

JEI



Japan Excellent, Inc.

Twentieth Period (ended June 2016)

Presentation Materials

August 19, 2016

(TSE: 8987)



MANSARD
DAIKANYAMA

I. Financial Highlights and Performance Forecasts

1. Financial Highlights of the 20th Period (Ended June 2016)	5
2. Actual Results and Forecast of Distributions per Unit	6
3. Financial Results of the 20th Period (Ended June 2016)	
(1) Comparison with the Previous Period	7
(2) Comparison with the Forecast	8
4. Performance Forecasts	
(1) The 21st Period (Ending December 2016)	9
(2) The 22nd Period (Ending June 2017)	10

II . Management Status and Policy

1. Public Offering Highlights	12
2. External Growth	
(1) History of External Growth and Future Strategies	13
(2) Newly Acquired Property during 21st Period (Mansard Daikanyama)	14
(3) Diverse property acquisition channels and Sponsor Support	15
3. Internal Growth	
(1) Status of Occupancy	16
(2) Status of Rent	17
(3) Status of Rent Gap and Future Outlook	18
(4) Value-added Renovations	19
3. Financial Strategy	
(1) Status of Financial Management	20
(2) Results of Financing Activities	21

III. What Makes Japan Excellent Inc. Excellent

1. Sponsors	24
2. Structure of JEI / Overview of Japan Excellent Asset Management Co., Ltd.	25
3. Operation Structure of Japan Excellent Asset Management Co., Ltd.	26
4. Portfolio (1) (2)	27-28
5. Track Record	29
6. Initiatives for Sustainability Measures	30

Reference Materials

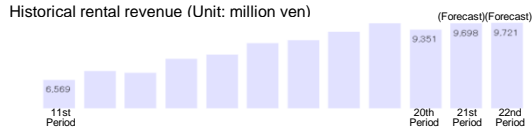
Management Discussion of Market Environment	32
Revenue and Expenses by Property	33
Historical Record in Works	34
Overview of Period-end Appraisals	35
Period-end Appraisal Value	36
Statement of Income and Retained Earnings	37
Balance Sheet	38
Statements of Cash Flow and Profit Distributions	39
Financial Indicators	40
Status of Interest-bearing Debt	41
Unitholders	42
Portfolio Map	43
Portfolio Overview (1) (2)	44-45

- This data was prepared for the purpose of providing information and is not intended for the use of offering, soliciting or selling investments in the specified product.
- Future forecasts are included in the contents of this data, but such descriptions do not guarantee future business results, financial conditions or management results, etc. of Japan Excellent, Inc.
- Neither Japan Excellent, Inc. nor Japan Excellent Asset Management Co., Ltd. guarantee the accuracy or integrity of the information provided in this data, nor do they bear responsibility for updating the information listed in this data. Please note that the contents may be modified or repealed without any advance notice.
- Quoting, copying and transferring all or a part of the contents of this data is prohibited without prior approval.

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: **96.9%**
- Continuous stable growth of rental revenue



External Growth

- Continuously acquired large-scale properties in central Tokyo with high specifications with the sponsor pipeline as a main axis
 - Percentage of properties acquired from the sponsor in the portfolio: **78.7%*1**
 - Properties acquired over the past 5 years: **18 properties for approximately 110 billion yen*1**

Financial Strategy

- Established a solid financial base supported by megabank sponsors
 - LTV: **46.5%**
 - Ratio of fixed interest rate: **89.4%**
 - Ratings: **AA-** (JCR), **A+** (R&I), **A3** (Moody's)

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.

One of megabanks

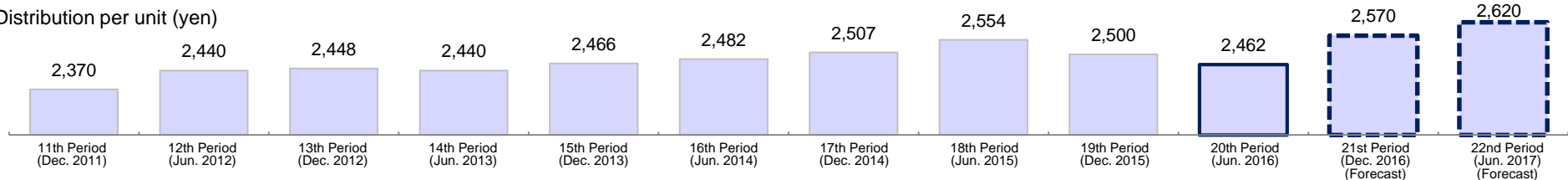
Established a quality portfolio with high growth potential and stability

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 6 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 Numbers after the acquisition of Mansard Daikanyama.

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

I. Financial Highlights and Performance Forecasts



1. Financial Highlights of the 20th Period (Ended June 2016)

External Growth

- ◆ Continuous property acquisition (as part of replacement cooperation with the sponsor)
Mansard Daikanyama (acquired on July 1, 2016)

- Number of properties: **31 properties***1
(30 properties as of the fiscal year end, ±0 property from the previous period)
- Asset size: **286.9 billion yen***1
(275.5 billion yen as of the fiscal year end, ±0 billion yen from the previous period)

Internal Growth

- ◆ Tenants with upward rent revision largely increased
- ◆ One of the highest levels of occupancy rate and the lowest tenant departure rates

- Number of cases of upward rent revision: **66 cases** (tripled from the previous period)
(Approximately 40% accomplished upward revision among 167 subject tenants with rent revision)
- Average upward revision rate: **7.3%**
Monthly rent **increased 15 million yen** due to tenant replacements and rent revisions
- Occupancy rate: **99.1%**
- Departure rate: **0.8%**

Financial Strategy

- ◆ Conducted public offering for the 4th consecutive year (Payment made on July 11, 2016)
Equity financing of approximately 5.5 billion yen
- ◆ Reduction on financial costs

- LTV: **46.7%** (+0.3pts from the previous period end)*1
(46.5% as of the period end, +0.1pts from the previous period)
- Average remaining period of interest-bearing debt: **3.69 years** (-0.16 years from the previous period end)
- Average interest rate of interest-bearing debt: **0.96%** (-0.1 pts from the previous period end)

Unitholder value

- Distribution per unit
2,462 yen
-38 yen from the previous period
Comparison with forecast
+2 yen

- NAV per unit
116,755 yen*2
+3.8% from the previous period

Of which, increase of unrealized gains factor	+3.3%
Of which, PO factor	+0.5%

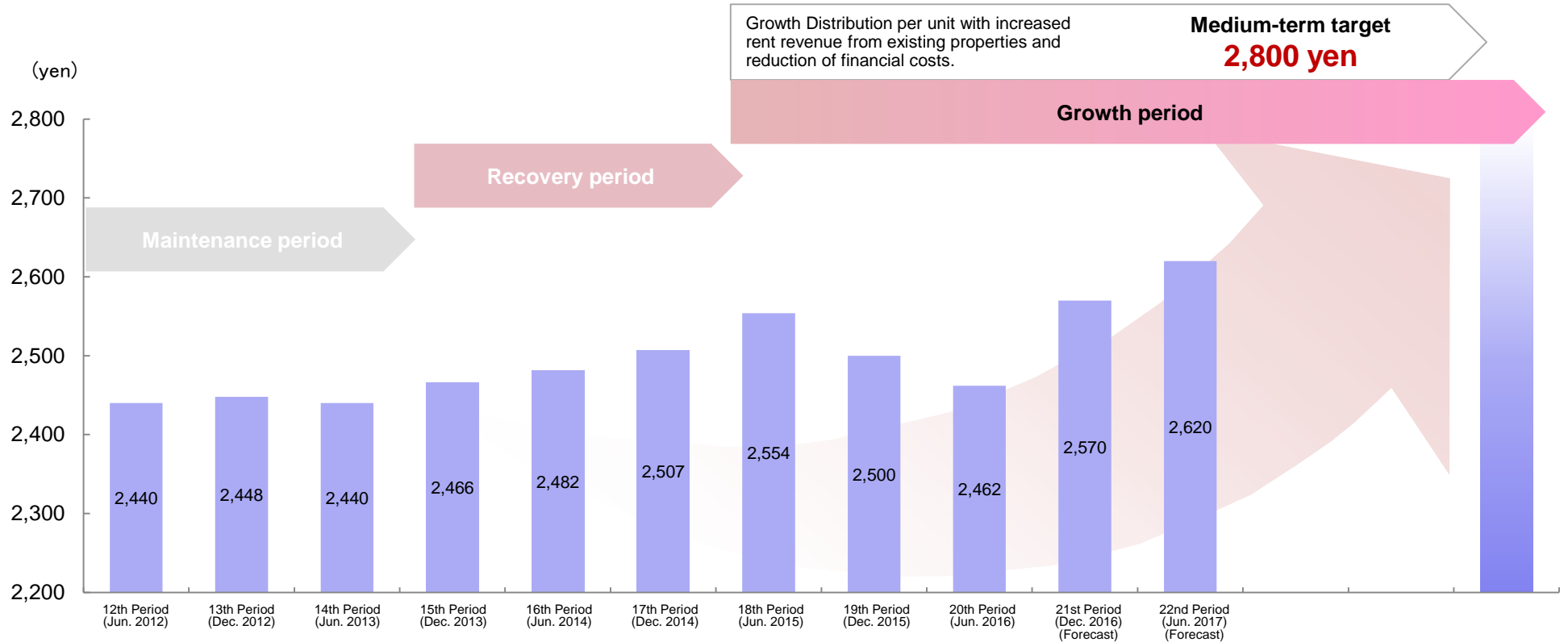
Period end
116,041 yen
Previous period end
112,471 yen

*1 Numbers after the acquisition of Mansard Daikanyama and the exercise of a greenshoe option (GSO).

*2 NAV per unit is calculated by dividing "(NAV as of the end of June 2016 + Fund procurement through the public offering (including GSO) + Unrealized gains of Mansard Daikanyama)" by "Outstanding investment units after the public offering (including GSO)".

2. Actual Results and Forecast of Distributions per Unit

◆ Distribution per unit is steadily increasing towards the medium-term target of **2,800 yen**



Prior efforts	
External Growth	<ul style="list-style-type: none"> Achievement of quality external growth by acquisition of prime properties Improvement of quality of the portfolio through replacement of properties
Internal Growth	<ul style="list-style-type: none"> Steady achievement of rent increase Retention of high level of occupancy rate through close coordination with PM companies
Financial Strategy	<ul style="list-style-type: none"> Reduce financial costs through long-term extension of average remaining period of interest-bearing debt and fixing of interest rate

Future growth strategy	
	<ul style="list-style-type: none"> Continuous property acquisitions by utilizing the sponsor pipeline Improvement of quality of the portfolio by property replacements and asset recycling
	<ul style="list-style-type: none"> Promote further upward rent revision and rent increase through lease-ups and moving-outs of tenants Promote high level of occupancy rate striving to further improve tenants' satisfaction level
	<ul style="list-style-type: none"> Manipulate LTV taking the pace of growth of NAV per unit and distribution per unit into account while contemplating reduction of financial costs

3. Financial Results of the 20th Period (Ended June 2016)

(1) Comparison with the Previous Period

(unit: million yen)

	19th Period (Dec. 2015) Result	20th Period (Jun. 2016) Result	Difference
Revenue	10,839	10,223	-616
Rental revenue	9,697	9,351	-345
Revenue for utilities expenses	881	766	-115
Other rental revenue	89	105	15
Gain on sale	170	-	-170
Operating expenses	6,537	6,245	-297
Expenses for rental operations	5,916	5,655	-260
Property management expenses	1,440	1,423	-17
Utilities expenses	1,192	1,044	-148
Taxes	838	835	-2
Repairs and maintenance	269	195	-73
Other expenses for rental operations	266	256	-10
(NOI)	6,662	6,467	-194
Depreciation	1,908	1,899	-8
Sales and administrative expenses	621	585	-36
Operating income	4,301	3,982	-319
Other expenses	921	871	-50
Ordinary income	3,385	3,113	-271
Net income	3,384	3,112	-271
Provision/reversal of reserve for reduction entry	223	-	-223
Total distributions	3,161	3,113	-48
Distributions per unit	2,500	2,462	-38

Factors	Balance	DPU conversion (yen)
■ External Growth	24	19
Increase in NOI of a property acquired in the previous period (full-period contribution)	39	
Increase in depreciation (full-period contribution)	-14	
■ Internal Growth (existing properties)	82	64
Increase in NOI	51	
Increase in rental revenue	58	
Increase in utilities revenue/expenses	34	
Increase in other rental revenue	17	
Increase in property management expenses	-30	
Increase in taxes	-69	
Decrease in repairs and maintenance	33	
Decrease in other expenses for rental operations	6	
Increase in depreciation	-5	
Decrease in sales and administrative expenses	36	
■ Finance	48	37
Decrease in interest expense	43	
Decrease in loan relating fees	4	
■ Property transfer	-426	-337
Decrease in NOI of properties transferred in the previous period	-486	-203
Of which, decrease in taxes	74	
Of which, decrease in repairs and maintenance	41	
Decrease in depreciation	29	
Absence of gain on sale of properties transferred in the previous period	-170	-134
■ Provision of reserve for reduction entry	223	176
Total	-48	-38

Full-period contribution of JEI Naha Building

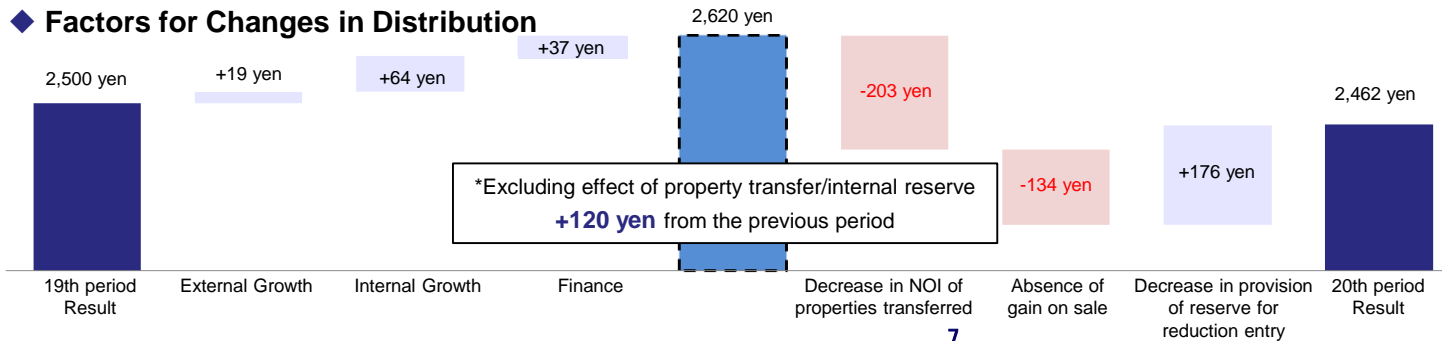
• Lease-ups and moving-outs of tenants +24
• Upward rent revision +29

Expensing of fixed property and city planning tax, etc. for Nisseki Yokohama Building

Repayment of borrowings with proceeds from sales
Reduction of interest rate by refinancing

Internally reserving gain on sale

◆ Factors for Changes in Distribution



3. Financial Results of the 20th Period (Ended June 2016)

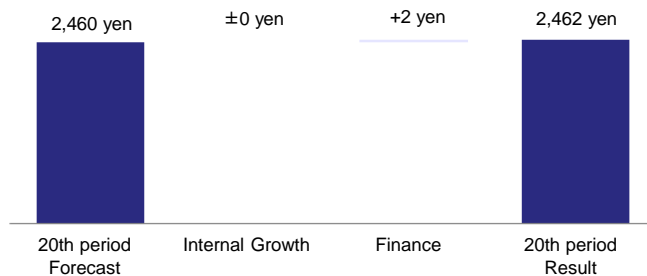
(2) Comparison with the Forecast

(unit: million yen)

