



Japan Excellent, Inc.

**For Immediate Release
For Translation Purposes Only**

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Japan Excellent, Inc. (TSE: 8987)
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Japan Excellent, Inc. Reports 27th Period Financial Results

(From July 1, 2019 to December 31, 2019)

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

	27 th Period Ended <u>December 31, 2019</u>	26 th Period Ended <u>June 30, 2019</u>
Total revenues	10,890 million yen	10,668 million yen
Operating income	2,912 million yen	4,318 million yen
Ordinary income	2,247 million yen	3,691 million yen
Net income	2,246 million yen	3,690 million yen
Return on equity	1.6%	2.6%
Return on assets	0.8%	1.3%
Ordinary income to Operating Revenue ratio	20.6%	34.6%

2. Distributions

	27 th Period Ended <u>December 31, 2019</u>	26 th Period Ended <u>June 30, 2019</u>
Distribution per unit	2,918 yen	2,827 yen
Distributions in excess of earnings per unit	1,077 yen	0 yen
Total distribution	3,810 million yen	3,691 million yen
Total distributions in excess	1,406 million yen	0 million yen
Payout ratio	107.0%	100.0%
Dividend ratio to net assets	1.7%	2.6%

3. Financial Situation

	27 th Period Ended <u>December 31, 2019</u>	26 th Period Ended <u>June 30, 2019</u>
Total assets	288,790 million yen	286,172 million yen
Net assets	142,377 million yen	143,822 million yen
Capital ratio	49.3%	50.3%
Net assets per unit	109,042 yen	110,149 yen

4. Cash Flow

	27 th Period Ended <u>December 31, 2019</u>	26 th Period Ended <u>June 30, 2019</u>
Cash flow from operating activities	7,515 million yen	5,832 million yen
Cash flow from investing activities	(8,569) million yen	(827) million yen
Cash flow from financing activities	(709) million yen	(3,595) million yen
Cash and cash equivalents at end of period	23,884 million yen	25,647 million yen

5. Forecasts

	28 th Period Ended <u>June 30, 2020</u>	29 th Period Ended <u>December 31, 2020</u>
Total revenues	12,818 million yen	11,212 million yen
Operating income	6,242 million yen	5,009 million yen
Ordinary income	5,580 million yen	4,381 million yen
Net income	5,579 million yen	4,380 million yen
Distribution per unit	2,960 yen	3,000 yen
Distribution in excess of earnings per unit	0 yen	0 yen

Assumption of Forecasts

- Total Number of Outstanding Investment Units
1,353,000units

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.



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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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