



Japan Excellent, Inc.

Sixth Period
(ended June 2009)

Presentation Materials

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I. Highlights for the 6th Period



1. Topics

(1) Improvement in occupancy rate

Worked on leasing of low-occupancy properties as a priority issue.

Significant occupancy rate improvement

	December 31, 2008		June 30, 2009	
Overall portfolio	95.2%	→	98.5%	(+3.3%)
JEI Nishi-Honmachi	44.5%	→	96.1%	(+51.6%)
Akasaka Garden City	82.3%	→	100.0%	(+17.7%)
NHK Nagoya	89.4%	→	97.3%	(+ 7.9%)

(2) Obtained refinancing

Refinanced with the same financial institutions by maintaining good relationships with them.

Total of 25 billion yen in refinancing

March: 12 billion yen in short-term debt
June: 13 billion yen in long-term debt

(3) Increase in distributions on an existing-property basis*

Achieved an increase in profit on an existing-property basis* due to improvement in occupancy rate.

Distributions per unit

5th period		6th period
15,188 yen*	→	15,802 yen (+614 yen)

* Period-on-period comparison of profit and distributions for the 6th period on an existing-property basis, excluding the sale of properties in the 5th period

*Excludes the effect of sale of properties. Actual distribution for the 5th period was 20,418 yen.

2. Financial results

(Unit: millions of yen)

	5 th period (Dec. 2008)		6 th period (Jun. 2009)	Difference on an existing-property basis
	Actual results	On a June 2009 existing-property basis		
1. Revenue	8,501	7,565	7,544	▲ 20
Rental revenue	6,771	6,698	6,759	61 ①
Revenue for utilities expenses	704	699	584	▲ 115
Other rental revenue	171	167	201	33 ②
Profit from sale of assets	854	-	-	- ⑤
2. Operating expenses	4,500	4,371	4,266	▲ 105
Property management cost and fees	1,063	1,047	1,141	93 ③
Utilities expenses	759	744	685	▲ 59
Property taxes	549	524	528	3
Repair and construction expenses	313	309	182	▲ 126 ④
Other expenses for rental operations	229	225	192	▲ 32
(NOI)	4,732	4,713	4,814	101
Depreciation	995	978	990	12
(Profits from rental operations)	3,736	3,735	3,824	89
Other	589	541	545	3
Operating income	4,000	3,193	3,278	85
3. Other income	18	17	22	5 ⑥
4. Other expenses	862	862	858	▲ 4
Income before income taxes	3,156	2,348	2,443	94
Net income	3,155	2,347	2,442	94
Distributions per unit (yen)	20,418	15,188	15,802	614

(Note) Amounts are rounded down.

Rental revenue increased 61 million yen Net income increased 94 million yen (On an existing-property basis)

- ① Increased rental revenue by 61 million yen by increasing occupancy rate while maintaining average rent per unit.
- ② Income of 32 million yen from cancellation fee for a lease contract.
- ③ Property management cost and fees increased due to factors including initiatives to increase occupancy rate.
- ④ Repair and construction expenses decreased by 65 million yen for the JEI Nishi-honmachi Building, where asbestos removal work was completed in the 5th period.
- ⑤ Revenue and expenses for utilities both decreased due to seasonal factors. In addition, revenue for utilities expenses decreased due to less tenant use of air conditioning outside regular hours.
- ⑥ There was an 11 million yen property tax refund.

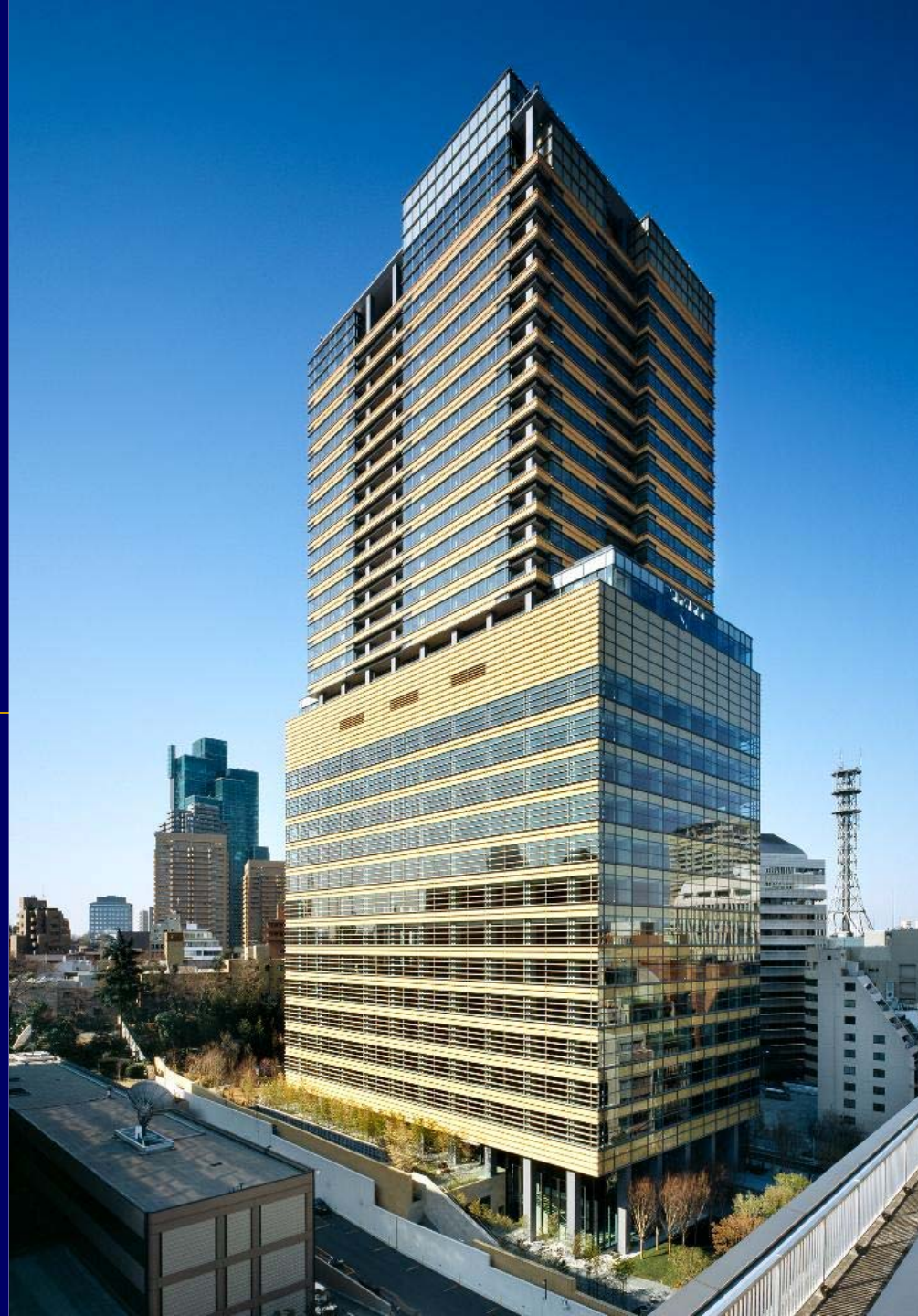
Net income was 201 million yen higher than forecast

(Unit: millions of yen)

	Forecast at February 2009	Actual results	Difference
Revenue	7,549	7,544	▲ 4
Operating income	3,171	3,278	107
Income before income taxes	2,242	2,443	201
Net income	2,241	2,442	201
Distributions per unit (yen)	14,500	15,802	1,302

- Revenue was largely in line with forecast.
- “Property management cost and fees” and “Repair and construction expenses” were less than expected.
- Financing costs were less than expected.

II. 6th Period Results and Fundamental Strategies



1. Business environment

Economic conditions

- The global recession seems to be bottoming out with the help of large-scale stimulus measures in various countries. Japan's economic downturn appears to be leveling off as its trading partners and emerging countries recover from recession.
- The outlook for the Japanese economy is to remain flat overall with a slightly slow recovery, although there may be a slightly more rapid rebound in some sectors, due to a protracted recovery expected in employment conditions and consumer spending.

Office building leasing market

<General conditions for this period>

- Rents continued to fall as poor earnings led to cost-cutting among tenants and economic sentiment remained pessimistic.
- Rents for high-end properties in central Tokyo generally dropped, affecting low- to mid-end properties in greater Tokyo.
- In Osaka, Nagoya and other regional cities, oversupply and declining demand led to decreases in occupancy rates and rents.

<Prospects>

- Rents of high-end properties and properties in regional cities are expected to decline further.
- Rents for low- to mid- end properties in Tokyo area may continue to fall in the short term, but not to the extent of high-end properties.
- In Osaka, Nagoya and other regional cities, decreases in occupancy rates and rents are forecast to continue.

