



News Release

**April 1, 2013
Capital Eye Ltd.**

**BEST DEALS OF 2012 Awards Selection:
Kansai Electric Power's Straight Bond, JT's Secondary Offer**

On April 1, Capital Eye Ltd. announced its Awards "BEST DEALS OF 2012". The honors reflect the results of surveyed responses from securities companies and institutional investors, combined with Capital Eye's editorial judgment, in determining the most outstanding issuers of bond and equity transactions of fiscal 2012.

In the straight bond category, Kansai Electric Power Co. took top honors as its transaction that impressed as a signal of the sector's comeback following the travails that ensued in the aftermath of the March 2011 earthquake and nuclear disaster. Meanwhile, one of Japan Housing Finance Agency's monthly residential mortgage-backed security (RMBS) offers helped to restore confidence in a market hit by faltering confidence. Central Nippon Expressway's bond offer, appearing boldly after a deadly tunnel collapse, also drew applause.

Among domestic straight bonds, FUJIFILM Holdings was a winner, while Nordea Bank AB made its Samurai debut, and ING Bank broke open the New Tokyo Pro-Bond market for professional investors. Elsewhere, SoftBank Corp. made its mark in the straight bond market, while Takeda Pharmaceutical raised M&A funds through a foreign bond offer. Among regional bond issuers, Osaka City switched to the more orthodox "lead-manager system" for all tenors of its issuance, while in the 10-year space Tokyo Metropolitan Government demonstrated its traditional leadership prowess.

In the new equity issue category, Euglena won top honors with its promising venture company-like business model. Meanwhile, Japan Tobacco (JT) received a good deal of attention with the government's fourth sell-down offer, which raised nearly ¥1 trillion to benefit 2011 earthquake reconstruction efforts.

Among J-REIT issues active with the installation of 'Abenomics' (named for Prime Minister Shinzo Abe's pro-inflationist economic policies) were Nippon Prologis REIT as well as GLP J-REIT for its 'second generation' issue. Industrial & Infrastructure Fund Investment Corp., a frequent visitor to the capital markets, garnered praise for its efforts.

The list of the award winners follows. Bookrunners affiliated with global issues are hereafter known as 'global coordinators', while the date of issue denotes either the date of deal pricing or the date of launch.

STRAIGHT BONDS

Best Deal-Winner

| | | | |
|---|--------------|--------|--------|
| No. 486 Kansai Electric Power 〈Mizuho / Mitsubishi UFJ Morgan Stanley〉 | Jul 12, 2012 | 5-year | Y100bn |
|---|--------------|--------|--------|

Kansai Electric Power's Y100 billion issue impressed in that it signaled the return of electric power issuers to the market after a period of great quake-induced market turmoil. Pricing was accommodative to investors, coming in at 63bps over JGBs. Over 150 investors participated, and interestingly, all three megabanks were recruited as bond managers on the deal--the first such occurrence in 15 years. Purchase denominations were also broken up from Y100 million to Y1 million, showing consideration for investor appetite. The issue coincided with the decision to restart the firm's Oi nuclear power plant, a major positive news event for both the industry and the company.

Best Deal-First Runner-up

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|--|--------------|---------|-------|
| No. 1 FUJIFILM Holdings Corporation 〈Nomura / SMBC Nikko / Daiwa〉 | Nov 27, 2012 | 5-Year | Y60bn |
| No. 2 FUJIFILM Holdings Corporation 〈SMBC Nikko / Nomura / Daiwa〉 | Nov 27, 2012 | 7-Year | Y30bn |
| No. 3 FUJIFILM Holdings Corporation 〈SMBC Nikko / Nomura / Daiwa〉 | Nov 27, 2012 | 10-Year | Y40bn |

FUJIFILM Holdings' large debut issue was significant for both its size and the care taken in its management to market, as caution regarding corporate paper was prevalent at the time. But this transaction helped to ameliorate that situation. Despite being a double-A credit that would customarily price in the single digits over JGBs, all three tenors ended up selling at +15bp and functioning as a brake on the tightening trend.

