



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 16th Period Financial Results

(From January 1, 2014 to June 30, 2014)

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

	16 th Period Ended June 30, 2014	15 th Period Ended December 31, 2013
Total revenues	9,558 million yen	8,850 million yen
Operating income	3,966 million yen	3,709 million yen
Ordinary income	3,011 million yen	2,775 million yen
Net income	3,010 million yen	2,774 million yen
Return on equity	2.4%	2.3%
Return on assets	1.1%	1.1%
Ordinary income to Operating Revenue ratio	31.5%	31.4%

2. Distributions

	16 th Period Ended June 30, 2014	15 th Period Ended December 31, 2013
Distribution per unit ^(note)	2,482yen	12,334yen
Total distribution	3,010 million yen	2,774 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	99.9%	99.9%
Dividend ratio to net assets	2.3%	2.3%



(Note) JEI Implemented a 5-for-1 split of its investment units on January 1, 2014 as the effective date.

3. Financial Situation

	16 th Period Ended <u>June 30, 2014</u>	15 th Period Ended <u>December 31, 2013</u>
Total assets	277,842 million yen	257,901 million yen
Net assets	130,998 million yen	120,713 million yen
Capital ratio	47.1%	46.8%
Net assets per unit ^(Note)	108,017 yen	107,324 yen

(Note) JEI Implemented a 5-for-1 split of its investment units on January 1, 2014 as the effective date. Net assets per unit is calculated on the assumption that split has been implemented at the beginning of 15th period.

4. Cash Flow

	16 th Period Ended <u>June 30, 2014</u>	15 th Period Ended <u>December 31, 2013</u>
Cash flow from operating activities	4,052 million yen	4,949 million yen
Cash flow from investing activities	(19,198) million yen	(892) million yen
Cash flow from financing activities	15,662 million yen	(2,774) million yen
Cash and cash equivalents at end of period	18,431 million yen	17,914 million yen

5. Forecasts

	17 th Period Ended <u>December 31, 2014</u>	18 th Period Ended <u>June 30, 2015</u>
Total revenues	9,667 million yen	9,595 million yen
Operating income	3,921 million yen	3,859 million yen
Ordinary income	2,990 million yen	2,972 million yen
Net income	2,989 million yen	2,971 million yen
Distribution per unit	2,465 yen	2,450 yen
Distribution in excess of earnings per unit	- yen	- yen

Assumption of Forecasts

- Total Number of Outstanding Investment Units
1,212,750 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



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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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