



**For Immediate Release
For Translation Purposes Only**

September 3, 2015

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

8th 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

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

1.03% per annum

(7) Unit price

One hundred million yen (JPY 100,000,000)

(8) Offering method

Public offering

(9) Offering date

September 3, 2015

(10) Payment date

September 9, 2015

(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, 2025.

*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 9 and September 9 of each year

*The initial interest payment date will be March 9, 2016

*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., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

2. Reason for issuance

To allocate funds procured through the issuance of the Investment Corporation Bonds to the part of repayment of short-term borrowings that the arrival of the deadline to September 25, 2015.

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 4,966,000,000

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

It is scheduled to be appropriated to the part of the repayment of short-term borrowings that are listed in the "Notice Concerning Debt Financing" dated June 22, 2015.

4. Amount of borrowings after the issuance

(millions of yen)

	Before the issuance (As of August 31, 2015)	After the issuance (As of September 25, 2015)	Increase / (decrease)
Short-term borrowings	22,000	17,000	▲ 5,000
Long-term borrowings	100,900	100,900	—
(23,540)	(23,540)	(23,540)	—
Total borrowings	122,900	117,900	▲ 5,000
Investment corporation bonds	25,000	30,000	5,000
(—)	(—)	(—)	—
Sum of borrowings and investment corporation bonds	147,900	147,900	—

Other interest-bearing debt	—	—	—
Total interest-bearing debt	147,900	147,900	—

* Date of issue of this Investment Corporation Bonds is September 9, 2015, but describes the situation after the repayment of short-term borrowings (September 25, 2015).

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 Fourteenth Fiscal Period (ended December 31, 2014) resulting from the issuance of the Investment Corporation Bonds.

(End)

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