

Our Asset Management Services

2011

Integrated real estate and fund consultant

**Investment Advisory Department
Japan Asset Trust Corporation**

<http://www.j-atc.com/>



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“Turnaround” of real estate funds by JAT

1-1 Company overview

JAT is an integrated real estate and fund consultant

Firm name	Japan Asset Trust Corporation
Address	Takebashi Bldg. 4F, 1-8 Kandanishikicho 2chome, Chiyoda-ku, Tokyo, Japan
Capital	50,025,000 yen
Representative	Tetsufumi Isayama, Chief Executive Officer
Business activities	Real estate fund turnaround services and asset management services Real estate appraisal and consulting services Arrangement services for real estate securitization Sales agent services concerning real estate and trust beneficiary rights
License/ Registration	General real estate investment advisory business Minister of Land, Infrastructure, Transport and Tourism, Sogo – General No.122 Financial Instruments Dealer Director-General of the Kanto Local Finance Bureau (Kinsho) No. 783 <ul style="list-style-type: none"> ▪ Investment Management business ▪ Investment advisory and agency business ▪ Type II financial instruments business Real estate brokerage business, Tokyo Governor (2) No.86144 Real estate appraisal business, Tokyo Governor (1) No.2285
Number of executives and regular employees	12
Qualified personnel	Real Estate Appraisers 2, Certified Public Accountant 1, Certified Tax Accountant 1, Judicial Scrivener 1, Real Estate Transaction Specialists 5, Real Estate Securitization Masters 3

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1-2 Characteristics of JAT – Five Ps

Characteristics of Japan Asset Trust Corporation – Five Ps

(1) Philosophy “Enhancement, Contribution, Gratitude”

“Enhancement of capability,” “Contribution to society,” and “Challenge duties in appreciation of one’s environment”

(2) Performance

Real estate fund creation/arrangements (**50 SPCs/300 billion yen or over**)

Many SPCs succeeded in completing loan principal repayment and recovering part of their equity investments

(3) Process

Speedy decision-making under a flat organizational structure. Capable of responding promptly to customer requests. Create practical business plans and sale decisions based on agreement among interested parties

(4) Portfolio

Assets under management **approximately 30 billion yen**. A significant track record in rental condominium fund, office building fund, development-type fund and senior citizen housing fund as a specialist in these areas.

(5) People

An organization with 15 employees in total, JAT is composed of fund creation/structuring and real estate intermediary teams and real estate appraisal experts

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1-3 Asset management commissioned to JAT (property type, area, scale)

Performance

Extensive track record of real estate fund creation and arrangements (**consisting of assistance provided for setting up 50 SPCs and creating above-300 billion yen funds**) along with a wealth of experience in asset selling as a sales agent and successor asset manager.

Outline of asset management commissioned to JAT

SPC type	Location/Type	Number of properties	Fund status
GK *1	Tokyo Rental condominium	1	Sale completed and dissolved
GK	Osaka Rental condominium	7	In the process of changing PM and ML companies
GK	Osaka Rental condominium	1	ML changed and delinquent tenant(s) evicted
GK	Chugoku area Rental condominium	2	Sale completed and dissolved
GK	Tokyo/Kyushu Rental condominium	2	Sale completed and dissolved
TMK*2	Tokyo metropolitan area/Kyushu Rental condominium	2	Sale completed and dissolved
TMK	Tokyo Rental condominium	1	Under renovation
TMK	Shiga Vacant lot	1	Sale completed
TMK	Osaka Rental condominium	1	Work resumed and sale completed
TMK	Tokyo Office building	1	Work resumed and sale completed
TMK	Chiba Vacant lot	1	Sale completed and dissolved
TMK	Tokyo Vacant lot	1	Rented out as a parking lot
TMK	Tokyo Vacant lot	1	In the process of a sale transaction
TMK	Tokyo Rental condominium	1	Sale completed and dissolved
TMK	Nationwide Rental condominium	15	Appointed as backup manager
GK	Tokyo metropolitan area Rental condominium	4	Appointed as backup manager
GK	Nationwide Office building	8	Appointed as sub-asset manager

