sold, transferred or delivered in the Netherlands, except to or by individuals or entities that are qualified investors (*gekwalificeerde beleggers*) within the meaning of Article 1:1 of the Wft. As a consequence, neither the AIFM nor JEI is subject to the license requirement for investment institutions (*beleggingsinstellingen*) or their managers pursuant to the Wft. Consequently, the AIFM and CSIF are only subject to the supervision of the Dutch Central Bank (*De Nederlandsche Bank*, “DNB”) or the AFM for the compliance with the ongoing regulatory requirements as referred to in the Dutch law implementation of article 42 of the AIFMD. According to Article 23 prospectus is not subject to approval by the AFM. No approved prospectus is required to be published in the Netherlands pursuant to Article 3 of the Regulation (EU) 2017/1129 (the “Prospectus Regulation”) as amended and applicable in the Netherlands.

United Kingdom

The units of JEI are being marketed in the United Kingdom pursuant to Article 59 of the United Kingdom Alternative Investment Fund Managers Regulations 2013. In accordance with this provision, the AIFM has notified the Financial Conduct Authority (the “FCA”) of its intention to offer these units in the United Kingdom.

For the purposes of the United Kingdom Financial Services and Markets Act 2000 (as amended, “FSMA”), JEI is an unregulated collective investment scheme which has not been authorized by the FCA.

Accordingly, any communication of an invitation or inducement to invest in JEI may only be made to (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or “the Order”; or (ii) high net worth companies falling within Articles 49(2)(a) to (d) of the Order and other persons to whom it may lawfully be communicated (all such persons referred to under (i) and (ii) of this paragraph, together being referred to as “Relevant Persons”).

In the United Kingdom, this document and its contents are directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. The transmission of this document and its contents in the United Kingdom to any person other than a Relevant Person is unauthorized and may contravene the FSMA and other United Kingdom securities laws and regulations.

Prohibition of Sales to UK Retail Investors

In addition to the restrictions under the AIFMD, as retained by the United Kingdom in its domestic laws, the units of JEI are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes of this provision, a “retail investor” means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the EUWA; and the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the international units to be offered so as to enable an investor to decide to purchase or subscribe the international units.

Consequently no key information document required by Regulation (EU) No 1286/2014, as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”), for offering or selling the international units or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the international units or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

European Economic Area

In addition to the restrictions under the AIFMD, the units of JEI are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”), including any client, beneficiary, principal, or similar of any person acting as a trustee, agent, nominee, or similar; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation, as amended. Consequently no key information document has been prepared required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the units of JEI or otherwise making them available to retail investors in the EEA. Therefore offering or selling the units of JEI or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Article 23 (1)(a)	
Objectives of the AIF	Japan Excellent, Inc.'s objective is to achieve stable growth and maximize unitholders' value from a medium- to long-term perspective by making investments primarily in office buildings located in the Tokyo metropolitan area and other large cities in Japan.
Investment strategy	<p>JEI aims to invest 90% or more of its portfolio by acquisition price in office buildings in the six central wards of Tokyo and other major metropolitan areas and 10% or less in other types of real estate such as retail properties in cities with populations of over one million and residential properties in Tokyo. JEI's investment policies provide that 80% or more of its portfolio by acquisition price be office buildings located in core areas that include Tokyo and its vicinity, central Osaka, central Nagoya and central Fukuoka, and that 20% or less be office buildings located in other areas of Osaka, Nagoya and Fukuoka or other government-designated cities.</p> <p>In building its portfolio, JEI seeks to achieve a favorable balance in terms of geographic distribution, property size and types of tenants with a view to generating stable revenues even under changing economic conditions and market volatility. JEI uses multiple acquisition channels, including the support of NIPPON STEEL KOWA REAL ESTATE CO., LTD. and The Dai-ichi Life Insurance Company, Limited (the "Core Sponsors") which have significant expertise in office property development and other real estate business. JEI's basic policy is to hold properties it has acquired in the medium- to long-term. JEI may also, after careful selection and risk mitigation, invest in properties under development.</p>
Types of assets the AIF may invest in	Real estate, trust beneficiary interests in real estate, real estate securities, specified assets and other assets.
Techniques it may employ and all associated risks	<p>JEI makes investments primarily in office buildings in the Tokyo metropolitan area and other large cities in Japan with the aim of achieving stable growth and maximizing unitholders' value from a medium- to long-term perspective. The principal risks with respect to investment in JEI are as follows:</p> <ul style="list-style-type: none"> • any adverse conditions in the Japanese economy could adversely affect JEI; • JEI may not be able to acquire properties to execute its growth and investment strategy in a manner that is accretive to earnings; • illiquidity in the real estate market may limit JEI's ability to grow or adjust its portfolio; • the past experience of Japan Excellent Asset Management Co., Ltd. (the "Asset Manager" or "AIFM") in the Japanese real estate market is not an indicator or guarantee of the future results; • JEI's reliance on the Core Sponsors, the Asset Manager and third party service providers could have a material adverse effect on its business; • there are potential conflicts of interest between JEI and the Core Sponsors as well as the Asset Manager; • JEI's revenues largely comprise leasing revenues from the portfolio properties, which may be negatively affected by factors including vacancies, decreases in rent, and late or missed payments by tenants; • JEI invests primarily in office properties, the market for which may be affected by macro-economic trends and other forces which JEI cannot control; • JEI faces significant competition in seeking tenants and it may be difficult to find replacement tenants;

