



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 18th Period Financial Results

(From January 1, 2015 to June 30, 2015)

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

	18 th Period Ended June 30, 2015	17 th Period Ended December 31, 2014
Total revenues	10,121 million yen	9,695 million yen
Operating income	4,018 million yen	3,963 million yen
Ordinary income	3,098 million yen	3,041 million yen
Net income	3,097 million yen	3,040 million yen
Return on equity	2.4%	2.3%
Return on assets	1.1%	1.1%
Ordinary income to Operating Revenue ratio	30.6%	31.4%

2. Distributions

	18 th Period Ended June 30, 2015	17 th Period Ended December 31, 2014
Distribution per unit	2,554 yen	2,507 yen
Total distribution	3,097 million yen	3,040 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%	100.0%
Dividend ratio to net assets	2.4%	2.3%

3. Financial Situation

	18 th Period Ended <u>June 30, 2015</u>	17 th Period Ended <u>December 31, 2014</u>
Total assets	300,976 million yen	278,037 million yen
Net assets	131,085 million yen	131,028 million yen
Capital ratio	43.6%	47.1%
Net assets per unit ^(Note)	108,089 yen	108,042 yen

4. Cash Flow

	18 th Period Ended <u>June 30, 2015</u>	17 th Period Ended <u>December 31, 2014</u>
Cash flow from operating activities	3,751 million yen	5,371 million yen
Cash flow from investing activities	(23,890) million yen	(659) million yen
Cash flow from financing activities	18,452 million yen	(3,008) million yen
Cash and cash equivalents at end of period	18,447 million yen	20,133 million yen

5. Forecasts

	19 th Period Ended <u>December 31, 2015</u>	20 th Period Ended <u>June 30, 2016</u>
Total revenues	10,782 million yen	10,682 million yen
Operating income	4,108 million yen	4,041 million yen
Ordinary income	3,161 million yen	3,111 million yen
Net income	3,160 million yen	3,110 million yen
Distribution per unit	2,500 yen	2,460 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 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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