*1 G K= Godo Kaisha (LLC) in Japan





*2 TMK= Tokutei Mokuteki Kaosya, SPC under the Act on Asset Securitization

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1-4 Asset management commissioned to JAT – Turnaround record (1)




Turnarounds and sales among properties involved in recently-commissioned asset management

Completed	Location	Results
March 2009	Shiga Pref.	<p>Sale of vacant lot Sold to a local general construction company-related buyer Successfully recovered a part of equity investments</p> 
April 2009	Okayama Pref.	<p>A single rental condominium building Sold to a local company. Net at 8% range Successfully recovered the full amount of loan principal Successfully recovered a part of equity investments</p> 
	Hiroshima-shi	<p>A single rental condominium building Sold to a local real estate company. Net at 6% range Successfully recovered the full amount of loan principal Successfully recovered a part of equity investments</p> 
June 2009	Kumamoto Pref.	<p>A single rental condominium building Sold to a local company. Net at 9% range Successfully repaid the full amount of loan principal and recovered a part of equity investments</p> 

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1-4 Asset management commissioned to JAT – Turnaround record (2)

Turnarounds and sales among properties involved in recently-commissioned asset management

Completed	Location	Results
June 2009	Hachioji-shi, Tokyo	A single rental condominium building Sold to a company. Net at 6% range Successfully repaid the full amount of loan principal and a part of interest
		
	Shibuya-ku, Tokyo	A single office-cum-rental condominium building whose construction work had been suspended. Resumed the work after consulting and reaching agreement with the general construction company involved following the suspension that had resulted from asset manager bankruptcy. Sale closed in October 2009. Successfully recovered a part of loan principal.
		
September 2009	Tokyo/ Nagoya	A residential real estate fund being managed by an existing asset manager (approx. 2.5 billion yen) JAT was appointed backup asset manager. JAT to offer services in an emergency
October 2009	Osaka-shi	A single rental condominium building whose construction work had been suspended. Resumed the work after consulting and agreeing with the general construction company concerned. Slated for completion at end-November 2009. Sold to a local company in October 2009 after signing an agreement of sale. Successfully paid almost the entire debt amount to a general construction company and design office. Succeeded in recovering a part of equity investments.
		

“Turnaround” of real estate funds by JAT

1-4 Asset management commissioned to JAT – Turnaround record (3)

Turnarounds and sales among properties involved in recently-commissioned asset management





Executed	Location	Results
December 2009	15 properties, various locations	A residential real estate fund being managed by an existing asset manager (approx. 12 billion yen) JAT was appointed backup asset manager. JAT to offer service in an emergency
	8 properties, various locations	A residential real estate fund being managed by an existing asset manager (approx. 11 billion yen) JAT was appointed sub-asset manager specializing in sales, and engaged in sales activities.
March 2010	Saga Pref.	A single rental condominium building Sold to a company following a long period of marketing efforts Successfully repaid the full amount of loan principal and a part of interest
April 2010	Kansai area	JAT was appointed as a asset manager for seven rental condominiums for the senior aged people. Asset size in the region of 2 billion yen Changed PM and BM companies and developed an ML scheme Currently being run under the management of JAT
May 2010	Chiba Pref.	A single rental condominium building whose construction work had been suspended. Work suspension due to asset manager bankruptcy. Resumed the work after consulting and agreeing with the general construction company concerned. Sales closed in May 2010.



“Turnaround” of real estate funds by JAT

1-4 Asset management commissioned to JAT – Turnaround record (4)

Turnarounds and sales among properties involved in recently-commissioned asset management

Executed	Area	Results	
July 2010	Sendai-shi, Miyagi Pref.	A single rental condominium building Sold to a company after our marketing efforts Successfully repaid the full amount of loan principal and interest and recovered a part of equity investments	
August 2010	Sapporo-shi, Hokkaido	A single rental condominium building Sold to a company after our marketing efforts Successfully repaid the full amount of loan principal and interest and recovered a part of equity investments	
August 2010	Minato-ku, Tokyo	Block of land for building a rental condominium whose construction work had been suspended. Work suspension due to asset manager bankruptcy. After consulting with the general construction company and banks concerned, sold as it was to a condominium developer succeeding to the condominium development. Contributed to the construction company and the Lending banks recovering their receivables and loans.	
September 2010	Chiba-shi, Chiba Pref.	Block of land for building a rental condominium whose construction work had been suspended. Construction start suspension due to asset manager bankruptcy. Sold as it was to a local real estate company following consultation with the banks concerned. Contributed to the lending banks recovering their loans.	

