



# Japan Excellent, Inc.

**Nineteenth Period (ended December 2015)**

**Presentation Materials**

**February 19, 2016**

(TSE: 8987)



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# Continuous Quality Growth of Office REIT in Tokyo Metropolitan Area

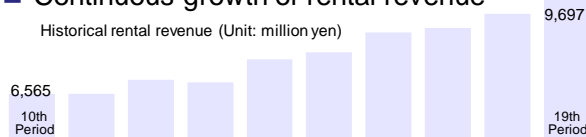
## Internal Growth

- Maintained high occupancy rates with the sponsors' cooperation

- Average occupancy rate over the past 5 years: **96.3%**

- Continuous growth of rental revenue

Historical rental revenue (Unit: million yen)



## 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: **77.8%**

- Properties acquired over the past 5 years:

**18 properties for approximately 110 billion yen**

## Financial Strategy

- Established a solid financial base supported by megabank sponsors

- LTV: **46.4%**

- Ratio of fixed interest rate: **99.2%**

- 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

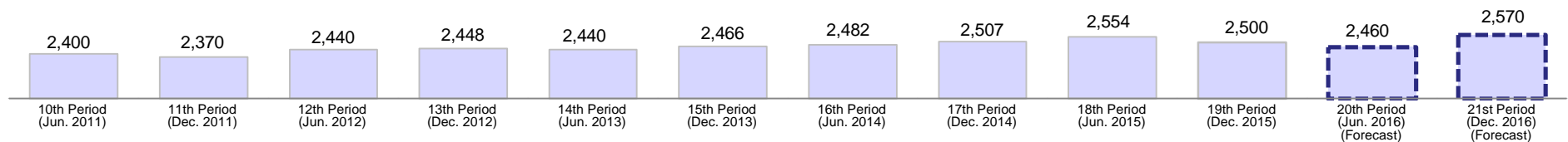
## Established a quality portfolio with high growth potential and stability

### Centering on office buildings and properties in central Tokyo

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
<b>30 properties</b>	<b>275.5 billion yen</b>	<b>93.1%</b>	<b>80.9%</b>	<b>87.8%</b>	<b>48.0%</b>

## Stable distribution records

Distribution per unit (yen)



# I. Financial Highlights and Performance Forecasts

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# 1. Financial Highlights of the 19th Period (Ended December 2015) Japan Excellent, Inc.

## External Growth

- ◆ Continuous property acquisition  
JEI Naha Building\*  
(Current: Okinawa No.27 Daikyo Building)
- ◆ Replacement cooperating with the sponsor  
No. 32 Kowa Building/No. 35 Kowa Building

- Number of properties: **30 properties**  
(-1 property from the previous period)
- Asset size: **275.5 billion yen**  
(-14.4 billion yen from the previous period)

## Internal Growth

- ◆ Promotion of rent increase through leasing that emphasizes rent levels
- ◆ One of the highest levels of occupancy rate and the lowest tenant departure rates

- Upward rent revision: **22 cases**
- Average upward revision rate: **8.1%**  
Monthly rent **increased 12 million yen** due to tenant replacements and rent revisions
- Occupancy rate: **98.5%**
- Departure rate: **1.0%**

## Financial Strategy

- ◆ Conducted public offering for the 3rd consecutive period  
Equity financing of approximately 6.5 billion yen
- ◆ Promoted extension of borrowing periods and conversion to fixed-rate loans  
Issued 10-year investment corporation bonds and refinanced borrowings

- LTV: **46.4%**  
(-5.2 pts from the previous period)
- Remaining period of interest-bearing debt: **3.85 years**  
(+0.98 years from the previous period)
- Ratio of fixed interest rate: **99.2%**  
(+18.2 pts from the previous period)

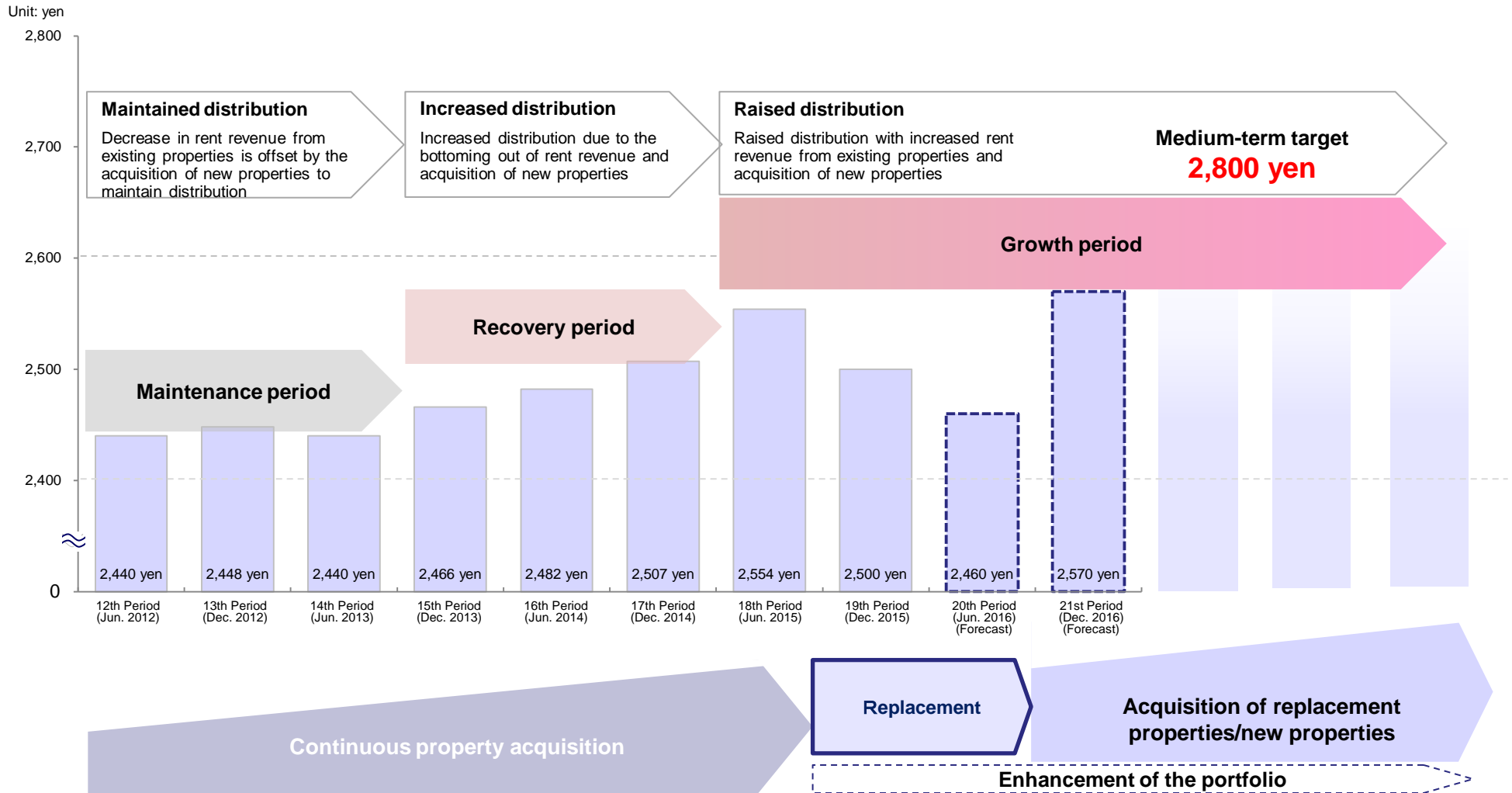
## Unitholder value

- Distribution per unit  
**2,500 yen**  
-54 yen from the previous period  
(Decrease affected by replacements)  
Comparison with beginning of period  
±0 yen

- NAV per unit  
**112,471 yen**  
+3.7%  
from the previous period

## 2. Actual Results and Forecast of Distributions per Unit

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



\* A 5-for-1 split of investment units was implemented on January 1, 2014. In consideration of this split, the amount that is a fifth of the figure is indicated for distributions per unit for the 15th period and earlier periods prior to the split. Amounts are rounded down to the nearest whole number.

# 3. Financial Results of the 19th Period (Ended December 2015)

## (1) Comparison with the Previous Period

(unit: million yen)

	18th Period (Jun. 2015) Result	19th Period (Dec. 2015) Result	Difference
Revenue	10,121	10,839	718
Rental revenue	9,215	9,697	481
Revenue for utilities expenses	815	881	66
Other rental revenue	89	89	0
Gain on sale	-	170	170
Operating expenses	6,102	6,537	435
Expenses for rental operations	5,533	5,916	383
Property management expenses	1,406	1,440	34
Utilities expenses	1,153	1,192	39
Taxes	791	838	46
Repairs and maintenance	171	269	97
Other expenses for rental operations	224	266	42
(NOI)	6,374	6,662	287
Depreciation	1,786	1,908	122
Sales and administrative expenses	569	621	52
Operating income	4,018	4,301	282
Other expenses	922	921	-1
Ordinary income	3,098	3,385	286
Net income	3,097	3,384	286
Provision/reversal of reserve for reduction entry	-	223	223
Total distributions	3,097	3,161	63
Distributions per unit	2,554	2,500	-54

Factors	Balance	DPU conversion (yen)
■ Dilution due to capital increase		-104
■ External Growth	224	177
Increase in NOI of a property acquired during the period	7	
Increase in NOI of a property acquired in the previous period (full-period contribution)	360	
Increase in depreciation	-143	
■ Internal Growth (existing properties)	-53	-42
Decrease in NOI	-22	
Decrease in rental revenue	-25	
Increase in utilities revenue/expenses	77	
Decrease in other rental revenue	-11	
Decrease in property management expenses	36	
Increase in taxes	-23	
Increase in repairs and maintenance	-45	
Increase in other expenses for rental operations	-29	
Decrease in depreciation	21	
Increase in sales and administrative expenses	-52	
■ Finance	3	3
Decrease in interest expense	31	
Increase in loan relating fees	-40	
Decrease in other expenses	12	
■ Property transfer	112	89
Decrease in NOI of properties transferred in the 19th period	-57	-45
Gain on sale in the 19th period	170	134
■ Provision of reserve for reduction entry	-223	-176
<b>Total</b>		<b>-54</b>

Full-period contribution of Nisseki Yokohama Building

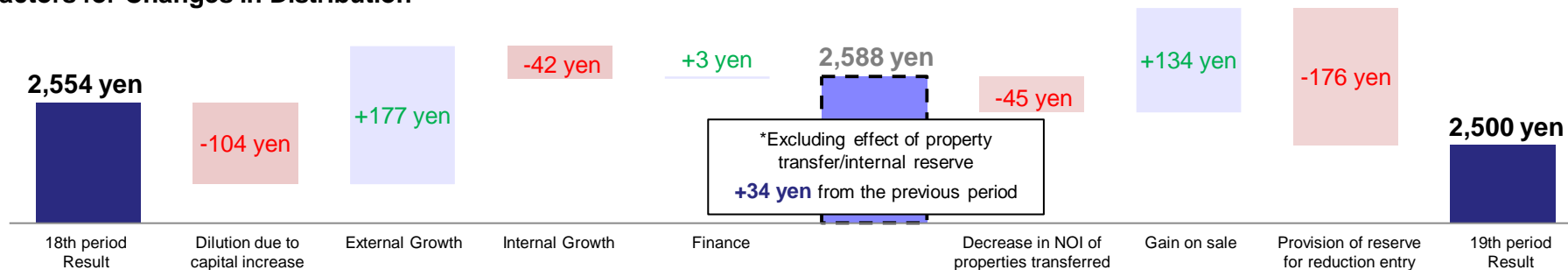
Downward rent revision by a large tenant

Expensing of fixed property and city planning tax for properties acquired in the 16th period

Lowering of interest rates for refinancing conducted in the previous period

Internally reserving gain on sale

### ◆ Factors for Changes in Distribution





# 3. Financial Results of the 19th Period (Ended December 2015)

## (2) Comparison with the Forecast

(unit: million yen)

	19th Period (Dec. 2015) Forecast	19th Period (Dec. 2015) Result	Difference
Revenue	10,782	10,839	57
Rental revenue	9,768	9,697	-70
Revenue for utilities expenses	946	881	-64
Other rental revenue	67	89	22
Gain on sale	-	170	170
Operating expenses	6,674	6,537	-136
Expenses for rental operations	6,058	5,916	-142
Property management expenses	1,437	1,440	3
Utilities expenses	1,322	1,192	-129
Taxes	821	838	16
Repairs and maintenance	332	269	-63
Other expenses for rental operations	241	266	25
(NOI)	6,626	6,662	35
Depreciation	1,902	1,908	5
Sales and administrative expenses	615	621	6
Operating income	4,108	4,301	193
Other expenses	948	921	-27
Ordinary income	3,161	3,385	223
Net income	3,160	3,384	223
Provision/reversal of reserve for reduction entry	-	223	223
Total distributions	3,161	3,161	0
Distributions per unit	2,500	2,500	0

Factors	Balance	DPU conversion (yen)
■ External Growth	40	32
Increase in NOI of a property acquired during the period	7	
Increase in NOI of a property acquired in the previous period	37	
Increase in depreciation	-4	
■ Internal Growth (existing properties)	-36	-29
Decrease in NOI	-27	
Decrease in rental revenue	-61	
Increase in utilities revenue/expenses	52	
Increase in other rental revenue	18	
Increase in property management expenses	-15	
Increase in repairs and maintenance	-12	
Increase in other expenses for rental operations	-9	
Increase in depreciation	-2	
Increase in sales and administrative expenses	-6	
■ Finance	30	24
Decrease in interest expense	28	
Decrease in loan relating fees	4	
Increase in other expenses	-2	
■ Property transfer	189	149
Increase in NOI of properties transferred in the 19th period	19	15
Gain on sale in the 19th period	170	134
■ Provision of reserve for reduction entry	-223	-176
Total		0

Lease-up/upward rent revision at Nisseki Yokohama Building

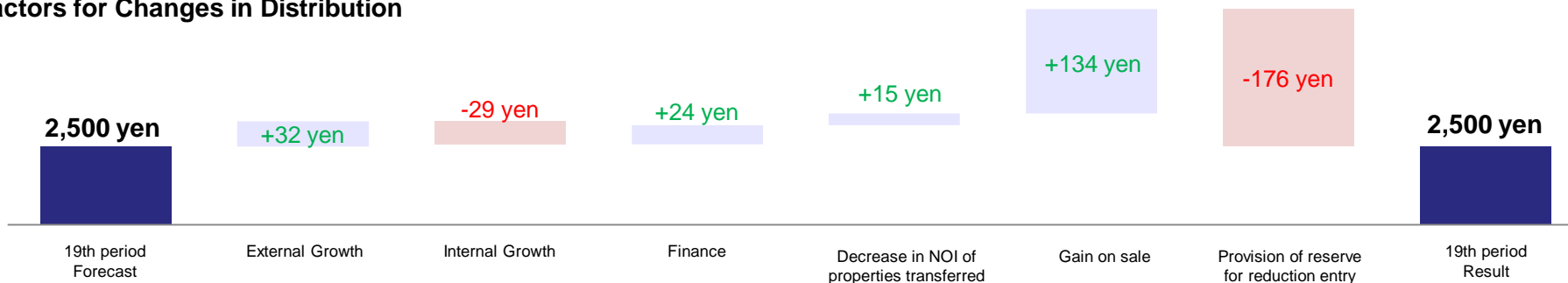
Downward rent revision by a large tenant

