



Japan Excellent, Inc.

Ninth Period (ended December 2010)

Presentation Materials

Table of Contents

I. Highlights From the Period

- 1. Topics p. 3
- 2. Financial Results p. 4

II. Results and Approach Moving Forward

- 1. Management Discussion of the Environment p. 6
- 2. Overview of the Public Offering p. 7
- 3. Overview of Properties Bought and Sold
 - (1) Properties Bought p. 8
 - (2) Daiba Garden City Bldg p. 9
 - (3) Bought Kowa Shirokanedai Bldg and sold No. 36 Kowa Bldg p. 10
- 4. External Growth
 - (1) Leverage property acquisitions to grow and strengthen portfolio p. 11
 - (2) Policy for future property acquisitions p. 12
- 5. Internal Growth
 - (1) Maintain and raise occupancy rates p. 13
 - (2) Rent levels and rental revenue p. 14
 - (3) Future growth strategy p. 15
- 6. Financial Strategy
 - (1) Achievements p. 16
 - (2) Financial policy p. 17
- 7. Performance Forecasts p. 18
- 8. Future Growth Direction p. 19

Reference Materials

- Revenue, Expenses and NOI Yield by Property p. 21
- Portfolio Appraisal Value p. 22
- Statement of Income and Retained Earnings p. 23
- Balance Sheet p. 24
- Balance of Interest Bearing Debt by Source of Financing p. 25
- Statements of Cash Flow and Profit Distributions p. 26
- Financial Indicators p. 27
- Portfolio Overview (as of Feb. 4, 2011) p. 28
- Unitholders p. 31
- What Makes Japan Excellent, Inc. Unique p. 32
- Unit Price Performance and Overview of Japan Excellent Asset Management Co., Ltd. p. 33

I. Highlights From the Period

1. Topics

1. Shifted to external growth with ¥18.1bn in property acquisitions and ¥15bn PO

◆ Grew assets 7.8% by reshuffling portfolio under improving investment market

- Starting in the 9th Period, spent a total ¥18.1bn (average NOI yield: 5.6%^(※1)) buying the No 32 Kowa Bldg (30% share) and Kowa Shirokanedai Bldg from Kowa Real Estate^(※2) and the Daiba Garden City Bldg from SEKISUI HOUSE.
- The acquisitions^(※3) increase asset size by 7.8% and stabilize the portfolio.

◆ Raised ¥15bn through a public offering to secure buying capacity

- The PO lowers LTV from above 50%^(※4) to about 45%, securing buying capacity

Assets up ¥14,095mn or 7.8%

	End of 8 th Period	Post-acquisition
Total value (acquisition price)	¥181,023mn	¥195,118mn

LTV down to about 45%

	End of 8 th Period	Post-acquisition
LTV	49.0%	45.6%^(※)

(※) See page 16 for calculation methodology.

2. Worked with sponsors to strengthen and stabilize our portfolio

◆ Working with Kowa Real Estate, we reshuffled assets to strengthen the portfolio

- Sold No. 36 Kowa Bldg, left completely vacant after departure of sole tenant.
- Bought Kowa Shirokanedai Bldg (fully occupied with multiple tenants) to strengthen earnings.
- Maintained our portfolio occupancy rate and dispersed tenant departure risk.

◆ Forecast stabilized earnings under long-term fixed rent master lease with Sekisui House

- Signed 10-year fixed rent master lease for Daiba Garden City Bldg.
- Mitigates mid- to long-term risk of rent cuts and tenant departures

Area I (6 central wards) up 3.5%

	End of 8 th Period	Post-acquisition
Area I exposure	51.6%	55.1%

Avg. building age: 0.4 years younger

	End of 8 th Period	Post-acquisition
Average building age ^(※)	16.8 years	16.4 years

(※) End of 8th Period portfolio and post-acquisition portfolio values as of February 4, 2011.

3. Stabilized finances

◆ Stabilized finances with refinancing

- In the 8th Period, we issued bonds twice, raising a total ¥17bn. In the 9th Period, we refinanced part of a current floating rate loan (¥6bn) into a 7-year fixed rate long-term loan.

Fixed rates now more than 50% of debt

	End of 8 th Period	Post-acquisition
Fixed rate weight	44.2%	50.5%

(※1) Total net operating income used in earnings estimates applying the direct capitalization rates set forth in the relevant real estate appraisals divided by the total acquisition price.

(※2) Includes an SPC established at the behest of Kowa Real Estate.

(※3) "The Acquisitions" refers to the acquisition of No 32 Kowa Bldg, Kowa Shirokanedai Bldg and Daiba Garden City Bldg and the sale of the No 36 Kowa Bldg. "Post-acquisition" refers to the point in time when the acquisitions and sale under The Transaction have all been completed.

(※4) Numbers for the end of the 9th Period.

2. Financial Results

(Unit: Million Yen)

	8th Period	9th Period	Difference
1. Revenue	7,302	7,094	-208
Rental revenue	6,616	6,380	-235
Revenue for utilities expenses	510	555	45
Other rental revenue	175	158	-17
2. Operating expenses	4,050	4,040	-9
Property management fees	1,082	1,005	-76
Utilities expenses	582	649	67
Taxes	540	550	9
Repairs and maintenance	130	108	-22
Other expenses for rental operations	186	187	0
(NOI)	4,778	4,593	-185
Depreciation	992	993	0
(Profits from rental operations)	3,786	3,599	-186
Sales and administrative expenses	533	546	12
Operating income	3,252	3,053	-198
3. Other income	24	3	-21
4. Other expenses	909	838	-71
Income before income taxes	2,367	2,219	-148
Net income	2,366	2,218	-148
Distributions per unit (yen)	15,315	14,353	-962

Note: Amounts are rounded down.

Comparisons to the Previous Period

- ① Rental revenue declined 3%.
- ② Property management fees shrank.
- ③ Other expenses declined on lower market interest rates and the disappearance of one-time costs associated with bond issuances implemented in the 8th Period.

▼

Distributions per unit: ¥14,353 (down ¥962)

Comparisons to the initial Forecast

- ① Revenue was boosted by an earlier-than-planned acquisition of the No 32 Kowa Bldg and the acquisition of the Kowa Shirokanedai Bldg.
- ② Expenses were lower than planned.
- ③ Posted future borrowing costs this period on the early repayment of debt.

▼

¥14,353 DPU is ¥353 higher than initial guidance.

(Unit: Million Yen)

	Initial Forecast	Results	Difference
Revenue	7,063	7,094	30
Rental revenue, broken out	6,355	6,380	24
Expenses from rental operations	3,546	3,494	-51
NOI	4,507	4,593	86
Other expenses	800	838	37
Net income	2,163	2,218	54
Distributions per unit (yen)	14,000	14,353	353

II. Results and Approach Moving Forward

1. Management Discussion of the Environment

Economic Environment, Office Leasing Market, Real Estate Investment Market, Financial Markets

Economic Environment

- 9th Period** ♦ Corporate earnings are gradually recovering on the effects of economic stimulus measures implemented in Japan and the US and growth in emerging economies. This trend was helped by factors including the decision to extend tax cuts in the US and the settlement of Ireland's fiscal woes.
- Future** ♦ Concerns of a double dip recession should subside as corporate earnings and personal consumption continue to recover. Although this year's global economic growth forecast was revised upward, the risk remains that growth in emerging economies could be dampened by inflated commodity input costs driven by actual demand and geopolitical risks.

Office Leasing Market

- 9th Period** ♦ Vacancy rates in many areas rose only moderately as corporate cost cutting and office consolidation efforts have run their course.
- ♦ Upward trends in vacancy rates weakened in the broader Tokyo metropolitan area as well. The leasing market improved as tenants sought to increase office space or move to better locations and vacancy rates in large and centrally-located Tokyo buildings declined.
- ♦ In Osaka, Nagoya and other regional cities, vacancy rates remained at a plateau, but market rent levels continued to fall.
- Future** ♦ In the Tokyo metropolitan area, market rent levels should follow occupancy rates into a moderate recovery as tenants lease more space or move to larger office locations.
- ♦ In Osaka and Nagoya, demand for office space remains stagnant, and occupancy rates and market rent levels will continue their decline.

Real Estate Investment Market

- 9th Period** ♦ The real estate investment market is becoming more active as the financing environment improves and investors show an appetite to buy.
- ♦ Investors' anticipated yields trended flat in most areas as the correction entered its final phase.
- Future** ♦ The financing environment should continue to improve as demand for investing in real estate recovers. Real estate transactions should increase moderately, mainly driven by an upward swing in the office leasing market.

Financial Markets

- 9th Period** ♦ The Bank of Japan implemented the unconventional monetary policy of acquiring risk assets including REITs. Short term interest rates remained low as deflation persisted. Long term interest rates climbed upward in anticipation of economic expansion.
- Future** ♦ Driven by the need to stem deflationary pressures, the Bank of Japan will probably not tighten its monetary easing policies any time soon. Short term rates will remain flat and mid- to long-term rates could form a slightly steeper yield curve.

2. Overview of the Public Offering

- Taking advantage of an opportunity to buy properties for ¥18.1 billion, we implemented the public offering.
- The public offering raised a total of approximately ¥15 billion. (※1)
- The PO brings our LTV to about 45% and gives us the ability to fuel external growth through property acquisitions.

Number of units issued	General offering: 31,000 units Secondary offering under overallotment: 3,100 units
Unit issuance price	454,930 yen
Total amount of issuance	General offering: 13,608 million yen Secondary offering under overallotment: 1,360 million yen
Lock-up period	Issuer: 3 months from pay-in date of general offering Core sponsors: 6 months from pay-in date of general offering
Date issuance was approved	1/13/2011
Book-building period	1/20/2011 to 1/24/2011
Price fixing date	1/24/2011
Pay-in date	1/31/2011

	8th Period	9th Period	After PO
LTV	49.0%	50.4%	45.6% (※2)

(※1)Includes portion covered by green shoe option.