Real estate investment market

< General conditions for this period >

- Decline in real estate transactions, rises in cap rates and lowered sales prices continued due to conservative investment and lending by Japanese and overseas investors and banks.

< Prospects >

- Unclear overall economic prospects and the ongoing decline in the leasing market may contribute to sluggish real estate transaction and lower sales prices.

Financial market

<General conditions for this period>

- Market interest rates fell drastically due to the Bank of Japan's monetary policy. Long-term rates increased on concern about worsening public finances, but fell again following improvement in some economic indicators.

< Prospects >

- With little prospects of a recovery in the near term, the Bank of Japan is unlikely to end its monetary easing policy. Consequently, short-term rates (up to 1 year) are forecast to remain low, with no drastic rise in medium and long term interest rates.

2. Fundamental strategies

Business environment

Internal Growth

Signs of improvement have appeared in some sectors of the domestic economy. However, the office building rental market will continue to soften in the short term.

External Growth

Sales prices continue to decline due to uncertainty about the overall economy and a softening office building rental market.

Financial Strategy

Monetary easing policy continues.
Financial institutions' outlook on REITs' credibility gradually normalizes.

Fundamental strategies

Maintain high occupancy rate and secure stable rental revenue

- Maintain high occupancy rate through strategic and prompt leasing.
- Further improve property management quality and tenant satisfaction through close coordination with property management companies that are our sponsors.

Medium-term target: Expand portfolio to 300 billion yen

- Actively pursue opportunities for property acquisition, mainly of office properties in the Tokyo metropolitan area.
- Leverage synergies and networks of sponsor companies, with their strengths in real estate and finance.

Promote financial stabilization

- Seek out opportunities to fix interest rates.
- Expand partners among financial institutions.
- Operate with a stable LTV level.

3. Asset management - Internal growth

(1) Maintain and improve occupancy rate

Current occupancy rate and its prospects

➤ Significant increase in occupancy rate

• Successfully leased up vacancies while market occupancy rate were dropping.

Overall portfolio	95.2%	→	98.5%	(+3.3%)
JEI Nishi-honmachi Building	44.5%	→	96.1%	(+51.6%)
Akasaka Garden City	82.3%	→	100.0%	(+17.7%)
NHK Nagoya Housou-Center Building	89.4%	→	97.3%	(+ 7.9%)

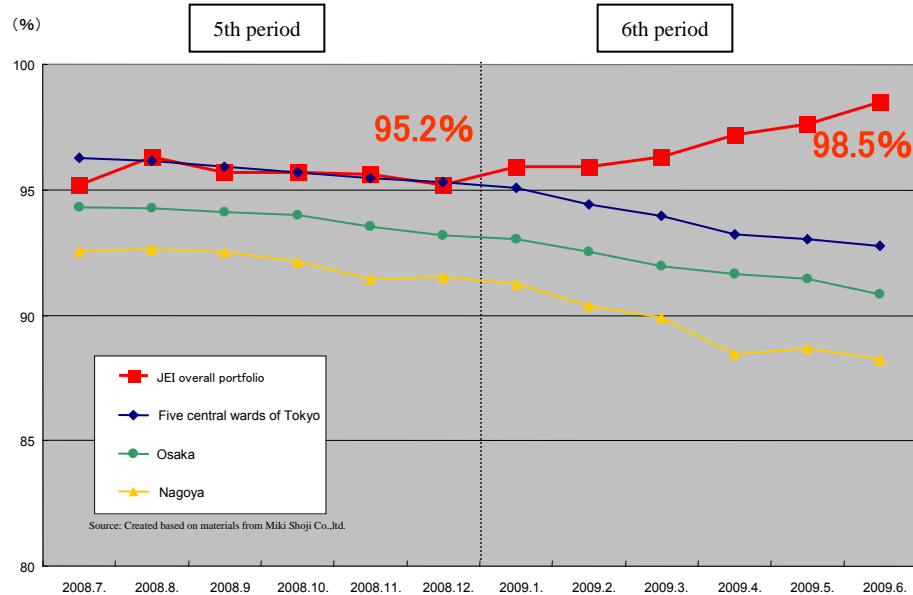
➤ Prospects

- 6th period: The evacuation / cancellation rate was **1.7%**.
- 7th period: The overall occupancy rate is expected to remain at the current level with the low evacuation rate of about **3%**.

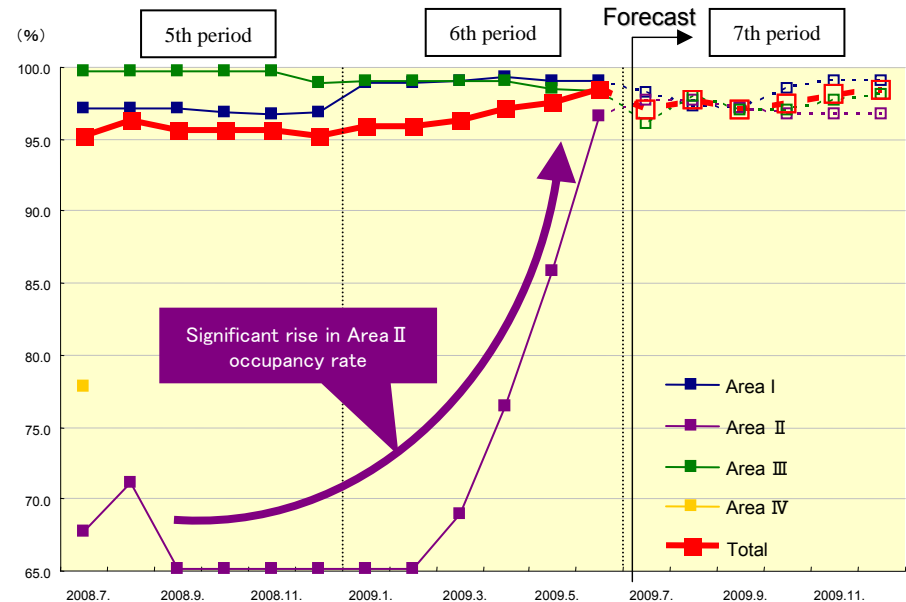
Factors of improved occupancy rate

- High leasing capabilities of PM companies
- Strategic and prompt rates change for rental properties
- Good tenant satisfaction that continues from the time of ownership by sponsors
- High creditworthiness of tenants
- JEI's average rents match the level of the highest tenant demand.

JEI portfolio occupancy rate compared with market occupancy rate



JEI portfolio actual and forecast occupancy rates



Note: For breakdown by Area, please refer to page 27.

3. Asset management - Internal growth

(2) Maintain rental income through rent renewals / tenant renewals

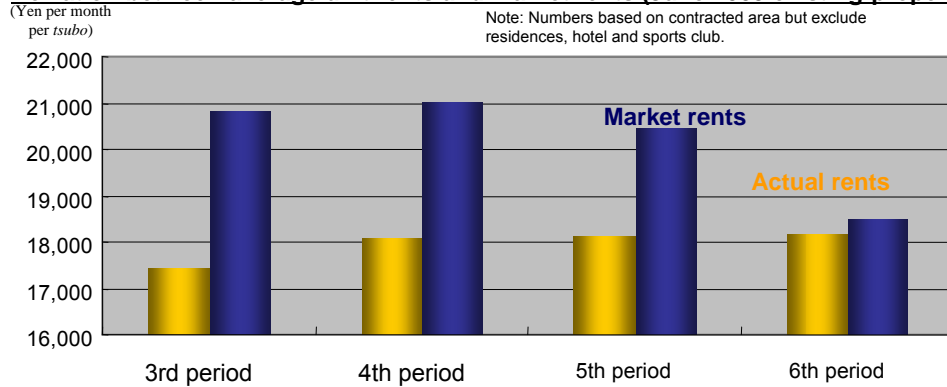
Deviation between actual rental revenue and market rents

- **Steady increase in revenue in the 6th period**
 - Current **monthly rents increased 3.2 million yen** (average of **+3.5%**) due to rent renewals.
 - Current **monthly rents increased 37.3 million yen** (new tenants: +59.3 million yen, evacuations: - 22.1 million yen) due to marketing activities for new tenants.

Rental revenue

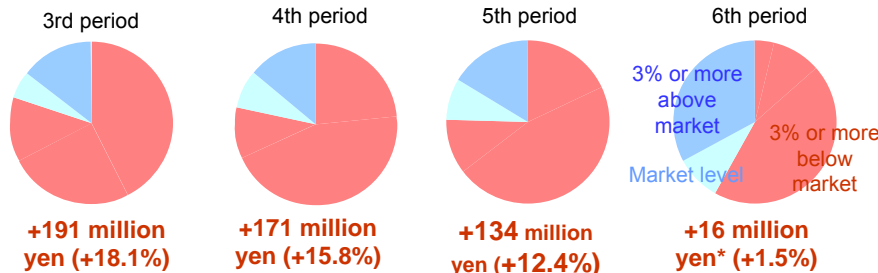
- Rental revenue for the 6th period **increased 61million yen** from the previous period.
- Continued stable rental revenue is forecast due to the full-period contribution of the JEI Nishi-honmachi Building in the 7th period, and the re-filling of 7th period vacancies in the 8th period.

