Japan Excellent, Inc.

For Immediate Release
For Translation Purposes Only

August 3, 2018

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

Japan Excellent, Inc. (hereinafter "JEI") hereby announces its decision made today to issue investment corporation bonds (green bonds) as described below. The investment corporation bonds (green bonds) have already been announced in "Notice Concerning Amendment to Shelf Registration Statement for Green Bond Issuance" dated July 6, 2018 and JEI has filed an amendment to its shelf registration statement on July 6, 2018 and a supplementary shelf registration document on August 3, 2018 to the Kanto Local Finance Bureau for the issuance of investment corporation bonds (green bonds).

The Investment Corporation Bonds will be the first green bonds issued by an office-focused J-REIT.

1. Summary of Investment Corporation Bonds

(1) Name of investment corporation bonds
14th Series Unsecured Investment Corporation Bonds
(with special pari passu conditions among specified investment corporation bonds)
(also called JEI Green Bond)
(hereinafter the "Investment Corporation Bonds")

(2) Total amount of investment corporation bonds to be issued
Four billion yen (JPY 4,000,000,000)

(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
0.630% per annum

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

(8) Offering method
Public offering

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(9) Offering date
August 3, 2018

(10) Payment date
August 10, 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
The entire amount will be redeemed on August 10, 2028.
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
February 10 and August 10 of each year
(Note 1) The initial interest payment date will be February 10, 2019.
(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.
SMBC Nikko Securities Inc.

2. Reason for Issuance

The Investment Corporation Bonds will be issued as green bonds based on the "Green Bond Framework" (Note 1) for which a second-party opinion was obtained from Sustainalytics, an ESG rating agency, as part of the promotion of ESG activities by JEI.

The funds procured through the issuance of the Investment Corporation Bonds will be allocated to a portion of early repayment (JPY 4,000 million yen) out of short-term borrowings (JPY 6,000 million yen) used for the acquisition of AKASAKA INTERCITY AIR, which is an Eligible Green Project (Note 2), on July 2, 2018.

(Note 1) For details, please refer to "Notice Concerning Amendment to Shelf Registration Statement for Green Bond Issuance" dated July 6, 2018 and the second-party opinion of Sustainalytics (URL below).
http://www.excellent-reit.co.jp/site/file/tmp-afDSE.pdf

(Note 2) Eligible Green Projects are assets that meet the eligibility criteria among the specified assets owned by JEI. Eligibility criteria means that one of the following top three certifications has been received within the last 2 years from the payment date of investment corporation bonds or scheduled to be received during the remaining period from third-party evaluation organizations.

a. DBJ Green Building Certification: 3, 4 or 5 stars
b. CASBEE Certification: B+, A or S rank

(*) DBJ Green Building Certification is a certification of buildings with environmental and social awareness ("Green Buildings") implemented by Development Bank of Japan Inc. (DBJ) based on a five-grade evaluation system (1 to 5 starts) by using a comprehensive scoring model independently developed by DBJ.
(**) CASBEE (Comprehensive Assessment System for Built Environmental Efficiency) Certification is a method for evaluating and rating the environmental performance of buildings as well as a comprehensive evaluation system of the environmental performance of buildings including consideration to the surrounding landscape in addition to the aspects of environmental load reduction such as energy and resource saving and recycling performance.

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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 3,973 million yen

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

Funds are scheduled to be appropriated to a portion of early repayment (JPY 4,000 million yen) out of short-term borrowings (JPY 6,000 million yen) on August 31, 2018.

(Note) For details of the partial early repayment of 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 14th Series Unsecured Investment Corporation Bonds Issuance and the Partial Early Repayment of Borrowings

The status of interest-bearing debt before and after the issuance of the Investment Corporation Bonds and the partial early repayment of borrowings is as follows.

(millions of yen)

	Before the Issuance and the Repayment (As of August 3, 2018)	After the Issuance and the Repayment (As of August 31, 2018)	Increase/decrease
Short-term borrowings	6,000	2,000	-4,000
Long-term borrowings	85,600	85,600	-
Total borrowings	91,600	87,600	-4,000
Investment corporation bonds	40,000	44,000	4,000
Total interest-bearing debt	131,600	131,600	-

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/