



**For Immediate Release
For Translation Purposes Only**

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Japan Excellent, Inc. (TSE: 8987)
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Japan Excellent, Inc. Reports 23rd Period Financial Results

(From July 1, 2017 to December 31, 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

	23 rd Period Ended December 31, 2017	22 nd Period Ended June 30, 2017
Total revenues	11,085 million yen	10,642 million yen
Operating income	4,519 million yen	4,154 million yen
Ordinary income	3,701 million yen	3,460 million yen
Net income	3,700 million yen	3,459 million yen
Return on equity	2.6%	2.4%
Return on assets	1.3%	1.2%
Ordinary income to Operating Revenue ratio	33.4%	32.5%

2. Distributions

	23 rd Period Ended December 31, 2017	22 nd Period Ended June 30, 2017
Distribution per unit	2,670 yen	2,650 yen
Total distribution	3,486 million yen	3,460 million yen
Distributions in excess of earnings per unit	- yen	- yen
Total distributions in excess	- million yen	- million yen
Payout ratio	94.2%	100.0%
Dividend ratio to net assets	2.4%	2.4%

3. Financial Situation

	23 rd Period Ended <u>December 31, 2017</u>	22 nd Period Ended <u>June 30, 2017</u>
Total assets	282,197 million yen	297,177 million yen
Net assets	143,933 million yen	143,693 million yen
Capital ratio	51.0%	48.4%
Net assets per unit	110,234 yen	110,050 yen

4. Cash Flow

	23 rd Period Ended <u>December 31, 2017</u>	22 nd Period Ended <u>June 30, 2017</u>
Cash flow from operating activities	29,599 million yen	6,016 million yen
Cash flow from investing activities	(9,330) million yen	(483) million yen
Cash flow from financing activities	(18,859) million yen	(3,448) million yen
Cash and cash equivalents at end of period	23,591 million yen	22,182 million yen

5. Forecasts

	24 th Period Ended <u>June 30, 2018</u>	25 th Period Ended <u>December 31, 2018</u>
Total revenues	10,511 million yen	10,595 million yen
Operating income	4,168 million yen	4,179 million yen
Ordinary income	3,500 million yen	3,526 million yen
Net income	3,499 million yen	3,525 million yen
Distribution per unit	2,800 yen	2,700 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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