	20th Period (Jun. 2016) Forecast	20th Period (Jun. 2016) Result	Difference
Revenue	10,243	10,223	-20
Rental revenue	9,329	9,351	22
Revenue for utilities expenses	817	766	-51
Other rental revenue	96	105	8
Operating expenses	6,261	6,240	-20
Expenses for rental operations	5,681	5,655	-25
Property management expenses	1,410	1,423	12
Utilities expenses	1,117	1,044	-72
Taxes	835	835	0
Repairs and maintenance	183	195	11
Other expenses for rental operations	238	256	17
(NOI)	6,457	6,467	10
Depreciation	1,895	1,899	4
Sales and administrative expenses	579	585	5
Operating income	3,982	3,982	0
Other expenses	873	871	-2
Ordinary income	3,111	3,113	2
Net income	3,110	3,112	2
Total distributions	3,110	3,113	2
Distributions per unit	2,460	2,462	2

Factors	Balance	DPU conversion (yen)
■ Internal Growth (existing properties)	0	0
Increase in NOI	10	
Increase in rental revenue	22	
Increase in utilities revenue/expenses	20	
Increase in other rental revenue	8	
Increase in property management expenses	-12	
Increase in repairs and maintenance	-11	
Increase in other expenses for rental operations	-17	
Increase in depreciation	-4	
Increase in sales and administrative expenses	-5	
■ Finance	2	2
Decrease in loan relating fees	19	
Increase in other expenses	-17	
Total	2	2

◆ Factors for Changes in Distribution



4. Performance Forecasts

(1) 21st Period (Ending December 2016)

(unit: million yen)

	20th Period (Jun. 2016) Forecast	21st Period (Dec. 2016) Forecast	Difference
Revenue	10,223	10,651	428
Rental revenue	9,351	9,698	346
Revenue for utilities expenses	766	856	90
Other rental revenue	105	96	-9
Operating expenses	6,240	6,503	262
Expenses for rental operations	5,655	5,917	261
Property management expenses	1,423	1,412	-11
Utilities expenses	1,044	1,157	112
Taxes	835	894	58
Repairs and maintenance	195	249	54
Other expenses for rental operations	256	236	-19
(NOI)	6,467	6,700	232
Depreciation	1,899	1,966	66
Sales and administrative expenses	585	585	0
Operating income	3,982	4,148	165
Other expenses	871	793	-77
Ordinary income	3,113	3,356	242
Net income	3,112	3,355	242
Total distributions	3,113	3,355	242
Distributions per unit	2,462	2,570	108

Factors	Balance	DPU conversion (yen)
■ Dilution due to capital increase		-77
■ External Growth	208	160
Increase in NOI of a property acquired during the period	250	
Of which, other rental revenue	24	
Of which, property management expenses	-28	
Increase in depreciation (full-period contribution)	-41	
■ Internal growth (existing properties)	-43	-33
Decrease in NOI	-17	
Increase in rental revenue/expenses	81	
Decrease in utilities expenses	-16	
Decrease in other rental revenue	-33	
Decrease in property management expenses	39	
Increase in taxes	-58	
Increase in repairs and maintenance	-52	
Decrease in other expenses for rental operations	22	
Increase in depreciation	-25	
■ Finance	77	59
Decrease in interest expense	53	
Decrease in loan relating fees	18	
Decrease in other expenses	5	
Total	242	108

Acquisition of Mansard Daikanyama

• Lease-ups and moving-outs of tenants +9
• Upward rent revision +72

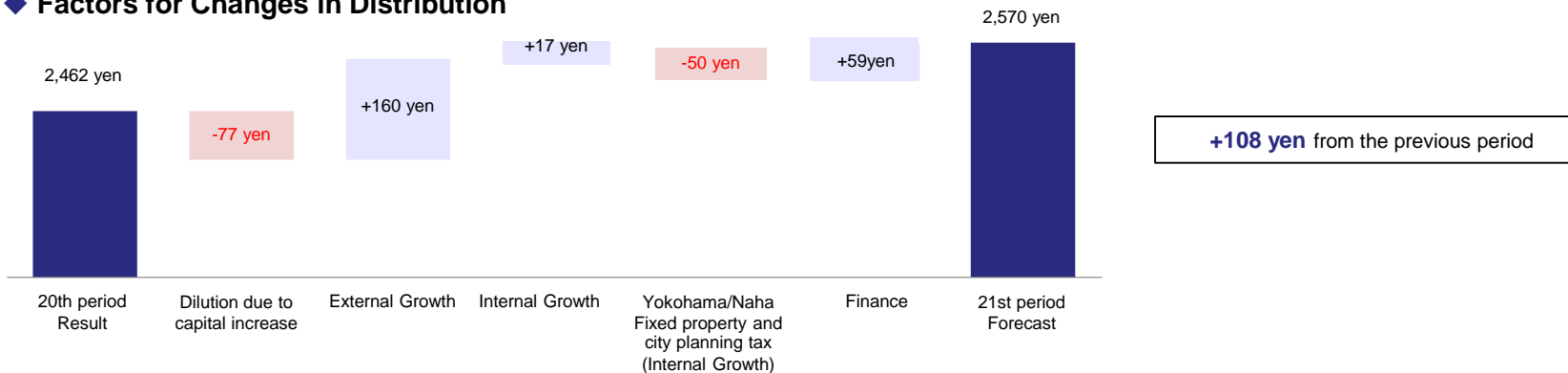
Expensing of fixed property and city planning tax for Nisseki Yokohama Building, etc.

• Nisseki Yokohama Building -63
• JEI Naha -2

Repair cost of exterior wall for JEI Kyobashi Building, etc.

Reduction of interest rate by refinancing

◆ Factors for Changes in Distribution



4. Performance Forecasts (2) 22nd Period (Ending June 2017)

(unit: million yen)

	21st Period (Dec. 2016) Forecast	22nd Period (Jun. 2017) Forecast	Difference
Revenue	10,651	10,633	-17
Rental revenue	9,698	9,721	22
Revenue for utilities expenses	856	801	-54
Other rental revenue	96	110	14
Operating expenses	6,503	6,482	-20
Expenses for rental operations	5,917	5,887	-29
Property management expenses	1,412	1,441	29
Utilities expenses	1,157	1,062	-94
Taxes	894	915	20
Repairs and maintenance	249	248	-1
Other expenses for rental operations	236	240	3
(NOI)	6,700	6,724	24
Depreciation	1,966	1,979	12
Sales and administrative expenses	585	594	9
Operating income	4,148	4,150	2
Other expenses	793	730	-62
Ordinary income	3,356	3,422	65
Net income	3,355	3,421	65
Total distributions	3,355	3,420	65
Distributions per unit	2,570	2,620	50

Factors	Balance	DPU conversion (yen)
■ Internal growth (existing properties)	2	2
Increase in NOI	24	
Increase in rental revenue/expenses	22	
Increase in utilities expenses	40	
Increase in other rental revenue	14	
Increase in property management expenses	-29	
Increase in taxes	-20	
Decrease in repairs and maintenance	1	
Increase in other expenses for rental operations	-3	
Increase in depreciation	-12	
Increase in sales and administrative expenses	-9	
■ Finance	62	48
Decrease in interest expense	76	
Increase in loan relating fees	-29	
Decrease in other expenses	15	
Total	65	50

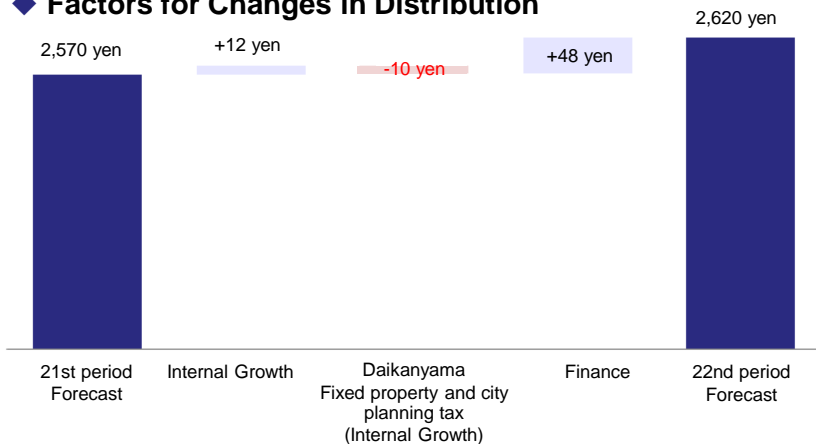
• Lease-ups and moving-outs of tenants -8
• Upward rent revision +38, etc.

LM fee for JEI Hamamatsucho Building, etc.

Expensing of fixed property and city planning tax for Mansard Daikanyama -13

Reduction of interest rate by refinancing

◆ Factors for Changes in Distribution



+50 yen from the previous period

II. Management Status and Policy



1. Public Offering Highlights

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

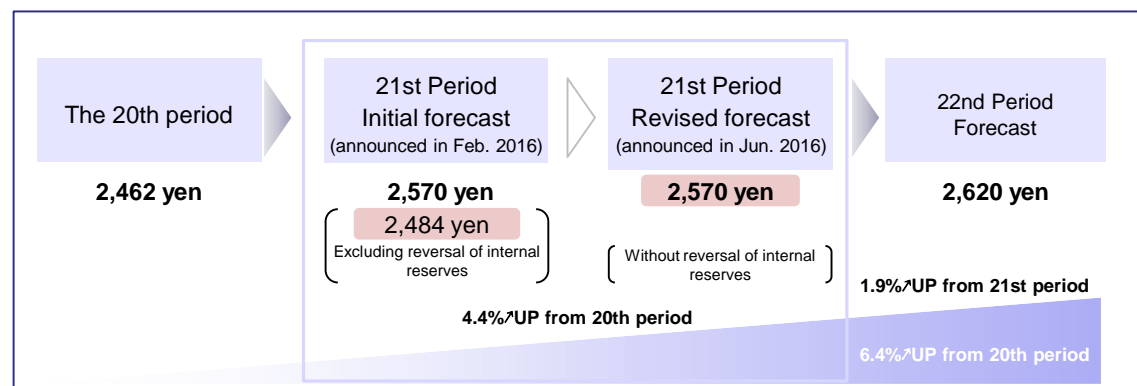
■ Overview of Public Offering

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 the distribution for 21st period, partly reversal of reserve for reduction entry was assumed in the announcement in February 2016; however, in the revision this period, reversal of internal reserves is not premised associated with the acquisition of Mansard Daikanyama.

2. External Growth

(1) History of External Growth and Future Strategies

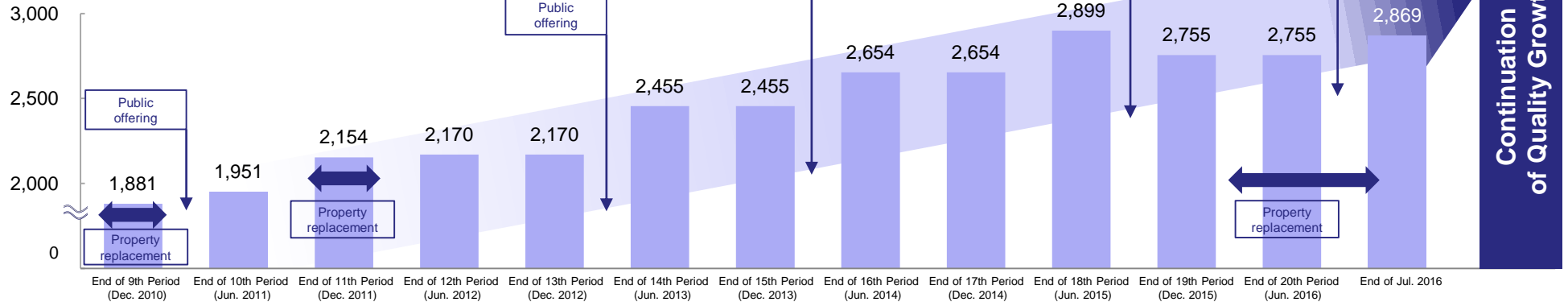
Basic Policy for External Growth

- ◆ Acquire properties taking full advantage of having a sponsor capable of property development
- ◆ Plan to 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.

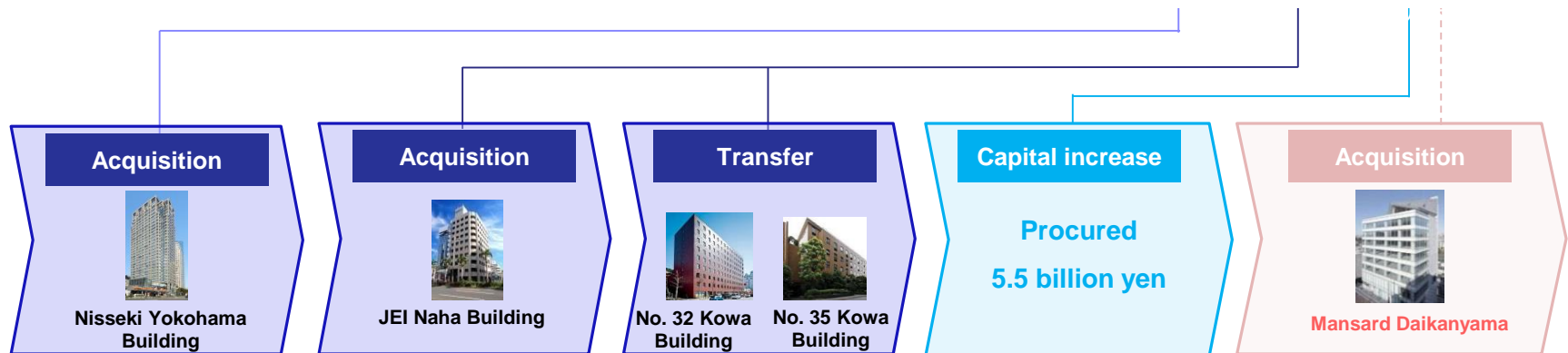
Aim for **“quality growth”** taking into consideration the growth potential and profitability of the portfolio

History of External Growth

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



Continuation of Quality Growth



* Future acquisitions of properties are yet to be determined, and thus the timing, prices, etc. have not been decided.

2. External Growth

(2) Newly Acquired Property during the 21st Period (Mansard Daikanyama)

◆ Acquired relatively new properties well boasting convenience, visibility, competitive advantage in central Toyo (as part of portfolio replacement strategy)

■ Overview



Location	10-1 Sarugakucho, Shibuya-ku, Tokyo	
Total floor area	8,402.51 m ²	
Construction completion date	December 16, 2009	
Acquisition price	11,420 million yen	
Appraisal value	11,600 million yen	
Acquisition date	July 1, 2016	
Seller	Y.K. Daikanyama Challengers	
NOI yield	Estimate at the time of acquisition 4.00%	Based on the actual numbers 3.80%
Yield after depreciation	Estimate at the time of acquisition 3.30%	Based on the actual numbers 3.10%
Appraisal NOI yield	3.70%	
Occupancy rate	100.0% (As of end of June 2016)	

*1 The NOI yield estimated at the time of acquisition and the yield after depreciation are the annual average of JEI's estimated figures for the first 5 years after acquisition, excluding special factors that may arise during the first fiscal year of acquisition.
 *2 NOI yield and NOI yield after depreciation "based on the actual numbers" are calculated using revenue & expenses basing upon the actual numbers for a past year provided from the seller.
 *3 Depreciation is computed by the straight-line method based on the useful life as used for other properties currently owned by the subject investment corporation considering variety of information included in the engineering report, etc.

◆ Features of the Property

- Located in the Shibuya business area with strong appeal to corporations valuing the high-end image of the town and sensitivity in fashion, etc.
- Retaining competitive advantage in Daikanyama where relatively old buildings are clustered in.
 - High level of convenience as located within a 4-minute walk from Daikanyama Station on the Tokyu Toyoko Line and a 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 as being in Daikanyama with a building age of six and a half years, 10 stories above ground, the total floor area of approximately 2,542 tsubo and the standard floor area of approximately 180 tsubo.
 - Equipped with independent air conditioning system for each zone, ceiling height of 2,800mm, raised floor of 100mm and the capacity of the outlet expandable up to 72VA/m².

