



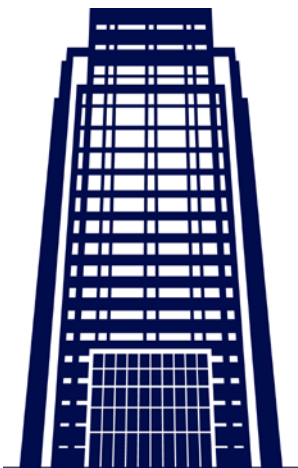
JEI

Japan Excellent, Inc.

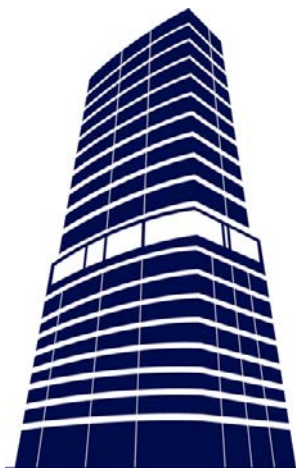
Twenty First Period (ended December 2016)

Presentation Materials

February 17, 2017



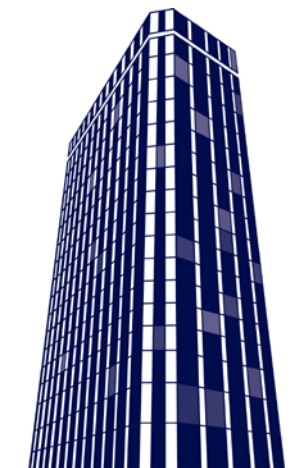
Nisseki Yokohama Bldg.



HAMARIKYU INTERCITY



AKASAKA INTERCITY



Omori Bellport D

(TSE: 8987)

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Reference Materials

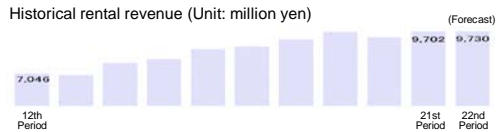
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Continuous Quality Growth of Office REIT in Tokyo Metropolitan Area

Internal Growth

- Maintained high occupancy rates with the sponsors' cooperation
 - Average occupancy rate over the past 5 years: **97.6%**
- Continuous stable growth of rental revenue



External Growth

- Continuously acquired large-scale properties in central Tokyo with high specifications utilizing the sponsor pipeline mainly
 - Percentage of properties acquired from the sponsor in the portfolio: **78.7%**
- Percentage of sponsor-related property acquisitions: **95.5%**

Financial Strategy

- Established a solid financial ground supported by megabank sponsors
 - Ratings: **AA-** (JCR), **A+** (R&I), **A3** (Moody's)
 - LTV: **46.6%**

Sponsors

The Dai-ichi Building Co., Ltd.
SOHGO HOUSING CO., Ltd.

Leading companies in the PM industry

Core sponsor

NIPPON STEEL KOWA REAL ESTATE CO., LTD.

Major real estate developer closely-related with Mizuho Financial Group

Core sponsor

The Dai-ichi Life Insurance Company, Limited

One of the largest owners of office buildings in Japan

Sponsors

Mizuho Bank, Ltd.
Mizuho Trust & Banking Co., Ltd.

Megabank

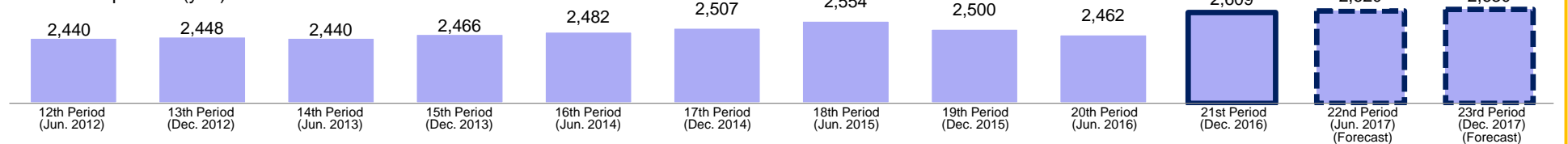
Established a quality portfolio with high growth potential and stability

Centering on office buildings and properties in central Tokyo*1

Number of properties	Asset size	Ratio of investment in office buildings	Ratio of large-scale properties	Ratio of investment in the Tokyo metropolitan area	Ratio of investment in six central wards of Tokyo
31 properties	286.9 billion yen	93.4%	77.7%	88.3%	50.1%

Stable distribution records

Distribution per unit (yen)



*1 For definitions, etc. for the above figures, please refer to notes on pages 27.

I. Financial Results and Performance Forecasts



1. Highlights of the 21st Period (Ended December 2016)

External Growth

- ◆ Continuous property acquisition from the sponsor Mansard Daikanyama (acquired on July 1, 2016)
- ◆ Improvement of quality of the portfolio

Contribution to distribution per unit*1

+68 yen

- Profits after depreciation increases with property acquisition: **190 million yen**
- Average building age of portfolio (Effect of property replacement)*2
20.6 years → 19.1 years Shortened by **1.5 Years**

Internal Growth

- ◆ Revenue of existing properties increases with rent revision
Net increase/decrease remains positive for four consecutive periods
- ◆ One of the highest levels of occupancy rate and the lowest tenant departure rates

Contribution to distribution per unit

+37 yen

- Ratio of rent revised upward (based on space): **45.8%**
Upward revision rate: **7.1%**
- Monthly rent increased due to tenant replacements and rent revisions: **+7 million yen**
+0.5% from the previous period end
- Occupancy rate: **99.0%**
Departure rate: **0.9%**

Financial Strategy

- ◆ Reduction on financial costs by refinancing
Investment corporation bonds: Reducing costs while extending the term
- ◆ Public offering conducted for the 4th consecutive year (Payment made on July 11, 2016)

Contribution to distribution per unit

+41 yen

- Refinancing of 15.8 billion yen:
Average interest rate: **-0.4% decrease**
- Period end average interest rate of interest-bearing debt: **0.88%**
(-0.08pts from the previous period)
- LTV: **46.6%**
(+0.1pts from the previous period)

Unitholder Value

Continuous growth of distribution per unit and NAV per unit

- Distribution per unit
2,609 yen
+147 yen from the previous period
(+6.0%)

Comparison with forecast
+39 yen

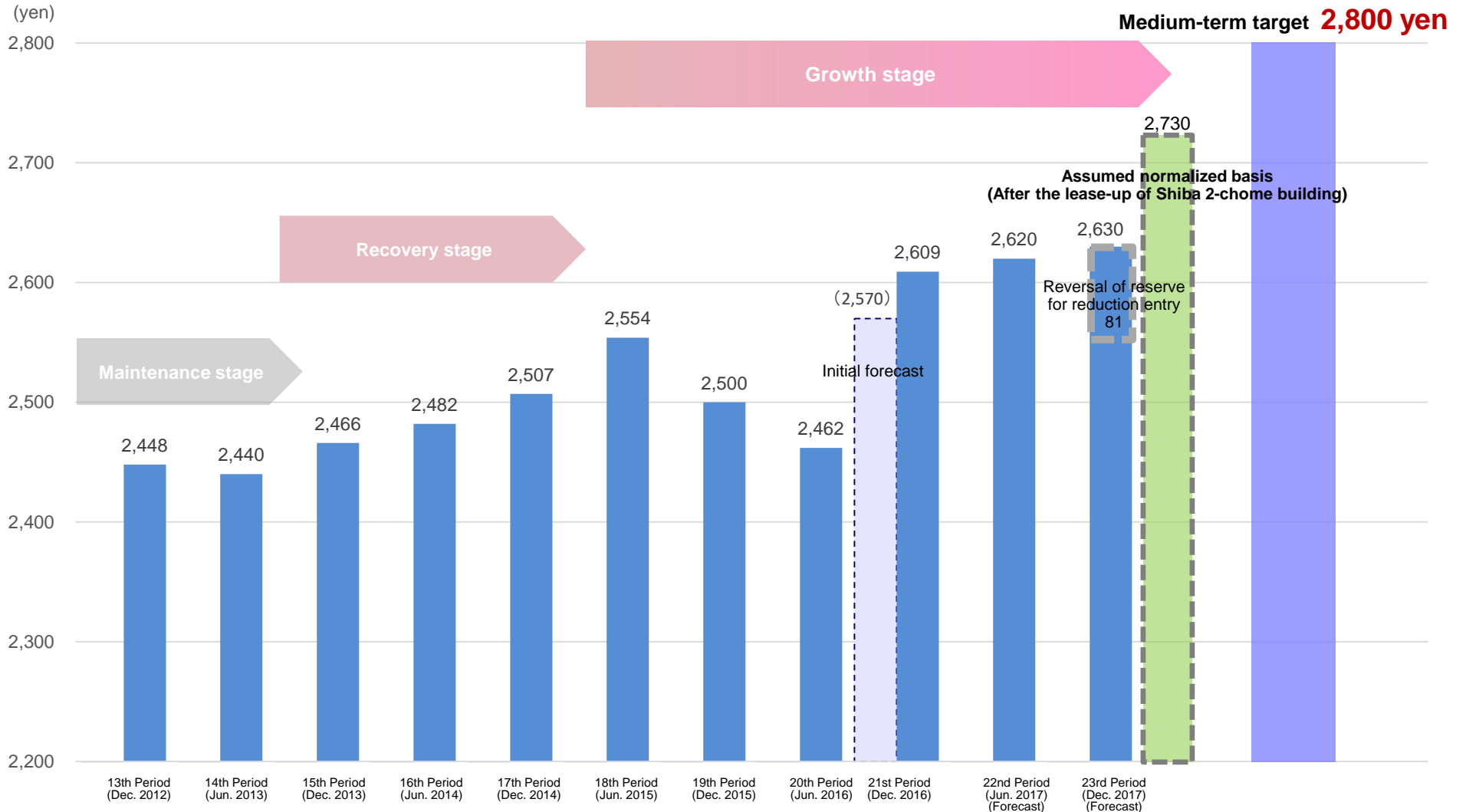
- NAV per unit
119,906 yen
+3.3% from the previous period
- (Of which, increase of unrealized profit +2.8%
Of which, PO factor +0.5%)

*1 "Contribution to distribution per unit" in External Growth is the value after considering the effect of dilution due to capital increase. Please refer to P.7 for details of the value of "Contribution to distribution per unit".

*2 Average building age is calculated as of July 1, 2016.

2. Actual Results and Forecast of Distributions per Unit

- ◆ Effect of major tenant departure is temporary
- ◆ Distribution per unit is steadily increasing towards the medium-term target of 2,800 yen through internal growth due to upward rent revision and financial cost reduction



3. Financial Results of the 21st Period (Ended December 2016)

(1) Comparison with the Previous Period

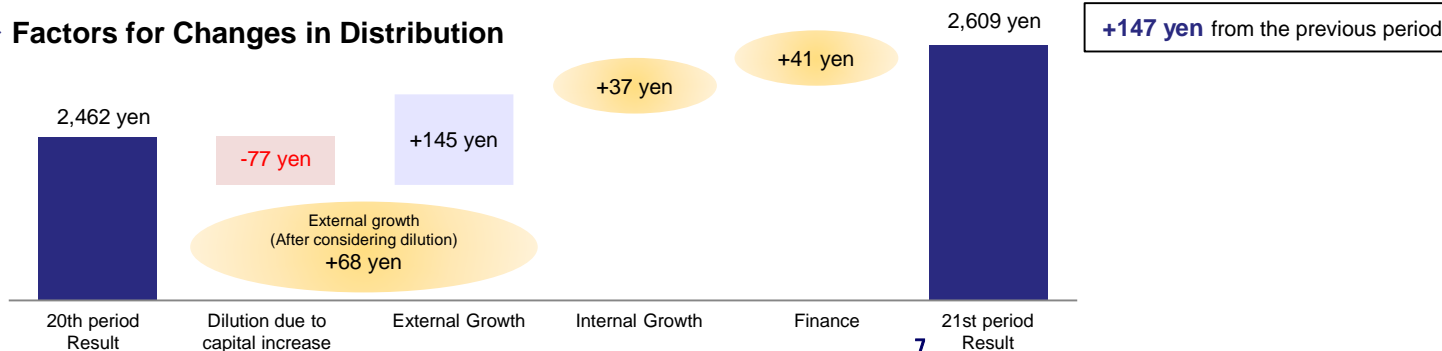
◆ Revenue and profits increased due to property acquisition, revenue increase in existing properties and reduction of financial costs. Distribution increased by 147 yen from the previous period (6.0% increase)

(unit: million yen)

	20th Period (Jun. 2016) Result	21st Period (Dec. 2016) Result	Difference
Revenue	10,223	10,653	429
Rental revenue	9,351	9,702	350
Revenue for utilities expenses	766	838	72
Other revenue	105	112	7
Operating expenses	6,240	6,431	190
Expenses for rental operations	5,655	5,849	193
Property management expenses	1,423	1,422	0
Utilities expenses	1,044	1,064	19
Taxes	835	891	55
Repairs and maintenance	195	267	71
Non-operating expenses for rental operations	256	246	-9
(NOI)	6,467	6,760	293
Depreciation	1,899	1,956	56
Sales and administrative expenses	585	582	-2
Operating income	3,982	4,221	238
Non-operating expenses	871	814	-56
Ordinary income	3,113	3,407	293
Net income	3,112	3,406	293
Total distributions	3,113	3,406	293
Distributions per unit	2,462	2,609	147

Factors	Balance	DPU conversion (yen)	
■ Dilution due to capital increase		-77	
■ External Growth	190	145	Acquisition of Mansard Daikanyama
Increase in NOI of newly acquired properties	230		
Increase in depreciation	-39		
■ Internal Growth (existing properties)	48	37	Revenue increase for existing properties • Lease-ups and moving-outs of tenants: +19 • Rent revisions, etc.: +73
Increase in NOI	62		
Increase in rental revenue	92		
Increase in utilities revenue/expenses	57		
Decrease in other revenue	-16		
Decrease in property management expenses	37		Expensing of fixed property and city planning tax, etc. for Nisseki Yokohama Building
Increase in taxes	-55		
Increase in repairs and maintenance	-62		Repair cost of exterior wall for JEI Kyobashi Building, etc.
Decrease in non-operating expenses for rental operations	11		
Increase in depreciation	-17		
Decrease in sales and administrative expenses	2		
■ Finance	54	41	Reduction of interest costs by refinancing
Decrease in interest expense	62		
Increase in loan relating fees	0		
Increase in other non-operating expenses	-7		
Total	293	147	

◆ Factors for Changes in Distribution



3. Financial Results of the 21st Period (Ended December 2016)

(2) Comparison with the Forecast

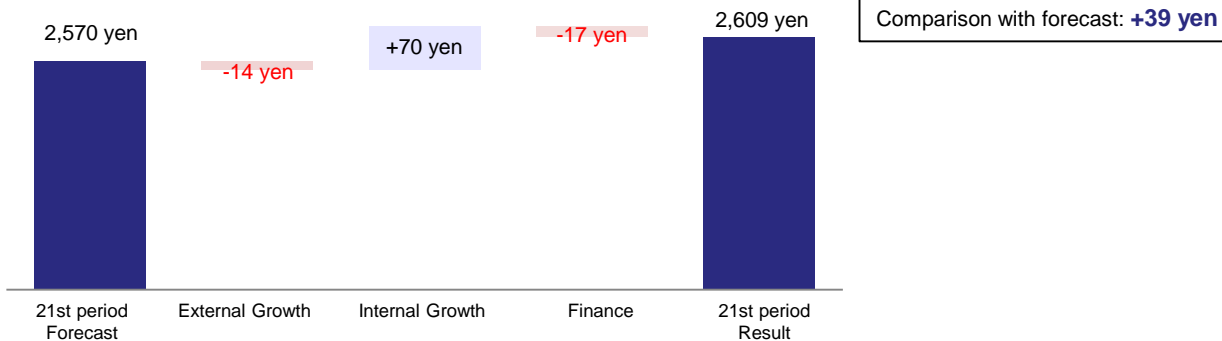
(unit: million yen)

	21st Period (Dec. 2016) forecast	21st Period (Dec. 2016) Result	Difference
Revenue	10,651	10,653	1
Rental revenue	9,698	9,702	3
Revenue for utilities expenses	856	838	-17
Other revenue	96	112	16
Operating expenses	6,503	6,431	-71
Expenses for rental operations	5,917	5,849	-68
Property management expenses	1,412	1,422	10
Utilities expenses	1,157	1,064	-93
Taxes	894	891	-2
Repairs and maintenance	249	267	17
non-operating expenses for rental operations	236	246	9
(NOI)	6,700	6,760	60
Depreciation	1,966	1,956	-9
Sales and administrative expenses	585	582	-3
Operating income	4,148	4,221	73
Non-operating expenses	793	814	21
Ordinary income	3,356	3,407	50
Net income	3,355	3,406	50
Total distributions	3,355	3,406	50
Distributions per unit	2,570	2,609	39

Factors	Balance	DPU conversion (yen)
■ External Growth	-18	-14
Decrease in NOI of a property acquired during the period	-20	
Decrease in depreciation	1	
■ Internal Growth (existing properties)	91	70
Increase in NOI	80	
Increase in rental revenue	10	
Increase in utilities revenue/expenses	74	
Increase in other revenue	16	
Increase in property management expenses	-2	
Increase in repairs and maintenance	-10	
Increase in non-operating expenses for rental operations	-7	
Decrease in depreciation	8	
Decrease in sales and administrative expenses	3	
■ Finance	-22	-17
Decrease in interest expense	8	
Increase in loan relating fees	-18	
Increase in non-operating expenses	-13	
Total	50	39

Reduction of utilities expenses due to unit price of electricity charge falling below the assumption

◆ Factors for Changes in Distribution



4. Performance Forecasts

(1) 22nd Period (Ending June 2017)

◆ Profits of existing properties increased due to continuous rent revision. Distribution increased by 11 yen from the previous period to 2,620 yen contributed also by reduction of financial costs

	21st Period (Dec. 2016) Result	22nd Period (Jun. 2017) forecast	Difference
Revenue	10,653	10,586	-66
Rental revenue	9,702	9,730	28
Revenue for utilities expenses	838	775	-63
Other revenue	112	81	-31
Operating expenses	6,431	6,466	34
Expenses for rental operations	5,849	5,865	16
Property management expenses	1,422	1,455	32
Utilities expenses	1,064	1,031	-32
Taxes	891	916	24
Repairs and maintenance	267	248	-19
non-operating expenses for rental operations	246	239	-6
(NOI)	6,760	6,696	-64
Depreciation	1,956	1,975	18
Sales and administrative expenses	582	601	18
Operating income	4,221	4,119	-101
Non-operating expenses	814	700	-114
Ordinary income	3,407	3,421	14
Net income	3,406	3,420	14
Total distributions	3,406	3,420	14
Distributions per unit	2,609	2,620	11

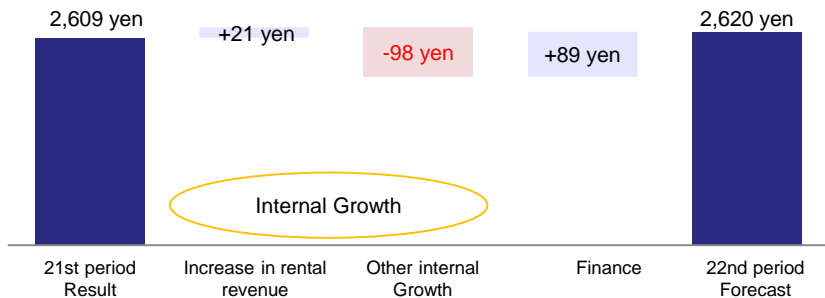
(unit: million yen)

Factors	Balance	DPU conversion (yen)
■ Internal growth (existing properties)	-101	-77
Decrease in NOI	-64	
Increase in rental revenue	28	
Decrease in utilities revenue/expenses	-30	
Decrease in other revenue	-31	
Increase in property management expenses	-32	
Increase in taxes	-24	
Decrease in repairs and maintenance	19	
Decrease in non-operating expenses for rental operations	6	
Increase in depreciation	-18	
Increase in sales and administrative expenses	-18	
■ Finance	116	89
Decrease in interest expense	76	
Decrease in loan relating fees	19	
Decrease in non-operating expenses	20	
Total	15	11

- Increase in rent revenue for existing properties
 - Lease-ups and moving-outs of tenants: -13
 - Rent revision, etc.: +41
- Absence of cancellation penalty: -23
- Leasing Management Fee, etc. for Shiba 2-chome building
- Expensing of fixed property and city planning tax for Mansard Daikanyama: -13
- Reduction of interest costs by refinancing

* "Existing properties" include Mansard Daikanyama acquired in the 21st Period (July 1, 2016).