Deviation between average unit rents and market rents (June 2009 existing-property basis)



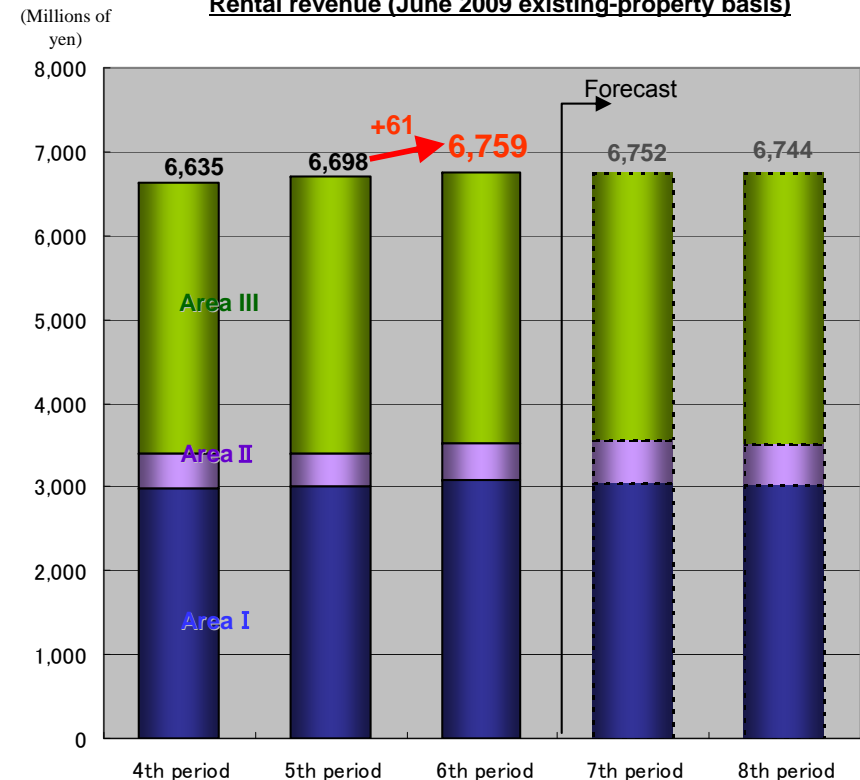
Change in rent deviation with market rents (June 2009 existing-property basis)

Note: Numbers based on contracted area but exclude residences, hotel and sports club.



*Note: Top figures show the deviation between market rents and current rents. Bottom figures in parentheses show percentage deviation between market rents and current rents.

Rental revenue (June 2009 existing-property basis)



3. Asset management - Internal growth

(3) Examples of improving management quality

Joint initiatives with property management companies to improve management quality

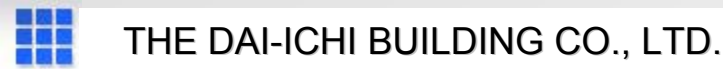
● Superior property management companies ●



An established developer and manager of office buildings and high-rent condominiums mainly in central Tokyo. (51 office buildings managed, 41 of which are in 6 wards in central Tokyo). Provides high-quality and effective management as a single building management company via a system that bundles multiple properties.



- In Osaka, introduce and market JEI Nishi-honmachi Building to tenants in buildings Kowa Real Estate manages.
- Hire Kowa Real Estate Group companies as a building manager for the group of buildings managed by The Dai-Ichi Building



A leading property manager operating nationwide, centered on buildings owned by Dai-Ichi Life Insurance. Manages 220 office buildings through 40 branches across Japan. Has a high-quality management framework with strong local ties.



- Joint management of Shiba 2-Chome Building (Office section: The Dai-Ichi Building, Residential section: Sohgo Housing).



Manages and performs urban development of condominiums and office buildings, mainly in central locations (34 office buildings managed). Manages and operates superior-quality condominiums using the expertise and experience it has accumulated as a pioneer in developing high-rent housing.



SEKISUI House, Ltd.

Leverages its top brand as a housing manufacturer in developing the "Garden City" series of office buildings.

Property management fee reduction initiatives

➤ Property management fee reductions

- JEI Nishi-honmachi Building: Reduce outsourcing costs by introducing group management.
- NHK Nagoya Housou-Center Building: Reduce property management fees by changing property manager.



Environmental, CO₂ reduction and building safety initiatives

➤ Environmental and CO₂ reduction initiatives

- Invest in energy conservation. (NHK Nagoya Housou-Center Building, Omori Bellport D, etc.)
- Comply with the amended Law Concerning the Rational Use of Energy and related regulations.

➤ Building safety initiatives

- Kowa Kawasaki Nishiguchi Building: Complete asbestos work through detoxification.* (Using sealing method.)
- Set Business Continuity Plan in preparation for large-scale disaster. Enhance framework for contacting and following up with tenants in case of accident or disaster.

*Note: In sections where tenant approval could not be obtained, work will take place following tenant evacuation.

Revenue enhancement initiatives

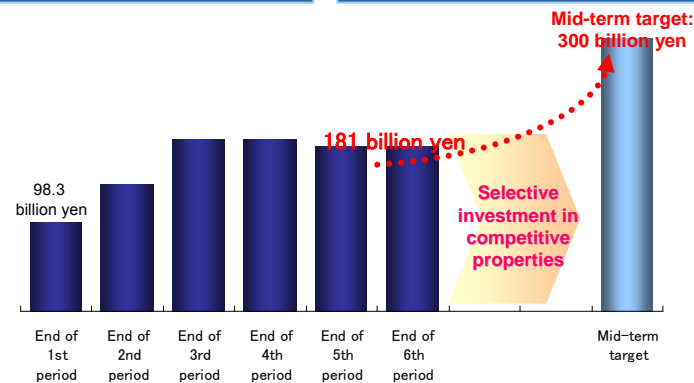
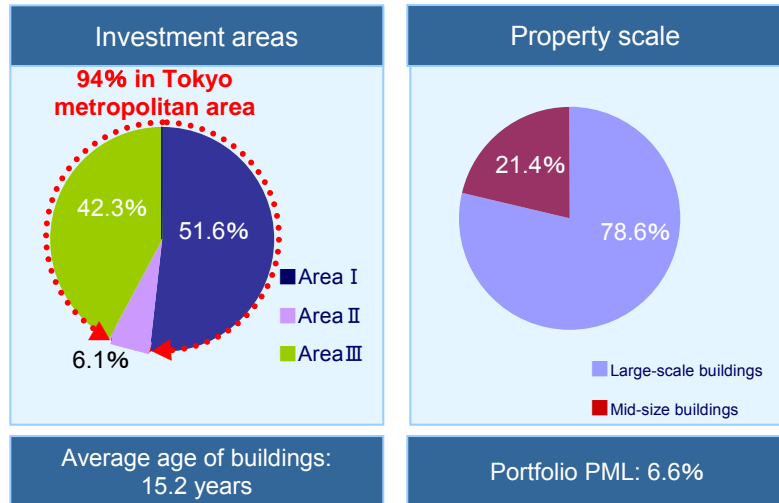
➤ Activate unused space

- Shiba 2-Chome Building: Lease unused parking space.
- Ebina Prime Tower: Attract tenants following conversion of unused space to offices.

