

October 23, 2020

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 a borrowing (hereinafter the “Early Repayment”).

1. Details of the Investment Corporation Bonds

(A) Summary of Investment Corporation Bonds

- (1) Name of investment corporation bonds
16th Series Unsecured Investment Corporation Bonds
(with special pari passu conditions among specified investment corporation bonds)
(also called 2nd JEI Green Bonds)
- (2) Total amount of investment corporation bonds to be issued
Five billion yen (JPY 5,000,000,000)
- (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
0.750% per annum
- (7) Unit price
One hundred million yen (JPY 100,000,000)
- (8) Offering method
Public offering
- (9) Offering date
October 23, 2020

(10) Payment date
October 29, 2020

(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 29, 2035.
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 29 and October 29 of each year
(Note 1) The initial interest payment date will be April 29, 2021.
(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 / Green Bond structuring agent
Mizuho Securities Co., Ltd.

(B) Reason for Issuance

The investment corporation bonds (JPY 5,000,000,000) due for redemption on March 11, 2019 was once refinanced into a short-term borrowing in light of the investment corporation bond market and with a view to securing liquidity on hand. The Investment Corporation Bonds are being issued this time because the environment for issuance of bonds has taken a favorable turn to one in which issuance can be made at an interest rate of 0.750%, the lowest for JEI’s 15-year bonds.

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. Following on from 2018, the Investment Corporation Bonds will likewise be issued as the 2nd JEI Green Bonds based on the “Green Bond Framework” (Note 1). The funds procured through the issuance of the Investment Corporation Bonds will be allocated to a portion of the funds for the early repayment of the short-term borrowing (JPY 5,000,000,000) borrowed on March 9, 2020, which is a portion of the refinancing (including subsequent refinancing and procurement through investment corporation bonds) of the short-term borrowing (JPY 49,000,000,000) borrowed on October 26, 2007 as funds for the acquisition of AKASAKA INTERCITY and Kowa Kawasaki Nishiguchi Building, which are Eligible Green Projects (Note 2).

(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) For the definition of “Eligible Green Projects,” please refer to JEI’s website.
<https://www.excellent-reit.co.jp/en/esg/green-bond.html>

(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)
4,965 million yen (JPY 4,965,000,000)

(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 a short-term borrowing (JPY 5,000,000,000) on October 30, 2020

2. Details of the Early Repayment

(A) Summary of Early Repayment

- (1) Repayment amount : Five billion yen (JPY 5,000,000,000)
 (2) Repayment date : October 30, 2020
 (3) Repayment resource : Funds procured through the Investment Corporation Bonds and cash on hand

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

Lender	Loan Amount	Interest Rate		Borrowing Period	Drawdown Date	Principal Repayment Date (Note 1)	Borrowing Method, Repayment Method, Collateral
Mizuho Bank, Ltd.	¥5.0 billion	Floating	Base interest rate (JBA one-month Yen-TIBOR) +0.200%	1.0 year	March 9, 2020	March 9, 2021	<ul style="list-style-type: none"> • Term loan agreement • To be repaid in full on the repayment date • Unsecured • Non-guaranteed

(Note 1) There will be no settlement fee applicable to the Early Repayment.

(Note 2) For details of the borrowing, please refer to “Notice Concerning Debt Financing” dated March 4, 2020.

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 October 28, 2020)	After the Issuance and the Early Repayment (As of October 30, 2020)	Increase/Decrease
Short-term borrowings	5,000	-	-5,000
Long-term borrowings	87,600	87,600	-
Total borrowings	92,600	87,600	-5,000
Investment corporation bonds	33,000	38,000	5,000
Total interest-bearing debt	125,600	125,600	-

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 28th Fiscal Period (ended June 30, 2020) submitted on September 18, 2020 resulting from the issuance of the Investment Corporation Bonds.

(End)

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