“Turnaround” of real estate funds by JAT

1-5 Track record as arranger (1)

Performance Extensive track record in arrangement (50 SPCs, 300 billion yen or more)

Fund arrangement business

- Arrangement for the creation of an office building fund by a major non-Japanese real estate company in Japan (2006)
- Agency services for the acquisition of a single rental condominium building and fundraising by a real estate fund run by a medium-sized real estate asset management company (2007)
- Agency services for a bulk property acquisition and fundraising by a real estate fund run by a medium-sized real estate asset management company (2007)
- Agency services for the acquisition of a single rental condominium building and fundraising by a real estate fund run by a listed real estate asset management company (2007)

Transaction support business

- Support for a change in master lease formation of a J-REIT at the time of its listing (IPO) (2006)
- Proposal and execution support for an investment scheme of a restaurant commercial building fund run by a listed company (2006)
- Support for the acquisition of multiple rental condominiums and fundraising by a real estate fund run by a listed real estate asset management company (2007)
- Support for the creation of a Nagoya office building development fund and fundraising by a real estate fund run by a listed real estate asset management company (2007)
- Support for the creation of a Shibuya-ku office building development fund and fundraising by a real estate fund run by a listed real estate asset management company (2007)
- Support for the acquisition of warehouses and fundraising by a real estate fund run by a listed real estate asset management company (2007)
- Support for the creation of a Kansai warehouse development fund by a real estate fund run by a listed real estate company (2007)
- Support for the acquisition of a large rental condominium and fundraising by a real estate fund run by a non-Japanese investment company (2007)
- Support for the acquisition of a large office development and fundraising by a real estate fund run by a non-Japanese investment company (2007)
- Investment scheme proposal and support for the creation of a real estate fund by a non-Japanese real estate asset management company (2007)
- Support for the acquisition of a business hotel development and fundraising by a real estate fund run by a medium-sized real estate asset management company (2007)

Sales Agency business

- Buyer prospecting and brokerage services for two properties owned by a listed J-REIT (2007)
- Agency services for the sale procedure concerning properties owned by a listed J-REIT (2007)
- Support for the sale of two properties run by a listed real estate asset management company to a listed J-REIT (2007)
- Support for the sale of large warehouses by a real estate fund run by a non-Japanese investment company (2007)
- Support for the acquisition of large warehouses by a real estate fund using public funds (2007)
- Support for the acquisition of a single rental condominium building by a listed J-REIT (2007)
- Support for the acquisition of five rental condominiums and fundraising by a real estate fund run by a medium-sized real estate asset management company (2008)
- Agency services for the sale procedure concerning two properties owned by a listed J-REIT to a non-Japanese real estate investment fund (2008)

“Turnaround” of real estate funds by JAT

1-5 Track record as arranger (2)

Performance **Extensive track record in arrangement (50 SPCs, 300 billion yen or more)**

Real Estate Appraisal and Due diligence services

- Evaluation/analysis services concerning the entire claims and properties of a domestic financial services company at the time of its acquisition by a non-Japanese company (2008)
- Legal due diligence service concerning a to-be-listed J-REIT before prior to its listing (2006)
- Evaluation services concerning candidate properties for bulk investment by a real estate fund run by a listed real estate asset management company (2008)
- Creation of a property evaluation/analysis model to be used for investment in Japan by a leading non-Japanese real estate company (2006)
- Arrangement for the implementation of construction due diligence for the establishment of a J-REIT by a hotel investment and asset management company (2007)
- Evaluation services concerning candidate properties for bulk investment by a listed J-REIT (2007)
- Support for property due diligence at the time of the acquisition of a single rental condominium building by a listed J-REIT (2007)
- Appraisal services for corporate division by a tax accountant (2010)