Best Deal-Second Runner-up

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|--|--------------|--------|--------|
| No. 41 SoftBank Corp. (Retail) 〈Nomura / Daiwa / Mizuho / SMBC Nikko / Mitsubishi UFJ Morgan Stanley〉 | Feb 22, 2013 | 4-Year | Y300bn |
| No. 42 SoftBank Corp. 〈Mizuho / SMBC Nikko / Daiwa / Nomura / Mitsubishi UFJ Morgan Stanley / Deutsche〉 | Feb 22, 2013 | 4-Year | Y70bn |

SoftBank Corp.'s Y370 billion combined issue was the largest deal of the fiscal year, and came after the firm announced its Y1.57 trillion buyout of U.S. wireless carrier Sprint Nextel Corp., which stands as the largest-ever overseas acquisition by a Japanese company. Softbank was successful in its effort to spread the paper around to a wide swath of investors originally somewhat nervous over the company's ambitious M&A plans. The deal was planned at the outset as a pure retail bond issue, but in response to institutional investor feedback, a wholesale segment was also added, with SoftBank garnering praise for its flexibility.

Special Prize

| | | | |
|---|-------------|---------|-------|
| No. 17 Daikin Industries | Dec 5, 2012 | 5-Year | Y10bn |
| No. 18 Daikin Industries | Dec 5, 2012 | 7-Year | Y10bn |
| No. 19 Daikin Industries 〈Daiwa / SMBC Nikko / Mizuho〉 | Dec 5, 2012 | 10-Year | Y30bn |

Daikin Industries, the world's largest air-conditioner maker, came to market to raise M&A funds to facilitate its

multi-billion dollar buyout of U.S. firm Goodman. The issue centered around a core 10-year segment and succeeded in raising a total of Y50 billion. The deal came at a time of flagging confidence in the electronics sector. Final pricing levels reflected this, resulting in smooth digestion, and exerting a positive influence on the market. The issue came in the wake of the company having suffered a credit ratings action.

Best Issuer of 2012

No selection

ZAITO (AGENCY) BONDS

Best Deal-Winner

| | | | |
|---|--------------|--------|-------|
| No. 24 Development Bank of Japan | Apr 10, 2012 | 3-Year | Y50bn |
| No. 25 Development Bank of Japan 〈Mitsubishi UFJ Morgan Stanley / Mizuho / SMBC Nikko〉 | Apr 10, 2012 | 5-Year | Y60bn |

Development Bank of Japan's (DBJ) combined Y110 billion issue, the first such issue of the fiscal year, was recognized as featuring fair pricing, and achieved distinction as setting the benchmark for issues that followed. The transaction was not without its challenges, appearing in the short- to middle-tenor range amid a low interest rate, tight spread environment and flagging investor appetite. DBJ's deal helped to alter that trend, however.

Special Prize

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|--|-------------|---------|-------|
| No. 47 Central Nippon Expressway Company 〈Mitsubishi UFJ Morgan Stanley / Citigroup / Nomura / Goldman Sachs〉 | Mar 7, 2013 | 5-Year | Y50bn |
| No. 48 Central Nippon Expressway Company 〈Daiwa〉 | Mar 7, 2013 | 10-Year | Y20bn |

Central Nippon Expressway's offer was the first deal to come to market following the deadly December 2012 tunnel collapse in Yamanashi, west of Tokyo. The issuer eschewed securities firms as intermediaries and appealed directly to investors, making some 30 visits in all, while taking great care to explain commentary about the firm's credit, and making it clear that there was no undue influence stemming from the tunnel incident. Investors nevertheless sought wider spreads, upon which the company met their demands, resulting in a readily digested transaction.

Best Issuer of 2012

Japan Housing Finance Agency

Japan Housing Finance Agency, which issues paper on a monthly basis, consistently delivers correct and proper pricing through thick and thin, thanks in large part to the market's unshakeable trust in it. The Agency's regular 15/20-year bonds are reliant on a stalwart base of loyal, "repeating" regional investors. Responding to their needs for extended tenor, the Agency produced at total of Y523 billion in issuance in fiscal 2012, contributing to the super-long segment of the market. Japan Housing even ventured into the 30-year market with Y50 billion worth of supply.