(※2)See page 16 for calculation methodology.

3. Overview of Properties Bought and Sold

(1) Properties Bought



	No 32 Kowa Bldg (acq'd add'l 30% share)	Kowa Shirokanedai Bldg	Daiba Garden City Bldg
Date of acquisition	October 29, 2010	December 24, 2010	February 4, 2011
Seller	Kowa Real Estate	KW Green First Y.K. (SPC established at the behest of Kowa Real Estate)	Sekisui House
Acquisition price	¥2,390 million(※1)	¥4,705 million	¥11,000 million
NOI yield (Appraisal)(※2)	6.0%	5.8%	5.5%
NOI yield (Forecasted)(※3)	5.0%	5.7%	5.4%
Total floor area	10,110.96㎡	7,374.74㎡	33,283.49㎡
Built	March 19, 1979	March 14, 1978	December 25, 2007
Location	5-2-32, Minami Azabu, Minato-ku, Tokyo	3-19-1, Shirokanedai, Minato-ku, Tokyo	2-3-5, Daiba, Minato-ku, Tokyo
Closest station	3-minute walk from Hiroo Station	6-minute walk from Meguro Station 7-minute walk from Shirokanedai Station	2-minute walk from Odaiba-kaihinkoen Station 5-minute walk from Tokyo Teleport Station
Property characteristics	<ul style="list-style-type: none"> • A rare find as an office • Acquiring the additional stake makes us the sole owner, enabling more efficient operations. 	<ul style="list-style-type: none"> • Competitive within its area, thanks to appropriate equipment and functional refurbishments to satisfy recent tenant needs. • Fully occupied as of the date of acquisition by an imported apparel company and broadcaster attracted to its location in Shirokanedai and the convenience of Meguro Station, which services two subway lines into central Tokyo and JR's Yamanote Station. 	<ul style="list-style-type: none"> • Only 3 years old. Built to high specs. Competitive for the Bayside area. • Stable profitability, thanks to a fixed rent 10-year master lease in place with Sekisui House

(※1) Acquisition price for the additional stake.

(※2) Annual NOI (net operating income used in earnings estimate using the direct capitalization rates provided in the relevant real estate appraisals) divided by the acquisition price.

(※3) Assumed NOI for the year in which the property was acquired (excluding extraordinary factors) divided by the acquisition price.

3. Overview of Properties Bought and Sold (2) Daiba Garden City Bldg



- Earnings: Contributes to stable earnings over mid- to long-term
→10-year fixed rent master lease agreement.
- Building: High-grade, newer, competitive building
→328 tsubo of open space, advanced building management system, 24-hour on-site management.
- Location: Central office and retail district in Daiba.
→Access to two directions.
To central Tokyo (Yurikamome Line)
To Tokyo Sub-center ; Shinjuku, Shibuya (Rinkai Line)

Overview of fixed rent master lease with Sekisui House

- Term of lease
10 years (February 4, 2011 through February 3, 2021)
- Leased space
12,122.85 m²
- Monthly lease amount
¥55,007,550 (¥15,000 per month per tsubo of leasable space)
(Property management fees and utilities to be borne by tenant)

I-10 Daiba Garden City Bldg	
Location	2-3-5, Daiba, Minato-ku, Tokyo
Total floor area	33,283.49m ² (※1)
Structure/No. of floors	S-SRC (steel and steel-reinforced concrete) 13 floors above ground, 2 floors underground
Built	December 25, 2007
Date of acquisition	February 4, 2011
Seller	Sekisui House
Acquisition price	¥11,000 million
Appraisal value (as of Dec. 15, 2010)	¥11,300 million
NOI yield(※2)	5.5%

(※1) Japan Excellent owns partial ownership rights to the building associated with this property. Japan Excellent has exclusive ownership of a portion comprising 16,853.15m² of the total floor area by way of the property trustee.

(※2) Annual NOI (net operating income used in earnings estimate using the direct capitalization rates provided in the respective real estate appraisals) divided by the acquisition price.

**① Stabilized earnings and
② mitigated tenant departure risk
By the support of our sponsor**

3. Overview of Properties Bought and Sold

(3) Bought Kowa Shirokanedai Bldg and sold No. 36 Kowa Bldg

- We sold the No 36 Kowa Bldg (completely vacant due to the departure of its sole tenant) to sponsor Kowa Real Estate
- We bought the Kowa Shirokanedai Bldg (fully occupied with multiple tenants) from Kowa Real Estate to solidify earnings and reduce our exposure to single-tenant buildings

About the Kowa Shirokanedai Bldg

- **Building:**
 - Leasable space is mostly rectangular.
 - Interior space has been renewed appropriately.
 - Floors accommodate office automation.
 - Multiple zone HVAC.
 - Mechanized security systems.
 - Competitive building for the Meguro/Shirokane area.
- **Location:**
 - A 6-minute walk from Meguro Station on the JR Yamanote Line and two subway lines.
 - Stands on Meguro-dori avenue and close to the on-/off-ramp of the Metropolitan Expressway (Meguro Line).
 - Very visible and convenient to transportation.



Advantages of asset sale

Decided to sell the property to one of our sponsors, Kowa Real Estate, after studying the advantages of holding versus selling and considering offers from multiple buyers.

Capital gain: ¥300 million



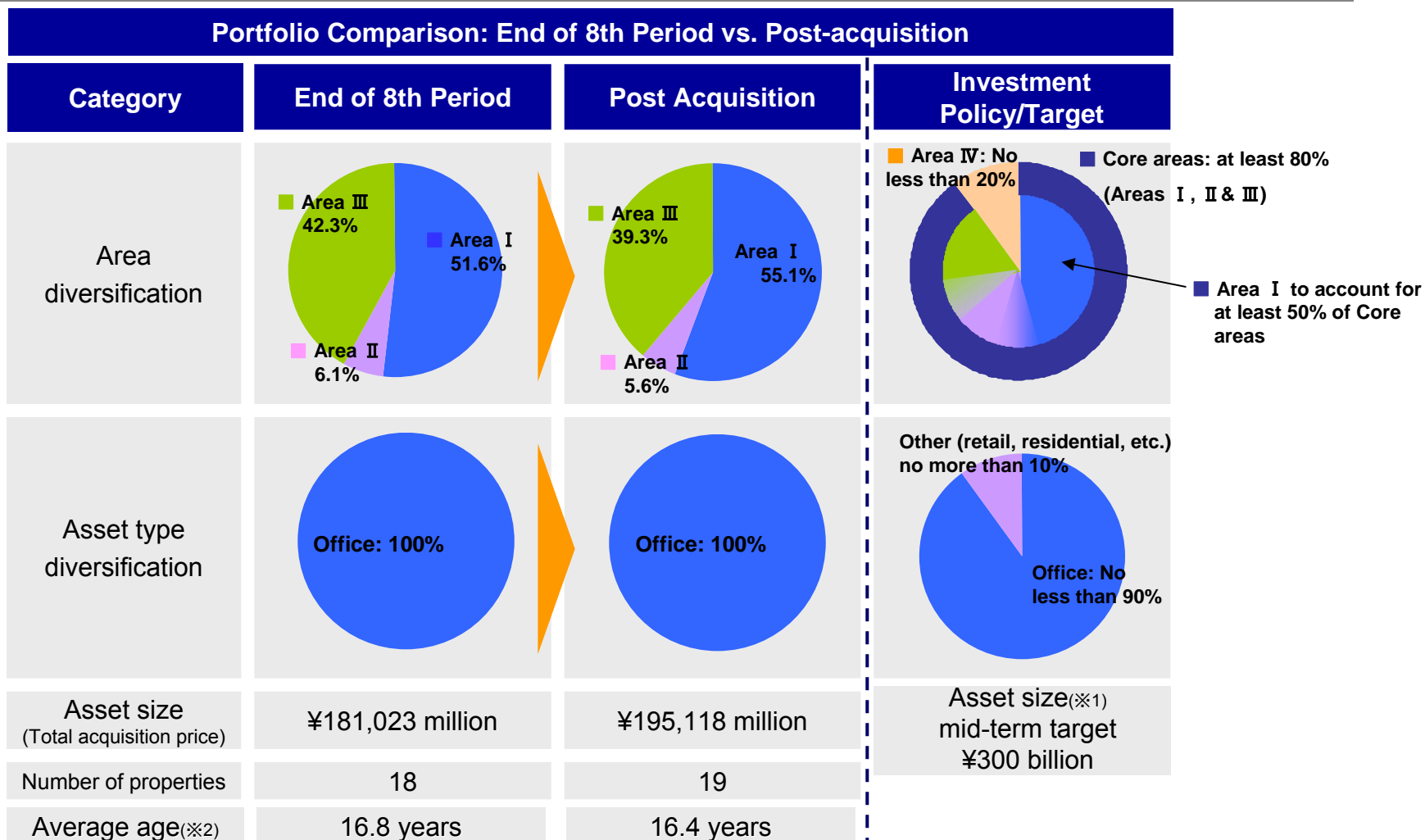
Kowa Shirokanedai Bldg	Item	No 36 Kowa Bldg
Shirokanedai, Minato-ku, Tokyo	Location	Sanban-cho, Chiyoda-ku, Tokyo
9 floors above/1 floor underground	Number of floors	7 floors above/1 floor underground
March, 1978	Built	September, 1982
7,374.74m ²	Floor area	8,266.55m ²
4,705 million yen	Acquisition price	4,000 million yen
274 million yen	Annual NOI (※1)	261 million yen
Multiple tenants. Fully occupied	Tenants	Sole tenant departed January 15, 2011

(※1) Annual NOI of the Kowa Shirokanedai Bldg is the amount of net operating income used in earnings estimate using the direct capitalization rates provided in the relevant real estate appraisal. The annual NOI of the No 36 Kowa Bldg is the sum of results from the 8th Period and 9th Period.