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- increases in prevailing market interest rates may increase JEI's interest expense and may result in a decline in the market price of JEI's units;
- JEI may suffer large losses if any of its properties incurs damage from a natural or man-made disaster such as an earthquake, fire, flood, tsunami or typhoon;
- due to the concentration of JEI's portfolio in the Tokyo metropolitan area, JEI's business is highly susceptible to circumstances and developments that may adversely impact that area;
- any inability to obtain financing for future acquisitions could adversely affect the growth of JEI's portfolio;
- JEI's failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify JEI from certain taxation benefits and significantly reduce the cash distributions to the unitholders; and
- the ownership rights in some of JEI's properties may be declared invalid or limited.

In addition, JEI is subject to the following risks:

- risks related to increasing operating costs;
- risks related to JEI's dependence on the efforts of the Asset Manager's key personnel;
- risks related to the restrictive covenants under debt financing arrangements;
- risks related to entering into forward commitment contracts;
- risks related to third party leasehold interests in the land underlying JEI's properties;
- risks related to holding property in the form of stratified ownership (*kubun shoyū*) interests or co-ownership interests (*kyōyū-mochibun*);
- risks related to properties not in operation (including properties under development);
- risks related to the defective title, design, construction or other defects or problems in the properties;
- risks related to suffering impairment losses relating to the properties;
- risks related to decreases in tenant leasehold deposits and/or security deposits;
- risks related to tenants' default as a result of financial difficulty or insolvency;
- risks related to the insolvency of master lessees;
- risks related to relying on expert appraisals and engineering, environmental and seismic reports as well as industry and market data;
- risks related to the presence of hazardous or toxic substances in JEI's properties, or the failure to properly remediate such substances;
- risks related to strict environmental liability for the properties;
- risks related to potential amendment of applicable administrative laws and local ordinances;
- risks related to holding interests in Japanese anonymous association (*tokumei kumiai*);
- risks related to holding properties through trust beneficiary interests;
- risks related to JEI's tight supervision by regulatory authorities and compliance with applicable rules and regulations;
- risks related to the possibility that tax authorities may disagree with the Asset Manager's interpretations of the Japanese tax laws and regulations;
- risks related to being unable to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs;
- risks related to changes in Japanese tax laws; and

