



**For Immediate Release
For Translation Purposes Only**

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Japan Excellent, Inc. (TSE: 8987)
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Japan Excellent, Inc. Reports 21st Period Financial Results

(From July 1, 2016 to December 31, 2016)

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

	21 st Period Ended <u>December 31, 2016</u>	20 th Period Ended <u>June 30, 2016</u>
Total revenues	10,653 million yen	10,223 million yen
Operating income	4,221 million yen	3,982 million yen
Ordinary income	3,407 million yen	3,113 million yen
Net income	3,406 million yen	3,112 million yen
Return on equity	2.4%	2.3%
Return on assets	1.2%	1.1%
Ordinary income to Operating Revenue ratio	32.0%	30.5%

2. Distributions

	21 st Period Ended <u>December 31, 2016</u>	20 th Period Ended <u>June 30, 2016</u>
Distribution per unit	2,609 yen	2,462 yen
Total distribution	3,406 million yen	3,113 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%	2.3%

3. Financial Situation

	21 st Period Ended <u>December 31, 2016</u>	20 th Period Ended <u>June 30, 2016</u>
Total assets	296,081 million yen	283,653 million yen
Net assets	143,640 million yen	137,808 million yen
Capital ratio	48.5%	48.6%
Net assets per unit ^(Note)	110,010 yen	108,987 yen

4. Cash Flow

	21 st Period Ended <u>December 31, 2016</u>	20 th Period Ended <u>June 30, 2016</u>
Cash flow from operating activities	5,351 million yen	4,648 million yen
Cash flow from investing activities	(11,992) million yen	(1,084) million yen
Cash flow from financing activities	8,364 million yen	(3,160) million yen
Cash and cash equivalents at end of period	20,096 million yen	18,373 million yen

5. Forecasts

	22 nd Period Ended <u>June 30, 2017</u>	23 rd Period Ended <u>December 31, 2017</u>
Total revenues	10,586 million yen	10,453 million yen
Operating income	4,119 million yen	4,016 million yen
Ordinary income	3,421 million yen	3,327 million yen
Net income	3,420 million yen	3,326 million yen
Distribution per unit	2,620 yen	2,630 yen
Distribution in excess of earnings per unit	- yen	- yen

Assumption of Forecasts

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

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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