◆ Factors for Changes in Distribution



4. Performance Forecasts

(2) 23rd Period (Ending December 2017)

◆ Although rent revenue decreased due to the departure of large tenants, revenue of other existing properties increased. Distribution increased by 10 yen from the previous period to 2,630 yen due to reversal of internal reserves

	22nd Period (Jun. 2017) forecast	23rd Period (Dec. 2017) forecast	Difference
Revenue	10,586	10,453	-133
Rental revenue	9,730	9,541	-188
Revenue for utilities expenses	775	831	56
Other revenue	81	79	-1
Operating expenses	6,466	6,436	-30
Expenses for rental operations	5,865	5,842	-23
Property management expenses	1,455	1,432	-22
Utilities expenses	1,031	1,096	64
Taxes	916	922	6
Repairs and maintenance	248	171	-76
Non-operating expenses for rental operations	239	242	2
(NOI)	6,696	6,588	-108
Depreciation	1,975	1,977	2
Sales and administrative expenses	601	594	-6
Operating income	4,119	4,016	-103
Non-operating expenses	700	691	-9
Ordinary income	3,421	3,327	-93
Net income	3,420	3,326	-93
Reversal of reserve for reduction entry	-	107	107
Total distributions	3,420	3,433	13
Distributions per unit	2,620	2,630	10

(unit: million yen)

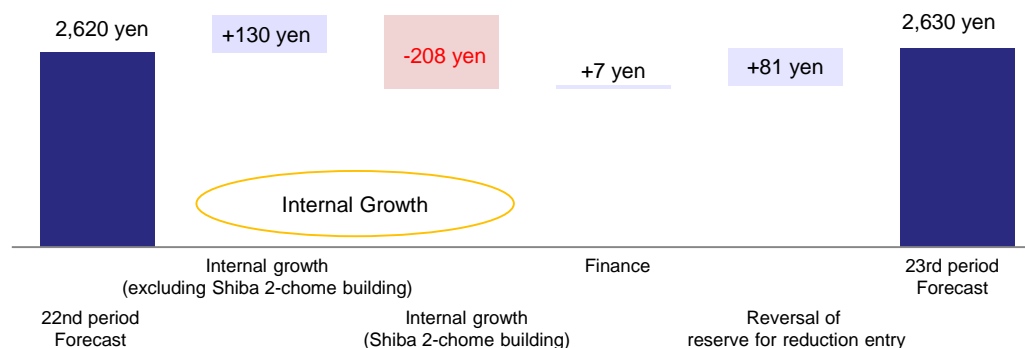
Factors	Balance	DPU conversion (yen)
■ Internal growth (existing properties)	-103	-78
Decrease in NOI	-108	
Decrease in rental revenue	-188	
Decrease in utilities revenue/expenses	-8	
Decrease in other revenue	-1	
Decrease in property management expenses	22	
Increase in taxes	-6	
Decrease in repairs and maintenance	76	
Increase in non-operating expenses for rental operations	-2	
Increase in depreciation	-2	
Decrease in sales and administrative expenses	6	
■ Finance	9	7
Decrease in interest expense	4	
Decrease in loan relating fees	6	
Increase in non-operating expenses	-2	
■ Reversal of reserve for reduction entry	107	81
Total	13	10

Shiba 2-chome building
(Effect of departure of a large tenant) : -240

Other properties: +53

- Lease-ups and moving-outs of tenants: +5
- Rent revision, etc.: +48

◆ Factors for Changes in Distribution



II. Management Status and Policy



1. External Growth

(1) History of External Growth and Future Strategies

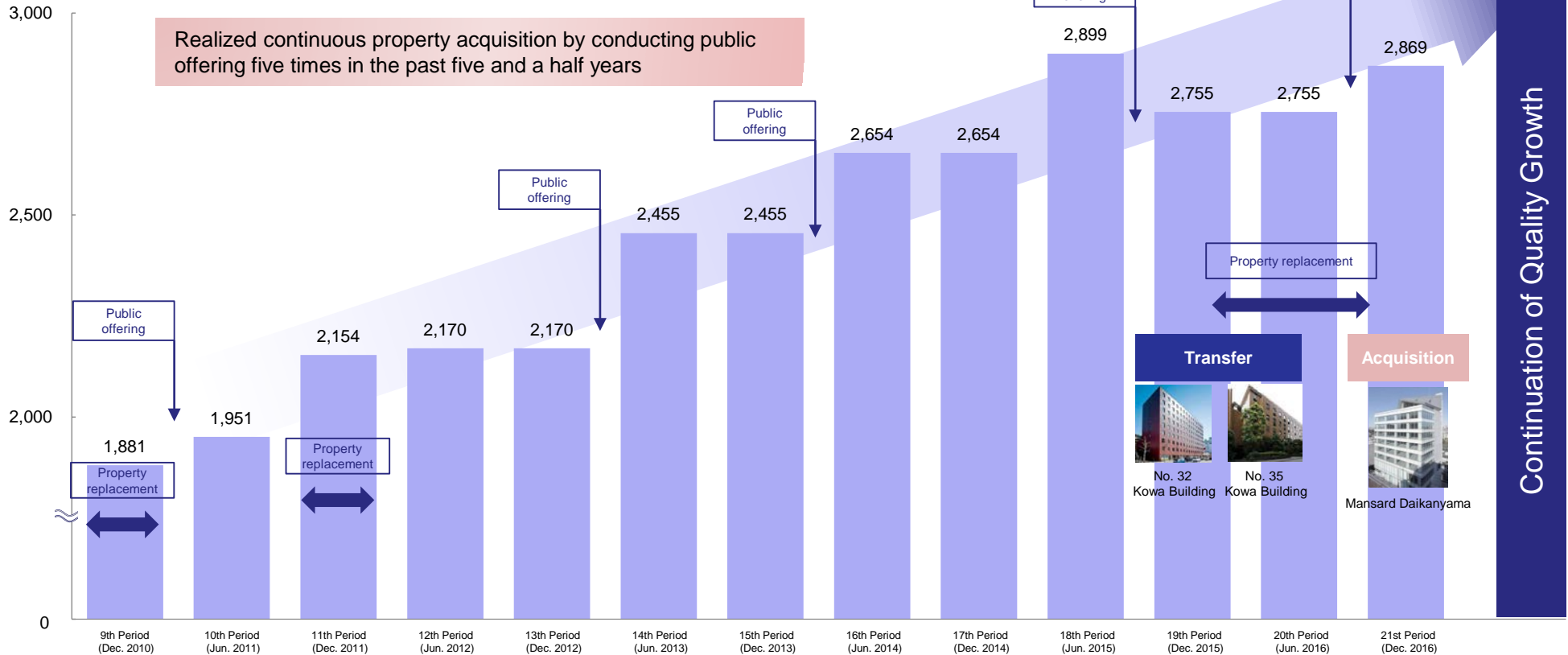
Basic Policy for External Growth

- ◆ Acquire properties from sponsors capable of property development
- ◆ Diversify risks by considering building size, area, tenants and age
- ◆ Work not only to increase quantity but also to enhance quality through property replacement, etc.

Aim for **“quality growth”** taking into consideration the growth potential and profitability of the portfolio

History of External Growth

Asset size (100 million yen)
(based on acquisition prices)

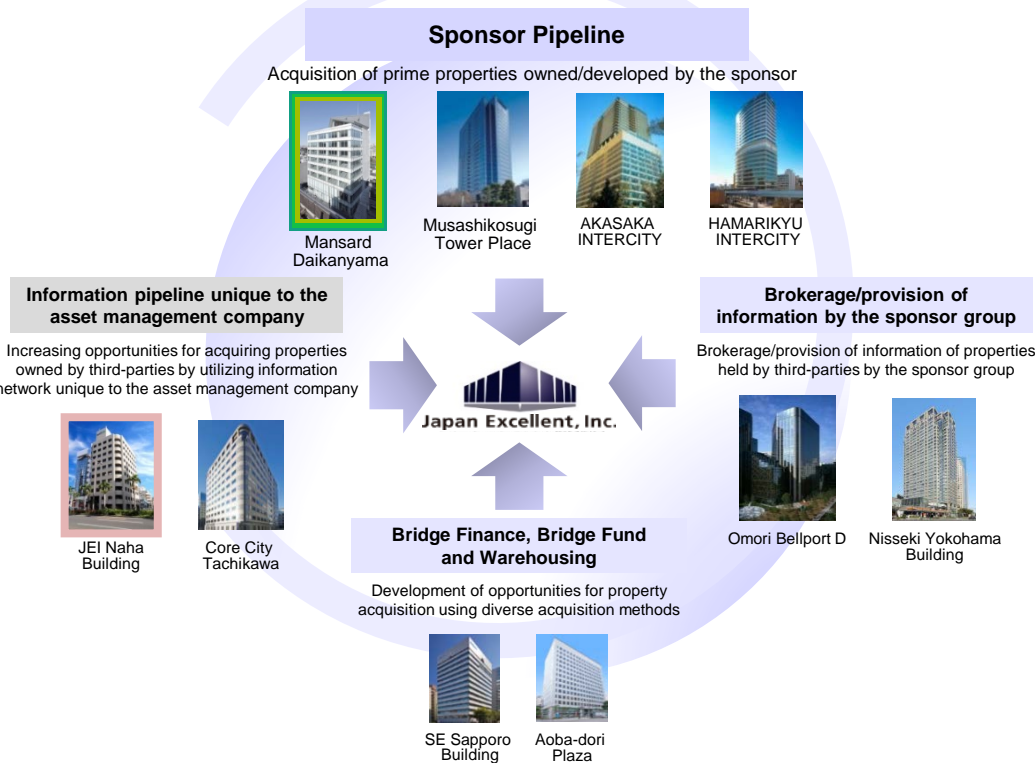


1. External Growth

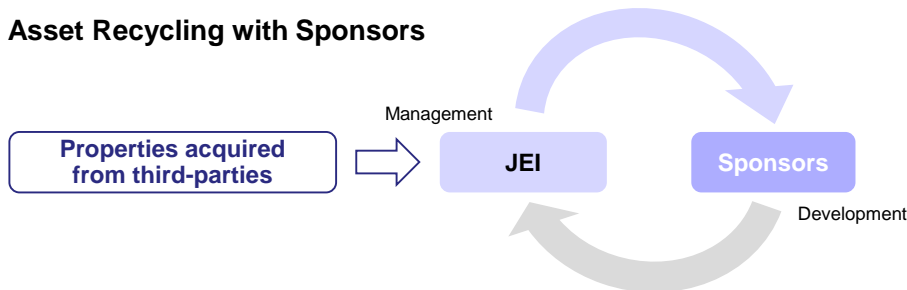
(2) Diverse Property Acquisition Channels and Sponsor Support

- ◆ With the sponsor pipeline as a main axis, possessed diverse acquisition channels utilizing networks unique to the asset management company, etc.
- ◆ Pursued quality growth by conducting strategic property replacements with the sponsor

■ Diverse Acquisition Channels and Methods



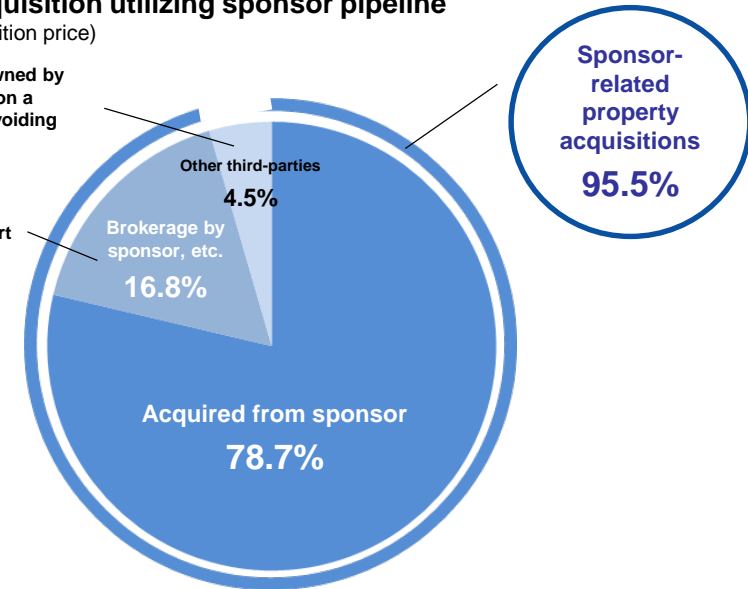
■ Asset Recycling with Sponsors



■ Property acquisition utilizing sponsor pipeline (based on acquisition price)

Acquired properties owned by third-parties basically on a negotiation basis by avoiding competition

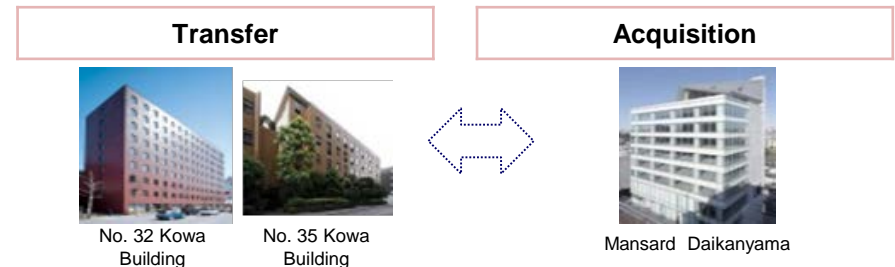
Property acquisition through various support by sponsor



* "Sponsor" includes SPCs financed by sponsors (same hereafter).

■ Improvement of Portfolio Quality through Replacement of Properties

- ◆ Transfer of old properties and acquisition of a new property



1. External Growth

(3) Major development cases and portfolio of sponsor

- ◆ Large-scale office building
5th project in INTERCITY Series



AKASAKA INTERCITY AIR (Building completion planned in August 2017)



Access	Directly connected to Tameike-Sanno Station on the Tokyo Metro Line by underground passage
Total floor area	178,328.01 m ²
Number of floors	3 stories below ground , 38 stories above ground, 1 penthouse
Total Leased office floor area	82,006.03 m ² (Approx. 24,806.60 tsubos)
Standard floor area	2,587.53 m ² (Approx. 782.72 tsubos)

* Ratio is the percentage of co-ownership interest to be owned (rounded down to the nearest whole number). 100% indicates occupancy by a single owner.

- ◆ Medium-scale high grade office building
Newly developing BIZCORE Series



BIZCORE JIMBOCHO (Building completion planned in November 2017)



Location	3-9-2, etc. Kanda-Ogawamachi, Chiyoda-ku
Access	Four-minute walk from Jimbocho Station on the Toei Subway Line and the Tokyo Metro Line, etc.
Total floor area	8,933 m ² (Approx. 2,702 tsubos)
Structure	S/ RC structure, 9 stories above ground

Developed four properties starting from Jimbocho

BIZCORE development schedule (planned)

(Tentative name) BIZCORE Akasaka-Mitsuke Project	Completion:	Spring 2019
Tentative name) BIZCORE Tsukiji Project	Completion:	Winter 2018
(Tentative name) BIZCORE Shibuya Project	Completion:	Winter 2019

Aims for development of two to three buildings per year and intends to expand business scale by 50 billion yen by fiscal 2020



NIPPON STEEL KOWA REAL ESTATE

Currently owned
49%*



AKASAKA INTERCITY

SHINAGAWA INTERCITY

Currently owned
100%*



HAMARIKYU INTERCITY

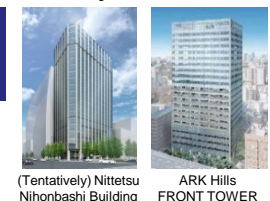
NAGOYA INTERCITY



Kowa Nishishinbashi Building

Shibaura Rune Site Tower

Currently owned
27%*



(Tentatively) Nittetsu Nihonbashi Building

ARK Hills FRONT TOWER

By your side, for life

DAI-ICHI LIFE

The Dai-ichi Life Insurance



Art Village Osaka

Meguro Station Front District Category 1 Urban Redevelopment Project (Completion Planned for November 2017)

1. External Growth

(4) Newly acquired property

◆ Acquired a relatively new property well-boasting convenience, visibility, and competitive advantage in central Tokyo



Mansard Daikanyama

Location	Sarugakucho, Shibuya-ku, Tokyo
Total floor area	8,402.51 m ²
Construction completion date	December 16, 2009
Acquisition price	11,420 million yen
Acquisition date	July 1, 2016
NOI yield*	4.0%
Yield after depreciation*	3.3%
Occupancy rate	97.4% (As of end of December 2016)

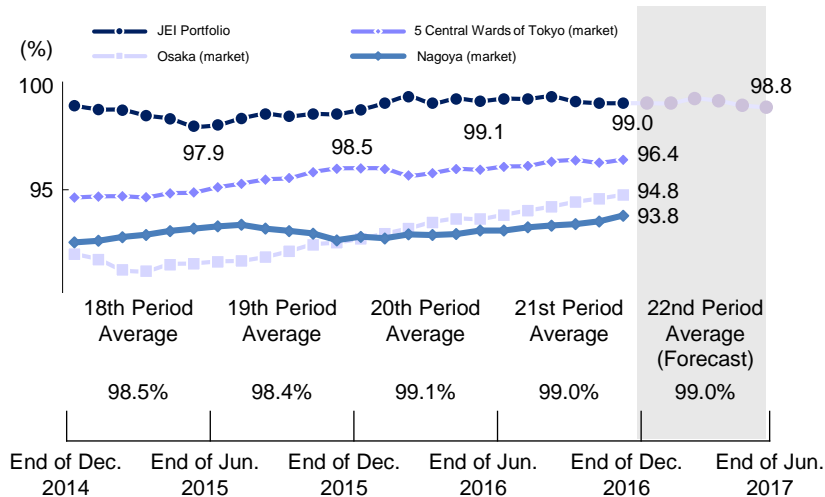
* Annual average of JEL's estimated figures for the first 5 years after acquisition, excluding special factors that may arise during the first fiscal year of acquisition.

- ◆ Office and retail complex that is a landmark of Daikanyama.
- ◆ **High level of convenience** as it is located an approx. **4-minute walk from Daikanyama Station** on the Tokyu Toyoko Line and an approx. 9-minute walk from Shibuya and Ebisu Stations of the JR Line.
- ◆ **High level of visibility** as being located along the main street of Daikanyama and with a stylish and expansive glass-sided façade.
- ◆ **High level of scarcity** in Daikanyama with a building age of seven years, 10 stories above ground, total floor area of approximately 2,542 tsubos and the standard floor area of approximately 180 tsubos as well as **high competitiveness** as an office building.