Consulting services

- Consulting services for the procedure concerning a hotel acquisition by a hotel operating company (2006)
- Consulting services for a review of depreciation policy for properties owned by a listed J-REIT (2008)
- Preparation of internal control rules for the establishment of a J-REIT by a hotel investment and asset management company (2007)
- Support for the sale of an equity stake held by a real estate fund created by a listed company (2008)
- Support for the establishment of a limited liability investment partnership by a medium-sized real estate asset management company and for the former's fundraising (2008)
- Material preparation on and re-evaluation services for an internal review of assets held by a medium-sized real estate company in a rural area (2006)
- The provision of property evaluation and ownership form consulting services due to a merger by listed securities companies (2008)
- Investment scheme proposal for the creation of a real estate fund by a leading housing company (2008)

Others

- Sole writer of the book "Data Book for Real Estate Securitization Using Special Purpose Company (TMK)" (published in 2008 by Sogo Unicom Co., Ltd.)
- Provision of a lecturer to the seminar on real estate securitization using special purpose company (TMK) (hosted by Sogo Unicom Co., Ltd. from 2008 onward)
- Provision of a lecturer to the practical business seminar on real estate fund "continuation" and "turnaround" (hosted in 2009 by Sogo Unicom Co., Ltd. and the Japan Knowledge Center)
- Provision of a lecturer to the practical business seminar on real estate fund "continuation" and "turnaround" (hosted in 2010 by Financial Management Forums, Inc.)

"Turnaround" of real estate funds by JAT

1-6 Introduction of our members (1)

People Member introduction – Directors and Corporate Auditor

Tetsufumi Isayama

Tetsufumi Isayama started out his career at Yasuda Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.) in 1998 before joining Pacific Management Corporation 2000, where he was involved in due diligence operations for transactions across the country totaling 2,000 or more, and closed the sale of 170 properties previously held by banks and insurance companies as their assets. He was later appointed fund manager responsible for the creation/management of six private placement office funds worth approx. 90 billion yen. Before establishing JAT, he was a Senior Investment Manager at Grosvenor Japan, a major U.K. real estate company, Tetsufumi Isayama established Japan Asset Trust Corporation in 2006 as its founder and Chief Executive Officer.

Qualifications: Licensed Real Estate Appraiser, Licensed Real Estate Agent Specialist, Certified Building Administrator, Real Estate Securitization Master. A graduate of Meiji University, Faculty of Law.

Tetsuya Hishida (Independent director)

Hishida Tetsuya started out his career at Arthur Andersen inc(Accenture). In 1987, Tetsuya Hishida established Gem Associates,Inc. as its founder and Chief Executive Officer. In 2010, he was appointed board member (Independent director) of Japan Asset Trust Corporation.He is CEO of Gem Associates,Inc and managing director of Industrial Growth Platform, Inc.(IGPI).A graduate of the University of Tokyo, Faculty of Law.

Masafumi Isayama

After serving as registration officer at a judicial scrivener's office, Masafumi Isayama furthered his career by working as a real estate broker and a debt-collection servicer for about ten years.

From 2008, Masafumi Isayama served at Asahi Home Lawyer, an elite judicial scrivener's office, as Manager, winning mandates for debt organization services for more than 300 cases while engaging in the provision of such services.

In 2010, he was appointed Director of Japan Asset Trust Corporation where he currently oversees legal and compliance affairs.

Judicial Scrivener. A graduate of Seinan Gakuin University, Faculty of Law.

Tsuguya Ota

Tsuguya Ota started out his career at Yasuda Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.) in 1998 before joining Deloitte Touche Tohmatsu (Japan) in 2001 where he was involved in auditing and IPO support operations.

In 2005, Tsuguya Ota established Spiralll & Company, Inc. as its founder and Chief Executive Officer (a post he has held since) and built a structure to systematically perform services such as company evaluation for M&A and J-SOX-related support before establishing Tax Account Corporation Spiralll in 2006 as its founder and Representative (a post held since). He has served as accounting advisor and corporate auditor at many listed and non-listed companies.

In 2010, Tsuguya Ota was appointed as Outside Corporate Auditor of Japan Asset Trust Corporation.