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	<ul style="list-style-type: none"> the risk of dilution as a result of further issuances of units.
Any applicable investment restrictions	<p>JEI is subject to investment restrictions under Japanese laws and regulations, including the Act on Investment Trusts and Investment Corporations (the “ITA”) and the Financial Instruments and Exchange Act (the “FIEA”). These restrictions require that JEI must invest primarily in specified assets as defined in the ITA. Specified assets include, but are not limited to, securities, real estate, leaseholds of real estate, and surface rights (<i>chijō-ken</i>) (i.e. the right to use land for the purpose of having a structure on it), as well as trust beneficiary interests in securities, real estate, leaseholds of real estate and surface rights.</p> <p>Furthermore, under the listing rules of the Tokyo Stock Exchange, any listed J-REIT such as JEI must invest substantially all of its assets in real estate, real estate-related assets and liquid assets as provided by the listing requirements. Real estate in this context includes, but is not limited to, real estate, leaseholds of real estate, surface rights, and trust beneficiary interests for these assets, and real estate-related assets in this context include, but are not limited to, anonymous association (<i>tokumei kumiai</i>) interests for investment in real estate. A J-REIT that lists its units on the Tokyo Stock Exchange must also comply with the Investment Trusts Association, Japan rules, which require the J-REIT to invest more than 50% of its assets in real estate and asset backed securities investing primarily in real estate, which include, but are not limited to, real estate, leaseholds of real estate, surface rights or trust beneficiary interests for real estate, surface rights or leaseholds of land.</p> <p>Pursuant to the ITA, investment corporations may not independently develop land for housing or to construct buildings, but may outsource such activities in certain circumstances.</p> <p>In addition, the basic investment policy of JEI is set out in JEI’s Articles of Incorporation. Moreover, the Asset Manager has established investment guidelines to provide more detailed policies based on this basic policy. However, the Asset Manager may amend or revise these investment guidelines from time to time without a vote of JEI’s unitholders or JEI’s approval.</p>
Circumstances in which the AIF may use leverage	<p>JEI may borrow funds (including through the call money market) or issue investment corporation bonds (including short-term bonds) for the purpose of funding property acquisitions, conducting repairs, paying cash distributions, providing funds for the administration of JEI, repaying obligations (including repayment of tenant leasehold or security deposits and of obligations related to loans and investment corporation bonds) and other activities.</p>
The types and sources of leverage permitted and associated risks	<p>JEI currently has outstanding fixed-rate long-term loans and outstanding investment corporation bonds, as well as access to a commitment line, all of which are unsecured and unguaranteed. JEI may be subject to restrictive covenants in connection with any indebtedness that may restrict JEI’s operations and limit its ability to make cash distributions to unitholders, to dispose of properties or to acquire additional properties. Furthermore, if JEI were to violate such restrictive covenants, for example with regard to the maintenance of debt service coverage or loan-to-value ratios, lenders may be entitled to require JEI to collateralize portfolio properties or demand that the entire outstanding balance be paid ahead of scheduled payments. Further, in the event of an increase in interest rates, to the extent that JEI has taken on any debt with unhedged floating rates, interest payments may increase, which in turn could reduce the amount of cash available</p>

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	for distributions to unitholders. Higher interest rates may also limit JEI's capacity for short- and long-term borrowings, which would in turn limit its ability to acquire properties, and could cause the market price of its units to decline.
Any restrictions on leverage	Under JEI's Articles of Incorporation, the maximum permitted amount of each loan and corporate bond issuance is one trillion yen, and the aggregate permitted amount of all such debt is also one trillion yen.
Any restrictions on collateral and asset reuse arrangements	No applicable arrangements.
Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	JEI has, in principle, set an upper limit of 60% for its loan-to-value, or LTV, ratio in order to operate with a stable financial condition. Additionally, JEI seeks to maintain an LTV ratio within a range of 35–50%. JEI may, however, temporarily exceed any such levels as a result of property acquisitions or fluctuations in property appraisal value.
Article 23(1) (b)	
Procedure by which the AIF may change its investment strategy / investment policy	<p>Changes to JEI's basic investment policy require an amendment of the Articles of Incorporation. Such amendment requires a quorum of a majority of the total issued units and at least a two-thirds vote of the voting rights represented at a general meeting of unitholders. Unitholders should note, however, that under the ITA and our articles of incorporation, unitholders who do not attend and exercise their voting rights at a general meeting of unitholders are deemed to be in agreement with proposals submitted at the meeting, except in cases where contrary proposals are also being submitted or cases regarding (i) dismissal of an officer or the auditor, (ii) dissolution of JEI, (iii) consent to cancellation of the asset management agreement by the Asset Manager or (iv) cancellation of the asset management agreement by JEI.</p> <p>Additionally, the investment guidelines of the Asset Manager, which provide more detailed policies based on JEI's basic investment policy, can be modified without amendment of the Articles of Incorporation and without a vote of JEI's unitholders or JEI's approval.</p>
Article 23(1) (c)	
Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including jurisdiction, applicable law, and the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	<p>JEI has entered into the following asset management, support and information agreements with the Asset Manager, the Core Sponsors and other entities, each of which is governed by Japanese law:</p> <ul style="list-style-type: none"> • Asset management agreement dated as of February 20, 2006 between JEI and the Asset Manager. • Pipeline support agreement dated as of May 12, 2006 among JEI, the Asset Manager and NIPPON STEEL KOWA REAL ESTATE CO., LTD. • Pipeline support agreement dated as of May 12, 2006 among JEI, the Asset Manager and Mizuho Trust & Banking Co., Ltd. <p>Additionally, JEI has entered into purchase and sale agreements with sellers and buyers in connection with the acquisition or disposition of properties, as well as trust agreements with major Japanese trust banks pursuant to which JEI holds many of the properties in its portfolio in the form of trust beneficiary interests.</p> <p>JEI is a corporate-type investment trust in the form of investment corporation (<i>toshi hojin</i>) provided for under the ITA. Therefore, the relationship between JEI and its unitholders is</p>