2. Internal Growth

(1) Status of Rent ① (Departure and Lease-up)

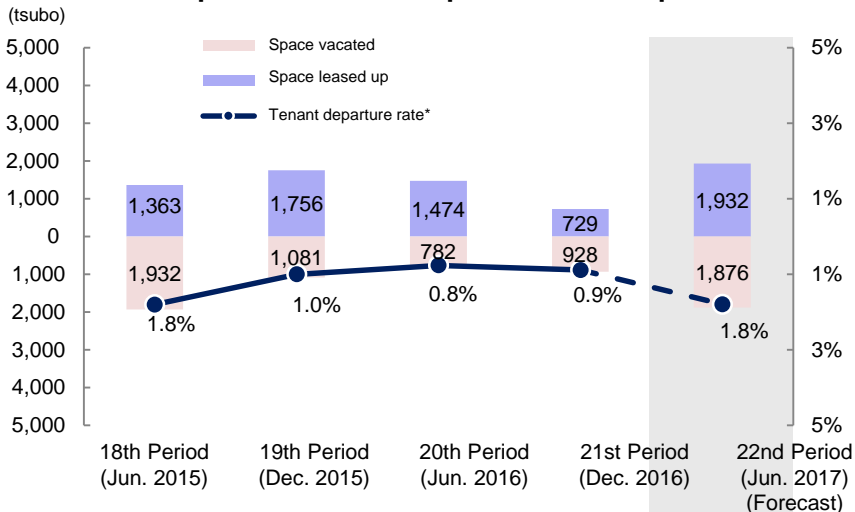
Historical occupancy rate



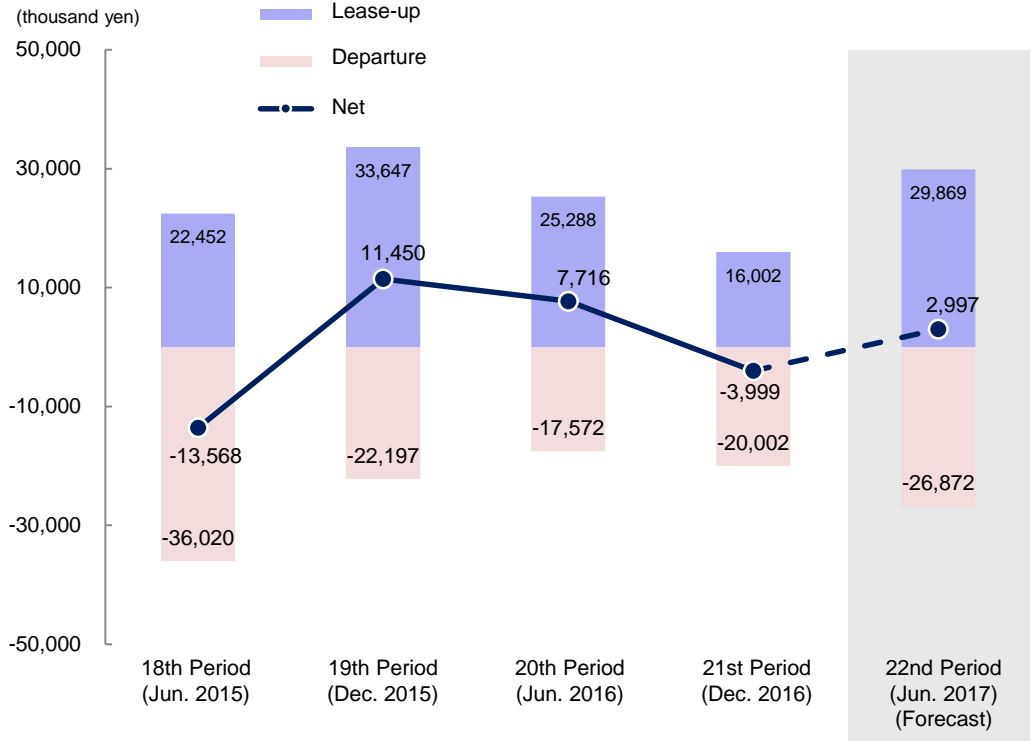
Source: Prepared based on materials provided by Miki Shoji

- ◆ Occupancy rate remains at a high level of around 99%
- ◆ Tenant departure rate continues to remain at a low level
- ◆ Departure is expected to increase slightly in the 22nd Period but most lease-ups are likely to be achieved

Tenant Departure Rate and Spaces Leased Up and Vacated



Increase/Decrease of Rent Due to Departure and Lease-up (based on monthly rent)



* The figures are calculated for the entire JEI portfolio as space vacated by tenants over the period as a percentage of total leased space as of the end of the previous period. In the case of additional acquisition during the period, tenant departure rate is calculated as space vacated by tenants over the period as a percentage of the sum of total leased space as of the end of the previous period and leased space of the additionally acquired property. In the case of a sale of a property during the period, leased space of the sold property is not subtracted from the total leased space as of the end of the previous period, and thus, the original formula (space vacated by tenants over the period as a percentage of total leased space as of the end of the previous period) applies.

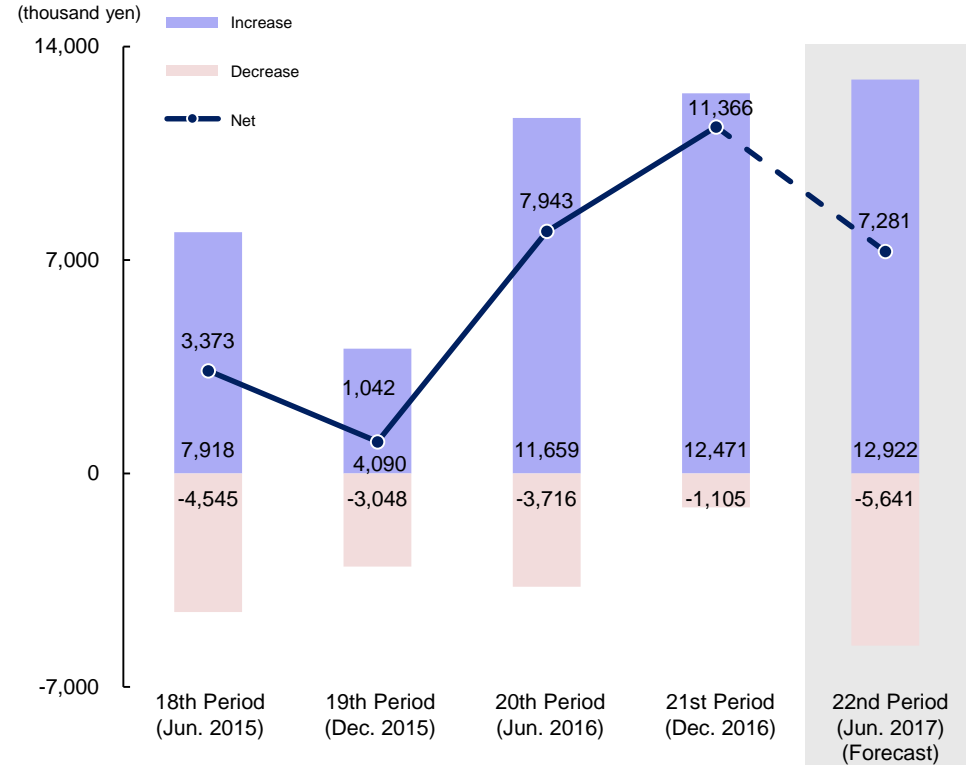
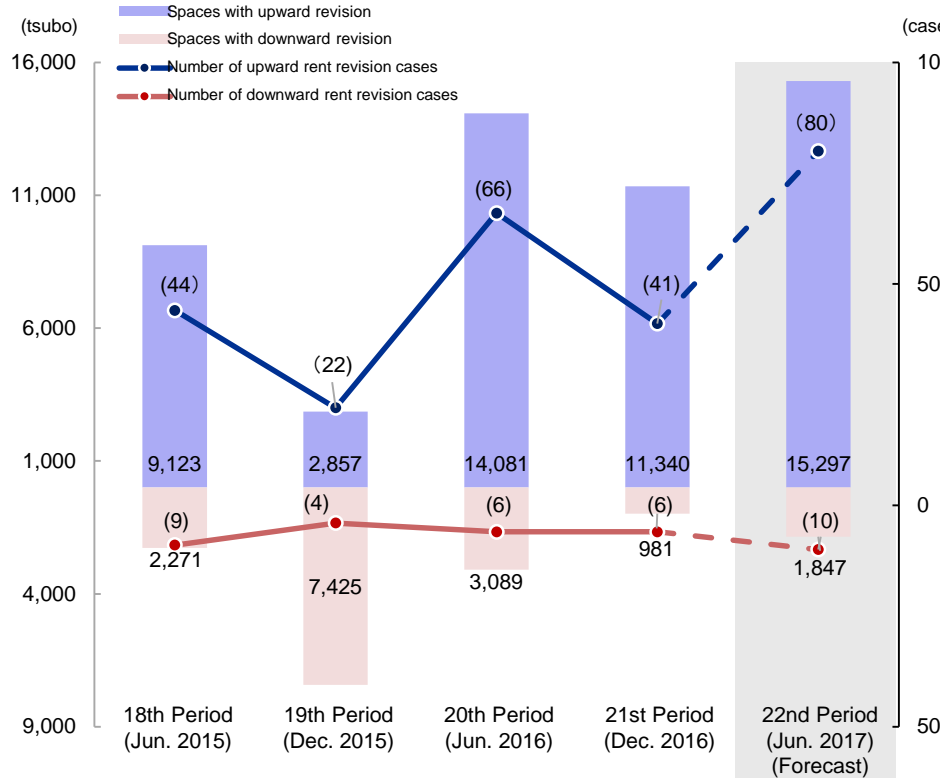
2. Internal Growth

(1) Status of Rent ② (Rent revision)

- ◆ The upward rent trend remains unchanged. Increased by 46% for areas subject to revision and the average rent increase rate was 7.1%. Upward rent revision is expected to further increase in the 22nd Period.
- ◆ Net increase/decrease remains positive for four consecutive periods (increase of 11 million yen based on monthly rent)

■ Number of Rent Revision Cases and Among Spaces Up for Revision*1

■ Increase/Decrease in Rent Due to Rent Revisions (based on monthly rent)*1



Ratio of rent revised upward (cases)	35.0%	12.2%	49.6%	45.8%	56.6%
	(20.2%)	(14.4%)	(39.5%)	(37.3%)	(34.9%)
Area subject to rent revision (cases)	26,070 tsubos	23,363 tsubos	28,407 tsubos	24,767 tsubos	27,042 tsubos
	(218 cases)	(153 cases)	(167 cases)	(110 cases)	(229 cases)

Upward revision rate	6.8%	8.1%	7.3%	7.1%	6.4%
Downward revision rate	9.3%	3.2%	5.6%	5.7%	13.3%
Rent revision rate**2	0.9%	0.3%	2.0%	2.8%	1.8%

*1 The figures do not include the data of fixed rent master lease agreements

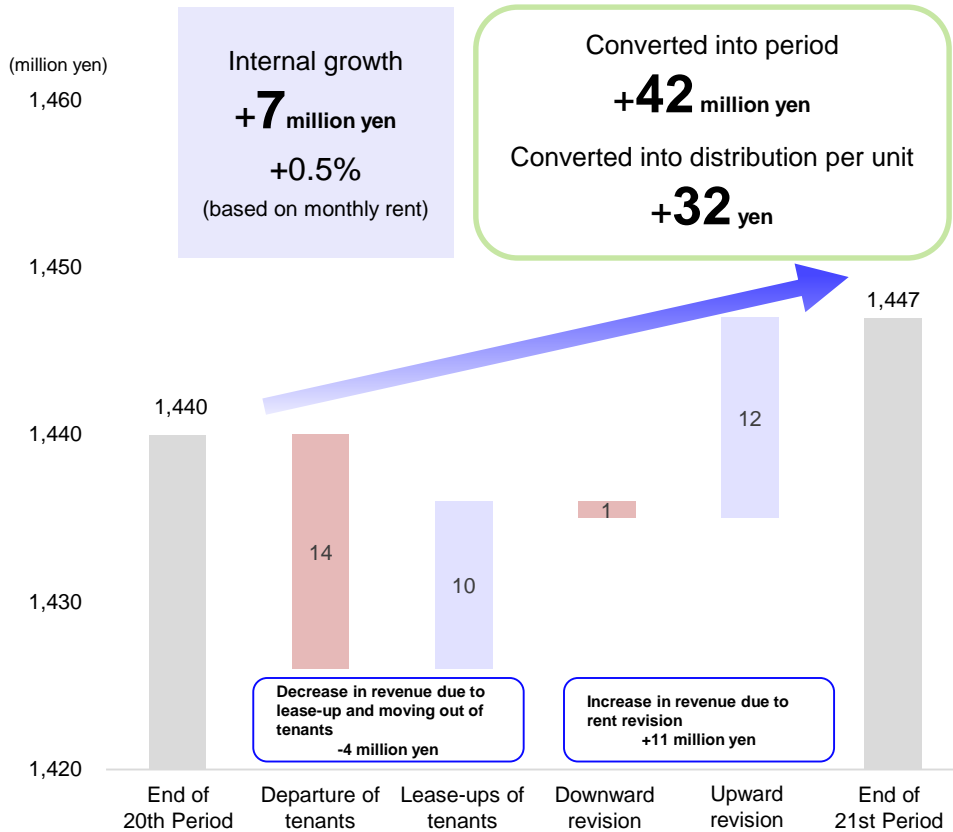
**2 Figures are average rent revision rate including contract renewal at the same rent

2. Internal Growth

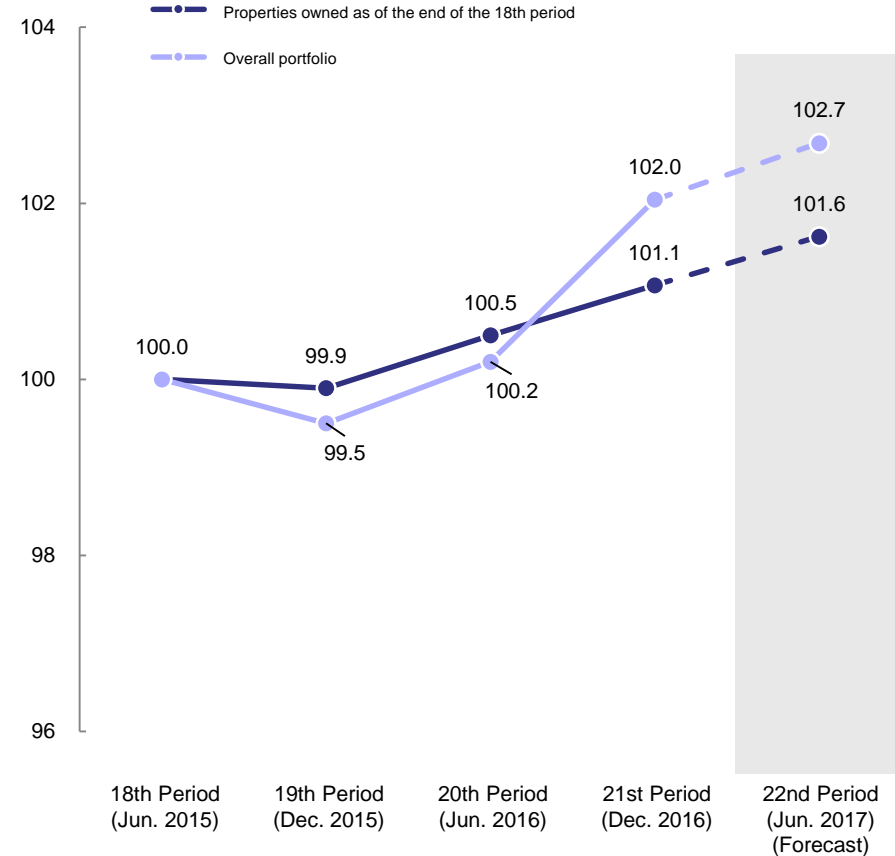
(2) Historical monthly rent and unit rent

- ◆ Monthly rent increased by 7 million yen, or 0.5% from the previous period due to internal growth
- ◆ Average unit rent of portfolio is steadily increasing due to upward revision

■ Breakdown by increase/decrease factor of monthly rent (Internal growth)



■ Historical Rent Levels*1

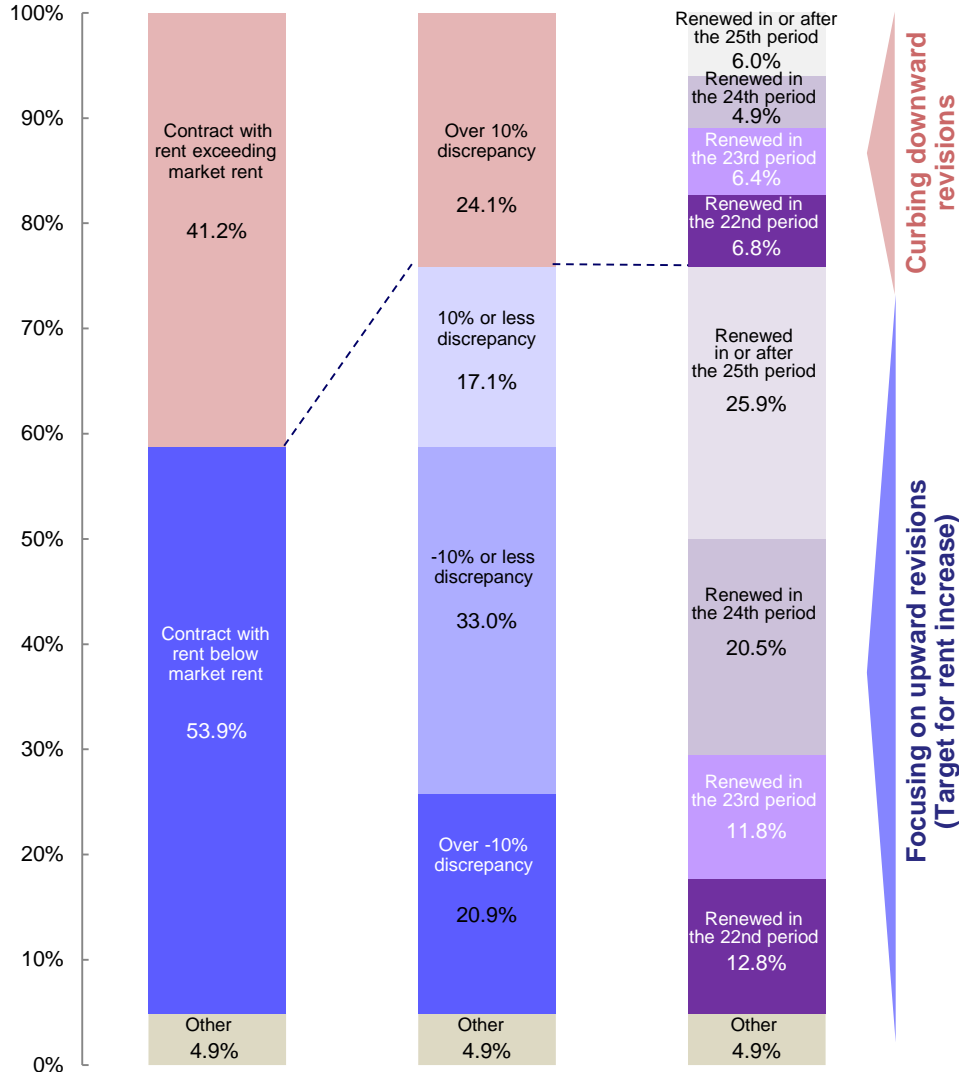


*1 Indexed with the average unit rent at the end of the 18th period set as 100. The average unit rent is weighted average by leased office space. Properties owned at the end of the 18th Period are properties continuously owned from the end of the 18th Period among those owned at the end of the 21st Period.

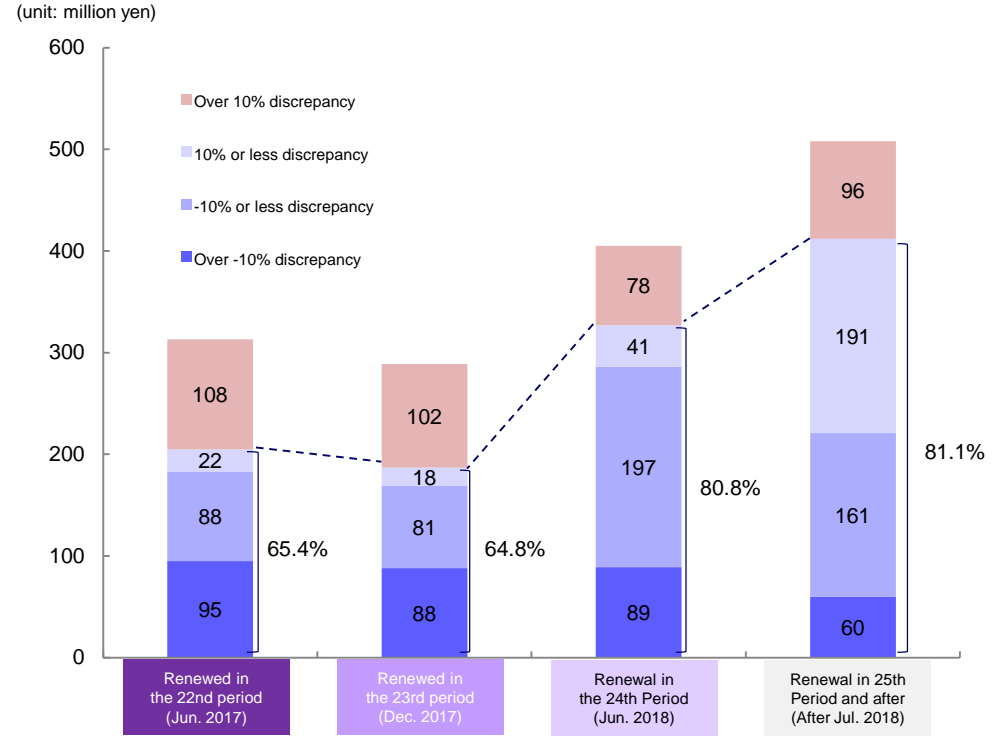
2. Internal Growth

(3) Status of Rent Gap

■ Status of Rent Gap



■ Monthly Rent by Renewal Period



- ◆ Focusing on upward revision mainly for contracts with rent below market rent. Rent gap was -2.4% at the end of 21st Period (December 2016) .
- ◆ Target tenants for rent increase will be 60% to 80% among up for rent revision in the periods after the 22nd period. Internal growth is expected to continue.