Financing at low interest rates

Decrease in rental revenue: -25  
Increase in taxes: -23  
Decrease in repairs and maintenance: +61

Internally reserving gain on sale

### ◆ Factors for Changes in Distribution



# 4. Performance Forecasts of the 20th Period (1) (Ending June 2016)

(unit: million yen)

	19th Period (Dec. 2015) Result	20th Period (Jun. 2016) Forecast	Difference
Revenue	10,839	10,243	-596
Rental revenue	9,697	9,329	-368
Revenue for utilities expenses	881	817	-64
Other rental revenue	89	96	6
Gain on sale	170	-	-170
Operating expenses	6,537	6,261	-276
Expenses for rental operations	5,916	5,681	-235
Property management expenses	1,440	1,410	-29
Utilities expenses	1,192	1,117	-75
Taxes	838	835	-2
Repairs and maintenance	269	183	-85
Other expenses for rental operations	266	238	-28
(NOI)	6,662	6,457	-204
Depreciation	1,908	1,895	-13
Sales and administrative expenses	621	579	-41
Operating income	4,301	3,982	-319
Other expenses	921	873	-47
Ordinary income	3,385	3,111	-273
Net income	3,384	3,110	-273
Provision/reversal of reserve for reduction entry	223	-	-223
Total distributions	3,161	3,110	-50
Distributions per unit	2,500	2,460	-40

Factors	Balance	DPU conversion (yen)
■ External Growth	25	20
Increase in NOI of properties acquired in the previous period (full-period contribution)	39	
Increase in depreciation (full-period contribution)	-14	
■ Internal growth (existing properties)	82	65
Increase in NOI	41	
Increase in utilities expenses	39	
Increase in rental revenue/expenses	14	
Increase in other rental revenue	7	
Increase in property management expenses	-18	
Increase in taxes	-68	
Decrease in repairs and maintenance	44	
Decrease in other expenses for rental operations	23	
Decrease in sales and administrative expenses	41	
■ Finance	45	36
Decrease in interest expense	42	
Increase in loan relating fees	-15	
Decrease in other expenses	18	
■ Property transfer	-426	-337
Decrease in NOI of properties transferred in the previous period	-286	
Decrease in depreciation	29	-203
Absence of gain on sale of properties transferred in the previous period	-170	-134
■ Provision of reserve for reduction entry	223	176
Total		-40

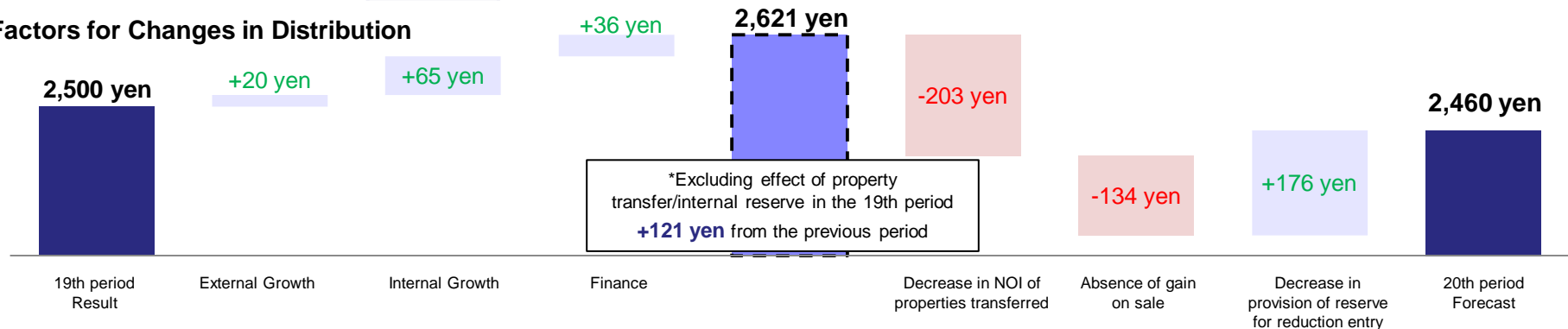
Full-period contribution of JEI Naha Building

Upward rent revision, etc.

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

Repayment of borrowings with proceeds from sales of properties

## ◆ Factors for Changes in Distribution



# 4. Performance Forecasts of the 21st Period (2) (Ending December 2016)

(unit: million yen)

	20th Period (Jun. 2016) Forecast	21st Period (Dec. 2016) Forecast	Difference
Revenue	10,243	10,346	102
Rental revenue	9,329	9,390	61
Revenue for utilities expenses	817	884	67
Other rental revenue	96	70	-26
Gain on sale	-	-	-
Operating expenses	6,261	6,377	116
Expenses for rental operations	5,681	5,809	128
Property management expenses	1,410	1,369	-41
Utilities expenses	1,117	1,221	103
Taxes	835	893	57
Repairs and maintenance	183	179	-4
Other expenses for rental operations	238	234	-3
(NOI)	6,457	6,447	-9
Depreciation	1,895	1,911	16
Sales and administrative expenses	579	568	-11
Operating income	3,982	3,968	-14
Other expenses	873	828	-44
Ordinary income	3,111	3,141	30
Net income	3,110	3,140	30
Provision/reversal of reserve for reduction entry	-	-108	-108
Total distributions	3,110	3,249	139
Distributions per unit	2,460	2,570	110

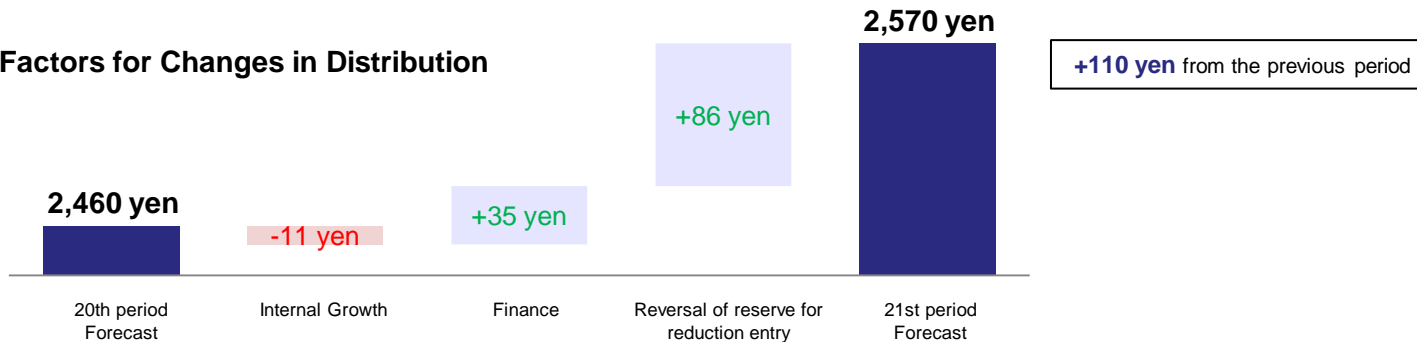
Factors	Balance	DPU conversion (yen)
■ Internal growth (existing properties)	-14	-11
Decrease in NOI	-9	
Increase in utilities expenses	61	
Decrease in rental revenue/expenses	-36	
Decrease in other rental revenue	-26	
Decrease in property management expenses	41	
Increase in taxes	-57	
Decrease in repairs and maintenance	4	
Decrease in other expenses for rental operations	3	
Increase in depreciation	-16	
Decrease in sales and administrative expenses	11	
■ Finance	44	35
Decrease in interest expense	14	
Decrease in loan relating fees	29	
■ Reversal of reserve for reduction entry	108	86
<b>Total</b>		<b>110</b>

Upward rent revision, etc.

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

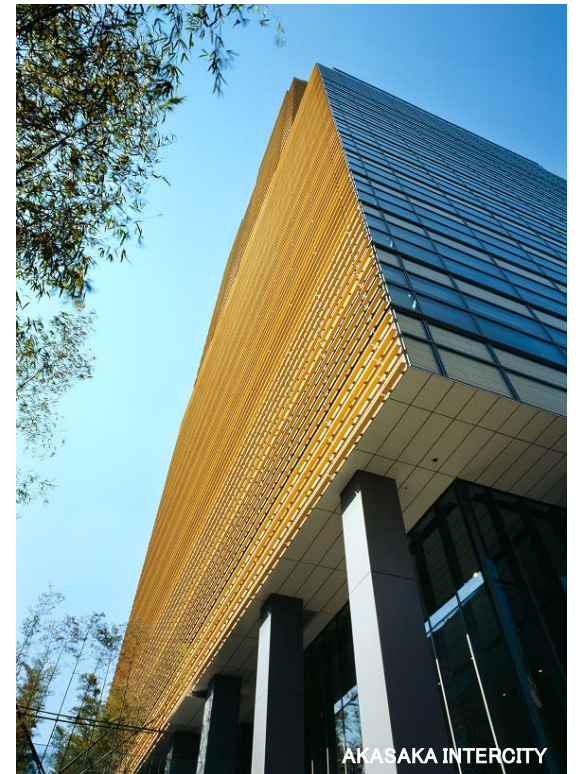
Lowering of interest rates for refinancing conducted in the previous period

## ◆ Factors for Changes in Distribution



## II. Management Status and Policy

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# 1. External Growth

## (1) History of External Growth and Future Strategies

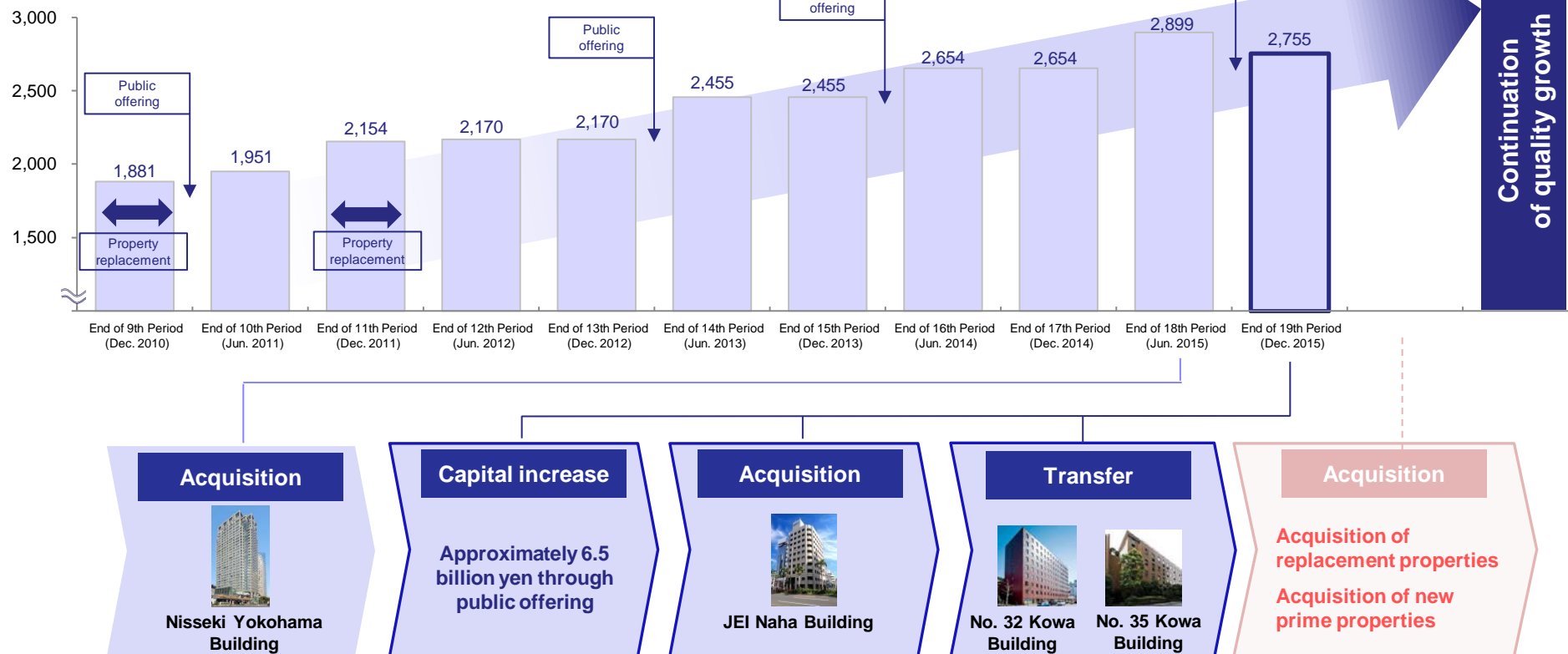
### Basic Policy for External Growth

- ◆ 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)



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

# 1. External Growth

## (2) Newly Acquired Property and Replacements

- ◆ Made selective acquisition of a property with high profitability
- ◆ Transferred 2 properties to the sponsor as part of portfolio replacement strategy

### ■ Acquired Property (JEI Naha Building)



Location	2-8-1 Kumoji, Naha-shi, Okinawa	
Total floor area	4,371.94 m <sup>2</sup>	
Acquisition price	1,380 million yen	
Appraisal value	1,420 million yen	
Acquisition date	December 7, 2015	
Seller	(Not disclosed as consent from the seller has not been obtained.)	
NOI yield	Estimate at the time of acquisition* <sup>1</sup>	Based on the current agreement* <sup>2</sup>
	6.4%	6.1%
Yield after depreciation* <sup>1</sup>	4.2%	
Appraisal NOI yield	6.3%	
Occupancy rate	95.6% (As of end of December 2015)	

\*<sup>1</sup> 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 10 years after acquisition, excluding special factors that may arise during the first fiscal year of acquisition.

\*<sup>2</sup> NOI yield based on the current agreement is calculated using the income and expenditure based on the lease agreement finalized at the time of the acquisition, etc.

### ◆ Features of the Property

- The property is a hard-to-find property standing in the Kumoji area, which is Okinawa's top office district with a concentration of government buildings and office buildings.
- Extremely well located as it sits along Route 58, the main artery of Okinawa, and is a four-minute walk from Kencho-mae Station on the Okinawa Urban Monorail Yui Rail, boasting both convenience and visibility.

### ◆ Cooperation from the Sponsors

- Acquired with support from The Dai-ichi Life Insurance Company, Limited and The Dai-ichi Building Co., Ltd., which own/manage properties in Naha.