■ Portfolio Replacement Strategy

Improves the quality of portfolio through acquisition of relatively new properties in central Tokyo



◆ Effect of Replacement

	Prior to the transfer	After the acquisition	Effect
Average building age	20.6 years	19.1 years	Shortened by 1.5 years
Ratio of top 10 tenants	27.4%	26.8%	Improved by 0.6 pts
PML	2.28%	2.21%	Improved by 0.07 pts

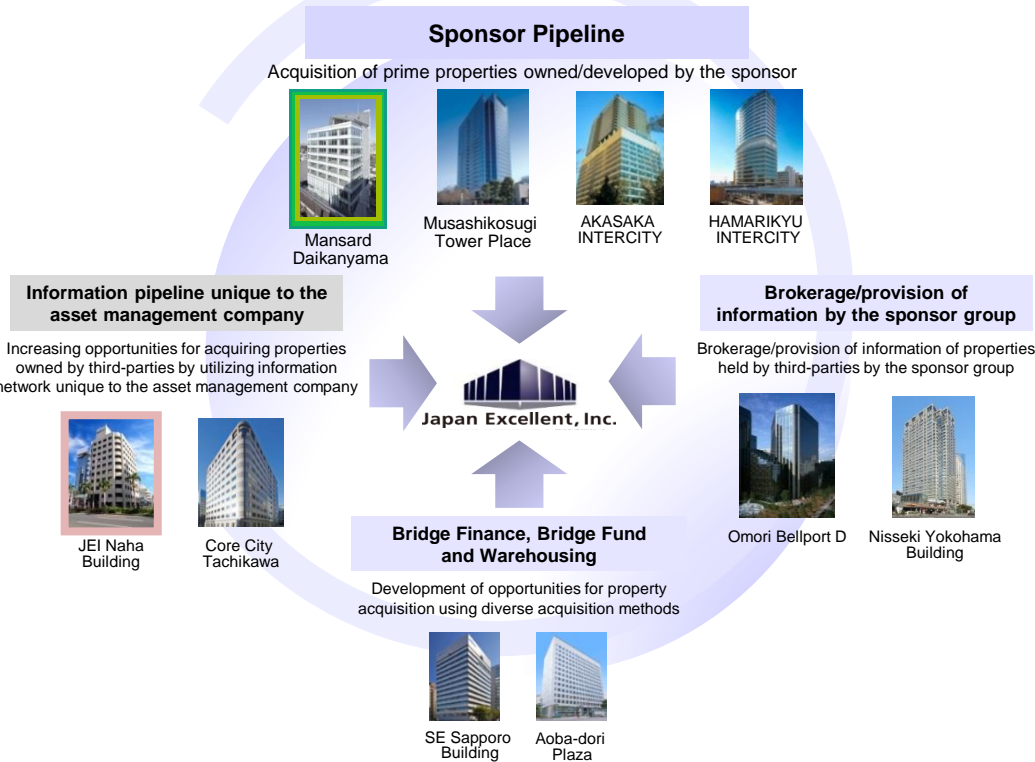
* Average building age prior to the transfer and after the acquisition is calculated as of July 1, 2016.

2. External Growth

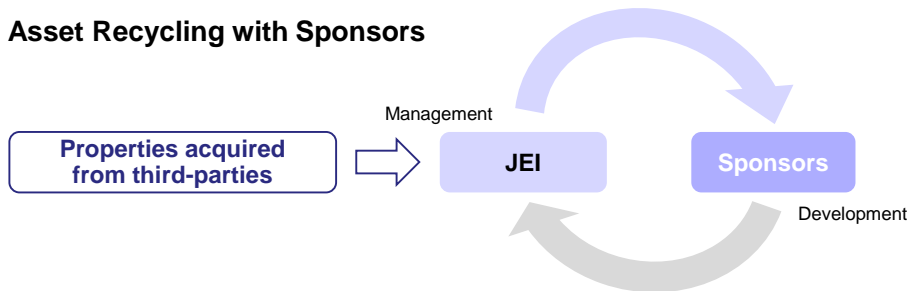
(3) Diverse Property Acquisition Channels and Sponsor Support

- ◆ 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

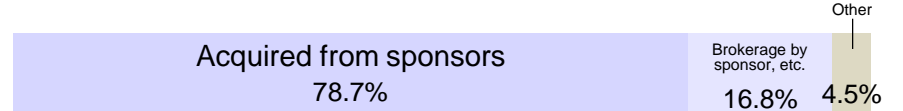


■ Asset Recycling with Sponsors



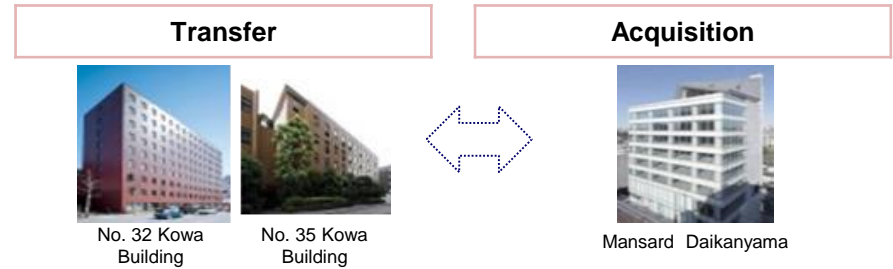
■ Breakdown of Sellers

(based on acquisition prices, as of after the acquisition of Mansard Daikanyama)



■ Improvement of quality of the portfolio through replacement of properties

- ◆ Transfer of relatively old properties and acquisition of relatively new properties



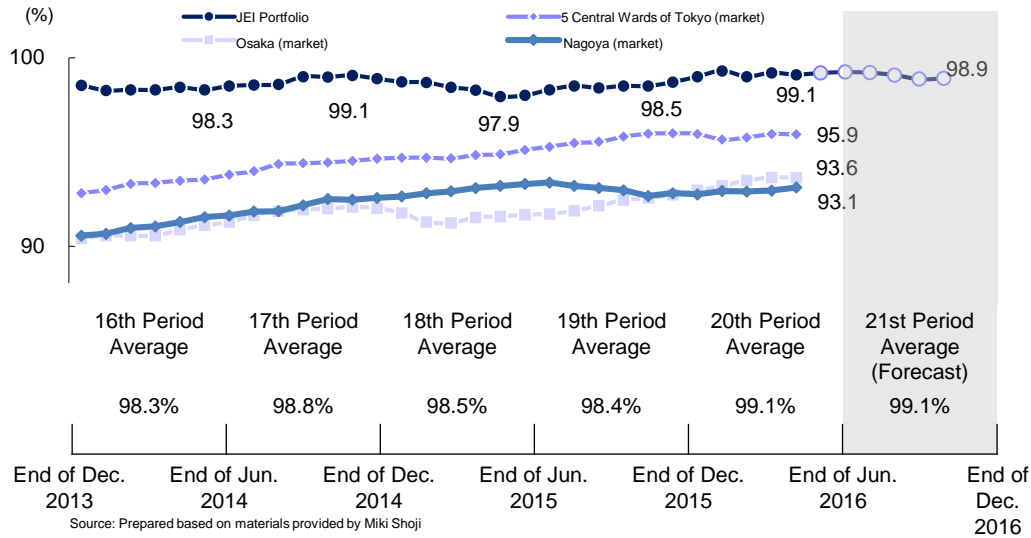
[Reference] Major Developments and Owned Properties of Core Sponsors*

* Including SPCs invested by core sponsors.

3. Internal Growth

(1) Status of Occupancy

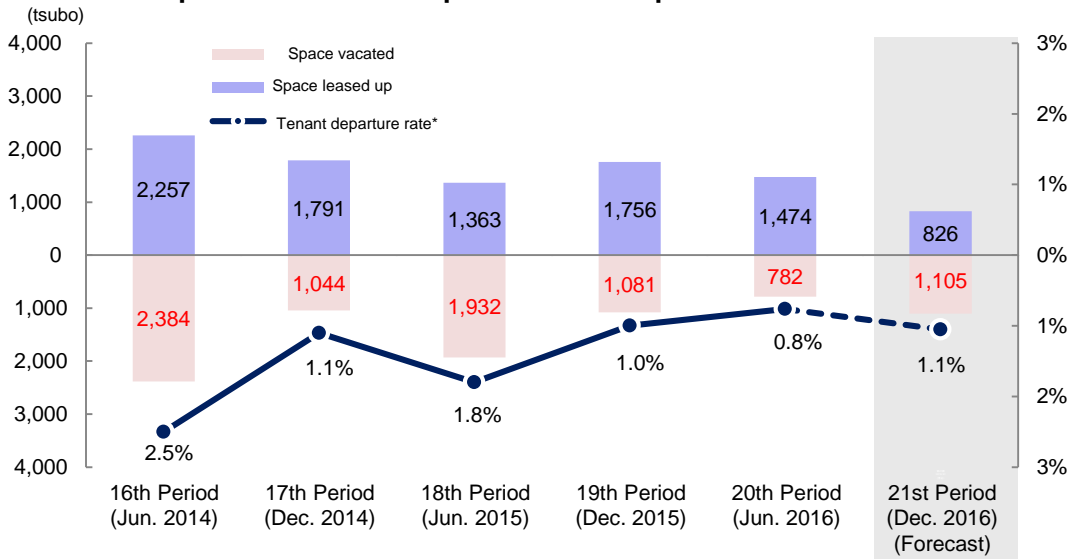
Occupancy Rates — Market and JEI Historical and Forecast



- ◆ Average occupancy rate in the 20th period is 99.1%, up 0.7pts from the previous period
The high occupancy rate is expected to continue during the 21st period
- ◆ Main factor for the rise in occupancy rate in the 20th period is due to following properties:

Type of reason	Property name	End of 19th Period	End of 20th Period	Change
Increase	Kowa Shirokanedai Building	89.3%	100.0%	10.7pt
	JEI Kyobashi Building	84.9%	94.3%	9.4pt
	Aoba-dori Plaza	93.8%	99.4%	5.6pt
Decrease	Pacific Square Sengoku	100.0%	95.5%	-4.5pt

Tenant Departure Rates and Spaces Leased Up and Vacated



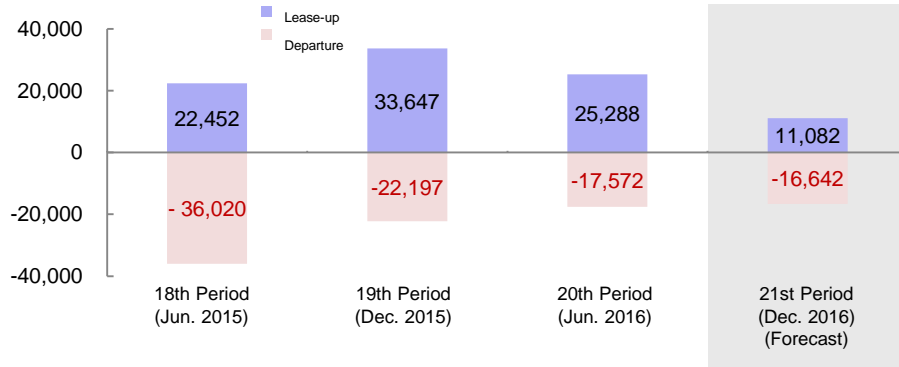
- ◆ Prevented tenant moving-outs by maintaining tenant satisfaction through cooperation with PM companies and execution of value-added renovations
- ◆ Space vacated is expected to remain 1% or under of the leased space in the 21st period as well

* 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.

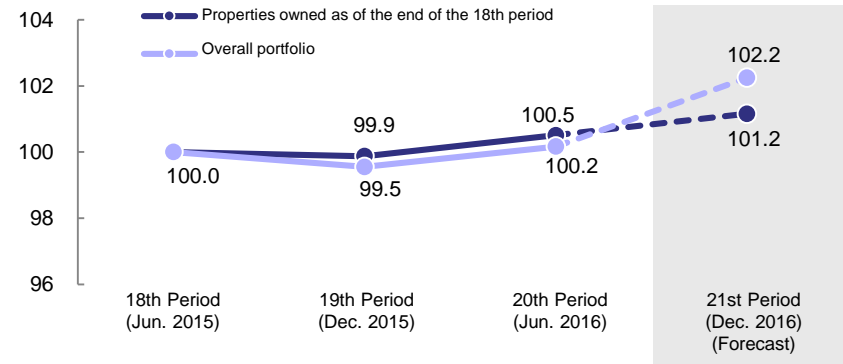
3. Internal Growth

(2) Status of Rent

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

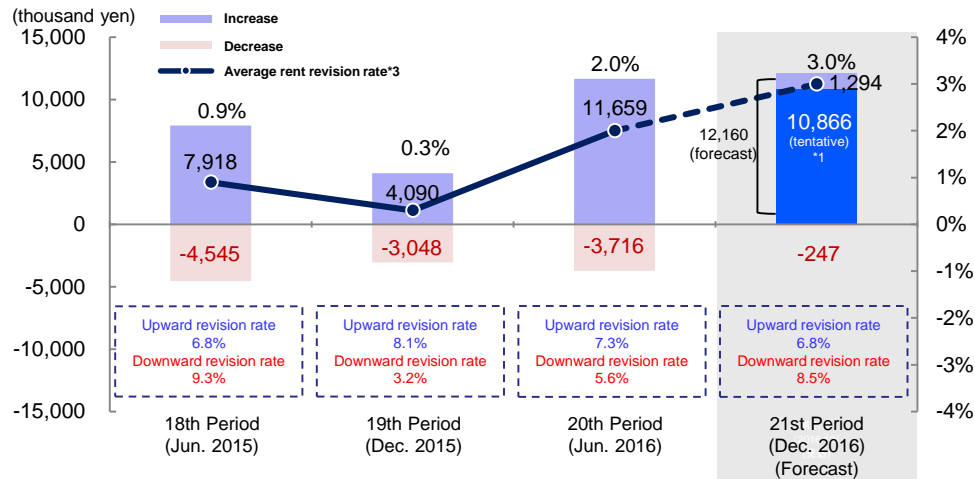


■ Historical Rent Levels*4

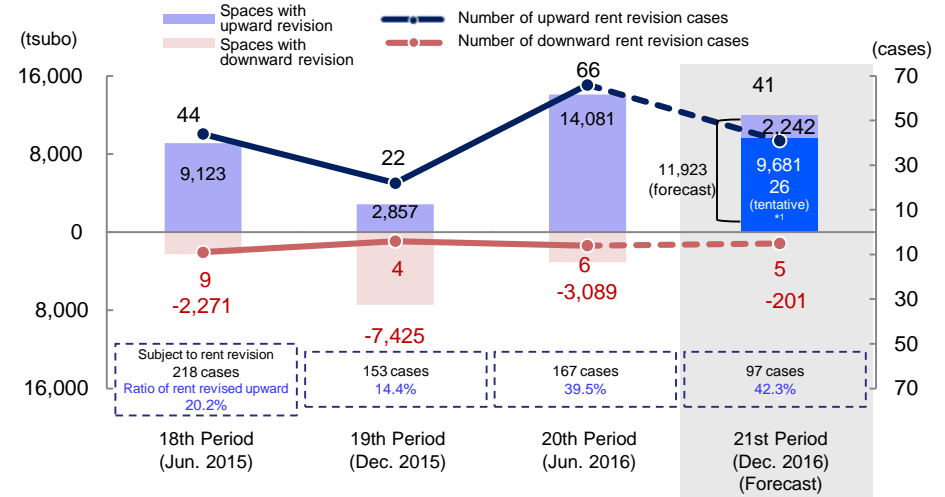


*4 Indexed with the average unit rent at the end of the 18th period set as 100. The average unit rent is weighted average by leased office space.

■ Increase/Decrease in Rent Due to Rent Revisions (based on monthly rent)*2
(thousand yen)



■ Number of Rent Revision Cases and Among Spaces Up for Revision*2



- ◆ Net monthly rents for the 20th period by reflecting tenants' lease-ups and moving-outs are in a plus. Unit rent level turned to be a plus for the first time since the Lehman shock.
- ◆ Rent revision in the 21st period is also making a steady progress to upward. The rent upward trend is expected to continue.

*1 Including tenants unofficially agreed for execution of an agreement as of July 31, 2016.