*Target tenants for rent increase refers to contracts with rent below market rent and contracts with rent gap 10% or less discrepancy.

* The ratio is based on the monthly rent at the end of the 21st period. "Other" refers to contracts related to land with leasehold interest, residential, etc. Discrepancy rate is as of the end of the 21st period.

2. Internal Growth

(4) Tenant departure at Shiba 2-chome building

Overview of Property

Location	2-3-3 Shiba, Minato-ku
Structure	12 floors above ground, 2 floors below ground
Total floor area	16,804.73 m ² (5,083.43 tsubos)
Leasable area	9,284.18 m ² (2,808.46 tsubos)
Construction completion date	March 1994
PM company	Dai-Ichi Building



Overview of the change of tenant (cancellation)

Date of receiving cancellation notice	January 5, 2017
Scheduled date of cancellation	July 15, 2017
Name of tenant	Roche Diagnostics K. K.
Floor area subject to cancellation	9,284.18 m ² (2,808.46 tsubos)
Percentage of the floor area subject to cancellation to the property (office building)	100%
Percentage of the floor area subject to cancellation to the entire portfolio	2.6%

* Shiba 2-chome Building comprised of an office and residential buildings and the figures in the left table indicate those related to the office building.
 * Figures calculated by multiplying the ratio of co-ownership interest (95.05%) by the area of the entire building are indicated for leasable area and area subject to cancellation.

Leasing Policy and Status

- Appeals scarcity of being able to secure a large number of vacant rooms in central Tokyo
- Close cooperation with Property Management (PM) company (a sponsor Dai-Ichi Building)

Early lease up after departure of major tenants

Utilization of the support of sponsors having relationships with many large companies

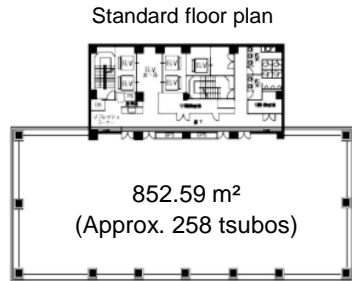
Cooperation with PM companies that are sponsors

JEI Hamamatsucho Building (Departure date: June 2014, approx. 1,200 tsubos)

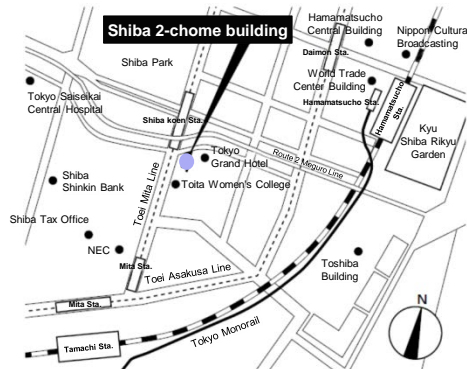
➡ Leasing-up most parts without downtime

Kawasaki Nisshincho Building (Departure date: June 2012, approx. 2,100 tsubos)

➡ Achieved lease-up in approximately half a year



Floor space with a regular shape and no pillars
 Ceiling height of 2,700mm and 100% raised floor



Closest station: Two-minute walk from Shibakoen subway station and nine-minute walk from JR Hamamatsucho Station

Excellent location which is a two-minute walk from the closest station. Having competitiveness within the surrounding area in terms of scale and building specification

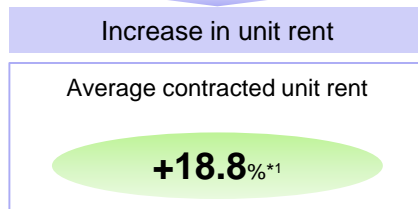
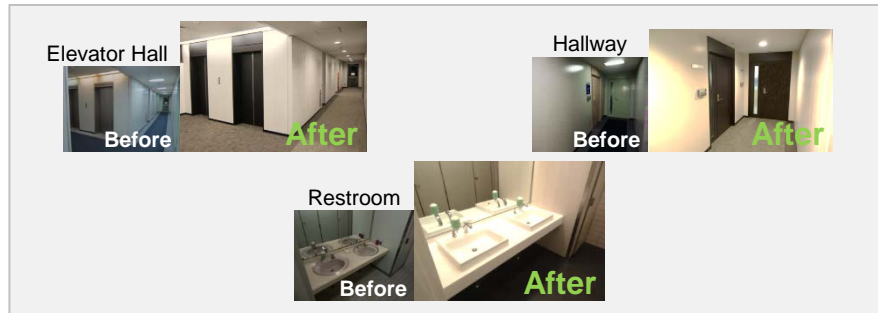
2. Internal Growth

(5) Value-added Renovations

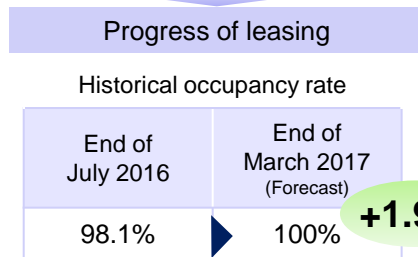
- ◆ Conducted strategic investment to enhance value of properties
- ◆ Increase of rent revenue, maintenance of competitiveness contributed to increasing in income

■ Renewal work of JEI Naha Building

Renewal of common space such as elevator hall and restrooms that had deteriorated over the years

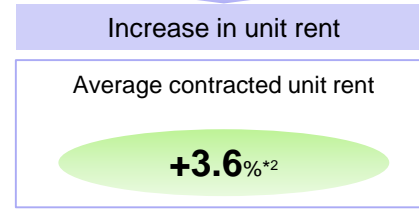
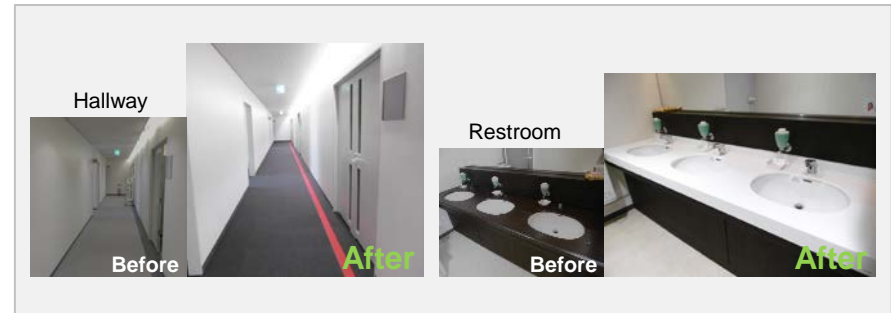


*1 Based on the actual results of the 21st Period (Comparison with the previous period)

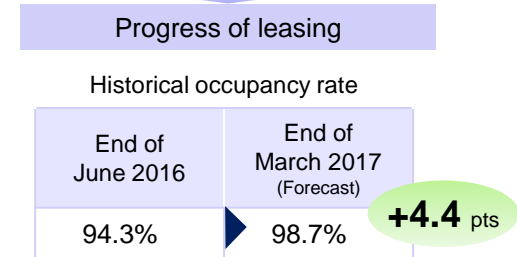


■ Renewal work of JEI Kyobashi Building

Renewal work to maintain and enhance competitiveness of properties



*2 Based on expected conclusion of contracts in the 22nd Period (Comparison with average contracted unit rent in the 20th and 21st Periods)



■ Major renewal work scheduled to be conducted in the 22nd Period

◆ SE Sapporo Building

Renewal work to enhance tenant satisfaction (Scheduled)

Renovation of elevator hall

Before renovation | After renovation (Image)

Investment amount: 177 million yen

Aims to increase the average unit rent by 9.6% with upward rent revision

◆ Kowa Kawasaki Nishiguchi Building

Renewal work to maintain and enhance profitability (Scheduled)

Entrance | Elevator Hall | Restroom

Before renovation | After renovation (Image)

Investment amount: 378 million yen

Aims to increase contracted unit rent by 7.7%

3. Financial Strategy

(1) Performance of Financing Activities

◆ Reduction of financial costs by refinancing including flexible issuance of investment corporation bonds

■ Performance of Financing Activities

21st Period (Ended December 2016)

	Before refinancing	After refinancing
Amount	15.76 billion yen	15.76 billion yen
Average borrowing interest rate	0.72%	0.32%
Average borrowing period	3.0 years	4.2 years

Reduction effect of interest rate *1
32 million yen/ period
Converted into distribution per unit
24.1 yen

■ Future average borrowing interest rate by repayment and redemption period

	23rd Period (Dec. 2017)	24th Period (Jun. 2018)	25th Period (Dec. 2018)	Total
Repayment and redemption amount	13.00 billion yen	20.00 billion yen	10.75 billion yen	43.75 billion yen
Average borrowing interest rate	1.32%	0.76%	0.73%	0.92%

(Status of issuance of investment corporation bonds)

Before refinancing			After refinancing		
Term	Amount issued	Interest rate	Term	Amount issued	Interest rate
5 years	5.0 billion yen	1.01%	8.5 years	4.0 billion yen	0.42%

(Breakdown)

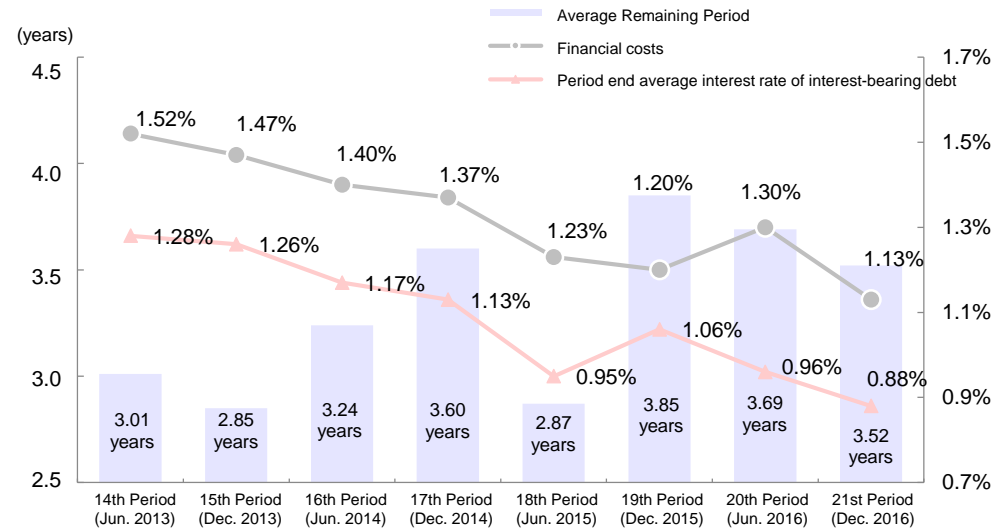
10 years	2.0 billion yen	0.45%
7 years	2.0 billion yen	0.39%

22nd Period (Ending June 2017)

	Before refinance	After refinance
Amount	12.00 billion yen	12.00 billion yen
Average borrowing interest rate	1.14%	0.25%
Average borrowing period	4.7 years	2.4 years

Reduction effect of interest rate *1
53 million yen/ period
Converted into distribution per unit
40.8 yen

■ Historical Average Remaining Period of Interest-Bearing Debt and Financial Costs*2



(Conducted the above refinancing at the end of January 2017)

*2 "Financial costs" = (Interest expense + loan-related fees + interest expense on investment corporation bonds + amortization of investment corporation bond issuance costs) ÷ average balance of interest-bearing debt during the period.

*1 Calculated by the following formula:
(Average borrowing interest rate before refinancing – average interest rate after refinancing) × refinancing amount × 1/2

3. Financial Strategy

(2) Status of Financial Management

- ◆ Maintained high ratings by stable financial management
- ◆ Managing LTV level by considering distribution level etc.

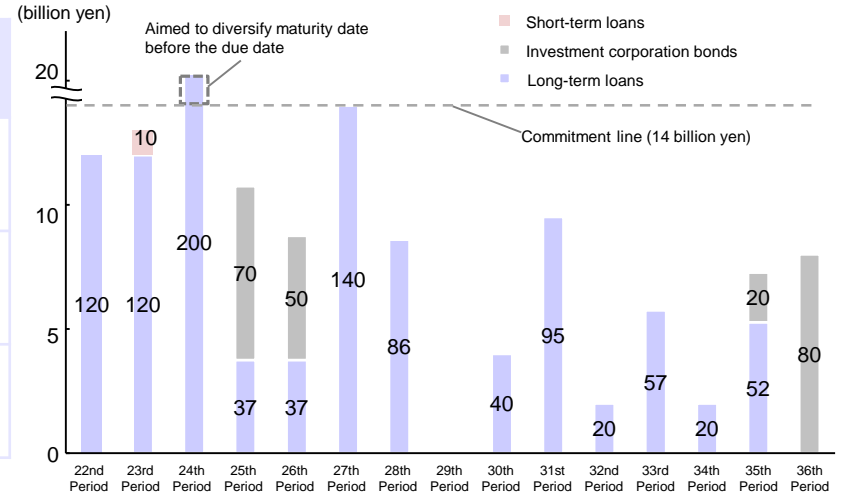
Financial Data Summary

	End of 20th Period (Jun. 2016)	End of 21st Period (Dec. 2016)
LTV (total assets basis)	46.5%	46.6%
Financial costs	1.30%	1.13%
Period end interest-bearing debt interest rate	0.96%	0.88%
Ratio of fixed interest rate	89.4%	82.8%
Average remaining period of interest-bearing debt	3.69 years	3.52 years

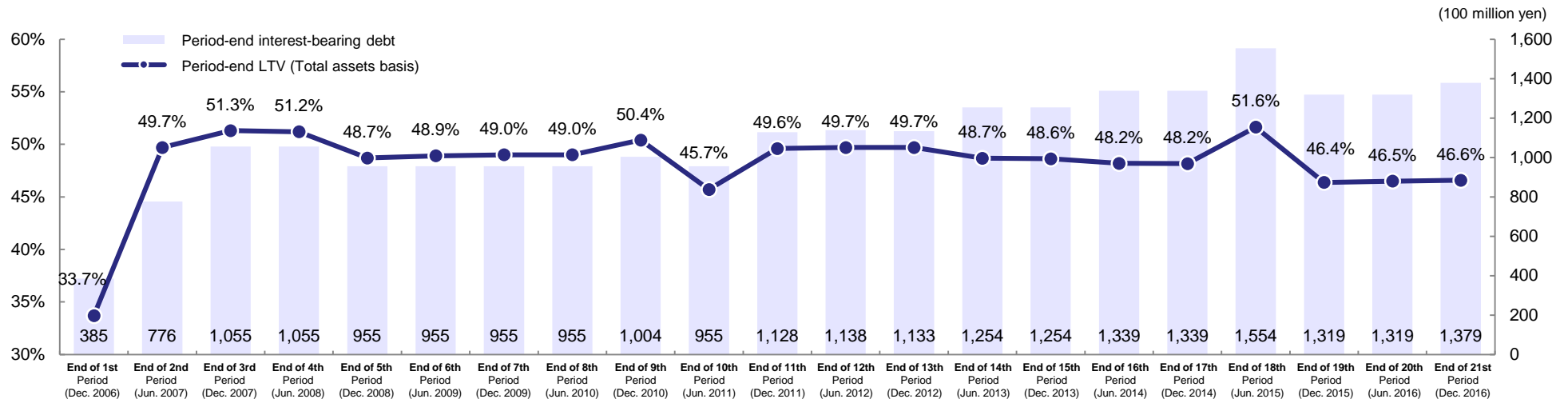
Rating

Rating agency	Rating (outlook)
Japan Credit Rating Agency (JCR)	Long-term issuer rating: AA- (stable)
Rating and Investment Information (R&I)	Issuer rating: A+ (stable)
Moody's Japan	Issuer rating: A3 (stable)

Repayment Schedule and Status of Maturity Date Diversification



Historical Interest-Bearing Debt and LTV (total assets basis)



4. Initiatives for Sustainability Measures

GRESB Real Estate Assessment



- ◆ Received “**Green Star**,” the highest rating in the GRESB (the Global Real Estate Sustainability Benchmark) Real Estate Assessment, conducted in 2016, following the previous year
- ◆ Received the highest rating of “**5-Star**” in “GRESB Rating,” a five grade evaluation system based on comprehensive scores

* “Global Real Estate Sustainability Benchmark (GRESB)” is a benchmark established by European pension fund groups to measure real estate companies and management institutions’ consideration to sustainability and is used in cases such as when major European and Asian institutional investors select investment targets.

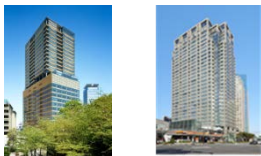
Obtained environmental certification and evaluation

DBJ Green Building Certification

- ◆ Development Bank of Japan Inc. selects and certifies buildings for the purpose of promoting real estate properties that demonstrate environmentally friendly building features, security measures, disaster prevention measures and take into account societal demands from various stakeholders surrounding the properties.



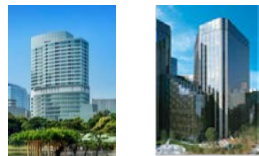
Properties with exceptionally high environmental & social awareness



AKASAKA INTERCITY* Nisseki Yokohama Building



Properties with excellent environmental & social awareness



HAMARIKYU INTERCITY Omori Bellport D



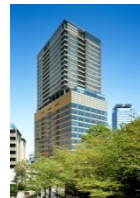
Real estate properties with advanced “environmental and social awareness”



Kowa Kawasaki Nishiguchi Building

Office Implementing Excellent Specific Global Warming Countermeasures

Top-Level Office



AKASAKA INTERCITY



Akasaka Garden City

- ◆ The Tokyo metropolitan government certifies offices with particularly advanced global warming countermeasures as “Office Taking Excellent Specific Global Warming Countermeasures”
- ◆ Total emission reduction obligation ratio of specified green-house gas is halved for a “Top-Level Office”.

CASBEE for Market Promotion Certification



Kowa Nishi-shinbashi Building

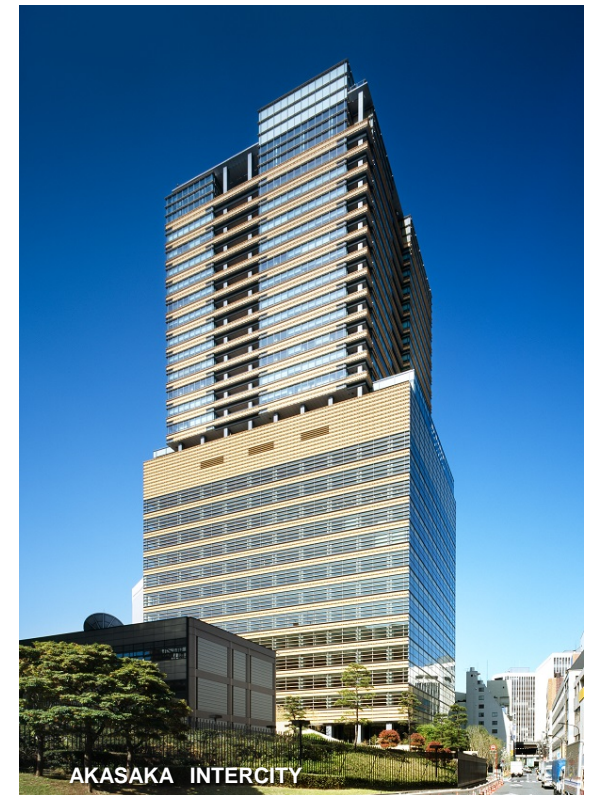


Rank A

- ◆ A system established under the leadership of the Ministry of Land, Infrastructure, Transport and Tourism to appropriately identify and evaluate properties with high environmental value that have high environmental performance and are well managed.

* NIPPON STEEL KOWA REAL ESTATE CO., LTD., the co-owner of the property, has received the certification.

III. Features of Japan Excellent Inc.



1. Sponsors

Sponsor companies with strong capabilities in property supply, management and leasing

Robust property pipeline supported by excellent sponsors



Japan Excellent, Inc.
Japan Excellent Asset Management Co., Ltd.

Provision of property acquisition opportunities that will enable continuous expansion of the asset size

Stabilization of revenue and enhancement of property competitiveness with strong property management and leasing capabilities

Core Sponsors



NIPPON STEEL KOWA REAL ESTATE CO., LTD.

Established through the integration of Nippon Steel City Produce and Kowa Real Estate, a real estate company with balanced operation of its office building business centering on central Tokyo and its residential business.