4. External Growth

(1) Leverage property acquisitions to grow and strengthen portfolio

- The post-acquisition portfolio size will be ¥195,118 million, up about 7.8% compared to the end of the 8th Period.
- Area I exposure rises from 51.6% to 55.1% on focused investment in central Tokyo.



(※1) Targets as of February 2011. May not be achievable depending on future events and market environment factors.

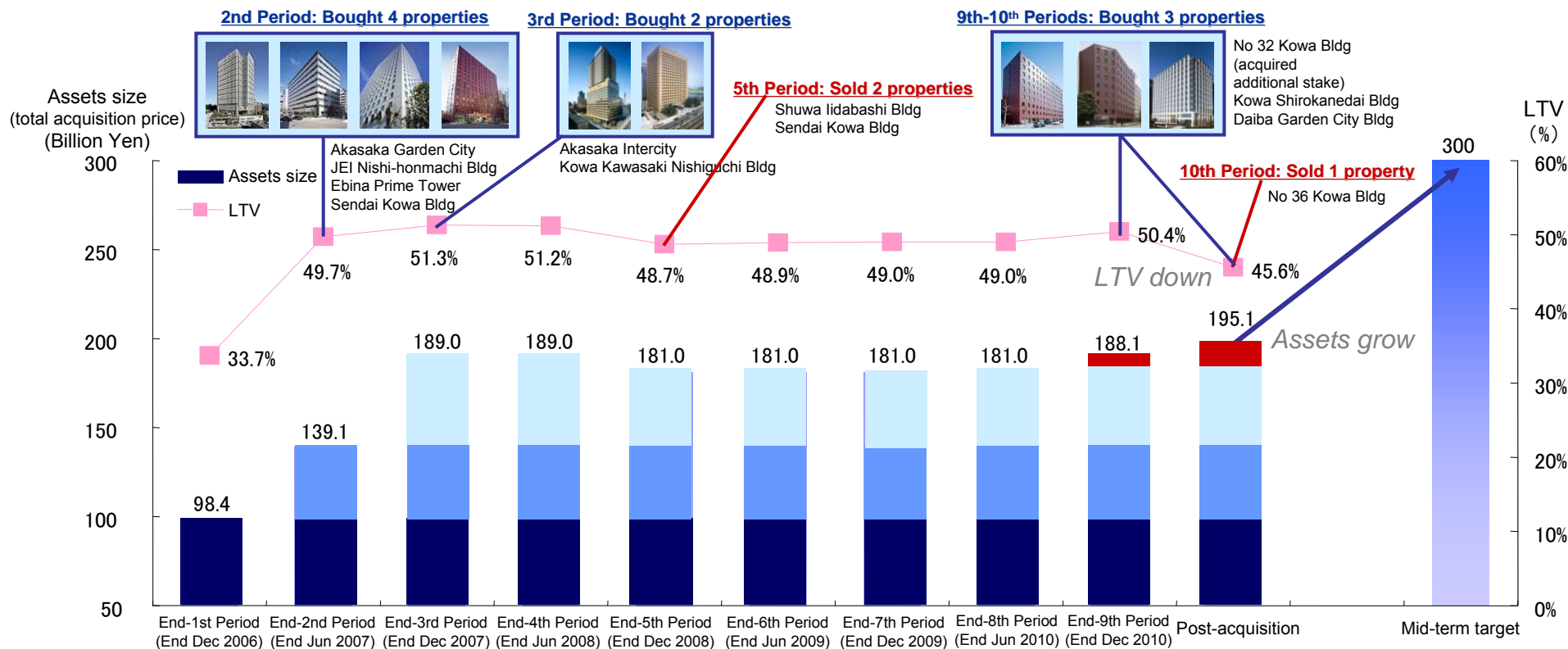
(※2) End of 8th Period and post-acquisition portfolio values as of February 4, 2011.

4. External Growth

(2) Policy for future property acquisitions

Future Investment Strategy

- Continue to leverage sponsor pipeline to acquire properties.
- Focus on the office buildings in the Tokyo metropolitan area, but consider other areas and asset types if neutral or accretive to yields.
- Build a strong portfolio that combines newer buildings having growth potential that are located in central Tokyo with middle grade buildings that generate attractive yields for some time.



Net income	¥1,856mn	¥2,239mn	¥2,420mn	¥2,661mn	¥3,155mn	¥2,442mn	¥2,485mn	¥2,366mn	¥2,218mn
DPU	¥13,773	¥16,614	¥15,663	¥17,218	¥20,418	¥15,802	¥16,085	¥15,315	¥14,353

(※1) Expressed in terms of acquisition price.

(※2) Besides from what is mentioned above, we acquired additional ownership stakes in the Kawasaki Nisshincho Bldg in the 1st and 5th Periods.

5. Internal Growth

(1) Maintain and raise occupancy rates

Historical and forecasted occupancy rates

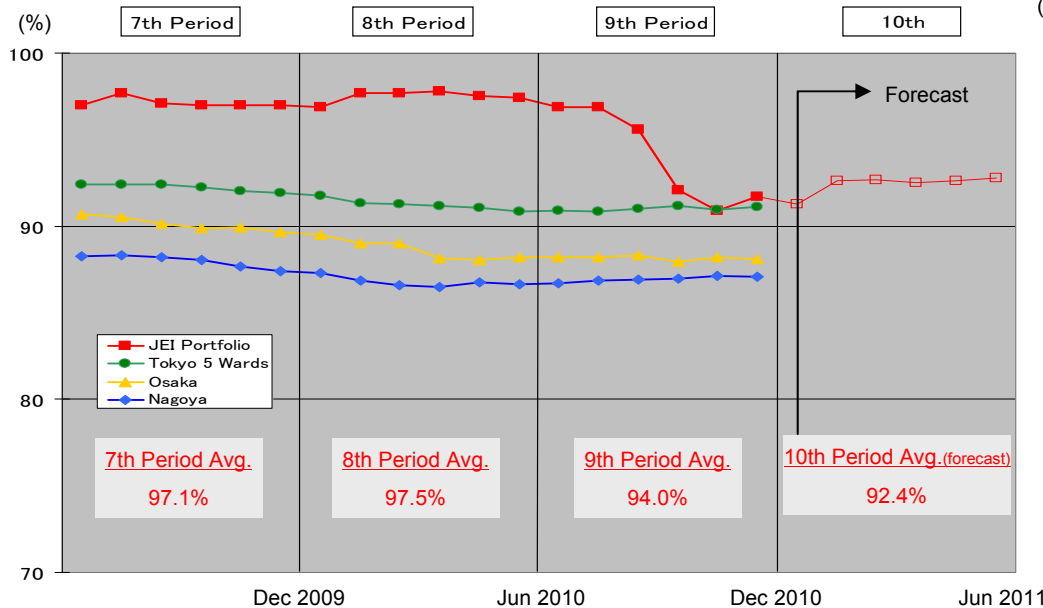
➤ In the 9th Period, the tenant departure rate higher due to departure of one of the major tenant. As a result, the period-end occupancy rate went from 97.4% to 91.7% (- 5.7%)

※Average occupancy rate during the period・・・8th Period:97.5%→9th Period:94.0%(-3.5%)

➤ In the 10th Period, we forecast tenant departure rate of 4.7%, but only 2.0% excluding the No 36 Kowa Bldg that was sold.

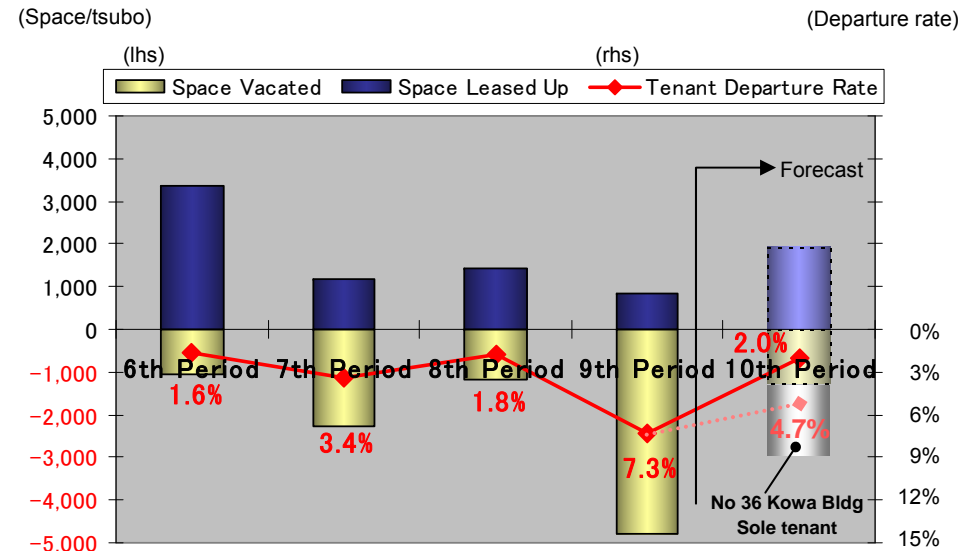
➤ Market occupancy rates appear to be reaching a bottom. We forecast our portfolio average occupancy rate in the 10th Period to be 92.4% (down 1.6% compared to the 9th Period).

Occupancy Rates—Market and JEI
Historical and Forecasted



Source: Prepared based on data from Miki Shoji

Tenant Departure Rates and Space Leased Up and Vacated
Historical and Forecasted



Note: Tenant departure rate = Space vacated by tenants over the period as a percentage of total leased space as of the end of the previous period.

