



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 28<sup>th</sup> Period Financial Results**

(From January 1, 2020 to June 30, 2020)

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

	28 <sup>th</sup> Period Ended June 30, 2020	27 <sup>th</sup> Period Ended December 31, 2019
Total revenues	12,717 million yen	10,890 million yen
Operating income	6,290 million yen	2,912 million yen
Ordinary income	5,631 million yen	2,247 million yen
Net income	5,631 million yen	2,246 million yen
Return on equity	3.8%	1.6%
Return on assets	1.9%	0.8%
Ordinary income to Operating Revenue ratio	44.3%	20.6%

2. Distributions

	28 <sup>th</sup> Period Ended June 30, 2020	27 <sup>th</sup> Period Ended December 31, 2019
Distribution per unit	2,960 yen	2,918 yen
Distributions in excess of earnings per unit	-	1,077 yen
Total distribution	4,004 million yen	3,810 million yen
Total distributions in excess	-	1,406 million yen
Payout ratio	71.1%	107.0%
Dividend ratio to net assets	2.7%	1.7%

### 3. Financial Situation

	28 <sup>th</sup> Period Ended <u>June 30, 2020</u>	27 <sup>th</sup> Period Ended <u>December 31, 2019</u>
Total assets	293,532 million yen	288,790 million yen
Net assets	152,133 million yen	142,377 million yen
Capital ratio	51.8%	49.3%
Net assets per unit	112,441 yen	109,042 yen

### 4. Cash Flow

	28 <sup>th</sup> Period Ended <u>June 30, 2020</u>	27 <sup>th</sup> Period Ended <u>December 31, 2019</u>
Cash flow from operating activities	21,102 million yen	7,515 million yen
Cash flow from investing activities	(11,271) million yen	(8,569) million yen
Cash flow from financing activities	99 million yen	(709) million yen
Cash and cash equivalents at end of period	33,815 million yen	23,884 million yen

### 5. Forecasts

	29 <sup>th</sup> Period Ended <u>December 31, 2020</u>	30 <sup>th</sup> Period Ended <u>June 30, 2021</u>
Total revenues	11,131 million yen	10,696 million yen
Operating income	4,834 million yen	4,533 million yen
Ordinary income	4,211 million yen	3,938 million yen
Net income	4,210 million yen	3,937 million yen
Distribution per unit	3,000 yen	2,910 yen

#### Assumption of Forecasts

##### 1. 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.



**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 :** <https://www.excellent-reit.co.jp/en/>