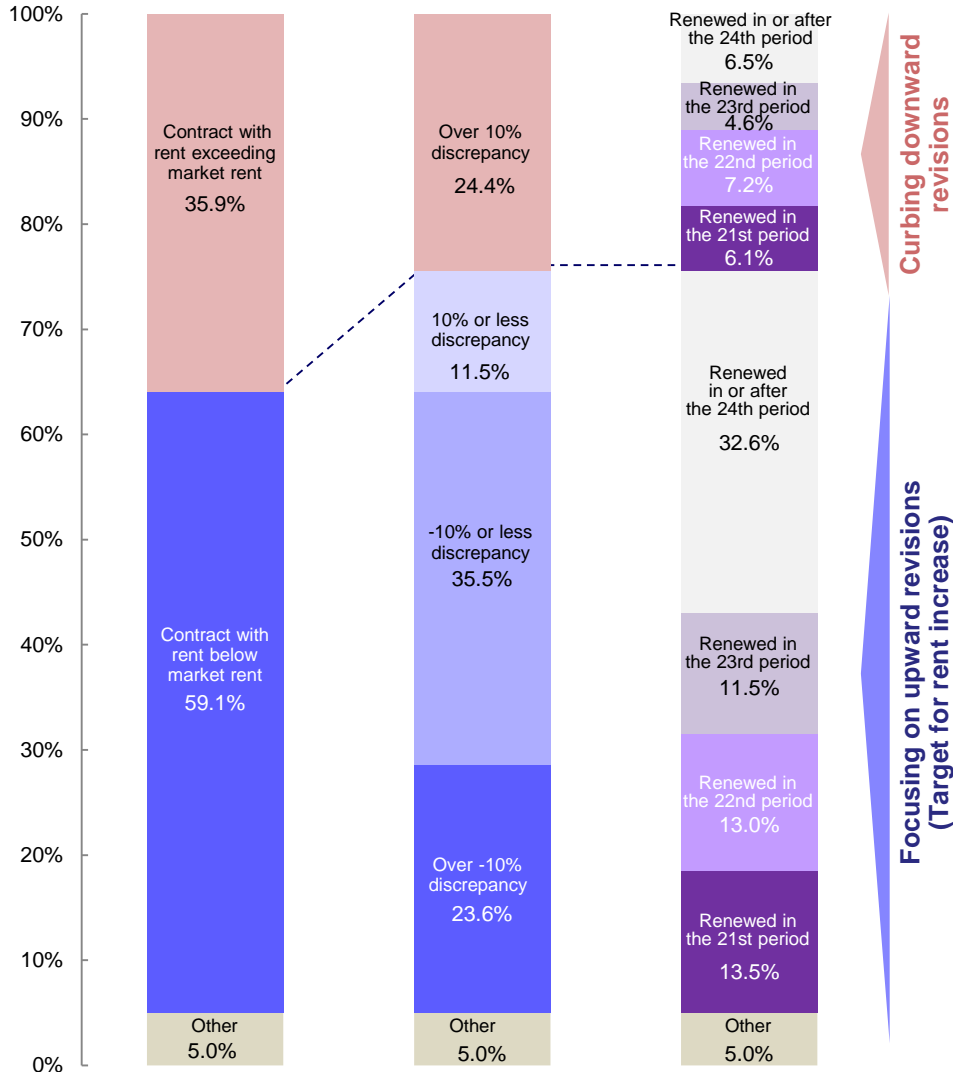
*2 The figures do not include data of fixed rent master lease agreements.

*3 The figures are percentage change including rent kept at previous levels.

3. Internal Growth

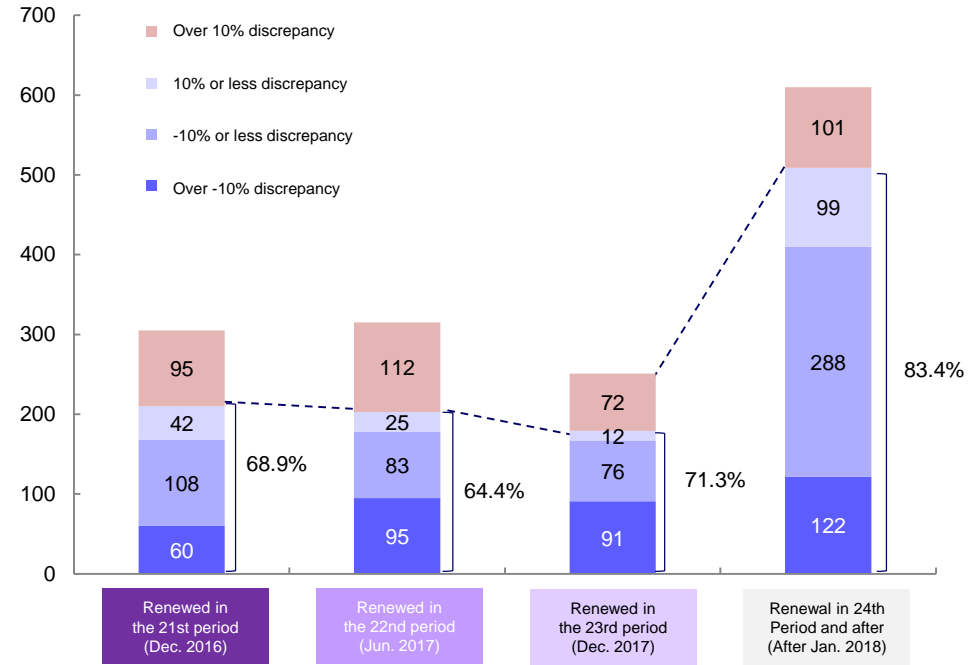
(3) Status of Rent Gap and Future Outlook

■ Status of Rent Gap



■ Monthly Rent by Renewal Period

(unit: million yen)



- ◆ Along with the market rents upward, negative discrepancy in rent gap expanded. (previous period end -0.7% ⇒ current period end -2.6%)
- ◆ Target tenants for rent increase will be 60% to 80% among up for rent revision in each period after the 21st 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 20th period (1,560 million yen). "Other" refers to contracts related to land with leasehold interest, residential, etc. Discrepancy rate is as of the end of the 20th period.

3. Internal Growth

(4) Value-added Renovations

◆ Maintain the rise of rent revenue and competitiveness through value-added renovations

■ Details of major value-added renovations

Property name	Overview	Timeframe (schedule)		
		21st Period	22nd Period	23rd Period
JEI Naha Building 	Renewal of common space Cosmetic works for standard floor hallways, office pantries, floor/wall/ceiling in elevator hall, conversion to LED lightings, renewal of restrooms	▶		
SE Sapporo Building 		▶▶		
Kowa Kawasaki Nishiguchi Building 		▶▶▶		
NHK Nagoya Housou-Center Building 		▶▶▶		
JEI Hamamatsucho Building 		▶		
JEI Kyobashi Building 		▶		

Improvement of satisfactory level of tenants

Assumed rent revenue

112 million yen/period
UP↑

◆ Renewal works completed in JEI Naha Building during this period

● Elevator Hall

Replacement of wall sheet,
Conversion to LED lighting,
Replacement of carpet tiles



● Hallway

Replacement of wall sheet,
Conversion to LED lighting,
Replacement of carpet tiles



● Restroom

Replacement of washstand,
Replacement of wall sheet,
Replacement of vinyl tiles,
Conversion to LED lighting



4. Financial Strategy

(1) Status of Financial Management

- ◆ Maintained to possess high ratings by continuing stable financial management
- ◆ Conducted management while balancing LTV by comprehensively judging the distribution level, etc.

Financial Data Summary

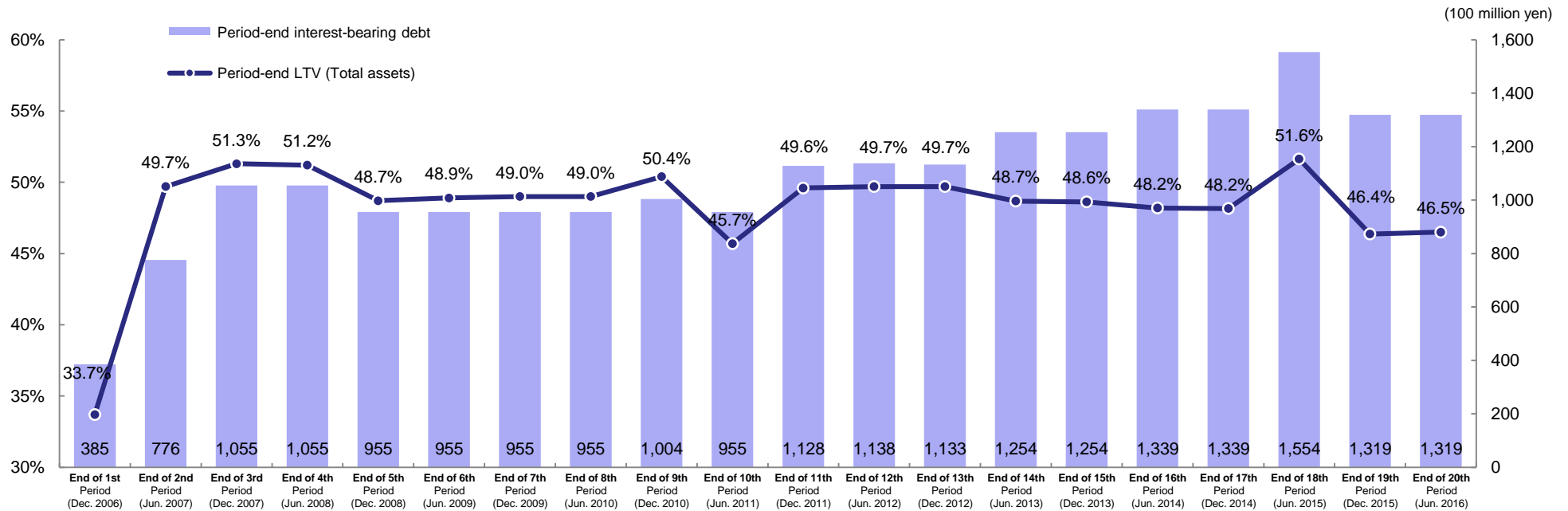
	End of 19th Period (Dec. 2015)	End of 20th Period (Jun. 2016)
LTV (total assets)	46.4%	46.5%
Period end interest-bearing debt interest rate	1.06%	0.96%
Ratio of fixed interest rate	99.2%	89.4%
Average remaining period of interest-bearing debt	3.85 years	3.69 years

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)

* Total assets LTV after the exercise of GSO is 46.7%.

Historical Interest-Bearing Debt and LTV (total assets)

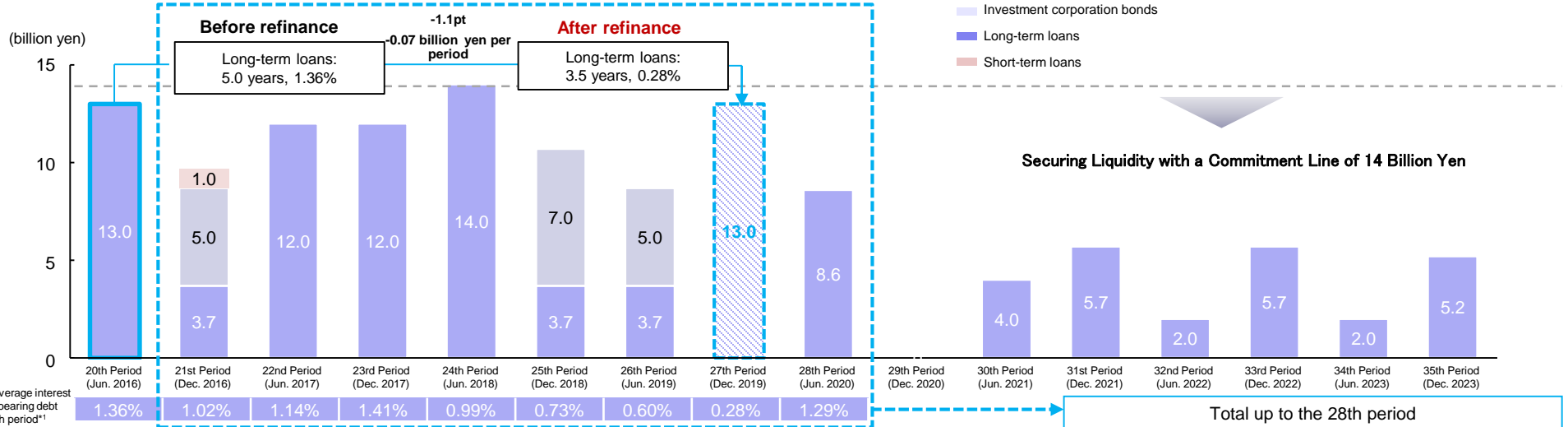


4. Financial Strategy

(2) Performance of Financial Activities

◆ While reducing the financial costs, keep proceeding to extend average remaining period of interest-bearing debt and to fix the interest rate

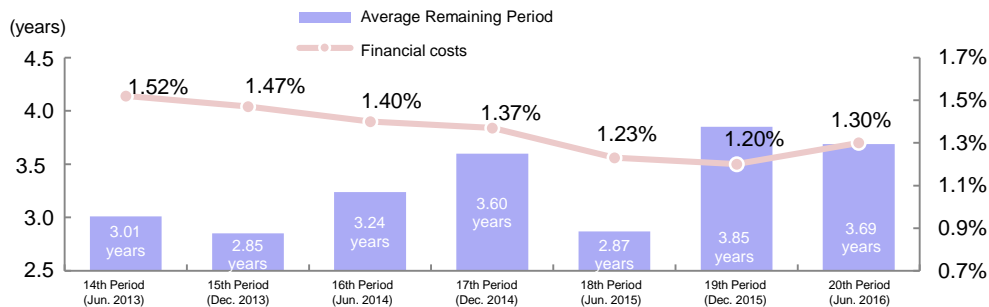
■ Status of Repayment Amount in Each Period and Maturity Date Diversification



*1 The weighted average interest rate is computed using the applicable interest rate as of June 30, 2016.

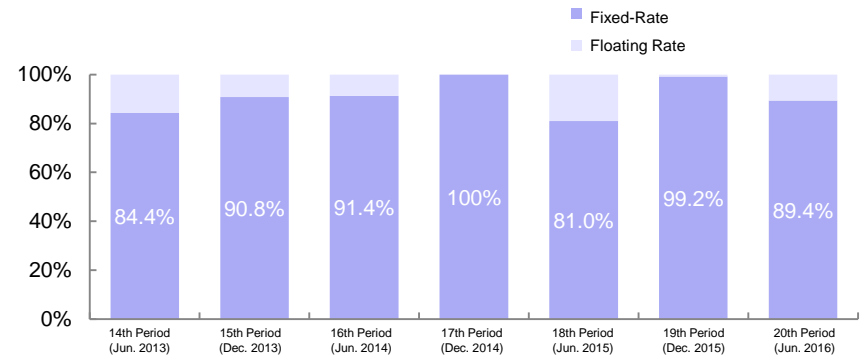
*2 Figures of repayment amount is rounded down to the nearest hundred million yen, and the interest rate is rounded to the second decimal place.

■ Historical Average Remaining Period of Interest-Bearing Debt and Financial Costs*3



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

■ Historical Fixed-Rate Percentage



Memo

III. What Makes Japan Excellent Inc. Excellent



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

Unit Price and Tokyo Stock Exchange REIT Index



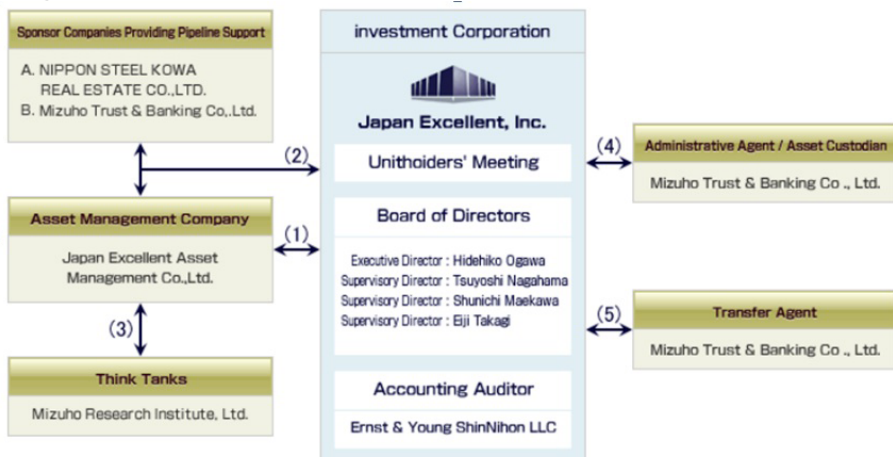
* Unit prices for December 25, 2013 and earlier are divided by 5.