Property

Brokerage

Personnel

Management

By your side, for life **The Dai-ichi Life Insurance Company, Limited**



One of Japan's top class life insurance companies. As of March 31, 2016, manages 274 office buildings and other investment properties nationwide.

Property

Loans

Personnel



Mizuho Bank, Ltd.

Loans

Personnel



Mizuho Trust & Banking Co., Ltd.

Loans

Brokerage

Personnel



The Dai-ichi Building Co., Ltd.

Brokerage

Management

Personnel



Sohgo Housing Co., Ltd.

Management

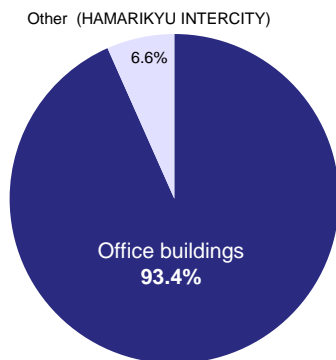
Achievements : **Property** Supply of properties **Loans** Loans **Brokerage** Brokerage for third-party properties **Personnel** Supply of personnel **Management** Management of JEI's properties

2. Portfolio (1)

Usage

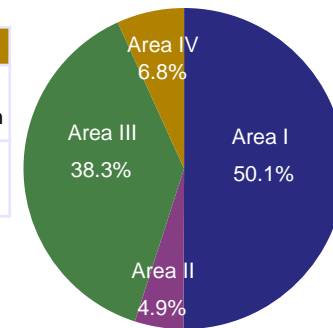
(Investment Policy)

Usage ^{*1}	Investment ratio in portfolio ^{*2}
Office buildings	90% or more
Other	10% or less



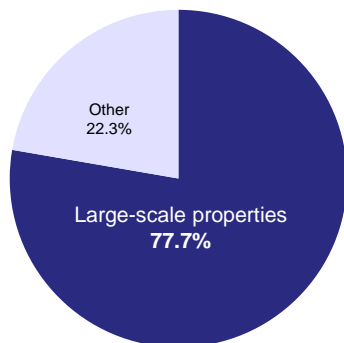
Area

Area	Area I	Area II	Area III	Area IV
Total acquisition price	143.6 billion yen	14.0 billion yen	109.7 billion yen	19.4 billion yen
Number of properties	11 properties	3 properties	11 properties	6 properties

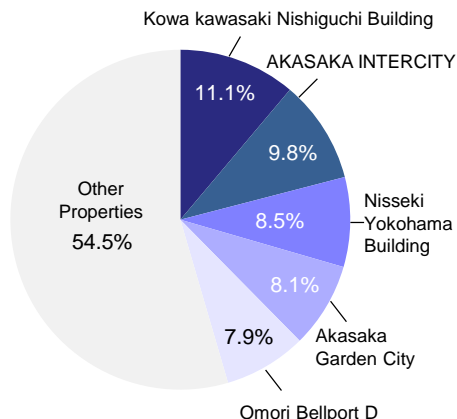


Ratio of investment in the Tokyo metropolitan area^{*4}
88.3%

Large-Scale Properties^{*3}



Top 5 Properties



Ratio of top 5 properties
45.5%

(Investment Policy)

Target investment areas		Investment ratio in portfolio ^{*2}
Core areas		80% or more
Area I	6 central wards of Tokyo (Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya)	50% or more of the core areas
Area II	Central Osaka (Umeda, Dojima, Nakanoshima, Yodoyabashi, Honmachi, etc.) Central Nagoya (Meieki, Fushimi, Sakae, etc.) Central Fukuoka (Tenjin, Hakata-ekimae, etc.)	50% or less of the core areas
Area III	Tokyo other than Area I, and its vicinity (Kanagawa, Saitama, and Chiba prefectures)	50% or less of the core areas
Area IV	Areas in Osaka, Nagoya and Fukuoka other than Area II and other government designated cities	20% or less

*1 Usage is determined based on the majority share of leasable space for each asset related to real estate. The total acquisition cost of the concerned asset related to real estate is incorporated into the acquisition price by said usage.

*2 This refers to the ratio of total acquisition cost of the asset related to real estate for each usage or area against the total acquisition cost of the overall portfolio.

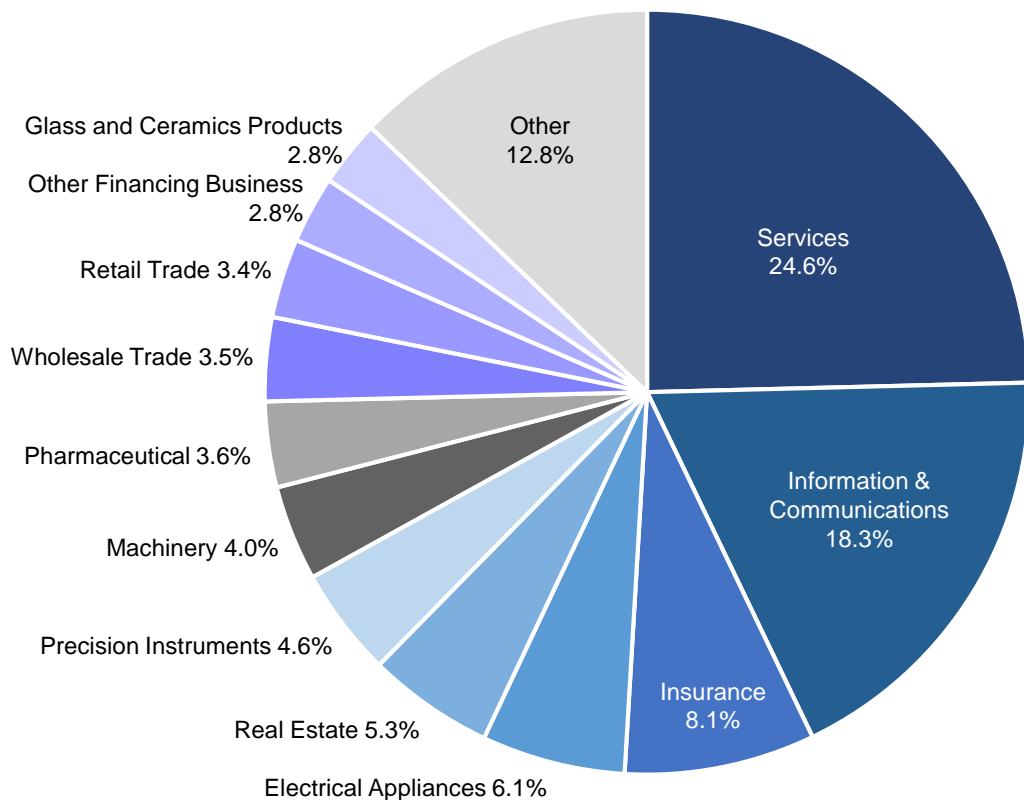
*3 "Large-scale properties" refers to properties with total floor area of 10,000 tsubo or more for the 23 wards of Tokyo, and of 4,000 tsubo or more for areas other than the 23 wards of Tokyo.

*4 "Tokyo metropolitan area" indicates Tokyo and its surrounding areas (Kanagawa, Saitama and Chiba prefectures) (Area I and Area III).

*5 Each figure above is as of the end of the 21st period, and the ratio is rounded to the first decimal place based on the acquisition price

2. Portfolio (2)

■ Type of Industry of Tenants*1



*1 Asset management company categorized and created above industry category along with "TOPIX 33 Sector Indices."
 *2 Ratio stated above is rounded to the first decimal place based on the rentable space as of the end of the 21st period.

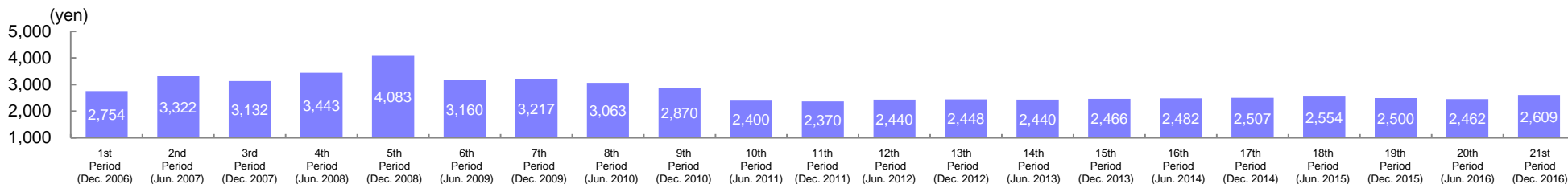
■ Top 10 Tenants

End tenant name	Property Name	Total space leased (m ²)	Floor area ratio (%)
National Mutual Insurance Federation of Agricultural Cooperatives	Kowa Kawasaki Nishiguchi Building	20,549.29	5.7
Toshiba Information System (Japan) Corp.	Kowa Kawasaki Higashiguchi Building	18,612.72	5.2
Hitachi Urban Investment, Ltd.	Omori Bellport D	10,118.99	2.8
	Ebina Prime Tower		
	JEI Hiroshima Hacchobori Building		
SE Sapporo Building			
Roche Diagnostics Japan K. K.	Shiba 2-chome Building	9,284.18	2.6
*3	*3	8,131.66	2.3
*3	Daiba Garden City Building	7,286.83	2.0
*3	*3	6,450.78	1.8
JACCS CO., LTD.	Ebina Prime Tower	5,540.02	1.5
Hitachi Zosen Corporation	Omori Bellport D	5,383.97	1.5
RICOH JAPAN Corporation	Kowa Kawasaki Nishiguchi Building	4,995.87	1.4
Total of top 10 end tenants		96,354.31	26.9
Total of portfolio overall		358,666.01	100.0

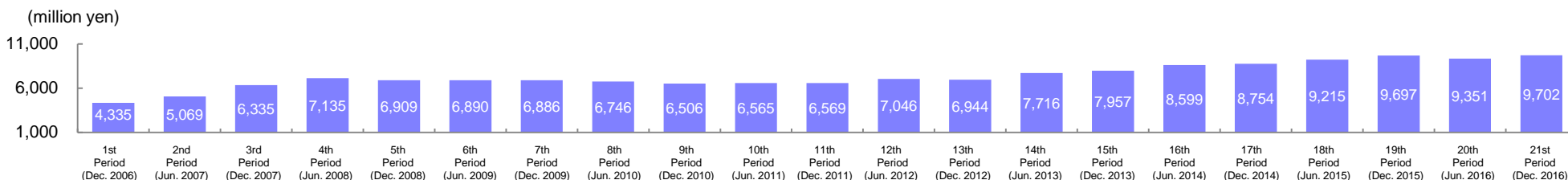
*3 End tenant names are not disclosed as we have not obtained consent, etc. from tenants.
 *4 The figures above are as of the end of the 21st period.

3. Track Record

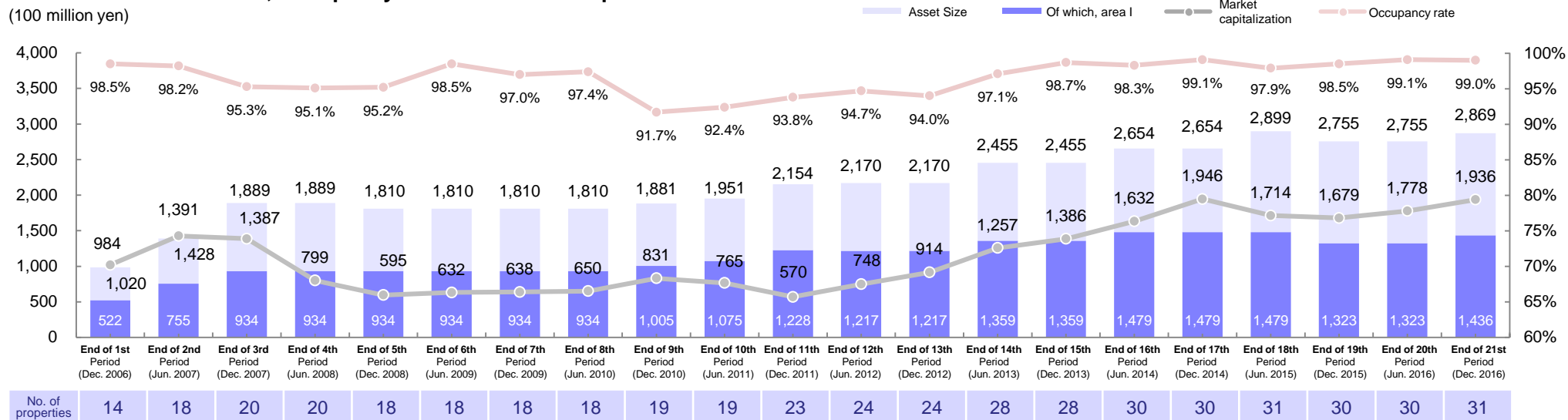
Historical Distributions per Unit*1



Historical Rental Revenue



Historical Asset Size, Occupancy Rate and Market Capitalization*2



*1 JEI Implemented a 5-for-1 split of its investment units on January 1, 2014. Considering said split, Distributions per Unit from even before the 15th period are divided by 5. Figures are rounded down to the nearest whole number.

*2 Market capitalization indicates the market capitalization as of the end of each fiscal period.

4. Structure of JEI / Overview of Japan Excellent Asset Management Co., Ltd.

Unit Price and Tokyo Stock Exchange REIT Index



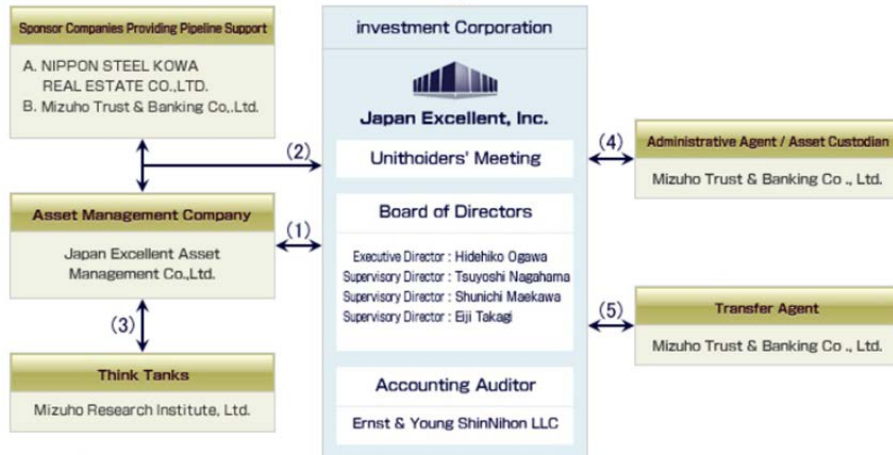
* Unit prices for December 25, 2013 and earlier are divided by 5.

Overview of Japan Excellent Asset Management

Headquarters	1-15-9 Minamiaoyama, Minato Ward, Tokyo	
Established	April 14, 2005	
Capital	450 million yen	
Shareholders	NIPPON STEEL KOWA REAL ESTATE CO., LTD.	54.0%
	The Dai-ichi Life Insurance Company, Limited	26.0%
	The Dai-ichi Building Co., Ltd.	5.0%
	Sohgo Housing Co., Ltd.	5.0%
	Mizuho Bank, Ltd.	5.0%
Business Operations	Mizuho Trust & Banking Co., Ltd.	5.0%
	Financial Instrument Dealer	

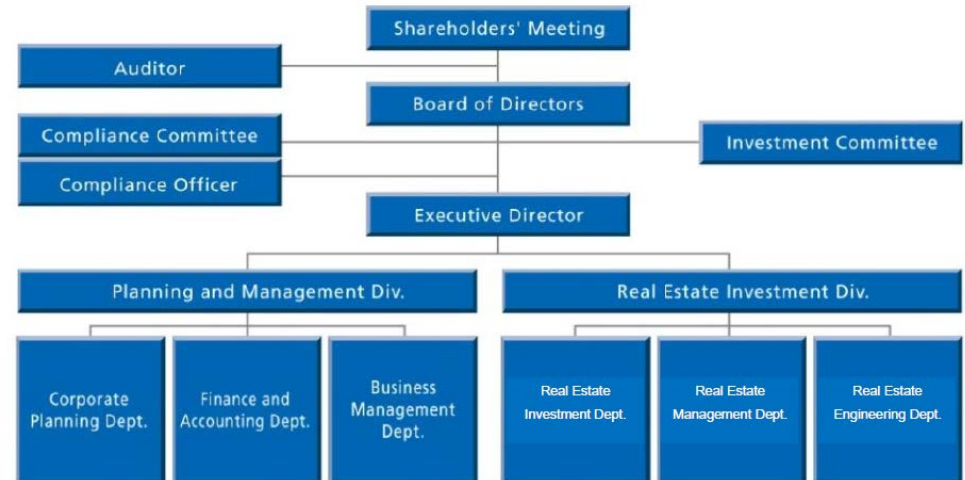
* Percentages in the above table are percentages of total outstanding shares.

Organization of JEI



- (1) Asset Management agreement
- (2) A. Pipeline support agreement with NIPPON STEEL KOWA REAL ESTATE
B. Pipeline support agreement with Mizuho Trust & Banking
- (3) Agreement with Mizuho Research Institute to provide market and other information
- (4) Agreement to entrust administrative duties and asset custody
- (5) Agreement to entrust administration of unitholders' register

Outline and Organization of JEAM



5. Operation Structure of Japan Excellent Asset Management Co., Ltd.

■ Structure to Prevent Conflicts of Interest Due to Sponsor Formation



NIPPON STEEL KOWA REAL ESTATE

By your side, for life



The Dai-ichi Life Insurance

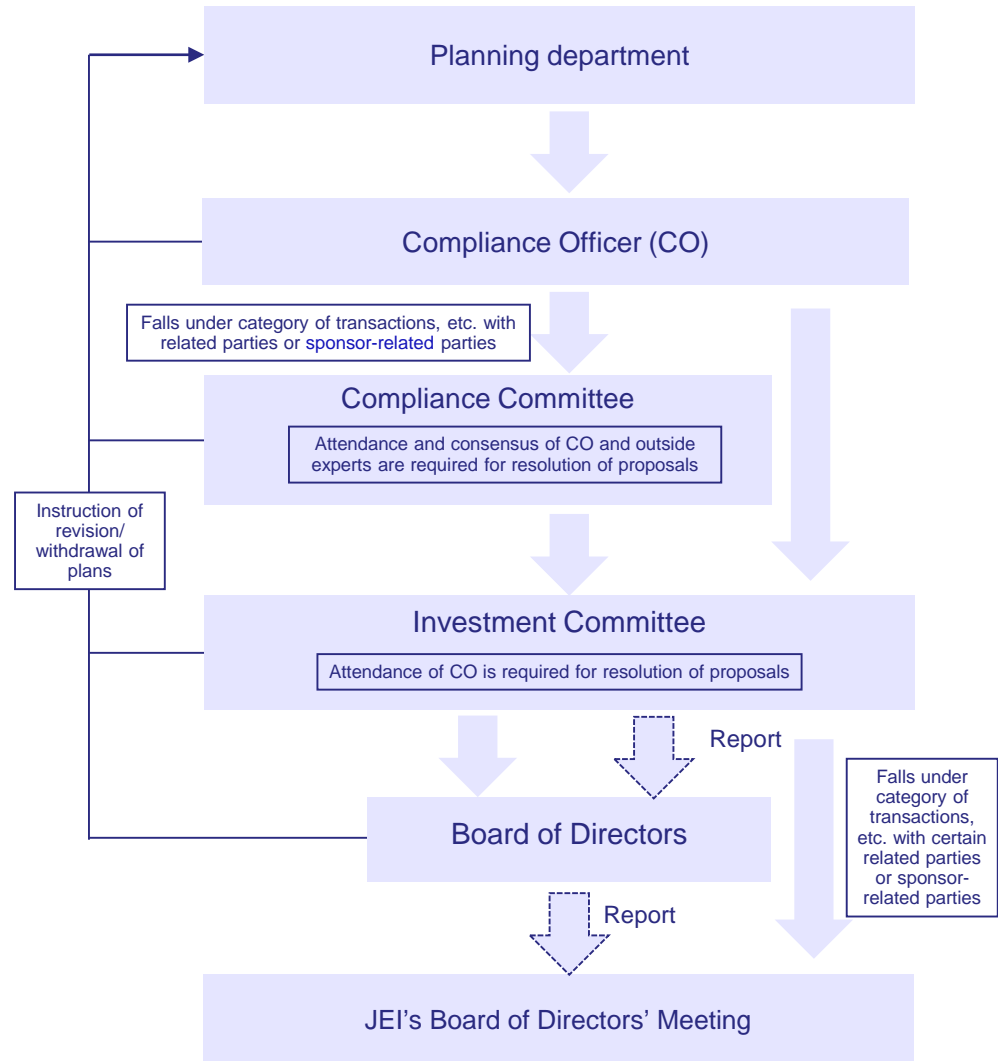
- ◆ Management structure which will not be affected by a specified sponsor due to mutual supervision of the two core sponsors
- ◆ The two core sponsors own 7.1% of JEI's investment units and the interest of unitholders and that of sponsors match (as of December 31, 2016)

