Japan Excellent, Inc.

For Immediate Release
For Translation Purposes Only

December 14, 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
10th 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
0.39% per annum

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

(8) Offering method
Public offering

(9) Offering date
December 14, 2016

(10) Payment date
December 20, 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 December 20, 2023.

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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

June 20 and December 20 of each year

*The initial interest payment date will be June 20, 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., SMBC Nikko Securities Inc.

2. Reason for Issuance

To allocate funds procured through the issuance of the Investment Corporation Bonds to early repayment of short-term borrowings in order to extend the average remaining period of interest-bearing debt and diversify maturity dates.

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 1,986,000,000

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

Funds will be appropriated to early repayment of short-term borrowings (¥2,000 million out of ¥3,000 million) due on September 29, 2017. The early repayment date of the borrowings is scheduled to be December 30, 2016.

(Note) For details of the short-term borrowings, please refer to "Notice Concerning Partial Early Repayment of Short-term Borrowing" separately announced today.

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

(millions of yen)

	Before (As of December 14, 2016)	After (As of December 30, 2016)	Increase / (decrease)
Short-term borrowings	3,000	1,000	-2,000
Long-term borrowings	107,900	107,900	-
(repayment due within one year)	(24,000)	(24,000)	-
Total borrowings	110,900	110,900	-
Investment corporation bonds	27,000	29,000	2,000
(maturing within one year)	(-)	(-)	(-)
Sum of borrowings and investment corporation bonds	137,900	137,900	-
Other interest-bearing debt	—	—	-
Total interest-bearing debt	137,900	137,900	-

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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/