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	

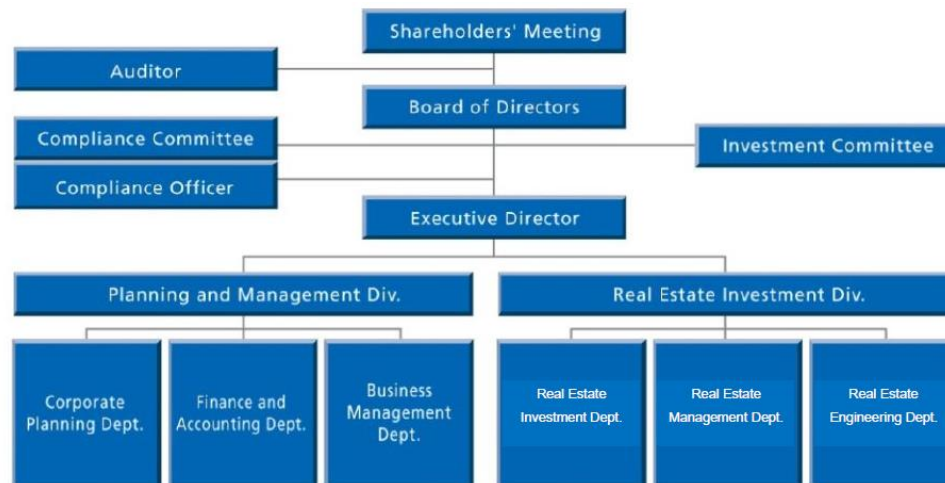
* Percentages in the above table are percentages of total outstanding shares.

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



3. 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

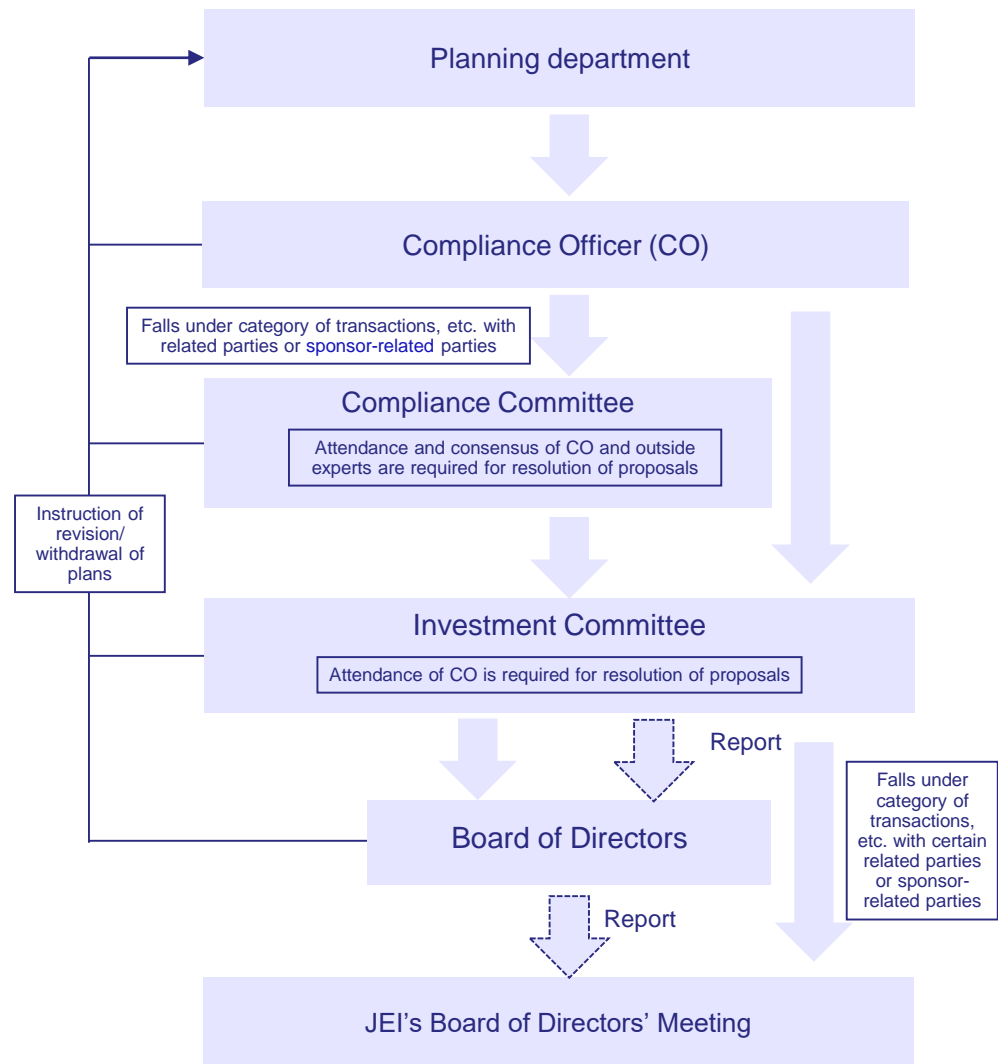
- ◆ Management structure which will not be affected by a specified sponsor due to mutual supervision of the two core sponsors
- ◆ The two core sponsors own 7.3% of JEI's investment units and the interest of unitholders and that of sponsors match (as of June 30, 2016)

■ 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

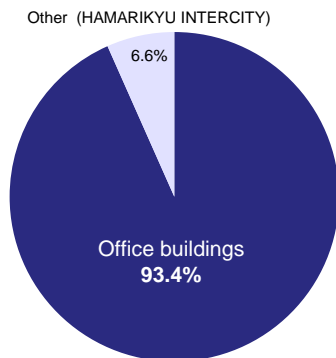


4. Portfolio (1)

Usage

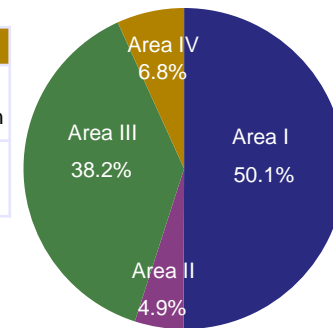
(Investment Policy)

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



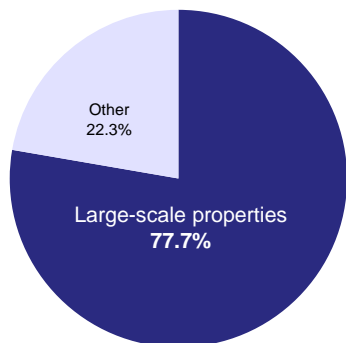
Area

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

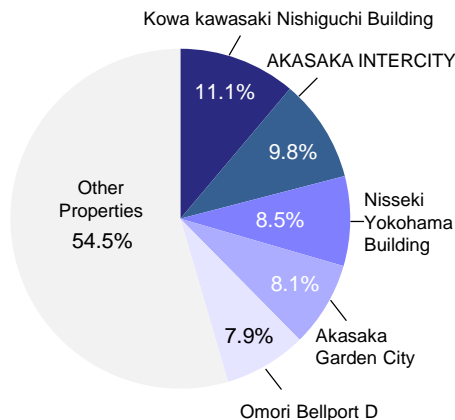


Ratio of investment in the Tokyo metropolitan area^{*4}
88.3%

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.

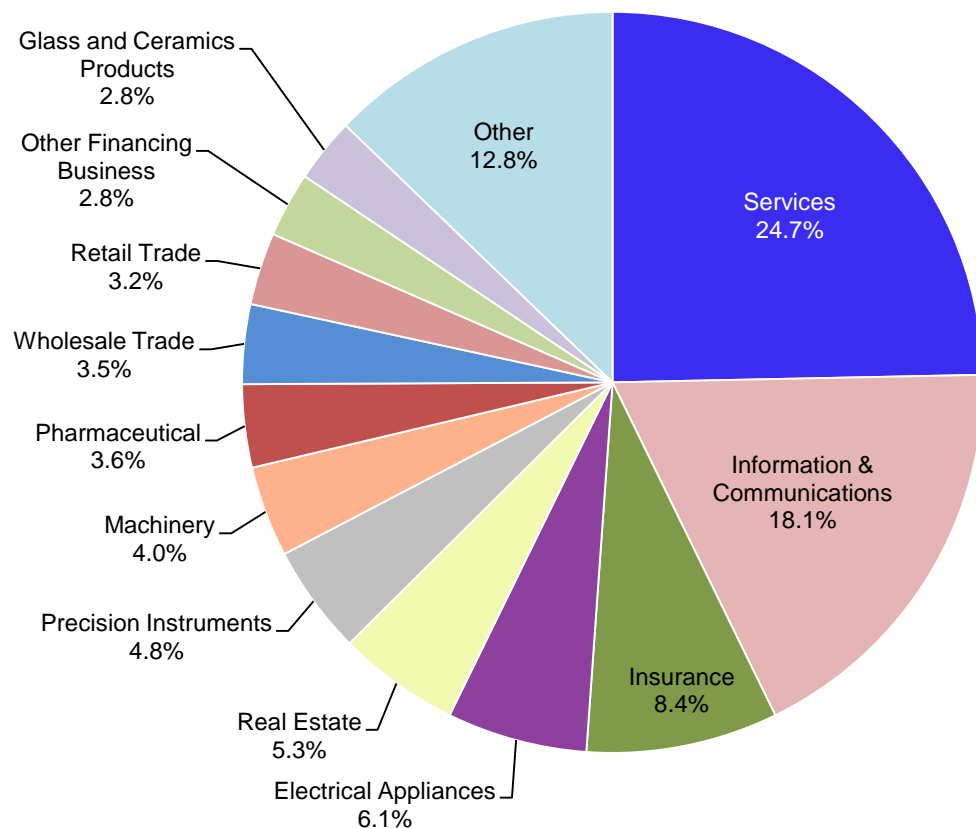
*3 "Large-scale properties" refers to properties with total floor area of 10,000 tsubo or more for the 23 wards of Tokyo, and of 4,000 tsubo or more for areas other than the 23 wards of Tokyo.

*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 the one after the acquisition of Mansard Daikanyama, and the ratio is rounded to the first decimal place based on the acquisition prices.

4. Portfolio (2)

■ Type of Industry of Tenants*1



■ 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	5.8
Toshiba Information System (Japan) Corp.	Kowa Kawasaki Higashiguchi Building	18,612.72	5.3
Hitachi Urban Investment, Ltd.	Omori Bellport D	10,118.99	2.9
	Ebina Prime Tower		
	JEI Hiroshima Hacchobori Building		
SE Sapporo Building			
Roche Diagnostics Japan K. K.	Shiba 2-chome Building	9,284.18	2.6
*2	*2	8,131.66	2.3
*2	Daiba Garden City Building	7,286.83	2.1
*2	*2	6,450.78	1.8
JACCS CO., LTD.	Ebina Prime Tower	5,540.02	1.6
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 tenants		96,354.31	27.2
Total of portfolio overall		353,848.03	100.0

* Reflecting figures as of the end of the 20th period.

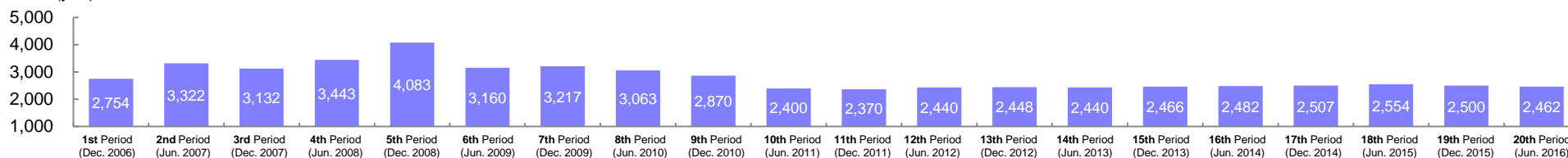
*2 End tenant names are not disclosed as we have not obtained consent, etc. from tenants.

*1 Asset management company categorized and created above industry category along with "TOPIX Sector Indices".

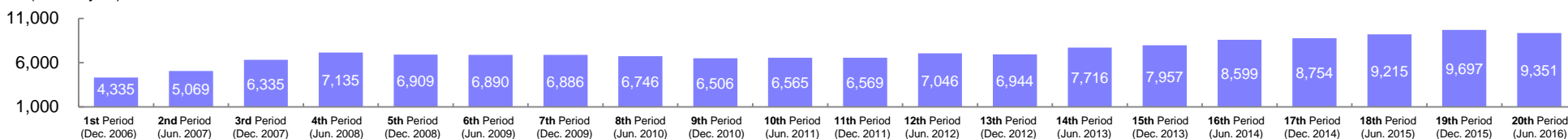
*2 Ratio stated above is rounded to the first decimal place based on the rentable space as of the end of the 20th period (however, including Mansard Daikanyama acquired on July 1, 2016.).

5. Track Record

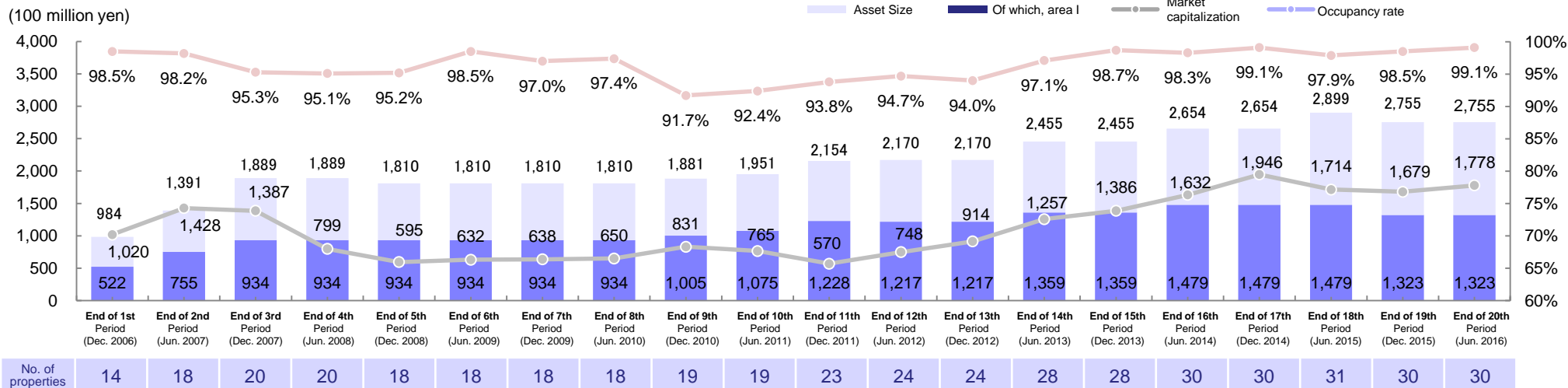
Historical Distributions per Unit*1 (yen)



Historical Rental Revenue (million yen)



Historical Asset Size, Occupancy Rate and Market Capitalization*2



No. of properties	14	18	20	20	18	18	18	18	19	19	23	24	24	28	28	30	30	31	30	30
-------------------	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----

*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.

6. Initiatives for Sustainability Measures

Received "Green Star," the highest rating in GRESB survey



- ◆ Japan Excellent, Inc. has been participating in the benchmark survey since 2011 and has promoted structural development, energy-saving initiatives, etc. Received "Green Star," the highest rating in 2015 GRESB survey.

* GRESB is a benchmark established by leading global real estate investors with an aim to conduct strict and independent assessment of the sustainability performance of real estate portfolios.

Obtained environmental certification and evaluation

Office Taking Excellent Specific Global Warming Countermeasures



Certified in the fiscal year of 2011

Top-Level Office

AKASAKA INTERCITY



Certified in the fiscal year of 2012

Top-Level Office

Akasaka Garden City

- ◆ The Tokyo metropolitan government certifies offices with particularly advanced global warming countermeasures under several assessing items concerning the introduction of systems to promote CO₂ reduction and the performance of buildings and equipment
- ◆ Out of properties owned by JEI, AKASAKA INTERCITY and Akasaka Garden City have been certified as "Top-Level Offices" (offices which have extremely advanced measures).
- ◆ Total emission reduction obligation ratio of specified green-house gas is halved for a "Top-Level Office".