### ■ Replacement (No. 32 Kowa Building, No. 35 Kowa Building)



### ◆ Effect of Replacement

Expect improvement in portfolio quality through acquisition of relatively new properties in central Tokyo

(As of the end of the 19th period when only the transfer had been conducted))

	End of 18th Period	End of 19th Period	Effect
Average building age	19.8 years	19.1 years	Shortened by 0.7 years
PML	2.28%	2.19%	Improved by 0.09 pts

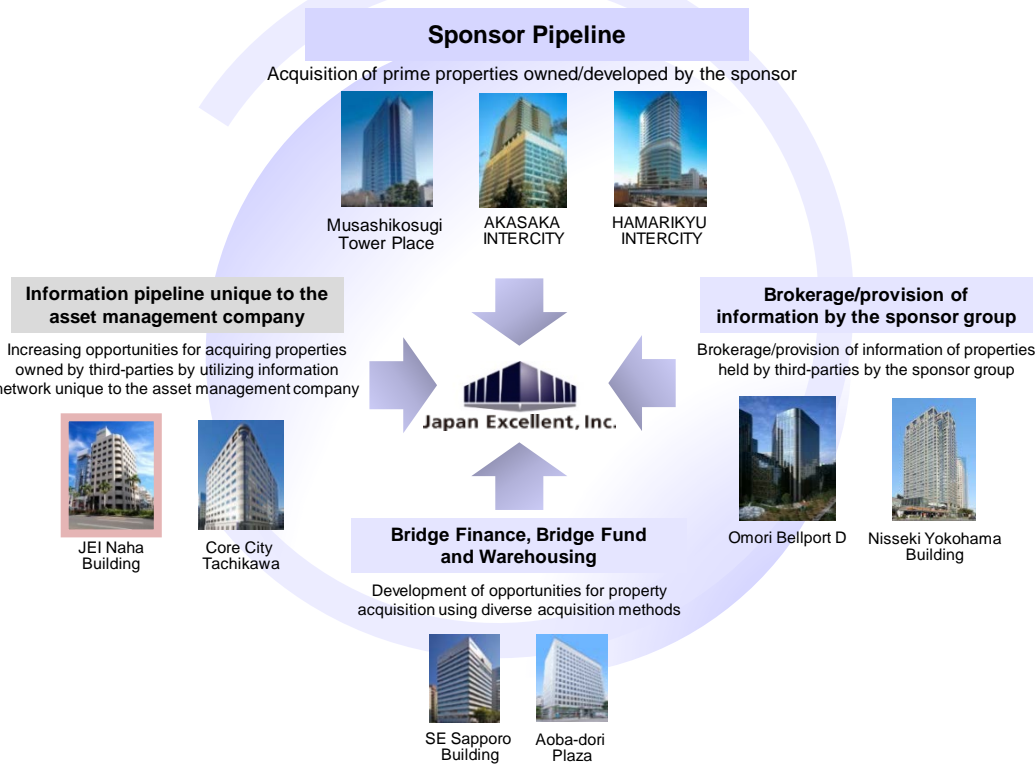
\* Future acquisitions of properties are yet to be determined, and thus the timing, prices, etc. have not been decided.

# 1. External Growth

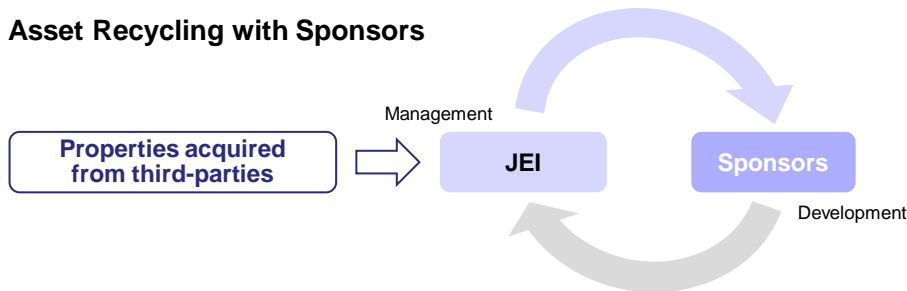
## (3) Diverse Property Acquisition Channels and Sponsor Support

- ◆ 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 the end of the 19th period)

Acquired from sponsors 77.8%	Brokerage by sponsor, etc. 17.5%	Other 4.7%
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### ■ Strengthening of Growth Capabilities and Profitability through Property Replacements



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

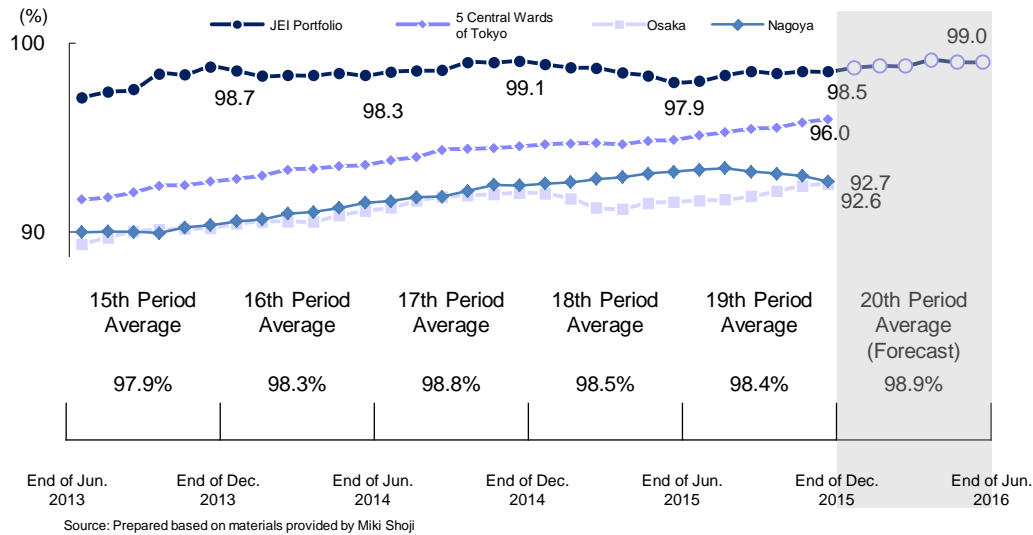


\* Including SPCs invested by core sponsors.

# 2. Internal Growth

## (1) Status of Occupancy

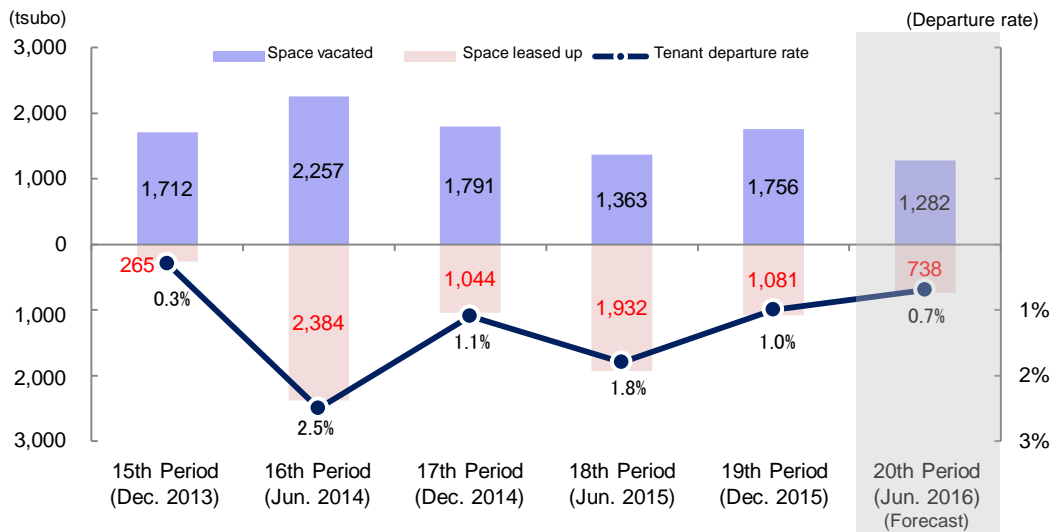
### Occupancy Rates — Market and JEI Historical and Forecast



- ◆ Occupancy rate at the end of the 19th period remained at a high level exceeding 98%  
The high occupancy rate is expected to continue during the 20th period
- ◆ Main factor for the rise in occupancy rate in the 19th period is the improved occupancy rates at large-scale properties

	Property name	End of 18th Period	End of 19th Period	Change
Increase	Pacific Square Sengoku	86.9%	<b>100.0%</b>	+13.1pt
	HAMARIKYU INTERCITY	95.2%	<b>99.2%</b>	+4.0pt
	NHK Nagoya Housou-Center Building	90.4%	<b>94.2%</b>	+3.8pt
	Aoba-dori Plaza	90.0%	<b>93.8%</b>	+3.8pt
	Kowa Kawasaki Nishiguchi Building	95.6%	<b>98.7%</b>	+3.1pt
Decrease	Nisseki Yokohama Building	95.9%	<b>98.3%</b>	+2.4pt
	JEI Kyobashi Building	100.0%	<b>84.9%</b>	-15.1pt
	Kowa Shirokanedai Building	94.7%	<b>89.3%</b>	-5.4pt

### Tenant Departure Rates and Spaces Leased Up and Vacated



- ◆ Prevented tenant departures by maintaining tenant satisfaction through cooperation with PM companies
- ◆ Space vacated is expected to remain 1% or under of the leased space in the 20th period as well

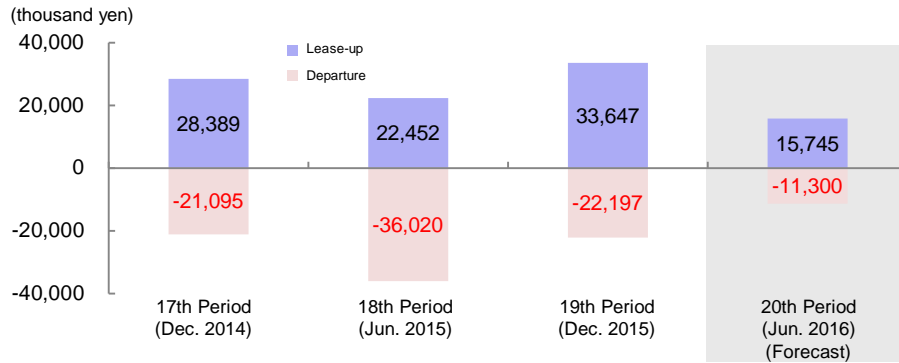
\* The figures are calculated for the entire JEI portfolio as space vacated by tenants over the period as a percentage of total leased space as of the end of the previous period. In the case of additional acquisition during the period, tenant departure rate is calculated as space vacated by tenants over 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.



## 2. Internal Growth (2) Status of Rent

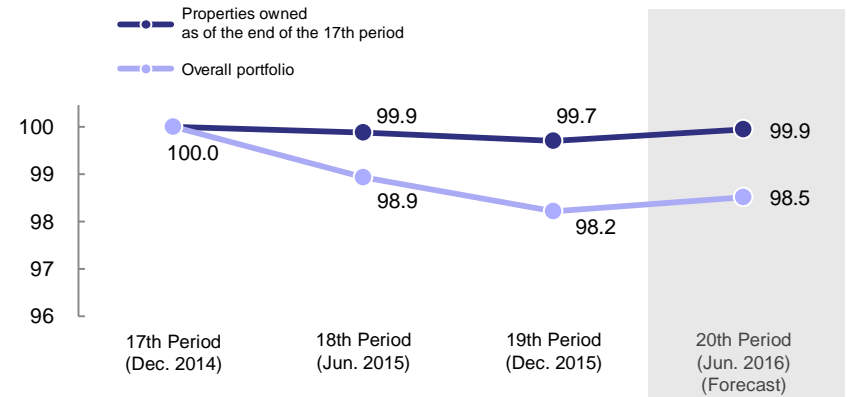
### ■ Increase/Decrease of Rent Due to Departure and Lease-up

(based on monthly rent)



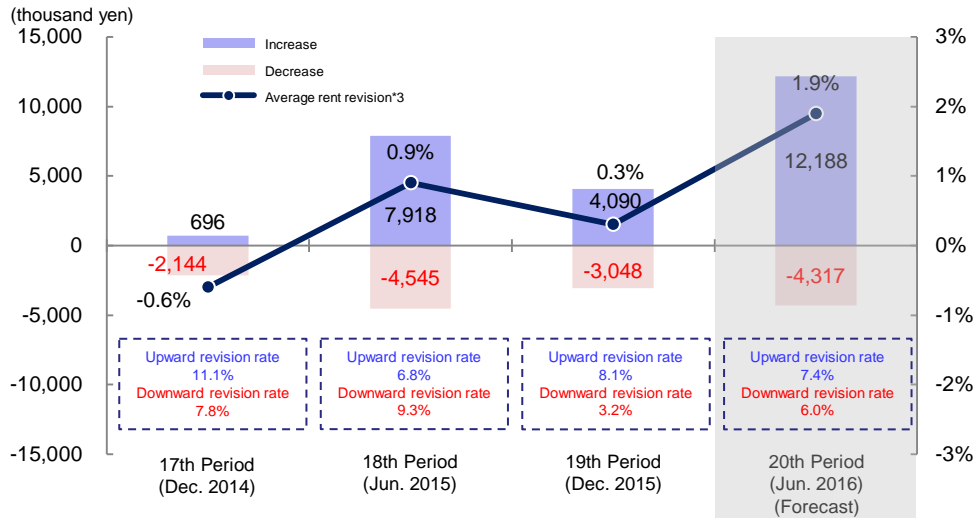
◆ Net monthly rents for the 19th and 20th periods after reflecting departure and lease-up are in a plus

### ■ Historical Rent Levels\*1



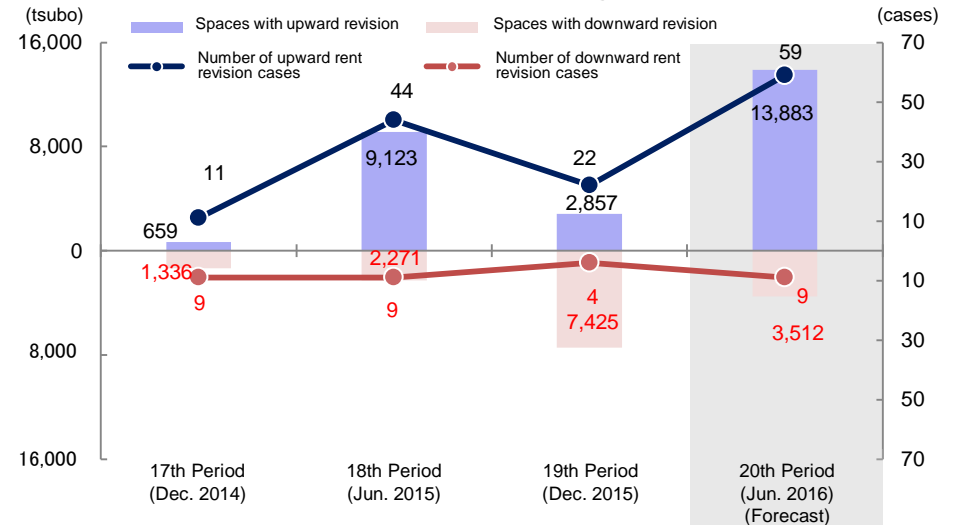
\*1 Indexed with the average unit rent at the end of the 17th period set as 100. The average unit rent is weighted average by leased office space.

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



◆ Rent revision rate has maintained a plus figure since the 18th period when full-fledged upward revision negotiation was started. The upward trend is expected to continue in the 20th period and onward.