5. Internal Growth

(2) Rent levels and rental revenue

Average rent levels and market rents—historical and forecasted

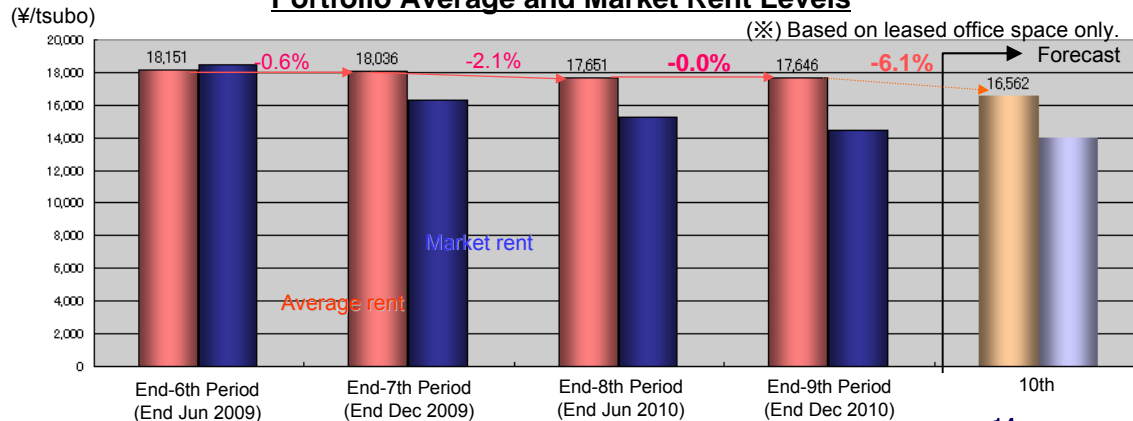
- **Average rent at the end of the 9th Period was nearly flat**
Rent levels remained flat because far less space qualified for rent revisions and the average rent revision was smaller.
- **Average rent will decline in the 10th Period as more space will be due for revision and the revision rate will be larger**
Although market rent declines had a relatively limited impact on our portfolio to date, in the 10th Period, we forecast a decline in average rent due to rent cuts mainly in our Akasaka and Kawasaki properties and lower asking rents aimed at bolstering our occupancy rate.
This will narrow the gap with market rents and limit future rent declines.

Rent Revisions—Historical and Forecasted

(※) Average rent revision: Average percentage change including rent kept at previous levels

	Space up for revision ※Percentage of leasable space in parentheses	Rent hikes ※[Amount of upward revision]	Rent unchanged	Rent cuts ※[Amount of downward revision]	Average revision
8th Period	21,609 tsubo (32%)	2% [+6.2%]	34%	64% [-8.0%]	[-5.1%]
9th Period	8,645 tsubo (13%)	4% [+1.8%]	50%	46% [-8.4%]	[-4.0%]
10th Period (Forecast)	24,736 tsubo (36%)	0% [-]	36%	64% [-14.4%]	[-9.3%]

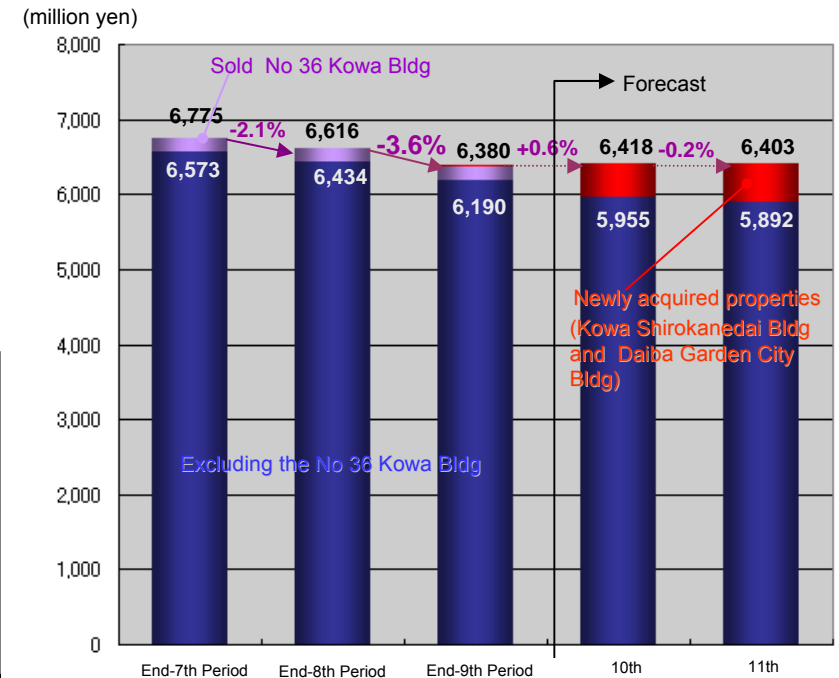
Portfolio Average and Market Rent Levels



Total rental revenue—historical and forecasted

- In the 9th Period, we maintained average rent, but total rental revenue fell 3.6% driven by lower occupancy with the departure of a major tenant.
- In the 10th Period, we forecast flat rental revenue as the negative effects of the tenant departure in the previous period and rent cuts are offset by portfolio rebalancing.
- In the 11th Period, we expect rental revenue to remain flat as rent cuts in some properties are offset by a limited recovery in our portfolio occupancy rate.

Total Rental Revenue and Percentage Change Vs. Previous



5. Internal Growth

(3) Future growth strategy

Fallout from the depressed leasing market to be felt in the 10th and 11th Periods

Efforts to maintain earnings in a harsh environment

10th Period

Maintain earnings in priority areas and properties

1. Akasaka and Kawasaki
 - Keep major tenants in place and strengthen strategic price-setting efforts
2. Ebina Prime Tower

11th Period

- Strengthen collaboration with Ebina City, a partner to our sponsors in the project
- Balance quickly filling space with large tenants with answering needs from smaller tenants.
- Lower property management costs

Efforts to cut property management costs

1. Lease up space and prevent departures by implementing flexible and strategic rent pricing.
2. Strengthen reviews of outsourcing costs (facilities, security, cleaning, etc.) and property management costs
3. Renovate properties as needed to enhance building competitiveness, tenant satisfaction and energy efficiency.

Growth and stability in the 12th Period and thereafter as the market recovers

12th Period and thereafter

1. Enhance the potential of the Kawasaki area
 - Major corporation moving their headquarters to Kawasaki, increasing international flights at Haneda Airport
2. Anticipate rent hikes at central Tokyo S-grade buildings
 - Recover earnings in our two Akasaka properties, where there is significant upside to rent levels

1. Bolster earnings by cutting costs
2. Maintain and enhance property competitiveness in terms of specifications and facilities

6. Financial Strategy

(1) Achievements

Increasing long-term debt and fixed rates as a percentage of total debt

- In the 8th Period, we issued bonds (¥17bn). In the 9th Period, we made a repayment of ¥6bn on a floating-rate loan due within one year and refinanced into a 7-year fixed rate loan.
- As a result we increased long-term loans, increased fixed rate borrowings and spread out our maturity schedule.
- As part of our acquisition of the Kowa Shirokanedai Bldg, on December 24, 2010, we took out a short-term revolving loan for ¥4.9bn, which we plan to repay using funds procured as part of the public offering implemented in January 2011.

【Interest Bearing Debt】

(Unit: million yen)

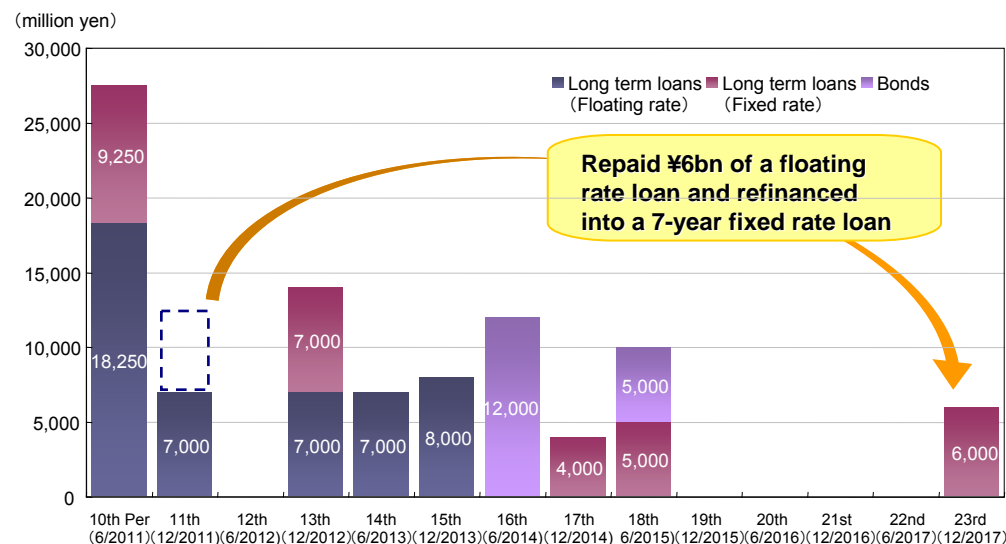
	8th Period	9th Period	10th Period After PO and after repaying short term loan
Interest bearing debt	95,500	100,400	95,500
Short term loans	0	4,900	0
※1	(0.0%)	(5.9%)	(0.0%)
Long term loans	78,500	78,500	78,500
※1	(100.0%)	(94.1%)	(100.0%)
Investment corporation bonds	17,000	17,000	17,000
Period-end LTV (total assets)	49.0%	50.4%	45.6% ※2
Fixed rate percentage	44.2%	48.1%	50.5%
Average rate at period-end	1.40%	1.36%	1.39%
Short term loans	-	0.78%	-
Long term loans	1.39%	1.38%	1.38%
Bonds	1.45%	1.45%	1.45%
Average remaining debt maturity	2.46 years	2.23 years	2.17 years