Special Prize

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|------------------------------|--------------|--------|-------|
| No. 13 United Mexican States | May 31, 2012 | 3-Year | Y50bn |
| No. 14 United Mexican States | May 31, 2012 | 5-Year | Y30bn |

〈Citigroup / Mitsubishi UFJ Morgan Stanley / Nomura / SMBC Nikko〉

United Mexican States' offer marked the issuer's return to the market after a 12-year hiatus and was significant in that it essentially re-opened the emerging market bond space. A 'standalone' credit, the deal did not adhere to dollar bond market spreads, and the paper found its own place and price in the Samurai field in what was ultimately a well-received transaction, with two tranches raising a healthy Y80 billion. Japan Bank for International Cooperation (JBIC)'s participation as an investor was one major highlight of the issue; JBIC had formerly filled the role as guarantor of such issues from 2009-10.

Best Issuer of 2012

Rabobank

Rabobank was hailed as Best Issuer for the third year in a row. The bank once again was a major Samurai market driver, coming in both halves of the fiscal year to print a total of Y281.8 billion in paper. Rabobank was the first private financial institution to issue in the fiscal year amid the chaos enveloping the Greek financial disaster. Utilizing its sterling credit, Rabobank was nevertheless able to produce a deal that rivaled the size of its own 2008 debut deal. The success of the offer provided an incentive for following European issuers. Rabobank came back to the market in October, amid a global tightening of credit, pricing at much tighter levels than its prior issue, in the process also helping to correct the entire market. Its five tranche, Y161.8 billion Samurai was both its largest and the largest by any issuer for the fiscal year.

SECURITIZATION DEALS

Best Deal-Winner

| | | | |
|-------------------------------------|--------------|---------|----------|
| No. 69 Japan Housing Finance Agency | Jan 24, 2013 | 35-Year | Y184.9bn |
|-------------------------------------|--------------|---------|----------|

〈SMBC Nikko / Nomura/ Merrill Lynch Japan〉

Japan Housing Finance Agency's No. 69 issue came on the heels of a prior deal (its No. 68 issue) that experienced spread widening, and subsequently a loss of market confidence due to scheduling changes that were made. But a tightening trend that had continued from the start of the fiscal year posed a challenge in that investors were putting off buying, at which point the Agency re-affirmed interest, making sure that market conditions were reflected in pricing levels while re-jiggering the buyer base. In the end, the issue succeeded in attracting overwhelming demand.

Best Issuer of 2012

No selection

FOREIGN CURRENCY BONDS

Best Deal-Winner

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|-------------------------------|-------------|------------------|---------|
| Takeda Pharmaceutical Company | Jul 9, 2012 | 2-year, 8 months | \$1.5bn |
|-------------------------------|-------------|------------------|---------|

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|--|-------------|------------------|---------|
| Takeda Pharmaceutical Company 〈Nomura / JP Morgan / Bank of America Merrill Lynch / Citigroup / Morgan Stanley〉 | Jul 9, 2012 | 4-year, 8 months | \$1.5bn |
|--|-------------|------------------|---------|

An iconic and rare Japanese drug company issuer, Takeda Pharmaceutical impressed with its stable financials and high credit, and as a result was able to muster a whopping \$7 billion worth of demand for its paper. In all, the company's \$3 billion offer was the largest dollar-denominated deal ever done by a Japanese corporate issuer. By making use of the basis swap environment the company was able to secure a favorable costs relative to its domestic peers. The deal was used for raising short-term M&A funds, specifically Takeda's takeover of Swiss drug maker Nycomed, and followed its March 2012 domestic straight bond transaction.

Best Deal-Winner

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|--|------------------|----------------------|-------|
| Nippon Life Insurance 〈JP Morgan / Citigroup〉 | October 11, 2012 | 30-year (Non-Call10) | \$2bn |
|--|------------------|----------------------|-------|

Nippon Life's subordinated bond was the first of its kind from a mutual company, and was pushed through by the firm's reputation as "Japan's strongest life insurer". Investor needs called for a truly global, high-credit, high coupon paper, and Nippon Life ultimately succeeded in garnering a \$27 billion in demand for its deal. The transaction finished at pricing spreads some 100bps tighter than original guidance, a point of impact on the market.