4. Acquisition of new assets - External growth

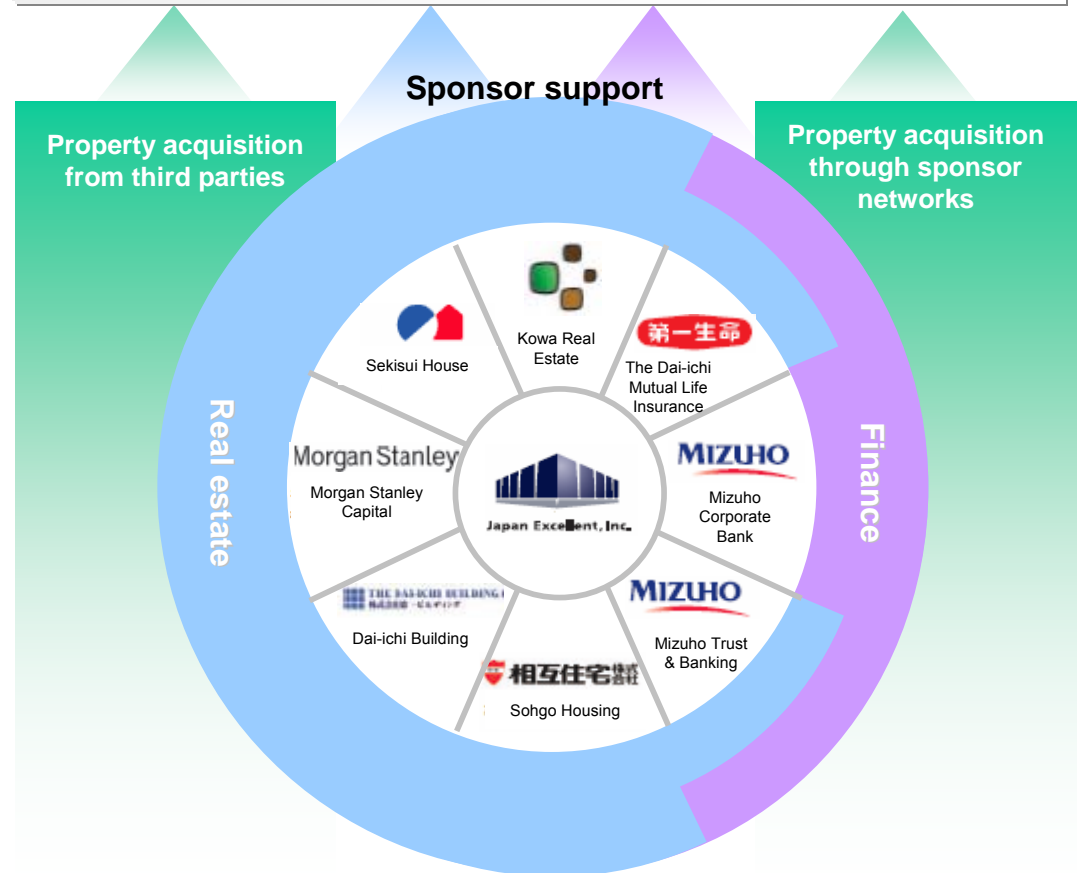
Growth in portfolio quality and asset scale

- Construction of a superior-quality portfolio centered on the Tokyo metropolitan area and office buildings in the three years since listing.
- Expansion of portfolio to 300 billion yen over the medium term.



Future investment policies

- With declining sales prices, actively pursue property acquisition opportunities centered on office buildings in the Tokyo metropolitan area.
- Leverage synergies and networks of sponsor companies with strengths in both real estate and finance.



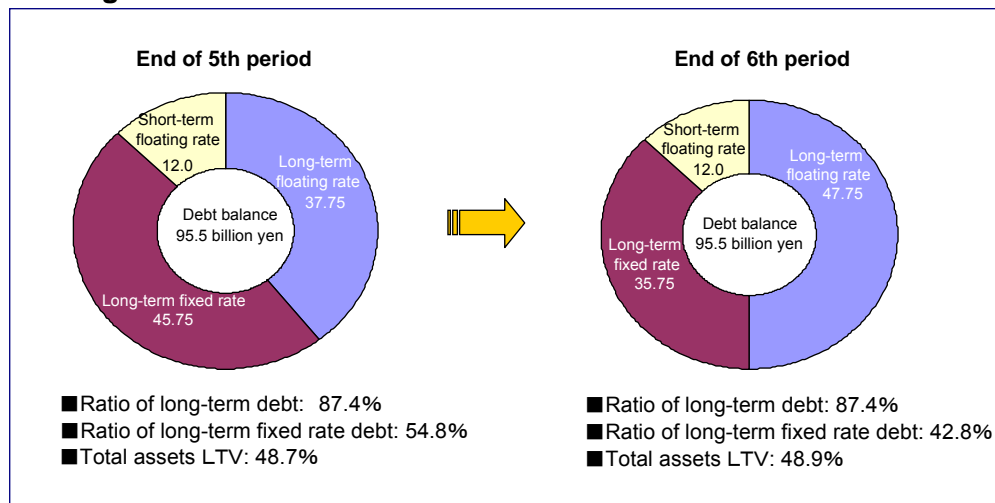
5. Financial strategies

(1) Results for the 6th period

Refinanced with the same financial institutions

- March 31, 2009: Rolled over 12.0 billion yen in short-term debt.
- June 29, 2009: Refinanced 13.0 billion yen in long-term debt with a 2 year, 5 month duration.

<Changes in debt situation>



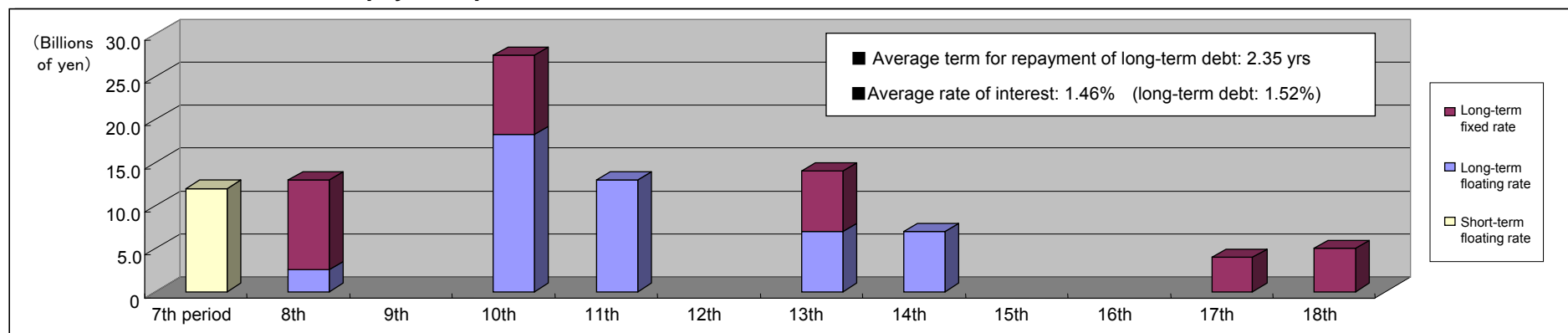
<Breakdown of 13.0 billion yen in long-term debt by financial institution>

(Unit: billion yen)

Financial Institution	Balance
Aozora Bank, Ltd.	3.0
The Chuo Mitsui Trust and Banking Company, Limited	3.0
Mizuho Trust & Banking Co., Ltd.	3.0
Sumitomo Mitsui Banking Corporation	2.0
Mitsubishi UFJ Trust and Banking Corporation	1.0
Mizuho Corporate Bank, Ltd	1.0
Total	13.0

Note: The same financial institutions refinanced the same amounts of long-term debt that JEI borrowed from them on June 29, 2006 (3-year duration).

<Balance of debts based on repayment period>



5. Financial strategies

(2) Financial policies

Sophisticated financial operation and improvement of financial capability

- Promote the use of long-term debt and diversification of repayment terms
- Take the opportunity to fix interest rates
- Operate at a stable LTV level (35%~50%)
- Promote diversification of financial institutions

The following corporate bonds have been shelf registered to supply flexible access to long-term funds.

(No outstanding issuance as of June 30, 2009.)

<Summary of shelf registrations>

Type	Possible amount of issue	Projected period of issue
Corporate Bonds	100 billion yen	From Jan. 7, 2008 to Jan. 6, 2010

In preparation to issue corporate bonds, and to increase trust in the financial capital markets, JEI has obtained the following ratings from two Japanese and overseas companies.

<Credit ratings as of June 30, 2009>

Rating organization	Rating (Outlook)
Moody's Investors Service	A3 (Negative)
Rating and Investment Information, Inc. (R&I)	AA- (Stable)

6. Forecasts of 7th / 8th periods

(Unit: millions of yen)

	6th period	7th period (ending Dec. 2009)		8th period (ending Jun. 2010)	
	Results	Forecast	Difference from previous period	Forecast	Difference from previous period
Revenue	7,544	7,595	50	7,512	▲ 83
Rental revenue	6,759	6,752	▲ 7	6,744	▲ 7
Revenue for utilities expenses	584	686	102	608	▲ 77
Other	201	157	▲ 43	159	1
Operating expenses	3,720	3,816	96	3,755	▲ 60
Property taxes	528	542	13	542	0
Utilities expenses	685	774	89	699	▲ 75
(NOI)	4,814	4,769	▲ 45	4,748	▲ 20
Depreciation	990	990	0	991	1
Profits from rental operations	3,824	3,778	▲ 45	3,756	▲ 22
Operating income	3,278	3,182	▲ 96	3,206	24
Income before income taxes	2,443	2,319	▲ 123	2,319	0
Net income	2,442	2,318	▲ 123	2,318	0
Distributions per unit (yen)	15,802	15,000	▲ 802	15,000	0
(Excluding major one-time revenue)	15,519		▲ 519		

Note: Amounts are rounded down.