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



Properties with high "environmental and social awareness"



Kowa Kawasaki Nishiguchi Building



CASBEE for Market Promotion Certification

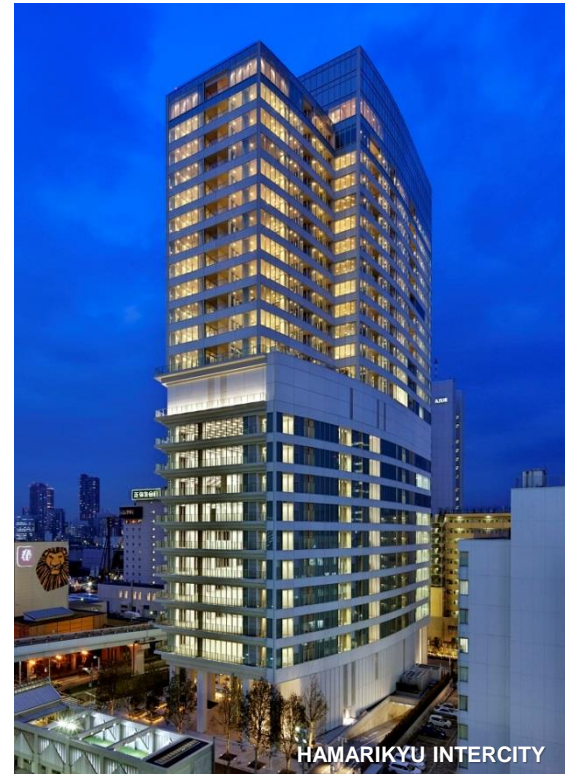


Rank A

Kowa Nishi-shinbashi Building

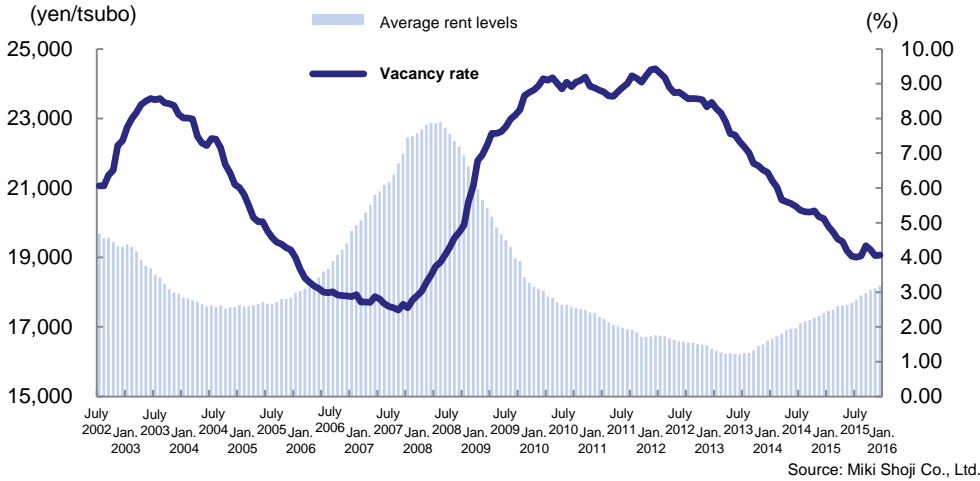
- ◆ A system established under the leadership of the Ministry of Land, Infrastructure, Transport and Tourism to appropriately identify and evaluate properties with high environmental value that have high environmental performance and are well managed.

Reference Materials

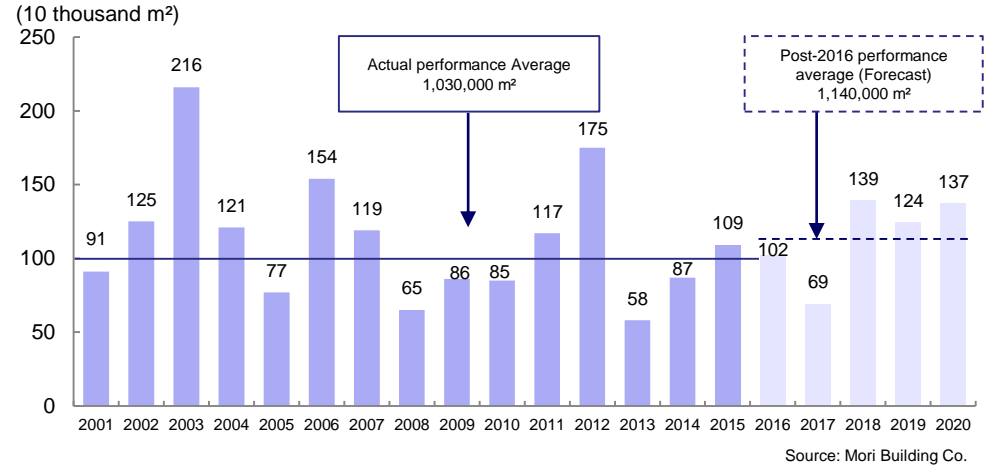


- ◆ Improvement trend in vacancy rate continues and rent level is rising gradually
- ◆ Real estate transaction prices remain in the high price range

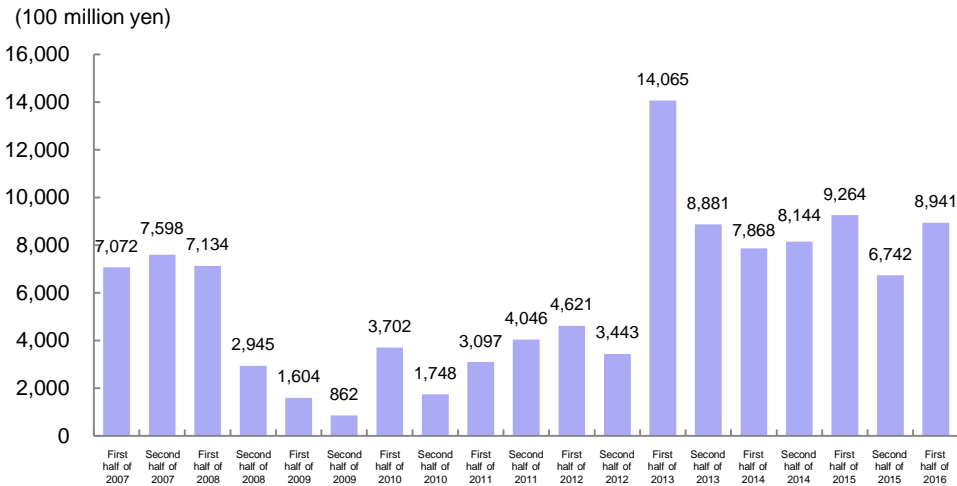
Historical Rent Levels and Vacancy Rate in 5 Central Wards of Tokyo



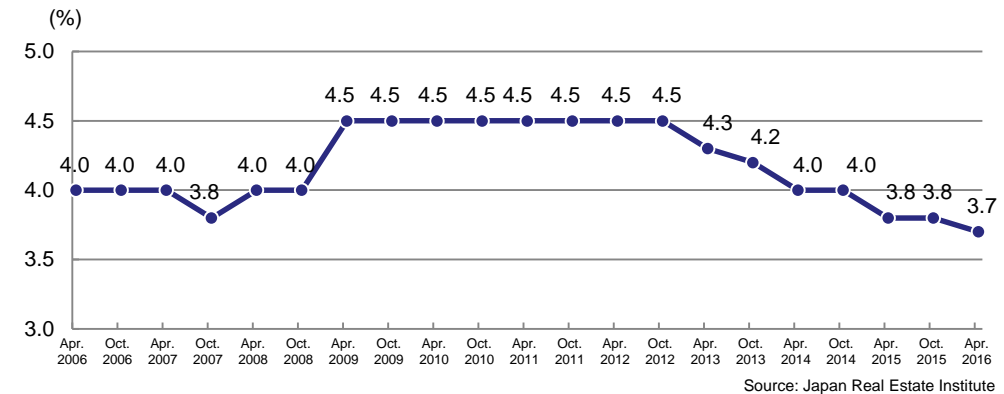
Historical New Office Supply Volume in 23 Wards of Tokyo



Historical Actual Real Estate Acquisitions by J-REITs



Historical Expected Transaction Cap Rate for Class A Buildings (Marunouchi and Otemachi areas in Tokyo)



Revenue and Expenses by Property

(Unit: million yen)

	Area I										Area II			Area III										Area IV							Other	Total
	I-1	I-2	I-3	I-7	I-8	I-9	I-10	I-12	I-13	I-14	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 Shirokanedai	Daiba Garden City Bldg.	HAMARIKYU INTERCITY	Shintomi-cho	Kowa Nishi-Shimbashi	NHK Nagoya	Nishi-honmachi	Osaka Kojin (Land with Interest)	Musashi-Kosugi	Kawasaki Higashi-Guchi	Hongo	Kawasaki Nishin-cho	44 Kowa	Ryogoku	Ebina	Kawasaki Nishi-Guchi	Sengoku	Core City Tachikawa	Nisseki Yokohama Building	Kyobashi	Hiroshima Hachio-bon	SE Sankyo	Aoba-dori Plaza	Daiwa Minamimorimachi	JEI Naha Building		
Revenue from operations	929	372	208	379	549	161	334	720	68	-	370	193	83	789	-	-	190	85	103	421	924	49	324	1,129	159	144	354	183	196	73	0	10,223
Rental revenue	869	372	196	355	506	144	334	679	61	-	-	172	83	694	-	-	188	75	93	359	838	43	294	1,031	146	132	270	161	177	62	0	9,351
Other revenue	60	0	11	24	43	16	0	41	6	-	-	21	-	94	-	-	2	10	9	61	85	6	30	98	13	12	83	21	19	11	0	871
Expenses from operations	478	124	102	160	259	82	124	394	30	-	234	135	44	383	-	-	120	37	58	326	598	30	135	696	101	74	221	100	85	44	2	5,655
Property management	122	48	18	45	27	23	1	118	5	-	67	23	-	109	-	-	49	12	18	121	139	5	29	153	15	18	36	35	21	9	0	1,423
Utilities	134	0	11	23	45	11	-	61	5	-	31	23	-	78	-	-	-	7	9	72	91	5	39	174	13	13	78	19	13	7	0	1,044
Taxes	77	31	18	32	35	14	35	47	4	-	26	26	43	61	-	-	17	5	7	39	77	6	20	60	12	17	23	17	12	2	0	835
Insurance	1	0	0	0	0	0	0	2	0	-	0	0	-	1	-	-	0	0	0	1	2	0	1	3	0	0	0	0	0	0	0	24
Repair and maintenance	11	1	0	0	2	9	0	13	2	-	4	5	-	16	-	-	8	2	0	11	36	0	9	11	1	1	2	1	2	1	0	195
Other expenses	4	3	15	2	63	1	1	7	0	-	33	2	0	8	-	-	2	2	2	11	9	1	1	10	3	1	2	3	0	5	2	231
Depreciation	125	40	37	55	83	20	84	144	11	17	70	53	-	106	84	30	42	6	18	67	241	10	34	283	55	22	77	21	33	17	0	1,899
Profits from operations	451	248	106	219	290	79	210	325	37	69	136	57	39	405	97	83	69	48	44	94	325	18	189	432	58	70	133	83	111	29	-2	4,567
NOI	577	288	144	275	374	100	295	470	49	86	206	111	39	512	182	114	112	54	62	162	567	29	223	715	113	92	210	104	144	47	-2	6,467
Number of operating days	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	-	-
Acquisition price	22,552	9,450	8,350	23,300	28,146	4,705	11,000	19,080	1,750	3,931	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	-	275,577

Compared with previous period	20th period NOI yield (annualized)	19th period NOI yield (annualized)	Difference (Pt)	20th period NOI yield after depreciation (annualized)																												
	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%
	5.1%	5.9%	3.4%	2.3%	2.4%	4.5%	5.4%	4.9%	5.9%	4.3%	6.8%	3.5%	4.5%	7.4%	4.5%	3.4%	5.0%	9.8%	4.7%	4.5%	3.2%	3.3%	6.3%	5.8%	7.6%	6.7%	7.7%	9.4%	6.4%	7.9%	-	4.57%
	0.0	0.2	0.1	0.1	0.3	-0.2	0.0	0.0	-0.3	0.1	0.6	-0.1	0.0	0.0	-1.2	0.8	-0.2	-0.3	0.2	0.5	0.4	0.4	0.6	0.1	-0.7	0.0	0.0	0.5	0.2	-1.0	-	0.14
	4.0%	5.3%	2.6%	1.9%	2.1%	3.4%	3.8%	3.4%	4.3%	3.5%	4.9%	1.7%	4.5%	5.9%	1.8%	3.1%	3.0%	8.4%	3.5%	2.9%	2.0%	2.3%	5.8%	3.5%	3.5%	5.1%	4.9%	7.9%	5.1%	4.3%	-	3.32%

Breakdown by Area

(Unit: million yen)

	Area I Total	Area II Total	Area III Total	Area IV Total
NOI	2,661	358	2,737	713
Acquisition price	132,264	14,053	109,781	19,478
20th period NOI yield (annualized)	4.0%	5.1%	5.0%	7.3%
19th period NOI yield (annualized)	3.9%	4.9%	4.9%	7.4%
Difference (pt)	0.1	0.2	0.1	-0.1

*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.

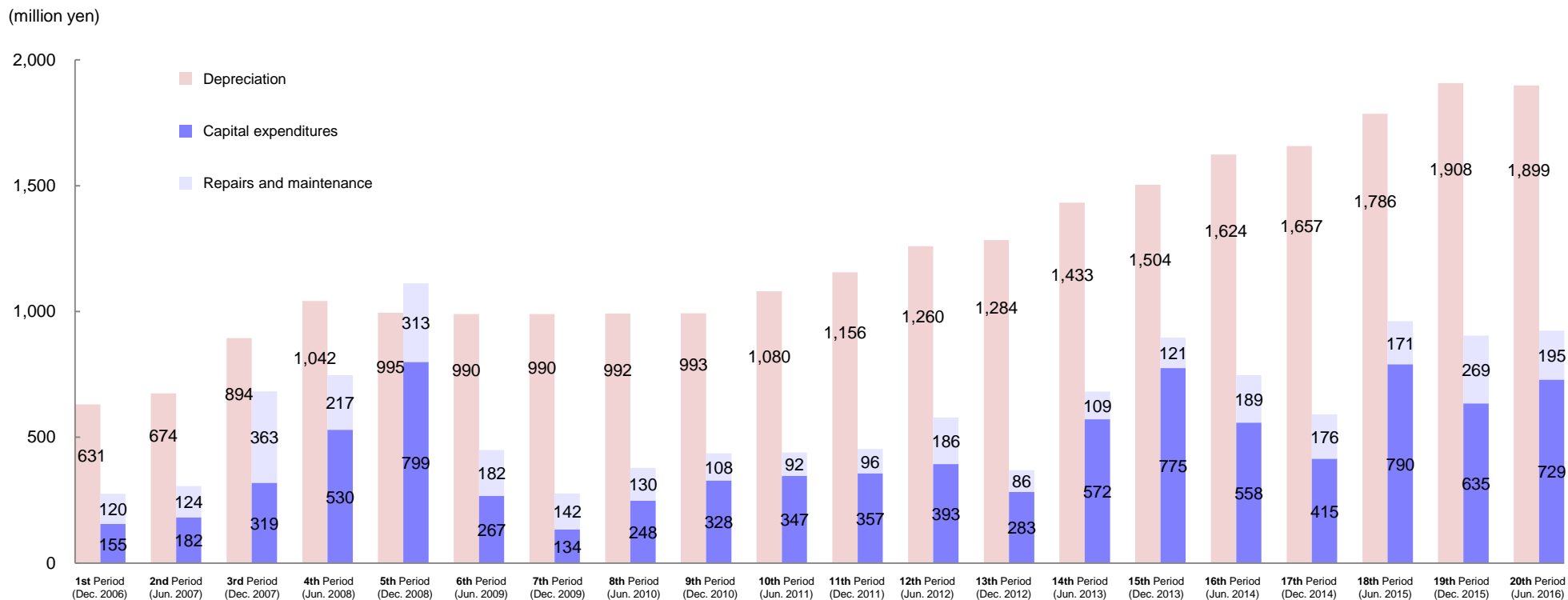
*3 NOI yield for each property shown is annualized. (NOI yield = Annualized NOI / acquisition price)

*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.

*6 Expense stated in "Other" item is the settlement money for properties completed the disposition in the previous period.