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	<p>governed by JEI's Articles of Incorporation (as opposed to individual agreements), which can be amended from time to time upon resolution of a general meeting of unitholders. JEI's Articles of Incorporation stipulate rules relating to general meetings of unitholders, including the convocation, setting of record date, exercise of voting rights, resolutions and election of JEI's directors.</p> <p>The relationship between JEI and its unitholders is also governed by, and is subject to the provisions of, Japanese law, including the ITA.</p> <p>The courts in Japan would recognize as a valid judgment any final and conclusive civil judgment for monetary claims (which, for this purpose, are limited to those of a purely civil nature and do not include monetary claims of the nature of criminal or administrative sanction, such as punitive damages, even though they take the form of civil claims) against JEI obtained in a foreign court provided that (i) the jurisdiction of such foreign court is admitted under the laws of Japan, (ii) JEI has received service of process for the commencement of the relevant proceedings, otherwise than by a public notice or any method comparable thereto, or has appeared without any reservation before such foreign court, (iii) neither such judgment nor the relevant proceeding is repugnant to public policy as applied in Japan, (iv) there exists reciprocity as to the recognition by such foreign court of a final judgment obtained in a Japanese court and (v) there is no conflicting judgement on the subject matter by any Japanese court.</p>
<p>Article 23(1) (d)</p>	
<p>The identity of the AIFM, AIF's depository, auditor and any other service providers and a description of their duties and the investors' rights thereto</p>	<ul style="list-style-type: none"> • Asset Manager (AIFM): Japan Excellent Asset Management Co., Ltd. The AIFM provides services related to asset management, financing of the AIF, reporting to the AIF and other related matters. • Auditor: Ernst & Young ShinNihon LLC The auditor audits financial statements and reports to the supervisory directors if it finds any misconduct or any material fact of violation of law or the articles of incorporation with regard to execution of the duties of the executive director. • Administrative agent, asset custodian, special accounting administrator, transfer agent and bond fiscal agent: Mizuho Trust & Banking Co., Ltd. The administrative agent provides services related to accounting, preparation of accounting books and tax payment. The asset custodian provides administrative services related to custody of assets. The special accounting administrator provides administrative services including the preparation, management and custody of the transfer account book under the Act on Book-Entry of Company Bonds, Shares, etc. The transfer agent provides administrative services related to unitholders' register, issuance of investment units, calculation and payment of cash distributions to unitholders and addressing unitholders' claims, offers and notices. The bond fiscal agent provides administrative services including services related to issuance of investment corporation bonds. <p>The Asset Manager's duties include formulating and executing JEI's investment strategy, identifying acquisition targets, purchasing and disposing of properties, supervising property managers, reporting to JEI regarding the status of the portfolio, and finance and accounting related services. The FIEA provides that the Asset Manager owes JEI a fiduciary duty and must conduct its activities as asset manager in good faith. The FIEA also prohibits</p>

