



Japan Excellent, Inc.

**For Immediate Release
For Translation Purposes Only**

July 4, 2016

Japan Excellent, Inc. (TSE: 8987)
Hidehiko Ogawa, Executive Director

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Notice Concerning Pricing for the Issue of New Investment Units and Secondary Offering

Japan Excellent, Inc. (“JEI” or the “Investment Corporation”) announces its decision, by resolutions of its Board of Directors adopted on July 4, 2016, concerning the offer price and other details of the issue of new investment units and secondary offering determined at its Board of Directors on June 22, 2016. Brief details are as follows:

1. Public Offering for the Issue of New Investment Units (Primary Offering)

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|-----|------------------------------------|---|
| (1) | Total number of units to be issued | : 37,500 units |
| (2) | Offer price | : ¥138,742per unit |
| (3) | Total offer price | : ¥5,202,825,000 |
| (4) | Issue price | : ¥134,259per unit |
| (5) | Total issue price | : ¥5,034,712,500 |
| (6) | Application period | : July 5, 2016 (Tuesday) through July 6, 2016 (Wednesday) |
| (7) | Payment date | : July 11, 2016 (Monday) |

(Note) Underwriters will underwrite and purchase the Investment Corporation’s investment units at the above issue price, and conduct a public offering at the above offer price. The proceeds, i.e., the difference between the offer and issue price, will be treated as the underwriting fee for the underwriters.

2. Secondary Offering (Over-Allotment)

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|-----|-------------------------------------|---|
| (1) | Total number of units to be offered | : 3,750 units |
| (2) | Offer price | : ¥138,742per unit |
| (3) | Total offer price | : ¥520,282,500 |
| (4) | Application period | : July 5, 2016 (Tuesday) through July 6, 2016 (Wednesday) |
| (5) | Delivery date | : July 12, 2016 (Tuesday) |

Note: This press release provides information regarding JEI’s decision to issue new investment units and to conduct a secondary offering, and is not intended to, and does not, constitute or form a part of, and should not be construed as, an offer to sell or a solicitation of an offer to buy any units of JEI, and does not constitute any form of commitment or recommendation by JEI or any person acting on its behalf. You should read carefully the Japanese Prospectus and must rely on your own examination of JEI or consult your own advisors before making any investment

3. Third-Party Allotment (Greenshoe Option)

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|-----|--|---|--|
| (1) | Total number of units to be issued | : | 3,750 units |
| (2) | Issue price | : | ¥134,259 per unit |
| (3) | Total issue price | : | ¥503,471,250 |
| (4) | Application period (application date) | : | August 9, 2016 (Tuesday) |
| (5) | Payment date | : | August 10, 2016 (Wednesday) |
| (6) | Name of the third party (Number of units to be allotted) | : | Mizuho Securities Co., Ltd.
(3,750 units) |

(Note) If no application is made by the third party for all or a part of the investment units to be allotted, the issue of such investment units will be canceled.

<Notes>

1. Basis for Calculating the Offer Prices for the Primary Offering and Secondary Offering

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|-----|-------------------------------------|---|-----------------------|
| (1) | Reference date for calculation | : | July 4, 2016 (Monday) |
| (2) | Closing price on the reference date | : | ¥142,300 |
| (3) | Discount rate | : | 2.50% |

2. Syndicate Cover Transaction Period

July 7, 2016 (Thursday) through August 5, 2016 (Friday)

3. Changes in the Number of Investment Units Issued and Outstanding

	(Unit)
Number of units issued and outstanding as of July 4, 2016	: 1,264,450
Increase due to primary offering	: 37,500
Subtotal	: 1,301,950
Increase due to third-party allotment	: 3,750 (maximum)
Total	: 1,305,700 (maximum)

4. Use of Proceeds

JEI plans to use the net proceeds of ¥5,034,712,500 from the primary offering as a portion of the repayment of loans (¥11.5 billion) made in line with the acquisition of Mansard Daikanyama as stated in “Notice Concerning Acquisition of Investment Asset (Mansard Daikanyama)” separately announced on June 22, 2016. The net proceeds with a maximum of ¥503,471,250 procured from the issuance of new investment units by third-party allotment which was resolved on the same date as the private offering will be kept as cash on hand, and will be used as part of funds for future acquisitions of specified assets (as defined under Article 2-1 of the Act on Investment Trusts and Investment Corporations) or as part of repayment of loans, redemption of investment corporate bonds.

(Note) JEI will deposit the procured funds in a financial institution until the time of expenditure.

(End)

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

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