Main assumptions in 7th and 8th period forecasts

7th period (Figures show difference from previous period)

- Profit from rental operations: -45 million yen
 - Rental revenue largely unchanged.
 - Lack of one-time income for 6th period. (Cancellation fee income)
 - Property taxes increase due to revaluation.
- Operating income: -96 million yen
 - Expenses increase due to general unitholders' meeting, strengthening IR activities, etc.
- Income before income taxes: -123 million yen
 - Lack of one-time income for 6th period. (Tax refund)

8th period

- Profit from rental operations: -22 million yen
 - Rental revenue largely unchanged.
- Operating income: +24 million yen
 - Lack of previous period's general unitholders' meeting.
- Income before income taxes: ±0 million yen
 - Financing costs increase due to refinancing of long-term debts.

(Major one-time income for 6th period)
 Cancellation fee for a lease contract: 32 million yen
 Tax refund: 11 million yen

Reference materials



Revenue, expenses and NOI yield by property

(Unit: millions of yen)

	Area I								Area II		Area III								Total
	Omori	Shiba 2-chome	Hamatsu-cho	32 Kowa	36 Kowa	28 Kowa	Akasaka Garden City	Akasaka Intercity	NHK Nagoya	Nishi-honmachi	Musashi-kosugi	Kawasaki Higashiguchi	Hongo	Kawasaki Nisshin-cho	44 Kowa	Ryogoku	Ebina	Kawasaki Nishi-guchi	
Revenue	1,090	370	315	242	-	169	591	365	326	166	809	-	176	233	95	116	548	1,140	7,544
Rental revenue	1,037	369	301	226	-	153	532	335	-	151	707	-	164	231	83	106	477	992	6,890
Other revenue	52	0	13	16	-	16	59	29	-	14	101	-	12	1	11	9	71	148	654
Operating expenses	506	126	108	76	-	62	211	140	190	154	379	-	67	88	46	57	377	729	3,720
Property management cost and fees	153	51	25	25	-	26	69	12	61	53	125	-	16	35	16	19	150	175	1,141
Utilities	135	0	16	13	-	13	23	30	27	19	84	-	9	-	9	11	80	129	685
Property taxes	85	31	18	14	-	8	33	19	21	27	59	-	10	15	4	7	46	79	540
Insurance	2	1	0	0	-	0	0	0	0	0	3	-	0	0	0	0	2	3	21
Repair and maintenance	3	3	5	4	-	1	24	0	6	2	7	-	3	-	2	0	7	81	182
Other expenses	4	2	14	2	-	1	4	35	35	3	6	-	1	1	1	1	9	19	159
Depreciation and amortization	120	36	27	14	11	11	55	41	37	47	92	86	25	34	11	16	79	239	990
Total rental income	584	243	206	166	116	106	380	224	135	12	429	272	108	145	49	59	170	411	3,824
NOI	705	279	234	181	127	117	436	265	173	59	521	359	134	179	60	76	250	651	4,814
Number of operating days	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181
Acquisition price	22,552	9,450	8,350	5,040	4,000	2,859	23,300	17,857	4,300	6,673	13,890	10,976	5,400	4,205	1,150	2,550	6,470	32,000	181,023

Compared with previous period	6th period NOI yield (annualized)	6.3%	6.0%	5.7%	7.2%	6.4%	8.3%	3.8%	3.0%	8.1%	1.8%	7.6%	6.6%	5.0%	8.6%	10.5%	6.0%	7.8%	4.1%	5.4%
	5th period NOI yield (annualized)	6.1%	5.6%	5.0%	7.5%	6.2%	8.3%	3.2%	3.0%	8.2%	-1.6%	7.7%	7.0%	5.1%	8.1%	11.2%	5.7%	7.9%	4.4%	5.2%
	Difference	0.2%	0.4%	0.7%	-0.3%	0.2%	0.0%	0.6%	0.0%	-0.1%	3.4%	-0.1%	-0.4%	-0.1%	0.5%	-0.7%	0.3%	-0.1%	-0.3%	0.2%

(Note 1) Figures are rounded down to the nearest million. Ratios are rounded to the nearest decimal point.

(Note 2) The NOI yield for each property shown is annualized. (NOI yield = Annualized NOI ÷ acquisition price)

(Note 3) Details concerning revenue and expenses for 36 Kowa and Kawasaki Higashiguchi are not released because we are not able to receive authorization from tenants.

(Note 4) Details concerning rental revenue for NHK Nagoya are not released because we are not able to receive authorization from the business partner.

(Note 5) The total NOI yield for the 5th period is shown based on the 18 properties owned at the end of Dec. 2008.

	Area I total	Area II Total	Area III Total
NOI	2,348	232	2,234
Acquisition price	93,408	10,973	76,641
6th period NOI yield (annualized)	5.1%	4.3%	5.9%
5th period NOI yield (annualized)	4.8%	2.2%	6.1%
Difference	0.3%	2.1%	-0.2%

Portfolio appraisal value

(Unit: millions of yen)

Property number	Area	Evaluation Name	Acquisition price	Appraisal value		Difference (②-①)		Book Value at end of FP6 ③	Difference (②-③)		Direct reduction	Reduced yield	Difference (⑤-④)	Appraisal organization
				End of FP5 ①	End of FP6 ②	%	%		End of FP5 ④	End of FP6 ⑤	%			
I-1	I	Omori Bellport D	22,553	26,560	25,560	▲ 1,000	-3.8%	22,422	3,138	14.0%	4.9%	5.0%	0.1%	Chuo Real Estate Appraisal Co., Ltd.
I-2		Shiba 2-Chome Building	9,450	12,200	11,600	▲ 600	-4.9%	9,340	2,260	24.2%	Office 5.2% Residence 5.6%	Office 5.3% Residence 5.8%	Office 0.1% Residence 0.2%	Japan Real Estate Institute
I-3		JEI Hamamatsucho Building	8,350	10,200	9,570	▲ 630	-6.2%	8,307	1,263	15.2%	4.5%	4.6%	0.1%	Japan Real Estate Institute
I-4		No. 32 Kowa Building	5,040	5,762	5,592	▲ 170	-3.0%	5,014	578	11.5%	5.8%	5.9%	0.1%	Chuo Real Estate Appraisal Co., Ltd.
I-5		No. 36 Kowa Building	4,000	4,398	4,228	▲ 170	-3.9%	4,033	195	4.8%	5.2%	5.3%	0.1%	Chuo Real Estate Appraisal Co., Ltd.
I-6		No. 28 Kowa Building	2,859	3,710	3,590	▲ 120	-3.2%	2,848	742	26.1%	5.7%	5.8%	0.1%	Japan Real Estate Institute
I-7		Akasaka Garden City	23,300	23,200	22,400	▲ 800	-3.4%	23,156	▲ 756	-3.3%	4.2%	4.2%	0.0%	Japan Real Estate Institute
I-8		AKASAKA INTERCITY	17,857	15,800	14,400	▲ 1,400	-8.9%	17,738	▲ 3,338	-18.8%	3.9%	4.0%	0.1%	Japan Real Estate Institute
II-1	II	NHK Nagoya Housou Center Building	4,300	5,140	5,210	70	1.4%	4,217	993	23.5%	5.5%	5.7%	0.2%	Japan Real Estate Institute
II-2		JEI Nishi-honmachi Building	6,674	5,450	4,930	▲ 520	-9.5%	7,665	▲ 2,735	-35.7%	5.4%	5.4%	0.0%	Japan Real Estate Institute
III-1	III	Musashikosugi Tower Place	13,890	16,400	15,900	▲ 500	-3.0%	13,519	2,381	17.6%	5.2%	5.4%	0.2%	Japan Real Estate Institute
III-2		Kowa Kawasaki Higashiguchi Building	10,976	11,200	10,800	▲ 400	-3.6%	10,616	184	1.7%	4.9%	5.0%	0.1%	HIRO & REAS network, Inc.
III-3		JEI Hongo Building	5,400	5,410	5,170	▲ 240	-4.4%	5,301	▲ 131	-2.5%	4.6%	4.7%	0.1%	HIRO & REAS network, Inc.
III-5		Kawasaki Nisshincho Building	4,205	5,750	5,510	▲ 240	-4.2%	4,167	1,343	32.2%	5.5%	5.7%	0.2%	Japan Real Estate Institute
III-6		No. 44 Kowa Building	1,150	1,680	1,600	▲ 80	-4.8%	1,028	572	55.6%	6.0%	6.3%	0.3%	Japan Real Estate Institute
III-7		JEI Ryogoku Building	2,550	2,450	2,224	▲ 226	-9.2%	2,473	▲ 249	-10.1%	5.5%	5.6%	0.1%	Chuo Real Estate Appraisal Co., Ltd.
III-8		Ebina Prime Tower	6,470	5,820	5,480	▲ 340	-5.8%	6,515	▲ 1,035	-15.9%	6.2%	6.4%	0.2%	Japan Real Estate Institute
III-9		Kowa Kawasaki Nishiguchi Building	32,000	31,200	29,700	▲ 1,500	-4.8%	31,651	▲ 1,951	-6.2%	4.9%	5.0%	0.1%	HIRO & REAS network, Inc.
Area I Total			93,409	101,830	96,940	▲ 4,890	-4.8%	92,859	4,081	4.4%	4.7%	4.8%	0.1%	-
Area II Total			10,974	10,590	10,140	▲ 450	-4.2%	11,882	▲ 1,742	-14.7%	5.5%	5.6%	0.1%	-
Area III Total			76,641	79,910	76,384	▲ 3,526	-4.4%	75,274	1,110	1.5%	5.1%	5.3%	0.1%	-
Grand Total			181,023	192,330	183,464	▲ 8,866	-4.6%	180,016	3,447	1.9%	4.9%	5.0%	0.1%	-

