



Japan Excellent, Inc.

**For Immediate Release
For Translation Purposes Only**

April 13, 2018

Japan Excellent, Inc. (TSE: 8987)
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Notice Concerning Issuance of Investment Corporation Bonds

Japan Excellent, Inc. (hereinafter “JEI”) hereby announces its decision made today to issue investment corporation bonds as described below.

1. Summary of Investment Corporation Bonds

(① 5-Year Investment Corporation Bonds / ② 15-Year Investment Corporation Bonds)

(1) Name of investment corporation bonds

① 12th Series Unsecured Investment Corporation Bonds
(with special pari passu conditions among specified investment corporation bonds)

② 13th Series Unsecured Investment Corporation Bonds
(with special pari passu conditions among specified investment corporation bonds)

(2) Total amount of investment corporation bonds to be issued

① 12th Series Unsecured Investment Corporation Bonds: Two billion yen (JPY 2,000,000,000)
② 13th Series Unsecured Investment Corporation Bonds: Two billion yen (JPY 2,000,000,000)

(3) Form of bond certificate

Applicable to the Law concerning Book-Entry Transfer of Corporation Bonds, Shares, etc., bond certificates will not be issued.

(4) Amount payable

One hundred yen (JPY 100) per one hundred yen (JPY 100) of each investment corporation bond

(5) Redemption price

One hundred yen (JPY 100) per one hundred yen (JPY 100) of each investment corporation bond

(6) Interest rate

① 12th Series Unsecured Investment Corporation Bonds: 0.240% per annum
② 13th Series Unsecured Investment Corporation Bonds: 0.950% per annum

(7) Unit price

One hundred million yen (JPY 100,000,000)



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- (8) Offering method
Public offering
- (9) Offering date
April 13, 2018
- (10) Payment date
April 20, 2018
- (11) Collateral
No mortgage or guarantee secured, and no assets specifically reserved as collateral for the Investment Corporation Bonds.
- (12) Redemption method and redemption date
① 12th Series Unsecured Investment Corporation Bonds: The entire amount will be redeemed on April 20, 2023.
② 13th Series Unsecured Investment Corporation Bonds: The entire amount will be redeemed on April 20, 2033.
The Investment Corporation Bonds may be retired by purchase at any time after the payment date unless otherwise specified by the transfer agent.
- (13) Interest payment dates
April 20 and October 20 of each year
(Note 1) The initial interest payment date will be October 20, 2018.
(Note 2) If the interest payment date falls on a non-business day, the payment will be made on the business day immediately preceding the interest payment date.
- (14) Special financial conditions
“Negative Pledge Clause” is applicable.
- (15) Rating
AA- (Japan Credit Rating Agency, Ltd.)
- (16) Fiscal agent, issuing and paying agent
Mizuho Bank, Ltd.
- (17) Underwriter
Mizuho Securities Co., Ltd.
Nomura Securities Co., Ltd.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
SMBC Nikko Securities Inc.

2. Reason for Issuance

JEI will allocate funds procured through the issuance of the Investment Corporation Bonds to a portion of the redemption of the investment corporation bonds which will mature on November 2, 2018. Given the recent investment corporation bond issuance market conditions, by diversifying the timing of issuance to enable smooth fund procurement that is not dependent on market conditions, it intends to extend the average remaining period of interest-bearing debt, diversify maturity dates and reduce the average interest rate on interest-bearing debt.

3. Amount to be Procured, Use of Funds to be Procured and Scheduled Expenditure Date

- (1) Amount of funds to be procured (approximate net proceeds)
JPY 3,967,000,000
- (2) Specific use of funds to be procured and scheduled expenditure date
Funds are scheduled to be appropriated to a portion of the redemption (JPY 7,000 million in total) of the 4th Series Unsecured Investment Corporation Bonds (JPY 2,000 million) and the 5th Series



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Unsecured Investment Corporation Bonds (JPY 5,000 million) which will mature on November 2, 2018.

4. Status of Interest-bearing Debt before and after the Issuance of the Investment Corporation Bonds

(millions of yen)

	Before the Issuance (As of April 13, 2018)	After the Issuance (As of April 20, 2018)	Increase / decrease
Short-term borrowings	900	900	-
Long-term borrowings	85,600	85,600	-
Total borrowings	86,500	86,500	-
Investment corporation bonds	36,000	40,000	4,000
Total interest-bearing debt	122,500	126,500	4,000

5. Other Matters Required for Investors to Appropriately Understand and Evaluate the above Information

There is no change to the content of “Investment Risks” in JEI’s Securities Report (Yuka shoken houkoku-sho) for the Twenty-Third Fiscal Period (ended December 31, 2017) submitted on March 23, 2018 resulting from the issuance of the Investment Corporation Bonds.

(End)

Japan Excellent, Inc. Website: www.excellent-reit.co.jp/eng/