■ Management Fee Structure

- ◆ In addition to management fees linked to the size of managed assets, management fees linked to revenue are also introduced
- ◆ A fee for property acquisitions/sales is not adopted

	Calculation method								
Asset management fees I	<p>The amount of JEI's assets under management (every 3 months) multiplied by the following fee rates x (the actual number of days within the relevant calculation period ÷ 365)</p> <table border="1"> <thead> <tr> <th>Assets under management</th> <th>fee rates</th> </tr> </thead> <tbody> <tr> <td>Portion up to ¥100 billion</td> <td>0.25%</td> </tr> <tr> <td>Portion over ¥100 billion up to ¥200 billion</td> <td>0.15%</td> </tr> <tr> <td>Portion over ¥200 billion</td> <td>0.05%</td> </tr> </tbody> </table>	Assets under management	fee rates	Portion up to ¥100 billion	0.25%	Portion over ¥100 billion up to ¥200 billion	0.15%	Portion over ¥200 billion	0.05%
Assets under management	fee rates								
Portion up to ¥100 billion	0.25%								
Portion over ¥100 billion up to ¥200 billion	0.15%								
Portion over ¥200 billion	0.05%								
Asset management fees II	(The amount of ordinary income before deducting Management Fee II + the amount of depreciation) x 4.0%								

■ Flow of Decision-Making



Reference Materials



- ◆ Conducted public offering for the fourth consecutive year.
 - Expansion of asset size through acquisition of properties from sponsors
 - Implemented growth of distribution per unit and NAV per unit resulting in improvement of unitholder value

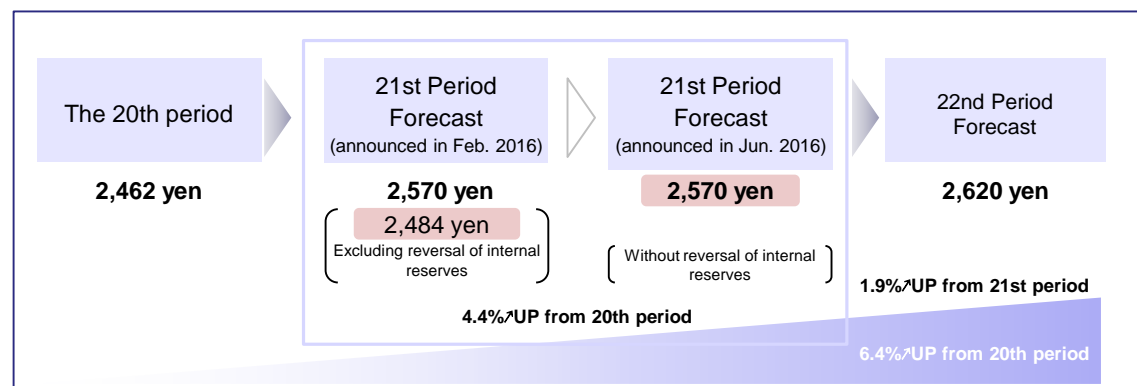
■ Overview of Public Offering

Type of issuance	Public offering (domestic)
Outstanding investment units (prior to offering)	1,264,450 units
Newly issued investment units	41,250 units Primarily offering : 37,500 units Third-party allotment : 3,750 units
Issue price	138,742 yen per unit
Issue purchase	134,259 yen per unit
Total purchase price	5,538 million yen (including 503 million yen for over-allotment)
Issuance approval date	June 22, 2016
Terms determination date	July 4, 2016
Payment date	Primarily offering : July 11, 2016 Third-party allotment : August 10, 2016

■ Offering Highlights

		20th period (Ended June 2016)	After Public Offering and Property Acquisition
Expansion of Asset Size	Total Acquisition Price (No. of properties)	275.5 billion yen (30 properties)	286.9 billion yen (31 properties)
Quality Improvement of Portfolio	Ratio of top 10 tenants	27.2%	26.8%
	Ratio of top 5 properties	47.4%	45.5%
	Average building age	19.6 years	19.1 years
Improvement of unitholder value	NAV per unit	116,041 yen	116,755 yen (+714 yen)

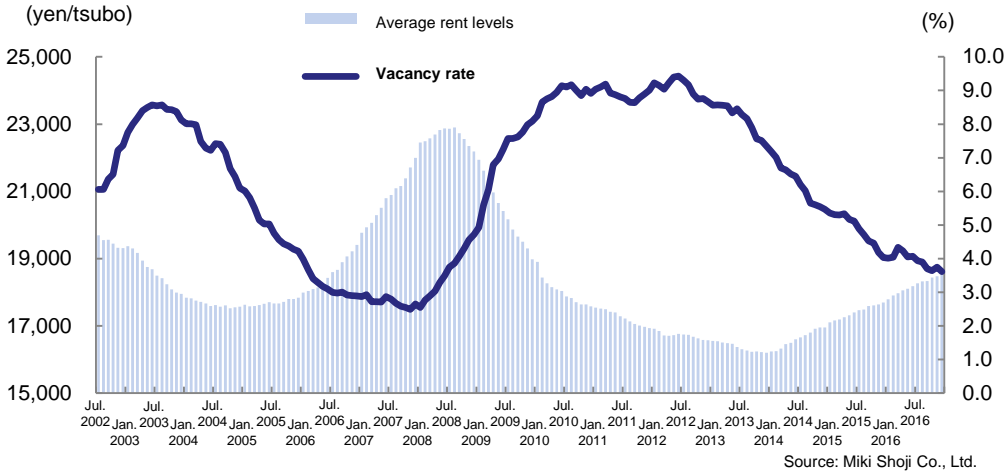
■ Distribution per unit



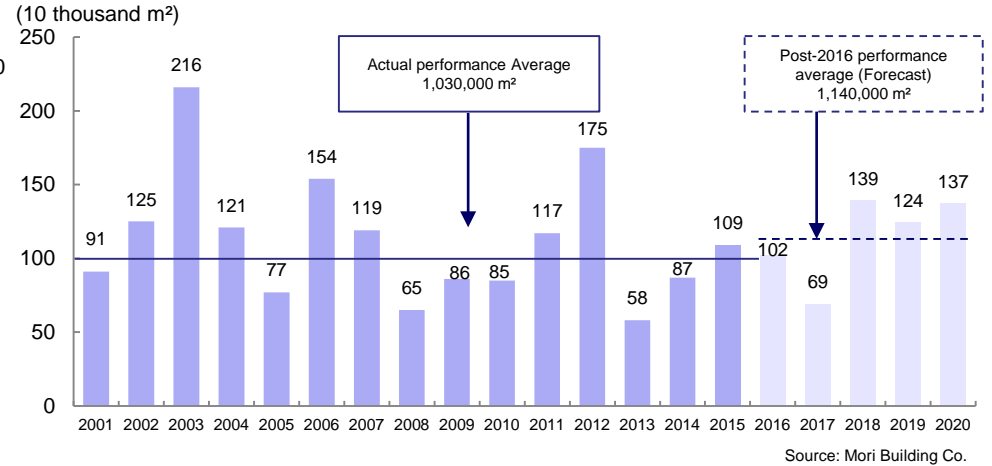
* With regard to distribution for the 21st period, partial reversal of reserve for reduction entry was assumed in the forecast announced in February 2016; however reversal of reserve for reduction entry is not premised in the announcement in June 2016.

- ◆ Improvement trend in vacancy rate continues and rent level is rising gradually
- ◆ Real estate transaction prices remain in the high price range

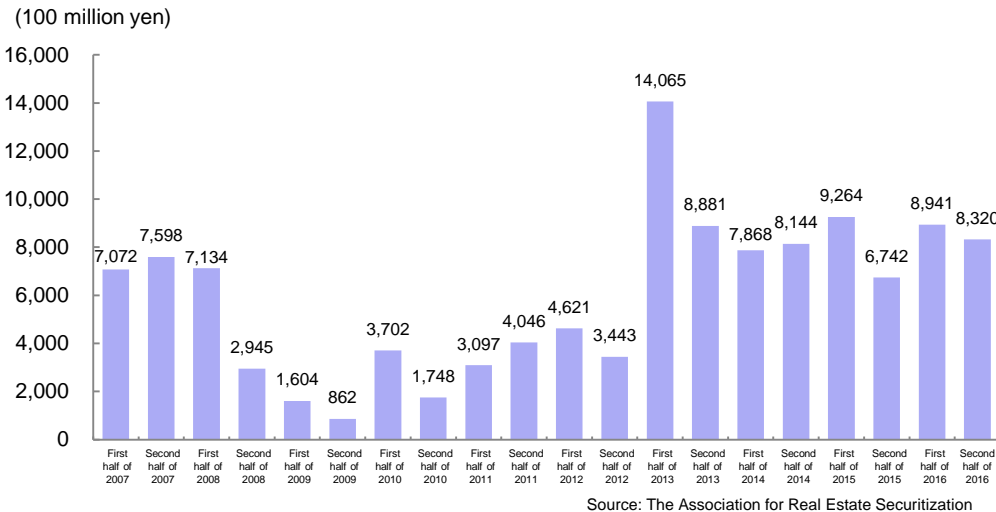
Historical Rent Levels and Vacancy Rate in 5 Central Wards of Tokyo



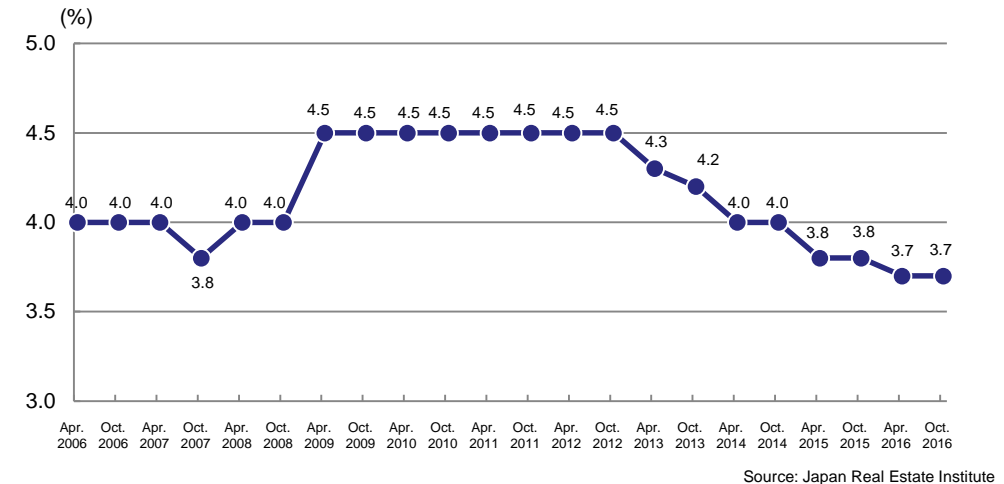
Historical New Office Supply Volume in 23 Wards of Tokyo



Historical Actual Real Estate Acquisitions by J-REITs



Historical Expected Transaction Cap Rate for Class A Buildings (Tokyo's CBD, Marunouchi and Otemachi areas)



Revenue and Expenses by Property

(Unit: million yen)

	Area I											Area II			Area III										Area IV							Total	
	I-1	I-2	I-3	I-7	I-8	I-9	I-10	I-12	I-13	I-14	I-15	II-1	II-2	II-3	III-1	III-2	III-3	III-5	III-6	III-7	III-8	III-9	III-10	III-11	III-12	IV-2	IV-3	IV-4	IV-5	IV-6	IV-7		
	Omori	Shiba 2-chome	Hamamatsu-cho	Akasaka Garden City	AKASAKA INTERCITY	Kowa Shiroaneda	Daiba Garden City Bldg.	HAMARIKYU INTERCITY	Shintomicho	Kowa Nishi-Shimbashi	Mansard Daikanyama	NHK Nagoya	Nishi-honmachi	Owaka Keio Building	Musashi-Kusugi	Kawasaki Higashi-Guchi	Hongo	Kawasaki Nishin-cho	44 Kowa	Ryogoku	Ebina	Kawasaki Nishi-Guchi	Sengoku	Core City Tachikawa	Nissaki Yohjima Building	Kyobashi	Hiroshima Haccho-ori	SE Sankyo	Aoba-dori Plaza	Daiwa Minamimorimachi	JEI Naha Building		
Revenue from operations	938	373	210	395	581	165	334	713	69	-	299	372	196	83	797	-	-	191	88	104	413	923	49	309	1,134	166	149	369	188	198	74	10,653	
Rental revenue	869	373	197	360	531	147	334	669	62	-	257	-	172	83	701	-	-	189	76	94	352	844	42	299	1,040	148	133	277	168	177	62	9,702	
Other revenue	68	0	12	35	49	18	0	44	7	-	41	-	24	-	96	-	-	2	11	10	61	79	7	10	94	17	16	92	20	20	12	951	
Expenses from operations	493	125	102	163	277	92	125	386	32	-	109	229	135	44	371	-	-	124	39	62	325	588	32	131	767	136	78	224	104	80	46	5,849	
Property management	137	47	19	45	40	24	1	110	6	-	36	65	24	-	97	-	-	46	15	21	117	143	6	29	157	16	17	34	34	21	8	1,422	
Utilities	136	0	11	26	50	11	-	63	5	-	22	28	23	-	75	-	-	-	7	9	70	90	5	40	166	14	13	82	18	14	8	1,064	
Taxes	77	29	17	32	34	14	34	45	4	-	-	25	26	43	62	-	-	17	5	7	39	76	6	20	120	12	17	23	17	12	4	891	
Insurance	1	0	0	0	0	0	0	2	0	-	0	0	0	-	1	-	-	0	0	0	1	2	0	1	3	0	0	0	0	0	0	25	
Repair and maintenance	10	5	1	1	5	18	3	10	4	-	8	4	2	-	18	-	-	15	4	4	12	20	1	4	17	35	5	2	9	1	0	267	
Non-operating expenses	1	1	14	1	61	1	1	8	0	-	1	33	2	0	7	-	-	0	1	1	15	11	0	1	9	1	1	2	1	1	5	220	
Depreciation	126	39	37	55	84	21	85	144	11	17	39	70	55	-	107	84	31	43	5	18	68	242	11	34	291	56	22	78	22	28	18	1,956	
Profits (loss) from operations	445	248	108	231	303	73	208	327	36	64	190	142	61	39	425	193	82	67	48	42	88	335	17	177	366	29	70	145	84	117	27	4,803	
NOI	572	288	145	287	387	94	293	472	48	82	230	213	116	39	533	278	114	110	54	60	157	577	28	212	658	85	93	223	106	145	46	6,760	
Number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
Acquisition price	22,552	9,450	8,350	23,300	28,146	4,705	11,000	19,080	1,750	3,931	11,420	5,610	6,673	1,770	13,890	10,976	5,400	4,725	1,150	2,550	6,470	32,000	1,620	6,500	24,500	3,308	2,760	5,500	2,120	4,410	1,380	286,997	

Compared with previous period	21st period NOI yield (annualized)	20th period NOI yield (annualized)	Difference (Pt)	21st period NOI yield after depreciation (annualized)																												
	5.0%	6.1%	3.5%	2.4%	2.7%	4.0%	5.3%	4.9%	5.5%	4.1%	4.0%	7.5%	3.5%	4.5%	7.6%	5.0%	4.2%	4.6%	9.4%	4.7%	4.8%	3.6%	3.5%	6.5%	5.3%	5.1%	6.7%	8.1%	9.9%	6.6%	6.7%	4.67%
	5.1%	6.1%	3.5%	2.4%	2.7%	4.3%	5.4%	4.9%	5.6%	4.4%	-	7.4%	3.4%	4.5%	7.4%	3.3%	4.2%	4.8%	9.5%	4.9%	5.0%	3.6%	3.7%	6.9%	5.9%	6.9%	6.7%	7.7%	9.9%	6.6%	6.9%	4.71%
	-0.1	0.0	0.0	0.0	0.0	-0.3	-0.1	0.0	-0.1	-0.3	-	0.1	0.1	0.0	0.2	1.7	0.0	-0.2	-0.1	-0.2	-0.2	0.0	-0.2	-0.4	-0.6	-1.8	0.0	0.4	0.0	0.0	-0.2	-0.04
	3.9%	5.2%	2.6%	2.0%	2.1%	3.1%	3.8%	3.4%	4.2%	3.3%	3.3%	5.1%	1.8%	4.5%	6.1%	3.5%	3.0%	2.8%	8.3%	3.3%	2.7%	2.1%	2.1%	5.4%	3.0%	1.7%	5.1%	5.2%	7.9%	5.3%	4.0%	3.32%

Breakdown by Area

(Unit: million yen)

	Area I Total	Area II Total	Area III Total	Area IV Total
NOI	2,902	370	2,787	700
Acquisition price	143,684	14,053	109,781	19,478
21st period NOI yield (annualized)	4.0%	5.2%	5.0%	7.1%
20th period NOI yield (annualized)	4.0%	5.1%	5.0%	7.3%
Difference (pt)	0.0	0.1	0.0	-0.2

*1 Figures are rounded down to the nearest million.

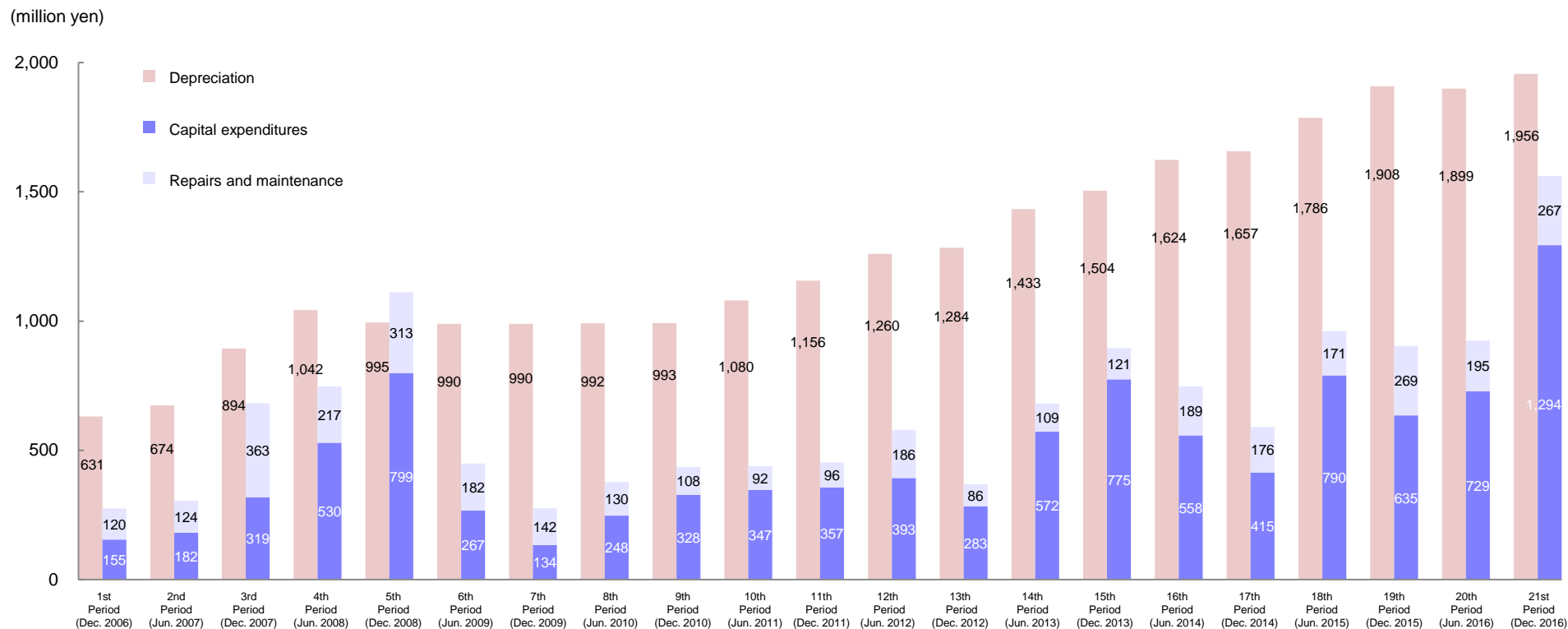
*2 Ratios are rounded to the first decimal place. The total of year-on-year comparison is rounded to the second decimal place.

