



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 24th Period Financial Results

(From January 1, 2018 to June 30, 2018)

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

	24 th Period Ended June 30, 2018	23 rd Period Ended December 31, 2017
Total revenues	10,535 million yen	11,085 million yen
Operating income	4,025 million yen	4,519 million yen
Ordinary income	3,340 million yen	3,701 million yen
Net income	3,339 million yen	3,700 million yen
Return on equity	2.3%	2.6%
Return on assets	1.2%	1.3%
Ordinary income to Operating Revenue ratio	31.7%	33.4%

2. Distributions

	24 th Period Ended June 30, 2018	23 rd Period Ended December 31, 2017
Distribution per unit	2,800 yen	2,670 yen
Total distribution	3,655 million yen	3,486 million yen
Distributions in excess of earnings per unit	0 yen	0 yen
Total distributions in excess	0 million yen	0 million yen
Payout ratio	109.5%	94.2%
Dividend ratio to net assets	2.5%	2.4%

3. Financial Situation

	24 th Period Ended <u>June 30, 2018</u>	23 rd Period Ended <u>December 31, 2017</u>
Total assets	285,008 million yen	282,197 million yen
Net assets	143,786 million yen	143,933 million yen
Capital ratio	50.5%	51.0%
Net assets per unit	110,122 yen	110,234 yen

4. Cash Flow

	24 th Period Ended <u>June 30, 2018</u>	23 rd Period Ended <u>December 31, 2017</u>
Cash flow from operating activities	9,920 million yen	29,599 million yen
Cash flow from investing activities	(4,733) million yen	(9,330) million yen
Cash flow from financing activities	480 million yen	(18,859) million yen
Cash and cash equivalents at end of period	29,258 million yen	23,591 million yen

5. Forecasts

	25 th Period Ended <u>December 31, 2018</u>	26 th Period Ended <u>June 30, 2019</u>
Total revenues	10,626 million yen	10,589 million yen
Operating income	4,274 million yen	4,293 million yen
Ordinary income	3,591 million yen	3,657 million yen
Net income	3,590 million yen	3,656 million yen
Distribution per unit	2,750 yen	2,800 yen
Distribution in excess of earnings per unit	0 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.



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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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