Japan Excellent, Inc.

For Immediate Release
For Translation Purposes Only

October 21, 2016

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) Name of investment corporation bonds
9th Series Unsecured Investment Corporation Bonds
Hereinafter to be referred to as the "Investment Corporation Bonds"

(2) Total amount of investment corporation bonds to be issued
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
0.45% per annum

(7) Unit price
One hundred million yen (JPY 100,000,000)

(8) Offering method
Public offering

(9) Offering date
October 21, 2016

(10) Payment date
October 27, 2016

(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
The entire amount will be redeemed on October 27, 2026.

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*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 27 and October 27 of each year

*The initial interest payment date will be April 27, 2017.

*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.

2. Reason for Issuance

To allocate funds procured through the issuance of the Investment Corporation Bonds to a portion of the redemption of the 3rd Series Unsecured Investment Corporation Bonds which will mature on November 4, 2016.

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 1,983,000,000

(2) Specific use of funds to be procured and scheduled expenditure date

Funds are scheduled to be appropriated to the portion of redemption of the 3rd Series Investment Corporation Bonds of ¥5,000 million maturing on November 4, 2016, along with the short-term borrowings of ¥3,000 million (Note) and cash on hand.

(Note) For the details of the short-term borrowings, please refer to "Notice Concerning Debt Financing" announced today.

4. Amount of Borrowings after the Issuance

(millions of yen)

	Before the issuance (As of September 30, 2016)	After the issuance (note) (As of November 4, 2016)	Increase / (decrease)
Short-term borrowings	7,000	10,000	3,000
Long-term borrowings	100,900	100,900	—
(repayment due within one year)	15,760	15,760	—
Total borrowings	107,900	110,900	3,000
Investment corporation bonds	30,000	27,000	(3,000)
(maturing within one year)	5,000	—	(5,000)
Sum of borrowings and investment corporation bonds	137,900	137,900	—
Other interest-bearing debt	—	—	—
Total interest-bearing debt	137,900	137,900	—

(Note) Although the issuance date of the Investment Corporation Bonds is October 27, 2016, the above indicate the status after the issuance of the Investment Corporation Bonds, the execution of short-term borrowings of ¥3,000 million and the redemption of the 3rd Series Investment Corporation Bonds of ¥5,000 million maturing on November 4, 2016.

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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 for the Twentieth Fiscal Period (ended July 30, 2016) submitted on September 21, 2016 resulting from the issuance of the Investment Corporation Bonds.

(End)

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