Japan Excellent, Inc.

**For Immediate Release**
**For Translation Purposes Only**

August 21, 2026

Japan Excellent, Inc. (TSE: 8987)
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# Japan Excellent, Inc. Reports 40th Period Financial Results

(From January 1, 2026 to June 30, 2026)

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

| | 40th Period Ended June 30, 2026 | 39th Period Ended December 31, 2025 |
|---|---|---|
| Total revenues | 11,604 million yen | 11,672 million yen |
| Operating income | 5,265 million yen | 5,157 million yen |
| Ordinary income | 4,400 million yen | 4,351 million yen |
| Net income | 4,399 million yen | 4,350 million yen |
| Return on equity | 3.0% | 3.0% |
| Return on assets | 1.5% | 1.5% |
| Ordinary income to Operating Revenue ratio | 37.9% | 37.3% |

## 2. Distributions

| | 40th Period Ended June 30, 2026 | 39th Period Ended December 31, 2025 |
|---|---|---|
| Distribution per unit | 3,070 yen | 3,036 yen |
| Distributions in excess of earnings per unit | - | - |
| Total distribution | 3,961 million yen | 3,917 million yen |
| Total distributions in excess | - | - |
| Payout ratio | 90.1% | 90.1% |
| Dividend ratio to net assets | 2.7% | 2.7% |

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## 3. Financial Situation

| | 40th Period Ended June 30, 2026 | 39th Period Ended December 31, 2025 |
|---|---|---|
| Total assets | 299,269 million yen | 291,192 million yen |
| Net assets | 146,690 million yen | 146,208 million yen |
| Capital ratio | 49.0% | 50.2% |
| Net assets per unit | 113,670 yen | 113,297 yen |

## 4. Cash Flow

| | 40th Period Ended June 30, 2026 | 39th Period Ended December 31, 2025 |
|---|---|---|
| Cash flow from operating activities | 9,807 million yen | 12,917 million yen |
| Cash flow from investing activities | (13,712) million yen | (3,723) million yen |
| Cash flow from financing activities | 4,566 million yen | (9,807) million yen |
| Cash and cash equivalents at end of period | 15,679 million yen | 15,018 million yen |

## 5. Forecasts

| | 41st Period Ended December 31, 2026 | 42nd Period Ended June 30, 2027 |
|---|---|---|
| Total revenues | 13,123 million yen | 11,080 million yen |
| Operating income | 6,525 million yen | 4,771 million yen |
| Ordinary income | 5,530 million yen | 3,752 million yen |
| Net income | 5,529 million yen | 3,751 million yen |
| Distribution per unit | 3,100 yen | 3,130 yen |

Assumption of Forecasts

1. Total Number of Outstanding Investment Units
   1,290,487 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.

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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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