Best Issuer of 2012

Japan Finance Organization for Municipalities

Japan Finance Organization for Municipalities (JFM) came to market twice in the fiscal year, both times with benchmark-sized \$1 billion deals. The success of the September 2012 offer, the first non-government guaranteed foreign bond, allowed follow-up in January, a time when the New Year's rush of issuance saw spreads widen, along with a measure of general caution towards Japanese paper on the back of the government's inflationist 'Abenomics' doctrine. The deal's spreads began around 5bps higher and attracted overwhelming demand. The offer illustrated the strength of the JFM brand ? even without a government guarantee, and added to the market supply. In March, JFM also printed an individual investor-focused uridashi Australian dollar-denominated bond.

Special Prize (TOKYO PRO-BOND Market)

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|--|-------------------|--------|----------|
| No. 1 ING Bank 〈Barclays / Nomura / SMBC Nikko〉 | Apr 10, 2012 | 2-year | Y50.7bn |
| No. 2 ING Bank | December 13, 2012 | 3-year | Y164.5bn |
| FRN No.1 ING Bank 〈Barclays / Mizuho / Nomura〉 | December 13, 2012 | 3-year | Y11.4bn |

ING Bank's No. 1 bond of April, 2012 was the first to make use of the new Tokyo Pro-Bond market for professional investors. The bank's second issue, which came later in December, totaled Y175.9 billion. The second transaction, a two-tranche issue, was the largest yen-denominated paper by any foreign borrower of the fiscal year, and was the largest-ever European financial yen bond. As of the present, ING remains the only issuer to try the Pro-Bond system, but has laid the foundation for future development.

NEW PUBLIC EQUITY ISSUES/URIDASHI

Best Deal-Winner

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|-------------------------|-----------------------------|--|
| Euglena 〈SMBC Nikko〉 | Dec 20, 2012 (Listing date) | Public Issue/Uridashi Total shares: 550,500 Total amount: Y935,850,000 |
|-------------------------|-----------------------------|--|

In the new public issues space, Euglena, a biotech company developed at the University of Tokyo, came to market with a venture capitalist's unique business models and the stability of profitability. Bookbuilding targeted both individual and institutional investors and succeeded in attracting a wide range of demand. With shares already worth some 10 times their IPO level by end-March, Euglena was tops in terms of share price appreciation among the fiscal year's new issues. Euglena is developing systems to produce functional foods, cosmetics, and to extract oil for fuel by mass-producing algae, which is expected to be a high growth business.

Best Issuer of 2012

No selection

SECONDARY PUBLIC EQUITY ISSUES/URIDASHI

Best Deal-Winner

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|--|-----------------------|---|
| Japan Tobacco 〈Daiwa / Goldman Sachs〉 | Feb 25, 2013 Uridashi | Total shares: 253,261,800 Total amount: Y746,869,040,000 |
|--|-----------------------|---|

The Japanese government's massive selldown of Japan Tobacco shares was the fiscal year's largest global offering, with the proceeds aimed at financing the reconstruction of areas affected by the Great Tohoku Earthquake of 2011. Share prices trended upward on the secondary market post-launch, and the deal found good demand among the overseas investors it mainly targeted, as well as from domestic individual investors. The company's plan to buy back Y250 billion worth of the shares released into the market was seen as a praiseworthy move.

Deal management expertise was widely lauded ? from presentation materials and syndicate coordination to support meetings and the pro-active and careful marketing strategies employed by JT. In all, over 100 companies participated in the global coordinators' "all Japan" sales group, garnering strong praise.

Best Deal-Runner-up

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|-----------------|--------------|--|
| JIN 〈Mizuho〉 | Jul 24, 2012 | Public Issue/Uridashi Total shares: 3,500,000 Total amount: Y5,663,000,000 |
|-----------------|--------------|--|

Eyewear maker JIN's follow on public offer appeared at a good time -- soon after the firm revised up its earnings forecasts and boosted its dividend payout, fueling hopes for further growth. The deal was popular among its core of individual investors, who liked JIN's plan of operating 500 stores across Japan. Shares more than tripled post-financing. The company is known for its popular "JINS PC" glasses designed

specifically for personal computer users, and other hit products.