※1 () In parentheses as a percentage of total borrowings

※2 Calculated using ¥209,555 million as total assets. (¥209,555 million = 9th Period-end total assets of ¥199,186 million + ¥14,969 million in funds raised through a public offering (including a third party allocation of 3,100 units upon the exercise of a green shoe option) + ¥300 million capital gain from the sale of the No 36 Kowa Bldg - ¥4,900 million for repaying short term loan)

【Debt Maturity Schedule】

※After repaying a ¥4.9bn short term loan



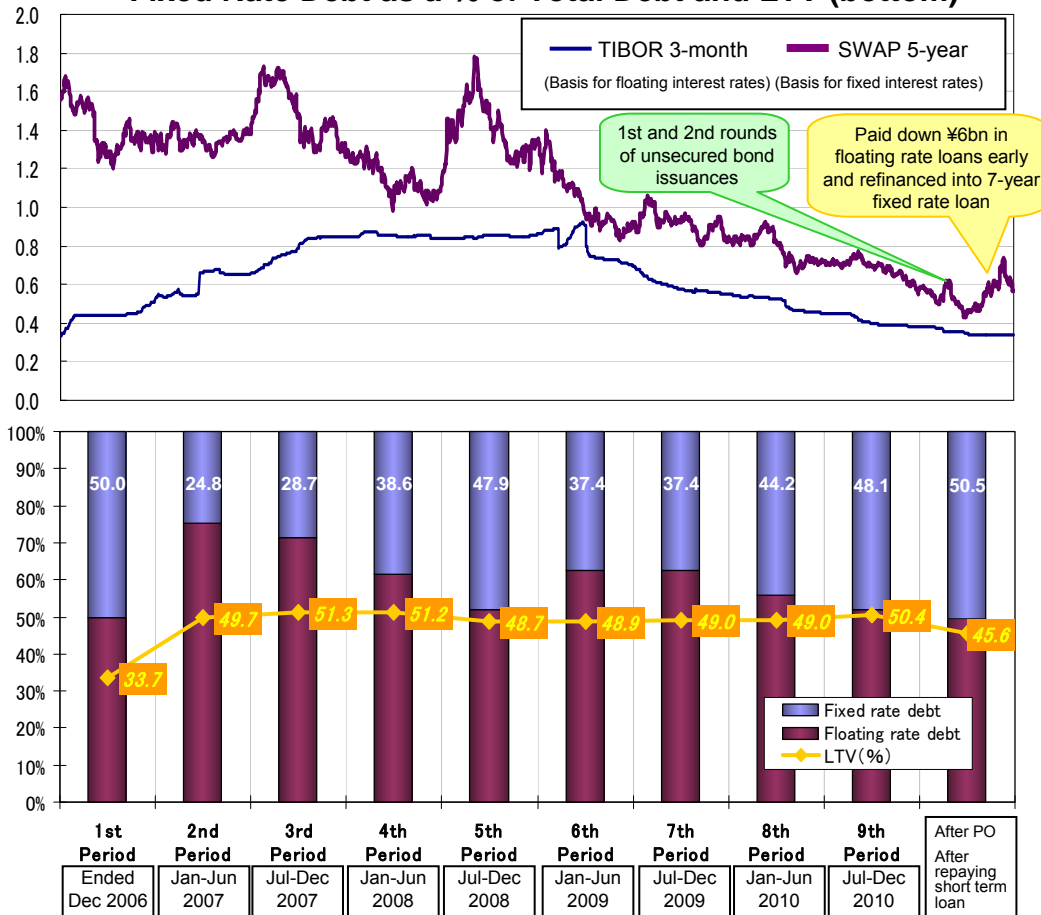
6. Financial Strategy

(2) Financial policy

Stay with stable financial operations and keep or improve borrowing capacity

- Seize opportunities to fix rates (incl bond issuances)
- Move to longer-term debt, spread out maturity ladder
- Keep LTV stable basically between 35% and 50%
- Diversify our lending base

Interest Rates Since Listing (top) and Fixed Rate Debt as a % of Total Debt and LTV (bottom)



◆ Financial operations to date

- Maintained a certain percentage of floating rate loans based on the expectation that interest rates will continue to decline while preserving a normal yield curve under the Bank of Japan's continued low interest rate policies.

◆ Financial operations moving forward

- Seize opportunities to lock in low interest rates on mid- to long-term debt and gradually expand fixed rates as a percentage of total debt.

Acquired the following ratings from two ratings agencies to enable issuance of investment corporation bonds and promote our creditworthiness in financial and capital markets.

■ Ratings as of December 31, 2010

Ratings agency	Rating (Outlook)
Moody's Japan	Issuer rating: A3 (negative)
Rating and Investment Information Inc. (R&I)	Issuer rating: AA- (stable) Individual debt rating: AA- (※)

(※) Rating on our first and second issuances of investment corporation bonds

7. Performance Forecasts

(Unit: million yen)

	9th Period	10th Period		11th Period	
	Actual	Forecast	Vs. Previous	Forecast	Vs. Previous
Revenue	7,094	7,056	-37	7,097	40
Rental revenue	6,380	6,418	38	6,403	-14
Revenue for utilities expenses	555	470	-84	527	56
Other revenue	158	166	8	166	0
Expenses from rental operations	3,494	3,615	121	3,602	-12
Property management fees	1,005	1,019	13	997	-21
Utilities expenses	649	579	-70	632	53
Repair and maintenance	108	128	19	125	-2
(NOI)	4,593	4,513	-79	4,581	67
Depreciation	993	1,072	79	1,086	14
Profit from rental operations	3,599	3,441	-158	3,494	53
Capital gains on real estate		300	300		-300
Operating income	3,053	3,126	72	2,895	-230
Other expenses	838	863	25	782	-81
Income before income taxes	2,219	2,264	45	2,114	-150
Net income	2,218	2,263	45	2,113	-150
Distributions per unit (yen)	14,353	12,000	-2,353	11,200	-800
Number of units outstanding	154,550	188,650	34,100	188,650	

※The 10th Period total revenue forecast is ¥7,356 million, comprising ¥7,056 in revenue from rental operations and a ¥300 million capital gain on the sale of real estate.

Salient points from our forecasts for the 10th Period (Jun 2011) and 11th Period (Dec 2011)

【10th Period】

- Cover rental revenue declines in existing properties with newly acquired properties
- Profit down after selling the No 36 Kowa Bldg
- Book ¥300 million in capital gains on the sale of the No 36 Kowa Bldg

【11th Period】

- Profit from real estate operations is forecasted to increase ¥53 million on a full-period contribution from the Daiba Garden City Bldg acquired in the 10th Period
- Net income is forecast to decline on the disappearance of one-time factors booked in the 10th Period (property sale and public offering)

8. Future Growth Direction

2006 *Listed*

2008 *Lehman Shock: Focused on internal growth and financial strategy by maintaining revenue in existing properties and issuing investment corporation bonds*

2010~ *Upturn in finance and investment environment: Shifted to external growth with our first public offering in 3.5 years*

2011~ Continue to work with our sponsors to expand and bolster our portfolio with property acquisitions

Until real estate leasing market prices recover, focus on external growth leveraging our borrowing capacity, cut costs in rental operations and stabilize our finances.

As the economy recovers, leverage synergies between external growth, internal growth and financial strategy to grow DPU and stabilize earnings.

Mid-term target: ¥300bn asset size

Reference Materials

Revenue, Expenses and NOI Yield by Property

(Unit: Million yen)

9 th Period	Area I									Area II		Area III									Total
	I-1	I-2	I-3	I-4	I-5	I-6	I-7	I-8	I-9	II-1	II-2	III-1	III-2	III-3	III-5	III-6	III-7	III-8	III-9		
	Omori	Shiba 2-chome	Hama-matsu-cho	32 Kowa	36 Kowa	28 Kowa	Akasaka Garden City	AKASAKA INTERCITY	Kowa Shiro-kanedai	NHK Nagoya	Nishi-Honmachi	Musashi-Kosugi	Kawasaki Higashi-guchi	Hongo	Kawasaki Nishin-cho	44 Kowa	Ryogoku	Ebina	Kawasaki Nishi-guchi		
Revenue	1,024	368	297	235	-	148	565	326	8	307	240	827	-	177	225	93	111	406	999	7,094	
Rental revenue	963	367	282	221	-	134	530	294	7	-	215	706	-	163	223	83	100	362	900	6,506	
Other revenue	60	0	15	13	-	13	34	32	0	-	25	121	-	13	1	10	11	43	98	587	
Operating expenses	500	129	101	76	-	55	166	144	5	183	151	379	-	64	95	42	58	353	600	3,494	
Property management	139	44	19	29	-	19	45	16	2	53	40	107	-	14	37	14	19	150	141	1,005	
Utilities	142	0	16	13	-	12	25	32	-	26	25	84	-	8	-	7	11	60	108	649	
Property taxes	84	31	19	15	-	8	34	18	0	21	29	61	-	10	16	5	8	46	80	550	
Insurance	2	1	0	0	-	0	0	0	0	0	0	2	-	0	0	0	0	2	3	20	
Repair and maintenance	4	11	2	4	-	1	-	0	-	10	4	20	-	2	6	5	0	13	8	108	
Other expenses	4	3	14	2	-	1	4	34	0	30	2	8	-	1	1	1	1	7	17	166	
Depreciation and amortization	123	37	27	10	11	11	55	41	3	39	47	94	89	26	33	7	16	73	240	993	
Total rental income	523	238	196	158	119	92	398	182	2	124	89	448	224	113	129	51	53	52	398	3,599	
NOI	646	275	223	169	131	104	454	224	6	163	137	542	314	140	163	59	70	126	639	4,590	
Number of operating days	184	184	184	184	184	184	184	184	8	184	184	184	184	184	184	184	184	184	184	184	
Acquisition price	22,553	9,450	8,350	7,430	4,000	2,859	23,300	17,857	4,705	4,300	6,674	13,890	10,976	5,400	4,205	1,150	2,550	6,470	32,000	188,118	
Compared with previous period	9th period NOI yield (annualized)	5.7%	5.8%	5.3%	5.7%	6.5%	7.2%	3.9%	2.5%	5.9%	7.5%	4.1%	7.7%	5.7%	5.1%	7.7%	10.3%	5.5%	3.9%	4.0%	5.0%
	8th period NOI yield (annualized)	6.4%	6.0%	5.3%	6.1%	6.6%	7.0%	3.9%	2.6%	-	8.4%	3.8%	7.7%	5.8%	5.0%	8.3%	6.3%	5.7%	7.2%	4.4%	5.3%
	Difference	-0.7%	-0.2%	0.0%	-0.4%	-0.1%	0.2%	0.0%	-0.1%	-	-0.9%	0.3%	0.0%	-0.1%	0.1%	-0.6%	4.0%	-0.2%	-3.3%	-0.4%	-0.3%

Note: 1. Figures are rounded down to the nearest million. "Acquisition price" are rounded off less than one million yen.

