Japan Excellent, Inc.

For Immediate Release
For Translation Purposes Only

September 4, 2019

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 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
15th 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
One billion yen (JPY 1,000,000,000)

(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
1.070% per annum

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

(8) Offering method
Public offering

(9) Offering date
September 4, 2019

(10) Payment date
September 10, 2019

(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 September 9, 2039.
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
March 10 and September 10 of each year
(Note 1) The initial interest payment date will be March 10, 2020.
(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.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
SMBC Nikko Securities Inc.

2. Reason for Issuance

JEI intends to allocate the procured funds to part of the ¥2.0 billion for repayment of a short-term borrowing (Note 1).
As for the concerned short-term borrowing, JEI intends to allocate the proceeds to the redemption of ¥2.0 billion of investment corporation bonds, excluding funds procured through the issuance of investment corporation bonds in April 2018 (¥4.0 billion) (Note 2) and the amount covered by cash on hand (¥1.0 billion) from a total of ¥7.0 billion of investment corporation bonds which was redeemed in November 2018 (average term of issuance: 5.5 years).
JEI intends to extend the remaining period of its debt and diversify maturity dates by issuing 20-year investment corporation bonds for the first time. The average term of issuance will be extended to 12.0 years together with the ¥4.0 billion yen of investment corporation bonds already issued.

(Note 1) For details of the concerned borrowing, please refer to "Notice Concerning Debt Financing" dated October 29, 2018.
(Note 2) For details of the issuance of the concerned investment corporation bonds, please refer to "Notice Concerning Issuance of Investment Corporation Bonds" dated April 13, 2018.

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)
982 million yen

(2) Specific use of funds to be procured and scheduled expenditure date
To be allocated to repayment of borrowings of ¥2.0 billion (Note 1) scheduled to fall due and be payable on October 8, 2019.

Japan Excellent, Inc.

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

(millions of yen)

	Before the Issuance (As of Sep. 4, 2019)	After the Issuance (Note 1) (As of Oct. 10, 2019)	Increase / decrease
Short-term borrowings	7,000	9,000	2,000
Long-term borrowings	87,600	87,600	-
Total borrowings	94,600	96,600	2,000
Investment corporation bonds	32,000	33,000	1,000
Total interest-bearing debt	126,600	129,600	3,000

(Note 1) The table indicates status after the repayment of a short-term borrowing of ¥2.0 billion scheduled to fall due and payable on October 8, 2019 and procurement of funds in the form of ¥4.0 billion of short-term borrowings (Note2) for which drawdown is scheduled to be made on October 1, 2019.

(Note 2) For details of the concerned borrowings, please refer to "Notice Concerning Debt Financing" dated October 29, 2018.

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 25th Fiscal Period (ended December 31, 2018) submitted on March 22, 2019 resulting from the issuance of the Investment Corporation Bonds.

(End)

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