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	<p>the Asset Manager from engaging in certain specified conduct, including entering into transactions outside the ordinary course of business or with related parties of the Asset Manager that are contrary to or violate JEI's interests. Pursuant to the ITA, JEI's unitholders have the right to approve the execution or termination of the asset management agreement at a general meeting of unitholders.</p> <p>The auditor's responsibilities include preparing an audit report on JEI's financial statements for the fiscal periods ending June 30 and December 31 of each year.</p> <p>Other service providers owe contractual obligations under their respective agreements with JEI. The administrative agent provides general administration services, the asset custodian provides custodial services for JEI's assets, the transfer agent and special accounting administrator provide services that include administration of the unitholder's register, distributions and accounting matters, and the bond fiscal agent provides services related to the administration of JEI's investment corporation bonds.</p> <p>Unitholders do not have direct rights against the Asset Manager, auditor, administrative agent, asset custodian, transfer agent, special accounting administrator, or bond fiscal agent.</p>
Article 23(1) (e)	
Description of how the AIFM complies with the requirements to cover professional liability risks (own funds / professional indemnity insurance)	Not applicable.
Article 23(1) (f)	
Description of any delegated management function such as portfolio management or risk management and of any safekeeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations	<p>Not applicable.</p> <p>There is no delegation of such functions beyond the Asset Manager, which is responsible for portfolio and risk management, and the asset custodian, which is responsible for safekeeping activities.</p>
Article 23(1) (g)	
Description of the AIF's valuation procedure	JEI makes investment decisions based partly on the results of due diligence which includes the valuation of properties and consideration of the property appraisal value.

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<p>and pricing methodology, including the methods used in valuing hard-to-value assets</p>	<p>JEI otherwise values assets in accordance with its Articles of Incorporation. The methods and standards that JEI uses for the valuation of assets are based on the Ordinance on Accountings of Investment Corporations, as well as the Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations and other regulations stipulated by ITA, as well as Japanese GAAP.</p> <p>J-REITs may only use the valuation methods prescribed in the rules of the Investment Trusts Association, Japan, which emphasize market price-based valuation.</p> <p>Hard-to-value assets include assets such as equity interests in anonymous associations (<i>tokumei kumiai</i>) and beneficiary interests in trusts of money principally invested in real estate anonymous associations, as well as tenant leasehold and security deposits. Future cash flows of hard-to-value assets are difficult to estimate. JEI values hard-to-value assets differently depending on the asset, but pursuant to the ITA, the Ordinance on Accountings of Investment Corporations and the valuation rules of the Investment Trusts Association, Japan or in accordance with Japanese GAAP. The valuation of such hard-to-value assets is discussed in the notes to our financial statements.</p>
<p>Article 23(1) (h)</p>	
<p>Description of the AIF's liquidity risk management, including redemption rights in normal and exceptional circumstances and existing redemption arrangements with investors</p>	<p>Net cash provided by operating activities constitutes JEI's primary source of liquidity to fund distributions, interest payments on loans payable, fees to the Asset Manager and other service providers, property-related taxes, repairs and maintenance, and capital expenditures for its properties in the ordinary course of business. However, JEI's ability to use cash flows from operations to finance property acquisitions is severely limited because JEI is generally required to distribute in excess of 90% of its distributable profit, calculated in accordance with the Special Taxation Measures Act of Japan, for each fiscal period to its unitholders. Therefore, JEI's financing for acquisitions depends primarily on outside financing, including equity offerings, loans and investment corporation bonds.</p> <p>JEI controls liquidity-related risks by aiming to maintain its LTV ratio at a conservative level between 35-50%, diversifying the maturity dates of its repayment obligations, and maintaining a certain amount of highly liquid cash and deposits. All of JEI's current interest-bearing debt is long-term debt with fixed interest rates.</p> <p>Because JEI is a closed-end investment corporation, unitholders are not entitled to request the redemption of their investment.</p>
<p>Article 23(1) (i)</p>	
<p>Description of all fees, charges and expenses and a maximum amount which is directly / indirectly borne by the investors</p>	<p><u>Directors' compensation:</u> JEI's articles of incorporation provide that JEI may pay each of its executive directors and supervisory directors up to ¥700,000 per month.</p> <p><u>Asset Management Fees:</u></p> <ul style="list-style-type: none"> • JEI pays the Asset Manager asset management fees as follows: <ul style="list-style-type: none"> ○ Asset Management Fee 1 <p>JEI pays, within 1 month after the end of each calculation period (where a calculation period is the three-months period ending March 31, June 30, September 30 and December 31 of each year), an amount calculated by</p>

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multiplying assets under management by the applicable fee rate according to the following table, and multiplying the result by the number of days within the relevant calculation period divided by 365:

Assets under management	Fee rate
Portion up to ¥100 billion	0.25%
Portion over ¥100 billion up to ¥200 billion	0.15%
Portion over ¥200 billion	0.05%

○ Asset Management Fee 2

JEI pays, by the end of the month following the relevant fiscal period, an amount equal to 4% of the sum of ordinary income recorded on the most recent statements of income and retained earnings (before deducting the Asset Management Fee 2) and depreciation.