2. Ratios are rounded to the nearest decimal point.

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

4. Details concerning revenue and expenses for 36 Kowa and Kawasaki Higashiguchi are not released because we are not able to receive authorization from tenants.

5. Details concerning rental revenue for NHK Nagoya are not released because we are not able to receive authorization from the business partner.

	Area I total	Area II total	Area III total
NOI	2,236	300	2,056
Acquisition price	100,504	10,974	76,641
9th period NOI yield (annualized)	4.7%	5.4%	5.3%
8th period NOI yield (annualized)	4.9%	5.6%	5.8%
Difference	-0.2%	-0.2%	-0.5%

Portfolio Appraisal Value

(Unit: Million yen)

Property number	Area	Evaluation Name	Acquisition price	Appraisal value		Difference (2-1)		Book Value at end of FP9 (3)	Difference (2-3)		Direct reduction Reduced yield		Difference (5-4)	Appraisal organization	
				End of FP8 (1)	End of FP9 (2)		%			%	End of FP8 (4)	End of FP9 (5)			%
I-1	I	Omori Bellport D	22,553	24,780	24,790	10	0.0%	22,154	2,635	11.9%		5.0%	5.0%	0.0%	Chuo Real Estate Appraisal Co., Ltd.
I-2		Shiba 2-Chome Building	9,450	11,500	11,400	▲ 100	-0.9%	9,256	2,143	23.2%	Office 5.1% Residence 5.8%	Office 5.1% Residence 5.7%	Office 0.0% Residence -0.1%	Japan Real Estate Institute	
I-3		JEI Hamamatsucho Building	8,350	8,900	8,370	▲ 530	-6.0%	8,232	137	1.7%	4.6%	4.6%	0.0%	Japan Real Estate Institute	
I-4		No. 32 Kowa Building (70%)	5,040	5,356	5,211	▲ 144	-2.7%	4,979	232	4.7%	5.9%	5.7%	-0.2%	Chuo Real Estate Appraisal Co., Ltd.	
I-5		No. 36 Kowa Building	4,000	4,030	3,953	▲ 77	-1.9%	3,999	▲ 46	-1.2%	5.2%	5.3%	0.1%	Chuo Real Estate Appraisal Co., Ltd.	
I-6		No. 28 Kowa Building	2,859	3,390	2,880	▲ 510	-15.0%	2,824	55	2.0%	5.8%	5.7%	-0.1%	Japan Real Estate Institute	
I-7		Akasaka Garden City	23,300	21,300	18,600	▲ 2,700	-12.7%	22,988	▲ 4,388	-19.1%	4.2%	4.2%	0.0%	Japan Real Estate Institute	
I-8		Akasaka INTERCITY	17,857	13,300	13,100	▲ 200	-1.5%	17,615	▲ 4,515	-25.6%	4.0%	4.0%	0.0%	Japan Real Estate Institute	
II-1	II	NHK Nagoya Housou Center Building	4,300	4,800	4,640	▲ 160	-3.3%	4,221	418	9.9%	5.7%	5.7%	0.0%	Japan Real Estate Institute	
II-2		JEI Nishi-Honmachi Building	6,674	4,650	4,540	▲ 110	-2.4%	7,548	▲ 3,008	-39.9%	5.4%	5.4%	0.0%	Japan Real Estate Institute	
III-1	III	Musashikosugi Tower Place	13,890	16,200	16,200	0	0.0%	13,281	2,918	22.0%	5.4%	5.4%	0.0%	Japan Real Estate Institute	
III-2		Kowa Kawasaki Higashiguchi Building	10,976	9,940	9,250	▲ 690	-6.9%	10,481	▲ 1,231	-11.7%	5.1%	5.1%	0.0%	Japan Valuers Co., Ltd.	
III-3		JEI Hongo Building	5,400	5,160	4,990	▲ 170	-3.3%	5,271	▲ 281	-5.3%	4.7%	4.7%	0.0%	Japan Valuers Co., Ltd.	
III-5		Kawasaki Nisshincho Building	4,205	5,230	5,230	0	0.0%	4,148	1,081	26.1%	5.7%	5.7%	0.0%	Japan Real Estate Institute	
III-6		No. 44 Kowa Building	1,150	1,480	1,520	40	2.7%	1,014	505	49.8%	6.3%	6.1%	-0.2%	Japan Real Estate Institute	
III-7		JEI Ryogoku Building	2,550	2,182	2,132	▲ 50	-2.3%	2,428	▲ 296	-12.2%	5.6%	5.7%	0.1%	Chuo Real Estate Appraisal Co., Ltd.	
III-8		Ebina Prime Tower	6,470	4,360	4,090	▲ 270	-6.2%	6,321	▲ 2,231	-35.3%	6.4%	6.4%	0.0%	Japan Real Estate Institute	
III-9		Kowa Kawasaki Nishiguchi Building	32,000	27,300	25,700	▲ 1,600	-5.9%	31,013	▲ 5,313	-17.1%	5.1%	5.1%	0.0%	Japan Valuers Co., Ltd.	
Total			181,023	173,858	166,596	▲ 7,261	-4.2%	177,780	▲ 11,184	-6.3%					
I-4	I	No. 32 Kowa Building (30%)	2,390	-	2,233	-	-	2,413	▲ 179	-7.4%			5.7%		Chuo Real Estate Appraisal Co., Ltd.
I-9	I	Kowa Shirokanedai Building	4,705	-	4,950	-	-	4,860	89	1.8%			5.3%		Japan Real Estate Institute
Garand Total			188,118	-	173,780	-	-	185,054	▲ 11,274	-6.1%					
Area I Total			100,504	92,556	95,488	2,932	3.2%	99,323	▲ 3,835	-3.9%					
Area II Total			10,974	9,450	9,180	▲ 270	-2.9%	11,769	▲ 2,590	-22.0%					
Area III Total			76,641	71,852	69,112	▲ 2,740	-3.8%	73,961	▲ 4,849	-6.6%					

Note: 1. Total yield by area was calculated using weighted averages and rounding to the nearest decimal point.

2. "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, and Japan Valuers as of end of period based on Japan Excellent's rules and the regulations stipulated by the Investment Trusts Association of 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.

Statement of Income and Retained Earnings

(Unit: Million yen)

	8th period	%	9th period	%	Difference	Difference by %
1. Revenue	7,302	100.0	7,094	100.0	▲ 208	▲ 2.9
Rental revenue	6,746		6,506		▲ 239	
Other rental revenue	556		587		31	
2. Operating expenses	4,050	55.5	4,040	57.0	▲ 9	▲ 0.2
Property management cost and fees	1,082		1,005		▲ 76	
Utilities	582		649		67	
Property taxes	540		550		9	
Insurance	21		20		▲ 0	
Repairs and maintenance	130		108		▲ 22	
Other	165		166		0	
Depreciation	992		993		0	
Total operating expenses	3,516		3,494		▲ 22	▲ 0.6
Total rental income	3,786		3,599		▲ 186	▲ 4.9
Asset management fees	414		416		1	
Other	119		129		10	
Operating income	3,252	44.5	3,053	43.0	▲ 198	▲ 6.1
3. Other expenses	24	0.3	3	0.1	▲ 21	▲ 84.3
Interest income	3		2		▲ 0	
Other	21		1		▲ 20	
4. Other expenses	909	12.4	838	11.8	▲ 71	▲ 7.8
Interest expense	635		546		▲ 88	
Loan relating fees	196		157		▲ 39	
Interest expense on Investment Corporation Bonds	55		124		69	
Amortization of Investment Corporation Bond Issuance Costs	5		9		4	
Other	16		0		▲ 16	
Income before income taxes	2,367	32.4	2,219	31.3	▲ 148	▲ 6.3
Net income before taxes	2,367	32.4	2,219	31.3	▲ 148	▲ 6.3
Income taxes- current	0		1		0	
Income taxes- deferred	0		▲ 0		▲ 0	
Net income	2,366	32.4	2,218	31.3	▲ 148	▲ 6.3
Retained earnings at beginning of period	0		0		▲ 0	
Retained earnings at end of period	2,366		2,218		▲ 148	

Note: Figures under 1 million yen are rounded down. Ratios are rounded to the nearest decimal point.