Best Issuer of 2012

No selection

REAL ESTATE INVESTMENT TRUSTS

Best Deal-Winner

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|--|-----------------------------|--------------|---|
| Nippon Prologis REIT 〈Morgan Stanley MUFG / SMBC Nikko〉 | Feb 14, 2013 (Listing date) | Public Issue | Total shares: 182,350 Total amount: Y100,292,500,000 |
|--|-----------------------------|--------------|---|

Nippon Prologis REIT staged its IPO in February 2013 with sponsor support from U.S. industrial real estate developer Prologis Group, with plenty of pipelines of major Class A assets developed in Japan. Sporting global expansion capability and asset management skills, Nippon Prologis showed that it is ahead of its peers. International investors were attracted to the IPO, which also benefited from strong underlying market tailwind. Indeed, the deal was seen as having contributed to its vitality.

Special Prize

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|--|-----------------------------|--------------|---|
| GLP J-REIT 〈Citigroup / Goldman Sachs / Nomura〉 | Dec 21, 2012 (Listing date) | Public Issue | Total shares: 1,747,100 Total amount: Y105,699,550,000 |
|--|-----------------------------|--------------|---|

Listing on the Tokyo bourse in late December, 2012, GLP J-REIT aims to create a “REIT 2nd Generation”, and has undertaken several challenges in this endeavor. Recognized as innovative and specializing in logistics facilities, the company has, for example, installed an “OPD (Optimal Payable Distribution)” feature in its business model. Coming to market before the start of the steep rise in Japanese stock prices, the company considered strategy very carefully, deriving an asset purchase option as a “booster engine” to ensure the IPO’s success.

Best Issuer of 2012

Industrial & Infrastructure Fund Investment Corporation

Industrial & Infrastructure Fund Investment Corp., a J-REIT operator, came to market with a global offering in February 2013, successfully raising some Y10 billion via a new share issue. Listed in 2007, the company pursues growth via an original asset management style, including a public real estate (PRE) strategy, which effectively puts pressure on its competition. Management has been praised for its strong commitment to both NAV and DPU growth, achieving successful global offerings in consecutive years.

CONVERTIBLE BONDS

Best Deal-Winner

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|------------------------|-------------|--------------|--------|-------|
| ABC-MART 〈Barclays〉 | Euro-yen CB | Jan 17, 2013 | 5-year | Y33bn |
|------------------------|-------------|--------------|--------|-------|

Footwear retailer ABC-MART’s euroyen convert was well-timed, as it coincided with the sharp rise of the

Japanese stock market. With lack of the new issues offered by Japanese corporates, ABC-MART's aggressive overseas expansion plan provided for a good, forward-looking equity story, attracted the starving investors. The firm was able to price at a relatively high premium (27.98%), a noteworthy feature considering that Japan's retail sector sports generally low historical volatility. The issue helped brighten the CB environment and paved the way for other issues to follow.

BEST ISSUER OF 2012

No selection

About Capital Eye awards:

Capital Eye's awards recognize the year's best and most reputable capital market transactions. Surveys are distributed to industry players, including underwriters and institutional investors, which assist in identifying worthy issuers and transactions, along with relevant asset classes: straight bonds, zaito (agency) bonds, regional bonds, Samurai bonds, foreign currency bonds (Japanese corporations issuing debt abroad), and securitized offers, as well as new share issues, existing share issues, J-REITs, and convertible bonds, etc. Transactions are also appraised by Capital Eye editors on such aspects as market digestion, significance and relevance, towards promoting further activity.

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Business: Financial service product provider, specializing in real-time (online) and published capital markets intelligence and analyses (Capital Eye News) geared for industry professionals. Fixed income coverage includes corporate bonds, zaito (agency) bonds, government guaranteed bonds, secondary market activity, as well as credit default swaps and corporate paper. Equities coverage includes corporate issuance, REITs, and convertible bonds, as well as mergers and acquisitions (M&A) and stock lending-related news and analyses.

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