Asset Custodian Fee:

- JEI pays the asset custodian a fee per fiscal period up to an amount calculated as follows:

$$¥4.5 \text{ million} + ((\text{Total assets} - ¥30 \text{ billion}) * 0.0150\%)$$

Further, if any portfolio property is held directly by JEI, JEI, will pay the asset custodian an additional fee of up to ¥200,000 per such property, as mutually agreed upon between JEI and the asset custodian.

Administrative Agent Fee:

- JEI pays the administrative agent a fee per fiscal period calculated as follows:

$$¥9 \text{ million} + ((\text{Total assets} - ¥30 \text{ billion}) * 0.030\%)$$

Moreover, if any portfolio property is held directly by JEI, JEI, will pay the administrative agent an additional fee of up to ¥200,000 per such property, as mutually agreed upon between JEI and the administrative agent.

Transfer Agent Fee:

- Monthly standard fee:

JEI pays the transfer agent monthly standard fees up to an amount calculated according to the following table and divided by 6, with a minimum monthly fee of ¥200,000.

Number of Unitholders	Fees per Unitholder
first 5,000 unitholders	¥480
over 5,000 to 10,000	¥420
over 10,000 to 30,000	¥360
over 30,000 to 50,000	¥300

	<table border="1"> <tr> <td>over 50,000 to 100,000</td> <td>¥260</td> </tr> <tr> <td>over 100,000</td> <td>¥225</td> </tr> </table>	over 50,000 to 100,000	¥260	over 100,000	¥225										
over 50,000 to 100,000	¥260														
over 100,000	¥225														
	<ul style="list-style-type: none"> Other fees: <p>JEI pays the transfer agent fees for various other services, including fees for services in connection with the payment of dividends, the preparation, maintenance and storage of JEI's unitholder register, preparation and reporting of the end-of-period unitholders register and unitholder statistical data.</p> <p><u>Special Accounting Administration Fee:</u></p> <ul style="list-style-type: none"> Monthly standard fee: <p>JEI pays the special accounting administrator monthly standard fees up to an amount calculated according to the following table, with a minimum monthly fee of ¥35,000.</p> <table border="1"> <thead> <tr> <th>Number of Accounts</th> <th>Fees per Account</th> </tr> </thead> <tbody> <tr> <td>first 5,000</td> <td>¥150</td> </tr> <tr> <td>over 5,000 to 10,000</td> <td>¥140</td> </tr> <tr> <td>over 10,000 to 30,000</td> <td>¥130</td> </tr> <tr> <td>over 30,000 to 50,000</td> <td>¥120</td> </tr> <tr> <td>over 50,000 to 100,000</td> <td>¥110</td> </tr> <tr> <td>over 100,000</td> <td>¥100</td> </tr> </tbody> </table> Other fees: <p>JEI pays the special accounting administrator fees for various other services such as account transfers.</p> <p><u>Bond Fiscal Agent Fee:</u></p> <ul style="list-style-type: none"> JEI pays the bond fiscal agent fees related to principal and interest payments on JEI's outstanding corporate bonds which the bond fiscal agent makes on JEI's behalf, calculated as follows: <ul style="list-style-type: none"> Fees for principal payments: 0.00075% of the amount of the principal payment. Fees for interest payments: 0.00075% of the amount of principal forming the basis for the interest payment. JEI also pays the bond fiscal agent fees in connection with the issuance of corporate bonds, as well as certain other fees. <p><u>Auditor Fee:</u></p> <ul style="list-style-type: none"> JEI may pay the independent auditor up to ¥20 million per fiscal period. The board of officers is responsible for determining the actual compensation amount. 	Number of Accounts	Fees per Account	first 5,000	¥150	over 5,000 to 10,000	¥140	over 10,000 to 30,000	¥130	over 30,000 to 50,000	¥120	over 50,000 to 100,000	¥110	over 100,000	¥100
Number of Accounts	Fees per Account														
first 5,000	¥150														
over 5,000 to 10,000	¥140														
over 10,000 to 30,000	¥130														
over 30,000 to 50,000	¥120														
over 50,000 to 100,000	¥110														
over 100,000	¥100														