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



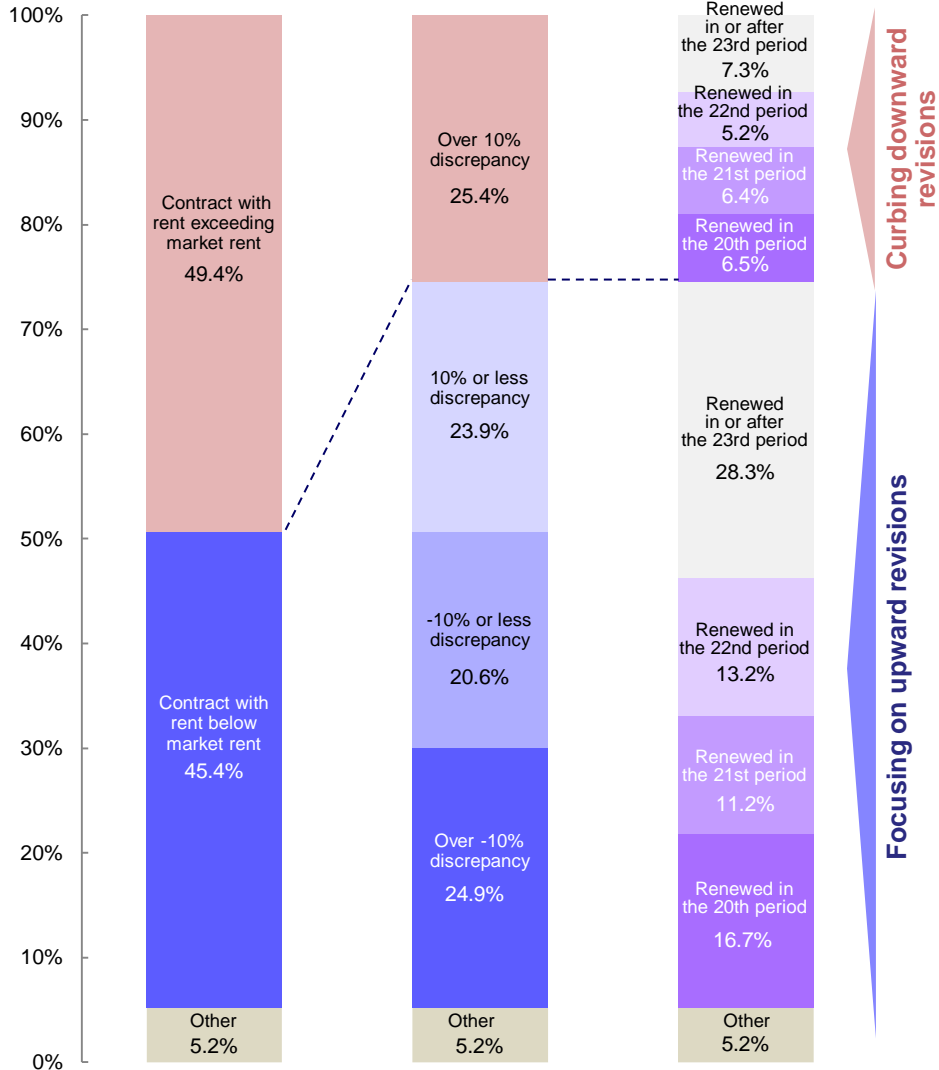
\*2 The figures do not include data of fixed rent master lease agreements.

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

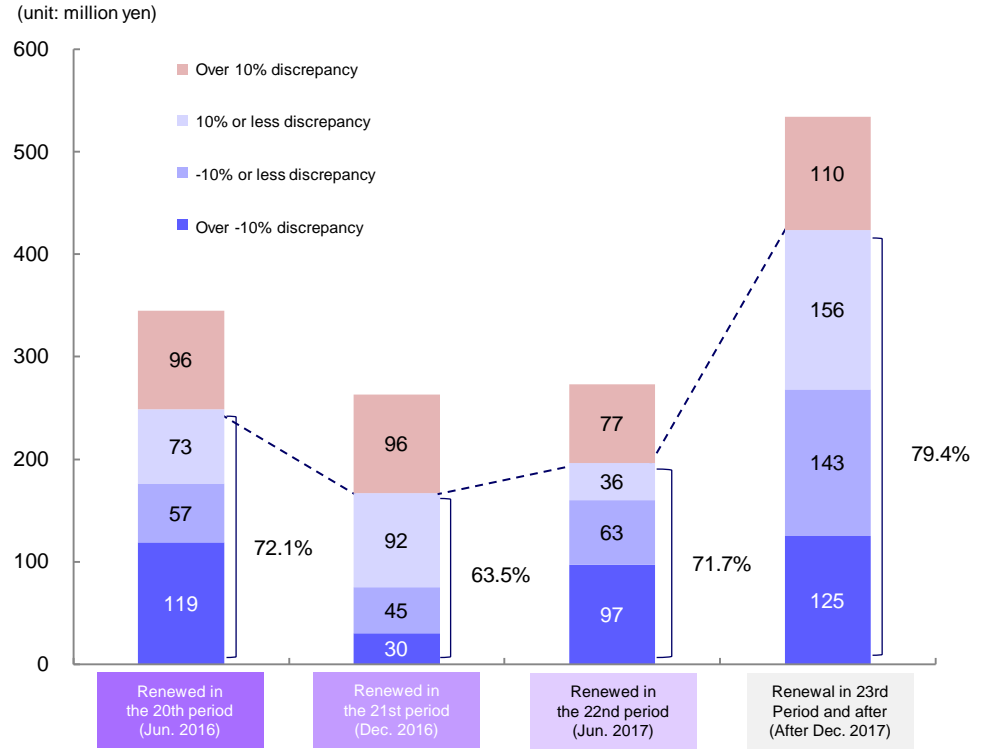
# 2. Internal Growth

## (3) Status of Rent Gap and Future Outlook

### ■ Status of Rent Gap



### ■ Monthly Rent by Renewal Period



- ◆ Rent gap continues to shrink
- ◆ Internal growth is expected to accelerate in the 22nd period and after with a high renewal ratio of contract with rent below market rent

\* The ratio is based on the monthly rent at the end of the 19th period (1,502 million yen). "Other" refers to contracts related to land with leasehold interest, residential, etc. Discrepancy rate is as of the end of the 19th period.

# 3. 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.

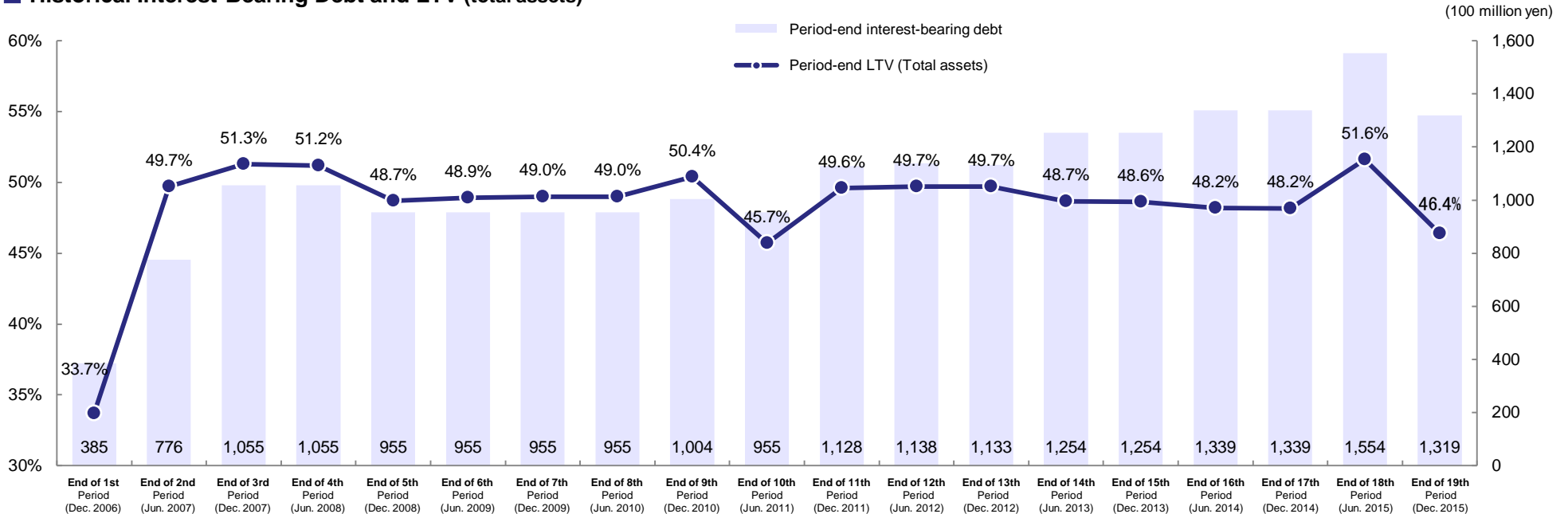
### Financial Data Summary

	End of 18th Period (Jun. 2015)	End of 19th Period (Dec. 2015)
LTV (total assets)	51.6%	46.4%
Period end interest-bearing debt interest rate	0.95%	1.06%
Average remaining period of interest-bearing debt	2.87 years	3.85 years
Ratio of fixed interest rate	81.0%	99.2%

### Rating

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

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

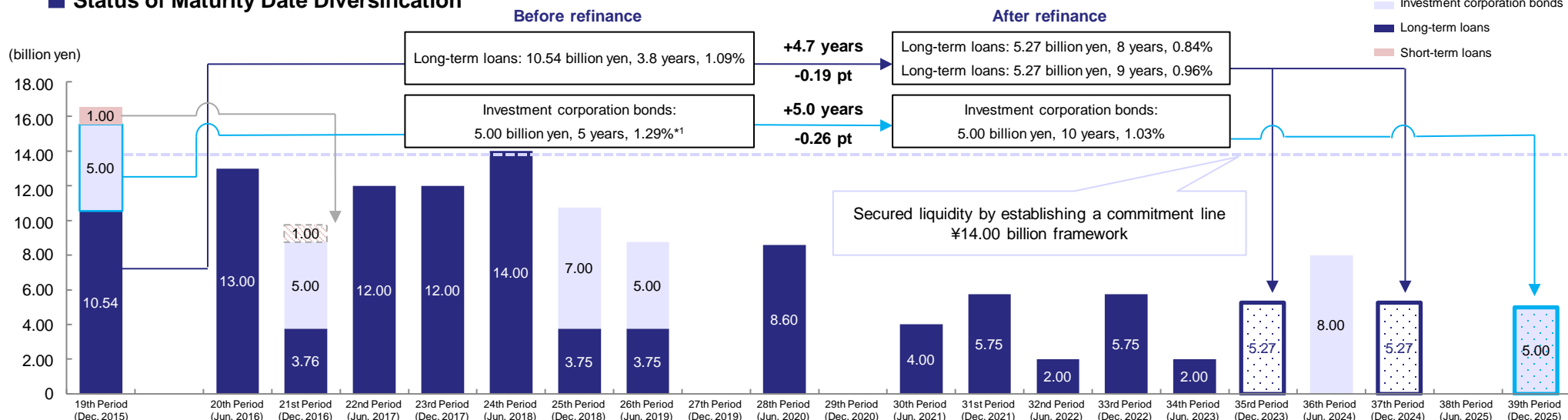


# 3. Financial Strategy

## (2) Results of Financing Activities

◆ In order to prepare for interest fluctuation risks, continued to work towards extending average remaining period of interest-bearing debt and fixing interest rates

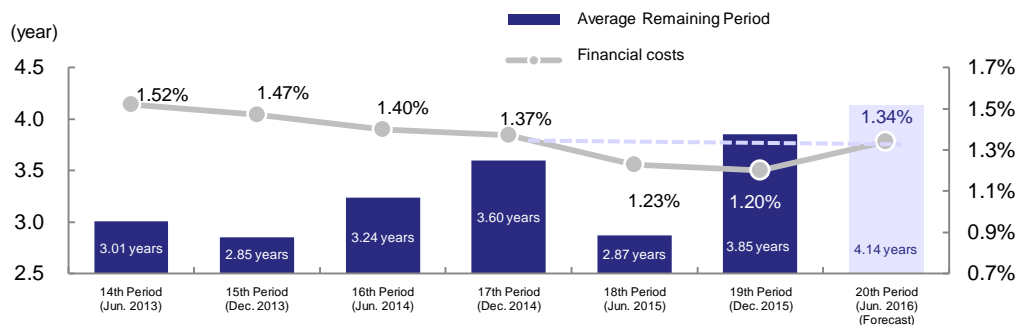
### ■ Status of Maturity Date Diversification



\*1 No. 2 Investment Corporate Bonds, which reached maturity on June 30, 2015, were redeemed with short-term loans, and investment corporate bonds were issued again in the 19th period.

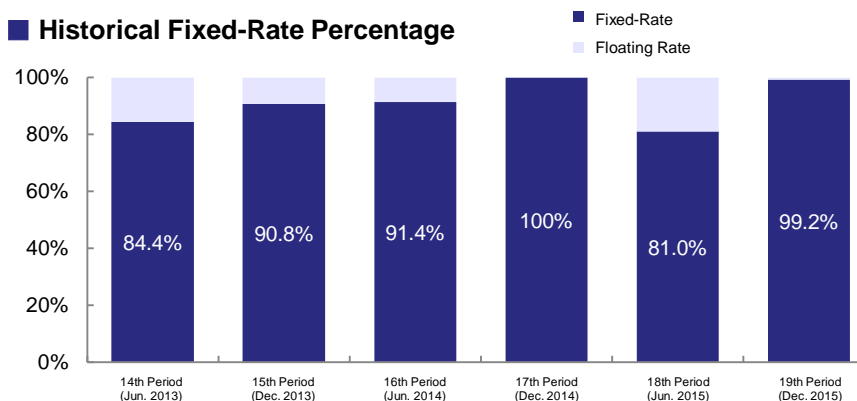
\*2 Interest rates are the average interest rates of each loan type.

### ■ 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



### 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, 2015, manages 272 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

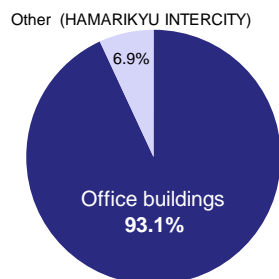
Management of JEI's properties

# 2. Portfolio

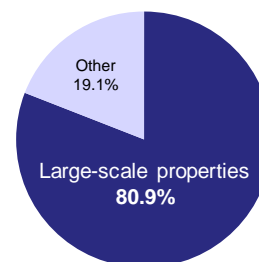
## Usage

### (Investment Policy)

Usage <sup>*1</sup>	Investment ratio in portfolio <sup>*2</sup>
Office buildings	90% or more
Other	10% or less

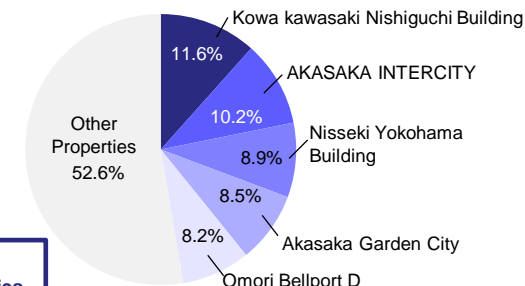


## Large-Scale Properties<sup>\*4</sup>



Ratio of top 5 properties 47.4%

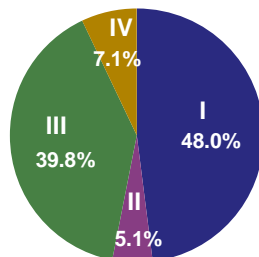
## Top 5 Properties



## Area

Area	Area I	Area II	Area III	Area IV
Total acquisition price	132.2 billion yen	14.0 billion yen	109.7 billion yen	19.4 billion yen
Number of properties	10 properties	3 properties	11 properties	6 properties

Ratio of investment in the Tokyo metropolitan area<sup>\*3</sup> 87.8%



### (Investment Policy)

Target investment areas	Investment ratio in portfolio <sup>*2</sup>
<b>Core areas</b>	<b>80% or more</b>
<ul style="list-style-type: none"> <li>Area I: 6 central wards of Tokyo (Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya)</li> </ul>	50% or more of the core areas
<ul style="list-style-type: none"> <li>Area II: Central Osaka (Umeda, Dojima, Nakanoshima, Yodoyabashi, Honmachi, etc.)</li> <li>Central Nagoya (Meieki, Fushimi, Sakae, etc.)</li> <li>Central Fukuoka (Tenjin, Hakata-ekimae, etc.)</li> </ul>	50% or less of the core areas
<ul style="list-style-type: none"> <li>Area III: Tokyo other than Area I, and its vicinity (Kanagawa, Saitama, and Chiba prefectures)</li> </ul>	50% or less of the core areas
<ul style="list-style-type: none"> <li>Area IV: Areas in Osaka, Nagoya and Fukuoka other than Area II and other government designated cities</li> </ul>	20% or less

## Top 10 tenants

End tenant name	Property Name	Total space leased (m <sup>2</sup> )	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
*5	*5	8,131.66	2.3
*5	Daiba Garden City Building	7,286.83	2.1
*5	*5	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	27.4
Total of portfolio overall		351,685.31	100.0

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

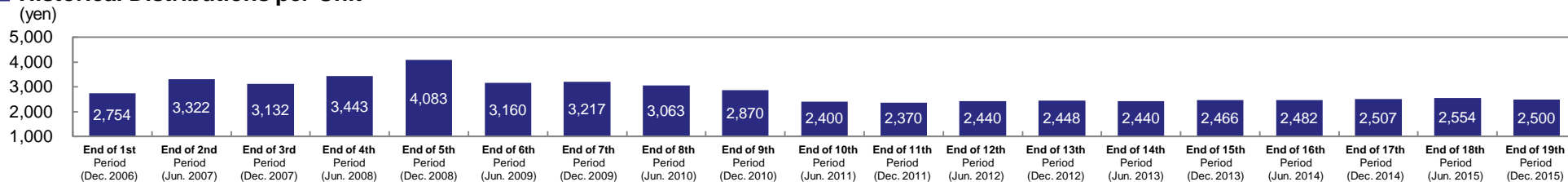
\*4 "Large-scale properties" refers to properties with total floor area of 10,000 tsubo or more for the 23 wards of Tokyo, and of 4,000 tsubo or more for areas other than the 23 wards of Tokyo.

