



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 15th Period Financial Results**

(From July 1, 2013 to December 31, 2013)

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

	15 <sup>th</sup> Period Ended <u>December 31, 2013</u>	14 <sup>th</sup> Period Ended <u>June 30, 2013</u>
Total revenues	8,850 million yen	8,418 million yen
Operating income	3,709 million yen	3,546 million yen
Ordinary income	2,775 million yen	2,589 million yen
Net income	2,774 million yen	2,598 million yen
Return on equity	2.3%	2.3%
Return on assets	1.1%	1.1%
Ordinary income to Operating Revenue ratio	31.4%	30.8%

2. Distributions

	15 <sup>th</sup> Period Ended <u>December 31, 2013</u>	14 <sup>th</sup> Period Ended <u>June 30, 2013</u>
Distribution per unit	12,334yen	12,200 yen
Total distribution	2,774 million yen	2,744 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%	105.6%
Dividend ratio to net assets	2.3%	2.3%

### 3. Financial Situation

	15 <sup>th</sup> Period Ended December 31, 2013	14 <sup>th</sup> Period Ended June 30, 2013
Total assets	257,901 million yen	257,613 million yen
Net assets	120,713 million yen	120,683 million yen
Capital ratio	46.8%	46.8%
Net assets per unit <sup>(Note)</sup>	107,324 yen	107,297 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 14<sup>th</sup> period.

### 4. Cash Flow

	15 <sup>th</sup> Period Ended December 31, 2013	14 <sup>th</sup> Period Ended June 30, 2013
Cash flow from operating activities	4,949 million yen	3,267 million yen
Cash flow from investing activities	(892) million yen	(27,551) million yen
Cash flow from financing activities	(2,774) million yen	25,591 million yen
Cash and cash equivalents at end of period	17,914 million yen	16,632 million yen

### 5. Forecasts

	16 <sup>th</sup> Period Ended June 30, 2014	17 <sup>th</sup> Period Ended December 31, 2014
Total revenues	9,384 million yen	9,667 million yen
Operating income	3,947 million yen	3,920 million yen
Ordinary income	2,972 million yen	2,972 million yen
Net income	2,971 million yen	2,971 million yen
Distribution per unit	2,450 yen	2,450 yen
Distribution in excess of earnings per unit	- yen	- yen

#### Assumption of Forecasts

##### 1. Total assets under management

Forecasts reflect following acquisition in 16<sup>th</sup> period.

February 4, 2014 HAMARIKYU INTERCITY (Additional Acquisition of Compartmentalized Ownership)  
Aoba-dori Plaza  
Daiwa Minami-morimachi Building

##### 2. 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



**Japan Excellent, Inc.**

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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