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	JEI may also incur other miscellaneous fees in connection with the issuance of units and the operation, acquisition or disposition of properties.												
Article 23(1) (j)													
Description of the AIFM's procedure to ensure fair treatment of investors and details of any preferential treatment received by investors, including detailing the type of investors and their legal or economic links with the AIF or AIFM	Under Article 77 paragraph 4 of the ITA, which applies the requirements of Article 109 paragraph 1 of the Companies Act of Japan to investment corporations, investment corporations are required to treat unitholders equally depending on the number and content of units held. In addition, upon liquidation, the allotment of residual assets to unitholders is required to be made equally depending on the number of units held under Article 77 paragraph 2 item 2 and Article 158 of the ITA.												
Article 23(1) (k)													
The latest annual report referred to in Article 22(1)	Additional information may be found in JEI's most recent semi-annual report prepared in accordance with Article 22 of the AIFMD, which is available at the Asset Manager's office located at 1-15-9 Minami Aoyama, Minato-ku, Tokyo.												
Article 23(1) (l)													
The procedure and conditions for the issue and sale of the units	JEI is authorized under its Articles of Incorporation to issue up to 10,000,000 units. Its units have been listed on the Tokyo Stock Exchange since June 27, 2006. Secondary market sales and transfers of units will be conducted in accordance with the rules of the Tokyo Stock Exchange. Unit prices on the Tokyo Stock Exchange are determined on a real-time basis by the equilibrium between bids and offers. The Tokyo Stock Exchange sets daily price limits, which limit the maximum range of fluctuation within a single trading day. Daily price limits are set according to the previous day's closing price or special quote.												
Article 23(1) (m)													
Latest net asset value of the AIF or latest market price of the unit or share of the AIF	JEI's unit's latest market price is publicly available at the Tokyo Stock Exchange or from financial information vendors (including Bloomberg, which can be viewed at https://www.bloomberg.com/quote/8987:JP)												
Article 23(1) (n)													
Details of the historical performance of the AIF, where available	<p>The units of JEI were listed on the Tokyo Stock Exchange on June 27, 2006. The most recent five fiscal periods' performance of the units is as follows.</p> <table border="1"> <thead> <tr> <th>Fiscal period</th> <th>Total Assets (JPY million)</th> <th>Total Net Assets (JPY million)</th> <th>Net Assets per unit (JPY)</th> </tr> </thead> <tbody> <tr> <td>31st Fiscal Period (July 1, 2021 to December 31, 2021)</td> <td>293,960</td> <td>152,206</td> <td>112,495</td> </tr> <tr> <td>32nd Fiscal Period</td> <td>291,430</td> <td>150,461</td> <td>112,486</td> </tr> </tbody> </table>	Fiscal period	Total Assets (JPY million)	Total Net Assets (JPY million)	Net Assets per unit (JPY)	31st Fiscal Period (July 1, 2021 to December 31, 2021)	293,960	152,206	112,495	32nd Fiscal Period	291,430	150,461	112,486
Fiscal period	Total Assets (JPY million)	Total Net Assets (JPY million)	Net Assets per unit (JPY)										
31st Fiscal Period (July 1, 2021 to December 31, 2021)	293,960	152,206	112,495										
32nd Fiscal Period	291,430	150,461	112,486										

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	(January 1, 2022 to June 30, 2022)			
	33rd Fiscal Period (July 1, 2022 to December 31, 2022)	294,540	150,218	112,304
	34 th Fiscal Period (January 1, 2023 to June 30, 2023)	287,045	150,354	112,406
	35 th Fiscal Period (July 1, 2023 to December 31, 2023)	294,823	150,659	112,634
Article 23(1) (o)				
Identity of the prime broker, any material arrangements of the AIF with its prime brokers, how conflicts of interest are managed with the prime broker and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist	No applicable prime broker.			
Article 23(1) (p)				
Description of how and when periodic disclosures will be made in relation to leverage, liquidity and risk profile of the assets, pursuant to Articles 23(4) and 23(5)	The AIFM will disclose the matters described in Articles 23(4) and 23(5) periodically through JEI's Internet website and semi-annual report.			
Article 23(2)				
The AIFM shall inform the investors before they invest in the AIF of any arrangement made by the	Not applicable.			