\*5 End tenant names are not disclosed as we have not obtained consent, etc. from tenants.

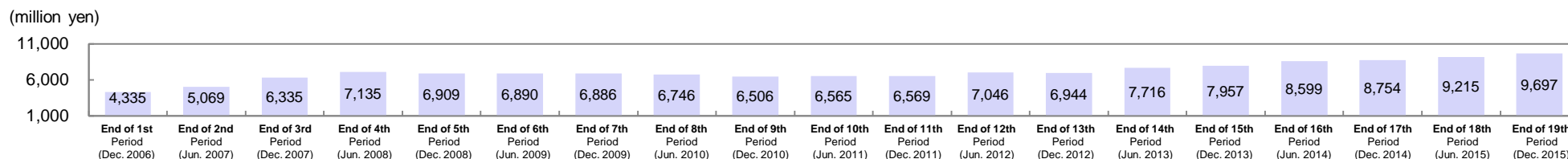
\*6 The figures above indicate figures as of the end of the 19th period and the ratios are rounded to the first decimal place.

# 3. Track Record

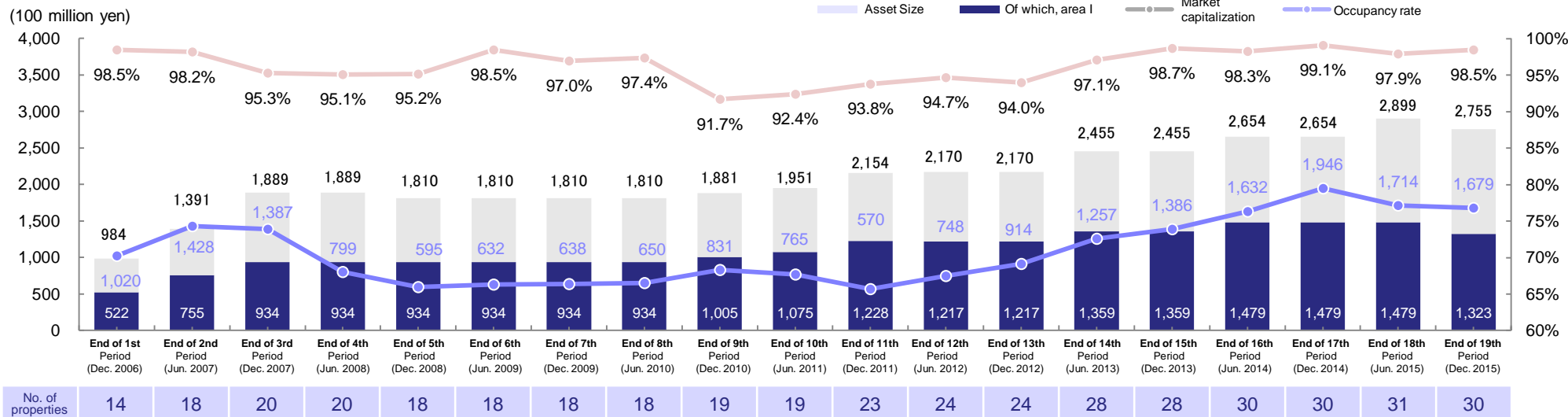
## Historical Distributions per Unit\*1



## 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



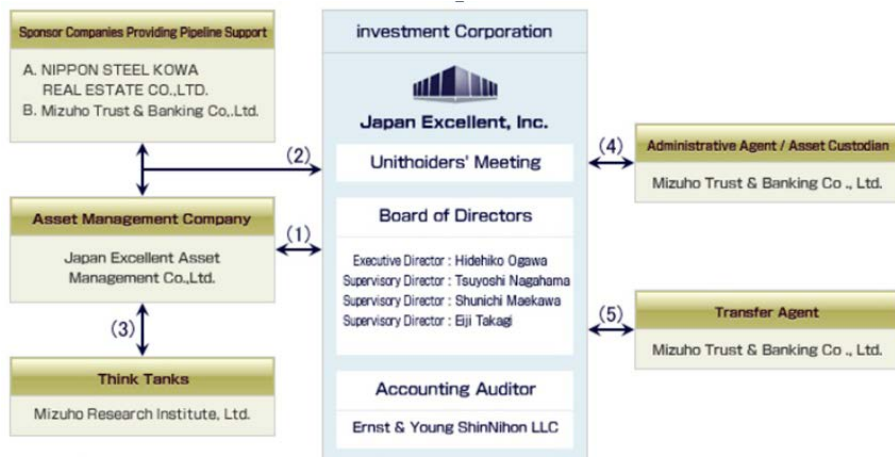
\* Unit prices for December 25, 2013 and earlier are divided by 5.

## 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	

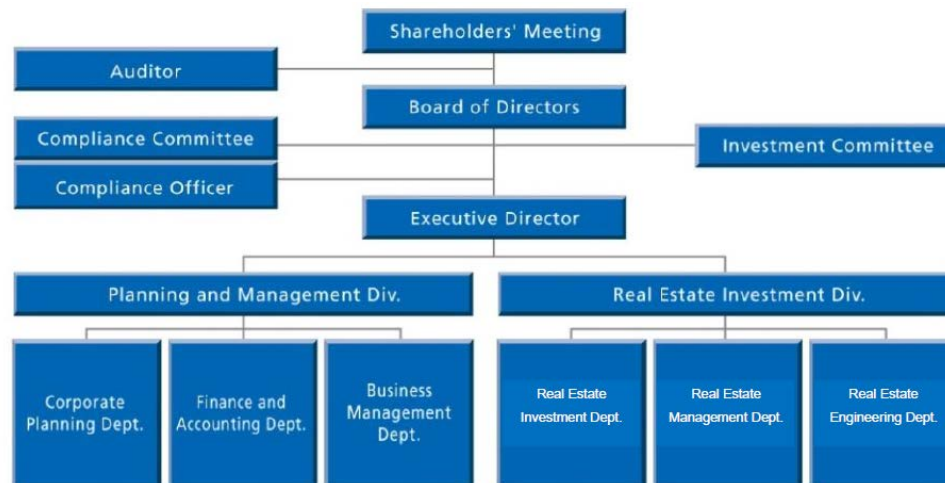
\* Percentages in the above table are percentages of total outstanding shares.

## 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

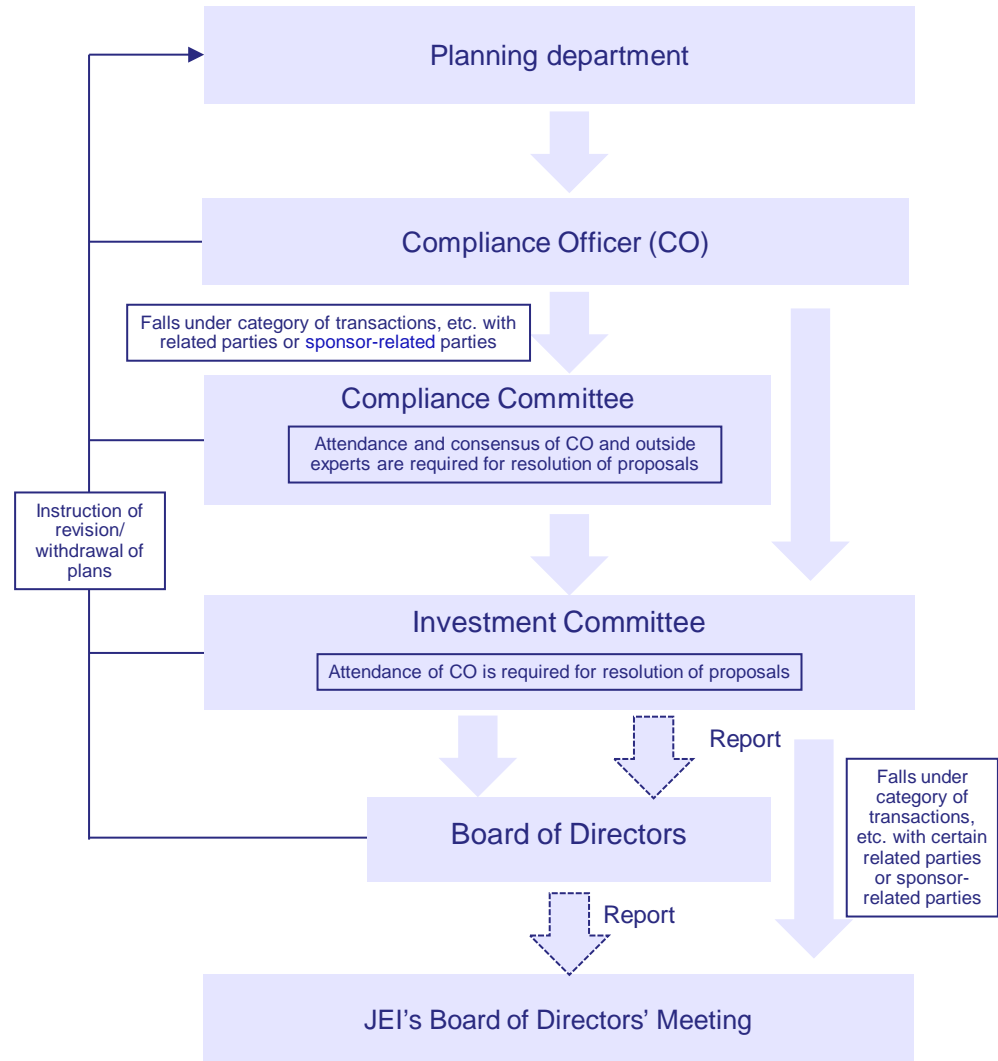
- ◆ Management structure which will not be affected by a specified sponsor due to mutual supervision of the two core sponsors
- ◆ The two core sponsors own 7.3% of JEI's investment units and the interest of unitholders and that of sponsors match (as of December 31, 2015)

## ■ 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



# 6. Initiatives for Sustainability Measures

## Received “Green Star,” the highest rating in GRESB survey

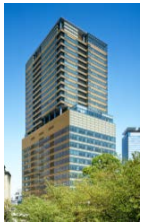


- ◆ The Asset Management Company has been participating in the benchmark survey since 2011 and has promoted structural development, energy-saving initiatives, etc. Received “Green Star,” the highest rating in 2015 GRESB survey.

\* 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



Top-Level Office

AKASAKA INTERCITY

- ◆ The Tokyo metropolitan government certifies offices with particularly advanced global warming countermeasures under several assessing items concerning the introduction of systems to promote CO<sub>2</sub> 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”.



Top-Level Office

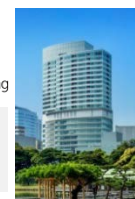
Akasaka Garden City

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

### DBJ Green Building Certification



AKASAKA INTERCITY\*



HAMARIKYU INTERCITY



- ◆ 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.

### 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.

## Reference Materials

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## Overview of Public Offering

Outstanding Investment Units	51,700 units (including 4,700 units for over-allotment)
Offer price/ Issue price	129,675 yen / 125,419 yen
Total issue price	6,484 million yen (including 589 million yen for over-allotment)
Issuance approval date	June 24, 2015
Pricing date	July 6, 2015
Payment date	July 13, 2015 (primarily offering) August 12, 2015 (third-party allotment)

## Offer Price

Offer price is more than **1.2 times of NAV per unit**

NAV per unit (End of 17th FP)	Offer price	Magnification
104,469 yen	129,675 yen	1.24 times

## Property Acquisition (Nisseki Yokohama Building)

- ◆ Acquisition with NOI yield surpassing that of the portfolio average
- ◆ Securement of stability of revenue with long-term master lease agreement

Acquisition date: April 1, 2015

Acquisition Price: 24.5 billion yen



## Distribution per Unit

Distribution for the 19th period ended December 2015 was **revised upward by ¥50** from initial forecast of ¥2,450 in line with the public offering

19th Period Forecast (announced in Feb. 2015)	19th Period Forecast (announced in Jun. 2015)	19th Period Actual
2,450 yen	2,500 yen	2,500 yen

## Offering Highlights

		End of 17th Period (Dec. 2014)		Nisseki Yokohama Building		After Public Offering (Aug. 2015)	Change from the end of 17th period
Expansion of Asset Size	Total Acquisition Price (No. of properties)	265.4 billion yen (30 properties)	+	<b>24.5 billion yen</b> <b>(1 property)</b>	⇒	<b>289.9 billion yen</b> <b>(31 properties)</b>	<b>+24.5 billion yen</b> <b>(+1 property)</b>
Quality Improvement of Portfolio	NOI yield	4.6%	+	<b>5.1%</b> (Appraisal NOI yield)	⇒	<b>4.7%*1</b>	<b>+0.04pt</b>
	Ratio of top 10 tenants	30.8%			⇒	<b>27.6%</b>	<b>-3.2pt</b>
	Ratio of top 5 properties	47.1%			⇒	<b>45.0%</b>	<b>-2.1pt</b>
Increase of unitholder value	Ratio of large-scale properties	74.8%			⇒	<b>76.9%</b>	<b>+2.1pt</b>
	NAV per unit	104,469 yen		<b>104,552 yen</b> (after acquisition of Nisseki Yokohama Building)		<b>105,405 yen*2</b>	<b>+936 yen</b> <b>+0.9%</b>

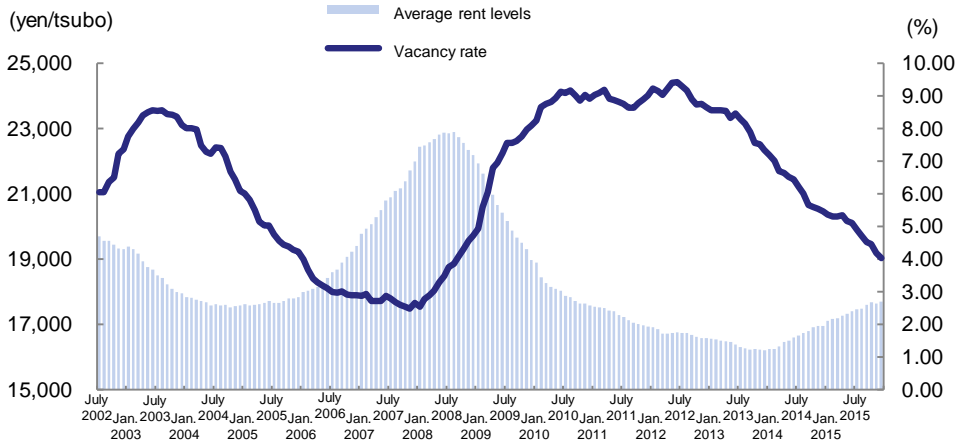
\*1 The figure is calculated by adding NOI stated in Nisseki Yokohama Building's appraisal report at the time of the acquisition to the actual figure at the end of the 17th period. (Not an actual figure)

\*2 The figure is calculated using NAV obtained by adding the difference between the acquisition price and appraisal value of Nisseki Yokohama Building and the amount of unitholders' capital increased due to the public offering (including over-allotment) this time, to NAV at the end of the 17th period.