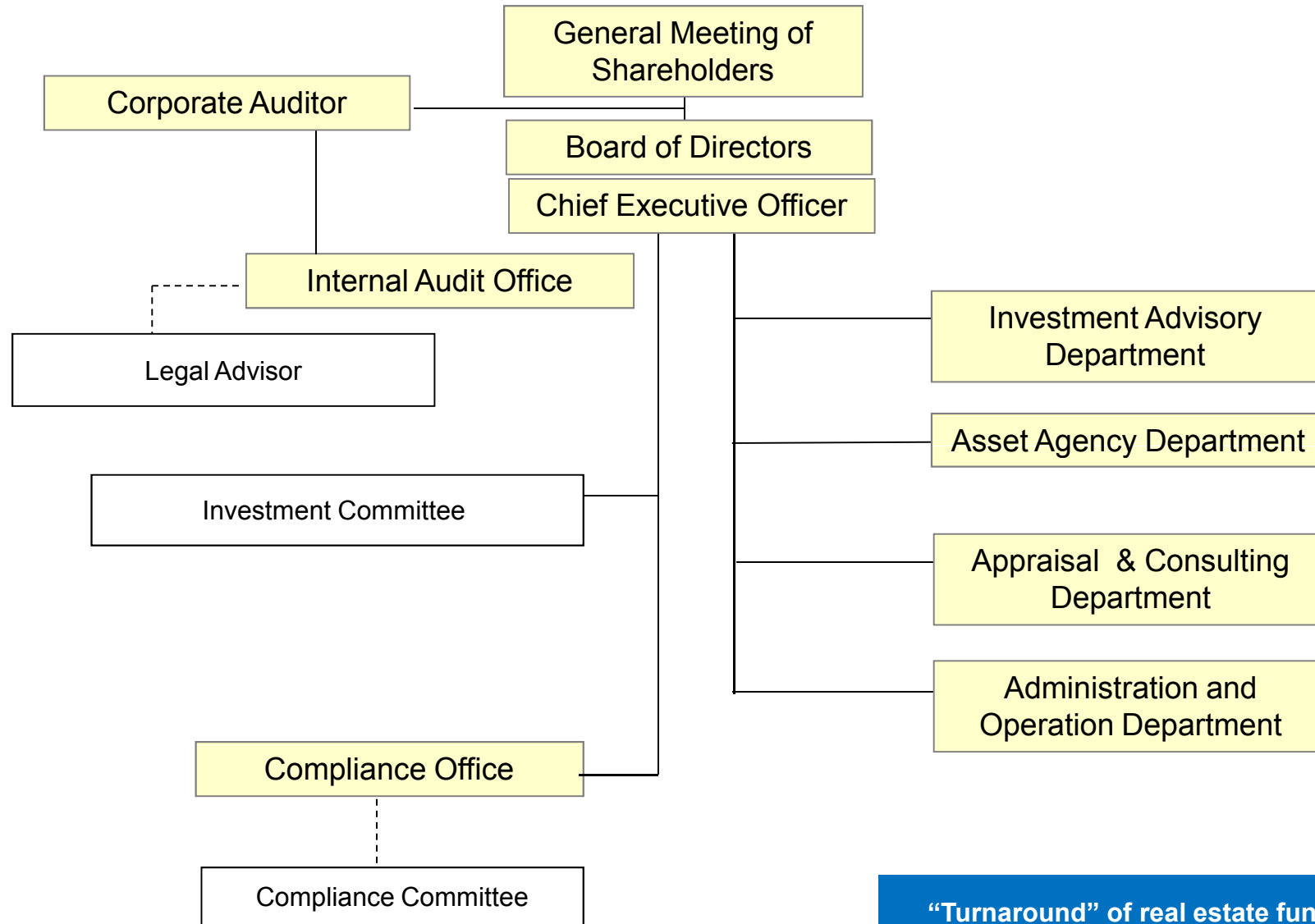
Qualifications: Certified Public Accountant, Certified Tax Accountant. A graduate of Waseda University, Faculty of Science and Engineering.

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1-7 Organizational chart

People Organizational structure



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1-8 Enquiry contact point

For enquiries, please contact:

**Investment Advisory Department
Isayama/Yamamoto/Nishimura/Shoji**

Japan Asset Trust Corporation

Contact details:

Customer Service Representative

E-mail: jatinfo@j-atc.com

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