Balance Sheet

(Unit: Million yen)

Assets					Liabilities and unitholders' equity						
	8th period		9th period		Difference		8th period		9th period		Difference
Assets		%		%		Liabilities		%		%	
I. Current assets	15,717	8.1	13,720	6.9	▲ 1,997	I. Current liabilities	28,666	14.7	40,626	20.4	11,960
Cash and cash equivalents	3,742		2,290		▲ 1,452	Accounts payable-trade	467		584		116
Cash and cash equivalents (as trust accounts)	11,407		10,861		▲ 545	Short-term debt	27,500		39,400		11,900
Rental receivables	464		432		▲ 31	Accounts payable-other	333		356		22
Other	103		135		31	Unpaid consumption taxes	61		4		▲ 56
						Other	304		281		▲ 23
II. Fixed assets	178,912	91.9	185,395	93.1	6,482	II. Long-term liabilities	76,654	39.4	69,287	34.8	▲ 7,367
1. Property and equipment	169,869	87.3	176,489	88.6	6,620	Investment corporation bond	17,000		17,000		—
Real estate	3,023		3,023		▲ 0	Long-term debt	51,000		44,000		▲ 7,000
Real estate (as trust accounts)	166,832		173,453		6,620	Security deposits from tenants	442		428		▲ 13
Construction in progress	13		13		▲ 0	Security deposits from tenants (as trust accounts)	8,212		7,859		▲ 353
2. Intangible assets	8,565	4.4	8,565	4.3	▲ 0	Total liabilities	105,321	54.1	109,914	55.2	4,592
Leasehold rights	1,185		1,185		—	Unitholders' equity					
Leasehold rights (as trust accounts)	7,380		7,380		—	I. Unitholders' capital	89,449	45.9	89,301	44.8	▲ 148
Other	0		0		▲ 0	1. Unitholders' capital	87,083	44.7	87,083	43.7	—
3. Investments and other assets	477	0.2	339	0.2	▲ 137	2. Retained earnings	2,366		2,218		▲ 148
Security deposits	15		15		—	Unappropriated retained earnings	2,366	1.2	2,218	1.1	▲ 148
Long-term prepaid expenses	404		262		▲ 142	II. Valuation and translation adjustments	▲ 60	▲ 0.0	▲ 28	▲ 0.0	31
Other	57		62		4	Loss on differed hedge	▲ 60		▲ 28		31
III. Deferred assets	80	0.0	70	0.0	▲ 9	Total unitholders' equity	89,389	45.9	89,272	44.8	▲ 117
Deferred Investment Corporation Bond Issuance Costs	80		70		▲ 9	Total liabilities and unitholders' equity	194,710	100.0	199,186	100.0	4,475
Total assets	194,710	100.0	199,186	100.0	4,475						

Note: Figures under 1 million yen are rounded down. Ratios are rounded to the nearest decimal point.

Balance of Interest Bearing Debt by Source of Financing

(Unit: Million yen)

Lenders	Interest-Bearing Debts	As a percentage of all borrowings	As a percentage of all interest-bearing debt
Mizuho Corporate Bank, Ltd.	23,738	28.5%	23.6%
Mitsubishi UFJ Trust and Banking Corporaiton	16,138	19.4%	16.1%
Development Bank of Japan Inc.	10,000	12.0%	10.0%
The Dai-ichi Life Insurance Company, Limited	8,000	9.6%	8.0%
Mizuho Trust & Banking Co., Ltd.	6,415	7.7%	6.4%
Sumitomo Mitsui Banking Corporation	6,276	7.5%	6.2%
The Norinchukin Bank	5,100	6.1%	5.1%
Sompo Japan Insurance Inc.	2,000	2.4%	2.0%
Aozora Bank, Ltd.	1,615	1.9%	1.6%
Chuo Mitsui Trust and Banking Co., Ltd.	1,615	1.9%	1.6%
Resona Bank, Ltd.	1,500	1.8%	1.5%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000	1.2%	1.0%
Loan Total	83,400	100.0%	(83.1%)
1st Series Unsecured Investment Corporation Bond	12,000	/	11.9%
2nd Series Unsecured Investment Corporation Bond	5,000		5.0%
Investment Corporation Bond Total	17,000		(16.9%)
Total	100,400		100.0%

: Sponsor companies of the asset management company.

Statements of Cash Flow and Profit Distributions

Cash flow statement

Classification	Amount
I. Cash flow from operating activities	3,288
Income before income taxes	2,219
Depreciation and amortization	993
Decrease in unpaid consumption taxes	▲ 56
Interest expense	▲ 663
Other	796
II. Cash flow from investing activities	▲ 7,821
Purchases of property and equipment	▲ 7,453
Net payments for security deposits	▲ 367
III. Cash flow from financing activities	2,534
Repayment of short-term loans	4,900
Proceeds from long-term debt	6,000
Repayment of long-term debt	▲ 6,000
Distributions to unitholders	▲ 2,365
IV. Net Decrease in cash and cash equivalents	▲ 1,997
V. Cash and cash equivalents at beginning of period	15,149
VI. Cash and cash equivalents at end of period	13,151

Note: Figures under 1 million yen are rounded down.

Profit distribution

Classification	Amount
Retained earnings at end of period	2,218,333,041
Distributions	2,218,256,150
(Distributions per investment unit)	14,353
Earnings carried over to next period	76,891
Outstanding investment units	154,550units

Financial Indicators

Financial indicators	Calculation method	Unit	8th period	9th period
EPS (Earnings per share)	Net income / total units outstanding	yen	15,314	14,353
EBIT (Earnings before interest and tax)	Earnings before taxes + (Interest expense + Interest expense on Investment Corporation Bonds)	MM yen	3,058	2,890
EBITDA (Earnings before interest, tax and depreciation and amortization)	Earnings before taxes + (Interest expense + Interest expense on Investment Corporation Bonds) + Depreciation and amortization	MM yen	4,050	3,883
NOI (Net operating income)	Rental revenue - rental expenses + Depreciation and amortization	MM yen	4,778	4,593
NCF (Net cash flow)	NOI-Capital expenditures	MM yen	4,530	4,264
FFO per unit	(Net Income+Depreciation and Amortization-net profit of disposal) / Total units outstanding	yen	21,737	20,780
DSCR (Debt service coverage ratio)	Net income before interest and taxes / (Interest expense + Interest expense on Investment Corporation Bonds)	multiple	4.4	4.3
ROA	Income before income taxes / [(Period beginning total assets + period end total assets) / 2] x100	%	1.2	1.1
(Reference) Annualized with following formula	Above x 365 days / number of operating days	%	2.5	2.2
ROE	Net income / [(Period beginning net assets + period end net assets) / 2]x100	%	2.6	2.5
(Reference) Annualized with following formula	Above x 365 days/ number of operating days	%	5.3	4.9
Equity to Total Assets	(Period end net assets / period end total assets) x 100	%	45.9	44.8
LTV (loan-to-value)	(Period end interest-bearing debt / period end total assets) x 100	%	49.0	50.4
BPS (Book value per unit)	Period end net assets / number of outstanding investment units	yen	578,387	577,629
Distribution payout ratio	Total cash distribution amount / net income x 100	%	100.0	99.9

Note: Figures less than the unit are rounded down. Distribution payout ratio is rounded down to the nearest decimal place. Other ratios are rounded to the nearest decimal place.

Portfolio Overview (as of Feb. 4, 2011)

Asset	Type	Name	Location	Completion Date	Acquisition Price (MM Yen)	Ratio (%)	PML (%)	Remarks
I-1	Office	Omori Bellport D	Minami-Oi, Shinagawa Ward, Tokyo	September, 1996	22,553	11.6	8.0	
I-2	Office	Shiba 2-Chome Building	Shiba, Minato Ward, Tokyo	March, 1994	9,450	4.8	8.2	
I-3	Office	JEI Hamamatsucho Building	Hamamatsucho, Minato Ward, Tokyo	December, 1991	8,350	4.3	8.2	
I-4	Office	No. 32 Kowa Building	Minami-Azabu, Minato Ward, Tokyo	March, 1979	7,430	3.8	13.2	Add'l Acq'd on Oct. 29,2010
I-6	Office	No. 28 Kowa Building	Nishi-Gotanda, Shinagawa Ward, Tokyo	February, 1975	2,859	1.5	13.5	
I-7	Office	Akasaka Garden City	Akasaka, Minato Ward, Tokyo	January, 2006	23,300	11.9	8.6	
I-8	Office	AKASAKA INTERCITY	Akasaka, Minato Ward, Tokyo	January, 2005	17,857	9.2	9.2	
I-9	Office	Kowa Shirokanedai Building	Shirokanedai, Minato Ward, Tokyo	March, 1978	4,705	2.4	14.6	Acq'd on Dec. 24, 2010
I-10	Office	Daiba Garden City Building	Daiba, Minato Ward, Tokyo	December, 2007	11,000	5.6	7.8	Acq'd on Feb. 4, 2011
Subtotal				-	107,504	55.1	-	
II-1	Office	NHK Nagoya Housou-Center Building	Higashi Ward, Nagoya City, Aichi	July, 1991	4,300	2.2	11.9	
II-2	Office	JEI Nishi-Honmachi Building	Nishi Ward, Osaka City, Osaka	February, 1988	6,674	3.4	11.5	
Subtotal				-	10,974	5.6	-	
III-1	Office	Musashikosugi Tower Place	Nakahara Ward, Kawasaki City, Kanagawa	July, 1995	13,890	7.1	11.5	
III-2	Office	Kowa Kawasaki Higashiguchi Building	Kawasaki Ward, Kawasaki City, Kanagawa	April, 1988	10,976	5.6	6.7	
III-3	Office	JEI Hongo Building	Hongo, Bunkyo Ward, Tokyo	February, 1991	5,400	2.8	14.2	
III-5	Office	Kawasaki Nisshincho Building	Kawasaki Ward, Kawasaki City, Kanagawa	April, 1992	4,205	2.2	14.7	
III-6	Office	No. 44 Kowa Building	Higashiyama, Meguro Ward, Tokyo	July, 1984	1,150	0.6	13.4	
III-7	Office	JEI Ryogoku Building	Ryogoku, Sumida Ward, Tokyo	August, 1996	2,550	1.3	14.3	
III-8	Office	Ebina Prime Tower	Chuo, Ebina City, Kanagawa	May, 1995	6,470	3.3	12.2	
III-9	Office	Kowa Kawasaki Nishiguchi Building	Saiwai Ward, Kawasaki City, Kanagawa	February, 1988	32,000	16.4	7.9	
Subtotal				-	76,641	39.3	-	
Total				-	195,118	100.0	6.0	
I-5	Office	No. 36 Kowa Building	Sanbancho, Chiyoda Ward, Tokyo	September, 1982	4,000	-	-	Sold on Feb. 4, 2011

Note: 1. "Completion date" includes 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.