*3 NOI yield for each property shown is annualized. (NOI yield = Annualized NOI / acquisition price)

*4 Details concerning revenue and expenses for Kowa Nishishimbashi Building, Kawasaki Higashiguchi and JEI Hongo Building are not disclosed because we have not received consent from end tenants.

*5 Details concerning rental revenue for NHK Nagoya are not disclosed because we have not received consent from the business partner.

History of Expenses for Repairs and Maintenance and Depreciation



Capital expenditures/Depreciation	24.6%	27.0%	35.7%	50.9%	80.3%	27.0%	13.5%	25.0%	33.0%	32.1%	30.9%	31.2%	22.0%	39.9%	51.5%	34.4%	25.0%	44.2%	33.3%	38.4%	66.2%
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Overview of Period-end Appraisals

Summary of Period-end Appraisal Value

	20th Period (Jun. 2016)	21st Period (Dec. 2016)	Difference
Number of properties	30 properties	31 properties	+1 property
Period-end appraisal value	272,170 million yen	286,880 million yen	14,710 million yen
Book value	263,249 million yen	273,958 million yen	10,709 million yen
Unrealized profit/loss	8,927 million yen	12,921 million yen	4,001 million yen
Ratio of unrealized profit/loss ¹	3.4%	4.7%	1.3pt

*1 "Ratio of unrealized profit/loss ratio" is calculated by dividing unrealized profit/loss at the end of each fiscal period by book value.

Number of Properties with Increase/Decrease in Appraisal Value

	20th Period (Jun. 2016)	21st Period (Dec. 2016)
Increase	18 properties	24 properties
Unchanged	9 properties	2 properties
Decrease	3 properties	5 properties

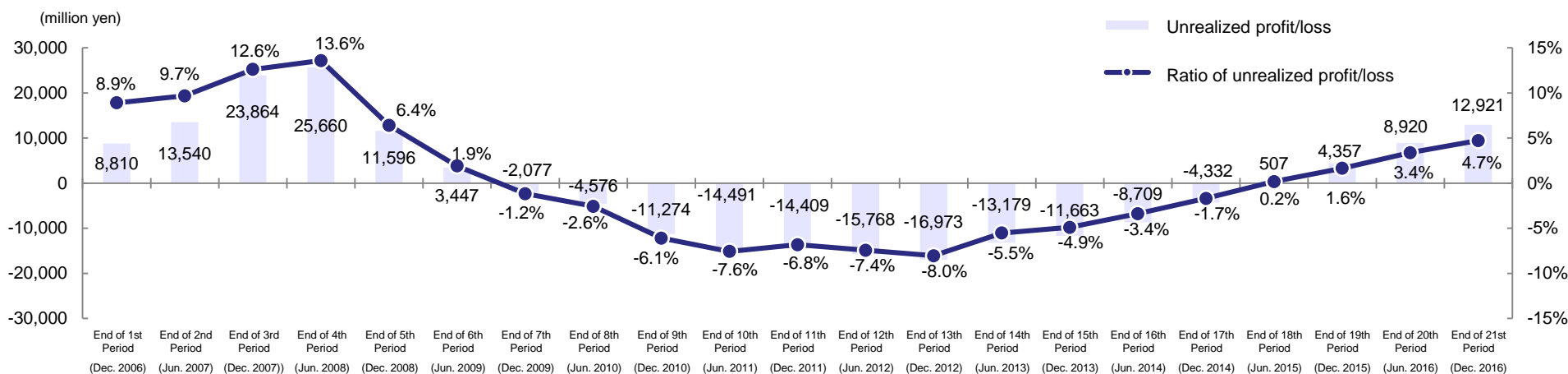
*2 Increase/decrease breakdowns are shown in comparison with the previous fiscal period for each period.

*3 As to the cap rate for Shiba 2-Chome Building, comparison is made only for the office portion.

Status of Cap Rate

	20th Period (Jun. 2016)	21st Period (Dec. 2016)
Decline	19 properties	29 properties
Unchanged	11 properties	2 properties
Rise	0 properties	0 properties

Historical Unrealized Profit/Loss and Ratio of Unrealized Profit/Loss



Period-end Appraisal Value

(Unit: million yen)

Property Number	Area	Name	Acquisition Price	Period-end Appraisal Value		Difference (②-①)		Book Value at end of FP21 ③	Difference (②-③)		Direct reduction reduced yield		Difference (⑤-④) pt	Appraisal Organization	
				End of FP20 ①	End of FP21 ②		%			%	End of FP20 ④	End of FP21 ⑤			
I-1	I	Omori Bellport D	22,552	25,000	25,400	400	1.6%	21,154	4,245	20.1%	Office 4.3%	Office 4.2%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
I-2		Shiba 2-Chome Building	9,450	11,900	11,600	-300	-2.5%	8,883	2,716	30.6%	Residence 4.8%	Office 4.2%	Office 4.7%	Residence -0.2	Japan Real Estate Institute
I-3		JEI Hamamatsucho Building	8,350	7,120	7,210	90	1.3%	8,288	-1,078	-13.0%	4.0%	Residence 4.7%	3.9%	-0.1	Japan Real Estate Institute
I-7		Akasaka Garden City	23,300	17,200	17,600	400	2.3%	22,321	-4,721	-21.1%	3.7%	3.6%	-0.1	Japan Real Estate Institute	
I-8		AKASAKA INTERCITY	28,146	25,100	25,600	500	2.0%	27,253	-1,653	-6.1%	3.5%	3.4%	-0.1	Japan Real Estate Institute	
I-9		Kowa Shirokanedai Building	4,705	5,010	4,990	-20	-0.4%	4,802	187	3.9%	4.6%	4.6%	0.0	Japan Real Estate Institute	
I-10		Daiba Garden City Building	11,000	12,200	12,300	100	0.8%	10,145	2,154	21.2%	4.5%	4.4%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
I-12		HAMARIKYU INTERCITY	19,080	22,000	22,300	300	1.4%	18,166	4,133	22.8%	3.9%	3.8%	-0.1	Japan Real Estate Institute	
I-13		Shintomicho Building	1,750	1,940	1,960	20	1.0%	1,765	194	11.0%	4.4%	4.3%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
I-14		Kowa Nishishinbashi Building	3,931	4,200	4,000	-200	-4.8%	3,808	191	5.0%	3.8%	3.7%	-0.1	Japan Real Estate Institute	
I-15		Mansard Daikanyama	11,420	11,600	12,000	400	3.4%	11,475	524	4.6%	3.6%	3.5%	-0.1	Japan Real Estate Institute	
II-1		II	NHK Nagoya Housou-Center Building	5,610	5,710	5,710	0	0.0%	5,645	64	1.1%	5.0%	4.9%	-0.1	Japan Real Estate Institute
II-2			JEI Nishi-honmachi Building	6,673	4,520	4,570	50	1.1%	7,242	-2,672	-36.9%	4.9%	4.8%	-0.1	DAIWA REAL ESTATE APPRAISAL Corporation
II-3			Osaka Kogin Building (land with leasehold interest)	1,770	2,030	2,090	60	3.0%	1,865	224	12.0%	3.9%	3.8%	-0.1	Japan Real Estate Institute
III-1		III	Musashikosugi Tower Place	13,890	19,400	19,500	100	0.5%	12,743	6,756	53.0%	4.6%	4.5%	-0.1	Japan Real Estate Institute
III-2	Kowa Kawasaki Higashiguchi Building		10,976	9,160	9,260	100	1.1%	9,565	-305	-3.2%	5.0%	4.9%	-0.1	Japan Valuers Co., Ltd.	
III-3	JEI Hongo Building		5,400	4,580	4,680	100	2.2%	5,126	-446	-8.7%	4.5%	4.4%	-0.1	Japan Valuers Co., Ltd.	
III-5	Kawasaki Nishincho Building		4,725	4,080	4,110	30	0.7%	4,413	-303	-6.9%	5.1%	5.0%	-0.1	Japan Valuers Co., Ltd.	
III-6	No. 44 Kowa Building		1,150	1,740	1,740	0	0.0%	1,012	727	71.8%	5.6%	5.5%	-0.1	Japan Real Estate Institute	
III-7	JEI Ryogoku Building		2,550	2,150	2,160	10	0.5%	2,271	-111	-4.9%	4.8%	4.7%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
III-8	Ebina Prime Tower		6,470	3,890	3,910	20	0.5%	5,835	-1,925	-33.0%	5.5%	5.4%	-0.1	Japan Real Estate Institute	
III-9	Kowa Kawasaki Nishiguchi Building		32,000	25,000	25,300	300	1.2%	28,989	-3,689	-12.7%	4.9%	4.8%	-0.1	Japan Valuers Co., Ltd.	
III-10	Pacific Square Sengoku		1,620	1,340	1,330	-10	-0.7%	1,656	-326	-19.7%	4.5%	4.4%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
III-11	Core City Tachikawa		6,500	7,910	8,020	110	1.4%	6,244	1,775	28.4%	4.9%	4.8%	-0.1	Japan Real Estate Institute	
III-12	Nisseki Yokohama Building		24,500	25,700	25,800	100	0.4%	24,382	1,417	5.8%	4.5%	4.4%	-0.1	Japan Real Estate Institute	
IV-2	IV		JEI Kyobashi Building	3,308	4,130	4,060	-70	-1.7%	3,026	1,033	34.1%	5.4%	5.4%	0.0	DAIWA REAL ESTATE APPRAISAL Corporation
IV-3		JEI Hiroshima Hacchobori Building	2,760	2,980	3,150	170	5.7%	2,636	513	19.5%	5.3%	5.2%	-0.1	Japan Real Estate Institute	
IV-4		SE Sapporo Building	5,500	6,530	6,630	100	1.5%	5,274	1,355	25.7%	5.4%	5.3%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
IV-5		Aoba-dori Plaza	2,120	3,220	3,360	140	4.3%	2,191	1,168	53.3%	5.2%	5.1%	-0.1	Japan Real Estate Institute	
IV-6		Daiwa Minamimoricho Building	4,410	5,010	5,070	60	1.2%	4,304	765	17.8%	4.9%	4.8%	-0.1	DAIWA REAL ESTATE APPRAISAL Corporation	
IV-7	JEI Naha Building	1,380	1,420	1,470	50	3.5%	1,462	7	0.5%	5.8%	5.7%	-0.1	Japan Real Estate Institute		
Total			286,997	283,770	286,880	3,110	1.1%	273,958	12,921	4.7%	4.4%	4.3%	-0.1	-	
Area I Total			143,684	143,270	144,960	1,690	1.2%	138,066	6,893	5.0%	4.0%	3.9%	-0.1	-	
Area II Total			14,053	12,260	12,370	110	0.9%	14,753	-2,383	-16.2%	4.8%	4.7%	-0.1	-	
Area III Total			109,781	104,950	105,810	860	0.8%	102,242	3,567	3.5%	4.8%	4.7%	-0.1	-	
Area IV Total			19,478	23,290	23,740	450	1.9%	18,896	4,843	25.6%	5.3%	5.2%	-0.1	-	
Grand Total			286,997	283,770	286,880	3,110	1.1%	273,958	12,921	4.7%	4.4%	4.3%	-0.1	-	

*1 "Appraisal value" includes the appraisal value described in the real estate appraisal report made by a real estate appraiser belonging to Japan Real Estate Institute, Chuo Real Estate Appraisal, Japan Valuers and Daiwa Real Estate Appraisal Corporation as of the end of the 20th and 21st period based on Japan Excellent's rules and the regulations stipulated by the Investment Trusts Association, Japan. When there is a joint ownership property in the current portfolio, its value is obtained after multiplying the total value of the shared real estate by the percentage of the interest owned by Japan Excellent or the trustee.

*2 For the property acquired in the 21st period (Mansard Daikanyama), the figures stated in the appraisal report at the time of each acquisition are deemed and indicated as figures at end of the 20th period.

*3 Total direct reduction reduced yield was calculated using weighted averages and rounding to the first decimal place.

Statement of Income and Retained Earnings

(Unit: million yen)

	20th Period (Jun. 2016)	%	21st Period (Dec. 2016)	%	Compared with previous period	
					Difference	%
1. Revenue	10,223	100.0	10,653	100.0	429	4.2
Rental revenue	9,351		9,702		350	
Other rental revenue	871		951		79	
2. Operating expenses	6,240	61.0	6,431	60.4	190	3.1
Property management expenses	1,423		1,422		0	
Utilities expenses	1,044		1,064		19	
Taxes	835		891		55	
Insurance	24		25		0	
Repairs and maintenance	195		267		71	
Non-operating expenses for rental operation	231		220		-10	
Depreciation	1,899		1,956		56	
Total operating expenses	5,655	55.3	5,849	54.9	193	3.4
Profits from operations	4,567	44.7	4,803	45.1	236	5.2
Asset management fees	424		442		18	
Other	161		140		-20	
Operating income	3,982	39.0	4,221	39.6	238	6.0
3. Non-operating income	2	0.0	0	0.0	-1	-68.0
Interest income	1		0		-1	
Other	0		0		0	
4. Non-operating expenses	871	8.5	814	7.7	-56	-6.5
Interest expense	565		506		-58	
Loan relating fees	142		142		0	
Investment unit issuance	17		13		-3	
Interest expense on investment corporation bonds	132		128		-4	
Amortization of investment corporation bond issuance costs	13		13		0	
Other	0		9		9	
Ordinary income	3,113	30.5	3,407	32.0	293	9.4
Net income before taxes	3,113	30.5	3,407	32.0	293	9.4
Income taxes – current	0		0		0	
Net income	3,112	30.4	3,406	32.0	293	9.4
Retained earnings brought forward	0		0		0	
Unappropriated retained earnings at the end of period	3,113		3,406		293	

* Figures under one million yen are rounded down. Ratios are rounded to the first decimal place.

Balance Sheet

(Unit: million yen)

Assets					Liabilities and Unitholders' Equity						
	20th Period (Jun. 2016)	%	21st Period (Dec. 2016)	%	Difference		20th Period (Jun. 2016)	%	21st Period (Dec. 2016)	%	Difference
Assets						Liabilities					
I. Current assets	19,176	6.8	20,897	7.1	1,721	I. Current liabilities	23,555	8.3	26,898	9.1	3,342
Cash and deposits	2,962		3,790		828	Operating accounts payable	986		1,204		218
Cash and deposits in trust	15,411		16,305		893	Short-term loans	1,000		1,000		-
Operating accounts receivable	653		559		-93	Investment corporation bonds maturing within a year	5,000		-		-5,000
Consumption tax receivable	-		58		58	Long-term loans due within a year	15,760		24,000		8,240
Other	149		183		34	Other accounts payable	439		434		-5
II. Fixed assets	264,372	93.2	275,060	92.9	10,688	Accrued consumption taxes	98		-		-98
1. Property and equipment	254,141	89.6	264,850	89.5	10,708	Other	270		259		-11
Real Estate	7,786		7,728		-58	II. Long-term liabilities	122,289	43.1	125,542	42.4	3,253
Real Estate in trust	246,150		257,061		10,910	Investment corporation bonds	25,000		29,000		4,000
Construction in progress	203		59		-143	Long-term loans	85,140		83,900		-1,240
2. Intangible assets	9,108	3.2	9,108	3.1	-0	Security deposits from tenants	740		733		-7
Leasehold rights	1,721		1,721		-	Security deposits from tenants in trust	11,408		11,909		500
Leasehold rights in trust	7,382		7,382		-	Total liabilities	145,844	51.4	152,440	51.5	6,595
Other	4		4		-0	Net assets					
3. Investments and other assets	1,122	0.4	1,102	0.4	-19	I. Unitholders' equity	137,808	48.6	143,640	48.5	5,831
Leasehold and security deposits	15		15		-	1. Unitholders' capital	134,434	47.4	139,972	47.3	5,538
Long-term prepaid expenses	739		705		-34	2. Retained earnings	3,374		3,667		293
Other	367		382		14	Voluntary retained earnings (Reserve for reduction entry)	260	0.1	260	0.1	-
III. Deferred assets	105	0.0	122	0.0	16	Unappropriated retained earnings	3,113	1.1	3,406	1.2	293
Investment corporation bond issuance costs	105		122		16	Total net assets	137,808	48.6	143,640	48.5	5,831
Total assets	283,653	100.0	296,081	100.0	12,427	Total liabilities and net assets	283,653	100.0	296,081	100.0	12,427

* Figures under one million yen are rounded down. Ratios are rounded to the first decimal place.

Statements of Cash Flow and Profit Distributions

■ Cash Flow Statement

(Unit: million yen)

21st Period (Dec. 2016)	
Classification	Amount
I. Cash flow from operating activities	5,351
Net income before taxes	3,407
Depreciation	1,956
Other	-12
II. Cash flow from investing activities	-11,992
Purchase of property and equipment	-12,522
Net payments for security deposits	529
III. Cash flow from financing activities	8,364
Proceeds from short-term loans	14,500
Repayment of short-term loans	-14,500
Proceeds from long-term loans	10,760
Repayment of long-term loans	-3,760
Proceeds from issuance of investment corporation bonds	3,969
Redemption of investment corporation bonds	-5,000
Proceeds from issuance of investment units	5,506
Distributions to unitholders	-3,112
IV. Net decrease in cash and cash equivalents	1,722
V. Cash and cash equivalents at beginning of period	18,373
VI. Cash and cash equivalents at end of period	20,096

*Figures less than one million yen have been rounded down.

■ Profit Distribution

(Unit: yen)

21st Period (Dec. 2016)	
Classification	Amount
Unappropriated retained earnings at the end of period	3,406,981,184
Distributions	3,406,571,300
(Distributions per investment unit)	(2,609)
Earnings carried over to next period	409,884
Outstanding investment units at the end of period	1,305,700 units

Financial Indicators

(Unit: million yen)

Financial indicators	Unit	17th Period (Dec. 2014)	18th Period (Jun. 2015)	19th Period (Dec. 2015)	20th Period (Jun. 2016)	21st Period (Dec. 2016)	Calculation method
EBITDA (Earnings before interest, tax and depreciation and amortization)	MN yen	5,467	5,657	6,035	5,711	5,998	Income before income taxes + (Interest expense + Interest expense on investment corporation bonds) + Depreciation and amortization
NOI (Net operating income)	MN yen	6,172	6,374	6,662	6,467	6,760	Rental revenue - rental expenses + Depreciation and amortization
FFO (Funds from operation)	MN yen	4,697	4,884	5,123	5,012	5,363	Net income + Depreciation and amortization - Net profit from sale of real estate
FFO per unit	yen	3,873	4,027	4,051	3,964	4,107	(Net income + Depreciation and amortization - Net profit from sale of real estate) / Number of outstanding investment units at the end of period
AFFO (Adjusted funds from operation)	MNyen	4,282	4,093	4,487	4,283	4,068	FFO - Capital expenditures
AFFO Distribution payout ratio	%	71	75.7	70.4	72.7	83.7	(Total cash distribution amount ÷ AFFO) × 100
NAV (Net asset value)	MN yen	126,695	131,593	142,214	146,729	156,562	Period end total assets - Period end total liabilities + Real estate valuation gain/loss
NAV per unit	yen	104,469	108,508	112,471	116,041	119,906	NAV / Number of outstanding investment units at the end of period
DSCR (Debt service coverage ratio)	times	7.1	7.3	8.1	8.2	9.4	Cash flow before interest / (Interest expense + Interest expense on investment corporation bonds) (Note) Cash flow before interest = Net income before interest and taxes + Depreciation and amortization
ROA	%	1.1	1.1	1.2	1.1	1.2	Ordinary income / [(Period beginning total assets + period end total assets) / 2] x 100
(Reference) Annualized with following formula	%	2.2	2.2	2.3	2.2	2.3	Above x 365 days / Number of operating days
ROE	%	2.3	2.4	2.5	2.3	2.4	Net income / [(Period beginning net assets + period end net assets) / 2] x 100
(Reference) Annualized with following formula	%	4.6	4.8	5	4.5	4.8	Above x 365 days / Number of operating days
Equity to Total Assets	%	47.1	43.6	48.5	48.6	48.5	(Period end net assets / Period end total assets) x 100
LTV (based on period-end total assets)	%	48.2	51.6	46.4	46.5	46.6	(Period end interest-bearing debt / Period end total assets) x 100
LTV (based on period-end valuation gain/loss)	%	48.9	51.5	45.7	45.1	44.6	Period-end interest-bearing debt ÷ (Period-end total assets + Real estate valuation gain/loss) × 100
BPS (Book value per unit)	yen	108,042	108,089	109,025	108,987	110,010	Period end net assets / Number of outstanding investment units at the end of period

* Figures less than the unit are rounded down. Other ratios are rounded to the first decimal place.