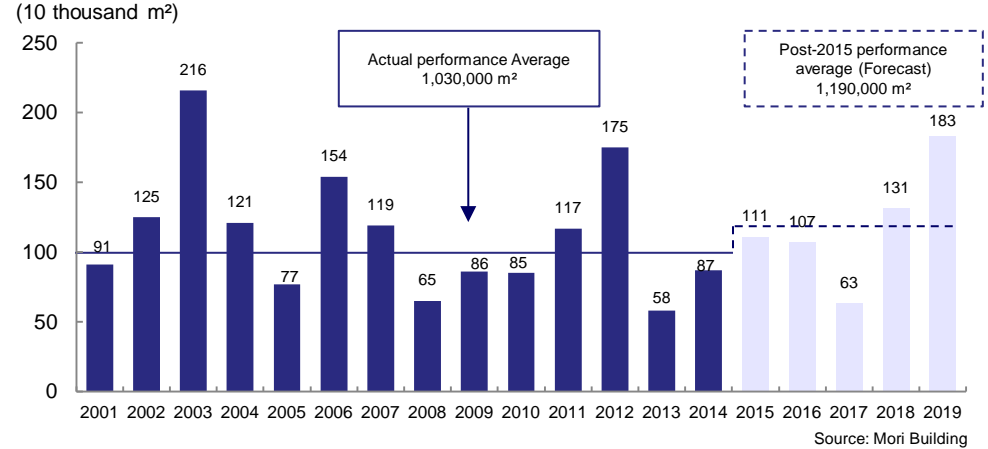
# Management Discussion of Market Environment

- ◆ Improvement trend in vacancy rate continues and rent level is rising gradually due to improvement of supply-demand balance
- ◆ Real estate transaction prices remain in the high price range

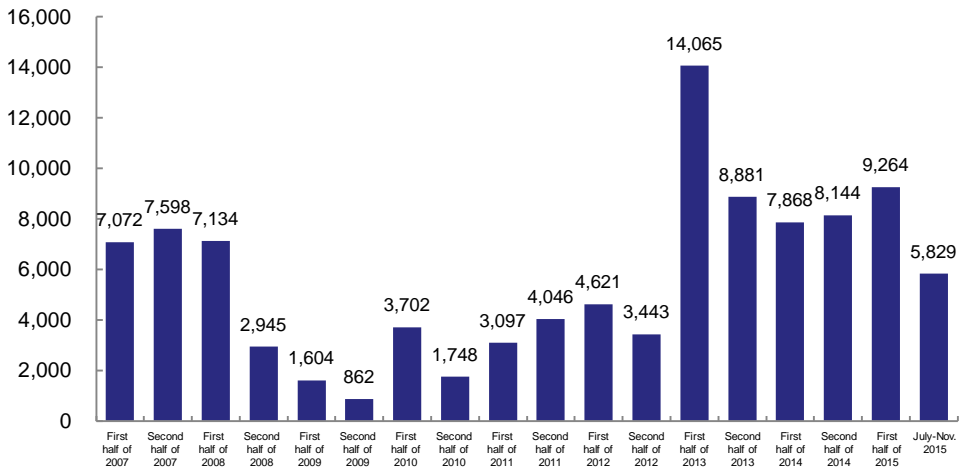
## Historical Rent Levels and Vacancy Rate in 5 Central Wards of Tokyo



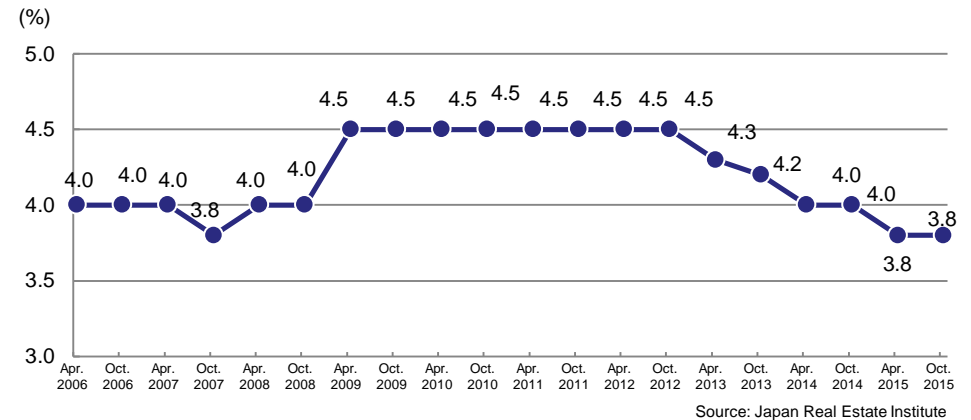
## Historical New Office Supply Volume in 23 Wards of Tokyo



## 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							Total
	I-1	I-2	I-3	I-4	I-7	I-8	I-9	I-10	I-11	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	Hamanatsu-cho	32 Kowa	Akasaka Garden City	AKASAKA INTERCITY	Kowa Shirokanedai	Daiwa Garden City Bldg.	35 Kowa	HAMARIKYU INTERCITY	Shintomi-cho	Kowa Nishi-Shimbashi	NHK Nagoya	Nishi-honmachi	Osaka Ken Building (Land with interest)	Mitsubishi-Kosugi	Kawasaki Higashi-Guchi	Hongo	Kawasaki Nishin-cho	44 Kowa	Ryugoku	Ebina	Kawasaki Nishi-Guchi	Sengoku	Core City Tachikawa	Nisseki Yokohama Building	Kyobashi	Hiroshima Haccho-bori	SE Sankyo	Aoba-dori Plaza	Daiwa Minamimori	JEI Naha Building		
Revenue from operations	939	373	210	242	385	557	162	335	-	724	72	-	362	196	83	795	-	-	191	88	102	419	901	47	306	1,109	181	145	362	178	197	10	10,669	
Rental revenue	871	372	197	224	351	503	143	335	-	675	63	-	-	171	83	694	-	-	188	75	92	357	808	41	296	1,016	165	131	272	156	177	8	9,697	
Other revenue	68	0	12	17	33	54	19	0	-	49	9	-	-	25	-	100	-	-	2	12	10	62	93	6	10	92	15	13	89	22	20	1	971	
Expenses from operations	483	133	104	118	173	295	75	123	-	396	31	-	241	133	44	377	-	-	113	38	60	340	618	31	135	670	109	74	225	98	95	5	5,916	
Property management	127	48	20	29	55	33	18	1	-	126	5	-	66	24	-	98	-	-	51	14	18	118	134	6	29	159	16	16	36	34	21	1	1,440	
Utilities	147	0	12	19	25	59	12	-	-	65	6	-	33	25	-	92	-	-	-	8	11	81	103	6	43	195	16	14	79	20	16	0	1,192	
Taxes	77	29	17	31	32	34	14	34	-	46	4	-	26	26	43	60	-	-	17	5	7	39	76	6	20	-	12	17	22	17	12	-	838	
Insurance	1	0	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	27
Repair and maintenance	2	11	1	22	0	18	7	0	-	6	3	-	11	1	-	13	-	-	0	1	4	18	42	1	5	20	7	2	7	3	2	-	269	
Other expenses	3	1	15	3	2	66	1	1	-	3	0	-	33	2	0	10	-	-	1	1	1	13	19	1	1	10	1	1	2	1	0	0	239	
Depreciation	122	41	37	10	55	82	20	84	18	144	10	17	70	53	-	101	88	30	41	6	17	68	239	10	33	280	54	22	76	20	40	2	1,908	
Profits from operations	456	239	105	124	212	261	87	212	132	328	41	67	120	63	39	417	157	61	77	50	42	79	282	15	171	439	72	70	136	79	102	4	4,753	
NOI	579	281	143	134	268	344	107	296	151	473	51	84	190	116	39	519	246	91	118	56	60	147	522	26	205	719	127	92	212	100	142	7	6,662	
Number of operating days	184	184	184	176	184	184	184	184	176	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	25	
Acquisition price	22,552	9,450	8,350	7,430	23,300	28,146	4,705	11,000	8,280	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	291,287	
Compared with previous period	18th period NOI yield (annualized)	5.1%	6.2%	3.2%	4.4%	2.2%	2.5%	4.7%	5.4%	4.4%	5.2%	5.6%	4.3%	6.7%	3.8%	4.5%	7.1%	4.1%	4.2%	5.0%	8.8%	4.4%	4.3%	3.6%	5.1%	6.0%	5.9%	8.3%	6.6%	8.0%	9.9%	6.8%	-	4.63%
	19th period NOI yield (annualized)	5.1%	5.9%	3.4%	3.8%	2.3%	2.4%	4.5%	5.4%	3.8%	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%
	Difference	0.0	-0.3	0.2	-0.6	0.1	-0.1	-0.2	0.0	-0.6	-0.3	0.3	0.0	0.1	-0.3	0.0	0.3	0.4	-0.8	0.0	1.0	0.3	0.2	-0.4	-1.8	0.3	-0.1	-0.7	0.1	-0.3	-0.5	-0.4	-	-0.06
	19th period NOI yield after depreciation (annualized)	4.0%	5.0%	2.5%	3.5%	1.8%	1.8%	3.7%	3.8%	3.3%	3.4%	4.7%	3.4%	4.3%	1.9%	4.5%	6.0%	2.9%	2.3%	3.2%	8.7%	3.3%	2.4%	1.8%	1.9%	5.2%	3.6%	4.3%	5.1%	4.9%	7.5%	4.6%	4.8%	3.26%

\*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 35 Kowa, 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: No. 32 Kowa Building and No. 35 Kowa Building have been sold during the period. "Breakdown by Area" includes these two properties.

## Breakdown by Area

(Unit: million yen)

	Area I Total	Area II Total	Area III Total	Area IV Total
NOI	2,915	347	2,715	683
Acquisition price	147,974	14,053	109,781	19,478
18th period NOI yield (annualized)	4.1%	5.0%	4.9%	7.8%
19th period NOI yield (annualized)	3.9%	4.9%	4.9%	7.4%
Difference (pt)	-0.2	-0.1	0.0	-0.4

# Overview of Period-end Appraisals

## Summary of Period-end Appraisal Value

	18th Period (Jun. 2015)	19th Period (Dec. 2015)	Difference
Number of properties	31 properties	30 properties	-1 property
Period-end appraisal value	280,110 million yen	268,610 million yen	-11,500 million yen
Book value	279,602 million yen	264,252 million yen	-15,349 million yen
Unrealized profit/loss	507 million yen	4,357 million yen	3,849 million yen
Ratio of unrealized profit/loss <sup>*1</sup>	0.2%	1.6%	1.4pt

\*1 "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

	18th Period (Jun. 2015)	19th Period (Dec. 2015)
Increase	24 properties	22 properties
Unchanged	1 property	5 properties
Decrease	6 properties	3 properties

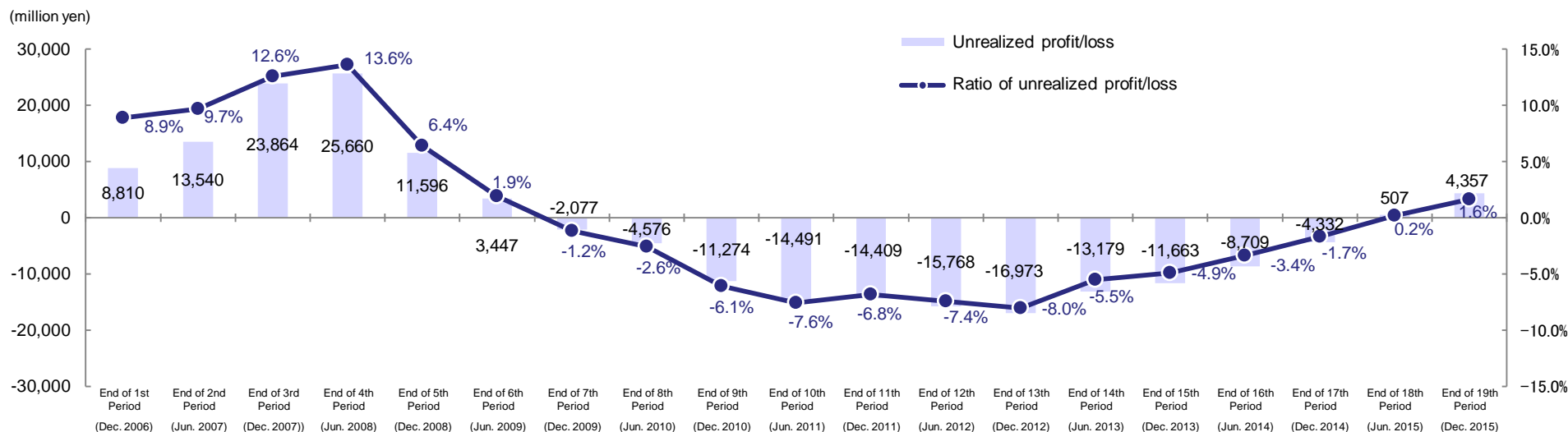
\*2 Increase/decrease breakdowns are shown in comparison with the previous fiscal period for each period. As to the property acquired in the 19th period (JEI Naha Building), comparison is made using the appraisal value and the cap rate at the time of the acquisition.