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

4. "PML" is based on the PML description in the building examination report including the PML calculation report. The relevant description is no more than the opinion of the reporting party and Japan Excellent does not guarantee the accuracy of the content.

Portfolio Overview (as of Feb. 4, 2011)

Area I



I-7 Akasaka Garden City



I-1 Omori Bellport D



I-8 AKASAKA INTERCITY



I-10 Daiba Garden City Building



I-2 Shiba 2-Chome Building



I-3 JEI Hamamatsucho Building



I-4 No. 32 Kowa Building



I-9 Kowa Shirokanedai Building



I-6 No. 28 Kowa Building



I-5 ※Sold on Feb. 4, 2011
No. 36 Kowa Building

Portfolio Overview (as of Feb. 4, 2011)

Area II



II-2 JEI Nishi-Honmachi Building



II-1 NHK Nagoya Housou-center Building

Area III



III-9 Kowa Kawasaki Nishiguchi Building



III-1 Musashikosugi Tower Place



III-2 Kowa Kawasaki Higashiguchi Building



III-8 Ebina Prime Tower



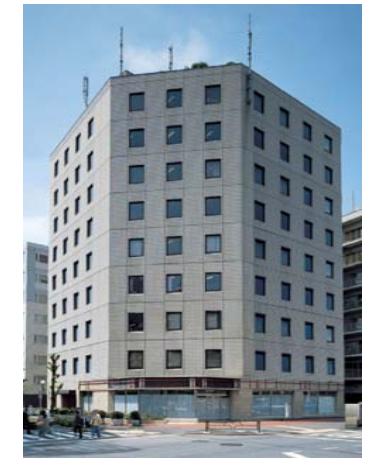
III-3 JEI Hongo Building



III-5 Kawasaki Nisshincho Building



III-7 JEI Ryogoku Building



III-6 No. 44 Kowa Building


Unitholders

Owner classification	Investment units					Unitholders				
	8th period (Jun. 2010)		9th period (Dec. 2010)		Change	8th period (Jun. 2010)		9th period (Dec. 2010)		Change
	Number of units	Composition (%)	Number of units	Composition (%)	(%)	Number of unitholders	Composition (%)	Number of unitholders	Composition (%)	(%)
Financial institutions and securities companies	97,593	63.1	97,355	63.0	-0.2	86	1.6	85	1.5	0.0
Other domestic companies	22,902	14.8	23,016	14.9	0.1	124	2.3	124	2.3	0.0
Foreign companies, etc.	19,296	12.5	19,803	12.8	0.3	132	2.4	116	2.1	-0.3
Individuals	14,759	9.5	14,376	9.3	-0.2	5,127	93.7	5,170	94.1	0.3
Total	154,550	100.0	154,550	100.0	-	5,469	100.0	5,495	100.0	-

Ratio of investment units held by the 3 sponsor companies: 13.3%

Name	(Units)	Composition ratio (%)
Japan Trustee Services Bank, Ltd. (Trust account)	24,178	15.6
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	15,001	9.7
Kowa Real Estate Co., Ltd.	14,312	9.3
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	11,104	7.2
The Master Trust Bank of Japan, Ltd. (Trust account)	8,334	5.4
North Pacific Bank, LTD.	4,590	3.0
The Dai-ichi Life Insurance Company, Limited	4,132	2.7
The Senshu Ikeda Bank, Ltd.	2,711	1.8
The Chugoku Bank, LTD.	2,521	1.6
NOMURA BANK (LUXEMBOURG) S.A.	2,179	1.4
Total	89,062	57.6


Note: Ratios are rounded to the nearest decimal place.

 Sponsor companies of the asset management company

What Makes Japan Excellent Inc. Unique


- Access to the comprehensive capabilities of sponsor companies having strengths in both real estate and finance.

Core sponsors




Kowa Real Estate Co., Ltd. ● ● ● ●

A real estate company with a close relationship with Mizuho Corporate Bank that develops and manages office buildings and luxury residences in central Tokyo.



The Dai-ichi Life Insurance Company, Limited ● ● ●

One of Japan's top class life insurance companies. As of March 31, 2010, manages about 290 office buildings and other investment properties nationwide.



Sekisui House, Ltd. ● ● ● ●

One of Japan's top class homebuilders. Boasts a track record in large-scale urban development projects, too. Developed Akasaka Garden City.





The Dai-ichi Building Co., Ltd. ● ●



Sohgo Housing Co., Ltd. ●



Mizuho Corporate Bank, Ltd. ● ●



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

Legend: ● Co-operation for acquisition ● Property Management ● Dispatch of Human resource ● Pipeline support contacts ● Financing to JEI

- JEI invests mainly in office buildings in metropolitan areas and operates its portfolio balancing revenue stability and expansion.

Usage (Note 1)	Investment ratio in portfolio (Note 2)
Office buildings	More than 90%
Other (Commercial facilities, residential, etc.)	Less than 10%

Note: 1. Usage is determined based on the majority share of space for rental for each asset related to real estate. The total acquisition cost of the concerned asset related to real estate is incorporated in the acquisition price by said usage.
 2. This refers to the total acquisition cost of the asset related to real estate for each usage against the total acquisition cost for the portfolio overall.

Target investment areas		Investment ratio in portfolio (Note 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)	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

Unit Price Performance and Overview of Japan Excellent Asset Management Co., Ltd.

Unit price and Tokyo Stock Exchange REIT index

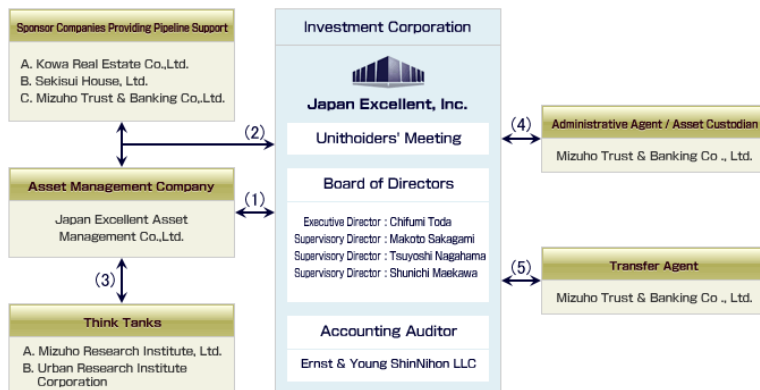


Overview of Japan Excellent Asset Management

Company Outline	
Corporate Name	Japan Excellent Asset Management Co., Ltd.
Headquarter	1-9-20 Akasaka, Minato-ku, Tokyo
Established	April 14, 2005
Capital	450 Million Yen
Shareholders	Kowa Real Estate Co., Ltd. 45.0%
	The Dai-ichi Life Insurance Company, Limited 20.0%
	Sekisui House, Ltd. 15.0%
	The Dai-ichi Building Co., Ltd. 5.0%
	Sohgo Housing Co., Ltd. 5.0%
	Mizuho Corporate Bank, Ltd. 5.0%
Business Operations	Mizuho Trust & Banking Co., Ltd. 5.0%
	Financial Instrument Dealer

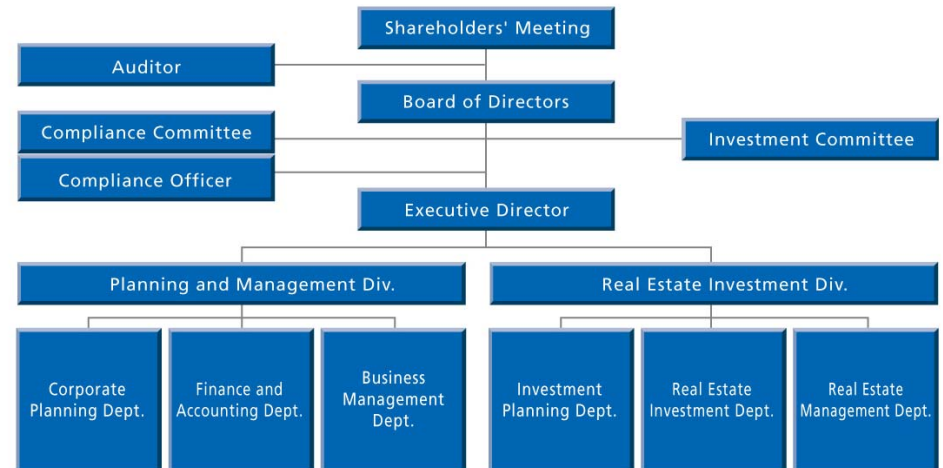
Note: Percentages in the above table are percentages of total outstanding shares.

Organization



- (1) Asset management agreement
- (2) A.Pipeline support agreement with Kowa Real Estate
B.Pipeline support agreement with Sekisui House
C.Pipeline support agreement with Mizuho Trust & Banking
- (3) A.Agreement with Mizuho Research Institute for provision of market and other information
B.Agreement with Urban Research Institute for provision of market and other information
- (4) Agreement to entrust administrative duties and asset custody
- (5) Agreement to entrust administrative of unitholders' register

Outline and Organization of JEAM



- The 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.