Japan Excellent, Inc.

**For Immediate Release**
**For Translation Purposes Only**

July 9, 2024

**Japan Excellent, Inc. (TSE: 8987)**
Shuichiro Kayama, Executive Director

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# Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds) and Early Repayment of Short-term Borrowing

Japan Excellent, Inc. (hereinafter "JEI") hereby announces its decision made today to issue investment corporation bonds (green bonds) (hereinafter the "Investment Corporation Bonds") and to make early repayment of borrowings (hereinafter the "Early Repayment").

## 1. Details of the Investment Corporation Bonds

(A) Summary of Investment Corporation Bonds

(1) Name of investment corporation bonds
21st Series Unsecured Investment Corporation Bonds
(with special pari passu conditions among specified investment corporation bonds)
(also called 4th JEI Green Bonds)

(2) Total amount of investment corporation bonds to be issued
JPY 4,800,000,000

(3) Form of bond certificate
Pursuant to the Law concerning Book-Entry Transfer of Corporation Bonds, Shares, etc., no bond certificates will be issued.

(4) Issue price
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
1.740% per annum

(7) Amount of each investment corporation bond
JPY 100,000,000

(8) Offering method
Public offering

(9) Offering date
July 9, 2024

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(10) Payment date
July 16, 2024

(11) Collateral
No security or guarantee granted, 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 July 14, 2034.
The Investment Corporation Bonds may be retired by purchase at any time after the payment date unless otherwise specified by the book-entry transfer institution.

(13) Interest payment dates
January 16 and July 16 of each year
(Note 1) The initial interest payment date will be January 16, 2025.
(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, issuing and paying agent
Mizuho Bank, Ltd.

(17) Underwriter
Mizuho Securities Co., Ltd.
Nomura Securities Co., Ltd.
SMBC Nikko Securities Inc.

(B) Reason for Issuance

JEI will allocate funds procured through the issuance of the Investment Corporation Bonds to a portion of the funds for early repayment of short-term borrowings (Note 1). It intends to extend the remaining period of interest-bearing debt.

Also, from the perspective of promoting ESG activities, JEI has in terms of financing, too, been proactively procuring funds through "green bonds" and "sustainability loan" for the acquisition of properties that consider for the environment and social aspects. 21st Series Unsecured Investment Corporation Bonds will likewise be issued as the 4th JEI Green Bonds based on the "Green Bond Framework" (Note 2).

(Note 1) These short-term borrowings are a portion of the refinancing (including subsequent refinancing and procurement through investment corporation bonds) of the borrowings as funds for the ASAKA INTERCITY, GRAND FRONT OSAKA (Umekita Plaza・South Building) and GRAND FRONT OSAKA (North Building) which are Eligible Green Projects (Note 3).
(Note 2) 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).
https://www.excellent-reit.co.jp/en/esg/green-bond.html
(Note 3) For the definition of "Eligible Green Projects," please refer to JEI's website.
https://www.excellent-reit.co.jp/en/esg/green-bond.html

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(C) 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 4,770,000,000

(2) Specific use of funds to be procured and scheduled expenditure date
To be allocated to a portion of the funds for early repayment of the short-term borrowings on July 31, 2024.

(Note1) For details of the borrowings which will be subject to the early repayment, please refer to "2. Details of the Early Repayment" below.

## 2. Details of the Early Repayment

(A) Summary of Early Repayment

(1) Repayment amount : JPY 4,800,000,000
(2) Repayment date : July 31, 2024
(3) Repayment resource : Funds procured through the Investment Corporation Bonds and cash on hand

(B) Summary of the Borrowings which will be Subject to Early Repayment

| | Lender | Loan Amount | Repayment Amount | Interest Rate | | Borrowing Period | Drawdown Date | Principal Repayment Date |
|---|---|---|---|---|---|---|---|---|
| (1) | Mizuho Bank, Ltd. | ¥3.6 billion | ¥3.6 billion | Floating | Base interest rate (JBA one-month Yen-TIBOR) +0.200% | 1 year | March 8, 2024 | February, 28, 2025 |
| (2) | Mizuho Bank, Ltd. | ¥5.0 billion | ¥1.2billion | Floating | Base interest rate (JBA one-month Yen-TIBOR) +0.200% | 1 year | December 7, 2023 | December 6, 2024 |

(Note 1) There will be no break funding fee applicable to the Early Repayment.
(Note 2) For details of the borrowings, please refer to (1) "Notice Concerning Debt Financing" dated March 5, 2024 and (2) "Notice Concerning Debt Financing" dated December 4, 2023.

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

(millions of yen)

| | Before the Issuance and the Early Repayment (As of July 12, 2024) | After the Issuance and the Early Repayment (As of July 31, 2024) | Increase/Decrease |
|---|---|---|---|
| Short-term borrowings | 16,000 | 11,800 | -4,800 |
| Long-term borrowings | 87,600 | 87,600 | - |
| Total borrowings | 104,200 | 99,400 | -4,800 |
| Investment corporation bonds | 34,400 | 39,200 | 4,800 |
| Total interest-bearing debt | 138,600 | 138,600 | - |

## 4. 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 35th Fiscal Period (ended December 31, 2023) filed on March 22, 2024 resulting from the issuance of the Investment Corporation Bonds.

(End)

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