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

## Status of Cap Rate

	18th Period (Jun. 2015)	19th Period (Dec. 2015)
Decline	26 properties	22 properties
Unchanged	5 properties	8 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 FP19 (3)	Difference (2-3)		Direct reduction reduced yield		Difference (5-4)	Appraisal Organization	
				End of FP18 (1)	End of FP19 (2)		%			%	End of FP18 (4)	End of FP19 (5)	pt		
I-1	I	Omori Bellport D	22,552	24,500	25,000	500	2.0%	21,288	3,711	17.4%	4.5%	4.4%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
I-2		Shiba 2-Chome Building	9,450	12,000	12,000	0	0.0%	8,956	3,043	34.0%	Office 4.4% Residence 4.9%	Office 4.4% Residence 4.8%	Office 0.0 Residence -0.1	Japan Real Estate Institute	
I-3		JEI Hamamatsucho Building	8,350	6,520	6,680	160	2.5%	8,352	-1,672	-20.0%	4.1%	4.0%	-0.1	Japan Real Estate Institute	
I-7		Akasaka Garden City	23,300	17,200	17,200	0	0.0%	22,432	-5,232	-23.3%	3.7%	3.7%	0.0	Japan Real Estate Institute	
I-8		AKASAKA INTERCITY	28,146	24,400	25,100	700	2.9%	27,371	-2,271	-8.3%	3.6%	3.5%	-0.1	Japan Real Estate Institute	
I-9		Kowa Shirokanedai Building	4,705	5,010	5,010	0	0.0%	4,820	189	3.9%	4.6%	4.6%	0.0	Japan Real Estate Institute	
I-10		Daiba Garden City Building	11,000	12,100	12,200	100	0.8%	10,303	1,896	18.4%	4.7%	4.6%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
I-12		HAMARIKYU INTERCITY	19,080	22,100	21,900	-200	-0.9%	18,436	3,463	18.8%	4.0%	3.9%	-0.1	Japan Real Estate Institute	
I-13		Shintomicho Building	1,750	1,870	1,900	30	1.6%	1,765	134	7.6%	4.6%	4.5%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
I-14		Kowa Nishishinbashi Building	3,931	4,190	4,200	10	0.2%	3,814	385	10.1%	3.8%	3.8%	0.0	Japan Real Estate Institute	
II-1		II	NHK Nagoya Housou-Center Building	5,610	5,590	5,650	60	1.1%	5,774	-124	-2.2%	5.3%	5.1%	-0.2	Japan Real Estate Institute
II-2			JEI Nishi-honmachi Building	6,673	4,380	4,420	40	0.9%	7,288	-2,868	-39.4%	5.1%	5.0%	-0.1	DAIWA REAL ESTATE APPRAISAL Corporation
II-3			Osaka Kogin Building (land with leasehold interest)	1,770	1,990	2,030	40	2.0%	1,865	164	8.8%	4.0%	3.9%	-0.1	Japan Real Estate Institute
III-1		III	Musashikosugi Tower Place	13,890	17,900	18,200	300	1.7%	12,704	5,495	43.3%	4.8%	4.7%	-0.1	Japan Real Estate Institute
III-2	Kowa Kawasaki Higashiguchi Building		10,976	8,780	8,890	110	1.3%	9,672	-782	-8.1%	5.2%	5.1%	-0.1	Japan Valuers Co., Ltd.	
III-3	JEI Hongo Building		5,400	4,500	4,510	10	0.2%	5,086	-576	-11.3%	4.6%	4.6%	0.0	Japan Valuers Co., Ltd.	
III-5	Kawasaki Nisshincho Building		4,725	3,930	4,000	70	1.8%	4,441	-441	-9.9%	5.3%	5.2%	-0.1	Japan Valuers Co., Ltd.	
III-6	No. 44 Kowa Building		1,150	1,450	1,450	0	0.0%	1,000	449	44.9%	5.6%	5.6%	0.0	Japan Real Estate Institute	
III-7	JEI Ryogoku Building		2,550	2,200	2,250	50	2.3%	2,296	-46	-2.0%	5.0%	4.9%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
III-8	Ebina Prime Tower		6,470	3,770	3,820	50	1.3%	5,794	-1,974	-34.1%	5.8%	5.6%	-0.2	Japan Real Estate Institute	
III-9	Kowa Kawasaki Nishiguchi Building		32,000	25,000	24,600	-400	-1.6%	29,342	-4,742	-16.2%	5.0%	5.0%	0.0	Japan Valuers Co., Ltd.	
III-10	Pacific Square Sengoku		1,620	1,400	1,360	-40	-2.9%	1,652	-292	-17.7%	4.7%	4.6%	-0.1	Chuo Real Estate Appraisal Co., Ltd.	
III-11	Core City Tachikawa		6,500	7,490	7,670	180	2.4%	6,295	1,374	21.8%	5.1%	5.0%	-0.1	Japan Real Estate Institute	
III-12	Nisseki Yokohama Building		24,500	25,200	25,700	500	2.0%	24,348	1,351	5.6%	4.6%	4.5%	-0.1	Japan Real Estate Institute	
IV-2	IV		JEI Kyobashi Building	3,308	4,030	4,080	50	1.2%	3,109	970	31.2%	5.6%	5.5%	-0.1	DAIWA REAL ESTATE APPRAISAL Corporation
IV-3		JEI Hiroshima Hacchobori Building	2,760	2,830	2,930	100	3.5%	2,664	265	10.0%	5.5%	5.4%	-0.1	Japan Real Estate Institute	
IV-4		SE Sapporo Building	5,500	6,200	6,390	190	3.1%	5,379	1,010	18.8%	5.7%	5.5%	-0.2	Chuo Real Estate Appraisal Co., Ltd.	
IV-5		Aoba-dori Plaza	2,120	3,030	3,140	110	3.6%	2,211	928	42.0%	5.5%	5.3%	-0.2	Japan Real Estate Institute	
IV-6		Daiwa Minamimoricho Building	4,410	4,840	4,910	70	1.4%	4,351	558	12.8%	5.1%	5.0%	-0.1	DAIWA REAL ESTATE APPRAISAL Corporation	
IV-7		JEI Naha Building	1,380	1,420	1,420	0	0.0%	1,429	-9	-0.7%	5.8%	5.8%	0.0	Japan Real Estate Institute	
<b>Total</b>			<b>275,577</b>	<b>265,820</b>	<b>268,610</b>	<b>2,790</b>	<b>1.0%</b>	<b>264,252</b>	<b>4,357</b>	<b>1.6%</b>	<b>4.6%</b>	<b>4.5%</b>	<b>-0.1</b>	<b>-</b>	
<b>Area I Total</b>			<b>132,264</b>	<b>129,890</b>	<b>131,190</b>	<b>1,300</b>	<b>1.0%</b>	<b>127,542</b>	<b>3,647</b>	<b>2.9%</b>	<b>4.1%</b>	<b>4.0%</b>	<b>-0.1</b>	<b>-</b>	
<b>Area II Total</b>			<b>14,053</b>	<b>11,960</b>	<b>12,100</b>	<b>140</b>	<b>1.2%</b>	<b>14,928</b>	<b>-2,828</b>	<b>-18.9%</b>	<b>5.0%</b>	<b>4.9%</b>	<b>-0.1</b>	<b>-</b>	
<b>Area III Total</b>			<b>109,781</b>	<b>101,620</b>	<b>102,450</b>	<b>830</b>	<b>0.8%</b>	<b>102,635</b>	<b>-185</b>	<b>-0.2%</b>	<b>4.9%</b>	<b>4.8%</b>	<b>-0.1</b>	<b>-</b>	
<b>Area IV Total</b>			<b>19,478</b>	<b>22,350</b>	<b>22,870</b>	<b>520</b>	<b>2.3%</b>	<b>19,146</b>	<b>3,723</b>	<b>19.4%</b>	<b>5.5%</b>	<b>5.4%</b>	<b>-0.1</b>	<b>-</b>	
<b>Grand Total</b>			<b>275,577</b>	<b>265,820</b>	<b>268,610</b>	<b>2,790</b>	<b>1.0%</b>	<b>264,252</b>	<b>4,357</b>	<b>1.6%</b>	<b>4.6%</b>	<b>4.5%</b>	<b>-0.1</b>	<b>-</b>	

\*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 18th and 19th 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 19th period (JEI Naha Building), the figures stated in the appraisal report at time of each acquisition are deemed and indicated as figures at end of the 18th period.

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

# Status of Third-Party Properties

- ◆ While mainly utilizing the sponsor pipeline, made acquisitions of **third-party properties**<sup>\*1</sup> with the **high sourcing capability** of the asset management company
- ◆ Continuously pursued the possibility of additional acquisitions of joint ownership properties

- ◆ Made selective investment in **competitive and rare properties** in the area by placing emphasis on high profitability, closeness to stations, high specifications and scale capable of attracting large tenants
- ◆ Contributed to the improvements in the portfolio's unrealized profit/loss as well as maintaining high profitability and occupancy rates after acquisitions



Acquisition period	Area	Property Name	Total floor area (m <sup>2</sup> )	Acquisition price (million yen)	Expected NOI yield at time of acquisition	Actual NOI yield in the 19th period	Average occupancy rate since acquisition	Appraisal value (million yen)	Unrealized profit/loss (million yen)
Dec. 2015	Okinawa	JEI Naha Building	4,371.94	1,380	6.4%	7.2%* <sup>3</sup>	95.6%	1,420	-9
Apr. 2015	Yokohama	Nisseki Yokohama Building	72,116.65	24,500	4.9%	4.8%* <sup>3</sup>	97.4%	25,700	1,351
Feb. 2014	Sendai	Aoba-dori Plaza	22,737.38	2,120	6.6%	9.4%	88.6%	3,140	928
Feb. 2014	Osaka	Daiwa Minami-morimachi Building	12,759.65	4,410	6.1%	6.4%	98.1%	4,910	558
Mar. 2013	Sapporo	SE Sapporo Building	23,644.22	5,500	7.2%	7.7%	99.1%	6,390	1,010
Feb. 2013	Tokyo	Core City Tachikawa	19,099.27	6,500	5.7%	6.3%	97.3%	7,670	1,374
Mar. 2012	Tokyo	Shintomicho Building	3,169.78	1,750	5.4%	5.9%	99.4%	1,900	134
Dec. 2011	Tokyo	Pacific Square Sengoku	4,017.44	1,620	6.7%	3.3%	92.1%	1,360	-292
Sep. 2011	Osaka	JEI Kyobashi Building	10,021.32	3,308	7.9%	7.6%	98.4%	4,080	970
Total				51,088	5.7%	5.9%	-	56,570	6,026

\*1 "Third-party properties" refer to properties of which direct sellers are not the sponsor (including SPC in which the sponsor has more than half of its equities.)

\*2 Third-party properties that were acquired after the 9th period are indicated. Additional acquisitions of co-ownership interest are not shown.

\*3 The yields indicated are calculated based on figures with expected fixed property and city planning tax added.

# Statement of Income and Retained Earnings

(Unit: million yen)

	18th Period (Jun. 2015)	%	19th Period (Dec. 2015)	%	Compared with previous period	
					Difference	%
1. Revenue	10,121	100.0	10,839	100.0	718	7.1
Rental revenue	9,215		9,697		481	
Other rental revenue	905		971		66	
Gain on sale of real estate, etc.	-		170		170	
2. Operating expenses	6,102	60.3	6,537	60.3	435	7.1
Property management expenses	1,406		1,440		34	
Utilities expenses	1,153		1,192		39	
Taxes	791		838		46	
Insurance	29		27		-1	
Repairs and maintenance	171		269		97	
Other expenses for rental operation	195		239		44	
Depreciation	1,786		1,908		122	
Total operating expenses	5,533	54.7	5,916	54.6	383	6.9
Profits from operations	4,588	45.3	4,753	43.9	165	3.6
Asset management fees	415		442		26	
Other	153		179		25	
Operating income	4,018	39.7	4,301	39.7	282	7.0
3. Other income	2	0.0	4	0.0	2	72.0
Interest income	1		2		0	
Other	0		2		1	
4. Other expenses	922	9.1	921	8.5	-1	-0.1
Interest expense	634		616		-17	
Loan relating fees	105		145		40	
Investment unit issuance	30		15		-14	
Interest expense on investment corporation bonds	137		123		-13	
Amortization of investment corporation bond issuance costs	14		12		-1	
Other	0		6		5	
Ordinary income	3,098	30.6	3,385	31.2	286	9.2
Net income before taxes	3,098	30.6	3,385	31.2	286	9.2
Income taxes – current	1		0		-0	
Net income	3,097	30.6	3,384	31.2	286	9.2
Retained earnings brought forward	0		0		0	
Unappropriated retained earnings at the end of period	3,098		3,385		286	

\* 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						
	18th Period (Jun. 2015)		19th Period (Dec. 2015)		Difference		18th Period (Jun. 2015)		19th Period (Dec. 2015)		Difference
<b>Assets</b>		%		%		<b>Liabilities</b>		%		%	
<b>I. Current assets</b>	20,316	6.8	18,929	6.7	-1,386	<b>I. Current liabilities</b>	54,966	18.3	25,370	8.9	-29,596
Cash and deposits	2,472		2,207		-265	Operating accounts payable	1,216		1,363		146
Cash and deposits in trust	15,974		15,762		-211	Short-term loans	29,500		1,000		-28,500
Operating accounts receivable	867		795		-71	Investment corporation bonds maturing within a year	-		5,000		5,000
Consumption tax receivable, etc.	801		-		-801	Long-term loans due within a year	23,540		16,760		-6,780
Other	200		164		-36	Other accounts payable	435		435		0
<b>II. Fixed assets</b>	280,563	93.2	265,395	93.3	-15,168	Accrued consumption taxes	-		530		530
<b>1. Property and equipment</b>	270,495	89.9	255,145	89.7	-15,349	Other	274		280		6
Real Estate	7,947		7,867		-79	<b>II. Long-term liabilities</b>	114,923	38.2	121,216	42.6	6,292
Real Estate in trust	262,539		247,240		-15,298	Investment corporation bonds	25,000		25,000		-
Construction in progress	9		37		28	Long-term loans	77,360		84,140		6,780
<b>2. Intangible assets</b>	9,106	3.0	9,106	3.2	0	Security deposits from tenants	723		734		11
Leasehold rights	1,721		1,721		-	Security deposits from tenants in trust	11,840		11,341		-498
Leasehold rights in trust	7,380		7,380		-	<b>Total liabilities</b>	169,890	56.4	146,586	51.5	-23,303
Other	5		5		0	<b>Unitholders' equity</b>					
<b>3. Investments and other assets</b>	961	0.3	1,142	0.4	181	<b>I. Unitholders' capital</b>	131,085	43.6	137,857	48.5	6,771
Leasehold and security deposits	15		15		-	1. Unitholders' capital	127,950	42.5	134,434	47.3	6,484
Long-term prepaid expenses	612		775		163	2. Retained earnings	3,135		3,422		286
Other	334		351		17	Voluntary retained earnings (Reserve for reduction entry)	37	0.0	37	0.0	-
<b>III. Deferred assets</b>	96	0.0	118	0.0	22	Unappropriated retained earnings	3,098	1.0	3,385	1.2	286
Deferred investment corporation bond issuance costs	96		118		22	<b>Total unitholders' equity</b>	131,085	43.6	137,857	48.5	6,771
<b>Total assets</b>	300,976	100.0	284,443	100.0	-16,532	<b>Total liabilities and unitholders' equity</b>	300,976	100.0	284,443	100.0	-16,532

\* 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)

19th Period (Dec. 2015)	
Classification	Amount
<b>I. Cash flow from operating activities</b>	<b>22,353</b>
Net income before taxes	3,385
Depreciation	1,908
Increase/decrease in consumption tax receivable, etc. and accrued consumption taxes	1,331
Sales of fixed assets in trust	15,537
Other	189
<b>II. Cash flow from investing activities</b>	<b>-2,641</b>
Purchase of property and equipment	-2,153
Net payments for security deposits	-487
<b>III. Cash flow from financing activities</b>	<b>-20,188</b>
Proceeds from short-term loans	1,000
Repayment of short-term loans	-29,500
Proceeds from long-term loans	10,540
Repayment of long-term loans	-10,540
Proceeds from issuance of investment units	6,484
Proceeds from issuance of investment corporation bonds	4,964
Repayment of issuance of investment units	-40
Distributions to unitholders	-3,097
<b>IV. Net decrease in cash and cash equivalents</b>	<b>-476</b>
<b>V. Cash and cash equivalents at beginning of period</b>	<b>18,447</b>
<b>VI. Cash and cash equivalents at end of period</b>	<b>17,970</b>

## ■ Profit Distribution

(Unit: yen)

19th Period (Dec. 2015)	
Classification	Amount
Unappropriated retained earnings at the end of period	3,385,019,921
Reversal of reserve for reduction entry	37,347,034
Distributions	3,161,125,000
(Distributions per investment unit)	(2,500)
Provision of reserve for reduction entry	260,476,700
Earnings carried over to next period	7,652,550
<b>Outstanding investment units at the end of period</b>	<b>1,264,450 units</b>

\* Figures less than one million yen are rounded down.

