



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 12th Period Financial Results

(From January 1, 2012 to June 30, 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

	12 <sup>th</sup> Period Ended <u>June 30, 2012</u>	11 <sup>th</sup> Period Ended <u>December 31, 2011</u>
Total revenues	7,740 million yen	7,085 million yen
Operating income	3,340 million yen	2,969 million yen
Income before income taxes	2,435 million yen	2,237 million yen
Net income	2,434 million yen	2,236 million yen
Return on equity	2.3%	2.1%
Return on assets	1.1%	1.0%
Income before income taxes to Operating Revenue ratio	31.5%	31.6%

### 2. Distributions

	12 <sup>th</sup> Period Ended <u>June 30, 2012</u>	11 <sup>th</sup> Period Ended <u>December 31, 2011</u>
Distribution per unit	12,200 yen	11,854 yen
Total distribution	2,301 million yen	2,236 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	94.5%	100.0%
Dividend ratio to net assets	2.2%	2.1%

### 3. Financial Situation

	12 <sup>th</sup> Period Ended <u>June 30, 2012</u>	11 <sup>th</sup> Period Ended <u>December 31, 2011</u>
Total assets	228,818 million yen	227,249 million yen
Net assets	104,537 million yen	104,338 million yen
Capital ratio	45.7%	45.9%
Net assets per unit	554,134 yen	553,081 yen

### 4. Cash Flow

	12 <sup>th</sup> Period Ended <u>June 30, 2012</u>	11 <sup>th</sup> Period Ended <u>December 31, 2011</u>
Cash flow from operating activities	6,947 million yen	3,207 million yen
Cash flow from investing activities	(5,038) million yen	(19,989) million yen
Cash flow from financing activities	(1,233) million yen	14,993 million yen
Cash and cash equivalents at end of period	15,383 million yen	14,708 million yen

### 5. Forecasts

	13 <sup>th</sup> Period Ending <u>December 31, 2012</u>	14 <sup>th</sup> Period Ending <u>June 30, 2013</u>
Total revenues	7,555 million yen	7,563 million yen
Operating income	3,171 million yen	3,174 million yen
Income before income taxes	2,302 million yen	2,302 million yen
Net income	2,301 million yen	2,301 million yen
Distribution per unit	12,200 yen	12,200 yen
Distribution in excess of earnings per unit	- yen	- yen
Total Number of Outstanding Investment Units	188,650 units	188,650 units

#### Assumption of Forecasts

##### 1. Total Number of Outstanding Investment Units

188,650 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.



**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 :** [www.excellent-reit.co.jp/eng/](http://www.excellent-reit.co.jp/eng/)