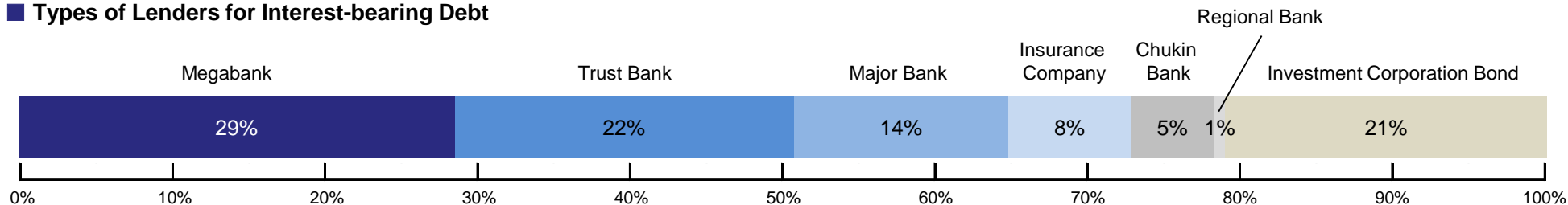
Status of Interest-bearing Debt

Balance of Interest-bearing Debt (as of the end of 21st period)

Lender	Interest-bearing debts (million yen)	As a percentage of all borrowings
Mizuho Bank, Ltd.	25,985	23.9%
Mitsubishi UFJ Trust and Banking Corporation	21,155	19.4%
Development Bank of Japan Inc.	14,000	12.9%
Sumitomo Mitsui Banking Corporation	13,370	12.3%
Mizuho Trust & Banking Co., Ltd.	7,807	7.2%
The Norinchukin Bank	6,562	6.0%
The Dai-ichi Life Insurance Company, Limited	6,000	5.5%
Resona Bank, Ltd.	3,400	3.1%
Sompo Japan Nipponkoa Insurance Inc.	2,500	2.3%
Aozora Bank, Ltd.	2,000	1.8%
Sumitomo Mitsui Trust Bank, Limited	1,620	1.5%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,500	1.4%
The Bank of Fukuoka, Ltd.	1,000	0.9%
Shinkin Central Bank	1,000	0.9%
Nippon Life Insurance Company	1,000	0.9%
Loan Total	108,900	100.0%

* Shaded areas refer to sponsor companies.

Types of Lenders for Interest-bearing Debt



Status of Investment Corporation Bonds (as of the end of 21st period)

Investment Corporation Bond	Maturity date	Balance (million yen)	Interest rate	Period
4th Series Unsecured Investment Corporation Bond	Nov. 2, 2018	2,000	1.40%	7 years
5th Series Unsecured Investment Corporation Bond	Nov. 2, 2018	5,000	0.46%	5 years
6th Series Unsecured Investment Corporation Bond	Mar. 11, 2019	5,000	0.46%	5 years
7th Series Unsecured Investment Corporation Bond	Mar. 11, 2024	8,000	1.13%	10 years
8th Series Unsecured Investment Corporation Bond	Sept. 9, 2025	5,000	1.03%	10 years
9th Series Unsecured Investment Corporation Bond	Oct. 27, 2026	2,000	0.45%	10 years
10th Series Unsecured Investment Corporation Bond	Dec. 20, 2023	2,000	0.39%	7 years
Investment Corporation Bond Total		29,000		

Status of Commitment Line (as of the end of 21st period)

Lender	Established amount (million yen)	Term
Mizuho Bank, Ltd.	6,000	From January 30, 2017 to January 29, 2018
Mitsubishi UFJ Trust and Banking Corporation	5,000	
Sumitomo Mitsui Banking Corporation	3,000	
Total Commitment Line	14,000	

Owner Classification	Investment Units				
	20th Period (Jun. 2016)		21st Period (Dec. 2016)		Composition change (%)
	Number of units	Composition (%)	Number of units	Composition (%)	
Financial Institutions and Securities Companies	901,876	71.3	940,768	72.1	0.8pt
Other Domestic Companies	116,366	9.2	115,802	8.9	-0.3pt
Foreign Companies, etc.	170,600	13.5	174,258	13.3	-0.2pt
Individuals	75,608	6.0	74,872	5.7	-0.3pt
Total	1,264,450	100.0	1,305,700	100.0	–

Unitholders				
20th Period (Jun. 2016)		21st Period (Dec. 2016)		Composition change (%)
Number of unitholders	Composition (%)	Number of unitholders	Composition (%)	
150	2.0	164	2.1	0.1pt
171	2.2	161	2.1	-0.1pt
175	2.3	183	2.3	0.0pt
7,190	93.5	7,342	93.5	0.0pt
7,686	100.0	7,850	100.0	–

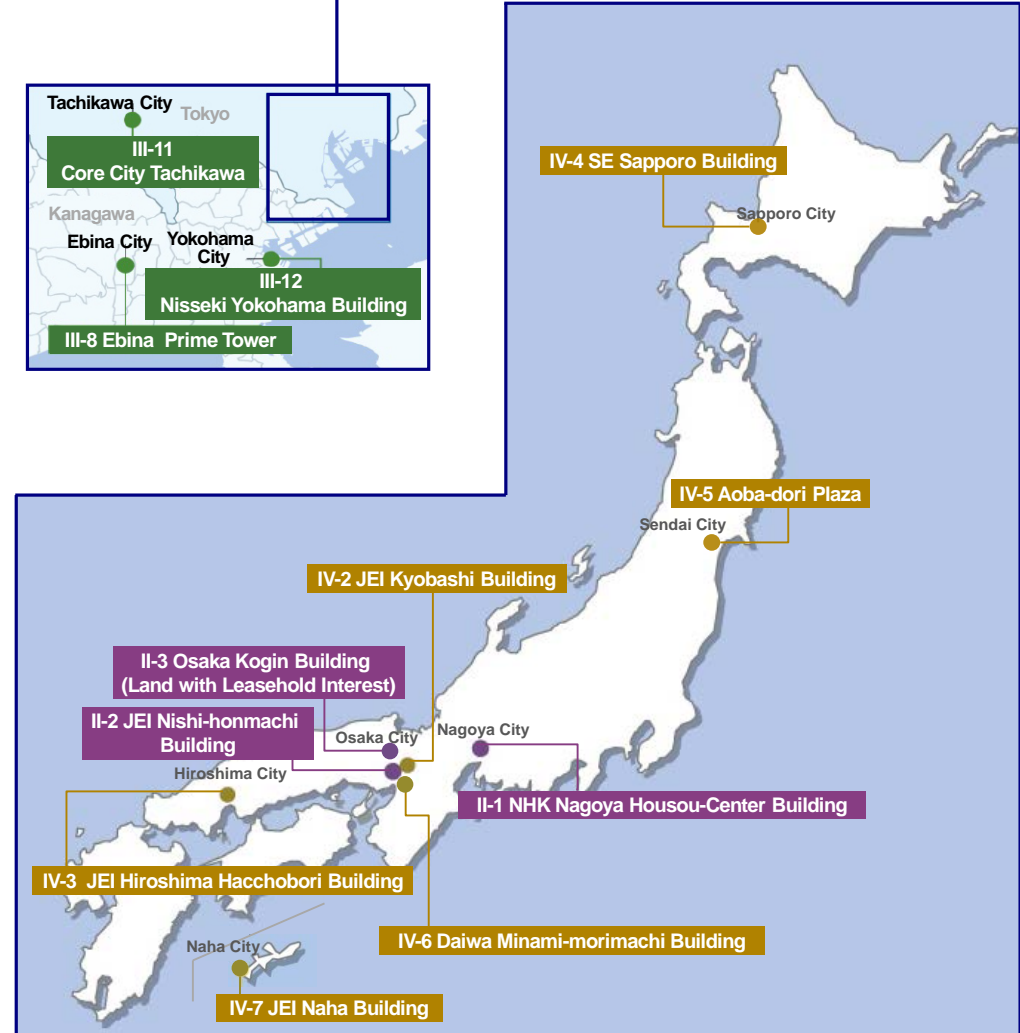
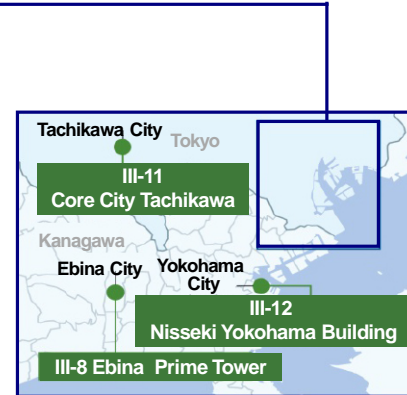
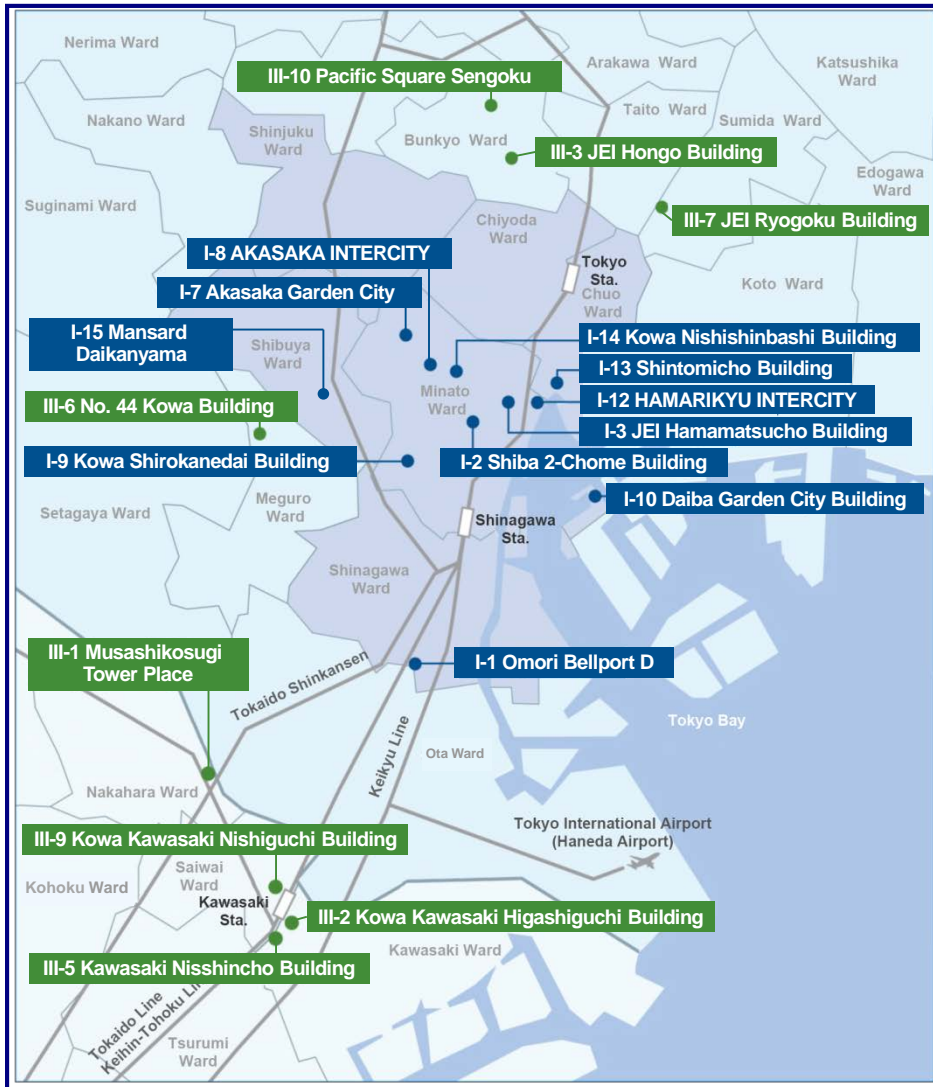
Ratio of investment units held by the 2 core sponsor companies: 7.1%

Rank	Name	Units	Composition ratio (%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	350,343	26.8%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	143,145	11.0%
3	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	104,473	8.0%
4	NIPPON STEEL KOWA REAL ESTATE CO., LTD.	71,560	5.5%
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	52,434	4.0%
6	The Dai-ichi Life Insurance Company, Limited	20,660	1.6%
7	STATE STREET BANK AND TRUST COMPANY 505012	18,352	1.4%
8	STATE STREET BANK–WEST PENSION FUND CLIENTS – EXEMPT 505233	16,774	1.3%
9	STATE STREET BANK AND TRUST COMPANY 505223	16,144	1.2%
10	CBNY DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	14,621	1.1%
Total		808,506	61.9%

*1 Shaded area in the above top 10 unitholders' list indicates sponsors.

*2 Ratios are rounded to the first decimal place.

Portfolio Map



Portfolio Overview (1)

Property Number	I-1	I-2	I-3	I-7	I-8	I-9	I-10	I-12	I-13	I-14	I-15
Type	Office	Office	Office	Office	Office	Office	Office	Other	Office	Office	Office
Name	Omori Bellport D	Shiba 2-Chome Building	JEI Hamamatsucho Building	Akasaka Garden City	AKASAKA INTERCITY	Kowa Shirokanedai Building	Daiba Garden City Building	HAMARIKYU INTERCITY	Shintomicho Building	Kowa Nishishinbashi Building	Mansard Daikanyama
											
Location	Minami-Oi, Shinagawa Ward, Tokyo	Shiba, Minato Ward, Tokyo	Hamamatsucho, Minato Ward, Tokyo	Akasaka, Minato Ward, Tokyo	Akasaka, Minato Ward, Tokyo	Shirokanedai, Minato Ward, Tokyo	Daiba, Minato Ward, Tokyo	Kaigan, Minato Ward, Tokyo	Irifune, Chuo Ward, Tokyo	Nishishinbashi, Minato Ward, Tokyo	Sarugakuchō, Shibuya Ward, Tokyo
Total floor area (m ²)	155,778.75	19,518.15	8,327.53	46,776.76	73,061.33	7,374.74	33,283.49	35,555.87	3,169.78	19,418.17	8,402.51
Completion date	September 1996	March 1994	December 1991	January 2006	January 2005	March 1978	December 2007	March 2011	November 1990	July 1996	December 2009
Acquisition date	June 2006	June 2006	June 2006	March 2007	1. Oct. 2007 2. Feb. 2013	December 2010	February 2011	1. Dec. 2011 2. Feb. 2014	March 2012	March 2013	July 2016
Acquisition price (MN yen)	22,552	9,450	8,350	23,300	28,146	4,705	11,000	19,080	1,750	3,931	11,420
Investment ratio (%)	7.9	3.3	2.9	8.1	9.8	1.6	3.8	6.6	0.6	1.4	4.0
Period-end Occupancy rate (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	98.3	100.0	100.0	97.4
PML (%)	3.61	6.61	4.18	1.59	2.97	6.95	6.56	2.60	4.13	3.30	5.74

*1 "Completion Date" is as of the time of initial construction described in the register.

*2 "Acquisition Price" is the price recorded in sales agreements (excluding consumption tax). Amounts of less than one million yen are rounded down.

*3 "Investment Ratio" shows a ratio of the acquisition price for each property to total acquisition price, and is rounded to the first decimal place.

Portfolio Overview (2)

Property Number	II-1	II-2	II-3	III-1	III-2	III-3	III-5	III-6	III-7	III-8
Type	Office	Office	Office	Office	Office	Office	Office	Office	Office	Office
Name	NHK Nagoya Housou-Center Building	JEI Nishi-Honmachi Building	Osaka Kogin Building (land with leasehold interest)	Musashikosugi Tower Place	Kowa Kawasaki Higashiguchi Building	JEI Hongo Building	Kawasaki Nisshincho Building	No. 44 Kowa Building	JEI Ryogoku Building	Ebina Prime Tower
										
Location	Higashi Ward, Nagoya City, Aichi	Nishi Ward, Osaka City, Osaka	Chuo Ward, Osaka City, Osaka	Nakahara Ward, Kawasaki City, Kanagawa	Kawasaki Ward, Kawasaki City, Kanagawa	Hongo, Bunkyo Ward, Tokyo	Kawasaki Ward, Kawasaki City, Kanagawa	Higashiyama, Meguro Ward, Tokyo	Ryogoku, Sumida Ward, Tokyo	Chuo, Ebina City, Kanagawa
Total floor area (m ²)	80,809.95	15,800.31	3,158.45 (site area for land)	53,711.13	31,009.62	5,877.11	22,141.60	3,359.55	5,820.56	55,806.20
Completion date	July 1991	February 1988	-	July 1995	April 1988	February 1991	April 1992	July 1984	August 1996	May 1995
Acquisition date	1. Jun. 2006 2. Mar. 2014	March 2007	February 2013	June 2006	June 2006	June 2006	1. Jun. 2006 2. Nov. 2006 3. Oct. 2008 4. Apr. 2013	June 2006	June 2006	March 2007
Acquisition price (MN yen)	5,610	6,673	1,770	13,890	10,976	5,400	4,725	1,150	2,550	6,470
Investment ratio (%)	2.0	2.3	0.6	4.8	3.8	1.9	1.6	0.4	0.9	2.3
Period-end Occupancy rate (%)	95.3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	98.8
PML (%)	1.44	11.27	-	3.19	3.25	6.16	5.86	5.27	5.57	6.53

*1 "Completion Date" is as of the time of initial construction described in the register.

*2 "Acquisition Price" is the price recorded in sales agreements (excluding consumption tax). Amounts of less than one million yen are rounded down.

However, for Osaka Kogin Building (land with leasehold interest), the acquisition price is calculated as the land purchase price specified in the relevant trust beneficiary interest transfer agreement subject to conditions precedent minus the amount equivalent to the key money pertaining to the leasehold interest in land, which will be received from the lessee of the land.

*3 "Investment Ratio" shows a ratio of the acquisition price for each property to total acquisition price, and is rounded to the first decimal place.

Portfolio Overview (3)

Property Number	III-9	III-10	III-11	III-12	IV-2	IV-3	IV-4	IV-5	IV-6	IV-7
Type	Office	Office	Office	Office	Office	Office	Office	Office	Office	Office
Name	Kowa Kawasaki Nishiguchi Building	Pacific Square Sengoku	Core City Tachikawa	Nisseki Yokohama Building	JEI Kyobashi Building	JEI Hiroshima Hacchobori Building	SE Sapporo Building	Aoba-dori Plaza	Daiwa Minami-morimachi Building	JEI Naha Building
										
Location	Saiwai Ward, Kawasaki City, Kanagawa	Honkomagome, Bunkyo Ward, Tokyo	Akebonocho, Tachikawa City, Tokyo	Naka Ward, Yokohama City, Kanagawa	Miyakojima Ward, Osaka City, Osaka	Naka Ward, Hiroshima City, Hiroshima	Kita Ward, Sapporo City, Hokkaido	Aoba Ward, Sendai City, Miyagi	Kita Ward, Osaka City, Osaka	Kumoji, Naha City, Okinawa
Total floor area (m ²)	61,856.92	4,017.44	19,099.27	72,116.15	10,021.32	9,919.93	23,644.22	22,737.38	12,759.65	4,371.94
Completion date	February 1988	November 1992	December 1994	May 1997	April 1987	February 1999	March 1989	July 1996	January 1990	June 1990
Acquisition date	October 2007	December 2011	February 2013	April 2015	September 2011	May 2012	March 2013	February 2014	February 2014	December 2015
Acquisition price (MN yen)	32,000	1,620	6,500	24,500	3,308	2,760	5,500	2,120	4,410	1,380
Investment ratio (%)	11.1	0.6	2.3	8.5	1.2	1.0	1.9	0.7	1.5	0.5
Period-end Occupancy rate (%)	99.1	95.5	98.5	98.3	91.8	98.2	99.2	99.4	100.0	95.8
PML (%)	3.74	4.65	1.92	3.19	7.28	6.66	0.41	1.24	7.83	3.47

*1 "Completion Date" is as of the time of initial construction described in the register.

*2 "Acquisition Price" is the price recorded in sales agreements (excluding consumption tax). Amounts of less than one million yen are rounded down.

*3 "Investment Ratio" shows a ratio of the acquisition price for each property to total acquisition price, and is rounded to the first decimal place.

Memo

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