



Japan Excellent, Inc.

**For Immediate Release  
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**Japan Excellent, Inc. (TSE: 8987)**  
Hidehiko Ogawa, Executive Director

**Asset Management Company:**  
Japan Excellent Asset Management Co., Ltd.

**Representative:**  
Hidehiko Ogawa, President

**Contact:**  
Kazue Horikawa  
General Manager, Corporate Planning Dept.  
TEL: +81-3-5412-7911

## **Notice Concerning Amendment to Shelf Registration Statement for Green Bond Issuance**

Japan Excellent, Inc. (hereinafter “JEI”) announces that it filed an amendment to its shelf registration statement for green bond issuance (current shelf registration statement was filed on February 1, 2018) today.

### **1. Purpose and Background of Green Bond Issuance**

JEI will work to reduce the environmental burden and to cooperate/collaborate with stakeholders to achieve a sustainable society as part of its corporate social responsibility, while recognizing the importance of consideration for the environment, society and governance (ESG) in the real estate investment management business.

JEI’s initiatives for ESG have been highly evaluated by third-party evaluation organizations and are highly recognized in “Management,” “Policy and Disclosure,” “Performance indicators” and “Stakeholder engagement” in the Global Real Estate Sustainability Benchmark (GRESB). JEI obtained “Green Star” for the third consecutive year in 2017 and “5 Stars,” the highest rating in “GRESB Rating”, which is the relative evaluation, for the second consecutive year.

In particular, for environmental aspects, JEI has set a goal in energy consumption with an aim to reduce its environmental burden based on its sustainability policy and proactively obtained certifications concerning environmental performance such as the DBJ Green Building Certification and Comprehensive Assessment System for Built Environment Efficiency (CASBEE). The percentage of properties with a rating of 3 stars or higher in the DBJ Green Building Certification in JEI’s portfolio is at a high level of 61% including “AKASAKA INTERCITY AIR” which was acquired as of July 2, 2018.

JEI decided to file the amendment to its shelf registration statement for the issuance of green bonds with an aim to further promote ESG activities as well as expand fund procurement methods through proactive expansion of the investor base in ESG investments.

### **2. Structure of Green Bond Issuance (Green Bond Framework)**

#### **(1) Use of Proceeds from Green Bond Issuance**

The net proceeds from the green bond issuance will be used for acquisition of assets defined in (2) below (hereinafter “Eligible Green Projects”), repayment of borrowings required in the acquisition of Eligible Green Projects or redemption of investment corporation bonds that have already been issued (including green bonds) required in the acquisition of Eligible Green Projects.

(2) Eligible Green Projects

Eligible Green Projects are assets that have received or scheduled to receive one of the following certifications within the last 2 years as of the payment date upon issuance of green bonds among the specified assets owned by JEI.

- 1) DBJ Green Building Certification: 5, 4 or 3 stars
- 2) CASBEE Certification: S, A or B+ rank

Eligible Green Projects are selected by the sustainability council (a council composed of the President and other board members established to organizationally promote sustainability initiatives) of Japan Excellent Asset Management Co., Ltd., the Asset Management Company of JEI.

(3) Maximum Issuance Amount of Green Bonds

The Debts of Eligible Green Projects calculated by multiplying the determined total period-end book value of Eligible Green Projects (158.8 billion yen for a total of 9 properties as of today (\*1)) in the latest fiscal period by total assets-based LTV determined as of the end of the latest fiscal period (end of the fiscal period ended December 2017 as of today) is set as the maximum issuance amount of green bonds.

The maximum issuance amount as of today is 68.9 billion yen (Eligible Green Projects: 158.8 billion yen × total assets-based LTV 43.4%)

■ Maximum Issuance Amount of Green Bonds



(Note 1) Book value as of the end of December 2017 is indicated for properties owned. Figures for properties acquired in January 2018 onwards are calculated based on acquisition price.

(Note 2) Amounts in the upper graph are rounded down to the nearest specified unit.



#### (4) Reporting

After the issuance of green bonds, JEI reports the total amount of Eligible Green Projects, The Debts of Eligible Green Projects and the amount of outstanding green bonds as of the end of December each year. JEI also announces the following indicators as of the end of March each year.

- The number of Eligible Green Projects and type of certification achieved
- The total amount of the leasable floor space of Eligible Green Projects
- “Electricity consumption,” “water consumption” and “CO<sub>2</sub> emissions,” which are quantitative indicators of Eligible Green Projects (limited to the scope in which JEI has energy control authority)

### 3. Evaluation by External Organization

JEI has obtained a second-party opinion from Sustainalytics, an ESG rating agency, for the eligibility of green bond framework. For details of the second-party opinion, please refer to the following website.

<http://www.excellent-reit.co.jp/site/file/tmp-afDSE.pdf>

### 4. Content of Amendment to Shelf Registration Statement

JEI has today filed the Amendment to Shelf Registration Statement that contains information pertaining to the green bond issuance to the Director General of the Kanto Local Finance Bureau. As for the use of net proceeds, JEI is scheduled to issue green bonds that are assumed to be allocated for partial repayment of borrowings required for the acquisition of AKASAKA INTERCITY AIR which was acquired on July 2, 2018, and the specific content of the issuance will be disclosed as soon as it has been determined.

(End)

Japan Excellent, Inc. Website: [www.excellent-reit.co.jp/eng/](http://www.excellent-reit.co.jp/eng/)