



**For Immediate Release  
For Translation Purposes Only**

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Japan Excellent, Inc. (TSE: 8987)  
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## Japan Excellent, Inc. Reports 22nd Period Financial Results

(From January 1, 2017 to June 30, 2017)

This financial report has been prepared in accordance with Japanese accounting standards and the Japanese national law. Figures have been rounded down to the nearest one million yen.

### 1. Operating Results

	22 <sup>nd</sup> Period Ended June 30, 2017	21 <sup>st</sup> Period Ended December 31, 2016
Total revenues	10,642 million yen	10,653 million yen
Operating income	4,154 million yen	4,221 million yen
Ordinary income	3,460 million yen	3,407 million yen
Net income	3,459 million yen	3,406 million yen
Return on equity	2.4%	2.4%
Return on assets	1.2%	1.2%
Ordinary income to Operating Revenue ratio	32.5%	32.0%

### 2. Distributions

	22 <sup>nd</sup> Period Ended June 30, 2017	21 <sup>st</sup> Period Ended December 31, 2016
Distribution per unit	2,650 yen	2,609 yen
Total distribution	3,460 million yen	3,406 million yen
Distributions in excess of earnings per unit	- yen	- yen
Total distributions in excess	- million yen	- million yen
Payout ratio	100.0%	100.0%
Dividend ratio to net assets	2.4%	2.4%

### 3. Financial Situation

	22 <sup>nd</sup> Period Ended <u>June 30, 2017</u>	21 <sup>st</sup> Period Ended <u>December 31, 2016</u>
Total assets	297,177 million yen	296,081 million yen
Net assets	143,693 million yen	143,640 million yen
Capital ratio	48.4%	48.5%
Net assets per unit	110,050 yen	110,010 yen

### 4. Cash Flow

	22 <sup>nd</sup> Period Ended <u>June 30, 2017</u>	21 <sup>st</sup> Period Ended <u>December 31, 2016</u>
Cash flow from operating activities	6,016 million yen	5,351 million yen
Cash flow from investing activities	(483) million yen	(11,992) million yen
Cash flow from financing activities	(3,448) million yen	8,364 million yen
Cash and cash equivalents at end of period	22,182 million yen	20,096 million yen

### 5. Forecasts

	23 <sup>rd</sup> Period Ended <u>December 31, 2017</u>	24 <sup>th</sup> Period Ended <u>June 30, 2018</u>
Total revenues	10,827 million yen	10,935 million yen
Operating income	4,273 million yen	4,378 million yen
Ordinary income	3,487 million yen	3,657 million yen
Net income	3,486 million yen	3,656 million yen
Distribution per unit	2,670yen	2,800 yen
Distribution in excess of earnings per unit	- yen	- yen

#### Assumption of Forecasts

- Total Number of Outstanding Investment Units  
1,305,700units

#### Disclaimer

This news release was prepared solely for the convenience of and reference by investors and neither corresponds to the original Japanese documents nor is it intended to constitute a disclosure document. The Japanese language Kessan-Tanshin should always be referred to as originals of this document.

English terms for Japanese legal, accounting, tax, and business concepts used herein may not be precisely identical to the concepts of the equivalent Japanese terms. With respect to any and all terms herein, the original Japanese documents will always govern the meaning and interpretation.

The financial statements are a translation of the audited financial statements that were prepared in accordance with generally accepted principles in Japan which may materially differ in certain respects from generally accepted accounting principles and practices in other jurisdictions.



**Japan Excellent, Inc.**

Certain provisions of this document contain forward-looking statements and information. We base these statements on our beliefs as well as our assumptions based solely on certain limited information currently available to us. Because these statements reflect our current views concerning future events, these statements involve known and unknown risks, uncertainties, and assumptions. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including without limitation: the general economy, market conditions, financial markets including the performance of the real estate market, interest rate fluctuations, competition with our properties, and the impact of changing regulations or taxation.

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**Japan Excellent, Inc. Website :** [www.excellent-reit.co.jp/eng/](http://www.excellent-reit.co.jp/eng/)