# Financial Indicators

(Unit: million yen)

Financial indicators	Unit	15th Period (Dec. 2013)	16th Period (Jun. 2014)	17th Period (Dec. 2014)	18th Period (Jun. 2015)	19th Period (Dec. 2015)	Calculation method
EBITDA (Earnings before interest, tax and depreciation and amortization)	MN yen	5,090	5,420	5,467	5,657	6,035	Income before income taxes + (Interest expense + Interest expense on investment corporation bonds) + Depreciation and amortization
NOI (Net operating income)	MN yen	5,747	6,160	6,172	6,374	6,662	Rental revenue - rental expenses + Depreciation and amortization
FFO (Funds from operation)	MN yen	4,279	4,635	4,697	4,884	5,123	Net income + Depreciation and amortization - Net profit from sale of real estate
FFO per unit*1	yen	3,804	3,822	3,873	4,027	4,051	(Net income + Depreciation and amortization - Net profit from sale of real estate) / Number of outstanding investment units
AFFO (Adjusted funds from operation)	MNyen	3,503	4,076	4,282	4,093	4,487	FFO - Capital expenditures
AFFO Distribution payout ratio	%	79.2	73.8	71.0	75.7	70.4	(Total cash distribution amount ÷ AFFO) × 100
NAV (Net asset value)	MN yen	109,050	122,288	126,695	131,593	142,214	Period end total assets - Period end total liabilities - Period end real estate book value + Period end real estate appraisal value
NAV per unit*1	yen	96,955	100,835	104,469	108,508	112,471	NAV / Number of outstanding investment units
DSCR (Debt service coverage ratio)	times	6.3	6.9	7.1	7.3	8.1	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	1.1	1.2	Ordinary income / [(Period beginning total assets + period end total assets) / 2] × 100
(Reference) Annualized with following formula	%	(2.1)	(2.3)	(2.2)	(2.2)	(2.3)	Above x 365 days / Number of operating days
ROE	%	2.3	2.4	2.3	2.4	2.5	Net income / [(Period beginning net assets + period end net assets) / 2] × 100
(Reference) Annualized with following formula	%	(4.6)	(4.8)	(4.6)	(4.8)	(5.0)	Above x 365 days / Number of operating days
Equity to Total Assets	%	46.8	47.1	47.1	43.6	48.5	(Period end net assets / Period end total assets) × 100
LTV (based on period-end total assets)	%	48.6	48.2	48.2	51.6	46.4	(Period end interest-bearing debt / Period end total assets) × 100
LTV (based on period-end valuation gain/loss)	%	50.9	49.8	48.9	51.6	45.7	Period-end interest-bearing debt ÷ (Period-end total assets + Real estate valuation gain/loss) × 100
BPS (Book value per unit)*1	yen	107,324	108,017	108,042	108,089	109,025	Period end net assets / Number of outstanding investment units

\*1 A 5-for-1 split of investment units was implemented on January 1, 2014. In consideration of this split, the amount that is a fifth of the figure is indicated for per-unit indicators in 15th period and earlier.

\*2 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 19th 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.

## ■ Status of Investment Corporation Bonds (as of the end of 19th period)

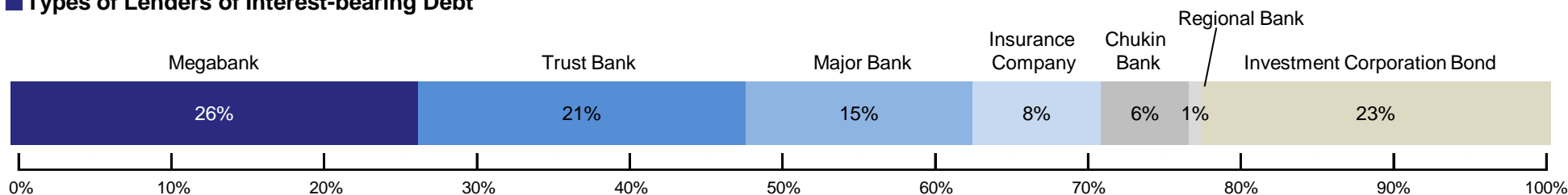
Investment Corporation Bond	Maturity date	Balance (million yen)	Interest rate	Period
3rd Series Unsecured Investment Corporation Bond	Nov. 4, 2016	5,000	1.01%	5 years
4th Series Unsecured Investment Corporation Bond	Nov. 2, 2018	2,000	1.40%	7 years
5th Series Unsecured Investment Corporation Bond	Nov. 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
<b>Investment Corporation Bond Total</b>		<b>30,000</b>		

## ■ Status of Commitment Line (as of the end of 19th period)

Lender	Established amount (million yen)	Term
Mizuho Bank, Ltd.	6,000	From January 30, 2015 to January 28, 2016
Mitsubishi UFJ Trust and Banking Corporation	5,000	
Sumitomo Mitsui Banking Corporation	3,000	
<b>Total Commitment Line</b>	<b>14,000</b>	

\* Commitment line has been renewed for January 27, 2017 as of today.

## ■ Types of Lenders of Interest-bearing Debt



Owner Classification	Investment Units				
	18th Period (Jun. 2015)		19th Period (Dec. 2015)		Composition change (%)
	Number of units	Composition (%)	Number of units	Composition (%)	
Financial Institutions and Securities Companies	840,898	69.3	901,171	71.3	2.0pt
Other Domestic Companies	115,816	9.5	116,944	9.2	-0.3pt
Foreign Companies, etc.	172,588	14.2	160,367	12.7	-1.5pt
Individuals	83,448	6.9	85,968	6.8	-0.1pt
<b>Total</b>	<b>1,212,750</b>	<b>100.0</b>	<b>1,264,450</b>	<b>100.0</b>	<b>-</b>

Unitholders				
18th Period (Jun. 2015)		19th Period (Dec. 2015)		Composition change (%)
Number of unitholders	Composition (%)	Number of unitholders	Composition (%)	
135	1.7	145	1.7	0pt
166	2.1	185	2.2	0.1pt
184	2.3	186	2.2	-0.1pt
7,363	93.8	7,949	93.9	0.1pt
<b>7,848</b>	<b>100.0</b>	<b>8,465</b>	<b>100.0</b>	<b>-</b>

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

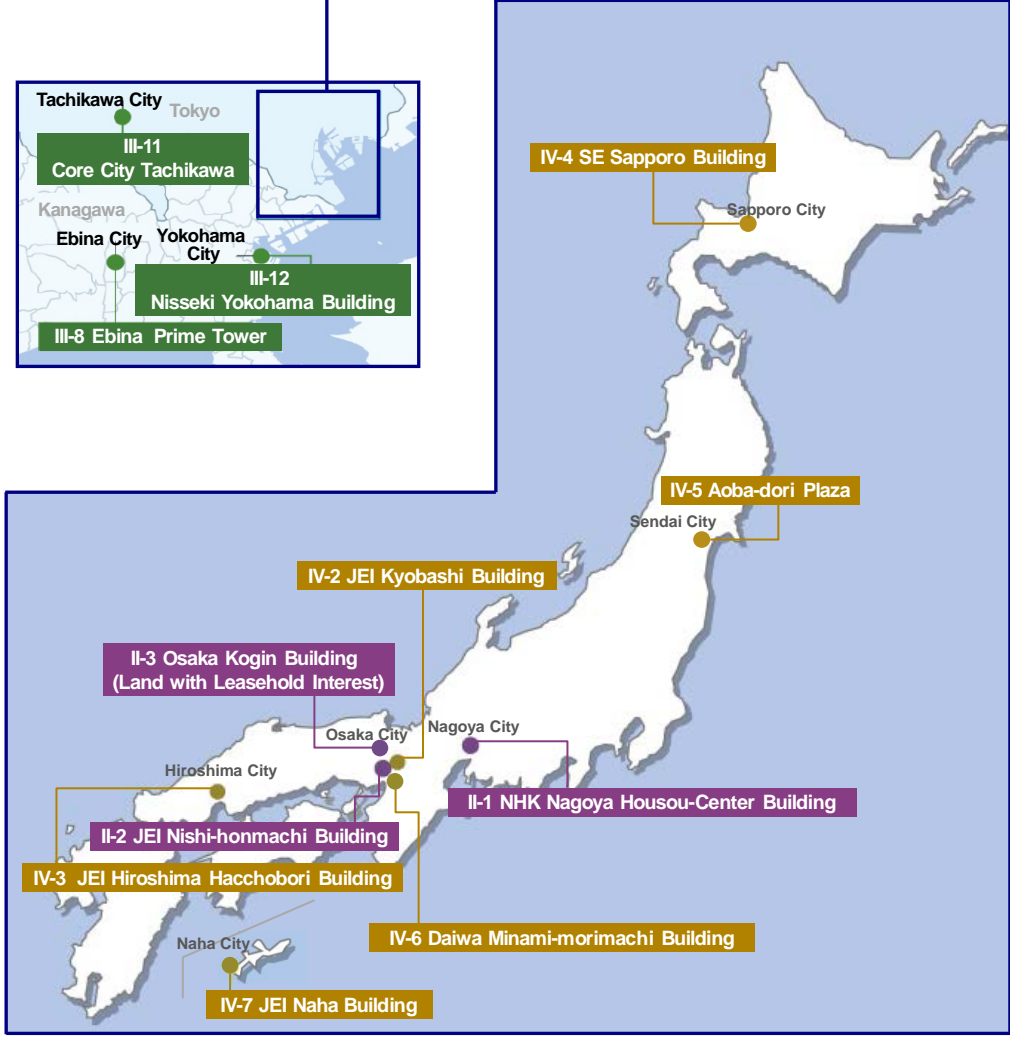
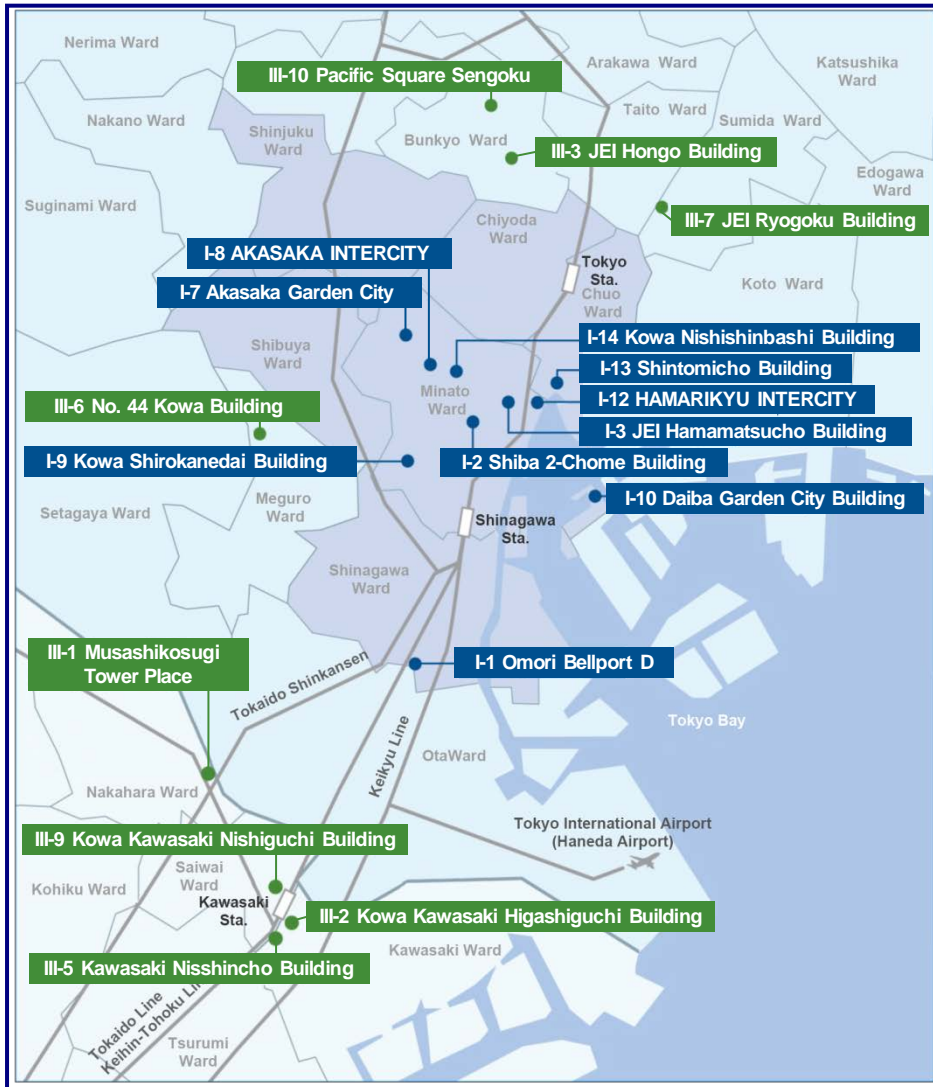
Rank	Name	Units	Composition ratio (%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	380,474	30.1%
2	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	109,889	8.7%
3	The Master Trust Bank of Japan, Ltd. (Trust Account)	89,253	7.1%
4	NIPPON STEEL KOWA REAL ESTATE CO., LTD.	71,560	5.7%
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	47,210	3.7%
6	The Dai-ichi Life Insurance Company, Limited	20,660	1.6%
7	STATE STREET BANK AND TRUST COMPANY 505223	18,217	1.4%
8	RBCISB A/C DUB NON RESIDENT/DOMESTIC RATE – UCITS CLIENTS ACCOUNT	14,000	1.1%
9	STATE STREET BANK–WEST PENSION FUND CLIENTS – EXEMPT 505233	12,817	1.0%
10	The Fuji Fire and Marine Insurance	12,400	1.0%
<b>Total</b>		<b>776,480</b>	<b>61.4%</b>

\*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	II-1	II-2	II-3
Type	Office	Office	Office	Office	Office	Office	Office	Other	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	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	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	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	July 1991	February 1988	-
Acquisition date	June 2006	June 2006	June 2006	March 2007	1. October 2007 2. February 2013	December 2010	February 2011	1. December 2011 2. February 2014	March 2012	March 2013	1. June 2006 2. March 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	5,610	6,673	1,770
Investment ratio (%)	8.2	3.4	3.0	8.5	10.2	1.7	4.0	6.9	0.6	1.4	2.0	2.4	0.6
Period-end Occupancy rate (%)	100.0	99.2	100.0	100.0	100.0	89.3	100.0	99.2	95.4	100.0	94.2	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	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.

# 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 Nishshincho 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 <sup>2</sup> )	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. 2006 2. Nov. 2006 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 (%)	5.0	4.0	2.0	1.7	0.4	0.9	2.3	11.6	0.6	2.4	8.9	1.2	1.0	2.0	0.8	1.6	0.5
Period-end Occupancy rate (%)	100.0	100.0	100.0	100.0	100.0	100.0	98.8	98.7	100.0	100.0	98.3	84.9	100.0	97.0	93.8	100.0	95.6
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.