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

Statement of income and retained earnings

(Unit: millions of yen)

	5th period	%	6th period	%	Difference	Difference by %
1. Revenue	8,501	100.0	7,544	100.0	▲ 957	▲ 11.3
Rental revenue	6,909		6,890		▲ 19	
Other rental revenue	738		654		▲ 83	
Revenue from sales of assets	854		-		▲ 854	
2. Operating expenses	4,500	52.9	4,266	56.5	▲ 234	▲ 5.2
Property management cost and fees	1,063		1,141		77	
Utilities	759		685		▲ 73	
Property taxes	560		540		▲ 19	
Insurance	21		21		▲ 0	
Repairs and maintenance	313		182		▲ 131	
Other	196		159		▲ 37	
Depreciation	995		990		▲ 4	
Total operating expenses	3,910		3,720		▲ 190	▲ 4.9
Total rental income	3,736		3,824		88	▲ 16.7
Asset management fees	443		418		▲ 25	
Other	146		127		▲ 18	
Operating income	4,000	47.1	3,278	43.5	▲ 722	▲ 18.1
3. Other income	18	0.2	22	0.3	4	+ 23.8
Interest income	18		10		▲ 7	
Other	0		11		11	
4. Other expenses	862	10.2	858	11.4	▲ 4	▲ 0.5
Interest expenses	702		707		4	
Loan relating fees	121		150		28	
Other	38		0		▲ 38	
Income before income taxes	3,156	37.1	2,443	32.4	▲ 713	▲ 22.6
Net income before taxes	3,156	37.1	2,443	32.4	▲ 713	▲ 22.6
Income taxes- current	0		1		0	
Income taxes- deferred	0		▲ 0		▲ 0	
Net income	3,155	37.1	2,442	32.4	▲ 713	▲ 22.6
Retained earnings at beginning of period	0		0		▲ 0	
Retained earnings at end of period	3,155		2,442		▲ 713	

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

Balance sheets

(Unit: millions of yen)

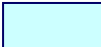
Assets					Liabilities and unitholders' equity						
	5th period		6th period		Difference		5th period		6th period		Difference
Assets		%		%		Liabilities		%		%	
I . Current assets	14,699	7.5	14,481	7.4	▲ 217	I . Current liabilities	26,459	13.5	26,233	13.4	▲ 226
Cash and cash equivalents	1,279		2,253		974	Accounts payable-trade	766		523		▲ 243
Cash and cash equivalents (as trust accounts)	11,428		11,587		158	Accounts payable-other	339		327		▲ 11
Rental receivables	370		453		83	Unpaid consumption taxes	121		32		▲ 89
Certificate of deposit	1,500		-		▲ 1,500	Short-term debt	25,000		25,000		-
Other	120		186		66	Other	231		350		118
II . Fixed assets	181,230	92.5	180,664	92.6	▲ 566	II . Long-term liabilities	79,451	40.6	79,548	40.8	97
1. Property and equipment	172,168	87.9	171,451	87.9	▲ 716	Long-term debt	70,500		70,500		-
Real estate	3,061		3,027		▲ 34	Security deposits from tenants	452		465		13
Real estate (as trust accounts)	169,103		168,418		▲ 684	Security deposits from tenants (as trust accounts)	8,300		8,500		200
Construction in progress	2		5		2	Other	198		82		▲ 115
2. Intangible assets	8,565	4.4	8,565	4.4	▲ 0	Total liabilities	105,910	54.1	105,782	54.2	▲ 128
Leasehold rights	1,185		1,185		-	Unitholders' equity					
Leasehold rights (as trust accounts)	7,380		7,380		-	I . Unitholders' capital	90,238	46.0	89,525	45.9	▲ 713
Other	0		0		▲ 0	1. Unitholders' capital	87,083	44.4	87,083	44.6	-
3. Investments and other assets	496	0.2	647	0.3	150	2. Retained earnings	3,155		2,442		▲ 713
Investment in securities	10		10		-	Unappropriated retained earnings	3,155	1.6	2,442	1.3	▲ 713
Security deposits	15		15		-	II . Valuation and translation	▲ 219	▲ 0.1	▲ 162	▲ 0.1	57
Long-term prepaid expenses	429		574		144	Loss on differed hedge	▲ 219		▲ 162		57
Other	41		46		5	Total unitholders' equity	90,019	45.9	89,363	45.8	▲ 655
Total assets	195,929	100.0	195,145	100.0	▲ 784	Total liabilities and unitholder	195,929	100.0	195,145	100.0	▲ 784

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

List of lenders

(Unit: millions of yen)

	Outstanding debt at end of 5th period	Share	Outstanding debt at end of 6th period	Share	Long-term	Short-term
Mizuho Corporate Bank, Ltd.	29,500	30.9%	30,500	31.9%	23,500	7,000
Mitsubishi UFJ Trust and Banking	17,800	18.6%	17,800	18.6%	14,800	3,000
Sumitomo Mitsui Banking Corporation	9,200	9.6%	9,200	9.6%	7,200	2,000
The Dai-ichi Mutual Life Insurance Company	8,000	8.4%	8,000	8.4%	8,000	0
The Norinchukin Bank	7,000	7.3%	7,000	7.3%	7,000	0
Mizuho Trust & Banking Co., Ltd.	7,500	7.9%	6,500	6.8%	6,500	0
Aozora Bank, Ltd.	5,000	5.2%	5,000	5.2%	5,000	0
Development Bank of Japan	4,000	4.2%	4,000	4.2%	4,000	0
Chuo Mitsui Trust and Banking	3,000	3.1%	3,000	3.1%	3,000	0
Sompo Japan Insurance Inc.	2,000	2.1%	2,000	2.1%	2,000	0
Resona Bank, Ltd.	1,500	1.6%	1,500	1.6%	1,500	0
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000	1.0%	1,000	1.0%	1,000	0
Total	95,500	100.0%	95,500	100.0%	83,500	12,000

 Sponsor companies of the asset management company

Cash flow statement / Profit distribution

<Cash flow statement>

(Unit: millions of yen)

Classification	Amount
I. Cash flow from operating activities	3,000
Income before income taxes	2,443
Depreciation and amortization	990
Decrease in unpaid consumption taxes	▲ 89
Interest expense	▲ 721
Other	377
II. Cash flow from investing activities	▲ 220
Purchases of property and equipment	▲ 434
Net payments for security deposits	213
III. Cash flow from financing activities	▲ 3,147
Proceeds from short-term loans	12,000
Repayment of short-term loans	▲ 12,000
Proceeds from long-term loans	13,000
Repayment of long-term loans	▲ 13,000
Distributions to unitholders	▲ 3,147
IV. Net Decrease in cash and cash equivalents	▲ 367
V. Cash and cash equivalents at beginning of period	14,208
VI. Cash and cash equivalents at end of period	13,841

(Note) Figures under 1 million yen are rounded down.

<Profit distribution>

(Unit: yen)

Classification	Amount
Retained earnings at end of period	2,442,271,271
Distributions	2,442,199,100
(Distributions per investment unit)	15,802
Earnings carried over to next period	72,171
Outstanding investment units	154,550 units

