



Japan Excellent, Inc.

**For Immediate Release
For Translation Purposes Only**

February 14, 2013

Japan Excellent, Inc. (TSE: 8987)
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Japan Excellent, Inc. Reports 13th Period Financial Results

(From July 1, 2012 to December 31, 2012)

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

	13 th Period Ended <u>December 31, 2012</u>	12 th Period Ended <u>June 30, 2012</u>
Total revenues	7,599 million yen	7,740 million yen
Operating income	3,172 million yen	3,340 million yen
Ordinary income	2,310 million yen	2,435 million yen
Net income	2,309 million yen	2,434 million yen
Return on equity	2.2%	2.3%
Return on assets	1.0%	1.1%
Ordinary income to Operating Revenue ratio	30.4%	31.5%

2. Distributions

	13 th Period Ended <u>December 31, 2012</u>	12 th Period Ended <u>June 30, 2012</u>
Distribution per unit	12,242 yen	12,200 yen
Total distribution	2,309 million yen	2,301 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	100.0%	94.5%
Dividend ratio to net assets	2.2%	2.2%

3. Financial Situation

	13 th Period Ended <u>December 31, 2012</u>	12 th Period Ended <u>June 30, 2012</u>
Total assets	228,020 million yen	228,818 million yen
Net assets	104,545 million yen	104,537 million yen
Capital ratio	45.8%	45.7%
Net assets per unit	554,175 yen	554,134 yen

4. Cash Flow

	13 th Period Ended <u>December 31, 2012</u>	12 th Period Ended <u>June 30, 2012</u>
Cash flow from operating activities	3,389 million yen	6,947 million yen
Cash flow from investing activities	(652) million yen	(5,038) million yen
Cash flow from financing activities	(2,795) million yen	(1,233) million yen
Cash and cash equivalents at end of period	15,325 million yen	15,383 million yen

5. Forecasts

	14 th Period Ended <u>June 30, 2013</u>	15 th Period Ended <u>December 31, 2013</u>
Total revenues	8,355 million yen	8,727 million yen
Operating income	3,567 million yen	3,707 million yen
Ordinary income	2,595 million yen	2,767 million yen
Net income	2,594 million yen	2,766 million yen
Distribution per unit	12,200 yen	12,300 yen
Distribution in excess of earnings per unit	- yen	- yen

Assumption of Forecasts

1. Total assets under management

Forecasts reflect following acquisition in 14th period.

February 5, 2013 AKASAKA INTERCITY (Additional Acquisition of Compartmentalized Ownership)

Osaka Kogin Building (Land with Leasehold Interest)

Core City Tachikawa

March 1, 2013 SE Sankyo Building

2. Total Number of Outstanding Investment Units

224,950 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.

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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