History of Expenses for Repairs and Maintenance



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%
-----------------------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Overview of Period-end Appraisals

Summary of Period-end Appraisal Value

	19th Period (Dec. 2015)	20th Period (Jun. 2016)	Difference
Number of properties	30 properties	30 properties	±0 properties
Period-end appraisal value	268,610 million yen	272,170 million yen	3,560 million yen
Book value	264,252 million yen	263,249 million yen	-1,002 million yen
Unrealized profit/loss	4,357 million yen	8,920 million yen	4,562 million yen
Ratio of unrealized profit/loss ¹	1.6%	3.4%	1.8pt

*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

	19th Period (Dec. 2015)	20th Period (Jun. 2016)
Increase	22 properties	18 properties
Unchanged	5 properties	9 properties
Decrease	3 properties	3 properties

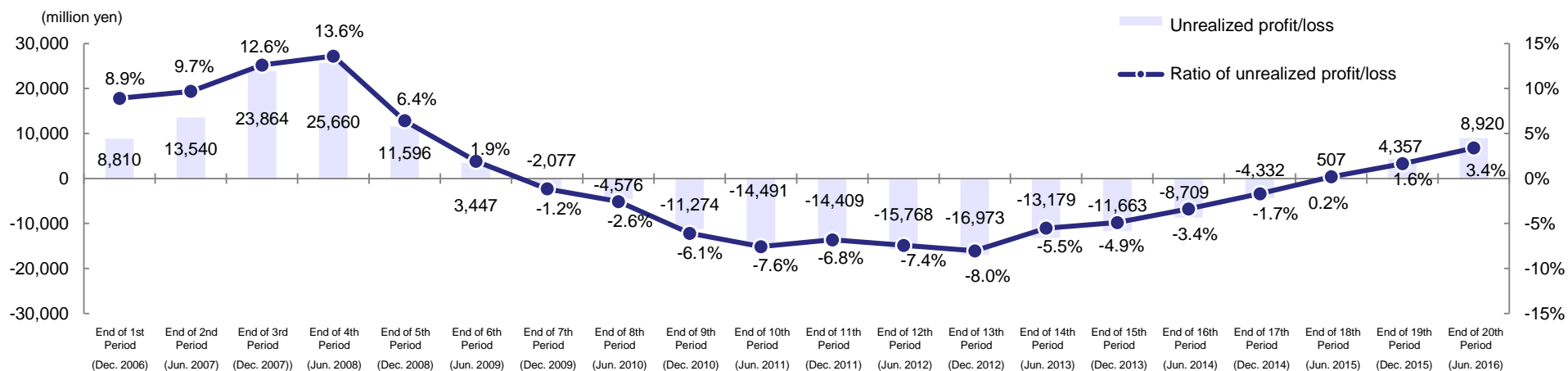
*2 Increase/decrease breakdowns are shown in comparison with the previous fiscal period for each period.

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

Status of Cap Rate

	19th Period (Dec. 2015)	20th Period (Jun. 2016)
Decline	22 properties	19 properties
Unchanged	8 properties	11 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 FP20 ③	Difference (②-③)		Direct reduction reduced yield		Difference (⑤-④) pt	Appraisal Organization	
				End of FP19 ①	End of FP20 ②		%			%	End of FP19 ④	End of FP20 ⑤			
I-1	I	Omori Bellport D	22,552	25,000	25,000	0	0.0%	21,210	3,789	17.9%	4.4%	4.3%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
I-2		Shiba 2-Chome Building	9,450	12,000	11,900	-100	-0.8%	8,918	2,981	33.4%	Office 4.4%	Office 4.4%	0.0	Japan Real Estate Institute	
I-3		JEI Hamamatsucho Building	8,350	6,680	7,120	440	6.6%	8,320	-1,200	-14.4%	Residence 4.8%	Residence 4.8%	0.0	Japan Real Estate Institute	
I-7		Akasaka Garden City	23,300	17,200	17,200	0	0.0%	22,376	-5,176	-23.1%	3.7%	3.7%	0.0	Japan Real Estate Institute	
I-8		AKASAKA INTERCITY	28,146	25,100	25,100	0	0.0%	27,318	-2,218	-8.1%	3.5%	3.5%	0.0	Japan Real Estate Institute	
I-9		Kowa Shirokanedai Building	4,705	5,010	5,010	0	0.0%	4,819	190	3.9%	4.6%	4.6%	0.0	Japan Real Estate Institute	
I-10		Daiba Garden City Building	11,000	12,200	12,200	0	0.0%	10,222	1,977	19.3%	4.6%	4.5%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
I-12		HAMARIKYU INTERCITY	19,080	21,900	22,000	100	0.5%	18,308	3,691	20.2%	3.9%	3.9%	0.0	Japan Real Estate Institute	
I-13		Shintomicho Building	1,750	1,900	1,940	40	2.1%	1,774	165	9.3%	4.5%	4.4%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
I-14		Kowa Nishishinbashi Building	3,931	4,200	4,200	0	0.0%	3,800	399	10.5%	3.8%	3.8%	0.0	Japan Real Estate Institute	
II-1		II	NHK Nagoya Housou-Center Building	5,610	5,650	5,710	60	1.1%	5,708	1	0.0%	5.1%	5.0%	-0.1	Japan Real Estate Institute
II-2			JEI Nishi-honmachi Building	6,673	4,420	4,520	100	2.3%	7,267	-2,747	-37.8%	5.0%	4.9%	-0.1	DAIWA REAL ESTATE APPRAISAL Corporation
II-3			Osaka Kogin Building (land with leasehold interest)	1,770	2,030	2,030	0	0.0%	1,865	164	8.8%	3.9%	3.9%	0.0	Japan Real Estate Institute
III-1		III	Musashikosugi Tower Place	13,890	18,200	19,400	1,200	6.6%	12,729	6,670	52.4%	4.7%	4.6%	-0.1	Japan Real Estate Institute
III-2	Kowa Kawasaki Higashiguchi Building		10,976	8,890	9,160	270	3.0%	9,624	-464	-4.8%	5.1%	5.0%	-0.1	Japan Valuers Co., Ltd.	
III-3	JEI Hongo Building		5,400	4,510	4,580	70	1.6%	5,151	-571	-11.1%	4.6%	4.5%	-0.1	Japan Valuers Co., Ltd.	
III-5	Kawasaki Nishincho Building		4,725	4,000	4,080	80	2.0%	4,448	-368	-8.3%	5.2%	5.1%	-0.1	Japan Valuers Co., Ltd.	
III-6	No. 44 Kowa Building		1,150	1,450	1,740	290	20.0%	994	745	74.9%	5.6%	5.6%	0.0	Japan Real Estate Institute	
III-7	JEI Ryogoku Building		2,550	2,250	2,150	-100	-4.4%	2,279	-129	-5.7%	4.9%	4.8%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
III-8	Ebina Prime Tower		6,470	3,820	3,890	70	1.8%	5,745	-1,855	-32.3%	5.6%	5.5%	-0.1	Japan Real Estate Institute	
III-9	Kowa Kawasaki Nishiguchi Building		32,000	24,600	25,000	400	1.6%	29,183	-4,183	-14.3%	5.0%	4.9%	-0.1	Japan Valuers Co., Ltd.	
III-10	Pacific Square Sengoku		1,620	1,360	1,340	-20	-1.5%	1,657	-317	-19.1%	4.6%	4.5%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
III-11	Core City Tachikawa		6,500	7,670	7,910	240	3.1%	6,269	1,640	26.2%	5.0%	4.9%	-0.1	Japan Real Estate Institute	
III-12	Nisseki Yokohama Building		24,500	25,700	25,700	0	0.0%	24,257	1,442	5.9%	4.5%	4.5%	0.0	Japan Real Estate Institute	
IV-2	IV		JEI Kyobashi Building	3,308	4,080	4,130	50	1.2%	3,072	1,057	34.4%	5.5%	5.4%	-0.1	DAIWA REAL ESTATE APPRAISAL Corporation
IV-3		JEI Hiroshima Hacchobori Building	2,760	2,930	2,980	50	1.7%	2,648	331	12.5%	5.4%	5.3%	-0.1	Japan Real Estate Institute	
IV-4		SE Sapporo Building	5,500	6,390	6,530	140	2.2%	5,334	1,195	22.4%	5.5%	5.4%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
IV-5		Aoba-dori Plaza	2,120	3,140	3,220	80	2.5%	2,200	1,019	46.3%	5.3%	5.2%	-0.1	Japan Real Estate Institute	
IV-6		Daiwa Minamimoricho Building	4,410	4,910	5,010	100	2.0%	4,324	685	15.8%	5.0%	4.9%	-0.1	DAIWA REAL ESTATE APPRAISAL Corporation	
IV-7		JEI Naha Building	1,380	1,420	1,420	0	0.0%	1,414	5	0.4%	5.8%	5.8%	0.0	Japan Real Estate Institute	
Total			275,577	268,610	272,170	3,560	1.3%	263,249	8,920	3.4%	4.50%	4.4%	-0.1	-	
Area I Total			132,264	131,190	131,670	480	0.4%	127,070	4,599	3.6%	4.0%	4.0%	0	-	
Area II Total			14,053	12,100	12,260	160	1.3%	14,840	-2,580	-17.4%	4.9%	4.8%	-0.1	-	
Area III Total			109,781	102,450	104,950	2,500	2.4%	102,342	2,607	2.5%	4.8%	4.8%	0	-	
Area IV Total			19,478	22,870	23,290	420	1.8%	18,995	4,294	22.6%	5.4%	5.3%	-0.1	-	
Grand Total			275,577	268,610	272,170	3,560	1.3%	263,249	8,920	3.4%	4.5%	4.4%	-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 19th and 20th 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 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)

	19th Period (Dec. 2015)	%	20th Period (Jun. 2016)	%	Compared with previous period	
					Difference	%
1. Operating Revenue	10,839	100.0	10,223	100.0	-616	-5.7
Rental revenue	9,697		9,351		-345	
Other rental revenue	971		871		-100	
Gain on sale of real estate, etc.	170		–		-170	
2. Operating expenses	6,537	60.3	6,240	61.0	-297	-4.5
Property management expenses	1,440		1,423		-17	
Utilities expenses	1,192		1,044		-148	
Taxes	838		835		-2	
Insurance	27		24		-2	
Repairs and maintenance	269		195		-73	
Other expenses for rental operation	239		231		-8	
Depreciation	1,908		1,899		-8	
Total operating expenses	5,916	54.6	5,655	55.3	-260	-4.4
Profits from operations	4,753	43.9	4,567	44.7	-185	-3.9
Asset management fees	442		424		-17	
Other	179		161		-18	
Operating income	4,301	39.7	3,982	39.0	-319	-7.4
3. Non-operating income	4	0.0	2	0.0	-2	-43.8
Interest income	2		1		0	
Other	2		0		-1	
4. Non-operating expenses	921	8.5	871	8.5	-50	-5.4
Interest expense	616		565		-51	
Loan relating fees	145		142		-3	
Investment unit issuance	15		17		1	
Interest expense on investment corporation bonds	123		132		8	
Amortization of investment corporation bond issuance costs	12		13		0	
Other	6		0		-5	
Ordinary income	3,385	31.2	3,113	30.5	-271	-8.0
Net income before taxes	3,385	31.2	3,113	30.5	-271	-8.0
Income taxes – current	0		0		0	
Net income	3,384	31.2	3,112	30.4	-271	-8.0
Retained earnings brought forward	0		0		0	
Unappropriated retained earnings at the end of period	3,385		3,113		-271	

* 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						
	19th Period (Dec. 2015)		20th Period (Jun. 2016)		Difference		19th Period (Dec. 2015)		20th Period (Jun. 2016)		Difference
Assets		%		%		Liabilities		%		%	
I. Current assets	18,929	6.7	19,176	6.8	246	I. Current liabilities	25,370	8.3	2,355	8.3	-1,814
Cash and deposits	2,207		2,962		754	Operating accounts payable	1,363		986		-376
Cash and deposits in trust	15,762		15,411		-350	Short-term loans	1,000		1,000		-
Operating accounts receivable	795		653		-142	Investment corporation bonds maturing within a year	5,000		5,000		-
Other	164		149		-14	Long-term loans due within a year	16,760		15,760		-1,000
II. Fixed assets	265,395	93.3	264,372	93.2	-1,023	Other accounts payable	435		439		3
1. Property and equipment	255,145	89.7	254,141	89.6	-1,004	Accrued consumption taxes	530		98		-432
Real Estate	7,867		7,786		-80	Other	280		270		-10
Real Estate in trust	247,240		246,150		-1,089	II. Long-term liabilities	121,216	42.6	122,289	43.1	1,072
Construction in progress	37		203		166	Investment corporation bonds	25,000		25,000		-
2. Intangible assets	9,106	3.2	9,108	3.2	1	Long-term loans	84,140		85,140		1,000
Leasehold rights	1,721		1,721		-	Security deposits from tenants	734		740		5
Leasehold rights in trust	7,380		7,382		2	Security deposits from tenants in trust	11,341		11,408		67
Other	5		4		0	Total liabilities	146,586	51.54	145,844	51.4	-741
3. Investments and other assets	1,142	0.4	1,122	0.4	-20	Unitholders' equity			-		
Leasehold and security deposits	15		15		-	I. Unitholders' capital	137,857	48.5	137,808	48.6	-48
Long-term prepaid expenses	775		739		-35	1. Unitholders' capital	134,434	47.3	134,434	47.4	-
Other	351		367		15	2. Retained earnings	3,422		3,374		-48
III. Deferred assets	118	0.0	105	0.0	-13	Voluntary retained earnings (Reserve for reduction entry)	37	0.0	260	0.1	223
Deferred investment corporation bond issuance costs	118		105		-13	Unappropriated retained earnings	3,385	1.2	3,113	1.1	-271
Total assets	284,443	100.0	283,653	100.0	-740	Total unitholders' equity	137,857	48.5	137,808	48.6	-48
						Total liabilities and unitholders' equity	284,443	100.0	283,653	100.0	-790

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

■ Cash Flow Statement

(Unit: million yen)

20th Period (Jun. 2016)	
Classification	Amount
I. Cash flow from operating activities	4,648
Net income before taxes	3,113
Depreciation	1,900
Increase/decrease in accrued consumption taxes	-432
Other	66
II. Cash flow from investing activities	-1,084
Purchase of property and equipment	-1,157
Net payments for security deposits	72
III. Cash flow from financing activities	-3,160
Proceeds from long-term loans	13,000
Repayment of long-term loans	-13,000
Distributions to unitholders	-3,160
IV. Net increase in cash and cash equivalents	403
V. Cash and cash equivalents at beginning of period	17,870
VI. Cash and cash equivalents at end of period	18,373

* Figures less than one million yen are rounded down.