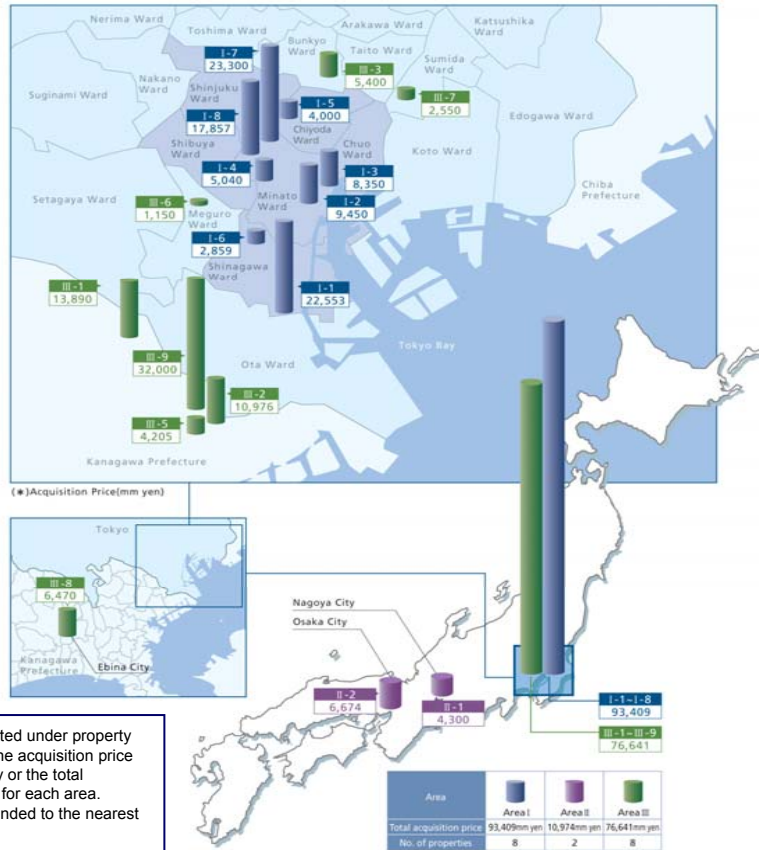
Financial indicators

Financial indicators	Calculation method	Unit	5th period	6th period
EPS (Earnings per share)	Net income / total units outstanding	yen	20,417	15,802
EBIT (Earnings before interest and tax)	Earnings before taxes + Interest - Discount amount	MM yen	3,859	3,150
EBITDA (Earnings before interest, tax and depreciation and amortization)	Earnings before taxes + Interest - Discount amount + Depreciation and amortization	MM yen	4,854	4,141
NOI (Net operating income)	Rental revenue - rental expenses + Depreciation and amortization	MM yen	4,732	4,814
NCF (Net cash flow)	NOI-Capital expenditures	MM yen	4,201	4,547
FFO per unit	(Net Income+Depreciation and Amortization-net profit of disposal) / Total units outstanding	yen	21,331	22,211
DSCR (Debt service coverage ratio)	Net income before interest and taxes / Interest expense	multiple	5.5	4.5
ROA	Income before income taxes / [(Period beginning total assets + period end total assets) / 2] x100	%	1.6	1.2
(Reference) Annualized with following formula	Above x 365 days / number of operating days	%	3.1	2.5
ROE	Net income / [(Period beginning net assets + period end net assets) / 2]x100	%	3.5	2.7
(Reference) Annualized with following formula	Above x 365 days/ number of operating days	%	7.0	5.5
Equity to Total Assets	(Period end net assets / period end total assets) x 100	%	45.9	45.8
LTV (loan-to-value)	(Period end interest-bearing debt / period end total assets) x 100	%	48.7	48.9
BPS (Book value per unit)	Period end net assets / number of outstanding investment units	yen	582,458	578,215
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

■ Portfolio map



(Note) Values listed under property numbers show the acquisition price for each property or the total acquisition price for each area. Amounts are rounded to the nearest million yen.

■ List of portfolio

Asset	Type	Name	Location	Floor Space (㎡)	Completion Date	Acquisition Price (MM Yen)	Appraisal Value (MM Yen)	Ratio (%)	PML (%)
I-7	Office	Akasaka Garden City	Akasaka, Minato Ward, Tokyo	46,776.76	January 31, 2006	23,300	22,400	12.9	8.6
I-1	Office	Omori Bellport D	Minami-Oi, Shinagawa Ward, Tokyo	155,778.75	September 24, 1996	22,553	25,560	12.5	8.0
I-8	Office	AKASAKA INTERCITY	Akasaka, Minato Ward, Tokyo	73,061.33	October 26, 2007	17,857	14,400	9.9	9.2
I-2	Office	Shiba 2-Chome Building	Shiba, Minato Ward, Tokyo	19,518.15	March 17, 1994	9,450	11,600	5.2	8.2
I-3	Office	JEI Hamamatsucho Building	Hamamatsucho, Minato Ward, Tokyo	8,327.53	December 16, 1991	8,350	9,570	4.6	8.2
I-4	Office	No.32 Kowa Building	Minami-Azabu, Minato Ward, Tokyo	10,110.96	March 19, 1979	5,040	5,592	2.8	13.2
I-5	Office	No.36 Kowa Building	Sanbancho, Chiyoda Ward, Tokyo	8,266.55	September 30, 1982	4,000	4,228	2.2	13.2
I-6	Office	No.28 Kowa Building	Gotanda, Shinagawa Ward, Tokyo	6,282.23	February 21, 1975	2,859	3,590	1.6	13.5
Subtotal				328,122.26	-	93,409	96,940	51.6	-
II-2	Office	JEI Nishi-Honmachi Building	Nishi Ward, Osaka City, Osaka	15,800.31	February 19, 1988	6,674	4,930	3.7	11.5
II-1	Office	NHK Nagoya Housou-Center Building	Higashi Ward, Nagoya, Aichi	80,809.95	July 3, 1991	4,300	5,210	2.4	11.9
Subtotal				96,610.26	-	10,974	10,140	6.1	-
III-9	Office	Kowa Kawasaki Nishiguchi Building	Sawai Ward, Kawasaki City, Kanagawa	61,856.92	February 29, 1988	32,000	29,700	17.7	7.9
III-1	Office	Musashikosugi Tower Place	Nakahara Ward, Kawasaki City, Kanagawa	53,711.13	July 15, 1995	13,890	15,900	7.7	11.5
III-2	Office	Kowa Kawasaki Higashiguchi Building	Kawasaki Ward, Kawasaki City, Kanagawa	31,009.62	April 30, 1988	10,976	10,800	6.1	6.7
III-8	Office	Ebina Prime Tower	Chuo, Ebina City, Kanagawa	55,806.20	May 31, 1995	6,470	5,480	3.6	12.2
III-3	Office	JEI Hongo Building	Hongo, Bunkyo Ward, Tokyo	5,877.11	February 6, 1991	5,400	5,170	3.0	14.2
III-5	Office	Kawasaki Nishincho Building	Kawasaki Ward, Kawasaki City, Kanagawa	22,141.60	April 24, 1992	4,205	5,510	2.3	14.7
III-7	Office	JEI Ryogoku Building	Ryogoku, Sumida Ward, Tokyo	5,820.56	August 8, 1996	2,550	2,224	1.4	14.3
III-6	Office	No.44 Kowa Building	Higashiyama, Meguro Ward, Tokyo	3,359.55	July 31, 1984	1,150	1,600	0.6	13.4
Subtotal				239,582.69	-	76,641	76,384	42.3	-
Total				664,315.21	-	181,023	183,464	100.0	6.6

(Note 1) "Floor space" shows a total of the floor space of the building or the trust building represented in the register (excluding the accessory building, etc.) When the building or the trust building is an exclusive part of the comparted-ownership building, the floor space of the whole building is described.

(Note 2) "Completion date" includes the time of initial construction described in the register.

(Note 3) "Acquisition price" is the price recorded in sales agreements (excluding consumption tax). Amounts of less than one million yen are rounded.

(Note 4) "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 HIRO & REAS Network as of the end of the 6th period (June 30, 2009) 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.

(Note 5) "Investment ratio" shows a ratio of the acquisition price for each property, and is rounded to the nearest decimal place.

(Note 6) "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

Area I



I-8 AKASAKA INTERCITY

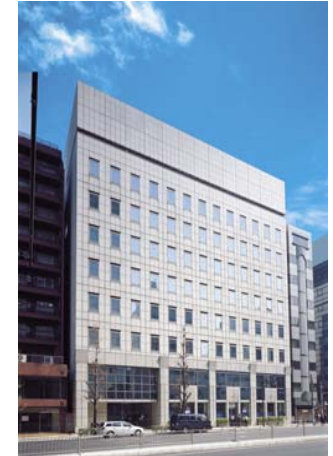
Address: 1-11-44 Akasaka, Minato Ward, Tokyo
 Site Area: 8,019.87 m²
 Total Floor Space: 73,061.33 m²
 Structure: S, SRC
 Floors: 29 (3basement floors)
 Constructed: January 28, 2005



I-1 Omori Bellport D



I-2 Shiba 2-Chome Building



I-3 JEI Hamamatsucho Building



I-7 Akasaka Garden City

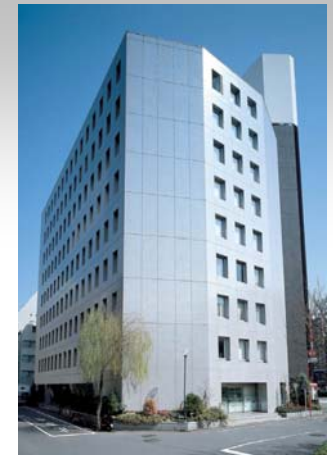
Address: 4-15-1 Akasaka, Minato Ward, Tokyo
 Site Area: 6,888.97 m²
 Total Floor Space: 46,776.76 m²
 Structure: S, RC, SRC
 Floors: 19 (2 basement floors)
 Completed: January 31, 2006