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depository to contractually discharge itself of liability in accordance with Article 21(13)	
The AIFM shall also inform investors of any changes with respect to depository liability without delay	Not applicable.
Article 23(4)(a)	
Percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature. The percentage shall be calculated as the net value of those assets subject to special arrangements divided by the net asset value of the AIF concerned	There are no assets that are subject to special arrangements arising from their illiquid nature.
Overview of any special arrangements, including whether they relate to side pockets, gates or other arrangements	There are no such special arrangements.
Valuation methodology applied to assets which are subject to such arrangements	There are no such special arrangements.
How management and performance fees apply to such assets	There are no such special arrangements.
Article 23(4)(b)	
Any new arrangements for managing the liquidity of the AIF	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
For each AIF that the AIFM manages that is not an unleveraged closed-end AIF, notify to investors whenever they make changes to its liquidity management systems (which enable an AIFM to monitor the liquidity risk of the AIF and to ensure the liquidity profile of the investments of the AIF complies with its underlying obligations) that are material in accordance with Article 106(1) of Regulation (EU) No 231/2013 (ie. there is a substantial likelihood that a reasonable investor, becoming aware	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

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of such information, would reconsider its investment in the AIF, including because such information could impact an investor's ability to exercise its rights in relation to its investment, or otherwise prejudice the interests of one or more investors in the AIF).	
Immediately notify investors where they activate gates, side pockets or similar special arrangements or where they decide to suspend redemptions	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Overview of changes to liquidity arrangements, even if not special arrangements	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Terms of redemption and circumstances where management discretion applies, where relevant	JEI is a closed-end investment corporation and unitholders are not entitled to request the redemption of their investment.
Also any voting or other restrictions exercisable, the length of any lock-up or any provision concerning 'first in line' or 'pro-rating' on gates and suspensions shall be included	There are no voting or other restrictions on the rights attaching to units.
Article 23(4)(c)	
The current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks	<p>The Asset Manager stipulates basic provisions of risk management in its risk management rules. The appropriateness and effectiveness of the Asset Manager's risk management systems are regularly reviewed and evaluated by the Asset Manager.</p> <p>The use of long-term loans and investment corporation bonds to finance asset acquisitions and other purposes gives rise to liquidity risks. JEI controls such risks by aiming to maintain a conservative LTV ratio of 35%-50%, diversifying financing methods and lenders, dispersing repayment deadlines, retaining a certain amount of liquid cash deposits and establishing commitment lines.</p> <p>Although all of JEI's current loans have fixed interest rates, JEI may in the future take out loans with floating interest rates that would be exposed to the risk of interest rate fluctuations. JEI, in order to reduce the impact caused by rising interest rates, closely monitors the movement of interest rates.</p> <p>Derivative transactions (interest rate swap transactions) may be used to hedge against the risks of increases in floating interest rates.</p>

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	JEI's use of tenant leasehold and security deposits gives rise to liquidity risk since repayment of these deposits is triggered when tenants move out of JEI's properties. This risk is controlled through such measures as preparing cash management plans and retaining cash and deposits sufficient to return deposits to tenants.
Measures to assess the sensitivity of the AIF's portfolio to the most relevant risks to which the AIF is or could be exposed	No such measures have been implemented.
If risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded a description of the circumstances and the remedial measures taken	No such situation has occurred.
Article 23(5)(a)	
Any changes to the maximum amount of leverage which the AIFM may employ on behalf of the AIF, calculated in accordance with the gross and commitment methods. This shall include the original and revised maximum level of leverage calculated in accordance with Articles 7 and 8 of Regulation (EU) No 231/2013, whereby the level of leverage shall be calculated as the relevant exposure divided by the net asset value of the AIF.	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Any right of the reuse of collateral or any guarantee granted under the leveraging agreement, including the nature of the rights granted for the reuse of collateral and the nature of the guarantees granted	No such right or guarantee exists.
Details of any change in service providers relating to the above.	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Article 23(5)(b)	
Information on the total amount of leverage employed by the AIF calculated in accordance with the gross and commitment methods	The aggregate amount of debt with interest is JPY 128,600 million as of December 31, 2023.

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