■ Profit Distribution Statement

(Unit: yen)

20th Period (Jun. 2016)	
Classification	Amount
Unappropriated retained earnings at the end of period	3,113,717,142
Distributions	3,113,075,900
(Distributions per unit)	(2,462)
Earnings carried over to next period	641,242
Outstanding investment units at the end of period	1,264,450 units

Financial Indicators

(Unit: million yen)

Financial indicators	Unit	16th Period (Jun. 2014)	17th Period (Dec. 2014)	18th Period (Jun. 2015)	19th Period (Dec. 2015)	20th Period (Jun. 2016)	Calculation method
EBITDA (Earnings before interest, tax and depreciation and amortization)	MN yen	5,420	5,467	5,657	6,035	5,711	Income before income taxes + (Interest expense + Interest expense on investment corporation bonds) + Depreciation and amortization
NOI (Net operating income)	MN yen	6,160	6,172	6,374	6,662	6,467	Rental revenue - rental expenses + Depreciation and amortization
FFO (Funds from operation)	MN yen	4,635	4,697	4,884	5,123	5,012	Net income + Depreciation and amortization - Net profit from sale of real estate
FFO per unit	yen	3,822	3,873	4,027	4,051	3,964	(Net income + Depreciation and amortization - Net profit from sale of real estate) / Number of outstanding investment units
AFFO (Adjusted funds from operation)	MNyen	4,076	4,282	4,093	4,487	4,283	FFO - Capital expenditures
AFFO Distribution payout ratio	%	73.8	71	75.7	70.4	72.7	(Total cash distribution amount ÷ AFFO) × 100
NAV (Net asset value)	MN yen	122,288	126,695	131,593	142,214	146,729	Period end total assets - Period end total liabilities + Real estate valuation gain/loss
NAV per unit	yen	100,835	104,469	108,508	112,471	116,041	NAV / Number of outstanding investment units
DSCR (Debt service coverage ratio)	times	6.9	7.1	7.3	8.1	8.2	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	1.1	1.2	1.1	Ordinary income / [(Period beginning total assets + period end total assets) / 2] × 100
(Reference) Annualized with following formula	%	(2.3)	(2.2)	(2.2)	(2.3)	(2.2)	Above x 365 days / Number of operating days
ROE	%	2.4	2.3	2.4	2.5	2.3	Net income / [(Period beginning net assets + period end net assets) / 2] × 100
(Reference) Annualized with following formula	%	(4.8)	(4.6)	(4.8)	(5.0)	(4.5)	Above x 365 days / Number of operating days
Equity to Total Assets	%	47.1	47.1	43.6	48.5	48.6	(Period end net assets / Period end total assets) × 100
LTV (based on period-end total assets)	%	48.2	48.2	51.6	46.4	46.5	(Period end interest-bearing debt / Period end total assets) × 100
LTV (based on period-end valuation gain/loss)	%	49.8	48.9	51.5	45.7	45.1	Period-end interest-bearing debt ÷ (Period-end total assets + Real estate valuation gain/loss) × 100
BPS (Book value per unit)	yen	108,017	108,042	108,089	109,025	108,987	Period end net assets / Number of outstanding investment units

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

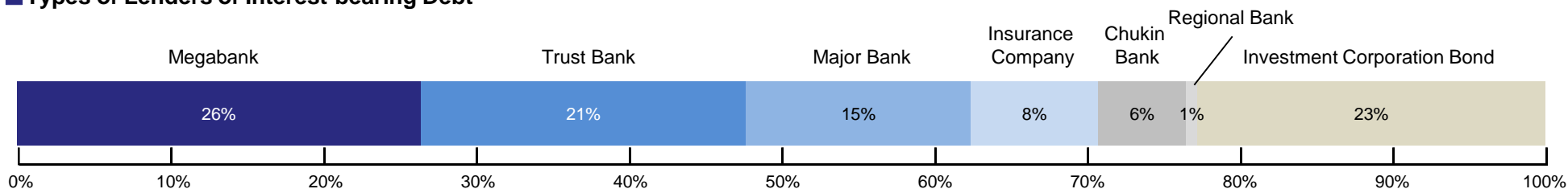
Status of Interest-bearing Debt

Balance of Interest-bearing Debt (as of the end of 20th period)

Lender	Interest-bearing debts (million yen)	As a percentage of all borrowings
Mizuho Bank, Ltd.	23,485	23.0%
Mitsubishi UFJ Trust and Banking Corporation	18,655	18.3%
Development Bank of Japan Inc.	14,000	13.7%
Sumitomo Mitsui Banking Corporation	11,370	11.2%
Mizuho Trust & Banking Co., Ltd.	7,807	7.7%
The Norinchukin Bank	6,562	6.4%
The Dai-ichi Life Insurance Company, Limited	6,000	5.9%
Resona Bank, Ltd.	3,400	3.3%
Sompo Japan Nipponkoa Insurance Inc.	2,500	2.5%
Aozora Bank, Ltd.	2,000	2.0%
Sumitomo Mitsui Trust Bank, Limited	1,620	1.6%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,500	1.5%
The Bank of Fukuoka, Ltd.	1,000	1.0%
Shinkin Central Bank	1,000	1.0%
Nippon Life Insurance Company	1,000	1.0%
Loan Total	101,900	100.0%

* Shaded areas refer to sponsor companies.

Types of Lenders of Interest-bearing Debt



Status of Investment Corporation Bonds (as of the end of 20th period)

Investment Corporation Bond	Maturity date	Balance (million yen)	Interest rate	Period
3rd Series Unsecured Investment Corporation Bond	Nov. 4, 2016	5,000	1.01%	5 years
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
Investment Corporation Bond Total		30,000		

Status of Commitment Line (as of the end of 20th period)

Lender	Established amount (million yen)	Term
Mizuho Bank, Ltd.	6,000	From January 29, 2016 to January 27, 2017
Mitsubishi UFJ Trust and Banking Corporation	5,000	
Sumitomo Mitsui Banking Corporation	3,000	
Total Commitment Line	14,000	

Owner Classification	Investment Units				
	19th Period (Dec. 2015)		20th Period (Jun. 2016)		Composition change (%)
	Number of units	Composition (%)	Number of units	Composition (%)	
Financial Institutions and Securities Companies	901,171	71.3	901,876	71.3	0pt
Other Domestic Companies	116,944	9.2	116,366	9.2	0pt
Foreign Companies, etc.	160,367	12.7	170,600	13.5	0.8pt
Individuals	85,968	6.8	75,608	6.0	-0.8pt
Total	1,264,450	100.0	1,264,450	100.0	–

Unitholders				
19th Period (Dec. 2015)		20th Period (Jun. 2016)		Composition change (%)
Number of unitholders	Composition (%)	Number of unitholders	Composition (%)	
145	1.7	150	2.0	0.3pt
185	2.2	171	2.2	0pt
186	2.2	175	2.3	0.1pt
7,949	93.9	7,190	93.5	-0.4pt
8,465	100.0	7,686	100.0	–

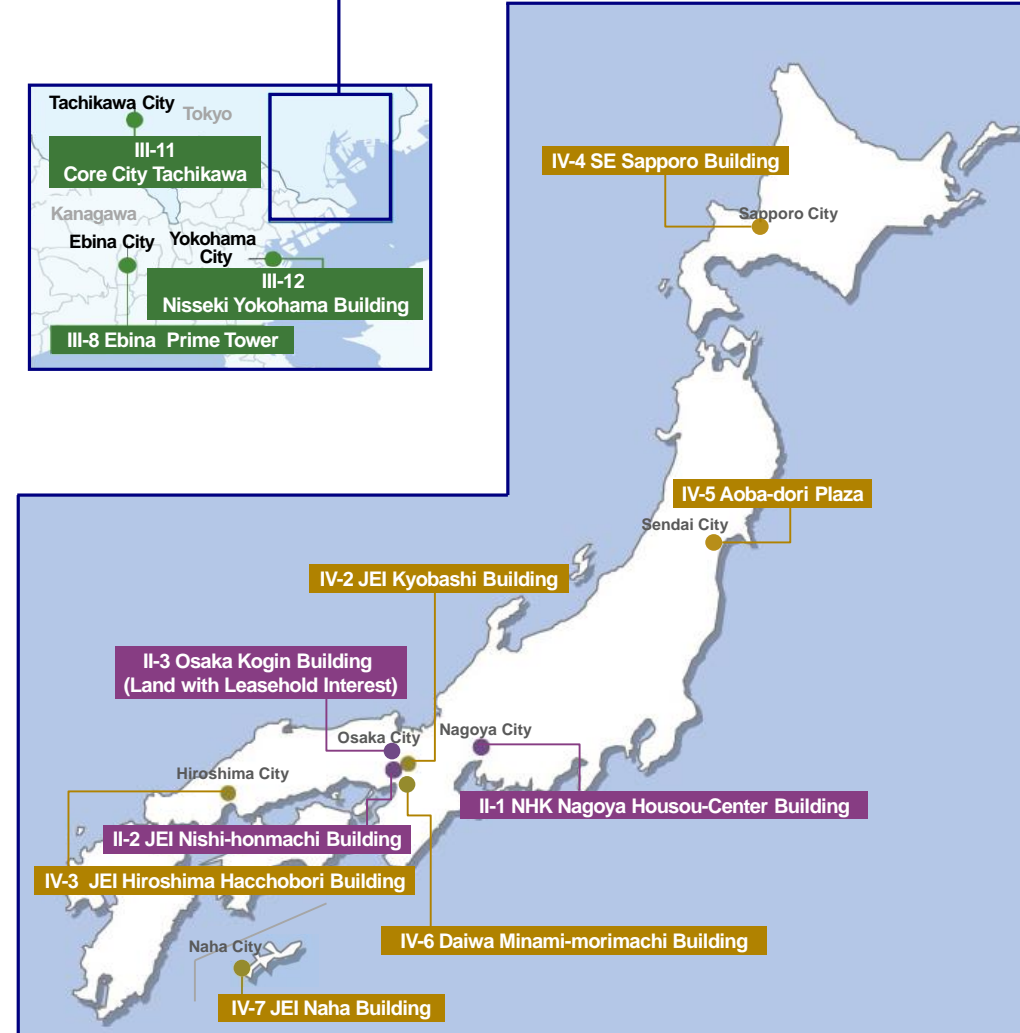
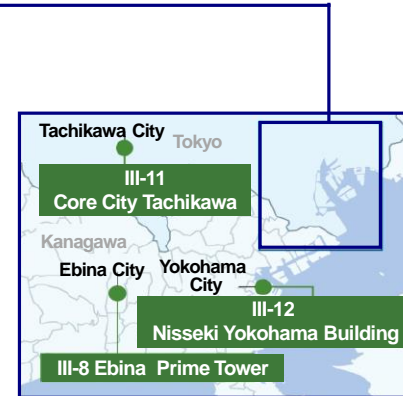
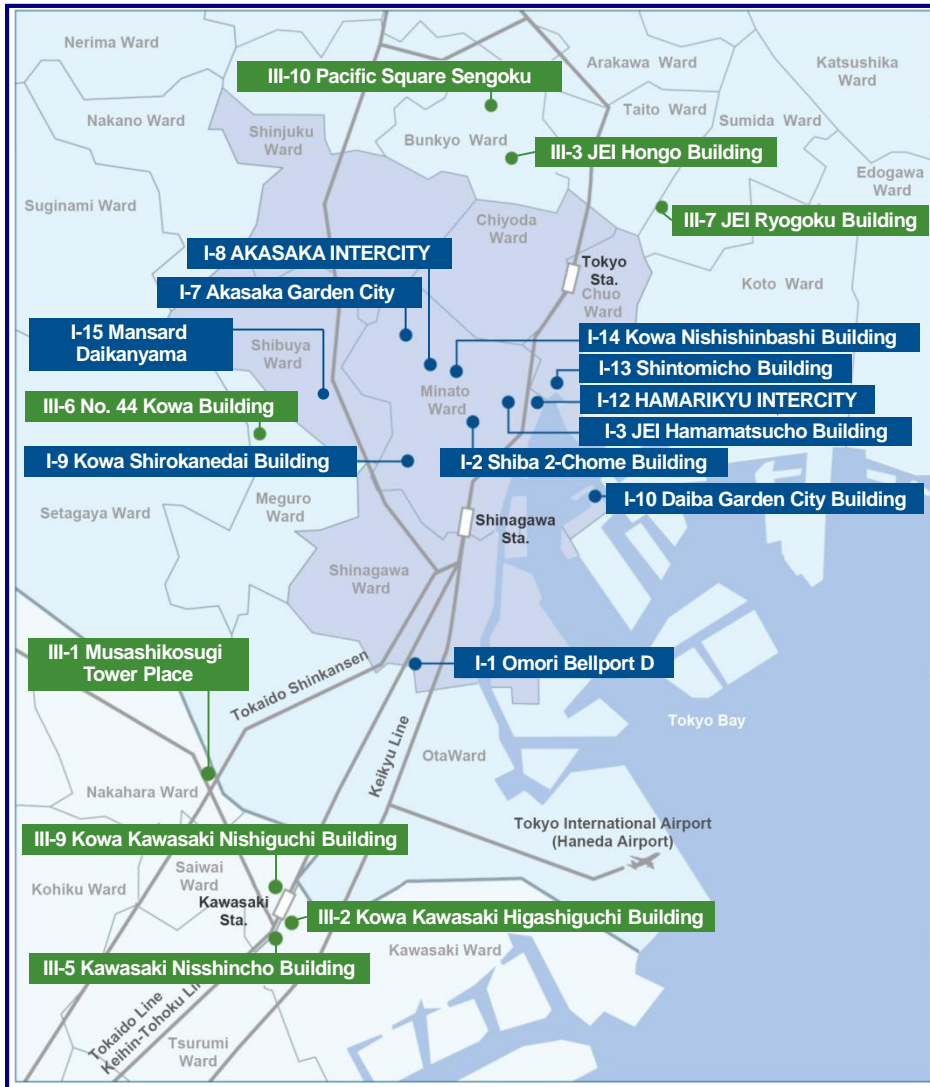
Ratio of investment units held by the 2 core sponsor companies: 7.3%

Rank	Name	Units	Composition ratio (%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	358,453	28.3%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	112,203	8.9%
3	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	100,601	8.0%
4	NIPPON STEEL KOWA REAL ESTATE CO., LTD.	71,560	5.7%
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	53,809	4.3%
6	The Dai-ichi Life Insurance Company, Limited	20,660	1.6%
7	STATE STREET BANK AND TRUST COMPANY 505223	20,082	1.6%
8	STATE STREET BANK–WEST PENSION FUND CLIENTS – EXEMPT 505233	13,836	1.1%
9	The Fuji Fire and Marine Insurance	13,065	1.0%
10	RBCISB S/A DUB NON RESIDENT/TREATY RATE – UCITS CLIENTS ACCOUNT	13,000	1.0%
Total		777,269	61.5%

*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	II-1	II-2	II-3
Type	Office	Office	Office	Office	Office	Office	Office	Other	Office	Office	Office	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	NHK Nagoya Housou-Center Building	JEI Nishi-Honmachi Building	Osaka Kogin Building (land with leasehold interest)
														
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	Sarugakucho, Shibuya Ward, Tokyo	Higashi Ward, Nagoya City, Aichi	Nishi Ward, Osaka City Osaka	Chuo Ward, Osaka City Osaka
Total floor area (㎡)	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	80,809.95	15,800.31	3,158.45 (site area for land)
Completion date	September 1996	March 1994	December 1991	January 2006	January 2005	March 1978	December 2007	March 2011	November 1990	July 1996	December 2009	July 1991	February 1988	-
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	1. Jun. 2006 2. Mar. 2014	March 2007	February 2013
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	5,610	6,673	1,770
Investment ratio (%)	7.9	3.3	2.9	8.1	9.8	1.6	3.8	6.6	0.6	1.4	4.0	2.0	2.3	0.6
Period-end Occupancy rate (%)	99.6	99.2	100.0	100.0	100.0	100.0	100.0	98.5	95.4	100.0	100.0	95.1	100.0	100.0
PML (%)	3.61	6.61	4.18	1.59	2.97	6.95	6.56	2.60	4.13	3.30	5.74	1.44	11.27	-

*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 off.

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, and is rounded to the first decimal place.

*4 With regard to the occupancy rate of Mansard Daikanyama, the one as of July 1 is described.

Portfolio Overview (2)

Property Number	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
Type	Office	Office	Office	Office	Office	Office	Office	Office	Office	Office	Office	Office	Office	Office	Office	Office	Office
Name	Musashikosugi Tower Place	Kowa Kawasaki Higashiguchi Building	JEI Hongo Building	Kawasaki Nisshincho Building	No. 44 Kowa Building	JEI Ryogoku Building	Ebina Prime Tower	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	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	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)	53,711.13	31,009.62	5,877.11	22,141.60	3,359.55	5,820.56	55,806.20	61,856.92	4,017.44	19,099.27	72,116.65	10,021.32	9,919.93	23,644.22	22,737.38	12,759.65	4,371.94
Completion date	July 1995	April 1988	February 1991	April 1992	July 1984	August 1996	May 1995	February 1988	November 1992	December 1994	May 1997	April 1987	February 1999	March 1989	July 1996	January 1990	June 1990
Acquisition date	June 2006	June 2006	June 2006	1. Jun. 2008 2. Nov. 2008 3. Oct. 2008 4. Apr. 2013	June 2006	June 2006	March 2007	October 2007	December 2011	February 2013	April 2015	September 2011	May 2012	March 2013	February 2014	February 2014	December 2015
Acquisition price (MN yen)	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
Investment ratio (%)	4.8	3.8	1.9	1.6	0.4	0.9	2.3	11.1	0.6	2.3	8.5	1.2	1.0	1.9	0.7	1.5	0.5
Period-end Occupancy rate (%)	100.0	100.0	100.0	100.0	100.0	97.8	98.6	98.7	95.5	98.5	99.7	94.3	98.9	100.0	99.4	100.0	99.1
PML (%)	3.19	3.25	6.16	5.86	5.27	5.57	6.53	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 off.

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, and is rounded to the first decimal place.