I-4 No.32 Kowa Building



I-5 No.36 Kowa Building



I-6 No.28 Kowa Building

Portfolio overview

Area II

Area III



II-1 NHK Naoya Housou-Center Building



III-1 Musashikosugi Tower Place



III-2 Kowa Kawasaki Higashiguchi Building



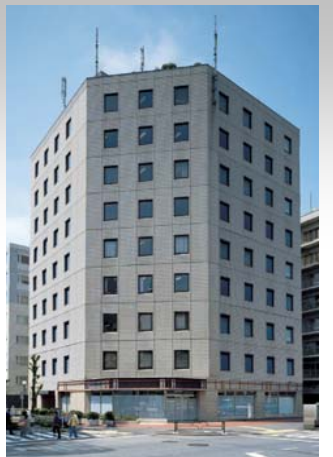
III-3 JEI Hongo Building



III-5 Kawasaki Nisshincho Building



II-2 JEI Nishi-Honmachi Building



III-6 No.44 Kowa Building



III-7 JEI Ryogoku Building



III-8 Ebina Prime Tower



III-9 Kowa Kawasaki Nishiguchi Building

Investors

Owner classification	Investment units					Investors				
	5th period (Dec. 2008)		6th period (Jun. 2009)		Change	5th period (Dec. 2008)		6th period (Jun. 2009)		Change
	Number of units	Composition (%)	Number of units	Composition (%)	(%)	Number of unitholders	Composition (%)	Number of unitholders	Composition (%)	(%)
Financial institutions and securities companies	100,966	65.3	98,128	63.5	-1.8	105	2.3	93	1.9	-0.4
Other domestic companies	21,886	14.2	22,501	14.6	0.4	116	2.6	118	2.4	-0.1
Foreign companies, etc.	20,089	13.0	21,002	13.6	0.6	122	2.7	129	2.7	0.0
Individuals	11,609	7.5	12,919	8.4	0.8	4,172	92.4	4,477	92.9	0.5
Total	154,550	100.0	154,550	100.0	-	4,515	100.0	4,817	100.0	-

Ratio of investment units held by the 4 sponsor companies: 13.3%

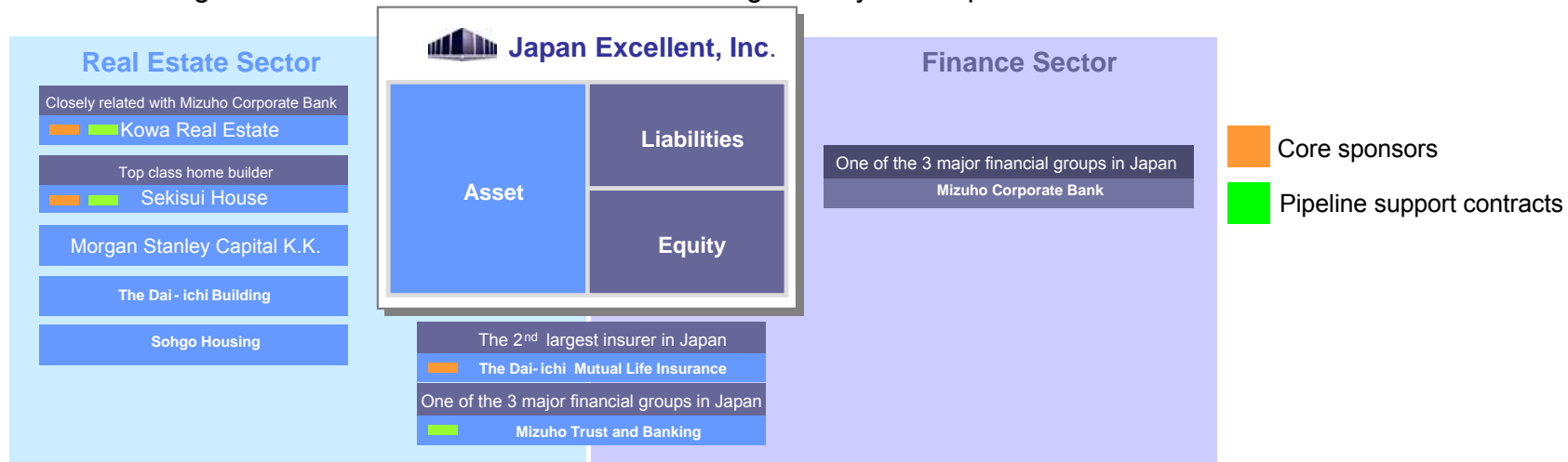
Name	(units)	Composition ratio (%)
Kowa Real Estate Co., Ltd.	14,312	9.3
NikkoCiti Trust and Banking Corporation (Investment trust account)	13,242	8.6
The Master Trust Bank of Japan, Ltd. (Trust account)	12,623	8.2
Japan Trustee Services Bank, Ltd. (Trust account)	12,598	8.2
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	11,578	7.5
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	6,304	4.1
North Pacific Bank, LTD.	4,590	3.0
The Dai-ichi Mutual Life Insurance Company	4,132	2.7
The Bank of IKEDA, Ltd.	3,711	2.4
The Chugoku Bank, LTD.	2,367	1.5
Total	85,457	55.3

(Note) Ratios are rounded to the nearest decimal place.

Sponsor companies of the asset management company

Overview of Japan Excellent, Inc.

- Japan Excellent, Inc. aims to maximize shareholders' value by "utilizing and combining the comprehensive capabilities of sponsor companies with strength in real estate and finance" and "seeking stability and expansion of revenues."



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

More than 90% of the portfolio is invested in office buildings.

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.

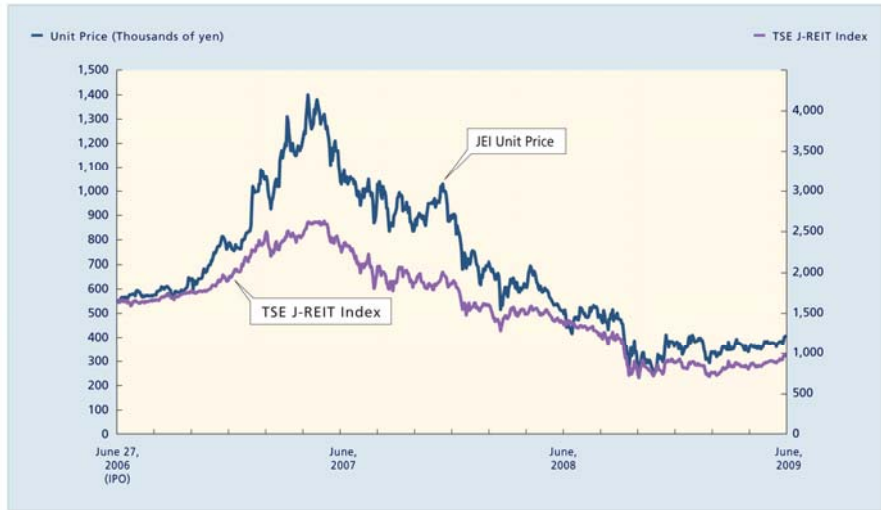
(Note 2) This refers to the total acquisition cost of the asset related to real estate for each usage against the total acquisition cost for the portfolio overall.

Have the highly concentrated core area at 80% or higher with office buildings and set a carefully detailed investment ratio for the core area.

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 / Overview of asset management company

Unit price and Tokyo Stock Exchange REIT index

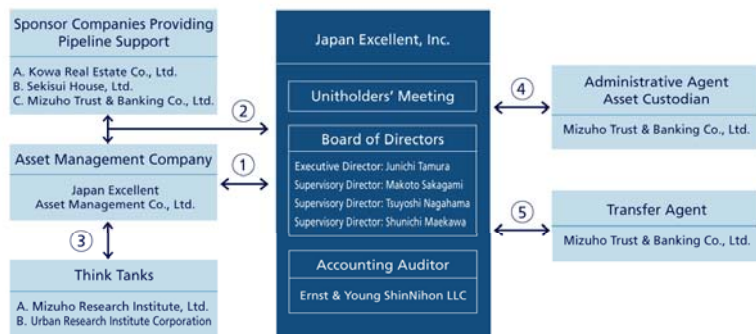


Overview of Japan Excellent Asset Management

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. 40.0%
	The Dai-ichi Mutual Life Insurance Company 20.0%
	Sekisui House Ltd. 15.0%
	The Dai-ichi Building Co., Ltd. 5.0%
	Sohgo Housing Co., Ltd. 5.0%
	Morgan Stanley Capital K.K. 5.0%
	Mizuho Corporate Bank, Ltd. 5.0%
Mizuho Trust & Banking Co., Ltd. 5.0%	
Business Operations	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 relevant information (B) Agreement with Urban Research Institute for provision of market and other relevant information
- ④ Agreement to entrust administrative duties and asset custody
- ⑤ Agreement to entrust administration of unitholders' register

Outline and Organization of JEAM



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